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## ***Impact of Exterior Variables on Buyer Behavior in Organized Retail Sector***

***Prof. Ramchandra Alias Ameet Chate, Anuradha Ulhas Gaunekar***

*Assistant Professor*

*Department of MBA*

*KLE Dr. M.S. Sheshgiri College of Engineering & Technology, Belagavi, Karnataka (India)*

***Corresponding author's email id: -ameet.chate@gmail.com***

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### ***Abstract***

*Well organized retailers have known for their setup which attracts the consumer to visit in the store. The exterior variables are which triggers consumer to have glance from the outer source. The benefits of the external variables have been identified by the retailer and it has created the value for merchandise and the retail environments in which it is sold. The superlative variable enhances the desired traffic flow through a retail store, which motivates customer to acquire merchandise. It attracts the customer and makes it easier for people to decide and find their way. It basically conveys the customer in brief about their merchandise they cater to. This study consisting of two external variables particularly exterior window display and location based on which the impact of buying behavior is been measured. The objective of this study is to evaluate the importance and analyze the impact of environmental variables on consumer buyer behavior, for which a sample size of 115 were selected. The evaluation of variables under study was quantified on a five likert scale and the correlation with the behavioral response in the form of Pleasure, Arousal and Dominance-PAD dimensions was mapped.*

***Keywords:*** *Exterior Variables, Organized Retail Sector, Regression Statistics*

## INTRODUCTION

Store exteriors are what customer's first encounter as they engage in shopping behavior and thus are an important opportunity for stores to build positive impressions. Store exterior may play a critical role in building a first impression of a store and attracting customers into a store (11). When deciding to shop at a store customers rely on external cues such as window displays to help form an impression of the store and its merchandise even before stepping foot inside the store. The activity of shopping can be seen as having goal-oriented and/or recreational purposes. When shopping is a goal-oriented activity, it can be constrained by factors such as waiting in line, not finding the desired products, having to pass physical obstacles, and other barriers. When obstacles are encountered during a goal-oriented shopping process, this can evoke stress (e.g. Machleit and Eroglu, 2000), and bad shopping experiences can in turn lead to avoidance behavior towards the particular retail context (Donovan and Rossiter, 1982) (10). Kotler (1973), defined atmospherics as "the effort to design buying environments to produce specific emotional effects in the buyer that enhance his purchase probability" is suggesting that one of the most significant features of the

product is the place where it is bought or consumed (1). In 1974, Kotler said that the atmosphere of a store cause several reactions on the consumer. It can influence his conative replies (upgrade his purchase, expenditures, impulse buying, the desire to spend more time in the shop), it can also have an impact on his affective replies (pleasure, mood, emotion) and cognitive (perceived quality of the service and the value of trade name). Kotler (1974) proposed that "atmospherics" were a potentially important source of competitive advantage in the retail environment (1). Studies of retail environments have manipulated a large number of atmospheric stimuli, such as color, music, and crowding, and noted their influence on evaluations (e.g. satisfaction and store image) and on a wide range of behavioral responses such as time spent in the environment, sales, and impulse buying (3). Atmospheric variables influence consumer behavior by creating attention, by communicating an image and level of service to actual or potential visitors, and by stimulating affective responses (Kotler, 1973; Kotler and Scheff, 1997) (7). Stores with proper lighting, music, color, scent and displays will motivate the customers to visit the store again in the future (Yoo, Park, & MacInnis, 1998) (7). The main purpose

of window display in retail outlets is to grab the customers' attention so that they visit the store by having a glance image of the store from outside and make them purchase the merchandise. The store exterior includes the storefront, parking, entrances, and display windows, physical characteristics of the building (height, size, and color of buildings), location (congestion and traffic), surrounding area including landscaping and vegetation and nearby stores (11). For this study Exterior Window Display and Location were selected as key elements of store exteriors because of their high visibility and key role in attracting customers into a store (Sen et al., 2002) and ease of control for retailers to improve their exteriors.

## LITERATURE REVIEW

Pantano E.'s research showed that the extent to which an exploratory sample of consumers is influenced by storefront interactive technologies where the emotional aspects emerge as the most influencing ones in the case of traditional storefronts, while both emotional and functional aspects emerge as the most influencing factors while considering the integration of interactive technologies. Mower, J. M., Kim, M., & Childs, M. L. stated that the presence of window display and landscaping influenced respondents'

liking of the store exterior and patronage intentions. Münster, A. H. M. B., & Haug A. identified that the most important store design variables, organizes these variables into categories, provides an understanding of constraints between categories of variables. Chate, R. A. A., & Bharamanaikar, S. R. studied Visual merchandising and store atmospherics impact which tend to increase the footfalls and also the time spent by the consumers in the store, which adds on to the pleasure dimension as defined by Mehrabian and Russel. Further, Sherman, E., Mathur, A., & Smith, R. B studied the effect of store environment on consumer emotions and the resulting influence on aspects of consumer behavior with actual shopping behavior used as an example. In this study, they identified and explore how store environment and emotional states may influence various dimensions of purchase behavior.

## METHODOLOGY

A Structured questioner was administered in organized retail outlets and the behavior was quantified on a 5 point likert scale. The variable chosen for study was External variable and the items studied under this variable are Exterior window display and location. Customers were asked to prioritize the parameters based on

the importance from their perspective while shopping. Also the impact of exterior window display and location of

the store on consumer behavior in terms of Pleasure, Arousal and dominance dimensions were quantified.

| Sr. No | Particulars         | Detail                                                                                                                                                                                 |
|--------|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.     | Sample Frame        | Customers/visitors of organized retail store                                                                                                                                           |
| 2.     | Size                | 115                                                                                                                                                                                    |
| 3.     | Method              | Stratified sampling                                                                                                                                                                    |
| 4.     | Unit                | Customers/visitors of organized retail store                                                                                                                                           |
| 5.     | Scale               | Five point likert scale                                                                                                                                                                |
| 6.     | Research Instrument | Structured questionnaire                                                                                                                                                               |
| 7.     | Data Collection     | <p><b>Primary data</b> is collected by survey method by administering a structured question.</p> <p><b>Secondary data</b> is collected from available literature from e-resources.</p> |

## HYPOTHESIS, RESULTS AND DISCUSSION

**H0a:** Exterior window display does not motivate consumers to spend more time in the store

**H1a:** Exterior window display motivate consumers to spend more time in the store

| Regression statistics |             |
|-----------------------|-------------|
| Multiple R            | 0.33178125  |
| R Square              | 0.110078798 |
| Adjusted R Square     | 0.102203389 |
| Standard Error        | 0.890285652 |
| Observation           | 115         |
| <i>P-Value</i>        | 0.000292049 |

Since the P value is 0.0002 which is less than 0.05(95% confidence level)  $H_{0a}$  is rejected i.e exterior window display motivates consumers to spend more time in the store.

**H<sub>0b</sub>:** Exterior window display does not motivate consumers to buy items other than planned

**H<sub>1b</sub>:** Exterior window display motivate consumers to buy items other than planned

| Regression statistics |             |
|-----------------------|-------------|
| Multiple R            | 0.225536355 |
| R Square              | 0.050866647 |
| Adjusted R Square     | 0.042467237 |
| Standard Error        | 0.996655183 |
| Observation           | 115         |
| <i>P-Value</i>        | 0.015371831 |

Since the P value is 0.0153 which is less than 0.05(95% confidence level)  $H_{0b}$  is rejected i.e exterior window display motivates consumers to buy items other than planned.

**H<sub>0c</sub>:** Exterior window display does not motivate consumers to recommend the store to others

**H<sub>1c</sub>:** Exterior window display motivate consumers to recommend the store to others

| Regression statistics |             |
|-----------------------|-------------|
| Multiple R            | 0.188806065 |
| R Square              | 0.03564773  |
| Adjusted R Square     | 0.027113639 |
| Standard Error        | 0.967127893 |
| Observation           | 115         |
| <i>P-Value</i>        | 0.043298987 |

Since the P value is 0.0432 which is less than 0.05(95% confidence level)  $H_{0c}$  is rejected i.e exterior window display motivates consumers to recommend the store to others.

**H<sub>0d</sub>:** Exterior window display has no effect on my buying behavior

**H<sub>1d</sub>**: Exterior window display has effect on buying behavior

| Regression statistics |              |
|-----------------------|--------------|
| Multiple R            | 0.001925809  |
| R Square              | 3.70874E-06  |
| Adjusted R Square     | -0.008845816 |
| Standard Error        | 1.179207218  |
| Observation           | 115          |
| <i>P-Value</i>        | 0.0383703216 |

Since the P value is 0.03837 which is less than 0.05(95% confidence level) H<sub>0d</sub> is rejected i.e exterior window display has effect on buying behavior.

**H<sub>0e</sub>**: Location does not motivate consumers to spend more time in the store

**H<sub>1e</sub>**: Location motivate consumers to spend more time in the store

| Regression statistics |             |
|-----------------------|-------------|
| Multiple R            | 0.313290107 |
| R Square              | 0.098150691 |
| Adjusted R Square     | 0.090169724 |
| Standard Error        | 1.046284435 |
| Observation           | 115         |
| <i>P-Value</i>        | 0.000651521 |

Since the P value is 0.0006 which is less than 0.05(95% confidence level) H<sub>0e</sub> is rejected i.e location motivates consumers to spend more time in the store.

**H<sub>0f</sub>**: Location does not motivate consumers to buy items other than planned

**H<sub>1f</sub>**: Location motivate consumers to buy items other than planned

| Regression statistics |              |
|-----------------------|--------------|
| Multiple R            | 0.081302388  |
| R Square              | 0.006610078  |
| Adjusted R Square     | -0.002180983 |
| Standard Error        | 0.920325834  |
| Observation           | 115          |
| <i>P-Value</i>        | 0.387710111  |

Since the P value is 0.3877 which is more than 0.05(95% confidence level)  $H_{0f}$  is accepted i.e location does not motivate consumers to buy items other than planned.

$H_{0g}$ : Location does not motivate consumers to recommend the store to others

$H_{1g}$ : Location motivate consumers to recommend the store to others

| Regression statistics |             |
|-----------------------|-------------|
| Multiple R            | 0.130958215 |
| R Square              | 0.017150054 |
| Adjusted R Square     | 0.008452267 |
| Standard Error        | 1.083989495 |
| Observation           | 115         |
| <i>P-Value</i>        | 0.16300245  |

Since the P value is 0.1630 which is more than 0.05(95% confidence level)  $H_{0g}$  is accepted i.e location does not motivate consumers to recommend the store to others.

**H<sub>0h</sub>**:Location has no effect on my buying behavior

**H<sub>1h</sub>**:Location has effect on my buying behavior

| Regression statistics |              |
|-----------------------|--------------|
| Multiple R            | 0.072148463  |
| R Square              | 0.005205401  |
| Adjusted R Square     | -0.003598091 |
| Standard Error        | 1.073006828  |
| Observation           | 115          |
| <i>P-Value</i>        | 0.443525649  |

Since the P value is 0.4435 which is more than 0.05(95% confidence level) H<sub>0h</sub> is accepted i.e location has no effect on my buying behavior.

## CONCLUSION

Exterior window display plays a crucial role in deciding the profitability of the stores as it encourages clientele to visit the store, buy items other than planned-impulsive purchases and displaying store loyalty and recommendations to others. Whereas location of the store is a factor that ensure more footfalls and duration of time spent in the store

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