NEAR EAST UNIVERSITY
GRADUATE SCHOOL OF SOCIAL SCIENCES
BUSINESS ADMINISTRATION PROGRAM

THE IMPACT OF IN-STORE ENVIRONMENT ON CUSTOMER EXPERIENCE AND PURCHASE INTENTION IN SUPERMARKETS

PROMISE ISIOMA ANENE

MASTER'S THESIS

NICOSIA
2020

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THESIS SUPERVISOR
ASSIST.PROF.DR.GUNAY SADIKOGLU

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ACCEPTANCE/APPROVAL

We as the jury members certify the **'The impact of in-store environment on customer experience and purchase intention in supermarkets'** prepared by **Promise Isioma Anene** and defended on 30/06/2020 has been found satisfactory for the award of degree of Master.

JURY MEMBERS

....

Assist.Prof.Dr.Gunay Sadıkoglu (Supervisor)
Near East University
Faculty of Economics and Administrative Science, Department of Marketing

....

Prof. Dr. Şerife Zihni Eyüpoğlu (Head of Jury)
Near East University
Faculty of Economics and Administrative Sciences, Department of Business Administration

....

Assist. Prof. Dr. Ahmet Ertugan
Near East University
Faculty of Economics and Administrative Science, Department of Marketing

....

Prof. Dr. Mustafa SAĞSAN
Graduate School of Social Sciences
Director

DECLARATION

I **Promise Isioma Anene**, hereby declare that this dissertation entitled **'The impact of in-store environment on customer experience and purchase intention in supermarkets'** has been prepared myself under the guidance and supervision of **'Assist.Prof.Dr.Gunay Sadıkoglu'** in partial fulfillment of the Near East University, Graduate School of Social Sciences regulations and does not to the best of my knowledge breach and Law of Copyrights and has been tested for plagiarism and a copy of the result can be found in the Thesis.

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Signature

Promise Isioma Anene

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ABSTRACT

THE IMPACT OF IN-STORE ENVIRONMENT ON CUSTOMER EXPERIENCE AND PURCHASE INTENTION IN SUPERMARKETS

Customers in time past relied primarily on the functions or qualities of a product to choose a place to shop. Consumers now require additional valuable elements to pick out retail outlets for their purchases, like supermarkets. The relaxed environment of these outlets is one of those things which are highly desired. Considering the ever-increasing competition in the retail sector particularly, in the supermarket sector, retailers are trying to increase their income in any means possible while the shoppers are trying to increase the value that gets as well.

The research is aimed at investigating the impact of store environmental factors on customer experience and purchase intention. Some of these environmental factors include; ambient factor, design factor and social factor. A research model was developed to check the relationship between the independent variables, mediating variable and dependent variable. The population used for this research is students located in Turkish Republic of Northern Cyprus. Convenience sampling method was used to collect data online with the help of Google forms. A well-structured questionnaire was distributed. It consisted of two sections; personal information of respondents and 38 attitude statements. Correlation and regression analysis was conducted with the use of IBM SPSS 20 statistic package. The findings indicated that store environmental factors (ambient, design and social) have an impact on customer experience and purchase intention. Future researchers can use this research as a guide to conduct more research on the related topic.

Keywords: store environment, ambient factor, design factor, social factor, customer experience, purchase intention, supermarket

ÖZ

SÜPERMARKETLERDE MAĞAZA İÇİ ORTAMININ MÜŞTERİ DENEYİMİNE VE SATIN ALMA NİYETİNE ETKİSİ

Geçmişte müşteriler alışveriş yapacakları bir yer seçmek için öncelikle ürünün işlevlerini veya niteliklerini esas alırken günümüzde tüketiciler satın alma işlemlerinde süpermarketler gibi perakende satış noktalarını seçmek için daha fazla değerli unsura ihtiyaç duymaktadır. Bu satış noktalarının rahat ortamı büyük ölçüdearanan özelliklerden biridir. Başta süpermarket sektörü olmak üzere perakende sektöründe sürekli artan rekabet düşünüldüğünde perakendeciler mümkün olan her şekilde gelirlerini arttırmaya çalışırken alışveriş yapanlarelde ettikleri değeri de arttırmaya çalışmaktadır.

Bu çalışmada, çevresel mağaza faktörlerinin müşteri deneyimine ve satın alma niyetine etkisinin araştırılması amaçlanmıştır. Ortam faktörü, tasarım faktörü ve sosyal faktör bu çevresel faktörlerden bazılarıdır. Bağımsız değişkenler, aracı değişken ve bağımlı değişken arasındaki ilişkiyi kontrol etmek için bir araştırma modeli geliştirilmiştir. Bu araştırmanın evrenini Kuzey Kıbrıs Türk Cumhuriyeti'nde bulunan öğrenciler oluşturmaktadır. Verileri Google formları yardımıyla çevrimiçi olarak toplamak için kolayda örnekleme yöntemi kullanılmıştır. İyi yapılandırılmış bir anket formu dağıtılmıştır.Bu anket katılımcıların kişisel bilgileri ve 38 tutum ifadesini içeren iki bölümden oluşmaktadır. Korelasyon ve regresyon analizleri IBM SPSS 20 istatistik programı kullanılarak yürütülmüştür. Bulgular, mağaza çevresel faktörlerinin (ortam, tasarım ve sosyal) müşteri deneyimini ve satın alma niyetini etkilediğini göstermiştir. Bu araştırma, ilgili konuda daha fazla araştırma yapmak üzere araştırmacılar tarafından ilerde kılavuz olarak kullanılabilir.

Anahtar sözcükler: mağaza ortamı, ortam faktörü, tasarım faktörü, sosyal faktör, müşteri deneyimi, satın alma niyeti, supermarket

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ABBREVATIONS

TRNC: Turkish Republic of Northern Cyprus

FA: Factor analysis

KMO: Kaiser-MeyerOlkin

SE: Store environment

PI: Purchase intention

AF: Ambient factor

DF: Design factor

SF: Social factor

CE: Customer Experience

INTRODUCTION

This chapter starts off by explaining the research background; research's problem situation, problem statement, research model, hypothesis, research questions, significance and limitations.

Research Background

When consumers realize that they have an unsatisfied need, the buying process in a retail business environment is activated. Deciding on a specific store to enter, the amount of time to spend while inside, whether to make a purchase or not is significantly triggered by the store environmental condition and this affects customers' emotions, particularly when shopping for fun. Retailers, therefore, design their shops to attract customers, get them to access merchandise with ease, this influences purchases that are not planned for and provide a satisfactory experience in the course of their shopping. It is, therefore, of great importance to understand the effects of the shopping environment.

Older customers relied primarily on the functions or qualities of their product to choose a place to shop. Consumers now require additional valuable elements to pick out retail outlets for their purchases, like supermarkets. The relaxed environment of these stores is amongst those things which are highly clamoured for. The success of the store environment role in a retail outlet cannot be ignored (Turley & Milliman, 2000). Supermarkets are gradually replacing traditional and small retailers. Compared to conventional retailers, the retail chain industry's success is attributable to convenience, goods choice, large space and low prices.

Conventional retail outlets like supermarkets continue to play an essential role in society generally. To influence consumer behavior , retailers in recent times, tend to use unique features of their supermarket in the external

environment. One exclusive feature may be store environmental elements Which are revealed through in-store marketing, including store layout, product presentation and store space allocation (Zentes et al., 2017), among others. Compared to wholesalers and manufacturers, retailers pay the most exceptional attention to the physical environment, because this is where they purchase the finished goods (Kotler, 1973). According to Kotler (1973), one dimension of the actual supply is the area of usage of a product or its purchase. This dimension can be quite useful in the decisions of customer purchases, consequently making it an essential tool for retailers to do their marketing.

The physical environmental conditions consist of various elements of the store environment. These elements are composed of store environment background features, social factors and design factors Bitner (1992) Baker et al. (1994). Sherman et al. (1997) noted that the store environment and customers' emotional state among the other factors that affect the customers' purchasing behavioral patterns. In other words, due to the impact of a pleasant customer experience stimulated by the components of the store environment, the number of sales, the total amount spent and time in a store may indeed be higher than what the customer budgeted Donovan et al. (1994).

Kotler presented the store atmosphere framework in 1973, highlighting the effort to develop a retail outlet environment that gives and improves precise effects emotionally for customers, which will, in turn, encourage consumer preferences in a retail environment and also trigger the purchasing process once the customer asserts that they place high expectations on the supermarket.

With the developments towards the advancement of innovation and growth in retail stores, managers and retail store owners are now curious to know the experience of the shoppers who visit their stores and how they feel when they shop. Customers do not just respond to the quality of the product or service itself; they also acknowledge and pay special attention to the store

environment. That's because, except for the services and products rendered, a store's environment has become one of the most critical determinants in the purchasing process (Kotler, 1973). Turley and Milliman (2000) evidently, believed also that store's environment adds value to business successes and failures.

As suggested by Ishwar Kumar (2010), in Figure 1, retail environments include selected atmospheric features such as lighting whether bright or dim lighting, music in the background, whether slow, rock songs, Conventional or acquainted music, appealing designs and layouts, distinctive, unique architecture, freshness and pleasant smell, a more suitable temperature to create a comfortable and relaxing environment, matching and alluring coordination of color, a well fascinating logo, a proper organization of goods and products that could have a behavioral effect on customers both existing and potential ones (Smith and Burns, 1996).

The whole business environment, including the structure of supermarket, can create its brand messages and customer experience throughout the entire shopping process. The retail environment is designed to harmoniously interact with the personality of the brand and store image. A retailer can facilitate some innovation process for the store environment and by so doing, communicate with the customer silently about the value of the brand. This will help increase the perception of the customer and in turn, help each element of the business environment to be transformed and differentiated from other retailers (Bohl 2011).
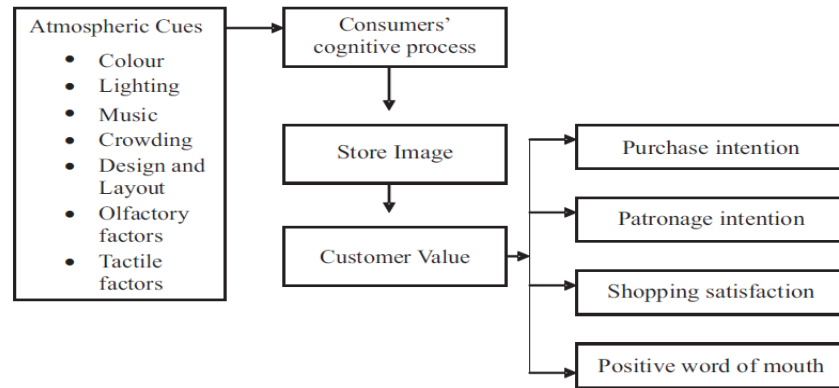
Figure 1: The relation between the atmospheric indications of the store and the impact on the customer
Source: Ishwar Kumar (2010)

Some environmental indications were identified in a retail store by Baker (1987), including: ambient factors (temperature, humidity, theme music, fragrance, and cleanliness), design factors (color scheme, interior design, texture, theme, pattern, design, accessories, and signs), and lastly social factors which is associated with the presence and impact of humans present in the store.

The Mehrabian-Russell Model

Environmental

Stimuli

Emotional

states

behavioral
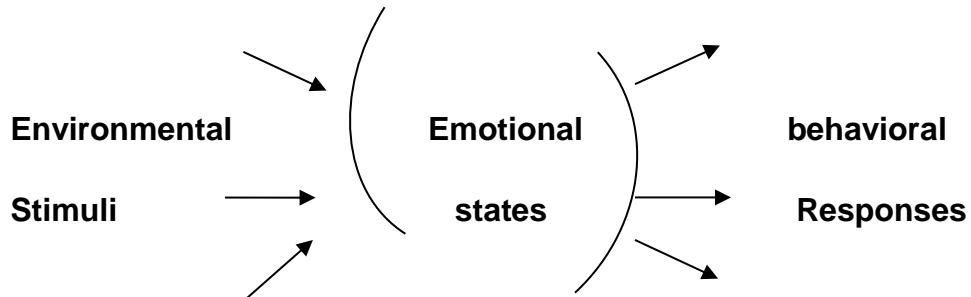
Responses

Figure 2: The Mehrabian-Russell model on the effect emotional state and customer behavior of environmental cues.

The Figure 2 above is known as the Mehrabian – Russel model. It is the Stimulus-Organism-Response (SOR) approach model. Mehrabian and Russell (1974) cited that the effects of physical stimuli on individual emotion and on individual behaviors are the two basic studies on environmental psychology.

Customers' emotional states are associated with environmental stimulation in ways that they wouldn't be completely aware of, but it may also affect their behavior in terms of avoidance or approach. These traits can be identified in local stores, store check, store encounters among staff and in-store buyers.

Stimulus; when considering customers making a decision, the stimulus could be conceptualized as all those external forces which are ascribed to a highly anticipated decision. The stimulus in the conventional SOR model is

something which influences the internal psychological states. In this sense, the stimulus is the store environment, as it affects the customer's mood**.**

Organism; Refers to 'internal processes and structures that interfere with the person's external stimuli and the final behaviors, reactions or responses produced. Elements of the store environment should positively influence the emotional state in terms of pleasure and excitement of the customer. The organism in this framework is the experience.

Response; this is the customers' final action or reaction, including physiological responses such as attitudes and behavioral responses.

In this research, the Mehrabian-Russell framework has also been adapted to the context supermarket to find the relationship between the store environment, the experience of customers and intention to purchase. Varied research has found that, when undertaking a store environment investigations, this framework can be used and implemented as a useful insight. Also, the framework shows that specific emotional responses in a person can be triggered by a particular environment, particularly for customers in the retail industry.

In summary, a retail store's atmosphere enhancement is very important as the customer will perceive the store surrounding as well as influence the customer's experience and perceptions automatically.

Problem situation

The problem of the research is: How store environmental conditions affect customer experience and hence their purchase intention. There are several factors that influence a consumers purchase intentions. This research examines customer experience and purchase intention as affected by a store's ambient factor (lighting, music, scent, and temperature), the design

factor (cleanliness, color, display/layouts, and signs) and lastly social factors (crowding, personnel in store) that are most frequently used in supermarkets.

Problem statement

Whether it's shopping for food in a local supermarket, taking investment decisions on a trading floor, or dining in a busy restaurant, it's fair to say that many significant buying decisions are made in other people's physical presence and varying physical conditions.

Nowadays, it has become increasingly difficult to compete in a business environment as most business products and services tend to be similar. Thus we can say that in such circumstances customers are not only happy with the goods and services delivered, but also look out for a perfect experience during their purchase journey.

As demonstrated by Wakefield & Baker (1998) that owing to environmental stimuli, the possibility of customers staying in a store longer than scheduled increases. When a consumer feels satisfied with the environment of the store, they spend much more time and purchase more than budgeted because of the pleasurable environmental conditions Bohl (2011). Environmental impact on customer emotion and contentment is considerably significant. The phenomenal ambience of store environment improves level of customer satisfaction as well as buying experience as noted by Silva and Giraldi (2010).

Many researches reveals that sustainable growth in today's market requires more than just low prices and product offerings in a competitive retail environment; business should focus on customer experience to compete effectively. Evidence presented by many scholars further proves the importance of customer experience in the business. Reichheld (2006), for example, claims that exceptional customer experience generates an average 5 percent increase in customer loyalty.

The research that applies to our study has been conducted only by few local researchers, most of which tends to have concentrated more on the direct impact of store environment on purchase intention. This research aims to look at the impact of store environmental factors and how it affects a customers' experience and purchase intention. By investigating the mediating effect of customer experience on store environment and purchase intention, supermarket owners would know how customers assess their store environment, and how they manage to have different impacts on them, most especially regarding their experiences all through their store visit and in turn know if there are any need for improvement regarding maintenance or enhancement of their current store environment and also know what should be considered in order to maintain exclusivity.

The problem statement of this research is therefore formulated as; How store environmental conditions affects customer experience and hence their purchase intention**.**

The conceptual model

The figure below is the conceptual model of the research; it shows the dependent variable, mediating variable and independent variables. The Mehrabian and Russell (1974) model of the stimulus-organism-response mainly influenced the framework of this research. It actually represents the basis of the research model at large. The research model is extensive and includes interdependent relations between three independent variables which represents stimulus (ambient factors, design factors and social factors); one mediating variable which represents organism (customers experience), and

one dependent variable which represents response (customer purchase intention).

Store environmental Attributes
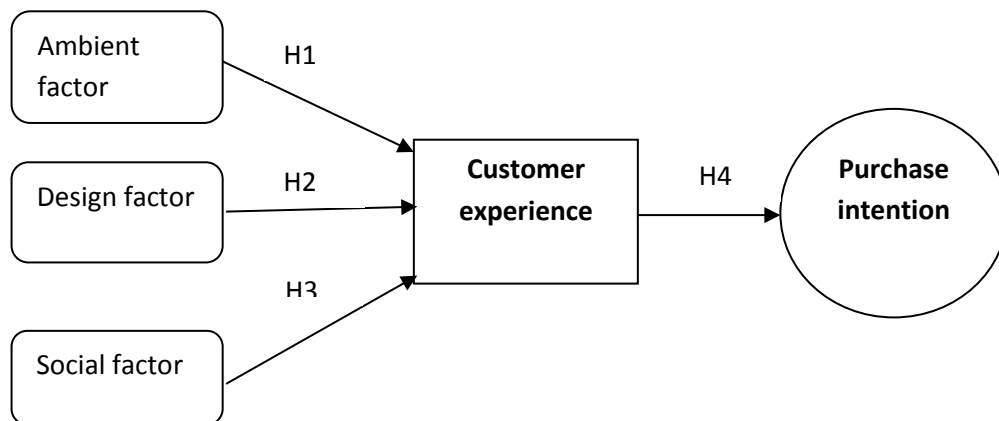
Independent variable   Mediating variable   Dependent variable

Figure 3: The conceptual framework of the relationship between store environmental attributes, customers experience and purchase intention.

Hypotheses

HI: Ambient factor has a positive significant impact on customers' experience

H2: Design factor has a positive significant impact on customers' experience

H3: Social factor has a positive significant impact on customers' experience

H4: Customer experience mediates the relationship between store environment and purchase intention

Research question

The purpose of this research is to analyze the impact of store environment on customer experience and their intention to purchase. A main research question as well as several sub-questions is being used to direct this research.

The main question used in this research is:

Does store environmental factors of different supermarkets have an impact on customer experience and hence their purchase intention?

1) Does environmental attributes of a supermarket affect customer experience?

2) Is there a relationship between customer experience and purchase intention?

3) Does customer experience mediate the relationship between store environment and purchase intention?

Importance of the research

This research aims to contribute to the existing literature on store environmental factors, customer experience and their impact on purchase intentions in supermarkets. It will go further in identifying reasons why further research in this area will contribute and influence customer decision-making. Subsequent users will find this research useful and relevant;

> **Retailers:** will benefit from this research, as it will enable them to understand the relationship between customer experience and purchase intention, the importance of pleasant ambience and design

and what it means to their performance concerning customer satisfaction. They will be able to understand the reasons behind their sales increase and decrease, which is as a result of their efficiency in influencing customer decision.

Academic Purpose: Knowledge advancement is achieved when sequences of research are carried out in the academic setting. Thus, to achieve academic excellence, this research will broaden the scope and horizon of the readers or researchers. This also will lead to the gathering and updating of the volume of literature for a variety of research fields mainly applied to business students.

Scope of research

The research is mainly designed to identify store environmental factors which include ambient, design and social factor towards customer experience and purchase intention. Two hundred sixty questionnaires were filled by the target respondents to ascertain the relationship between the variables used in this research. For data collection, the use of goggle forms was employed.

Limitations of the research

Respondents: Questionnaire survey was conducted online with the help of Google forms from only 260 respondents. As suggested by (Osborne, Jason, & Anna, 2004), increasing the sample size often produces better results and lessens the possibility of inaccuracies.

The coronavirus outbreak also was a significant limitation as to the willingness of respondents to fill the questioners was low. Most of them had psychological challenges and so were not in the right frame of mind.
Also, there are high chances that some respondents might have misunderstood the questions. By using the questionnaire's five-point Likert

type scale, participants may be unable to communicate more views and suggestions regarding this research. Besides, the respondents' potential for not reading the questionnaire correctly is high, since the researcher would have given the respondents a lot of questions to answer.

Sampling location: Another limitation was that the research was carried out in a university setting in the Turkish Republic of Northern Cyprus, so data was only collected from students.

Secondary Sources: Limited sources of information and databases for this research topic can't be searched through. In addition, some publications and articles may require payment. The researcher could not obtain publications and articles that had to be subscribed due to limited budget. The research that applies to our study was conducted only by few local research. Publications used and mentioned are from foreign country research-based paper on the related topic.

Summary

This chapter explains the background of the research. It showed a model on the relationship between the atmospheric indications of stores and its impact on the customer. Mehrabian-Russell model was shown on the effect of environmental stimuli. This chapter also shows and explains in details the reasons for conducting the research and its importance. The aim of the research was shown with simplified conceptual model while hypotheses were also developed to simplify the topic.

CHAPTER 1

LITERATURE REVIEW

1.1 Introduction

The chapter gives an extensive review of the literature within the structure of the formulated research question. Every one of the bodies of literature was also discussed focusing on the specific nature of research literature concerned.

Sekaran and Bougie (2009) stated that reviewing a literature shows a step-by-step process involving the creation of articles and books on topics of interest from secondary sources of data, the evaluation of such a work on the research topic and the supporting documents. Hence, the independent, mediating and dependent variable will be reviewed in this research on prior studies related to the topic.

Here the literature research consists of individually establishing supermarket attributes, the three store environmental factors and their various elements. Customer experience and purchase intention are also shown in addition to conceptualization.

1.2 Supermarkets and their attributes.

Supermarkets are known as a big self-service store which sells food and household goods, or business providing customer service. Supermarkets acquire commodities from distant distributors, and then keep them in supermarkets, for customers to purchase Steeneken and Ackley (2012). According to Steeneken and Ackley (2012), supermarkets are significantly larger and have more variety than a conventional grocery store, but smaller than a hypermarket or megastore. Products found in the supermarket include pastries, dairy, vegetables, fruit, meat, fresh food, household products, and

pet food and pharmaceutics products. Design of a hypermarket is more significant than that of a supermarket. The prices of goods in a hypermarket are very often lower than it is in a supermarket and they often have higher staff numbers than in supermarkets. As Mills (2003) describes, the supermarket industries in many developed countries have become more and more concentrated lately.

Enhancing and facilitating current attributes of the supermarket to attract and also retain customers is very vital as managers must concentrate on the importance to its target customers. Supermarkets face competition from local and international players. It is, therefore, essential to find ways to retain customers. The value of store attributes was widely discussed when selecting a supermarket. Most customers, when choosing a supermarket to shop in, use store environment as a criterion and this helps others differentiate itself from its competitors Visser et al. (2006).

All the characteristics perceived by the customer through their experience in the store are known as store attributes of that store as explained by Omar, (1999). This, too, can be seen as a critical component of the supermarket's overall image. Due to their personal preferences on a set of attributes, Consumers assess a group of stores and purchases from the best Tripati and Sinha (2008). To position their self on such profitable customer characteristics, supermarkets need to recognize what customers look out for when choosing a supermarket, and necessitate its effect Steinhofer (2005).

Store choice behavioral pattern enables customers to compare different store attributes in terms of a general view of store image, resulting in customers choosing or not choosing a specific store. In most research results, researchers have also identified the most significant features for supermarket selection. The essential attributes to store choice according to Arnold et al. (1983) were location, price, assortment, quick cash register, polite and friendly service and a comfortable environment. Similar vein, Heller &

McTaggart (2004) found the store's cleanliness; lower prices and helpful staff service are the most important aspects for a customer. In his research, Steinhofer (2005) found that after suitable working hours Cleanliness was, however, discovered to be part of the top 3 key attributes. Also considered necessary was staff friendliness, a variety of merchandise and quick checkout (Alhemoud, 2008).

With various types of stores, store characteristics vary, which implies businesses must consider certain characteristics that will affect consumer behavior regarding their stores. A research conducted by Hansen and Deustcher (1977-78) on the department stores and grocery stores' attributes of store choice. The analysis indicated that supermarkets were much more interested in the quality of products, convenience of shopping and satisfaction after purchase. At the same time, consumers in the grocery store were concerned about the process of products mixing, cleanliness and shopping facilities. The important attributes for consumers were also found to be freshness and cleanliness, price and quality (Ali et al., 2010).

1.3   Store Environment

When reviewing retail literature, interpretations of the retail store environment are complex and wide-ranging. Eroglu and Machleit (1990); Lam (2001) noted typically that researchers had used concepts such as the physical and non-physical environment to characterize store environments. According to Lam (2001), the store environment is designed as a store's physical and non-physical environment, consisting of multiple components such as light, music, design, signs and presence of human elements.

However as defined by Eroglu and Machleit (1990), store environment is all of a store's non-physical and physical factors that the retailer's and its management could relatively put in the proper order to enrich the shopping experience of its customers.

Retail stores recognize that having customers get into their store, in light of the impact of the store environment and customer experience plays a pivotal role in their success and survival. Seock (2009) and Khedri and Osman (2013) Also, have shown that the store environment is often seen as the most significant marketing tactic wherein online sellers contend with greater competition. Therefore, establishing a satisfactory store environment to stimulate customers to spend so much money and spend a lot of time is amongst the most prominent challenges for retailers (Dunn et al., 2011).

Based on several retail stores research the store environment includes three main factors: ambient factor (music, lighting, fragrance, relative humidity); design factor (interior decorating, wall hangings, scale shape, signs, assortment and layout); and social factors (other customers and staff). These apparent signs have a different influence on customer perceptions; consequently, retailers should understand the significance of store environmental cues while striving to establish an innovative environment which will attract their targeted audience (Seock, 2009). In this research, this approach was used to investigate store environment factors affecting customer experience, and hence their purchase intention.

Table 1: Classification of Business Environmental Factors

Category	Definition	Features
Ambient factors	Conditions underneath the level of our immediate awareness	Music Light Temperature scent
Design factors	Sensations which are at the frontline of our consciousness	Cleanliness Design layout Color signs

Category	Definition	Features
Social factors	People present in the environment	Customers Employees

Source: Baker's (1986)

First, ambient factor, as seen in Table 1 above, refers to all non-apparent environmental conditions that customers could only recognize at a distinct level of intensity, like scent and music. Second, the design indications in naturally are relatively more obvious than ambient factors such as layout and color. Lastly, are the social indications of human factors in the store environment involving employees as well as other customers and their characteristics like the total number and behavioral patterns Baker (1986).

In their investigations Baker et al. (2002), it was found that Store environmental Factors, primarily design factors, impact different retailer eligibility requirements including the reliability of commodities and interpersonal standard of service perceptions, influencing the sales volume, which in turn affects patronage. De Nisco and Warnaby (2013) also found in their investigation that desirable visual functionalities, and the image in shopping centers, increase the effectiveness of quality of service given that it greatly influences the chances to stay and repurchase motive. While investigating the general store environment, Donovan et al. (1982) reported that perhaps the purchase intention of the in-store customers are expected predominantly by the comfort and fulfillment emotional reactions aroused by the shopping experience.

Wakefield and Blodgett (1996) showed that the layout, the esthetics of the facility, the digital displays, the convenience of the seating and the cleanliness; the widely available layout, the attractive interior of the facility and the cleanliness of the services have a positive impact on the quality perceived. Customer satisfaction is thereby impacted, which subsequently translates into more significant stay and re-patronage behaviors.

1.4   Ambient factor

In the relevant literature, ambient factors are considered non-visual background conditions that exist below our current customer awareness level. Characteristics of the environment may include; music, light, smell, neatness, loud sounds and relative humidity such as temperature. These elements are far less tangible aspects of nature's store environment Wakefield and Baker, (1998). As evaluated by Sherman et al. (1997), measures these dimension through contexts of enjoyable-unpleasant, comfortable-tense, boring-bright and pleasant pungent aroma-unpleasant smelling, and proved that the environment positively affects customer enthusiasm in a store.

Jani and Han (2015) for instance research on the relations between the ambient conditions of a hotel, the emotions of guests, and the resulting loyalty amongst researches that address ambient factors as an overall indication. Their findings have revealed that the ambience of a hotel can attract guest's positive emotions which will, in turn, have a positive impact on their loyalty. Likewise, Chang et al. (2011; 2014) found a positive influence on the ambient factors and the emotional responses of consumers in a retail store; this positively affects the purchasing impulse of consumers. Findings from other related research, however, showed the importance of environmental factors in having a significant impact on customers' minds not to only emotions.

1.4.1   Music

Music can be viewed as a pleasurable melody influencing the decision making of a consumer either consciously or unconsciously Banat and Wandebori (2012). In a retail outlets music played has a significant impact on customer's intention to buy. Music styles and tempos have a tremendous

effect on increasing retail sales among consumers. Pleasant music is connected to more extended periods of consumption. The variety of music in the background substantially impacts consumer perceptions and preferences (Bruner, 1990). Playing louder than soft music can make Customers spend less time in stores (Smith et al., 1966). Generally, music influences significantly, while melodic music modulates the perception of the customer's store choice Michon and Chebat (2005). Music affects the sum of money and time customers constructively spend because of a pleasant environment (Herrington, 1996).

1.4.2 Lighting

Lighting is used in highlighting products to make them more visible and attractive. It creates excitement and impacts consumer buying behavior positively (Mehrabian & Albert, 1976). Consumers touch products for quality evaluation when the lighting used in the store environment is of the right color (Areni & Kim, 1994). Shops with appropriate light, music, color, scent and displays will convince consumers to engage the store again in the foreseeable future Yoo et al. (1998). In retail outlets, the primary purpose of using brighter lighting is to capture the attention of the customers so they can buy from that particular outlet.

On consumer perception and behavioral patterns can be measured in different respects when considering the impact and effect of lighting. Areni and Kim (1994) and Summers and Hebert (2001) measured light levels ('soft' versus 'bright') in terms of intensity. Summers and Hebert (2001) also considered another component of their research, namely lighting color. Also, Sherman et al. (1997) evaluated lighting and compared it with purchasing behavior during a survey. Shoppers reviewed if the store is well-lit (dull or bright) and whether it was pleasurable to see the store brighter. Custers et al. (2010) used a more extended attribute for evaluating lighting, namely; brightness, contrast, glare and glitter.

1.4.3   Scent

The existence or lack of scent at the store environment has a visible effect on the consumer's intention to make a purchase. Banat and Wandebori (2012) stated that scent is an enjoyable fragrance that influences the emotions and feelings of customers that make them stay longer and feel more enthusiastic. Scent does have a significant effect on how consumers evaluate products for sale (Spangenberg et al., 2006). When there are great music and scent in the environment, customers devote a considerable amount of time shopping, Yalch et al. (2000). Haberland (2010) noted that shoppers spend a lot of money at a single-scent outlet compared to those consumers who are exposed to multiple scents. We can, therefore, say that decision on one scent is often chosen over various scents. Specific target gender must be taken into consideration during sent selection to make the theme more enjoyable, so that customers can spend more time and more money at a retail outlet to purchase goods (Spangenberg et al., 2006).

1.4.4   Temperature

Temperature is among the four ambient factors that make up the retail stores environment. As recommended by Briand and Pras (2010) investigating the impact of temperature on store concepts is of great importance, especially in retail outlets for customers as well as for employees. They also suggested that the in-store temperature should also be kept from 20°C to 23.3°C to get customers to feel more relaxed and comfortable.

Environmental factors have a significant impact on the consumer's intention to purchase, for instance, when measuring temperature in stores. Customers is dissatisfied, and consequently, spend limited time in stores and produce bad reviews when extreme temperatures like very low or very high can result in bitter attitudes among customers Lam (2001).

The relevance of temperature is quite distinct from other environmental factors because customers do not quickly identify its impact, and other factors such as scent or color can affect it. Nonphysical elements can play a crucial role in the feeling of natural ventilation even if the actual temperature is not altered Stramler et al. (1983).

1.5 Design factors

Baker et al. (1994) noted that the stimuli, including floor and wall coverings, color schemes, orderliness, aisles, design, signages, etc. which are at the forefront of our awareness are known as the design factor, while the ambient factors are described as the non-visual elements. According to Bitner (1992), most of these design factors identify indications regarding the store's significance and the store's behavioral patterns, requirements and expectations.

These factors are measured in terms of large, spacious, colorful, unappealing – appealing, filthy – clean, comfortable – uncluttered aisles, crammed products – excellently-spaced merchandise, remarkable interior – outstanding, excellently-organized layout – disorganized layout. Furthermore, design factors have a positive influence on customer enjoyment in a store (Sherman et al., 1997).

Odeh and Abu-Rumman (2014) found a significant direct effect on consumer behavior through design factors at shopping centres. Additionally, such factors have been more important in determining consumer behavioral responses than both social and ambient factors. Chen and Hsieh (2011) findings suggested that customer sensory valuations such as perceived service quality and perceived product value, as well as their positive emotional state while in-store, could significantly improve when design factors at a retail outlet are improved on, and this, in turn, produces approach behavior s.

1.5.1 Cleanliness

Carpenter and Moore (2006) described Cleanliness as the state or quality of being clean, and are regarded as very essential by frequent and occasional shoppers in regular stores or supermarket selection. Dimensions that can be used for a supermarket when trying to measure are "internal", "external" and "personnel" considering the perception of good hygiene. The interior of the store, such as furniture are referred to as internal, outside the store such as the building, parking lot, are external references while personnel relates to staff in-store. Barber and Scarcelli (2010) asked customers about their perception of how clean/dirty/tidy these dimensions are. The research proved that Cleanliness is critical to the successful customer experience in both in- and out-of-doors. That influences customers' re-purchase intentions.

1.5.2   Color

Babin et al. (2003); Crowley (1993) noted that to create a particular atmosphere for customers, retailers use different colors in their store. Crowley, (1993), in his study, found that when using green and yellow color schemes consumers are less more active in the environment than when colors such as blue and red are used. In aspects of participants' perceived feelings, several colors have been discussed in the research in terms of agitated-relaxing, uninteresting-stimulating, awful-good etc.

Recent research by Zentes et al. (2017) showed that orange, yellow and red color are more stimulating and exciting, and in some instances creates feelings of warmth, action and aggressive behavior while blue, green and white appear calmer, more relaxed and cleaner. Babin et al. (2003) showed that consumers were more in favour of a blue interior than the interior colored orange. They measured color assessment in terms of bad-good, beneficial-unfavorable, unlikable-like, and unacceptable-acceptable.

1.5.3 Display

As defined by Fiore et al. (2000) a display of product is a "consciously designed demonstration of targeted products in a delineated area for an instance shop window or end of the aisle, showcasing the products, and establishing a mood and message to have a significant influence on customer response to the approach." You can display the products or assortments in different ways.

To attract customers, products should be displayed in the retail chain outlets in such a way that they are pleasing and appealing to them. Abratt et al. (1990) proved that the display of goods at retail stores is a motivating factor for getting customers to make inclinations. At least one fourth outlet sales at retail outlets make significant contributions to product design and display Mills et al. (1995). The display could be regarded as a grouping of product, shelf space, and distributing floor space, apportioning departments and decoration of walls. Product display has a significant influence on customer intent to purchase and their perception of the product. Movement and ease of customers in stores is hugely influenced by displaying products in stores Ward et al. (1992).

1.5.4 Layout

The spatial layout can be known as merchandise arrangement, equipment and furniture arrangement, the shape and size of these items and the spatial relationships between them, and also functions like the ability of the same things to facilitate the achievement and performance goals. This is so vital because storage facility and proper layouts make shopping stress free for customers (Bitner, 1992). The satisfaction of a customer and their expectations correspond to fast access, spaciousness and adequate placement of the commodities and items Han and Ryu (2009); Mohan et al. (2013). In addition to benefits, the layout can direct customers in a specific direction that impact purchase decisions. Customers buy more unintended

items if exposed to much shelves and aisles because of a layout that aid them to move around, exposing them to many other products Inman et al. (2009). Even so, it really should be noted that customers often stay in an aisle for a brief duration, and therefore do not appear to move the entire aisle Larson et al. (2005). Product location is also an element of a proper layout because products placed at the end of the aisle attract more attention than most of those set in the middle of an aisle Larson et al. (2005).

1.5.5   Signs

There are different motives to signage's, some are used as labels, some for directional purposes, or even as a tool in the store to Convey information rules of conduct and as promotion like Posters, banners and price list Bitner (1992). In the retail outlets, signs are used to help customers locate goods by leading them to specific segments, aisles or service lines while showing their ease of access. Relevant product information, when provided on signs, attracts customers to the product displayed and hence increases their purchase decision Huddleston et al. (2015).

1.6   Social factors

According to Baker et al. (1994), social factors include other people at the store, including other customers and staff. Social factors focus on the social conditions and crowding as represented by the attitudes and performance of the interacting customers and staff in the supermarket. These social factors mostly affect customer emotions. Yoo et al. (1998).

There are several ways of measuring client perception concerning social factors. In Sherman et al.'s research (1997), the focus was on the customers' emotional state and perception when discussing social factors. They were asked to assess the social factors in terms of vibrant – unlively, happy – saddening, dull – motivating and polite – rude sales staff.

Mohan et al. surveyed in (2013)

In which respondents must evaluate comments about store's employees based on pleasure, suitability and awfulness, this helped to assess the relationship between social factors and purchase behavior , amongst others.

For instance, Sherman et al. (1997) investigated how social factors and the resulting in-store emotions such as excitement and pleasure can affect customer buying behavior . Results indicated a significant positive impact on the level of satisfaction exhibited by the store's social factors, which in turn enables its customers to spend a lot of money and also like the store. Baker et al. (1992) found in another investigation that social factors might elicit customer stimulation, promoting an increased intention to buy. All these ratings indicate how incredibly important the social conditions in a shopping environment are to the emotion of customers, and therefore to their specific behavior trait.

1.6.1 Crowding

The view of crowding has two components it includes spatial and social crowding. The social aspect refers to the number of people and social interactions in the store while the spatial refers to product-based fixtures, quantity and arrangement. Customers in a store recognize crowding across several ways, for instance, the allocation of space, the existence and amount of other customers in the aisle waiting, the confined feelings of the customers and any form perceived restriction in movement Harrell et al. (1980). Associated with crowding is customer emotional reactions, and this can affect consumer pleasure in such a store Ballantine et al. (2010). Crowding also affects the choice of entering a store. Additionally, their satisfaction is linked to the expected level of customer crowding at a supermarket (Machleit & Mantel, 2001).

1.6.2 Personnel in store

Delivered personnel service can be accessed from many aspects. Baker et al. (1994) used staff treatment, the chances that customer will receive personal attention, the willingness of staff to provide assistance readily, and the amount of time it will take for the staff to render help as an element. In another study, Parasuraman et al. (1985) used the terms reliability, access, responsiveness, courtesy, competency, communication, credibility, security, customer understanding, knowledge and tangibles to measure this element. Mohan et al. (2013) additionally, measured personnel's ability to know, friendliness, and helpfulness.

The Perceptions of service quality and customers sensations of excitement may be related to personnel. For example, stores with friendlier floor staff have a relatively high quality of service intrusion (Baker et al., 1994) and arouse the feelings of less friendly staff.

1.7 Customer Experience

There are three dimensions to the customer experience, they include; sensory experience, emotional experience and social experience, as characterized by Verhoef et al (2009). Sensory experience pertains to the esthetics and sensory preconceptions of the shopping environment, the environment, the products and the service. Emotional experience involves the moods and feelings generated throughout the shopping tour. Social experience emphasizes on the relations with others.

Customer experience is offered by every business. It may well be a good experience, bad or indifferent. Customer experience is total of all the perceptions and experiences customers have on the basis of all business interactions and thoughts when buying goods or services with a retailer. Customer experience requires recognition, exploration, interest, interaction, purchase, communication, and emotion. The possibility for the customer to

spend in the store is greater when a retailer succeeds in delivering and creating different experiences to the customers. Furthermore, experience can encourage customer loyalty too (Richardson, 2010).

Time and money spent on a store, the number of purchases, could be higher than the customer intended because of the noticeable effect of an enjoyable customer experience stimulated by the store environmental elements. (Donovan et al., 1994).

Excellent customer experience managers can improve brand and store preference through varied perspectives, increase profits through higher sales, build customer loyalty through a cherished and enjoyable store environment, and also reduce costs by minimizing dissatisfied customers. previous research have shown that whatever the products and services that a business gives the customers to purchase or get, the customer would have an excellent, indifferent or bad experience.

According to Yoo et al (1998), businesses are most time not able to completely manage experiences because these events unavoidably directly affect customers ' perception, emotions, feelings, and unforeseen behavior . the store manager must understand the customer better , in order to offer good customer experience. This means that all customer profiles should be designed and implemented to assist managers in understanding and evaluating customer experience when dealing with a business activity. The more relevant the company's offer is, the closer the customer-business relationship (Yoo et al, 1998).

1.8   Purchase intention

Kotler (1973) presented how purchasing behavior can be formed. It begins with components in the store environment which arouse the behavior of the customers. So the perception of the store impacts the information and affective state of the customer, which inevitably affects the purchasing behavior . This emotional response reflects an intermediate step between customer behavior and perception of the elements. Research by Sherman

et al. (1997) also showed that this emotional state could influence shopping behavior if the customer has decided to shop. Purchasing behavior comprises of several different facets, such as the total time spent, the sum of money spent, the number of transactions and the intentions to repurchase Sherman and Smith (1987), Tai and Fung (1997).

Experience plays a crucial role in evaluating customer preferences which then affect their purchasing decisions. The generation of a beautiful shopping experience results in many positive outcomes, for example, customers with a satisfactory shopping experience can purchase the products again and recommend relatives and friends to the retailer. Thus there is likely to be a relationship between customer experience and purchase intentions. Likewise, a few investigations have also shown proof that customer experience would influence purchase intention for customers. For instance, in 2001 and 2002, ASATSU-DK, an international communication firm, conducted a study involving over 1000 respondents, showing that customer experience correlates with brand image, brand attitude, purchasing intentions (Schmitt, 2003).

Table 2: Literature summary

Research	Key findings
	Supermarket and its attribute
Steeneken and Ackley (2012)	Supermarkets are known as a big self-service store which sells food and household goods, or business providing customer service. supermarkets are significantly larger and have more variety than a conventional grocery store, but smaller than a hypermarket or megastore
Visser et al (2006)	Most customers when selecting a supermarket to shop in uses store environment as a criterion, and this helps others differentiate itself from its competitors

Research	Key findings
	Store environment
Eroglu and Machleit (1990)	Defined store environment is all of a store's non-physical and physical factors that the retailer's and its management could relatively put in the proper order to enrich the shopping experience of its customers.
Dunn et al (2011)	Establishing a satisfactory store environment to stimulate customers to spend so much money and spend a lot of time is amongst the most prominent challenges for retailers.
De Nisco and Warnaby (2013)	Found in their investigation that desirable visual functionalities, and the image in shopping centres, increase the effectiveness of quality of service given that it greatly influences the chances to stay and repurchase motive.

Ambient factor

Ambient factors are considered non-visual background conditions that exist below our current customer awareness level. Characteristics of the environment may include; music, light, smell, neatness, loud sounds and relative humidity such as temperature.

Herrington (1996)	Music influences the sum of money and time customers constructively spend because of a pleasant environment.
Yoo et al (1998)	Shops with appropriate lighting, music, color, scent and displays will convince consumers to engage the store again In the foreseeable future.
Yalch et al (2000)	When there are great music and scent in the environment, customers devote a considerable amount of time shopping.
Lam (2001)	Customer is dissatisfied, and consequently, spends limited time in stores and produce bad reviews when there's an extreme temperature (very low or very

Research	Key findings
	high), it can result in bitter attitudes among customers.

Design factor

Design factors stimuli, including floor and wall coverings, color schemes, orderliness, aisles, design, signages, etc., which are at the forefront of our awareness, are known as the design factor. In contrast, the ambient factors are described as the non-visual elements.

Research	Key findings
Barber and Scarcelli (2010)	Proved that cleanliness is critical to the successful customer experience in both in- and out-of-doors. That influences customers' re-purchase intentions.
Crowley (1993)	In his study found that when using green and yellow color schemes consumers are less more active in the environment than when colors such as blue and red are used.
Mills et al (1995)	Showed that product design and display make a significant contribution to at least one-fourth sales at retail outlets.
Inman et al (2009)	Customers buy more unintended items if exposed to much more shelves and aisles because of a layout that aid them to move around more, exposing them to many other products.
Huddleston et al (2015)	Relevant product information, when provided on signs, attracts customers to the product displayed and hence increases their purchase decision.

Social factors

Social factors include other people at the store, including other customers and staff.

Research	Key findings
Ballantine et al (2010)	Associated with crowding are customer emotional reactions and this can affect consumer pleasure in such a store. Crowding also affects the choice of entering a store environment.

Research	Key findings
Baker et al (1994)	Stores with friendlier floor staff have a relatively high quality of service intrusion.
Baker et al (1992)	
	Customer experience
Donovan et al (1994).	Time and money spent on a store, the number of purchases, could be higher than the customer intended because of the noticeable effect of an enjoyable customer experience stimulated by the store environmental elements.
	Purchase intention
Kotler (1973)	Components in the store environment arouse the behavior of the customers. So the perception of the store impacts the information and affective state of the customer, which inevitably affects the purchasing behavior .

1.9   Summary

This chapter has presented a review of literature by previous researchers on the effect of store environmental factors and how it has impacted customer experience and hence their purchase intention. Background information regarding the concept of a shopping environment was discussed and its corresponding components. Also, the literature on supermarkets and its attributes were discussed. The thesis used Baker's (1986) concept of environmental shopping factors as a guide. Accordingly, shopping environmental factors were classified into three groups which are ambient factors (lighting, music, scent), design factors (cleanliness, color, display, layout, signs) and social factors (crowding, personnel in-store). Guided by this, the chapter presented a review of the relevant literature on supermarkets and its attributes, the role of the various factors of the shopping environment in affecting customer shopping experience and hence their purchase intention.

CHAPTER 2

THE CONCEPTUAL MODEL OF THE RESEARCH AND THE PROBLEM FORMULATION

2.1 Introduction

The purpose of this chapter is to discuss the research's framework model, present various concepts and measure the relationships between concepts. These concepts are offered in a Research Model format. The variables under analysis are part of this model, and the model shows how each variable connects. Examined hypotheses will allow us to find significance between the dependent, independent, and mediating variables.

2.2 The Problem situation

The problem of the research is: How store environmental conditions affect customer experience and hence their purchase intention. Several factors influence consumers purchase intentions. This research examines customer experience and purchase intention as affected by a store's ambient factor (lighting, music, scent, and temperature), the design factor (cleanliness,

color, display/layouts, and signs) and lastly social factors (crowding, personnel in-store) that are most frequently used in supermarkets.

2.3 Problem statement and research questions

Whether it's shopping for food in a local supermarket, taking investment decisions on a trading floor, or dining in a busy restaurant, it's fair to say that many significant buying decisions are made in other people's physical presence and varying physical conditions.

Nowadays, it has become increasingly difficult to compete in a business environment as most business products and services tend to be similar. Thus we can say that in such circumstances customers are not only happy with the goods and services delivered, but also look out for a perfect experience during their purchase journey.

As demonstrated by Wakefield & Baker (1998) that owing to environmental stimuli, the possibility of customers staying in a store longer than scheduled increases. When a consumer feels satisfied with the environment of the store, they spend much more time and purchase more than budgeted because of the pleasurable environmental conditions Bohl (2011). Environmental impact on customer emotion and contentment is considerably significant. The phenomenal ambience of store environment improves level of customer satisfaction as well as buying experience as noted by Silva and Giraldi (2010).

Many researches reveals that sustainable growth in today's market requires more than just low prices and product offerings in a competitive retail environment; business should focus on customer experience to compete effectively. Evidence presented by many scholars further proves the importance of customer experience in the business. Reichheld (2006), for

example, claims that exceptional customer experience generates an average 5 percent increase in customer loyalty.

The research that applies to our study has been conducted only by few local researchers, most of which tends to have concentrated more on the direct impact of store environment on purchase intention. This research aims to look at the impact of store environmental factors and how it affects a customers' experience and purchase intention. By investigating the mediating effect of customer experience on store environment and purchase intention, supermarket owners would know how customers assess their store environment, and how they manage to have different impacts on them, most especially regarding their experiences all through their store visit and in turn know if there are any need for improvement regarding maintenance or enhancement of their current store environment and also know what should be considered in order to maintain exclusivity.

The problem statement of this research is therefore formulated as; How store environmental conditions affects customer experience and hence their purchase intention.

Research questions

I. Does environmental attributes of a store affect customer experience?
II. Is there a relationship between customer experience and purchase intention?
III. Does customer experience mediate the relationship between store environment and purchase intention**?**

2.4 Conceptual model

The conceptual model shows dependency and independence of variables. Ambient factor, design factor and social factor are our independent variables; customer experience is our mediating variable, and purchase intention is the

dependent variable. This research is aimed at finding out the effect of the independent variables on the dependent variable while depending on the mediating variable.

Table 3: Definition of terms

Store environment	The store environment is a store's physical environment which consists of many components including music, lighting, layout, guidance signage and human factors.
Ambient factor	Ambient factors are non-visual elements in an environment that usually include soft lighting or a type of soft music that softly plays in the background, or temperature, and so on.
Design factor	Design factors are stimuli at the forefront of our consciousness, such as floor and wall designs, colors, cleanliness, aisles, layout and structures, signage etc.
Social factor	Social factors refer to social conditions and crowding that are represented by the behavior and attitudes of the communicating customers and staff present in the store.
Customer experience	Customer experience is the summary of all perception a customer has with a supplier of goods or services throughout their interaction and relationship.
Purchase intention	Purchase intention is a decision in the hands of customers who wish to buy or purchase a product or service.

Source: Author's Construct

2.5   Hypothesis

The research measured the impact of store environmental factors on customer experience and hence their purchase intentions. To see the effect between the determinants, original data was gotten by the use of self-administered questionnaires filled by students residing in Turkish Republic of Northern Cyprus. The hypotheses helped us find the level of significance between the stated variables.

Table 4: Hypotheses of the research

HI   Ambient factor has a positive significant impact on customers' experience

H2   Design factor has a positive significant impact on customers' experience

H3   Social factor has a positive significant impact on customers' experience

H4   Customer experience mediates the relationship between store environment and purchase intention

Source: Author's Construct

2.6   Summary

The chapter shows clear descriptions of all variables (independent, mediating and dependent) used in this research from the use of pre-existing literature, the problem situation and main problem, problem statement and research questions, the conceptual model, research model and hypotheses.

CHAPTER 3

RESEARCH METHODOLOGY

3.1   Introduction

Research methodology studies how scientifically the research is conducted. The research defines the tools used to gather the data and information necessary for the analysis of dependent, independent and mediating variables. Furthermore, it shows the research design, data collection method, and measurement instruments used in the research.

3.2   Research design

Designing research helps a researcher schedule and test the research hypotheses in such a way that the intended results are obtained, this increases the possibility of getting information that might be related to the primary situation (Burns et al., 2001).

The research design is descriptive, and the type of research is correlative to measuring the dependent variables, mediating variable and independent

variable; the time horizon used is cross-sectional, involving data selection, the degree of interference is low and the setting is field research.

Using survey research design in the form of well-structured questionnaires was used to match the characteristics of the participants, who are individuals; survey research design enables research to convert content filled in by respondents into numerical data that can be analyzed. The research was carried out online using Google forms within a school environment, and the target group was the students in the Turkish Republic of Northern Cyprus.

3.3 Method of collecting data

The first part of data collection involves critical analysis of existing literature with the aim of developing a set of questionnaire items established on the topic related to the research objective (Creswell, 2009). This research is quantitative, and the main instrument of data collection was questionnaires. The research employed the quantitative research method. Quantitative research requires numerical data collected and analyzed during the course of research. It distributed a well-structured questionnaire to 300 students. The questionnaires are composed of two relevant sections.

Section 1 This section is where personal information such as: gender, age (from 18 to above), educational level and nationality.
Section 2 This section consists of 38 attitude statements that is categorized into five section that consists of; ambient factor, design factor, social factor, customer experience and purchase intention. 11 statements on ambient factor , 10 statements on design factor, 8 statements on social factor, 4 statements on customer experience and 5 statements on purchase intention . Attitude statements were measure on a 5-point Likert scale (Strongly disagree=1, Disagree = 2, Neutral = 3, Agree = 4 and Strongly Agree = 5).

3.4 Population and population size

The research was conducted in Turkish Republic of Northern Cyprus on students that research in this higher education institutes. The population size of this research consists of 102,000 students that research in higher education institutes located in Turkish Republic of Northern Cyprus. (Ministry of Education, Higher Education and Foreign Relations TRNC, 2015).

3.5   Sampling method and Sample size

Sampling is referred to as the act of selecting a portion of the population that will represent the entire population (Pilot & Hungler, 1999). Given that the participants were randomly selected from students in the Turkish Republic of Northern Cyprus, a technique for convenience sampling was used. Students were chosen because they were available. The convenience of sampling makes data collection easier with results that give a rough, unscientific opinion. According to Sekaran (2003), Sample sizes of more than 30 and less than 500 are appropriate, and sometimes the sample size (ideally 10 times or more) should be larger than the number of variables in the multivariate research which includes multiple regression analysis. Because of this argument, a sample size of 300 was selected. Questionnaires were distributed online with the use of Google forms.

3.6   Questionnaire testing

The questionnaire was structured from different researchers using and understanding the pre-existing review of the literature. Pilot research was conducted on 20 respondents; the purpose of the pre-testing was to ensure that the participants' attitude statements are well understood and to reduce the chances of sampling error. In fact, internal consistency must be known and should be the first thing to do before a statistical test can be done to ascertain validity (Tavakol & Dennick, 2011). Using the pilot research enabled the researcher to save time, evaluate the feasibility and also contribute to data collection reliability. For measuring statements of attitude, a 5-point Likert scale was used.

3.7 Data analysis

The data were examined using the SPSS statistics package; specifically, IBM SPSS 20 was used. The statistical analysis offers the option of obtaining descriptive information from the mean output (Carrol, 1991). Data were analyzed through tests showing results in the form of performance rates of the questionnaire, mean responses, gender and correlations of variables. The data collected were measured and interpreted using descriptive statistics due to the expressive nature of the research questions. The data analysis helped tell us whether or not we support our hypotheses.

3.8 Validity and reliability tests

Validity and reliability are two essential factors which are compulsory for measuring instrument evaluation. Cronbach's Alpha reliability test was used to test the research's reliability; the Cronbach alpha is the most widely used objective reliability measure. Cronbach's alpha was founded in 1951 by Lee Cronbach (Cronbach, 1951) to provide a measure of a scale's internal consistency; it is indicated as a number between 0 and 1. Internal consistency shows the level to which the same concept is measured for all items in a test. As suggested by Lai et al. (2007), the minimum satisfactory cut point for the Cronbach alpha value is 0.70. In this research, for all the scale and sub-scales, the minimum value is 0.806, which is above the minimum acceptable cut-off point.

3.9 Summary

This chapter shows in details the research methods; designs, and method of data collection. It also showed the attitude statements and sources where it was adapted, the population and population size, sampling method and sample size for the research, questionnaire testing and how the validity and

reliability tests were conducted. In general, this chapter showed in-depth, the scope and overall direction of the research.

CHAPTER 4

DATA ANALYSIS AND RESULTS

4.1 Introduction

This chapter introduced the profile of the respondents, description of variables, preliminary and main analysis of this research. The preliminary analysis focused on the accuracy of the dataset, treatment of missing data, normally distributed errors, homoscedasticity, multicollinearity, influential observation, estimation of pre and post reliability test and factor analysis. The descriptive and correlation statistics were presented, and finally, the main analysis was done with the main focus on the hypotheses of the research.

4.2 Realization rate

260 structured questionnaires were collected online from university students located in the Turkish Republic of Northern Cyprus. Convenience sampling method was employed to select participants for the research

randomly.

Table 5: Realization rate

Total Questionnaires distributed	300
Questionnaires not returned	40
Questionnaires screen out	1
Total Questionnaires realized	259

4.3   Frequency of Respondents

This section indicates the descriptive statistics of the demographic variables and the most frequent.

Variable	Options	Frequency	Percentage
Gender	Male	119	45.9
	Female	140	54.1
	Total	259	100

Table 6: Gender

The Table 6 shows that out of 259 participants, the percentage of the males is 45.9% and females are 54.1%. The respondents of this research are close with a slight difference.

Table 7: Age

Variable	Options	Frequency	Percentage
Age	18 - 24 years	74	28.6
	25 - 29 years	115	44.4
	30 years and above	70	27.0

		259	100

The table shows most of the respondents are within the age group of 25 - 29 years (44.4%) while the lowest was 30 years and above (27.0%).

Major findings: the age group that answered most questionnaires was within the age group of 25 - 29 years and they were 115 out of 259.

Table 8: Education level

Variable	Options	Frequency	Percentage
Education Level	Undergraduate	71	27.4
	Graduate	163	62.9
	Ph.d.	25	9.7
		259	100

The table shows that majority of the participants that dominated the survey were graduates which totals 163 (62.9%) while the lowest was Ph.D. which totals 25 participants (9.7%).

Table 9: Nationality

Variable	Options	Frequency	Percentage
Nationality	Africa	189	73.0
	Middle East	27	10.4
	Ex-Soviet	13	5.0
	Turkey	12	4.6
	Cyprus	18	6.9
		259	100

The nationality of the respondents is mostly Africans (73.0%) while the least proportion of nationality is Turkish respondents (4.6%).

4.4 Description of variables

In this research, there is one independent variable with three sub-constructs namely ambient, design and social factor. These three sub-constructs are coded as AF, DF and SF. There is one mediating variable and one dependent variable namely customer experience and purchase intention respectively. They are coded as CE and PI. All the items under these variables investigated are coded by their parent codes and these codes are laid out in Table 10.

Table 10: Descriptions of codes for all variables

Dimension	Item Name	Variable Type	Code for Analysis
Store Environment	Ambient Factor	Independent Variable	AF1, AF2, AF3, AF4, AF5, AF6, AF7, AF8, AF9, AF10, AF11.
	Design Factor		DF1, DF2, DF3, DF4, DF5, DF6, DF7, DF8, DF9, DF10.
	Social Factor		SF1, SF2, SF3, SF4, SF5, SF6, SF7, SF8.
Customer Experience		Mediator	CE1, CE2, CE3, CE4.
Purchase Intention		Dependent Variable	PI1, PI2, PI3, PI4, PI5.

4.5   Estimates of Pre-Reliability test

Reliability test was carried on all the items (with 20 respondents) of the research to check for internal consistency between the items of each variable. In fact, internal consistency must be known and should be the first thing to do before a statistical test can be done so as to ascertain validity (Tavakol & Dennick, 2011). The generated Cronbach alpha value determines the level of the reliability of the items of the variables. It is usually stated in a numerical value between 0 and 1 (Santos, 1999; Taber, 2018; Tavakol & Dennick, 2011; Ursachi et al., 2015). By definition, according to Cronbach (1951), and Gliem and Gliem (2003), Cronbach's alpha is the average value of the reliability coefficients gotten for all possible combinations of items when splitting into two half-tests. As suggested by Lai et al. (2007), the minimum satisfactory cut point for the Cronbach alpha value is 0.70. For all the scale and sub-scales, the minimum value, as shown in Table 11, is 0.806, which is above the minimum acceptable cut-off point.

Table 11: Pre-Reliability test result (N=20)

Scale	Sub-Scale Name	No. Of Items	α Coefficient
SE	AF	11	.929
	DF	10	.913
	SF	8	.953
CE		4	.806
PI		5	.892

4.6   Preliminary Analysis: Investigation of Assumption

4.6.1   Data accuracy

The researcher subjected all the data to inspect the presence of extreme values. At first, a univariate descriptive statistics was done to observe the minimum and maximum values which mostly can be as a result of a mistake in data entry for categorical variables. Upon inspection, no extreme values were detected. However, z-score was calculated to spot univariate outliers but adopting the recommended cut-off point of +/- 3.29 by Verkoeijen et al. (2018), and upon probe, no outliers were observed. The researcher went further to carry out influential observation of identifying multivariate outliers by using a method known as Mahalanobis distance. To detect the presence of multivariate outliers, the composite score for the independent and dependent variables were computed, and the Mahalanobis distance of all cases was inspected for critical χ^2 at $\alpha=.001$. Four cases (respondents 19, 37, 54, and 141) were detected with values lower than $\alpha= 0.001$. These four cases were excluded from subsequent analysis to avoid obtaining misleading results.

4.6.2   Treatment of Missing data

The missing data in this research were treated sensitively. Only one case (respondent 167) was completely deleted because more than 50% of the questions were not answered by a respondent.

4.6.3   Normally Distributed Errors

A test of normality was carried out to check the parametric test of assumption. The numerical values of skewness and kurtosis were observed by adopting the cut-off point recommended by Chan (2003), (-1 and +1). Any value that falls outside of this range is declared not okay to be classed as a normal distribution. Table 12 presents the normality test report, and it was revealed that all were satisfactory.

Table 12: Normality test report

Variables		Statistics		Normal distribution −1 to +1
SE	AF	Skewness	.609	Satisfactory
		Kurtosis	-.255	
	DF	Skewness	.887	Satisfactory
		Kurtosis	.458	
	SF	Skewness	.825	Satisfactory
		Kurtosis	.234	
CE		Skewness	.121	Satisfactory
		Kurtosis	-.249	
PI		Skewness	.647	Satisfactory
		Kurtosis	.298	

4.6.4 Homoscedasticity

The dataset were check for the presence of homoscedasticity. This was done by using Breusch-Pagan (BP) and Koenker test. These two tests are used to compare different quantile or expectile estimates and it is much preferable to many other tests for heavy tailed errors (Li & Yao, 2019). The p value > 0.05 is the acceptable convention to infer the presence of homoscedasticity. Upon observation of the results as shown in the Table 13, the presence of homoscedasticity was validated between the independent variable (SE) and the mediator (CE) (BP: p = 0.030; Koenker: p = 0.059) and between the independent variable (SE) and the dependent variable (PI) (BP: p = 0.837; Koenker: p = 0.863).

Table 13: Homoscedasticity test

	Breusch-Pagan Test	Koenker Test	Presence of Homoscedasticity
SE CE	.030	.059	YES
SE PI	.837	.863	YES

4.6.5 Multicollinearity

Multicollinearity can occur when a strong relationship is observed between independent variables in a regression model. In this research, the multicollinearity symptom was checked by observing the correlation matrix. The matrix was examined to identify relationships above 0.90. Presence of relationships below 0.90 is a reference point to validate the absence of multicollinearity. However, according to Table 30, it is revealed that there is no strong relationship between the variables; hence, no multicollinearity.

4.7 Factor Analysis

Factor analysis was carried out for this research. In clear terms, FA is a multivariate statistical method used to analyze different variables for dimension reduction of the dataset to a comparatively smaller number of dimensions, or components (Santos et al., 2019). FA was done with principal component extraction and varimax rotation. Before the FA was carried out, the criteria such as validation of univariate and multivariate normality assumption, and the absence of univariate and multivariate outliers were taken into consideration and ascertained as suggested by Yong and Pearce (2013). The criteria embraced to determine the dimensions to be reduced for the FA were the factor loadings, Kaiser-MeyerOlkin (KMO) and communalities. Many studies have diverging cut-off points for these criteria but for the purpose of this research, 0.50, 0.6 and 0.4 were used as cut-off points for factor loading (as suggested by Truong and McColl (2011)), Kaiser-MeyerOlkin (KMO) (as recommended by Pallant (2013)) and cummunalities (as indicated by Osborne et al. (2008)). Subsequently, FA for all scales is illustrated below.

4.7.1 Factor Analysis for Ambient Factors

In the FA conducted for ambient factor, the number of items used was eleven. The generated results of this analysis revealed that all the eleven items were higher than the recommended cut-off points of the three FA criteria of this research. As presented in Table 14, the principal component analysis showed one component with eigenvalues of more than 1.0. This accounts for 57.090% of the total variance in this variable. In Table 15, the KMO measure of sampling adequacy is 0.911 for this variable. Also, the Bartlett's Test of Sphericity result for this variable is 0.000. As shown in Table 16, the factor loadings and communalities revealed for the eleven items were all beyond the suggested cut-off points. Therefore, these eleven items were qualified to be used for the main analysis.

Table 14: Total Variance Explained for Ambient Factors

Component	Initial Eigenvalues			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	6.280	57.090	57.090	6.280	57.090	57.090
2	1.125	10.227	67.316			
3	.765	6.952	74.269			
4	.645	5.867	80.135			
5	.504	4.578	84.714			
6	.410	3.731	88.445			
7	.315	2.863	91.308			
8	.285	2.587	93.895			
9	.254	2.314	96.208			
10	.222	2.014	98.222			
11	.196	1.778	100.000			

Extraction Method: Principal Component Analysis.

Table 15: KMO and Bartlett's Test Result of Ambient Factors

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.911
Bartlett's Test of Sphericity	Approx. Chi-Square	1808.234
	Df	55
	Sig.	.000

Table 16: Component Matrix and Communalities for Ambient Factors

	Component	Communalities
	1	
AF1	.779	.606
AF2	.827	.684
AF3	.836	.699
AF4	.618	.470
AF5	.800	.640
AF6	.803	.645
AF7	.796	.633
AF8	.613	.789
AF9	.732	.535
AF10	.806	.649
AF11	.657	.431

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

4.7.2 Factor Analysis for Design Factors

In the FA conducted for design factor, the number of items used was ten. The generated results of this analysis revealed that all the ten items were higher than the suggested cut-off points of the three FA criteria of this research. As presented in Table 17, the principal component analysis showed one component with eigenvalues of more than 1.0. This accounts for 61.623% of the total variance in this variable. In Table 18, the KMO measure of sampling adequacy is 0.913 for this variable. Also, Bartlett's Test of Sphericity result for this variable is 0.000. As shown in Table 19, the factor loadings and communalities highlighted for the ten items were all beyond the suggested cut-off points. Therefore, these ten items of the design factor were qualified to be used for the main analysis.

Table 17: Total Variance Explained for Design Factors

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	6.162	61.623	61.623	6.162	61.623	61.623
2	1.073	10.733	72.356			

3	.686	6.865	79.221
4	.444	4.440	83.660
5	.365	3.651	87.312
6	.359	3.585	90.897
7	.288	2.876	93.773
8	.267	2.675	96.448
9	.191	1.908	98.356
10	.164	1.644	100.000

Extraction Method: Principal Component Analysis.

Table 18: KMO and Bartlett's Test Result of Design Factors

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.913
Bartlett's Test of Sphericity	Approx. Chi-Square	1838.523
	Df	45
	Sig.	.000

Table 19: Component Matrix and Communalities for Design Factor

	Component	Communalities
	1	
DF1	.800	.640
DF2	.823	.677
DF3	.688	.473
DF4	.850	.723
DF5	.834	.696
DF6	.643	.413
DF7	.785	.616
DF8	.779	.607
DF9	.786	.618
DF10	.836	.700

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

4.7.3 Factor Analysis for Social Factors

In the FA conducted for social factor, the number of items used was eight. At scrutiny, communalities for a variable named SF6 had its value (0.395) below 0.4 suggested cut-off. This item was excluded. After the exclusion process, the newly generated results of this analysis revealed that all the remaining seven items were higher than the suggested cut-off points of the three FA criteria of this research. As presented in Table 20, the principal component analysis showed one component with eigenvalues of more than 1.0. This accounts for 66.660% of the total variance in this variable. In Table 21, the KMO measure of sampling adequacy is 0.889 for this variable. Also, Bartlett's Test of Sphericity result for this variable is 0.000. As shown in Table 22, the factor loadings and communalities highlighted for the seven items were all beyond the suggested cut-off points. Therefore, these seven items were qualified to be used for the main analysis.

Table 20: Total Variance Explained for Social Factors

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.666	66.660	66.660	4.666	66.660	66.660
2	.884	12.635	79.295			
3	.422	6.029	85.324			
4	.359	5.122	90.445			
5	.289	4.131	94.576			
6	.226	3.233	97.810			
7	.153	2.190	100.000			
Extraction Method: Principal Component Analysis.						

Table 21: KMO and Bartlett's Test Result of Social Factors

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.889
Bartlett's Test of Sphericity	Approx. Chi-Square	1272.380
	Df	21
	Sig.	.000

Table 22: Component Matrix and Communalities for Social Factor

	Component	Communalities
	1	
SF1	.864	.746
SF2	.887	.786
SF3	.826	.683
SF4	.828	.686
SF5	.813	.661
SF7	.707	.500
SF8	.777	.604

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

4.7.4 Factor Analysis for Customer Experience

In the FA conducted for customer experience, the numbers of items used were four. The generated results of this analysis revealed that all the four items were higher than the suggested cut-off points of the three FA criteria of this research. As presented in the Table 23, the principal component analysis showed one component with eigenvalues more than 1.0. This accounts for 75.532% of the total variance in this variable. In Table 24, the KMO measure of sampling adequacy is 0.832 for this variable. Also, the Bartlett's Test of Sphericity result for this variable is 0.000. As shown in Table 25, the factor loadings and communalities highlighted for the four items were all beyond the suggested cut-off points. Therefore, these four items of customer experience were qualified to be used for the main analysis.

Table 23: Total Variance Explained for Customer Experience

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.021	75.532	75.532	3.021	75.532	75.532
2	.406	10.157	85.689			
3	.318	7.947	93.635			
4	.255	6.365	100.000			

Extraction Method: Principal Component Analysis.

Table 24: KMO and Bartlett's Test Result of Customer Experience

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.832
Bartlett's Test of Sphericity	Approx. Chi-Square	581.558
	Df	6
	Sig.	.000

Table 25: Component Matrix and Communalities for Customer Experience

	Component	Communalities
	1	
CE1	.858	.737
CE2	.892	.796
CE3	.877	.769
CE4	.848	.719

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

4.7.5   Factor Analysis for Purchase Intention

In the FA conducted for purchase intention, the number of items used was five. The generated results of this analysis revealed that all the five items were higher than the suggested cut-off points of the three FA criteria of this research. As presented in Table 26, the principal component analysis showed one component with eigenvalues more than 1.0. This accounts for 72.575% of the total variance in this variable. In Table 27, the KMO measure of sampling adequacy is 0.881 for this variable. Also, Bartlett's Test of Sphericity result for this variable is 0.000. As shown in Table 28, the factor loadings and communalities highlighted for the five items were all beyond the suggested cut-off points. Therefore, these five items of purchase intention were qualified to be used for the main analysis.

Table 26: Total Variance Explained for Purchase Intention

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.629	72.575	72.575	3.629	72.575	72.575
2	.583	11.660	84.236			
3	.320	6.400	90.636			
4	.246	4.927	95.563			
5	.222	4.437	100.000			

Extraction Method: Principal Component Analysis.

Table 27: KMO and Bartlett's Test Result of Purchase Intention

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.881
Bartlett's Test of Sphericity	Approx. Chi-Square	833.678
	Df	10
	Sig.	.000

Table 28: Component Matrix and Communalities for Purchase Intention

	Component	Communalities
	1	
PI1	.869	.755
PI2	.713	.508
PI3	.900	.810
PI4	.897	.804
PI5	.867	.752

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

4.8 Post-Reliability test

A post-reliability test was conducted on all the selected items of each variable that were subjected to factor analysis with 255 entries. As shown in Table 29, all the alpha coefficients of the variables were deemed reliable. The minimum alpha coefficient is 0.892, while the maximum alpha coefficient is 0.928.

Table 29: Post-Reliability test result (N=255

Scale	Sub-Scale Name	No. Of Items	α Coefficient
SE	AF	11	.923
	DF	10	.928
	SF	7	.916
CE		4	.892
PI		5	.903

4.9   Descriptive and Correlation Statistics

Using SPSS to compute the descriptive statistics for all the 255 items, the Table 30 presents the mean, standard deviation and the correlation matrix. The correlation statistics, with two levels of significance at (0.05, and 0.01), showed that ambient, design and social factor are significantly and positively correlated with customer experience (r = .720, p < .01), (r = .695, p < .01) and (r = .683, p < .01) respectively. Likewise, ambient, design and social factor are significantly and positively correlated with purchase intention (r = .750, p < .01), (r = .793, p < .01) and (r = .775, p < .01), respectively. Customer experience and purchase intention are also significantly and positively correlated (r = .755, p < .01). None of the demographic variables that were controlled had correlation with the investigated variables of this research; hence, they are not used in the subsequent analysis.

Table 30: Descriptive and Correlation matrix

	Mean	S.D.	1	2	3	4	5	6	7	8	9
AF (1)	2.2984	.81909	1								
DF (2)	2.1216	.80391	.879**	1							
SF (3)	2.1539	.84150	.774**	.833**	1						
CE (4)	2.4284	.76817	.720**	.695**	.683**	1					

	Mean	S.D.	1	2	3	4	5	6	7	8	9
PI (5)	2.1945	.77407	.750**	.793**	.775**	.755**	1				
Gender (6)			.009	-.023	-.004	-.039	-.023	1			
Age (7)			.085	.038	-.014	.105	.033	-.089	1		
Education Level (8)			.089	.074	-.017	.042	.000	-.047	.528**	1	
Nationality (9)			-.027	.014	.030	-.028	-.051	.138*	.039	.085	1

* Correlation at 0.05

** Correlation at 0.01

4.10 Regression Analysis: Hypothesis Testing
4.10.1 Hypothesis one

Linear regression was used to test the first hypothesis of this research. The analysis showed that customer experience regressed by ambient factor resulted in a significant positive correlation between ambient factor and customer experience (β = 0.675, p<0.001) as shown in Table 31. Hence, the hypothesis one is supported. It can be concluded that ambient factor has a positive significant impact on customer experience.

Table 31: Regression analysis for ambient factor and customer experience

	R	R^2	*Df*	F	T	B
Model 1	.720	.519	254	272.695		
Ambient Factor					16.513	.675***

* Correlation at 0.05

** Correlation at 0.01

*** Correlation at 0.001

4.10.2 Hypothesis two

Linear regression was used to test the second hypothesis of this research. The analysis showed that customer experience regressed by design factor

resulted in a significant positive correlation between design factor and customer experience (β = 0.664, p<0.001) as shown in Table 32. Hence, the hypothesis two is supported. It can be concluded that design factor has a positive significant impact on customers' experience

Table 32: Regression analysis for design factor and customer experience

	R	R^2	*df*	F	T	B
Model 1	.695	.483	254	236.008		
Design Factor					15.363	.664***

* Correlation at 0.05

** Correlation at 0.01

*** Correlation at 0.001

4.10.3 Hypothesis three

Linear regression was used to test the second hypothesis of this research. The analysis showed that customer experience regressed by social factor resulted in a significant positive correlation between design factor and customer experience (β = 0.623, p<0.001) as shown in Table 33. Hence, the hypothesis three is supported. It can be concluded that social factor has a positive significant impact on customers' experience.

Table 33: Regression analysis for social factor and customer experience

	R	R^2	*df*	F	T	B
Model 1	.683	.466	254	221.067		
Social Factor					14.868	.623***

* Correlation at 0.05

** Correlation at 0.01

*** Correlation at 0.001

4.10.4 Hypothesis four

Using 5000 samples BC bootstrapping method in the model, based on 255 entries with a 95% bias-corrected confidence interval and percentile, regressions analysis, and mediation analysis were calculated with the SPSS PROCESS macro by Preacher and Hayes. This was used to test the Hypothesis 4 and the Table 34 and Figure 4.10.1 present the regression analysis, indirect, direct, and total effects and the coefficients of the model paths. Table 4.10.4 presents the mediation of incumbent association with their direct, total and indirect effects. At confidence interval of 95% and by convention, having not zero between the lower and upper class intervals, and significance value greater than .001, significance is reported.

Results from a symmetric mediation analysis showed that store environment (SE) is indirectly related to purchase intention through its relationship with customer experience. First, as can be seen in Figure 4, there was a positive effect of store environment on customer experience ($a_1 = 0.738$, $p < .001$), and the customers experience was subsequently related to purchase intention ($b_1 = 0.326$, $p < .001$). Using 5000 samples BC bootstrapping method in the model with a 95% bias-corrected confidence interval, indirect effect through customer experience ($a_1b_1 = 0.241$), holding customer experience constant, was totally above zero (0.160 to 0.332). For Hypothesis 4, it was found that customer experience mediates the relationship between store environment and purchase intention.

Table 34: Statistical diagram for the Indirect, Total Direct Effects of store environment on purchase intention

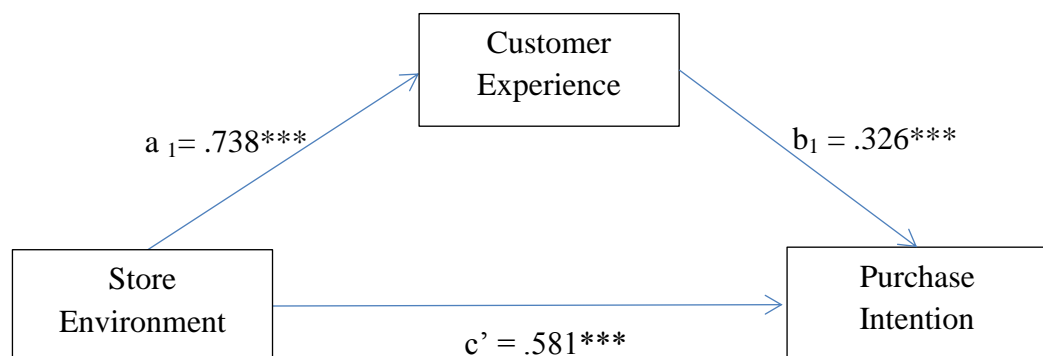|	SD	Estimate	Percentile 95% bias corrected and accelerated CIs		p value
Bootstrapping (5,000 samples)					
			Lower	Upper	
a_1 (SE → CE)	.042	.738	.656	.821	< .001
b_1(CE → PI)	.050	.326	.227	.425	< .001
c' (SE → PI)	.050	.581	.483	.680	< .001
Total effect (a_1b_1)	.043	.241	.160	.332	< .05

Figure 4: The mediating effect of customer experience dimension in the relationship between store environment and purchase intention. NB: ***p < .001; The effects are unstandardized; a_1 is the effect of store environment on customer experience; b_1 is effect of customer experience on purchase intention; c' is the direct effect of store environment on purchase intention.

4.11 Summary of the hypothesis Findings

Table 35: Summary of findings

Hypothesis		Result
H1	Ambient factor has a positive significant impact on customers' experience	Supported
H2	Design factor has a positive significant impact on customers' experience	Supported
H3	Social factor has a positive significant impact on customers' experience	Supported
H4	Customer experience mediates the relationship between store environment and purchase intention	Supported

4.12 Summary

From the data extracted from the questionnaires, the frequency of respondents was analyzed, the reliability test was conducted, and the results were reliable following Cronbach Alpha rule. The criteria embraced to determine the dimensions to be reduced for the factor analysis were the factor loadings, Kaiser-MeyerOlkin (KMO) and communalities. The correlation analysis showed a correlation between variables. The regression results, gotten from the regression analysis showed that all hypotheses adopted for this research were supported.

CHAPTER 5

DICUSSSION, LIMITATIONS, RECOMMENDATION FOR FUTURE STUDIES AND CONCLUSION

5.1   Introduction

This chapter presents the findings of this research obtained from the results collected in the previous chapter from the data analysis. The main research question was also revisited and answered. According to the findings, the constructed hypothesis was supported. The chapter concludes by discussing some of the limitations encountered in the course of the research, and recommendations were provided to help future researchers of the related topic.

5.2   Discussion

5.2.1   Hypothesis one
H1: Ambient factor has a positive significant impact on customers' experience

Linear regression was used to test the second hypothesis of this research. The findings of this research showed that customer experience regressed by ambient factor resulted in a significant positive correlation between the

ambient factor and customer experience. We can, therefore, agree that pleasant shopping environment can give a customer an exciting and exciting experience, thereby influencing their decision to buy and vice versa. Just as discussed in the literature part, appropriate music creates a relaxed atmosphere and could make a customer spend more time and possibly more money shopping. Good lighting also in supermarkets can make things more visible and attractive to customers. No one, of course, would want to visit a retail store or supermarket which doesn't smell good. The temperature of cause is also an essential factor because it triggers customer experience in the shopping environment. All these are proved from our findings.

5.2.2 Hypothesis two
<u>**H2: Design factor has a positive significant impact on customers' experience**</u>

Linear regression was used to test the second hypothesis of this research. The analysis showed that customer experience regressed by design factor resulted in a significant positive correlation between design factor and customer experience. Hence, hypothesis two is supported. It can be concluded that the design factor has a significant positive impact on customers' experience. We can, therefore, say that shoppers like shopping in supermarkets with a well-structured layout which helps in the ease of moving around. Also, creative and systematic arrangement of products, clean environment, attractive and well-decorated shops and of course supermarkets with sufficient display of in-store information gives an excellent shopping experience.

5.2.3 Hypothesis three
<u>**H3: Social factor has a positive significant impact on customers' experience**</u>

Linear regression also was used to test the third hypothesis of this research. The analysis showed that customer experience regressed by social factor resulted in a significant positive correlation between the social factor and

customer experience. Hence, hypothesis three is supported. It can be concluded that social factor has a significant positive impact on customers' experience. A level of pleasure experienced in any supermarket influenced by social factors can encourage customer spending and liking. Customers, therefore, feel more comfortable in a shopping environment where the staffs have proper knowledge, are friendly, helpful and of course well dressed. Crowding also, both spatial and human has been proved to influence customer experience.

5.2.4   Hypothesis four

<u>**H4: Customer experience mediates the relationship between store environment and purchase intention**</u>

A result from asymmetric mediation analysis showed that store environment (SE) is indirectly related to purchasing intention through its relationship with customer experience. First, there was a positive effect of store environment on a customer, and the customers' experience was subsequently related to purchasing intention. Using 5000 samples BC bootstrapping method in the model with a 95% bias-corrected confidence interval, indirect effect through customer experience, holding customer experience constant, was totally above zero. For Hypothesis 4, it was found that customer experience mediates the relationship between store environment and purchase intention. This is to say that when customers have an enjoyable shopping experience influenced by the excellent ambience, design and social factors, it can impact their purchase intention. There is a high tendency of the customers shopping longer, repurchasing in the future and of course referring to friends and family.

5.3   Research questions

1)   Does environmental attributes of a supermarket affect customer experience?

Yes, store environmental attributes of a supermarket affects the customer experience. The correlation analysis showed a positive relationship between

all three variables (ambient, design and social factors). According to the regression analysis, it shows that ambient factor and customer experience are positively related, design factor and customer experience are positively related. Lastly, social factor and customer experience are positively related. This shows that when all environmental factors are increased, customer experience will also increase and vice versa. By understanding this relationship, the party who needs to better the environmental conditions in the supermarket settings can improve the elements of enjoyment and benefit to have a better customer experience.

2) Is there a relationship between customer experience and purchase intention?

Yes, there a relationship between customers experience and purchase intention. The correlation analysis done, both variables show there is a relationship between them. Customer experience and purchase intention are significantly and positively correlated. This is to say that when customers have a good experience, there are high chances of purchase and re-purchase intentions.

3) Does customer experience mediate the relationship between store environment and purchase intention?

Yes, customer experience mediates the relationship between store environment and purchase intention. A result from a symmetric mediation analysis showed that store environment (SE) is indirectly related to purchase intention through its relationship with customer experience. First, there was a positive effect of store environment on customer experience, and the customers experience was subsequently related to purchase intention.

5.4 Limitations

Respondents

In this research, questionnaire survey was conducted online with the help of Google forms from only 260 respondents. Large samples usually produce better results and reduce the probability of inconsistencies (Osborne et al 2004).

Also there are high chances that some respondents might have misunderstood the questions. By using the five-point Likert type scale of the questionnaire, respondents may have been confused and unable to communicate their further thoughts and feedback on this research. Furthermore, the possibilities for the respondents not to read the questionnaire appropriately is high, as the researcher gave the respondents many questions to fill up.

Sampling location

Another limitation was that the research was carried out in a university setting in the Turkish Republic of Northern Cyprus, so data was only collected from students in this geographic region, so we cannot generalize our research results. Five geographical areas; Africa, Cyprus, Middle-East, Ex-Soviet and Turkey were only chosen to conduct the survey used for the research.

Secondary Sources

Limited sources of information and databases for this research topic couldn't be searched through. Also, some publications and articles may require payment. The researcher could not have full rights to journals and articles that needed to be subscribed to because of a limited budget. The research that applies to our study was conducted only by few local researchers. Most of the journals and articles mentioned were internationally based on the topic.

5.5   Recommendations for future researchers.

This research is conducted to identify the impact of store environmental factors on customer experience and purchase intention in supermarkets. With the finding of this research as well, I recommend the below areas to be studied in the future.

i.   A bigger sample size can be used to conduct future research on related topic

ii.   Future researchers should focus more on the parameters that makes up each factors, to know which is more significant for store managers to enhance.

iii.   Future researchers should consider adding more geographical locations other than Africa, Cyprus, Middle-East, Ex –Soviet and Turkey.

iv.   This research was done on a general note with no specific supermarket as a case research. Future researchers can consider narrowing their research to a particular supermarket as a case research.

v.   Demographic variables can also be incorporated to future research and their impact can also be analysed.

vi.   This research can be used as a guide to future researchers who intend writing on related topic.

5.6   Discussion

Firstly, this research aimed to determine the impact of store environmental factors of different supermarkets have an impact on customer experience and their purchase intention. In conducting this research, certain important factors such as ambient factor, design factor, social factor were chosen as our independent variables, and customer experience served as our mediating variable and purchase intention was our dependent variable.

More so, presented a review of literature by previous researchers on the effect of store environmental factors and how it has impacted customer experience and hence their purchase intention. A piece of background

information regarding the concept of a shopping environment was discussed and its corresponding components. Also, the literature on supermarkets and its attributes were reviewed. The thesis used Baker's (1986) concept of environmental shopping factors as a guide. Accordingly, shopping environmental factors were classified into three groups which are ambient factors (lighting, music, scent), design factors (cleanliness, color, display, layout, signs) and social factors (crowding, personnel in-store). Guided by this, the chapter presented a review of the relevant literature on supermarkets and its attributes, the role of the various factors of the shopping environment in affecting customer shopping experience and hence their purchase intention.

Convenience sampling was chosen as a sampling method for this research, and questionnaires were randomly given to students who reside in the Turkish Republic of Northern Cyprus. A structured questionnaire was used as an instrument to conduct the survey. 260 questionnaires were realized from 300 distributed. Only one case (respondent 167) was completely deleted because more than 50% of the questions were not answered by a respondent.

The researcher went further to carry out influential observation of identifying multivariate outliers by using a method known as Mahalanobis distance. To detect the presence of multivariate outliers, the composite score for the independent and dependent variables were computed, and the Mahalanobis distance of all cases was inspected for critical χ^2 at $\alpha=.001$. Four cases (respondents 19, 37, 54, and 141) were detected with values lower than $\alpha= 0.001$. These four cases were excluded from the subsequent analysis to avoid obtaining misleading results.

From the data extracted from the questionnaires, the frequency of respondents was analyzed, a reliability test was conducted, and the results were reliable following Cronbach Alpha rule. The criteria embraced to determine the dimensions to be reduced for the factor analysis were the factor loadings, Kaiser-MeyerOlkin (KMO) and communalities. The

correlation analysis showed a correlation between variables. The regression results, gotten from the regression analysis showed that all hypotheses adopted for this research were supported.

Considering the main problem of this research which is "How store environmental conditions affect customer experience and hence their purchase intention in supermarkets". Results showed that all environmental factors (ambient, design and social) have a positive impact on their experience hence their purchase intentions. It is therefore vital that supermarket managers improve the shopping experience for the customer by putting in place all necessary environmental factors and attributes to enable customers to have enjoyable shopping experience which will, in turn, influence their purchase intention.

5.7 Summary

This chapter discusses the hypotheses in details and shows how they are supported. The research questions of this research were also answered. Limitations of the study and recommendations were also made for future researchers of the related topic.

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APPENDIX

Questionnaires on The Impact of In-Store Environment on Customer Experience and Purchase Intention in Supermarkets.

Participant İnformation Sheet And İnformed Consent Form

Dear Participant,

The questionnaire is part of a research that we are carrying out in order to understand the impact of store environment on customer experience and their purchase intention. The data collected through this questionnaire will be used to understand how environmental factors and conditions can affect consumer purchase intentions and decisions. By filling in the following questionnaire, you agree to participate in this research.

Please note that your participation in the research is voluntary and whether you agree to participate or not will have no impact on your grades you are/were enrolled in your identity will not be revealed in any case to third parties. The data collected during the course of this research will be used for academic purposes only and may be presented at national/international academic meetings and/or publication. You may quit participating in this research at any time by contacting us. If you opt out of the research, your data will be deleted from our database and will not be included in any further steps of the research. In case you have questions or concerns, please contact us using the information below.

Assist.Prof.Dr.Gunay Sadıkoglu	Promise Isioma Anene
Lecturer, Department of Marketing,	MBA
Near East University	Near East University,
Tel: +90 392675 1000	Tel: +905338809266
Email: gunay.sadikoglu@neu.edu.tr	promisetemianene@gmail.com

Personal details

Please tick (✓) as appropriate:

Gender: Male ☐ Female ☐

Age: 18-24 ☐ 25-29 ☐ 30+ ☐

Education Level: Undergraduate ☐ Graduate ☐ PHD ☐

Nationality: Africa☐ Cyprus ☐ Middle East ☐ Ex-Soviet ☐ Turkey☐

Please select for each statement:

Strongly Disagree=1 Disagree=2 Neutral=3 Agree=4 Strongly Agree=5

Ambient factor	1	2	3	4	5
1 I would prefer shopping in supermarkets with pleasant music playing.					
2 I like to shop in supermarkets which play appropriate music.					
3 Listening to music creates a relaxed atmosphere while shopping.					
4 The sufficient volume of the background music makes me spend more time.					
5 I prefer shopping in supermarkets which are well lit.					
6 The lighting in supermarkets makes things more visible and attractive to me.					
7 Good color of lighting attracts me towards products.					
8 Scent in supermarkets encourages me to purchase more.					
9 Scent in supermarkets makes me to revisit the store.					
10 Fully air-conditioned environment makes me comfortable while shopping.					
11 Supermarkets with no air-conditioning discourage me towards shopping.					

Design factor

12 I prefer shopping in supermarket which has the ease in

moving about.

13 I like when it is easy for me to locate products easily in the supermarket.

14 I tend to buy more when I come across attractive and impressive displays.

15 The creative and systematic arrangement of products in stores helps me in the selection of product.

16 The cleanliness of a supermarket attracts me to visit again.

17 The clean shelf in supermarkets motivates me to stay more.

18 The outlet color creates a positive image in my mind.

19 I like to shop in supermarket when it is well decorated.

20 I prefer interior walls and floor color schemes to be attractive.

21 I like supermarkets with sufficient display of in-store information.

Social factor

22 I would prefer supermarket with staffs that has proper knowledge.

23 I tend to shop where the staffs are friendly.

24 I like to shop in supermarkets with helpful outlet staff.

25 I prefer staff that are well dressed and appear neat.

26 I prefer shopping in supermarkets where the shopping isles are not cluttered.

27 I normally purchase only the items on the list when the supermarket is crowded.

28 I do not like a lot of shoppers when shopping.

29 I do not like it when it's busy during my shopping trip.

Customer experience

30 The shopping process would arouse my strong sensations

31 The shopping trip would bring me great interest

32 The shopping trip is very attractive

33 The shopping trip is quite worthwhile

Purchase intention

34 I would like to purchase in the supermarket.

35 I would like to shop longer.

36 I would like to visit the supermarket again.

37 I would like to repurchase in future.

38 I would like to tell my family and friends about the supermarket.

PLAGIARISM REPORT

THE IMPACT OF IN-STORE ENVIRONMENT ON CUSTOMER EXPERIENCE AND PURCHASE INTENTION IN SUPERMARKETS.

MASTER THESIS

ORIJINALLIK RAPORU

%**19**   %18   %7   %
BENZERLIK ENDEKSI   İNTERNET   YAYINLAR   ÖĞRENCI ÖDEVLERI
                     KAYNAKLARI

ETHICS COMMITEE APPROVAL

YAKIN DOĞU ÜNİVERSİTESİ

BİLİMSEL ARAŞTIRMALAR ETİK KURULU

01.06.2020

Dear Promise Isioma Anene

Your application titled **"The Impact of Store Environment On Customer Experience and Purchase Intention"** with the application number YDÜ/SB/2020/738 has been evaluated by the Scientific Research Ethics Committee and granted approval. You can start your research on the condition that you will abide by the information provided in your application form.

Assoc. Prof. Dr. Direnç Kanol

Rapporteur of the Scientific Research Ethics Committee

Direnç Kanol

Note: If you need to provide an official letter to an institution with the signature of the Head of NEU Scientific Research Ethics Committee, please apply to the secretariat of the ethics committee by showing this document.