

# ROMANIAN CUSTOMER-BASED EMPIRICAL RESEARCH ON AMBIANCE IN RETAILING

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*A special role in increasing customer satisfaction and contentment with any retail store is played by ambiance or in-store management. Store ambiance is closely related to all decisions taken concerning the manner in which the management can organise the store, arrange gondolas and shelves, resort to lighting and specific scents (smells) or set temperature in different departments. For consumers, ambiance also means enjoying pleasant atmosphere during shopping, conveying a sense of adventure, arousing positive feelings which make the customer return to the store, increase the volume of purchase and even recommend the unit to other people.*

*The present study attempts to highlight the methods whereby a retailer manages to influence the customer by means on in-store management tools with a view to creating a favourable image in his/her mind. The research conducted on about 1800 customers in the Romanian food and non-food retailing reveals, through pertinent interpretation, the management strategies and actions that the enterprises of different retail formats should adopt in order to approach customers with beneficial results.*

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## **Introduction**

The policy of physical evidence as material part of a service corresponds in retailing to interior design policy also called ambiance policy or in-store management policy. Physical evidence includes the space inside the store, the arrangement of shelves and gondolas, the manner in which items are exhibited and the unit's working hours (Oehme, 2001: 122). Ambience policy is concerned not only with standardizing the building and its interior but also with spatial layout, arrangement of gondolas, systematization of decoration, ensuring a constant and pleasant music or using lighting (play of light). Delicate scents or attractive colours also make an essential contribution as they create a convivial shopping atmosphere, bring customers enjoyment or convey them a sense of adventure and ensure a secure and relaxing purchasing environment. Furthermore, through the elements of the ambience policy, the retailer will seek to extend the customer's pleasant stay in the store. At the same time, ambience policy will seek to strengthen the retailer's image in the public's mind, increase the retailer's chances of development and achieve comparative competitive advantages (Severin & Louvière & Finn, 2001: 185-202).

### **Objectives of ambiance policy**

Creating a pleasant shopping atmosphere and conveying a feeling of pleasant spending of time seem to be one of the most important objectives of ambiance policy (Liebmann & Zentes & Swoboda, 2008: 596). These objectives stand as grounds for recording higher turnover per area unit as well as custom increase and higher expenditure per customer. A pleasant atmosphere favours purchases made in the heat of the moment, ensures ease of purchase and prolongs the time spent by the customer in the store. This may thus lead to an increase in customer loyalty toward the retailer or the entire chain which, in turn, allows a better consolidation of the unit's image in the consumer's mind (Diller & Kusterer, 1987: 105-123).

The conveyance of feelings of pleasant spending of time during shopping or the sense of adventure or novelty is made through the assortment as well as the communication or service policies. A very attractive package, a unique design or just a simple board trying to stimulate consumption through emotional appeal, all these are nothing else but subtle ways of influencing consumer behaviour and improving some economic indicators.

### **Characteristics of ambiance policy**

For the purpose of ensuring a proper in-store management the retailer has the possibility to choose from a vast array of methods, techniques and tools whereby the customer is determined to spend a longer period of time in the store, being surrounded by a pleasant, enticing atmosphere, perfectly fit for making purchases. Thus, the retailer's decision-makers will first and foremost a careful and clear delineation of the floor space into areas for merchandise display, areas for personal advising, for traffic flow (stairs, aisles), checkouts or fitting rooms. Additionally, the retailer will seek to make a proper arrangement of gondolas and aisles between them to ensure a smooth flow of customers, a logic display of assortment and items on shelves and gondolas so that they may be visible and facilitate the access of customers. This will further contribute to creating synergies and positive effects which will prompt customers to remain in the store for a longer time and increase their trust in it (Birker & Voss, 2000: 58; Kroeber-Riel & Weinberg, 2003: 437).

In-store arrangement will have to be made by likewise taking into account items display. Items display is usually done depending on how useful it is to potential customers, on the satisfied need (organic food products), a special event (Christmas or Easter items), the provenance of articles (from the X or Y manufacturer, items from Germany etc.) and the height of gondolas. Gondolas are generally divided into four height levels according to which items are exhibited. The space between the ground level and 80 centimeters above it shall be filled with heavier items that do not sell very well and items that make a smaller contribution to the store's turnover. The items sold at discount prices are also placed in this space as a means to promote sales. Whereas the first level is thought of as a „bend down” space, the next level, between 81 and 120 centimeters, is thought of as a „grasping” space. This level is designed for items of average price, specialties and items that generate massive sales as well as other marketable items. The space between 120 and 160 centimeters above the ground represents the “aiming” level where premium and impulse items are exhibited along with items that generate increased sales. The “stretching out” level, from 160 centimeters upwards, mainly contains light and very light items up to 1.5 kg and attention-drawing items (Liebmann & Zentes & Swoboda, 2008, p.603).

Another aspect of in-store management is the proper and attractive decoration of departments, equipping the sales area with adequate lighting and the use of visual communication. Whereas yellow is used to convey appeal or enjoyment, red may be used to stimulate consumers and capture their attention. Green may evoke quietness and blue may convey relaxation. By resorting to different colours, the retailer will seek to emphasize the psychological effects they produce and thus better influence consumers (Birker & Voss, 2000: 58; Chebat & Morrin, 2007: 189-196, Alt, 2009: 5-20).

In order that consumers may enjoy a more pleasant stay in the store, retailers may resort to acoustic communication by playing ambient music or broadcasting advertisements, promotions and various special offers by the store's radio. One may also appeal to the senses, particularly the scents (fresh bread at the bakery), fragrance (different combinations at the beverage departments, detergents, fruits), breezes (mountain-like cold wind in the milk sector) or set some temperatures peculiar to certain departments (low temperature for meat, vegetables and fruits and high temperature for recreation areas) (Theiß, 2007: 683).

Due consideration will certainly be given to the manner of organizing the storefront to ensure proper in-store arrangement. The competent, clean and informative display of items in storefronts contributes to capturing the consumer's attention and to evoking pleasant feelings (care exercised by the retailer for each person). Last but not least, storefront display contributes to the presentation of present and future offers and helps customers to take buying decisions. Other significant elements that the retailer's management should include in the organization of the sales area are: information kiosks and screens, barcode scanners for indicating the correct price, terminals where commands are sent, machines for collecting returnable or reusable packaging, film-developing stands or computers with access to internet, various promotional spots, softwares or music tracks (Liebmann & Zentes & Swoboda, 2008: 598-605; Kroeber-Riel & Weinberg, 2003: 437; Birker & Voss, 2000: 58; Chebat & Morrin, 2007: 189-196).

It is compulsory that in-store management should be customer-oriented. For the customer it is very important that his/her purchases should be made within a reasonable time period without long searches for the needed goods. Whenever s/he wishes to feel the complete satisfaction of a pleasant purchase, s/he will likely expect that the store's ambience should be different from that of competitors, should motivate and prompt him/her to action, please him/her and suit his/her lifestyle (Gröppel-Klein, 2006: 676).

### **Research operationalisation**

In order to establish the extent to which consumers in food and non-food retailing manage to perceive the Romanian retailers' in-store management policy, we have operationalised the above-mentioned concepts using similar studies. Proper store management/arrangement makes a full contribution to influencing customers and attracting them to the retail unit. Every time the customer enjoys the store, s/he will be eager to return, purchase again, increase his/her purchase frequency and the amount of goods bought and will recommend the store to friends, acquaintances, relatives or any other persons (Dabholkar, 2000: 139-173).

Various empirical studies highlight the facets by means of which retail in-store management policy may be perceived and assessed by the consumer. No matter what elements are taken into account (the overall in-store ambience, the customers' easy orientation toward the needed sections/departments, the pleasant and carefully maintained atmosphere or the unit's cleanness and orderliness), the sales area management policy features significant elements that fully contribute to building the customer's image about a particular retail store, chain or brand. Table 1 shows the dimensions whereby the in-store management policy has been measured with the aid of the statements included in a field research that was conducted by the authors in the food and non-food retailing.

**Table 1—Indicators used to quantify in-store management from the customer's perspective**

<b>The analysed store...</b>	<b>Quantified dimension</b>
... has created a relaxing ambience.	General ambience
...has divided the floor space in a way that allows easy orientation.	Simplicity of orientation
... provides simple and comfortable purchases.	Purchasing comfort/ease
... has created a pleasant shopping atmosphere.	Pleasant atmosphere

... is always clean, neat and tidy.	Cleanness of the unit
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Sources: Anselmsson, 2006: 122; Arnold & Oum & Tigert, 1983: 153; Baker & Parasuraman & Grewal & Voss, 2002: 131; Léo & Philippe, 2002: 137; Sirdeshmkh & Singh & Sabol, 2002: 34.

## Research methodology

In order to check in a suitable way the theoretical concepts previously described, the method employed was the survey. The questionnaire referred to Romanian consumers' perception of food and non food retail units present in one of the most important and relevant economic regions of the country. The data collection phase took place in 2011 under the coordination of one of the authors (Dabija). More than one hundred interview operators have been used and the number of collected questionnaires has reached almost 2.000.

The specific and original research undertook was carried on 732 randomly selected Romanian consumers in non-food retailing, and on 1.048 randomly selected Romanian consumers in food retailing. A quota sampling on age and sex was utilized, according to demographic data from the Annual Romanian Statistics Report (2010). The face-to-face interviews were conducted in the second largest city in Romania, where the majority of the 30 identified food retailers, respectively more than 100 non-food retailers are subsidiaries of Western Europe large retailers. These have penetrated the Romanian market 16 years ago, due to the growth opportunity in this sector.

Two pieces of research were actually conducted simultaneously, similar questionnaires being used and customized both for the food and non-food retailing. It was not our intention to focus on a specific retail format, thus the number of questionnaires varied among the formats (hypermarket, supermarket, DIY...). Classification on retail formats (hypermarket, supermarket, discount, etc.) has not been introduced to respondents, but it has been carried out by the authors (Barth, 1999: 88; Dabija, 2010: 77; Liebmann & Zentes & Swoboda, 2008: 394-419).

Of the 1048 questionnaires administered in the food retailing, 41 dealt with the cash & carry units (Metro and Selgros) which operate to a great extent on the Romanian market as retail units despite the fact that they should operate solely as wholesale units. 152 questionnaires dealt with discounters (Lidl, Penny), 345 with hypermarkets (Auchan, Carrefour), 112 with proximity stores (mic.ro, CBA), 200 with supermarkets (Carrefour Express, Unicarm) and 198 with the "category killers". Only Kaufland was included in the last category because the unit markets items at low prices (a characteristic of discounters) on large areas (characteristic of super and hypermarkets). According to the literature, "the category killers" will most likely lead in time to the disappearance of discounters, hyper and supermarkets (Gilbert, 2003: 248).

In non-food retailing the research focused on the following retail formats: 43 retail centers and markets (Iulius Center, Piața Mărăști), 54 DIY units (Praktiker, Hornbach), 16 furniture stores (Mobexpert, Obi), 79 electrical and household appliances units (Altex, Domo, Media Galaxy), 14 computer stores (Intend, Intel), 248 clothes stores (Bershka, Zara, H&M), 44 sports stores (Hervis, Decathlon), 74 shoe stores (Leonardo, Deichmann), 39 bookstores (Diverta, Humanitas), jewelry and watches stores (Meli Melo, Mango touch), 9 cosmetics and perfume stores (Douglas, L'Occitane), 27 interior decoration stores (Bam Boo, King Art), 10 units marketing mobile phones and accessories (Germanos, Cosmote) and 34 pharmacies and drugstores (Catena, Sensiblu, DM).

In order to test the trustworthiness and correctness of the operationalised statements, the research resorted to Cronbach's alpha coefficient and the "item-to-total" correlation (Hälsig, 2008: 120). Cronbach's  $\alpha$  quantifies the internal consistency of the analysed variables and takes on the average value of all possible correlations established between any combination of two items. In order that the variables to which Cronbach's  $\alpha$  is applied should be trustworthy, the value of alpha must be as close to 1 as possible. The "item-to-total" correlation measures the degree to which an item belonging to a particular model is (in)consistent with the average behaviour of the

items belonging to the same model. This actually helps to discard those variables which lead to higher values of Cronbach's alpha (Peterson, 1994: 381-391).

The application of the two tests to all variables of a retailer's ambiance policy revealed an alpha coefficient of 0.902 (a relatively great trust). Moreover, it has been ascertained that by discarding any of the variables, Cronbach's  $\alpha$  does not take on a greater value.

### Average findings

Overall, the research conducted both in food and non-food retailing revealed that, regardless of the retail format, ambiance is perceived in a positive light. On average, all variables indicated relatively favourable appreciations (the assessment was made on scale from 1 to 7).

However, as Table 2 indicates, slight differences were noticed between the two types of retailing in terms of consumers' perception of ambiance. From the respondents' perspective, non-food retailing scored higher than food retailing in terms of ambiance. This was particularly so for the cleanliness variable which was more carefully monitored in the case of non-food stores.

**Table 2 – Respondents' average answers for the overall sample as well as for the two sub-samples**

	<b>Non-food retailing</b>	<b>Food retailing</b>	<b>Total Sample</b>
<b>Characteristic</b>	<b>732</b>	<b>1.048</b>	<b>1.780</b>
General ambiance	5,34	5,24	5,28
Simplicity of orientation	5,52	5,56	5,54
Purchasing comfort/ease	5,48	5,52	5,50
Pleasant atmosphere	5,47	5,41	5,44
Cleanness of the unit	5,59	5,41	5,49

Source: own research.

With regard to the perception of ambiance in units marketing universal products, we have to pinpoint, although not unsurprisingly, the very good image, far above the average, of the big units belonging to international retail chains, despite the fact that one would expect in this case, at least theoretically, possible problems related to the unit's appearance. A very weak perception of ambiance was recorded in the case of proximity stores and some local supermarket chains, the most likely reason being the lack of performance in displaying merchandise and organizing departments which, in the case of bigger units, are more visible and more spaced out. It is crystal clear that respondents approved of the tendency exhibited by the managers of these bigger units to "surpass themselves" and display merchandise in a way that makes visitors feel relaxed.

**Table 3 – Average answers according to food retail formats**

	<b>Retail format</b>					
<b>Characteristic</b>	<b>Cash &amp; carry</b>	<b>Discounter</b>	<b>Hiper- market</b>	<b>Proximi- ty</b>	<b>Super- market</b>	<b>Category Killer</b>
General ambiance	5,71	5,40	5,38	5,05	4,85	5,28
Simplicity of orientation	6,20	5,72	5,63	5,31	5,20	5,70
Purchasing comfort/ease	5,85	5,74	5,57	5,28	5,20	5,66
Pleasant atmosphere	5,80	5,58	5,51	5,29	5,08	5,43
Cleanness of the unit	5,59	5,55	5,50	5,34	5,11	5,46

Source: own research.

**Table 4 – Average answers according to non-food retail formats**

Caracteristică	... store							
	Clothes	Sports	Shoes	DIY	Electrical	Pharmacy	Interior decoration	Book
General ambiance	5,43	5,34	5,38	5,35	5,03	5,00	5,67	5,71
Simplicity of orientation	5,58	5,52	5,64	5,57	5,34	5,09	5,48	5,74
Purchasing comfort/ease	5,61	5,48	5,38	5,54	5,22	4,91	5,56	5,63
Pleasant atmosphere	5,60	5,45	5,31	5,43	5,23	4,82	5,85	5,79
Cleanness of the unit	5,67	5,66	5,57	5,54	5,35	5,32	5,78	6,03

Source: own research.

The respondents' attitude in non-food retailing seems to be closely related to the store's profile, their perception taking on surprisingly low values for electrical stores, retail centres and pharmacies/drugstores. A possible explanation to this phenomenon could be the heterogeneity of the current design of these retail formats, both in terms of their organization and the offer provided to visitors. To a certain extent, this phenomenon mirrors the attitude of supermarket managers who focus excessively on exploiting each square metre to the full.

### **Conclusions, perspectives and research limits**

Naturally, some of the stores under examination were not sufficiently represented in the research. Being aware of this major limit which may lead to erroneous interpretations, we propose to conduct a follow-up empirical study in order to obtain a larger number of answers from the customers of cosmetics, pharmacies and computer stores, particularly because in these stores some negative perceptions were confirmed.

Another limit is, in our opinion, the result of the Romanian consumer's lack of experience with modern retailing, cross-selling and the much more extended and complex self-service process in the current retailing.

Mention must be made, however, of the visible progress made by the current customer and the fact that s/he has become increasingly demanding over the quality of in-store performance and physical evidence of the retail units.

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