

# Influence of the Store Ambiance on Customers' Behavior—Apparel Stores in Malaysia

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## Abstract

This present study explores the effects of the apparel stores' environment on customers' behavior in Malaysia. In essence, the social association that the consumer relates to the experience of shopping depends on the environment of the store. Developing a store ambiance that is culturally significant for the shopper will help form the retailer's image and reputation. As such, a survey of shopping mall customers' attitude toward store ambiance and its principal components were analyzed to identify the effect of the primary factors of store ambiance on customer behavior. A questionnaire based on a five-item Likert scale, as well as random sampling, was employed for data collection. Data analysis was accomplished using SPSS software. The findings are in correlation with the objectives stated prior to the start of the research. Moreover, the results reflect the achievement of the current study in achieving the aims that are expected to be discovered. Regardless of nationality, the customers possess high level of knowledge, attitude, and opinions regarding the effects of the store atmosphere, music, and service on customers' behavior. The results show a positive and significant relationship between the store atmosphere, service, and music with customers' behavior, as the Pearson's coefficients show positive values (correlation-bivariate) and the p-values are less than 0.05 (regression analysis) respectively. Thus, this relationship matches the fundamental aims of this research. The findings provide sufficient information to the manager of the retail store regarding the importance of the store dimension and image from the perspective of customers. Retailers that fail to maintain the proper store image tend to lose customers and to diminish the corporate image of the company. The current study contributes to the retailers' understanding of the store image that meets customers' requirements and upholds the corporate identity.

**Keywords:** apparel stores, convenience, customers' behavior, Malaysia, store atmosphere, service

## 1. Introduction

In our competitive era, an attractive store ambiance is essential in encouraging customers to buy products. A considerable number of studies have been performed based on the proposition of the environment of the store on a satisfaction level and purchase behavior of the consumer (Donovan *et al.*, 1994). However, the existing literature regarding the influence of the total setting of the store on the emotional reaction of consumers and their approach to purchasing and loyalty remains limited. Therefore, this study examines the aspects that are pertinent to the evaluation of consumers with respect to the environment of a higher scale store, namely, store atmosphere, music, and service. Kotler (1973) discussed these aspects and stressed the importance of purposefully designing the store area to induce specific feelings from the shoppers. Kotler maintained that developing a store setting that will elicit the desired response from consumers to enhance the bottom line is not easy. In addition, Kotler claimed that not much attention has been given to the atmospheric aspect of the store because the managers usually consider the practical and operational aspects of the business and the atmosphere, as a basic necessity, was often left out. The environment of the store that sells a particular product is an essential aspect of the product itself; the environment highly affects the image of the product and the attitude of consumers toward the product. Thang and Tan (2003) discovered that store preference is heavily affected by store image. In addition, the store dimensions have significant influence in attracting customers to a store. However, stores can only attract customers if the latter's expectation of the former is fulfilled, and if the customer does not feel a discrepancy between their expectation and what is presented. The store's décor and the music played within the store can be

synced to meet the expectations of the customers (Newman & Patel, 2004). According to Visser *et al.* (2006), retailers who want to be the shoppers' preferred choice must pay attention to their store's ambiance, and exert effort to make the store stand out and distinguishable from their competitors.

The present study examines the behavioral effects of the ambiance of the store on consumers' behavior. The evolution of the marketing sector's literature shows that several researchers have realized the importance of physical and psychological motivation in spurring the consumers' purchase decision. In particular, the design of the store setting can influence consumers and be used as an important marketing strategy. In this regard, the studies have employed different terminologies to identify the effects of store surroundings on shoppers. In the past thirty years, different terminologies have been introduced in the literature on conceptual designs, including environmental psychology, service space, the study of shelf space, and a fairly new term called atmospherics.

### *1.1 Boost of Growth in the Apparel Industry Owing to Economic Recovery*

The generally lackluster global economic recovery in 2011 did not have a negative effect in Malaysia. The customers' confidence in the country slowly improved, and the customers' purchasing power likewise increased. Customers began to buy branded apparel and other similar goods. Moreover, with the latest brands entering the market, the year marked the improvement of the Malaysian economy from the international fashion retailers' perspective (Penang Economic Monthly, 2011).

### *1.2 The Dominance of International Fashion Brands*

Several large global fashion brands have established companies in Malaysia, such as Levi's, Nike, and Massimo Dutti. The reputation and longevity of these international brands in the industry attract consumers. Such brands can retain the customers' attention through consistent global advertising campaigns. Customers purchase international brands partly to increase their self-esteem after being knocked down by the global recession. Meanwhile, local brands such as Padini performed well, given their presence in large shopping malls across Malaysia and their affordability (Penang Economic Monthly, 2007).

Specialist apparel retailers have served as the channel for the largest distribution in 2011 in Malaysia because several shopping malls have been set up in Malaysia. In addition, the apparel industry in Malaysia has been forecast to grow in the coming years. An upward trend has been observed in demands in most of the apparel categories because of the recovery of the economy, promotions, discounts being offered by the retailers, and the budding international brand names. Malaysians who have traveled abroad expressed a growing interest to patronize international brands and to further expand usage (Penang Economic Monthly, 2011).

### *1.3 Problem Statement*

The retail store environment has a major influence on consumers' inferences about the merchandise quality (Darden & Schwinghammer, 1985; Olshavsky, 1985). Kim and Jin (2001) reported that the initial purchasing stage, in which the customers associate their impression with the store's image, determines the satisfaction and repurchase intention.

Thus far, empirical studies and theoretical frameworks in marketing that illustrate the role of physical and psychological surroundings in consumption are lacking. Without knowing the effect of a specific design or atmospheric change on its users, managers plan and change the organization's surroundings in an attempt to control its influence on patrons. Similar to a package design, the ambiance of a retail store is used to attract customers and influence the customers' intention.

## **2. Literature Review**

### *2.1 Store Atmosphere*

Terblanché and Boshoff (2006) affirmed that the store's décor is an essential element in the store's overall outlook, and can be designed to enhance customer satisfaction. Likewise, Sway's (2007) study showed that using scent in the store can induce customers' feeling of comfort and induces a pleasant mood, thereby, helping the customers decide whether to buy products offered in the store. As mentioned previously, the sense of smell serves as a powerful trigger of emotions. Donovan and Rossiter's (1982) studied the emotions created by the atmosphere of the store, and found inconclusive evidence on the fitness of the 'avoid or approach' behavior for evaluating emotions in words and recalling such emotions. The store atmosphere has been suggested to affect emotions, and therefore influences the customers' purchase decision.

### *2.2 Music*

Music, which is part of the ambiance that is created by the store, entertains and refreshes the shoppers in many ways. Many academics and retailers have experimented with music to examine its effect on the shoppers. Garlin

and Owen (2006) analyzed background music in stores by classifying past studies into five dependent variables, such as behavioral responses affective, attitudinal/perceptual, profit, and temporal effects. Their findings proved the high value of music in the retail industry. In another research, Oakes and North (2008) confirmed the positive significant results of music and targeted result, as well as its significance as a component of the service landscape to elicit the desired response from customers.

Similar to color, lighting, layout, and furnishing, music is part of the ambiance of a store. In Bitner's (1992) study on service escape, he provided a full explanation of the variables found in the environment and its effect on customers and employees. His model examined the customers' reaction to the physical setting of the store based on previous psychological studies.

### 2.3 Service

Hu and Jasper (2006) claimed that good customer service translates to a positive perception of the store and its products. According to Thang and Tan (2003), receiving good service from the store's personnel leaves a good impression on customers, which encourages repeat visits and repurchase opportunities.

Huddleston *et al.* (1990) showed that mature women shoppers discovered that service had a great influence on their preference of a store. Meanwhile, Oates *et al.* (1996) reported that for elderly customers, the expectation of service is just as important. Such expectation does not diminish based on their lifestyle change. Therefore, retailers should take into consideration the importance of service in influencing the decision of the customers. Service can be employed to enhance customer satisfaction that will ultimately enhance their bottom line and customer loyalty.

### 2.4 Customer Behavior and Store Ambience

The behavior of Malaysian customers has to be understood by marketers who wish to market in this country. Having correct knowledge of customer loyalty, customer satisfaction, and cultural factors is important in marketing to a specific target market. Environmental and cultural factors have to be considered in targeting a new market.

Simon (1995) reported that in Malaysia, a collectivist culture is prevalent, which focuses more on the good of the community and loyalty to the group rather than that of the individual. Schooler, Robert, and Sunoo (1996) found that the collectivist culture is reflected in the family and in society in general where purchase decisions are made collectively. Each family member has a specific role in the purchase decision making process. The time and event of purchase may introduce changes in the roles of the family members. Considering that women have become equal wage earners in the family, their role in the purchase decision has somewhat changed (Munson & Spivey, 1981). Moreover, although consumers prefer to buy products from stores that they are familiar with, these customers are not guaranteed to be loyal to these stores.

Zimmer and Golden (1988) concluded that the customers' perspective consists of a complex view of the total dimension of the store, which represent its varied characteristics. This finding is in line with Stern *et al.* (2001) who claimed that the customers' choice of purchase is influenced by the store's image. According to North *et al.* (2003), the store's environment is its identity, and as such, the environment can be related to the customers' initial decision to purchase. According to the research by Berman and Evans (1995), customers perceive the store surrounding based on the emotion that it evokes and the functionality of the attributes. The store surrounding is closely related to the store's overall policies and implementation of strategies.

## 3. Research Methodology

This current research aims to understand the relationship of customers' behavior on the store ambience in Malaysia. Thus, a survey is conducted among customers in different shopping malls with several garment stores. The unit of analysis is the customers of apparel stores in Malaysia. According to the information obtained from the malls and stores officials, the sample members were chosen through random systematic sampling.

Both primary and secondary research instruments have been used, as well as a questionnaire. A questionnaire based on a five-item Likert scale was employed to measure the relation of independent variables (i.e., atmosphere, music, and service) with the consumers' behavior as a dependent variable.

A pilot test has been performed to determine whether the questionnaire could be justified and would achieve the research objectives. A face validity testing was conducted, and the final copy of the questionnaire was refined to achieve the study's objectives based on the feedback. Furthermore, a reliability test was conducted to ascertain the measurement's internal consistency. Data from the questionnaire was analyzed using SPSS.

Table 1. Measurements of reliability

Constructs	Number of Items	Cronbach's Alpha
Atmosphere	5	0.70
Music	5	0.82
Service	5	0.85
Customers' Behavior	5	0.81

### 3.1 Sampling of Population

This study consists of a sampling population of 225 customers for different products. The participants were asked to act as shoppers in different shopping centers in Kuala Lumpur. The demographic of the sample population was diverse in terms of race, culture, and behavior. Given that the respondents were in the shopping malls, they would have been already exposed to different types of apparels available in the area. Random sampling technique and the Likert scale were used.

### 3.2 Hypothesis of the Research

After the critical review of the literature, the following hypotheses have been proposed:

H<sub>01</sub>: A positive and significant relationship exists between store atmosphere and customers' behavior in Malaysia.

H<sub>02</sub>: A positive and significant relationship exists between music and customers' behavior in Malaysia.

H<sub>03</sub>: A positive and significant relationship exists between service and customers' behavior in Malaysia.

## 4. Data Analysis and Result

Four analytical tools were used in the analysis, namely, frequency distribution, correlation (bivariate), and multiple regressions (stepwise).

### 4.1 Frequency Distribution of Various Demographic Components

Frequency distribution analyzes the respondents' personal profile in terms of the degree of effect on the research output. In this research, the variables of the respondents' profile and its influence were found to be significant according to the respondents' degree of intensity in each of the component of this distribution.

Table 2. Demographic distribution of the respondents

Demographics	Category	Frequency in category	Percentage
<b>Gender</b>	Men	103	45.8
	Women	122	54.2
	Total	225	100
<b>Education</b>	Diploma	78	34.7
	Bachelor	75	33.3
	Masters	51	22.7
	PhD	12	5.3
	Others	9	4.0
	Total	225	100.0
	<b>Job group</b>	Employed	56
Business		107	47.6
Students		41	18.2
Others		21	9.3
Total		225	100.0

Table 2 shows higher female percentage which is 54.2. Therefore, their feedback on the apparel inside the stores has significantly contributed in this research. Likewise, the percentage of men (45.8%) show great importance and is very close to the percentage of female. Furthermore, education is one of the main components of the demographic profile of the respondents. Education can guide them to think accurately, and their vivid justification can be influential in delving deeper in searching and satisfying the objectives of this research. The education group with diploma (34.7%) and bachelor (33.3%) contributed much in this study. Job group is another vital component in the demographic profile of the respondents. The job group of business contributed 47.6% of the respondents (Table 4.4). Their participation is quite satisfactory because their suggestions are important from the business perspective.

#### 4.2 Correlation and Regression Analysis

This analysis was performed to assess whether the relationship of the independent and dependent variables are significant independently. Moreover, the same analysis will show whether the relationships are positive or negative with the values of the Pearson correlation coefficients. Thus, the objectives of the study can be achieved.

Table 3. Correlation results

		Atmosphere	Music	Service
<b>Customers' Behavior</b>	Pearson Correlation	.596**	.656**	.765**
	Significant (2-tailed)	.010	.010	.000

Table 3 shows that the correlation between independent variables (i.e., atmosphere, music, and service) and dependent variable of customers' behavior is significant when all independent variables are active individually. This significance of correlation is at the level of 0.01 which is less than 0.05, where the analysis is two-tailed. In addition, the relationship between atmosphere, music, and service with customers' behavior shows a positive result, with the Pearson coefficient of 0.596, 0.656, and 0.765, respectively. Service and dependent variables show the highest and positive relationship. Table 4 provides the coefficient and regression of the variables.

Table 4. Analysis of coefficient

Independent variables	Unstd. Beta	Std. Beta	t	Significance
<b>Constant</b>	0.504		3.119	0.002
<b>Atmosphere</b>	0.250	0.238	3.487	0.001
<b>Music</b>	0.562	0.604	4.769	0.000
<b>Service</b>	0.852	0.808	3.949	0.000

Note. R=0.893, R Square=0.797, Adjusted R Square=0.792, F=175.879, Sig. F=0.000;

Dependent variable: customer's behavior.

Table 4 indicates that all the predictors have significant p-values given that all of them are less than 0.05. Using the Enter mode, the predictors can be utilized to fit into the valid model. Therefore, the stepwise method need not be employed. Based on the data in Table 4, the regression equation is formulized as follows:

$$Y = a + b1X1 + b2X2 + b3X3 + eY$$

Customers' Behavior with respect to Store Ambiance = 0.504 + 0.250 (Atmosphere) + 0.562 (Music) + 0.852 (Service)

Interpretation:

- Assuming that all other variables remain unchanged, the Customers' Behavior will increase by 0.250 units, when the atmosphere value of one unit is increased.
- Assuming that all other variables remain unchanged, the customers' behavior will increase by 0.562 units, when the music value of one unit is increased.
- Assuming that all other variables remain unchanged, the customers' behavior will increase by 0.852 units, when the service value of one unit is increased.

The R square value is 0.797, which means that almost 80% of the variation in the dependent variable; which in this case is the customers' behavior, can be explained using the variation in the total independent variables namely service, music, and atmosphere. The results show that the p-value is 0.000, which is less than the 0.05. Therefore, at least one of the predictor variables (i.e., atmosphere, music, and service) can be used to influence customers' behavior when it comes to store ambiance.

## 5. Discussion

This study examines the influence of the store ambiance on customers' behavior, which includes the dimension of store environment, atmosphere, music, and service.

Richardson *et al.* (1996) discovered that the store's atmosphere significantly enhances the customers' impression about the store they visit. The current research discovered a positive and significant relationship between the store atmosphere and customers' behavior. Thus, this relationship matches the fundamental objective of this study. Here, the significant value is 0.001, which is less than 0.05 that determines the solid ground of strong relationship of the store atmosphere and customers' behavior with regard store ambiance.

Based on Herrington and Capella's (1994) study, music is found to be significant, and it directly influences the shoppers' moods. Music and service can equally affect the customers the store's overall perception. This current study also shows that there is a positive and significant relationship between music at the store and the customers' behavior; this relationship is accordance with the main purpose of research. The significant value is 0.001, which is less than 0.05; proving the significant relationship of music at the store and the customers' behavior in relation to the store ambiance.

Teller, Kotzab, and Grant (2006) reported that the services rendered by the sales personnel had a strong influence on the store choice of the customers particularly in business that involve home delivery services. Based on this current research, the relationship between service at the store and customers' behavior is positive and significant. The significant value is 0.001, which is less than 0.05 that determines the strong relationship between service at the store and customers' behavior. The results obtained from the present study are found to be identical to the previous researchers' works.

The procedure for the investigation of the store ambience's effects on customers' behavior was presented. According to the results, the significance of service and music outweigh that of the atmosphere, and this aspect can attract buyers. Hence, the findings have implications for retail store managers to affect the impression of the customers through the store ambiance, and enhance their purchasing attitude.

### 5.1 Recommendation for Future Studies

The researcher recommends the establishment of a focus group in conducting qualitative research to gain an in-depth understanding of the customers' perspective and various store dimensions. Moreover, conducting a longitudinal research would help monitor the changes in the customers' perceptions of an ideal store environment. Another approach would be to conduct a similar study but obtaining the impression of various competing stores in the market to gain valuable knowledge. A comparison of the ranking of competing stores could be performed to examine the importance of store ambiance to competitors. Such a study would provide an in-depth knowledge of the various target markets, and thus, the retailers can modify their store surrounding to attract and retain customers in their stores. In future studies, a national sample can be used that would include several other stores and retail layouts.

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