

**THE ANALYSIS OF AMBIENT FACTORS
AT THE GOODS DEPT PACIFIC PLACE**

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Abstract

The rapid expansion of the internet has pushed the emergence of a whole new competition for conventional retailers. The presented study is undertaken to measure the impact as well as investigate the relationship and significance between ambient factors and customers' hedonic experience at The Goods Dept store in Pacific Place Mall, South Jakarta. A quantitative approach was conducted by means of self-administered questionnaires pertaining to the study. The findings unveil that there is evidently an insignificant relationship between the variable ambient factors simultaneously in the incorporation of atmospherics towards customers' hedonic experience in The Goods Dept Pacific Place.

Keywords: Fashion Retail, Ambient Factors, Customer Experience, Retail, The Goods Dept

Introduction

With Indonesia being the fourth biggest market in the world, ecommerce is heating up extremely fast. The internet, social media, and the growing availability of mobile payment technologies have connected buyers and sellers not only from across the country but all over the world (Jay, 2016). Depending on a merchant's products, marketing scheme, and customer base, this could mean either operating solely as an ecommerce business, maintaining a traditional storefront or creating a competitive mix of both (Parsons, 2002).

A store has an emotion inducing capability. Mehrabian and Russell (1974) specified that a store's environmental stimuli can affect the consumer's emotional states of pleasure and arousal, which further affects approach or avoidance behaviors in purchasing. Pleasure refers to the degree to which the consumers feel good, happy, satisfied and joyful in the store environment. Arousal refers to the degree to which consumers feel in control of, or free to act in, the environment. A positive emotion inducing store can contribute to a customer's pleasurable shopping experience and when a positive store environment helps to foster goal attainment, more consumers achieve their goal and hence a pleasurable shopping experience is obtained (Bawa et al, 2015).

If customers fail to find anything systematic, unique and attractive within the store, let alone buying, they would not even have considered to walk into the store and may simply just walked pass by (Sharma and Stafford, 2000). The Goods Dept aimed to educate the consumers about the street style culture and they also have constant rotations of exhibition and events in their store, making them considered as one of the most influential brand that has affected the culture of local street fashion in the city (Hamid, 2011).

With that being said, the authors are excited to extract the impact of the aspects of ambient factors incorporated by The Goods Dept. in Pacific Place Mall as one form of marketing communication towards customers' hedonic experience.

Problem Statement

The role of store atmosphere in today's modern retail under the fashion and apparel segment has become a critical aspect in determining the desired consumer behavior in the purpose of generating greater sales. Efforts have shifted from a sole concern with merchandise breadth, depth and quality to including an emphasis on creating a pleasant, entertaining experience for the customers.

This leaves the opportunity to do a research on how experience of the customers are affected by the store design factors. Therefore, the authors believe that it is a great necessity to investigate and analyse the matters. The authors have mapped out the following as the research question pertaining to the study:

1. What is the impact of ambient factors in The Goods Dept Pacific Place on customers experience?

Objectives

- To examine the impact of ambient factors towards customers' experience

Literature Review

a. Ambient Factors

The ambient factors refer to background conditions in the environment that relate to non-visual elements of a store's environment. As indicated by Davidson et al. (1988) (cited in Hines & Bruce, 2012), the ambient factor is felt more than it can be seen and measured. It generally exists below the level of customers' immediate awareness, so they may be less than totally conscious of these conditions in the environment.

Ambient conditions are especially noticeable to shoppers in extreme circumstances. Consumers expect a certain level of ambient environmental conditions to exist and may be unaware of these background factors unless they are absent or exist at an unpleasant level (Hines & Bruce, 2012). When that happens, dissatisfaction may result. Instead of taking more time to shop, consumers who feel uncomfortable may hurry to make the

intended purchases and leave the store. The ambient factors include elements such as temperature, lighting, music, scent, and cleanliness.

1. Temperature

Temperature at a retail store is among those atmospheric variables that greatly impact the consumer behavior upon shopping. Berman & Evans (2001) also emphasized that the customers' mood is affected by the store's temperature and the way of achieving it. A person would be uncomfortable if there was insufficient heat in winter and coolness in summer. It prompts to dissatisfaction to the customers and thus, they invest less time in the store and may produce negative word of mouth (Lam, 2001).

2. Lighting

Lighting is recognized as an important component of store atmospherics, affecting the consumers' visual appraisal of everything in a store, including the merchandise. Lighting in a store did not only focus on the light itself, natural lighting from the glass windows also plays its own lucrative role in a store (Idris, 2013). Lighting can also be referred as the act of enhancing or illuminating, the light arrangement to create particular effects, an effect occurred by the arrangement of lights, and the way the light falls upon a face, objects, or products in a various situation (Freyssinier et al., 2006).

A successful lighting at any retail store and business environments has the potential and probability to dramatically affect sales since lighting can increase the floor traffic, create visual interest, bring effect to the color of merchandise and able to direct the customer going through the store either deeper (Idris, 2013). Mehrabian and Russell (1974) suggested that lighting was a major factor in the environment's impact on individuals, i.e. brightly lit rooms are more arousing than dimly lit ones. It was further concluded that under bright lighting customers tend to touched and picked up more items as opposed under soft lighting.

3. Music

Ambient music can be played either rather loudly in the foreground or unnoticeably in the background. Therefore, the terms "foreground music" and "background

music” are introduced (Ullakonoja, 2011). Background music is typically called an ambient factor, whereas foreground music is often classified as a design factor since its purpose is more than simply to create an atmosphere. The genre of background music is typically described as easy listening or mood music, where the artist is often unknown. On the contrary, foreground music is usually a popular or a hit music performed by famous artists.

The style or genre of music that is played should be strongly related to the targeted consumers (Yalch & Spangenberg, 1993). Findings suggest that the style or genre of the music must fit into the store environment and also to the products sold. Otherwise the results may be even worse than in a situation where no music exists.

The other main components of music which can be modified, are tempo and volume. Oakes (2003) suggested that a slow tempo often makes people more satisfied to, and relaxed in, the environment. There has also been some debate about whether the volume of music affects the time customers spend in the store. Some suggest that louder music makes people usually stay a shorter period of time in the store. However, at the same time others say that volume has no effect to the time spent in the store.

Moreover, the most important consideration when selecting music to a retail store is its congruency with the rest of the store environment. Fast tempo and loudly played pop-music can be the best choice for a clothing store targeted at teenagers but a better combination certainly exists for a store that sells expensive antique furniture.

4. Scent

It has been said that out of all the human senses, the sense of smell has the greatest impact on emotions. This is because the nose is directly connected with the olfactory lobe, which is part of the limbic system, which is also the area of brain that is considered as the seat of emotions. Even though customers may not be able to vocalize or elaborate what smells they are exposed to, their brain might still associate smells with prior life events and evoke feelings (Ward et al., 2003).

According to Gulas and Bloch (1995) (as cited in Farias et al. 2014), the olfactory stimulus is relevant to consumer behavior in two ways: the particular object's smell and the smell of the environment itself. Dissimilar to the scent originating from the product, the environmental fragrances can influence the reactions to any product sold in a store, even those which would be difficult or inappropriate to add an artificial scent. In addition, scents certainly have an impact to the overall atmosphere and it is also critical to choose the scent in accordance with the rest of the environment.

5. Cleanliness

Cleanliness is the appearance of a retail store environment that improves the atmosphere which affects the customers feeling towards the store. Berman & Evans (2001) claimed that no matter how impressive a store's exterior and interior may be, an unkempt store will always be perceived poorly by the customers. Cleanliness of a store can generate positive impression among consumers and makes them stay longer and purchase more in the store (Hussain & Ali, 2015).

b. Customer Experience

Pine & Gilmore (1998) depicted experience as something that occurs when a company intentionally uses services as the stage and goods as props to engage individual customers in a way that creates a memorable event. Every time a retailer manages to engage their customers in a personal and a memorable way, an experience is created. By tying design elements and staged events to a coherent theme as well as engaging all five essential senses to support the theme, retailers could generate marketing experiences and captivate their customers by creating positive impressions and eliminating negative ones.

c. Hedonic and Utilitarian Values

Voss (et al., 2003) explained that there are two reasons for consumers consuming products: hedonic and utilitarian values. Hedonic value according to Baker et al. (2002); Voss et al. (2003) refers on reflecting the emotional value of the shopping itself, and relates to the senses involved in using the product. It is subjective in nature and usually results from personal feelings.

Meanwhile, utilitarian value as described by Bäckström & Johansson (2006) refers to fulfilling a task and relates to the functions of a product as well as its performance. The selection of a product is efficient and instrumental, and based on logical reasoning regarding the available product information.

Hypothesis

In the presented study, the aspects of the ambient factors and customers' hedonic experience are meant to be the variables which allowed the author to formulate the following as the hypothesis of the research:

H1: Ambient factors affecting customers' experience in The Goods Dept Pacific Place.



X: Ambient Factors

Y: Customers Experience

Methodology

a. Quantitative Approach

What constitutes a quantitative research method involves a numeric or statistical approach to research design. It is also specific in its surveying and experimentation, as it builds upon existing theories.

There are several research methods that can be implemented to conduct a quantitative research approach. The presented study used a survey research method. In the survey research method, the researcher tends to capture phenomena at the moment.

b. Data collection method

Primary data refer to first-hand information or data obtained originally by the researcher on the variables of interest for the specific purpose of the study (Sekaran & Bougie, 2010). A questionnaire was designed and pre-tested in order to obtain the necessary information pertaining to the study. Secondary data refer to information gathered from sources that already exist (Sekaran & Bougie, 2010). The authors obtained secondary data from academic journals, books and relevant online articles.

c. Sampling Technique

The sampling method used in this research is a non-probability sampling with purposive techniques. In which case, samples are selected based on the subjective judgement of the researcher, rather than random selection (Sugiyono, 2005).

d. Data Processing Technique

The results of the questionnaire were analyzed with statistical program called SPSS (Statistical Package for the Social Science) v21.0.0 for Windows.

Data Analysis & Results

1. The Goods Dept.

It was founded in 2010 by Anton Wirjono, Chris Kerrigan, Cynthia Wirjono, Eldalia Wirjono, and Leonard Theosabrata. The idea and the concept of The Goods Dept itself grew out from The Brightspot Market, a bazaar-style market conceptualized by the founders in 2009 to showcase and highlight startup local brands of fashion and lifestyle products (thegoodsdept.com).

Today, the department store offers over 300 fashion and lifestyle brand. Their products vary from clothes to home furnitures.

For the purpose of this research, the authors chose only one out of The Goods Dept establishments to be used as the object of study; one that is located in Pacific Place Mall

in South Jakarta. Pacific Place Mall. In terms of conversion rate, The Goods Dept Pacific Place also has the highest among other stores.

2. Validity and Reliability Test Results

Questionnaire Validity Test of Ambient Factors (X) Variable

The following is the calculation result of the Ambient Factors variable validity test with the total of 5 statement items in the questionnaire starting from number 1 to 5:

Table 1

Questionnaire Variable Validity Test for Ambient Factors (X)

Item	r_{count}	r_{table}	Criteria
1	0.660	0.133	Valid
2	0.507	0.133	Valid
3	0.426	0.133	Valid
4	0.583	0.133	Valid
5	0.543	0.133	Valid

Source: Developed for the research

Table 1 indicated that all of the statement items of Ambient Factors variable in the questionnaire have valid status. This is due to the values of r_{count} (Corrected Item-Total Correlation) of each item are all greater than ($>$) the r_{table} value of 0.133.

Table 2

Results of the Reliability Test

No	Variable	r_{alpha}	r_{table}	Criteria
1	Ambient (X)	0.770	0.600	Reliable

Source: Developed for the research

3. Respondents' profile

Total respondents is 217. 72.4% of them were females. The dominance age group is 18-27. Most of the respondents admitted that they visit The Goods Dept store in Pacific Place once every month (60.4%).

4. Respondents' opinions for ambient factors

Table 3
Frequency Variable of Ambient Factors

Items	Ambient Factors				Total (score x Freq)	Average
	Score					
	SD	D	A	SA		
	1	2	3	4		
X2 - 1	1	7	127	82	724	3.34
X2 - 2	0	18	128	71	704	3.24
X2 - 3	0	7	125	85	729	3.36
X2 - 4	0	4	141	72	719	3.31
X2 - 5	1	7	108	101	743	3.42
Total					3619	16.68
Average						3.34

Source: Developed for the research

The average score of the respondents' opinion on ambient factors as indicated in Table 2 is 2.08. It appears that item number 2 has the most "Disagree" opinions from the respondents (18). The statement in item number 2 discussed about the overall lighting inside the store. Consequently, the respondents disagreed to the statement that declare the store's illumination is pleasing to the eyes. This is due to the lighting that is used inside the store has a rather dimmed ambient to support the coziness atmosphere that the store wants to portray. However, it appears that the respondents feel uneasy about that particular type of lighting. According to Mehrabian & Russell (1974), lighting was a major factor in the environment's impact on individuals and the theory preconcert that brightly lit space is more arousing than dimly lit one.

5. Multiple Regression Analysis

Table 4

Summary of Estimated Regression Output

Variable	Unstandardized Coefficient	Beta	t	Sig.	Remarks
Hedonic Experience (Y)	0.321				Significantly Affect
Ambient (X)	0.113	0.091	1.446	0.150	Insignificant Effect

Source: Developed for the research

6. Hypothesis Testing Results

Table 5

Summary of Regression Coefficients

Variable	t_{count}	t_{table}	Prob.	Sig	Remarks
Ambient (X)	1.446	1.971164	0.150	0.05	Insignificant Effect

Source: Developed for the research

7. Ambient Factors (X) Variable

H1: Ambient factors affecting customers' experience in The Goods Dept Pacific Place.

H2₀ : $\beta_1 = 0$, meaning that there is no significant impact of ambient factors on customers' hedonic experience in The Goods Dept Pacific Place.

H2_a : $\beta_1 \neq 0$, meaning that there is a significant impact of ambient factors on customers' hedonic experience in The Goods Dept Pacific Place.

Testing criteria:

1) Conventionally

It was founded that the significance level $\alpha = 0.025$ (two-tailed test) with $df = 213$. The t_{table} value that will be used based on the df is 1.971164, and the t_{count} for X based on Table 4.12 is amounted as 1.446. Consequently, the result denoted that the value of t_{count} is lower than the t_{table} value ($t_{count} < t_{table}$), making the Ambient Factors does not necessarily have a significant effect on the customers' hedonic experience. Therefore, H_a is rejected and H_0 accepted.

2) Using SPSS

It can be seen on table 4.12 that the value of probability of significance (P-value) = 0,150 or 15% is greater than the significance level of 5%. Meaning that, H_a is rejected and H_0 is accepted. In other words, the Ambient Factors as a variable does not significantly affect the hedonic experience of the customers in the store.

Conclusion

The major objective of conducting this research was to identify the impact of ambient factors on customers' hedonic experience in the local fashion retail chain outlets such as The Goods Dept.

It appears that the Ambient Factors (X_2) does not significantly affect the hedonic experiences of the customers in The Goods Dept Pacific Place as it has the lowest significance level ($\beta = 0.113$). It can be presumed that this may due to the fact that ambient factors consist of non-visual elements, thus customers may be less than totally aware of it unless the elements are absent or exist at an unpleasant level.

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