How Cues in the Multiple Store Environment Influence Shopping Mood and Patronage Satisfaction?

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ABSTRACT

In an intensively competitive market, it’s difficult for retailers to take advantages from products, prices, promotions, and retailing networks. Therefore, a store becomes the place full of opportunities to differentiate itself from others in the market. Through improving the in-store environment, a store can create an effective consuming condition to stimulate consumers’ immediate purchasing action. Past research focused on the individual factor of store environment such as music and lighting, this article proposes a comprehensive framework to explore the influence of multiple store environment cues on shopping mood and patronage satisfaction. After analyzing the model by LISREL, we found that the visual elements, such as design and store employee could influence the shopping mood, but music could not influence the shopping mood. In addition, customer's shopping mood not only can have the direct influence effect to the patronage satisfaction, also can penetrate the spending to have the indirect influence.

Keywords: Store environment, Mood, Satisfaction

INTRODUCTION

Shopping centers and stores in Taiwan have continually proliferated and increased in size; competition has become highly heated. In order to leave strong impressions on consumers, the means of distinguishing themselves and using creative, interesting, and diverse activities to attract consumers have become urgent matters for merchants. Kotler (1993) suggests that the store atmosphere created by the purchasing environment is a powerful sales tool, because: (1) the increase in product sales pathways and competition causes store atmosphere to become a powerful sales tool for attracting and maintaining specific market segmentation. (2) Variation in product and pricing between retailers has continually decreased, causing store atmosphere to become an important influencing factor in consumer decisions of store selection. (3) Store atmosphere can be viewed as a tool for dividing consumers by socioeconomic class and living style. Common experience and the actual activities of multiple retailers also show that store atmosphere can tangibly affect the buying decisions of consumers.

Environmental stimuli are discussed as an influence on employee training and working attitude, or customer buying orientation and behavior. As a result, in organizing past literature on store environments, categories of discussion are as follows (Baker, Parasuraman, Grewal & Voss, 2002): 1. Simultaneous and consumer reaction-related environmental factors such as: music (e.g., Hui, Dubé & Chebat, 1997), color (e.g., Bellizzi, Crowley & Hasty, 1983), smell (Spangenberg, Crowley & Henderson, 1996), and crowdedness (e.g., Hui & Bateson, 1991). 2. Normal store dimensions that influence customer patronage intention, such as “store atmosphere” and “physical attractiveness”. 3. Past studies have demonstrated that store environments can stimulate emotional response in customers (e.g., Babin & Darden, 1996). The above mentioned studies did not explore the influence of multiple environmental factors on customer buying emotion or explore the relationship between environmental perception, spending behavior, and customer satisfaction. Therefore, for understanding environmental stimuli factors, this research focus on the impact of store design in addition to music and employees. In summary, when the customer has more positive buying emotions, his/her appraisal of the store will be more positive and will have increased patronage intention. The primary goals of this study are as follows: (1) To explore the influence of various store environment factors on consumer buying emotion. (2) To explore the influence of buying emotion on spending behavior and customer satisfaction, within the context of store environment factors. (3) To further study the influence of spending behavior on customer satisfaction.
LITERATURE REVIEW AND RESEARCH HYPOTHESIS

Customer Buying Emotion

Holbrook and Hirschman (1982) define “emotion” as the oral expression of feelings and as a personal, subjective psychological state. This study defines customer buying emotion as “a state of excitement produced in the consumer by stimulation, specifically the emotional reaction of consumers in stores, which will then further influence buying behavior and customer appraisal of the store.” Psychologists are constantly in argument over if “individuals can simultaneously experience conflicting emotions.” One side of thought suggests that emotional valence is expressed by two independent dimensions, so it is not only possible for an individual to experience conflicting positive and negative emotions simultaneously, such joint experiences are quite normal and occur often. The opposing point of view holds that individual has conflicting emotions at the same time are not possible. The scales and models of this side of thought represent positive and negative emotions as two opposing dimensions (Larsen, McGraw & Cacioppo, 2001). This research takes the view of bipolar structure, suggesting that positive and negative emotions do not coexist simultaneously.

Store Environment Cues

In past literature, definitions and categorizations of store environments are highly varied and complicated. A study by Mehrabian & Russell (1974) was one of the first to be based on the stimulus-organic body-response (SOR) theory to construct the M-R environmental psychology model and explore the influence of the “buying environment” on customer purchases. The M-R environmental psychology model suggests that, when individuals face the external environment, there are two opposing behaviors: approach and avoidance. The “pleasure emotion” and “arousal emotion” induced by the environment can cause the customer to remain longer in the store and experience a greater buying impulse. This research follows Baker et al. (2002) in using three different environment cues as the store environment dimension: (1) “Store design cues” refers to all aesthetic-related objects; tangible and visible environment components exist in the forefront of the consumer’s perception; such are the more obvious sources of visual stimulation to the customer, and include internal and external architecture, decorations, color, product arrangement, signs, space arrangement, …etc. (2) “Store music cues” music is the intangible background condition of the environment; the no visual feeling can affect the consumer’s subconscious. This includes music genre, volume, and environment noisiness. (3) “Store employee cues” refers to the level of feeling related to stimulation from employees, including employee appearance, friendliness, number, professional ability …etc.

Orderliness in product arrangement and display allows the customer to browse and choose products with less difficulty, while clean and bright stores lead the consumer to develop more positive perceptions. Ward, Bitner & Barnes (1992) pointed out that the space arrangement of stores will influence the movement of customers. Bellizzi & Hite (1992) found that the color of walls, lights, and arrangements have subtle influence on the consciousness and behavior of customers. Warm colors more easily attract people to shop in the store, while cold colors in interior design tend to extend shopping time of customers. The study also found that colors in the blue range show greater positive correlation with the satisfaction of customers and sales employee compared to colors in the red range. As a result, a poor store design will reduce the joys of shopping and lead to degradation of customer buying emotion (Spies, Hesse & Loesch 1997). Also, past studies suggest that there exists a connection between normal store environments and emotion (Wakefield & Baker 1998). Based on the above analysis, this study will test for hypothetical relationships between store design factors and buying emotion as outlined below:

H1: Store design perception is positively related to consumer buying emotion.

Milliam (1982) shows that, when consumers inside stores, background music will influence the buying behaviors through the subconscious. Also, many studies have found that when consumers show a positive reaction for music, the consciousness of waiting time will also be influenced (e.g., Hui, et al., 1997). Studies by Engel, Blackwell & Miniard (1996) find that consumers exposed to a noisy environment will reduce time spent on shopping. Conversely, when the background music played by stores is of slow rhythm, consumers will increase time and money spent. Some studies have found that music will influence emotional response in consumers (Hui, Dubé, & Chebat 1997) and alleviate stress.
from waiting (Stratton, 1992). As can be seen, appropriate music can also act to induce pleasant feelings in customers. The customer mood and cognition can be influenced by the music in store. Based on the above analysis, this study will test for the following hypothetical relationship between store music factors and buying emotion:

H2: Store music perception is positively related to consumer buying emotion.

Grewal & Sharma (1991) suggest that the store employees are an important factor influencing customer buying emotion and satisfaction. When the number of store employee on a floor is too small (relative to the density of consumers), consumers must expend more time and energy to search for needed products. Baker, Grewal & Parasuraman (1994) suggest that the various environmental stimuli provided by a retail store form a sort of communications system, providing cues in customer information gathering and decision processes. Store employee not only can explain products, make recommendations, or resolve problems, they can also encourage decision making or even change the original views and decisions of customers. Based on the above analysis, this study will test for the following hypothetical relationship between the store employee and buying emotion:

H3: Store employee perception is positively related to consumer buying emotion.

Consumption Behavior

Babin & Darden (1996) suggested that consumption behavior is the result of a state of physical and psychological excitement produced by environmental stimuli from the store. Kotler (1973) suggested that store atmosphere can build new price beliefs in customers in addition to affecting perceptions of actual product prices. Mood is the emotional response produced by external stimulation, which in turn induces psychological change and response. Thus, environmental stimuli will influence customer buying behavior through buying emotion. The studies of Sherman, Mathur & Smith (1997) show that, in the store environment, consumer emotion exerts a moderating influence on buying behavior; joy influences total money and affection for the store, while stimulation influences money spent, time, and the quantity of purchases. Based on the above analysis, this study will test for the following hypothetical relationship between customer buying emotion and consumption behavior:

H4: Customer buying emotion is positively related to consumption behavior.

Customer Satisfaction

There still remains a lack of consensus on the definition of customer satisfaction. This subject can be approached from three angles: first is definition by categories, which can be divided into discrete transactions and accumulated transactions; second is definition by nature, which can be divided into cognitive appraisals and emotional appraisals; third is definition by time, which can be divided into the result and process views. Mano & Oliver (1993) found that, after consumers use a product or a service, positive or negative emotions will be stimulated in the consumer, which then further affect appraisal of satisfaction. In this study, customer satisfaction refers to the degree of affection shown by the customer after experiencing the entirety of appraisal.

Based on the research of Engel et al. (1996), most in-store customer buying decisions are formed as a result of store environment factors, which then produce buying emotions, which then in turn lead to impulse purchases. Kotler (1993) found that, after consumers purchase products or services, their personal psychology undergoes some changes, which then influences later behaviors. Thus, when customers feel satisfaction, they are more likely to produce behaviors such as patronage behaviors, discussion of products and services with others, purchasing...etc. As a result, only the occurrence of buying behaviors will bring satisfaction of the store to the customer. Based on the above analysis, this study hypothesizes that buying behaviors will directly influence customer satisfaction.

H5: Buying behavior is positively related to customer satisfaction.

Oliver (1993) suggests that consumer mood will directly influence satisfaction. Babin & Darden (1996) found that customer emotion will exert a double influence in that customer buying emotion in the store will influence both consumption behavior and satisfaction with the store. Also, Turley & Milliman (2000), in compiling recent studies on the influence of store environmental factors on customer behavior, found that store environmental factors will exert profound influence on consumer appraisal and behavior. As a result, aside from changing customer buying emotion, environmental factors in retail can also directly increase or reduce the time value spent on buying activities (Babin,
Based on the analysis, this study will test for the following hypothetical relationship between buying emotion and customer satisfaction:

**H6: Customer buying emotion is positively related to customer satisfaction.**

**METHODS**

**Research Model**

Based on the above mentioned literatures, the research framework for this study is as shown in Figure 1:

**Figure 1: Research Model**

**Measures**

The surveys were based on topics from relevant literature, which were then modified and edited. The Likert 5 Scale was used for scoring in the surveys. Respondents answered questions based on personal perceptions, ranging from “completely disagree” to “completely agree,” with points ranging from 1 to 5. The greater the points is, the greater the degree of consciousness on the part of the consumer. This study referenced the research of Baker et al. (2002) and Wakerfield & Baker (1998), dividing store environment cues into “design,” “music,” and “employee” The definitions and measurement are as follows.

**Store design perceptions:** refers to the degree of feeling consumers have for store interior design; visible environmental components which exist at the forefront of the consumer’s awareness; relatively obvious visual stimulation to the customer, such as internal and external architecture, decorations, color combination and general aesthetics of the overall design (Wakefield & Baker, 1998). We use of the design awareness scale developed by Baker et al. (2002), including the five dimensions of “color,” “decoration,” “space arrangement,” “product arrangement,” and “signs;” seven questions in total. For example: “The product arrangements of this store are very orderly.”

**Store music perceptions:** refers to the degree to which the consumer senses music stimulation inside the store; a music stimulus are intangible background environment, and is not a visual feeling; can still affect the consumer’s unconscious. We use of the music awareness scale developed by Baker et al. (2002), including the three dimensions of “music genre,” “volume,” and “environment noisiness;” eight questions in total. For example: “The volume of the music in this store is appropriate.”

**Store employee perceptions:** refers to the degree of feeling consumers have for the stimuli of in-store “service employee,“ including employee appearance, behavior, and number, such as the attire, friendliness, and helpfulness of retail employee (Baker et al., 2002). We use of the employee awareness scale developed by Baker et al. (2002), including the four dimensions of “employee appearance,” “employee behavior,” “number of employee,” and “professionalism of employee;” twelve questions in total. For example: “The sales employee of this store are dressed neatly and appropriately.”
**Buying Emotion:** buying emotion in this study refers to the personal emotional response produced when consumers are exposed to store environment stimuli. We use of the emotion scale developed by Macinnis & Park (1991); the measurement method of each question makes use of the meaning difference method, using opposite adjectives to measure. For example: “The overall environment of this store (including design, employee, and music) makes me happy-not happy.”

**Consumption Behavior:** refers to the consumption behavior induced by the physical and psychological excitement produced by exposure to environmental stimuli in the store (Babin & Darden, 1996). We use of the consumption behavior scale developed by Babin & Darden (1996), including the three dimensions of “buying time,” “merchandise quantity,” and “money spent;” five questions in total. For example: “More money was spent shopping this time than expected.”

**Customer Satisfaction:** refers to customers’ appraisal of the overall shopping experience, formed by the difference between pre-buying expectations and post-buying awareness effect; the area of appraisal is not only limited to the final purchases, it also includes the tangible and intangible functions and services that the customer believes the store should provide. We use of the customer satisfaction scale developed by Eroglu & Machleit (1990) and Machleit, Kellaris & Eroglu (1994), nine questions total. For example: In general, shopping at this store makes me feel satisfied.”

**ANALYSIS AND RESULTS**

### Research Samples and Data Collection

This study received 252 effective surveys: specialty stores (119), department stores (78) and wholesalers (55). The effective return rate is 84%. In the sample structure, there are 108 female (28.1%) with ages mainly distributed between 20 and 29 years (about 61.1%). 52% have Associate or Bachelor degree and 14.7% have Master’s degree or above. In terms of occupation, military, government, and education related account for 52.6% and private organizations are the second largest category. 45.3% earn a salary level of 40~70 thousand and next largest group earn between 20~40 thousand. 68.2% are married. Although male respondents account for 71.8% of the sample, the responses by male consumers do not differ significantly from those by female consumers at the stores they choose. The Chi-Square analysis provided evidence of the absence of response bias ($\chi^2=0.572$, $p=0.676$).

### Reliability Analysis

This study first conducted Cronbach’s $\alpha$ analysis on the various dimensions. Based on Nunnally (1978), Cronbach $\alpha$ must have a value of at least 0.80 to be accepted in basic research. As the dimensions of this study all had confidence values greater than 0.80, it can be known that the contents of the survey were appropriate. The Cronbach $\alpha$ of the various dimensions in this study are as shown in Table 1.

Also, this study conducted confirmatory factor analysis (CFA) to analyze construct validity, using maximum likelihood method for estimation, to further test for the composite reliability and goodness of fit of measured variables of each dimension. The CR values for the various dimensions in this study fell between 0.87 and 0.93, showing adequate CR value. In terms of goodness of fit, GFI is 0.96. Compared to the normal determining standard of 0.9, all are within the margin of error. The AFGI is 0.91, reaching the standard of 0.8; NFI 0.95, exceeding the standard of 0.9, attaining the standard. Combining the abovementioned indicators, it can be said that the scales of this study have adequate goodness of fit.

| Table 1: Compilation of Cronbach $\alpha$ Coefficients for Variables and Dimensions in this study |
|-------------------------------------------------|---------------------------------|-----------------|-----------------|
| Construct                                        | Dimension                      | # of items       | Cronbach’s $\alpha$ |
| Store Environment Cues                          | Store design perceptions       | 12              | 0.86             |
|                                                | Store Music perceptions        | 7               | 0.91             |
|                                                | Store employee perceptions     | 8               | 0.87             |
| Customer Buying Emotion                         | Buying Emotion                 | 9               | 0.87             |
| Consumption Behavior                            | Consumption Behavior           | 5               | 0.91             |
| Customer Satisfaction                           | Customer Satisfaction          | 9               | 0.91             |
Table 2: Convergent Validity and Confirmatory Factor Analysis Results

<table>
<thead>
<tr>
<th>Construct</th>
<th>Dimension</th>
<th># of items</th>
<th>Loading (λ)</th>
<th>CR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Store Environment</td>
<td>Store design perceptions</td>
<td>12</td>
<td>0.28–0.81</td>
<td>0.87</td>
</tr>
<tr>
<td></td>
<td>Store Music perceptions</td>
<td>7</td>
<td>0.65–0.92</td>
<td>0.92</td>
</tr>
<tr>
<td></td>
<td>Store employee perceptions</td>
<td>8</td>
<td>0.49–0.84</td>
<td>0.89</td>
</tr>
<tr>
<td>Response</td>
<td>Buying Emotion</td>
<td>9</td>
<td>0.49–0.82</td>
<td>0.89</td>
</tr>
<tr>
<td>Behavior</td>
<td>Consumption Behavior</td>
<td>5</td>
<td>0.69–0.93</td>
<td>0.92</td>
</tr>
<tr>
<td>Satisfaction</td>
<td>Customer Satisfaction</td>
<td>9</td>
<td>0.59–0.82</td>
<td>0.93</td>
</tr>
</tbody>
</table>

Note: GFI= 0.96, AGFI= 0.91, NFI 0.95, RMSEA=0.002

Through the examined of Cronbach α and confirmatory factor analysis, the scales have been shown to have adequate internal consistency. Also, with regard to convergent validity, the absolute value of t-values are all greater than the significant standard of 2 (α = 0.05). Based on this standard, the scales of this study all adhere to convergent validity. In terms of discriminate validity, each dimension of theoretical model was tested using the chi-square difference test and subsequently compared and analyzed. The results showed that each compared $\chi^2$ value is significant, showing that each dimension possesses adequate discriminate validity. We also tested for the possibility of common method bias among survey variables. This was done by estimating a CFA model in which all survey items for the construct described in this study were loaded on a common “method” factor. This model demonstrated poor fit to the data ($\chi^2 =812$, p=0.001) compared to the theoretical model, indicating the absence of a single general factor.

Tests of Hypotheses

This research use LISREL to test the theoretical model, testing each separate hypothetical pathway. First, the standard estimated value obtained using the maximum likelihood method and t values test for whether or not the relationships between the various variables reaches significant levels; if $|t| \geq 2$ then that coefficient is significant, and the hypothesis is supported. In testing the six different hypotheses, the t value of Hypothesis 2 was not significant. As a result, Hypothesis 2 was not support, while the other five hypotheses were supported. The test results of the hypothetical pathways are shown below in Table 3.

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Variable Relationship</th>
<th>Coefficient</th>
<th>t value</th>
<th>Test Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1(+)</td>
<td>Design factor Perceptions → Buying emotion($\gamma_{11}$)</td>
<td>0.90</td>
<td>4.55*</td>
<td>Supported</td>
</tr>
<tr>
<td>H2(+)</td>
<td>Store Music perceptions → Buying emotion($\gamma_{12}$)</td>
<td>-0.26</td>
<td>-1.68</td>
<td>Rejected</td>
</tr>
<tr>
<td>H3(+)</td>
<td>Store employee perceptions → Buying Emotion($\gamma_{13}$)</td>
<td>0.26</td>
<td>2.07*</td>
<td>Supported</td>
</tr>
<tr>
<td>H4(+)</td>
<td>Buying emotion → Consumption behavior($\beta_{21}$)</td>
<td>0.31</td>
<td>4.17*</td>
<td>Supported</td>
</tr>
<tr>
<td>H5(+)</td>
<td>Consumption behavior → customer satisfaction($\beta_{32}$)</td>
<td>0.11</td>
<td>2.57*</td>
<td>Supported</td>
</tr>
<tr>
<td>H6(+)</td>
<td>Buying emotion → customer satisfaction($\beta_{31}$)</td>
<td>0.88</td>
<td>16.19*</td>
<td>Supported</td>
</tr>
</tbody>
</table>

Note: 1. The test results for the original hypothetical model: $\chi^2 = 7.08$  df=6  P-Value=0.313  GFI=0.95, AGFI=0.92, NFI=0.99  2. In the t-value column, * denotes the standard coefficients $|t| \geq 2$

**DISCUSSION**

**Research Findings**

The influence of customer satisfaction on store loyalty has always been the subject of eager discussion, and the influence of the store environment on customer loyalty in retailing is a topic even more worthy of notice for scholars and experts. As a result, this study took the retail industry as a subject of study, exploring the influencing relationships customer buying emotion has on consumption behavior and customer satisfaction. In general, this study found that store environment factors are positively related to buying emotion, while customer buying emotion, consumption behavior, and customer satisfaction are also positively related.

The results show that, of store environment cues, design factors and store employee perceptions will affect the buying emotions of customers in the store; the influence of music was not significant. Based on the view of Baker...
(1987), because music cues of peripheral factors are non-visual sensations, consumers do not easily become aware of the existence of music cues compared to design cues. When consumers are exposed to music cues, though they will not immediately notice it, their emotional response and behaviors will be influenced. Also, the customer buying emotion will influence customer satisfaction through the mediating effect of consumption behavior. Buying emotions act through consumption behaviors to influence approval of the store. The better the emotions customers have inside the store, the longer they will stay in the store and the more money they will spend; their appraisals of the store will also be more positive.

Implications for Practice

In light of the increasing competition in the retail industry, means of stimulating patronage intentions in consumers and increasing profits have become a topic of great priority for companies. In testing the influencing effects, tangible store environments have a direct influence on consumer psychology and behavior.

Design Cues

The design of the store environment is generally the first visual sensation noticed by the consumer. The result shows that store design will influence the buying emotions of customers in the store. However, store design cues are perhaps comparatively difficult to modify. Therefore, this study holds that music cues and employee cues can be used to make a concerted change. When the store faces a serious need for change, then a professional design firm should be consulted with on all aspects; based on the sales suggestions of such and the customer base, an entirely new physical environment can be created to attain the desired effect profits.

Music Cues

Though the testing of this study found that music cues do not show a significant effect on consumers in the store, such may be a result of the fact that consumers do not immediately or clearly become aware of music cues in stores. It may be possible that music cues influence consumer behavioral consciousness on a deeper level (Wakefield & Baker, 1998). From this can be seen that the non-visual music cues are still an integral part of store environment management; music genre, volume, rhythm, melody... etc. can be adjusted to affect store atmosphere, customer emotion, and behavior. As a result, stores should flexibly use environmental music factors to bring out the overall feel and harmony of the store environment, ultimately influencing customer positive emotions and patronage intentions.

Kotler (1993) suggested that “interactive sales” are a skill possessed by service employee in making contact with customers. This study demonstrated that management of service employee appearance, professional knowledge, and numbers of employees will all influence customer buying emotion.

This study used actual consumers in actual marketplaces as subjects, with the purpose of studying the influence and stimulation that multiple environmental cues have on consumers. Though it was impossible to focus on individual factors, this study was able to observe the influence of cues on consumers from an overall perspective.

REFERENCES


