

Available online at www.sciencedirect.com**ScienceDirect**

Procedia Economics and Finance 37 (2016) 538 – 544

Procedia
Economics and Finance

www.elsevier.com/locate/procedia

FIFTH INTERNATIONAL CONFERENCE ON MARKETING AND RETAILING (5TH INCOMaR) 2015

The Impact of Store Atmospherics, Perceived Value, and Customer Satisfaction on Behavioural Intention

Nur Aina Abdul Jalil^{a*}, Amily Fikry^a, Anizah Zainuddin^a^aCenter for Postgraduate and Professional Studies, Faculty Business of Management, Universiti Teknologi MARA, Shah Alam, Malaysia.

Abstract

Store atmospherics which plays an important role in influencing customer behaviour, has received rising attention from academics and practitioners in current years. However, studies of store atmospherics in external environment of the restaurant has been excluded and has continued to remain scarce in Malaysia. In order to gain more understanding, this paper reviews the literature related to store atmospherics, perceived value, customer satisfaction and behavioural intentions. Therefore, this conceptual paper presents a research model which aims to examine the relationship between store atmospherics (facility aesthetics, ambience, spatial layout and employee factor), perceived value and behavioural intentions (return intentions and positive word-of-mouth) will be mediated by customer satisfaction. Research propositions resulting from discussions on the relationship between the dimensions will be tested in future research. This paper concludes with the research implications of the conceptual model.

© 2016 Published by Elsevier B.V. This is an open access article under the CC BY-NC-ND license (<http://creativecommons.org/licenses/by-nc-nd/4.0/>).

Peer-review under responsibility of Faculty of Business Management, Universiti Teknologi MARA

Keywords: Store Atmospherics; Perceived Value; Customer Satisfaction; Behavioural Intention; Malaysia

1. Introduction

As rapidly changing customer preferences have been identified affecting the food service industry, the remaining approach is no longer effective for the operators in the food service industry (Blum, 1996). This challenging situation should not be underestimated by the operator in order to gain and retain a strategic advantage in the competitive industry.

* Corresponding author. Tel.: +60103625495; fax: +60332587000

E-mail address: all_aina@hotmail.com

Thus, it explains why in today's business world, especially in the service industry, increased attention not only to the product itself, but also the purchasing environment in line with the business thinking has to be considered (Baker et al., 1992; Dawson et al., 1990; Kotler, 1973; Sherman et al., 1997; Tai and Fung, 1997). This attention may be significant in the restaurant environment to investigate factors that influence customer behaviour. Clearly, it takes more than a meal to create a great dining experience. Additional support Hume (2007) found that customers now frequently eat out and are selective in finding an atmosphere that makes them feel enjoyed with merchandise and amenities that suit their desires. So, food and amenities nowadays is not sufficient enough to attract diners. Food services outlets should offer food and amenities with good value in a favourable atmosphere (Soriano, 2002) as customers are becoming more cautious in their spending to maximize the worth of every dollar (Sun, 2011). Therefore, it is important for food service operators to identify customers preferences so that those customers feel it is worthwhile to spend in the future. Major reviews on the impact of store atmosphere on customer behavior and satisfaction (Chang, 2000; Donovan and Rossiter, 1982; Ha and Jang, 2012; Heung and Gu, 2012; Liu and Jang, 2009; Namkung and Jang, 2007; North and Hargreaves, 1996; Ryu and Jang, 2007; Ryu, 2005; Tai and Fung, 1997) have been done either in separate, pair or combined elements of store atmospheric variables.

Although Heung and Gu (2012) discuss on a set of combined store atmospheric element namely facility aesthetics, ambience, spatial layout, employee factor, and view from window, of which is somewhat related to study at hand, however, their research setting differ from the study at hand. Noting the gap in understanding the behavior intentions of restaurant customer, this paper intends to examine the combined effects of store atmospheric (facility aesthetics, ambience, spatial layout and employee factor) on customer satisfaction and behavioural intentions.

2. Introduction

2.1. Store Atmospheric

The term atmosphere comes from the surrounding air sphere and being introduced by Kotler (1973), one of the spearheads in the use of this term as a marketing tool. He also defines the term as a form of aware area to produce a particular emotional impact on shoppers in order to enhance the likelihood of buying. Atmospheric can be captured through the five basic human senses, namely sight, sound, smell, touch and taste. Besides Kotler (1973), Bitner (1992) has acknowledged ambient conditions, spatial layout and functionality and signs, symbols, and artifacts as a measurement for atmospheric or what she called the *SERVICESCapes*. Ambient conditions discuss the nature of surroundings, such as temperature, lighting, noise, music and smell. Space layout and functionality visualize ways in which aisles, chairs, hallways and walkways, foodservice lines, toilets, and the entrance and exits are designed and organized in service settings. Signs, symbols, and artifacts consist of signage, personal artifacts, decoration, and other physical features that work as signals that connect with users.

However, there are a number of scholars who have recommended the external aspect in atmospheric dimension namely Berman and Evans (1995) and Yildirim et al. (2010). Berman and Evans (1995) identified external dimension as consists of elements such as storefront, tents, entrance, window display, and architecture of the building while Yildirim et al. (2010) viewed external aspects in atmospheric dimension as comprised of window display only.

In an attempt to provide a holistic view of store atmospheric, researcher will include human elements (socalled employee factors) in this paper as well. According to Turley and Milliman (2000) employee factors involves staffs (employee characteristics, employee attires), customers (customer characteristics, customer congestion, and density) and privacy. The employee factors of Turley and Milliman (2000) study can be divided into two parts namely the influence of other customers and the influence of retail worker on spending behaviour.

Although Tombs and McColl-Kennedy (2003) claim that past studies has focused on the effects of physical elements and ignores the employee factors in store atmospheric studies, Ryu and Jang (2008) discovered the importance of human elements in store atmospheric studies, thus came up with the conceptualization of *DINESCAPE* (facility aesthetics, ambience, lighting, service product, layout and human elements) as a measurement scale of the physical environment in upscale restaurants.

Based on the conceptualization of DINESCAPE developed by Ryu and Jang (2008), facility aesthetics are being defined as a function of architectural plans, along with internal embellishment in order to create attractive image. Ambience refers to intangible background features such as music, scent, and temperature. Spatial layout refers to the seating arrangement in dining area and also measures the psychological characteristics (e.g. congestion) of the layout itself. Also, employee factors are being seen as comprised of the characteristics of staffs and other customers in the service setting. The conceptualization of variables developed by Ryu and Jang (2008) will be used for the study at hand.

Even up to present, Heung and Gu (2012) also exclude the influence of other customers since their focus was the dining space itself only. Therefore, items such as attractive employees, adequate number of employees, and well-presented employees being used as a measurement for employees factor. After reviewing the above-mentioned literature, in regards to store atmospherics variable, facility aesthetics variable will focus on internal design and decoration only, while ambience will cover on background music, odours in the dining area, lighting, and temperature. The element of spatial layout will look into the way furniture and equipment are arranged in the dining area whereas the variable of employee factors will focus on controllable factors such as the employee uniform and ample number of employees only.

On the other hand, when looking at the relationship between store atmospherics and perceived value, Liu and Jang (2009) discovered that there is a partial significant relationship between store atmospherics and perceived value. Zooming deeper into the result revealed that interior design and employee factors had direct effects on perceived value, whereas ambience and spatial layout did not influence perceived value significantly.

In another, many researchers have studied on customer satisfaction because it is a part of strategy to achieving business success (Gilbert and Veloutsou, 2006). On that note, studies of (Andaleeb and Conway, 2006; Heung and Gu, 2012; Kivela et al., 2000, 1999; Kivela et al., 1999) focused on the relationship between store atmospherics and customer satisfaction. Few scholars found a significant relationship between physical surrounding and customer satisfaction such as Chang (2000) and Wakefield and Blodgett (1996). Studies of Wakefield and Blodgett (1996) focus on the leisure service setting, Heung and Gu (2012) in the restaurant setting and Chang (2000) in the stadium setting. Noting that Wakefield and Blodgett (1996), Heung and Gu (2012) and Chang (2000) use different research setting, thus the result is only partially related to the research at hand. On the other hand, Andaleeb and Conway (2006) reveal unexpected findings when atmospheric does not have a significant effect on customer satisfaction.

Viewing the impact of store atmospherics on behaviour intentions, it is further noted that favourable environment can motivate behavioural approaches, such as the desire to stay, look around and discover the environment, and to communicate with others in the environment, while unfavourable environment might direct to adverse effects of approach behaviour which is avoidance.

In light of that, (East, 1997) and (Soriano, 2002) found a significant influence between atmosphere and customer behaviour. Also, studies of (Liu & Jang, 2009) and (Ha & Jang, 2012) have shown that the store atmospherics has a direct influence on behaviour intentions, while the study of (Namkung & Jang, 2007) mediated the relationship between atmospherics and behavioral intentions. On contrary, the study of (Chang, 2000), (Namkung & Jang, 2007) and (Wakefield & Blodgett, 1996) discover that atmospheric does not have a direct impact on behavioral intention. The debate on the relationship among store atmospherics and behavioural intention brings us to the following propositions:

Proposition 1: Store atmospherics will have significant positive influence on perceived value.

Proposition 2: Store atmospherics will have significant positive influence on customer satisfaction.

Proposition 3: Store atmospherics will have a significant positive influence on behavioural intention.

2.2. *Perceived Value*

The role of value is becoming an increasing concern to customers (Dodds, 1991) because it is one of the most powerful forces in today's marketplace (Albrecht, 1992). Value is being described as customer's overall appraisal of the service net worth based on benefits sought and costs in acquiring and utilizing the services (Hellier, 2003;

Zeithaml, 1988). In another, Sheth et al. (1991) suggested that customer choice is a function of multiple consumption situations of which the perceived value sought will differ according to different consumption situations. By looking into the hotels setting, Walls (2012) further added that customer experiences with hotels will lead to customers' perceived value of the hotel services.

Researchers have been studied on the impact of value towards customer satisfaction and behavioural intention (Andreassen and Lindestad, 1998; Chen and Tsai, 2007; Lee et al., 2007; McDougall and Levesque, 2000; Patterson and Spreng, 1997; Pura, 2005). Most of the findings found that perceived value positively affect customer satisfaction (Andreassen and Lindestad, 1998; McDougall and Levesque, 2000; Patterson and Spreng, 1997), unlike the study of Pura (2005) who revealed that behavioural intention have a significant impact on perceived value. Thus based on these findings, it is further propose that:

Proposition 4: Perceived value will have significant positive influence on customer satisfaction.

Proposition 5: Perceived value will have significant positive influence on behavioural intention.

2.3. Customer Satisfaction and Behavioural Intention

Customer satisfaction can lead to subsequent behavioural intention such as repurchase and positive word-of-mouth communication. Most of the earlier studies present the direct relationship between customer satisfaction and behavioural intention (Han and Ryu, 2009; Heung and Gu, 2012; Jang and Namkung, 2009; Ryu et al., 2012; Ryu and Han, 2011). In addition, satisfaction has a significant effect on customer loyalty (Han and Ryu, 2009; Ryu and Han, 2011).

Additionally few researchers have proposed that the relationship between customer satisfaction and behavioural intentions are weak (Kivela et al., 2000; Kivela et al., 1999; Kivela et al., 1999), of which they further conclude that satisfied customers are not necessarily loyal customers (i.e. behavioral intention). Meanwhile, a study conducted by Chow et al. (2007) report insignificant relation between satisfaction and behavioural intentions.

These arguments have prompted the development of the following propositions for this study namely:

Proposition 6: Customer satisfaction will have significant positive influence on behavioural intentions.

Proposition 7: Customer satisfaction mediates the relationship between store atmospherics and behavioural intentions.

Proposition 8: Customer satisfaction mediates the relationship between perceived value and behavioral intentions.

Based on the above-mentioned standpoint, a conceptual framework is proposed as depicted in Fig. 1 below:

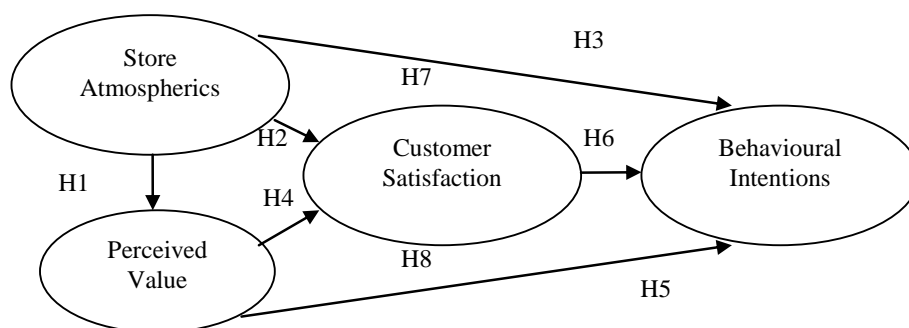


Fig. 1. Proposed Conceptual Framework

3. Conclusion and Conceptual Framework

This study provides a starting point for understanding the impact of store atmospherics on the satisfaction and behavioural intentions. Specifically, the conceptual model will be used to examine the relationship between store atmospherics and behavioural intentions which will be mediated by customer satisfaction. Although Heung and Gu (2012) discuss on a set of combined store atmospherics element namely facility aesthetics, ambience, spatial layout, employee factor, and view from window, of which is somewhat related to study at hand, however, the research setting of Heung and Gu (2012) differ from the study at hand. Noting the gap in understanding the behavior intentions of restaurant customer, this current paper intends to propose the combined effects of store atmospherics (facility aesthetics, ambience, spatial layout, and employee factor) on customer satisfaction and behavioral intentions.

From the practical perspective, this conceptual paper could benefit foodservice providers by better understand in customers motivation to dine at their place. Specifically, with this understanding will stimulate customers to reacts appropriately then at the end of the day increase customer perceived value and produce customer satisfaction, which in turn influence the behaviour. There are a few suggestions for foodservice providers to consider such as the table arrangement has the ability to convey a feeling of privacy and functions as a boundary to the diners from the others diners (Ryu, 2005). The above statement is fully supported by the results of the study Ryu and Jang, (2008) who found that the layout is a key factor in the context of restaurant. The next suggestion is colour segments, the presence of this important elements in the enclosed surroundings could create a positive moods even Gail Tom et al., (1987) positions that the brightly colour outdoor, chairs, and footsteps would appear further eye-catching from the unpainted one. The final recommendation is the most easily controlled elements of music. In the study of Adrian et al., (1998), classical and pop music capable to influence the diner to spend more in dining area compared to other rhythm. Furthermore, they also discovered that atmospheric music can impact diners eating behaviour.

This conceptual paper propositions attempt to emphasize that good store atmospherics will lead to positive behavioural intentions (such as return intentions and positive word-of-mouth). Store atmospherics and behavioural intentions will be mediated by customer satisfaction, and, simultaneously such satisfaction will independently have a positive influence on behavioural intentions.

References

- Albrecht, K. (1992). *The only thing that matters: Bringing the power of the customer into the center of your business*. HarperCollins.
- Andaleeb, S. S., & Conway, C. (2006). Customer satisfaction in the restaurant industry: An examination of the transaction-specific model. *Journal of Services Marketing*, 20(1), 3–11.
- Andreassen, T. W., & Lindestad, B. (1998). Customer loyalty and complex services: the impact of corporate image on quality, customer satisfaction and loyalty for customers with varying degrees of service expertise. *International Journal of Service Industry Management*, 9(1), P. 7–23.
- Baker, J., Levy, M., & Grewal, D. (1992). An experimental approach to making retail store environmental decisions. *Journal of Retailing*.
- Berman, B., & Evans, J. R. (1995). *Retail management : A Strategic Approach*. *Retail management : A Strategic Approach*. 1995: Prentice Hall. Prentice Hall.
- Bitner, M. J. (1992). Servicescapes: the impact of physical surroundings on customers and employees. *The Journal of Marketing*, 57–71.
- Blum, S. C. (1996). Organizational trend analysis of the hospitality industry: preparing for change. *International Journal of Contemporary Hospitality Management*, 8(7), 20–32.
- Chang, K. (2000). The impact of perceived physical environments on customers' satisfaction and return intentions. *Journal of Professional Services Marketing*, 21(2), p.75.
- Chen, C.-F., & Tsai, D. (2007). How destination image and evaluative factors affect behavioral intentions? *Tourism Management*, 28(4), p. 1115–1122.
- Chow, I. H., Lau, V. P., Lo, T. W., Sha, Z., & Yun, H. (2007). Service quality in restaurant operations in China: Decision- and experiential-oriented perspectives. *International Journal of Hospitality Management*, 26(3), p. 698–710.
- Dawson, S., Bloch, P. H., & N.M. Ridgway. (1990). Shopping Motives, Emotional States, and Retail Outcomes. *Journal of Retailing*, 66(4), p408.
- Dodds, W. B. (1991). In search of value: how price and store name information influence buyers' product perceptions. *Journal of Services Marketing*, 5(3), p. 27–36.
- Donovan, R. J., & Rossiter, J. R. (1982). Store atmosphere: An environmental psychology approach. *Journal of Retailing*, 1982. 58(1): P. 34.,

- 58(1), p.34.
- East, R. (1997). *Consumer behaviour: Advances and applications in marketing*. Prentice Hall London.
- Gail Tom, Teresa Barnett, William Lew, & Jodean Selmants. (1987). Cueing the consumer: the role of salient cues in consumer perception. *Journal of Consumer Marketing*, 4(2), 23–27.
- Gilbert, G. R., & Veloutsou, C. (2006). A cross-industry comparison of customer satisfaction. *Journal of Services Marketing*, 20(5), 298–308.
- Ha, J., & Jang, S. S. (2012). The effects of dining atmospherics on behavioral intentions through quality perception. *Journal of Services Marketing*, 26(3), p. 204–215.
- Han, H., & Ryu, K. (2009). The roles of the physical environment, price perception, and customer satisfaction in determining customer loyalty in the restaurant industry. *Journal of Hospitality & Tourism Research*, 33(4), 487–510.
- Hellier, P. K. (2003). Customer repurchase intention: a general structural equation model. *European Journal of Marketing*, 37(11/12), p. 1762–1800.
- Heung, V., & Gu, T. (2012). Influence of restaurant atmospherics on patron satisfaction and behavioral intentions. *International Journal of Hospitality Management*, 31, 1167–1177.
- Hume, S. (2007). Youth will be served ; Who is Generation Y and what does it want from foodservice? *Restaurants and Institutions*, 26.
- Jang, S. S., & Namkung, Y. (2009). Perceived quality, emotions, and behavioral intentions: Application of an extended Mehrabian–Russell model to restaurants. *Journal of Business Research*, 62(4), 451–460.
- Kivela, J., Inbakaran, R., & Reece, J. (1999). Consumer research in the restaurant environment, Part 1: A conceptual model of dining satisfaction and return patronage. *International Journal of Contemporary Hospitality Management*, 11(5), p. 205 – 222.
- Kivela, J., Inbakaran, R., & Reece, J. (2000). Consumer research in the restaurant environment. Part 3: Analysis, findings and conclusions. *International Journal of Contemporary Hospitality Management*, 12(1), p. 13 – 30.
- Kivela, J., Reece, J., & Inbakaran, R. (1999). Consumer research in the restaurant environment. Part 2: Research design and analytical methods. *International Journal of Contemporary Hospitality Management*, 11(6), p. 269 – 286.
- Kotler, P. (1973). Atmospherics as a marketing tool. *Journal of Retailing*, 49(4), 48–64.
- Lee, C.-K., Yoon, Y.-S., & Lee, S.-K. (2007). Investigating the relationships among perceived value, satisfaction, and recommendations: The case of the Korean DMZ. *Tourism Management*, 28(1), p. 204–214.
- Liu, Y., & Jang, S. S. (2009). The effects of dining atmospherics: An extended Mehrabian–Russell model. *International Journal of Hospitality Management*, 28(4), 494–503.
- McDougall, G. H., & Levesque, T. (2000). Customer satisfaction with services: putting perceived value into the equation. *Journal of Services Marketing*, 14(5), p. 392–410.
- Namkung, Y., & Jang, S. S. (2007). Does food quality really matter in restaurants? Its impact on customer satisfaction and behavioral intentions. *Journal of Hospitality & Tourism Research*, 31(3), p. 387–409.
- North, A. C., & Hargreaves, D. J. (1996). The effects of music on responses to a dining area. *Journal of Environmental Psychology*, 16(1), p. 55–64.
- North, A. C., & Hargreaves, D. J. (1998). The Effect of Music on Atmosphere and Purchase Intentions in a Cafeteria. *Journal of Applied Social Psychology*, 28(24), 2254–2273.
- Patterson, P. G., & Spreng, R. A. (1997). Modelling the relationship between perceived value, satisfaction and repurchase intentions in a business-to-business, services context: an empirical examination. *International Journal of Service Industry Management*, 8(5), p. 414–434.
- Pura, M. (2005). Linking perceived value and loyalty in location-based mobile services. *Managing Service Quality*, 15(6), p. 509–538.
- Ryu, K. (2005). *Dinescape, emotions and behavioral intentions in upscale restaurants*. Kansas State University.
- Ryu, K., & Han, H. (2011). New or repeat customers: how does physical environment influence their restaurant experience? *International Journal of Hospitality Management*, 30(3), 599–611.
- Ryu, K., & Jang, S. (2008). DINESCAPE: A scale for customers' perception of dining environments. *Journal of Foodservice Business Research*, 11(1), 2–22.
- Ryu, K., & Jang, S. S. (2007). The effect of environmental perceptions on behavioral intentions through emotions: The case of upscale restaurants. *Journal of Hospitality & Tourism Research*, 2007. 31(1): P. 56-72., 31(1), p. 56–72.
- Ryu, K., Lee, H.-R., & Kim, W. G. (2012). The influence of the quality of the physical environment, food, and service on restaurant image, customer perceived value, customer satisfaction, and behavioral intentions. *International Journal of Contemporary Hospitality Management*, 24(2), p. 200 – 223.
- Sherman, E., Mathur, A., & Smith, R. B. (1997). Store environment and consumer purchase behavior: Mediating role of consumer emotions. *Psychology & Marketing*, 14(4), 361–378.
- Sheth, J. N., Newman, B. I., & Gross, B. L. (1991). Why we buy what we buy: a theory of consumption values. *Journal of Business Research*, 22(2), p. 159–170.
- Soriano, D. R. (2002). Customers' expectations factors in restaurants: The situation in Spain. *International Journal of Quality & Reliability Management*, 19(8/9), 1055–1067.
- Sun, B. L. (2011). *An integrative value-based consumer behavior model in the restaurant industry : Aspects of regulatory focus theory and cognitive appraisal theory*. Oklahoma State University.
- Tai, S. H. C., & Fung, A. M. C. (1997). Application of an environmental psychology model to in-store buying behaviour. *The International Review of Retail, Distribution and Consumer Research*, 7(4), p. 311–337.
- Tombs, A., & McColl-Kennedy, J. R. (2003). Social-servicescape conceptual model. *Marketing Theory*, 3(4), p. 447–475.
- Turley, L. W., & Milliman, R. E. (2000). Atmospheric effects on shopping behavior: a review of the experimental evidence. *Journal of Business Research*, 49(2), 193–211.
- Wakefield, K. L., & Blodgett, J. G. (1996). The effect of the servicescape on customers' behavioral intentions in leisure service settings. *Journal of Services Marketing*, 10(6), 45–61.
- Walls, A. R. (2012). A cross-sectional examination of hotel consumer experience and relative effects on consumer values. *International Journal*

of Hospitality Management.

Yildirim, K., Akalin-Baskaya, A., & Hidayetoglu, M. L. (2010). The effects of the store window type on consumers' perception and shopping attitudes through the use of digital pictures. *Gazi University Journal of Science*, 20(2), p. 33–40.

Zeithaml, V. A. (1988). Consumer perceptions of price, quality, and value: a means-end model and synthesis of evidence. *Journal of Marketing*, P.2–22.