

**THE IMPACT OF THE STORE ATMOSPHERE FACTORS ON CONSUMER PURCHASE INTENTION: THE CASE OF THE FASHION RETAIL STORES IN MATARA DISTRICT OF SRI LANKA**

**M. A. T. Hansika<sup>1,\*</sup> and Y. M. W. G. P. K. Udurawana<sup>2</sup>**

*<sup>1,2</sup> Department of Business Management, Faculty of Management Studies, Rajarata University of Sri Lanka, Mihintale, Sri Lanka*

\*Corresponding author (email: [bm1617106@mgt.rjt.ac.lk](mailto:bm1617106@mgt.rjt.ac.lk))

## **INTRODUCTION**

The fashion industry has shown many vital trends globally in the past few years. Looking ahead to 2022, in aggregate, McKinsey fashion scenarios suggest global fashion sales will reach 96 to 101 percent of 2019 levels in 2021 and 103 to 108 percent in 2022. Consumer product businesses focus on consumer purchasing intentions to preserve and enhance their image. While some stores in the industry successfully satisfy customers' intentions to purchase, others do not. Extant studies have explored that predicting consumer behavior is one of the most tedious tasks for any business as it keeps on changing under the influences of unknown and uncertain factors, leading to a purchase intention that is difficult to measure under different circumstances. Consumers' purchasing decisions are influenced by various factors, including brand, price, attitude, personal, psychological, and cultural aspects, making it challenging for marketers to anticipate how consumers would purchase a product. According to this, many things affect the buying decision, and many researchers talk about things other than price. It has been demonstrated that the retail environment is conducive to making a purchase decision about fulfilling the customer's requirement. Especially when shoppers participate in unplanned shopping activities, whether they buy or not can be strongly influenced by the shopping environment and their emotions at the time.

Mathur (2014) has explored that customers are most interested in product features, benefits, and attributes when they are involved in purchasing. Customers prefer to be involved with any product or service they have a positive experience sharing. Therefore, today's customers seek additional benefits within their shopping experience. So, stores need to be set up and designed to attract more customers, make it easier to find things, get people to buy things they did not plan to, and make shopping a pleasant experience. Understanding the store atmosphere is essential for any marketing practitioner since it both retains and draws consumers and aids in competitive winning. Kotler (1973) has defined the concept of atmospherics as "The effort invested in creating a desirable buying environment to induce specific emotional responses in consumers.

A few researchers have discussed the effect of store atmosphere on purchase intention. Store atmospherics consist of "all of the physical and non-physical elements of a store that can be controlled in order to enhance (or restrain) the behaviors of its occupants, both customers and employees". Sabrina (2014) points out that "There is a surprising lack of empirical research and theoretically based frameworks addressing the role of physical surroundings in

consumption settings. However, a limited number of studies addressed the effects relevant to the fashion retail stores in the Matara District of Sri Lanka. Therefore, the main objective of the research is to identify the store atmosphere factors that affect purchase intention. Donovan and Rossiter created the S-O-R model in 1982 to study environmental influences on purchasing (Donovan et al., 1994). According to that, Baker and Bitner have popular typologies. Bohl (2012) divides the environment into ambient, designed, and social. This study used Baker's environmental cue typology as retail is a service.

The research framework has developed concerning the effect of store atmosphere on consumers' purchase intention. There are three elements in the store environment: social, design, and ambient cues. Music, lighting, scent, display, layout, color, and in-store crowding are all aspects to consider. The nature of the link between these three characteristics and the dependent variable, purchase intention, was determined using this conceptual framework.

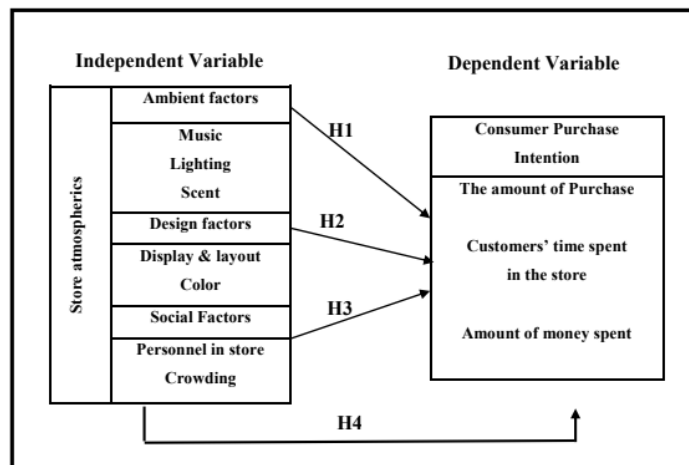


Figure 1 Conceptual Framework

Accordingly, there are four hypotheses;

H1: Ambient factors have a more significant impact on purchasing intention of consumers.

H2: Design factors have a more significant impact on the purchasing intention of consumers.

H3: Social Factors have a more significant impact on purchasing intention of consumers.

H4: Store Atmosphere have a more significant impact on the purchasing intention of consumers.

## METHODOLOGY

The study evaluated the quantitative influence of store atmospherics on consumer purchase intention in Matara's fashion retailing industry. Quantitative research uses mathematical, statistical, and computer-aided methods to evaluate a phenomenon. This study's data is cross-sectional, which implies that researchers did not interfere with the research setting while gathering data. As a descriptive research study, the study was developed through the deductive approach and used the survey method to collect the data. Time and financial restrictions make it challenging to acquire data from all fashion retail users. Data were collected from 384 individuals. A 5-point Likert scale indicates reaction frequency. SPSS analyzed the data.

## RESULTS AND DISCUSSION

At the time of the analysis of the sample profile, the majority of respondents' age range is 21–31, which is 54% of the total. Women made up 66% of those who came to the store to purchase clothes, while men made up 34%. Participants are more passionate about fashion than the respondents at this age.

Table 1 KMO and Bartlett's Test for factors validity

Variable	Coefficient Correlation	Information
Ambient Factors	.902	Valid
Design Factors	.895	Valid
Social Factors	.822	Valid
Purchase intention	.847	Valid

To improve internal validity, the researcher had to reduce some of the questions based on these three main variables in gathering data, reducing uncertainty between the variables. According to Table 1, the KMO value is more significant than 0.5, so the researcher concludes that the sample is adequate.

Table 2 ANOVA

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	55.553	3	18.518	121.774	.000 <sup>b</sup>
1 Residual	57.786	380	.152		
Total	113.339	383			

Table 3 shows the results of the regression analysis.

Table 3 ANOVA Coefficients<sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficient	t	Sig.
	B	Std. Error			
(Constant)	.605	.177		3.411	.001
1 AMBIENT	.244	.057	.229	4.250	.000
DESIGN	.431	.065	.366	6.622	.000
SOCIAL	.212	.045	.213	4.720	.000

Based on Table 3 can be written multiple linear regression equations as follows.

$$Y = .605 + \beta_1 .244 (\text{ambient}) + \beta_2 .431 (\text{design}) + \beta_3 .212 (\text{social})$$

Multiple Linear Regression revealed that environmental, design and social aspects affect purchase intention. The classic assumption test is used to see if the model that will be made will work before it is used to predict. R-square value is 0.490, indicating that ambient, design, and Social factors account for 49% of differences in consumer purchase intentions. The classic assumption test is used to see if the model that will be made will work before it is used to

predict. Classical assumption tests include the normality test, the multicollinearity test, and the heteroscedasticity test.

Table 4 Hypothesis Testing

Hypothesis	Relationship between variables	t statistic	P value	Result
H1	Ambient factors have a more significant impact on purchasing intention of consumers.	4.250	0.000	Supported
H2	Design factors have a more significant impact on purchasing intention of consumers.	6.622	0.000	Supported
H3	Social factors have a more significant impact on purchase intention of consumers.	4.720	0.000	Supported
H4	Store atmospherics have a more significant impact on purchase intention of consumers.	18.861	0.000	Supported

Table 4 shows all the hypothesis test results. The atmosphere factor influences customer purchasing intent. H<sub>1</sub> expected that ambient factors would impact the probability of a purchase. H<sub>1</sub> was valid ( $t = 4.250$ ,  $p < 0.001$ ), indicating that environmental influences affect purchasing intention. H<sub>2</sub> indicates that design influences purchase intentions more than H<sub>2</sub>. Display, layout, color, and buyers' desire to purchase are all connected ( $t = 6.622$ ,  $p < 0.001$ ). So H<sub>2</sub> was accepted. Users are more willing to purchase if they feel good about themselves. A store's displays and layouts must be dynamic, unique, and imaginative to succeed.

Social factors impact consumer purchases more than H<sub>3</sub>. Social factors ( $t = 4.720$ ,  $p < 0.001$ ) positively affect buying intention. H<sub>3</sub> had support. In these two ways, the social aspects of the store had a negative effect on the employees. Crowding is beneficial.

According to H<sub>4</sub>, store atmosphere influences customers' purchase intentions more strongly. As hypothesized, this study shows that store atmosphere has a greater impact on purchasing intention than consumers. Researchers ranked it as the fourth most important dimension. Respondents gave high marks for the final hypothesis and ambient, design, and social factors. ( $t = 18.861$ ,  $p < 0.001$ ) H<sub>4</sub> succeeded.

## CONCLUSIONS AND IMPLICATIONS

The research objective was to identify the impact of factors of the store atmosphere on consumer purchase intention in Sri Lankan fashion retail outlets. The survey focused on Matara Districts, with a total sample size of 384 respondents. More than half of the respondents visit fashion retail establishments at least once a month. The majority of the sample was filled with young and middle-aged people, with older adults responding at a low proportion. The results show a positive correlation between the independent and dependent variables. Music, lighting, display, layout, color, and crowding affect purchasing intent. Ambient, design and social influence all affect customer purchases. The scent of the store and its personnel have almost no effect on the customer while they are shopping. The store's atmosphere can play an essential role in determining the store's image and capturing

customers' hearts. In a store, customers' emotional states are influenced by the store's atmosphere, which makes them feel welcome and happy. Undoubtedly, people in the fashion industry can gain a competitive edge by coming up with a good plan that helps them reach all of their goals.

**Keywords:** Consumer purchase intention, fashion retail stores, store atmosphere

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