IMPACT OF RETAIL SERVICESCAPE ON BUYING BEHAVIOR

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Abstract

Objective: To understand the influence of total store servicescape on buying behavior.

Hypothesis: Buying behavior outcomes are dependent upon ambience, design, sales consultants, merchandise, promotion and convenience attributes (servicescape) of a supermarket.

Methodology: This study was conducted in the context of women cosmetics users shopping at supermarkets in Pune city. A mall intercept survey methodology was employed to collect the data and 102 completed responses were used for the data analyses. All the constructs had acceptable levels of composite reliability and convergent and discriminant validity. The data were analyzed by SPSS -20.0 software.

Findings: Proposed hypotheses were found to be significant except for a few. The multiple regression analysis showed total servicescape as a significant factor towards buying behavior.

Keywords- Servicescape, Service environment, buying behavior outcomes

Introduction:

Retail business in India is rapidly evolving with the spending capacity of Indian consumers growing at unprecedented rates. During the last few years organized retail has gained significant importance in India. With growing number of retailers selling similar products, customers expect unmatchable shopping experience and unique product from each retailer. Customer service environment forms the heart of any retail operations. For retailers customer service elements are those associated with store environment and delivery systems, including role of employees. It starts with every step of retailing, how consumers buy, where they buy, what they buy, when they buy and why they buy. A retailer has to be proactive in serving the consumer before consumer arrive at the store. Thus planning for setting customer service standards and elements starts well before consumer comes for shopping. How effectively the product is offered to the consumer is very important in retailing. The efficiency of entire service environment not only deals with service provided at the time of shopping but it starts before consumer enters the retail outlet and it continues even after final purchases made. Serving with accountability has become critical success factor in consumer driven markets. Business of retailing is greatly affected by the patronage behavioral orientations of shoppers.

The purpose of this research is to determine the influence of store servicescape or customer service environment on buying behavior of women cosmetics consumers in supermarkets.

Cosmetics industry:

According to research conducted worldwide on the global cosmetics industry by Datamonitor, make up market is expected to grow at an astonishing rate of 19.7 % between the years 2009 to2014. In 2014 the market value forecast is of $35853.2 million and 3639.8 million units in volume.

The Indian cosmetic industry is going through active phase in terms of product development and marketing. According to CII the total Indian beauty and cosmetic market size currently stands at INR 4465 Crores and showing growth between 15-20% per annum. This industry can be broadly classified into body care, skincare, eye care, color cosmetics, hair care and makeup. There is great demand for more advanced and specialized cosmetics. Marketers have noted this change and developing new marketing strategies to serve the Indian consumer. Marketers are spending sizable amount of money and time to analyze different demographic and psychographic characteristics of the Indian population.

Supermarkets:

These are primarily self-service food stores offering daily necessity like groceries, meat products and fresh produce and are around 30000 square feet in size. Supermarkets attract customers because of clean environment, fast checkout counters, attractive and organized layouts and low prices. (A.J.Lamba, 2003)

Servicescape:

Mary Jo Bitner developed the term servicescape and discussed role of store ambience, social factors and design factors of a store that enhance customer and employee actions. Bitner's servicescape model follows basic stimulus –organism-response theory with the assumptions that dimensions of servicescape will impact customers and employees and they will behave in certain ways depending on their internal reactions to servicescape.

Bitner (1992) refers to the servicescape as the "built environment" or, more specifically, the "Man-made, physical surroundings as opposed to the natural or social environment".

In her conceptual study she has suggested that servicescape, "may have a substantial effect on customers' satisfaction with the service experience, and hence will play an important role in determining whether customers will patronize the service provider."

According to Bitner, two important aspects of the servicescape are

(1) Spatial layout and functionality;

(2) Elements related to aesthetic appeal.

This model represents a comprehensive stimulus-organism-response model that recognizes complex dimensions of the environment ,impacts on multiple parties (customers, employees and their interactions),multiple types of internal responses (cognitive, emotional, and physiological),and a variety of individual and social behaviors that can result.

Individual behaviors suggest how individuals react to places with two general, and opposite, forms of behavior, approach and avoidance. Approach behaviors include all positive behaviors like desire to stay, explore, work and affiliate. Avoidance reflect the opposite- a desire not to stay, to explore, to work, or to affiliate. The servicescape influences the nature and quality of customer and employee interactions, most directly in interpersonal services.

Figure: Servicescape framework developed by M.J.Bitner.
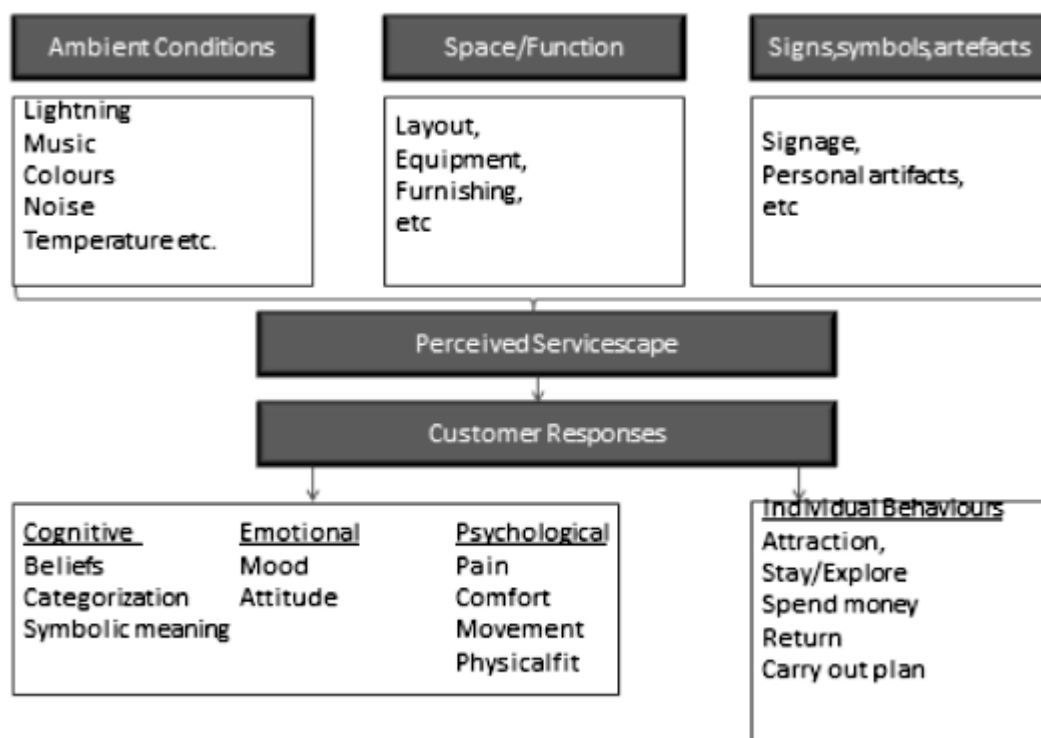
Source: Zeithaml, V. A., Bitner, M. J., & Gremler, D. D. (2009). *Services Marketing. Integrating Customer Focus Across the Firm* (4rth ed.).

The servicescape has been identified as an important factor in shaping the consumer's experience in a retail setting. In a retail store majority of activities happening are services from the time customer enters and exits the store.

In many services for example purchasing (personal care) products customers participate at some level in creating the service and ensuring their own satisfaction.(Bitner et al.1997).Servicescape influences the customer perception and behavior at the retail outlet (G.Joshi 2009). Servicescape dimensions impacts on behavioral responses such as duration of stay, amount purchased, exploration of the store environment, and likelihood of return. To create overall positive image and to enhance buying experience servicescape elements need to be designed properly.

Clyde A. Warden, Judy F. Chen, (2009), at successful retail locations consumption behavior is influenced by categories like food, inexpensive, crowd, marketing communication and servicescape. Schlenker (1980, p. 6) indicated that impression management as "the conscious or unconscious attempt to control images that are real or imagined in social interactions". For managing impressions at retail counters all servicescape elements must be carefully and closely monitored.

Balmer and Gray, 2003 stated that in a service organization, the delivery of the corporate brand or "brand covenant is frequently dependent on staff effectively delivering the core values of the company to the customer.

Buying behavior

Understanding consumer behavior completely may not be possible because of its complex nature and number of factors involved. Several definitions of consumer behavior are available in literature.

According to Loudon and Della Bitta (2002) consumer behavior may be defined as the decision process and physical activity individuals engage in when evaluating, acquiring, using or disposing of goods and services. Consumer behavior involves a mental decision process as well as physical activities .the actual act of purchase is just one stage in a series of mental and physical activities that occur during a period of time. Some of the activities precede the actual act of purchase and others follow it.

The field of consumer behavior is the study of individuals, groups or organizations and the processes they use to select, secure, use and dispose of products, service experiences, or ideas to satisfy needs and the impacts these processes have on the consumer and society. Situational influencers are factors particular to a time and place that do not follow from knowledge of personal (intra-individual) and stimulus (choice alternative) attributes and that have a demonstrable and systemic effect on current behavior. Hawkins et al (2001).

As defined by Blackwell et al. (2001), Consumer behavior is activities people undertake when obtaining, consuming and disposing of products and services. Obtaining refers to the activities leading up to and including the purchase or receipt of a product. Consuming refers to how where, when and under what circumstances consumer us products. Disposing includes how consumers get rid of products and packaging. In short consumer behavior can be defined as a field of study, focusing on consumer activities.

Mowen and Minor (1998) described consumer behavior as the study of the buying units and the exchange processes involved in acquiring ,consuming and disposing of goods , services, experiences and ideas. The term buying units is used rather than consumers.

Schiffman et. al (2010) defined consumer behavior as the behavior that consumers display in searching for ,purchasing ,using, evaluating ,and disposing of products and services that they expect will satisfy their needs. Consumer behavior focuses on how individual consumers and families or households make decisions to spend their available resources (time, money, effort) on consumption related items.

Objectives:

To determine the relative influence of service environment cues on shopping experience and resulting purchasing intent following objectives was designed.

Hypothesis:

H0: Buying behavior outcomes are not dependent upon ambience, design, sales consultants', merchandise, promotion and convenience attributes (servicescape) of a supermarket

H1: Buying behavior outcomes are dependent upon

ambience, design, sales consultants', merchandise, promotion and convenience attributes (servicescape) of a supermarket.

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Research Methodology:

For this study mall intercept method was employed. Mall intercept method is a data collection method in which interviewer stationed at selected location in the mall approaches the representative sample of shoppers passing by to participate in the study. It is also called as shopping center sampling (Zikmund and Babin 2007). It involves stopping shoppers, screening them for appropriateness and either administering the survey on the spot or inviting them to a research facility located in the mall.

Supermarkets sites identified for the study	Easyday and Dorabjee's,Pune city (India)
Total sample size	**102**

Table: Reliability statistics

Dimension	All items measured on a scale of 1-7,(1-strongly disagree to 7-strongly agree)	Cronbach's Alpha	Spearman-Brown Coefficient	Guttman Split-Half Coefficient
Ambience	6	0.710	0.778	0.775
Design	6	0.709	0.809	0.806
Sales consultants	6	0.711	0.814	0.813
Merchandise	7	0.785	0.891	0.885
Promotion	14	0.746	0.497	0.494
Convenience	12	0.670	0.842	0.842
Buying behavior	6	0.776	0.818	0.815

Table: Factor analysis

Items	Factor loading
Colors used in a store	.501
Temperature of a store	.525
Scent/fragrance of a store	.484
Lighting of a store	.523
Music played in a store	.390
Level of noise in a store	.521
Size of a store	.734
Layout plan of a store	.598
Style of decor	.567

Design of furniture	.677
Signage in a store	.532
Floor graphics	.699
Courteousness of sales consultants	.747
Physical appearance of sales consultants	.641
Product knowledge level of sales consultants	.612
Service effectiveness of sales consultants	.712
Recommendations and add on suggested by sales consultants	.533
Number of sales consultants	.685
Availability and variety of merchandise categories	.233
Availability of exclusive range of merchandise	.579
Availability of imported merchandise	.580
Availability of merchandise based on suitability for need	.562
Availability of quality merchandise	.624
Availability of branded merchandise	.424
Availability of herbal products	.153
Special promotional events	.598
Product demonstrations	.837
Product testers	.806
Seasonal or festival offers	.771
Discount coupons on current or future purchase	.740
Frequent shopper programs	.577
Contests/sweepstakes	.637
Referral gifts	.487
Bundling offers /combo packs	.615
In store TV network/audio connections	.497
POP displays	.616
Over the counter brochures, leaflets	.585
Promotional banners, posters and danglers in a store	.789
Celebrity association	.611
Time required to reach a store	.083
Store opening hours	.376
Parking facility	.577
Accessibility of a store	.630
Amount of walking required within store	.563
Ease of finding merchandise	.387
Ease of store navigation	.299
Ease of payment	.431
Fast checkout options	.604
Easy to return purchases	.490
Ease of shopping with family	.269
Security	.117

Extraction method: Principle component analysis.

Data analysis:

Regression analysis

The antecedents to the buying behavior outcomes at supermarkets were verified by a multiple regression analysis. It is hypothesized in this study that ambience, design, sales consultants', merchandise, promotion and convenience attributes of a supermarket influence buying behavior outcomes.

Table: Model Summary[a]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.986[b]	.973	.971	1.021

Table: Regression output[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3546.184	6	591.031	567.362	.000[c]
	Residual	98.963	95	1.042		
	Total	3645.147	101			

a. Type of Stores = Super Market
b. Dependent Variable: Buying behavior outcome
c. Predictors: (Constant), Convenience dimension, Design dimension, Merchandise dimension, Promotion dimension, Ambience dimension, Sales consultants'.

Since p value is less than 0.05 reject null hypothesis and accept alternative hypothesis. This indicates that buying behavior outcomes are dependent upon ambience, design, sales consultants', merchandise, promotion and convenience attributes (servicescape) of a supermarket.

Table: Coefficients[a,b]

Model		Unstandardized Coefficients		Standardize	t	Sig.	
		B	Std. Error	Beta			
	Ambience dimension	.101	.032	.096	3.157	.002	
	Design dimension	-.026	.033	-.024	-.775	.440	
	Sales consultants' dimension	-.054	.035	-.056	-1.563	.121	
	Promotion dimension	.078	.021	.142	3.649	.000	
	Convenience dimension	.011	.022	.018	.515	.608	

The multiple regression analysis indicates that the p values for each of the independent variables like design, sales consultants' and convenience dimension are greater than 0.05 means buying behavior outcomes are not dependent on these variables. Whereas buying behavior outcomes are dependent on ambience, merchandise and promotion dimension of a supermarket.

Discussion:

By creating conducive environment for purchasing cosmetics with the help of excellent ambient conditions, planned sales people and customer interactions, making available quality and variety merchandise. Retailers must not stop at this point as customers are interested in buying quality products with competitive advantages from

available range of products which help them optimize their resources time, efforts and money. Error reduction, adherence to specifications, making timely delivery, reducing complaints are essential to attain and retain customers.

So for creating a unique experience for every single purchase made retailers must pay attention towards taking that extra care and minute detailing of all checkpoints those are encountered by customers while making choice for a product.

To achieve, maintain and continuously improve customer satisfaction for favorable buying behavior outcome or buyer performance it's important to continuously understand consumer psychology.

General perception of servicescape is determined by the strategies of retailers in providing good quality and variety of merchandise, with incentives (sales promotions) and convenience in buying them. Retailers' continuous improvisation in pursuing total servicescape can help them in long run to survive competition.

A Careful analysis by the retailers of the catchments of various demographic characteristics of buyers is essential. The study provides a richer and true picture of the target consumers' expectations about overall service standards. It also gives clues about trying new methods to attract and communicate and to connect with shoppers. This study gives implications for the setting of proper service mix elements to be offered to target customers.

In order to tap full market potential, retailers need to consider all possible marketing opportunities across demographics. To create cohesive image of the retailer clear positioning strategies can to differentiate from the crowd and encourage customers to identify with specific retailer known for offering unique shopping experience. Customer patronage is result of efforts made by a retailer to offer products and services with utmost higher service delivery standards .Focus of this study has remained to identify those minute service attributes of a store which bring customers to the doorstep.

Specific contributions:
The women shoppers have always been important to be studied by marketers.

No other academic study on servicescape to the researchers knowledge have looked at the effect of so many store attributes on buying behavior simultaneously.it has therefore enabled a better understanding of the influences on consumer behavior and provides a basis for further study.

Limitations:
This study did not consider individual elements of the store servicescape (e.g., layout or branded merchandise) but attempted to capture the cumulative effect.

Second, the proposed model was tested only in the context of cosmetics industry and supermarket retail formats. Caution must be exercised when generalizing these findings to other types of retail stores or product categories.

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