

## **A STUDY ON IMPACT OF AMBIENT MUSIC ON ORGANIZED RETAIL CUSTOMERS' AND EMPLOYEES' BEHAVIOR**

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### **ABSTRACT**

The term 'Retailtainment' –the phenomenon, which brings together retailing, entertainment, music and leisure, is gaining momentum at a faster pace. Retail interior designers are trying to use atmospheric influences to engineer shopper moods and emotions. In this connection in-store music can be an important ambient factor of store atmosphere which can play a key role in influencing customers' shopping experience and purchase decisions. It also influences the work environment of the store personnel and contributes for the enhancement of their productivity. This paper examines the impact of in-store music on retail customers and employees in an organized retail store setting.

**KEYWORDS:** Consumer Behavior, Music, Retailing, Retailtainment, Store Atmospherics, Etc

### **INTRODUCTION**

Customer shopping patterns and behaviors are changing globally. The traditional buying behavior of customers favoring small, neighborhood markets is shifted to large retail formats offering wider selection and better prices. Today, customers are looking forward to have an integrated shopping experience across all channels and the failure of delivering such experiences puts retailers at risk of becoming irrelevant. Also, retailers are facing the challenge of engaging customers on more than just price. Customers are looking for a more stimulating and satisfying experience than just a lowest price for a particular product (Deloitte Touche Tohmatsu 2013)<sup>1</sup>.

Consumers are becoming more value conscious. They are not willing to purchase big-ticket items and are more careful about leisure spending. This needs retailers to adapt to new consumer behavior, and the values and priorities that will drive their decisions. When deciding to purchase, shoppers may respond to more than just the product and services being offered (Kotler, 1973)<sup>2</sup>. It's becoming more difficult to 'Create the Wow! Factor' in the retail environment today. It's not really prudent that Retailers just try differentiating their stores on the basis of marketing mix. The impact of Aesthetics and atmospherics, competence and conformance on customer's experience is significant (Sanjiv Mittal and Akanksha Gupta (2012)<sup>3</sup>. This needs retailers to be more focused in delivering good customer experiences for improved customer loyalty and patronage. According to Ghosh, P, et.al, (2010)<sup>4</sup> the younger generation has greater inclination towards organized retailing. The customers spend more time while purchasing high involvement goods exhibiting a leisure shopping orientation and on the other hand they tend to spend lesser time while buying predetermined products. Therefore, convenient location of the store, stimulating store atmospherics, mesmerizing merchandise mix, superlative services and above all a one-stop shopping would impel customers to patronage a store.

The psychometric meta-analysis of Kampfe, J, et.al. (2010)<sup>5</sup> revealed that background music has a slight positive effect on individual behavior and can stimulate positive emotions and sports performance. According to Tendai, M and Crispen, C (2009)<sup>6</sup> atmospheric factors like music, aroma and ventilation could only make customers stay for long in a shop and had no direct influence on impulsive buying. Shoppers' tend to spend more time if pleasant music is played than in the no-music condition. Consumers' perceive time was slower while background music was played and it had a positive effect on their waiting time. Music also had a positive effect on sales and sales volumes (Gueguen, N, et.al, (2007)<sup>7</sup>.

Familiar music has a positive effect on customers' retail patronage and perceived pleasure. Familiar music with slower tempo and low volume results in longer staying of shoppers' in the store as compared to less familiar music with high tempo and volume. Tempo has a magnificent effect on arousal. Proper use of music in a retail setting would provide definite returns to business in the form of sales value and volume, repeat purchases and visits, quantity purchased, etc. apart from enhancing the store image (Garlin, F.V and Owen, K (2006)<sup>8</sup>. Music can influence the speed of consumer activity, product choice, desire to affiliate and the time spent in the store. Consumers spend more time and money in a restaurant or retail store if they consider music being played to be appropriate (Wilson, S (2003)<sup>9</sup>.

Against this backdrop the study has been taken up with an objective of analyzing the impact of in-store music on customers shopping experience and employee behavior at organized retail stores. The following null hypothesis has been set for the study

## **METHODOLOGY**

The study covered two retail outlets i.e. Big Bazaar and Spencer's, for the survey conducted in Vijayawada, Visakhapatnam and Hyderabad cities. Since the universe of the organized retailing is large, stratified sampling technique is used to select the sample units. The size of the sample is 450 customers and 270 employees of the selected retail stores. A separate questionnaire has been constructed for customers and employees of the above mentioned organized retail stores. Likert scale has been used to collect opinions. Analysis of Variance (ANOVA) is applied using SPSS 16.0.

### **Impact of Music on Customer Shopping Behavior**

The impact of music on shopping behavior at organized retail stores has been ascertained using twelve statements about music that normally influences behavior of customers. The results are presented in Table 1. The mean values of the statements varied between 2.64 and 3.29. The statement 'The music played in the store accelerates my purchase intention' secured the highest rating with a mean value of 3.29 and 65.87 per cent score. The statement 'I do not mind spending more time in the store when I listen to my favorite music' secured second position with a mean value of 3.21 and 64.18 per cent score respectively. The third preference has been given to the statement 'I like to visit the shop again and again when I like the music played in the store' with a mean value of 3.18 and 63.64 per cent. The statement 'Pleasing music provokes me to spread positive-word-of mouth about the store' secured the least mean value 2.64 and 52.89 per cent. The standard deviation 0.22 signifies the consistency in respondents' opinion for the statements.

**Table 1: Impact of Music on the Behavior of Customers in Organized Retail Stores**

Music	Score	Mean	% To Max. Score
Music plays an important role in my store choice	1198	2.66	53.24
Music has positive effect on my mood while	1295	2.88	57.56
I do not mind spending more time in the store when I listen to my favorite music	1444	3.21	64.18
I tend to make more shopping when I listen to good music	1343	2.98	59.69
I often get excited when I listen upbeat and fast tempo music	1322	2.94	58.76
I feel pleasant when I listen slow rock music	1319	2.93	58.62
I feel satisfied when good music is played in the store	1227	2.73	54.53
I consider music is one of the attractions to visit a store	1274	2.83	56.62
The music played in the store accelerates my purchase intension	1482	3.29	65.87
I like to visit the shop again and again when I like the music played in the store	1432	3.18	63.64
The music played in the store enhances the perceived value of the store	1230	2.73	54.67
Pleasing music provokes me to spread positive-word-of mouth about the store	1190	2.64	52.89
	Group Mean	2.92	58.36
	SD	0.22	

*Source: primary data*

### Impact of Store Atmospherics on Customer Shopping Behavior across Stores and Cities

The mean scores of store wise responses with respect to region on impact of Music on customer shopping experience is given in Table 1.1 The impact of music on customers at Big Bazaar is found to be more intense in Visakhapatnam followed by Hyderabad and Vijayawada with average scores of 68.51, 67.02 and 66.97 respectively. The impact of music on customers at Spencer's is found to be more intense in Hyderabad followed by Visakhapatnam and Vijayawada with average scores of 61.02, 56.33 and 50.00 respectively.

**Table 1.1: Music Impact on Customer Behavior across Stores and Cities (ANOVA Table)**

Store	City	Mean	Std. Deviation	N
BigBazaar	Hyderabad	67.0222	8.57003	75
	Vijayawada	66.9778	9.60829	75
	Visakhapatnam	68.5111	10.84138	75
	Total	67.5037	9.70053	225
Spencer's	Hyderabad	61.0222	10.32829	75
	Vijayawada	50.0000	10.81860	75
	Visakhapatnam	56.3333	8.60372	75

	Total	55.7852	10.90183	225
Total	Hyderabad	64.0222	9.92550	150
	Vijayawada	59.2556	11.51062	150
	Visakhapatnam	61.6556	13.46764	150
	<b>Total</b>	<b>61.6444</b>	<b>11.85940</b>	<b>450</b>

Source: primary data

Table 1.1

Source	Type III Sum Of Squares	Df	Mean Square	F	Sig.
Corrected Model	20152.815 <sup>a</sup>	5	4030.563	41.621	.000
Intercept	1710016.889	1	1710016.889	1.766E4	.000
Store	15448.914	1	15448.914	159.530	.000
City	1704.111	2	852.056	8.799	.000
Store * City	2999.790	2	1499.895	15.488	.000
Error	42996.963	444	96.840		
<b>Total</b>	<b>1773166.667</b>	<b>450</b>			
<b>Corrected Total</b>	<b>63149.778</b>	<b>449</b>			

a. R Squared = .319 (Adjusted R Squared = .311)

Source: primary data

Big Bazaar store and Visakhapatnam city achieved the highest mean score (68.51). Significance value of *Store* (0.00) is less than the threshold value (0.05), it can be concluded that *Store* factor alone do affect consumer opinion on music. The significance value of *City* (0.00) and interaction between the two factors *Store \* City* (0.00) are less than the threshold value (0.05). These are leading to the conclusion that *Store, City, Store \* City* does make a difference in consumer opinion on music.

### Impact of Music on Store Employees' Behavior

The opinion of the store employees about the impact of music on their behavior at organized retail stores has been studied. Six qualifying statements about music that normally influences behavior of employees were asked to respondents. The results are presented in Table 2. The mean values of the statements varied between 2.46 and 3.46. The statement 'Music stimulates my attention and helps me make active interactions with customers' secured the highest rating with a mean value of 3.46 and 69.11 per cent score. The statement 'Music enhances my commitment levels and associates me for a longer time with the store' secured second position with a mean value of 3.40 and 68.00 per cent score. The third preference has been given to the statement 'Music has a positive influence on my sales performance' with a mean value of 3.28 and 65.63 per cent score. The statement 'Music contributes to pleasant work environment' secured the least mean value 2.46 and 49.19 per cent score. The standard deviation 0.44 signifies the consistency in respondents' opinion for the statements used in the question.

Table 2: Impact of Music on the Behavior of Employees in Organized Retail Stores

Music	Score	Mean	% To Max. Score
Music contributes to pleasant work environment	664	2.46	49.19

Music makes me feel good while working in the store	690	2.56	51.11
Music stimulates my attention and helps me make active interactions with customers	933	3.46	69.11
Music reduces stress levels and makes my work easy and comfortable	859	3.18	63.63
Music has a positive influence on my sales performance	886	3.28	65.63
Music enhances my commitment levels and associates me for a longer time with the store	918	3.40	68.00
	Group Mean	3.06	61.11
	SD	0.44	

Source: primary data

### Impact of Store Atmospherics on the Behavior of Store Personnel across Stores and Cities

The mean scores of store wise responses with respect to region on impact of Music on store employees are given in Table 3. The impact of music on employees at Big Bazaar is found to be more intense in Hyderabad followed by Visakhapatnam and Vijayawada with average scores of 65.70, 61.92 and 63.11 respectively. The impact of music on employees at Spencer is found to be more intense in Hyderabad followed by Visakhapatnam and Vijayawada with average scores of 58.59, 56.22 and 47.77 respectively.

**Table 3: Music Impact on the Behavior of Store Personnel across Stores and Cities (ANOVA Table)**

Store	City	Mean	Std. Deviation	N
Big Bazaar	Hyderabad	65.7037	10.50787	45
	Vijayawada	61.9259	10.95189	45
	Visakhapatnam	63.1111	11.68613	45
	Total	63.5802	11.09009	135
Spencer's	Hyderabad	58.5926	10.26145	45
	Vijayawada	47.7778	9.52403	45
	Visakhapatnam	56.2222	7.14214	45
	Total	54.1975	10.13968	135
Total	Hyderabad	62.1481	10.92833	90
	Vijayawada	55.4444	10.60031	90
	Visakhapatnam	59.0741	12.33581	90
	<b>Total</b>	<b>58.8889</b>	<b>11.60054</b>	<b>270</b>

Source: primary data

Table 3

Source	Type III Sum of Squares	Df	Mean Square	F	Sig.
Corrected Model	9186.667 <sup>a</sup>	5	1837.333	17.956	.000
Intercept	936333.333	1	936333.333	9.151E3	.000
Store	5942.387	1	5942.387	58.075	.000
City	2026.914	2	1013.457	9.904	.000
Store * City	1217.366	2	608.683	5.949	.003
Error	27013.333	264	102.323		
Total	972533.333	270			
Corrected Total	36200.000	269			
<b>a. R Squared = .254 (Adjusted R Squared = .240)</b>					

Source: primary data

Big Bazaar store and Hyderabad city achieved the highest mean score (65.70). As significance value of *Store* (0.00) is less than the threshold value (0.05), it can be concluded that *Store* factor alone do affect employees' opinion on music. The significance value of *City* (0.00) and interaction between the two factors *Store \* City* (0.00) are less than the threshold value (0.05). These are leading to the conclusion that *Store, City, Store \* City* does make a difference in employees' opinion on music.

## CONCLUSION AND IMPLICATIONS

Retail all over the world is undergoing remarkable renovation. Indian retail is no exception. The Indian retail sector is witnessing tremendous growth with the changing demographics and an increase in the quality of life of urban people. With a growing economy, improving income dynamics, rising awareness, and a youth-heavy customer base, India is on its way to become one of the most prospective markets for the domestic and global retailers.

Organized retailing especially is creating joy amongst Indian consumers drawing them into malls and trade areas in huge numbers. Retailers are offering newer service dimensions to create unique shopping experiences for the customers. However, whether consumers are able to perceive newer service dimensions and getting affected for store patronage in new store formats or not, remains to be found out. The present study revealed that music is having positive impact on the behavior of customers and employees in organized retail stores. It is evident from the study that the impact of music is more dominant on the customers and employees of Big Bazaar as compared to Spencer's. The impact of music is found to be more intense on the customers and employees of Big Bazaar and Spencer's of Hyderabad followed by Visakhapatnam and Vijayawada. The impact of music is found significant in influencing the shopping behavior and experience of customers in organized retailing while improving employee's loyalty towards the store. Hence, retailers need to focus on music as an important attribute to improve store ambience and the same can be used to generate improved foot falls and store patronage.

The modern Indian consumer is seeking more value in terms of improved availability, quality and pleasant shopping environment. Hence emphasizing on ambient store atmospherics for attracting customers and retaining employees can be a key for retailers today to stand out of the crowd. As the pace of globalization accelerates, so does the race of competition. The success in the race is not guaranteed to the quickest but to companies that make the right moves at

the right time.

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