

# **INFLUENCE OF SUPERMARKET AMBIENCE ON CUSTOMER SATISFACTION AMONG LARGE RETAIL SUPERMARKETS IN KENYA**

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## **Abstract**

*Supermarket Ambience can be defined as the character and atmosphere that is created to set, create and arouse a shopper's feelings or moods for a shopping experience to take place. This study confirms that high traffic supermarket patronage is based on the ambient design; social factors; and store atmospherics which contribute to customer satisfaction in large retail supermarket in Kenya. Though the effect of store ambience on customer satisfaction is widely researched, it remains a gray area in the context of large retail supermarkets in Kenya. The purpose of this study was to examine the influence of supermarket ambience on customer satisfaction among large retail supermarkets in Kenya. The information was obtained from the supermarket customers and supermarket branch managers across the 8 regional counties in Kenya namely; Nairobi, Mombasa, Kisumu, Nakuru, Nyeri, Eldoret, Kakamega and Machakos. The supermarkets visited were Tuskys, Nakumatt, Naivas, Choppies (Ukwala and Uchumi). A sample of 336 customers and 31 branch managers spread within the 8 regions were engaged using self-administered questionnaires and interview schedules for customers and for the supermarket branch managers respectively. Descriptive statistics and inferential statistics (Pearson correlation and regression analysis) analysis were computed using SPSS. The study established that supermarket ambience had a statistically significant influence on customer satisfaction among large retail supermarkets in Kenya. Majority of the large retail supermarkets ensured that they had enough space for air circulation; spacious aisles for customer easy movement; hygiene factors, the level of cleanliness maintained; an easy-to-locate labeling; and as such, customers did not waste time trying to locate items, background music for entertainment purposes were top priority to the management.*

*Keywords: Supermarket ambience, customer satisfaction, consumer behavior, Kenya*

## INTRODUCTION

Throughout this paper, it is demonstrated that supermarket ambience is an important factor influencing customer service and subsequently customer satisfaction in large retail supermarkets in Kenya. World Consumer Rights Day is celebrated on 15 March each year following the anniversary of the speech given in 1962 by US President John F. Kennedy in which he declared four basic consumer rights: the right to safety, the right to be informed, the right to choose and the right to be heard (Consumer Association of South Australia, 2016). Supermarket ambience helps fulfil these consumer rights. Kotler (2006) was among the first researchers to acknowledge how the significance of store atmospherics was to emotional effects on consumer's decisions. According to Duong (2016), there are four factors of ambience, namely, layout, lighting, temperature control, décor and background music. The development on the retail landscape and changes in consumer and organizational attitudes over the last four decades have prompted business owners and marketers to explore new theoretical approaches addressing specific marketing issues and expanding the scope of marketing management theory (Goi, 2009). According to Cho and Hofacker (2008) consumers shopping decision and store selection are systematic and not haphazard.

The paradigm of expectancy disconfirmation recommends that customers are satisfied if the products or services perform better than their expectation, dissatisfied if expectations of customers exceeded real performance from the products or services (Webster & Oliver, 2007). Some other researchers have identified some potential predictors of satisfaction like service/products quality, service hospitality experiences design, perceived value, retail store image and customer relationship benefits (Hong & Yang, 2009). Different supermarkets have different abilities and thus, strategize differently to satisfy their customers basing on the information available to them and their abilities. Supermarket ambience is one of the reported strategies used in large retail supermarkets in a quest to give supermarkets a competitive edge in these capricious times (Watt, 2015; Cheronon, 2016).

The retail industry is seriously becoming competitive as time passes, with customers frequently changing their preferences and tastes. As customers have become more sophisticated, their demands and expectations are increasing as well. Large retail supermarkets should aim at providing top class customer service to gain competitive advantage and retain customers (Levy & Weitz, 2012). Large retail supermarkets form an ideal customer contact points with most of the products they frequently purchase, being self-service stores that carry a complete line of food products as well as non-food products.

Concentration in food retailing has risen rapidly in developing countries due to the supermarket revolution that began in the larger cities of richer Latin American countries and

then quickly spread to smaller cities and poorer countries on the continent. By 2000, the supermarket share of retail sales in Latin America was in the range of 50-60%, only slightly less than the 70-80% share attained in the United States over several decades. East and Southeast Asia experienced a similar diffusion, although beginning several years later than in Latin America. Africa is the most recent front in the global development of retail chains, with South Africa at the forefront, where Reardon et al., (2003) reported a 55% supermarket share of all retail food sales. Supermarkets have been spreading rapidly in the East African region since the early 2000's (Ouma & Munyoki, 2010). Urbanization and increasing incomes in the developing world, including the sub-Saharan Africa, have inevitably invited supermarkets into the region.

Kenyan retailers face a dynamic and competitive retail environment. With increased globalization, market saturation, and increased competitiveness through mergers and acquisitions, retailers are seeking competitive advantages by better managing customer relations through database management (Cherono, 2016). Business firms can no longer depend on historical trends without environmental observation, analysis and evaluation of emerging issues (David, 2003). This is not a new concept but seeking competitive advantage through improving relationships with customers has taken on a new life.

A survey by Citi Group, a global market research institution released in May 2012 indicated that 70% of shopping in Kenya is done through informal retail channels as compared to South Africa, which was found to be 60% formalized. This shows the great opportunity still unexploited by supermarkets by then. Nakumatt, Uchumi, Choppies (Ukwala), Naivas, and Tuskys are the biggest supermarkets in terms of branch network and shopping traffics (Kamau, 2008). The supermarkets are no longer the niche players catering the high-income consumers in the capital cities but have rapidly expanded to serve middle and low-income consumers. By shifting focus from capital cities to smaller areas, investors get more space due to low cost of land, resources and building materials (Business Daily, 2016). The retail markets landscape is drastically changing with customer's preferences and taste being unpredictable. The supermarkets are establishing their niche in the supermalls to hyper malls (West End mall and Mega shopping mall in Kisumu; Nakumatt shopping mall in Mombasa; Garden city in, Galleria mall and Two rivers mall in Nairobi) to cater for the changing preference of the middle and high-end market niche and also create more space for their layout designs.

Past studies on supermarket ambience on customer satisfaction in retail firms (Levy & Weitz, 2012; Singh, 2011; Hyken, 2013, and Lucas, 2012; Thư ợng, 2016; Child, Kilroy & Naylor, 2015; Huang, Oppewal & Mavondo, 2012) focused majorly on developed countries or otherwise mega shopping malls and not large retail supermarkets. However, owing to uniqueness of organizations in terms of customer service techniques, this creates a series of contradictions.

Despite the initiatives by supermarkets to ambient factors, it remains unclear as to what extent these factors contribute to customer satisfaction among large retail supermarkets in Kenya. Therefore, this study examined the influence of customer supermarket ambience on customer satisfaction among large retail supermarkets in Kenya. The main objective of this study was to establish the influence of supermarket ambience on customer satisfaction among large retail supermarkets in Kenya

## LITERATURE REVIEW

### Theoretical Framework

#### *Environmental Psychology Model*

The effect of supermarket ambience is greatly supported by the Environmental psychology model. Mehrabian and Russell (1974) proposed the S-O-R environmental psychology model, providing three dimensions that could describe the emotional states: pleasure, arousal and dominance (PAD). The combinations of these three different emotions result in different behavioral consequences, making a person to decide whether to remain in a specific environment or to avoid it all together. Donovan and Rossiter (1982) utilized S-O-R model and took retail stores as testing objects to study the relationship between environmental stimulus and behavioral intention by two emotional dimensions- pleasure and arousal. The finding was the emotions of pleasure and arousal initiated by environment would increase customers' spending of extra time and money by 12% in average; meanwhile, their interactive intentions with on-site service personnel also increased. In other words, supermarket ambience affects customers in three ways, namely pleasure, arousal and dominance. These subsequently influence customer satisfaction.

#### *The marketing mix theories*

The emergence of the marketing concept in the 1940s and 1950s brought the customer into prime focus. In the 1960s, the marketing mix framework of product, price, promotion and place introduced a managerial approach to the marketing of products (McCarthy, 1960). The 4P's have withstood the test of time, and offer the marketer a set of tools with which to analyze current offerings and develop new ideas, and thus subjected to a great number of criticisms by (Gronroos, 1994; O'Malley & Patterson, 1998) such as the focus on the single transaction between firm and customer only, assumption that sellers are active and buyers are passive and so on. Profit remains an underlying business concern and relational objectives are met through the fulfillment of promises (O'Malley & Tynan, 2008). Loyalty cannot be taken for granted and that customers will only keep coming back if they feel they are getting better value - Value

Customers. The shift in focus to 'value in use' brings yet another paradigm into view. Service Dominant Logic (SDL) was introduced in 2004 by Vargo and Lusch and has caused marketers to re-think their strategies and approaches.

### **Empirical Review**

Kotler (2009) was among the early researchers to acknowledge the importance of store atmospherics and defined it as the design of environments in order to produce emotional effects in the customer with the intent to enhance the purchasing probability. According to Hoffman and Turley (2002), atmospherics consist of both tangible elements (furniture / equipment) and intangible elements (lights, scent, color, temperature) that comprise the service experience. Store atmosphere can be divided into four sub elements; namely, exterior variables, store layout, interior display and general interior (Berman & Evans, 2010). Atmospherics form the first impression of the store and influence consumers' perceptions towards a store, and that also impacts on a stores' image and consumers' expectations of the retailer's offerings (Oh *et al.*, 2008).

According to Tiapana, (2009), Store floor space is an in-store communications strategy aimed at making movement within a store easier and fun. Tiapana found that store floor space was significantly related to customer loyalty, an upshot of customer satisfaction. Adequate store floor space requires enough space for easy movement in a store, easy entrance from outside the store and clear navigation and displays Shoppers expected that space inside a store leads to experience of shopping pleasure. The study also found that Store atmospherics, including music and lighting, have been used in creating certain effects on buyers

Al-Ali, Bazin and Shamsuddin (2015) conducted a study to assess key determinants of customer satisfaction: evidence from Malaysia grocery stores. Specifically, the study sought to find out the effect size of these determinants on overall customer satisfaction in an emerging market such as Malaysia. An extensive dataset from 313 shoppers who had carried out their purchase in different type of grocery stores was analyzed. Using Partial Least Squares-SEM (PLS-SEM) analysis method, the study found that three determinants ("monetary value", "service and convenience", and "store quality image") had a direct impact on customer satisfaction. However, the weight that each factor shows was different. The results demonstrated that price, promotions, store brands, product assortment, quality, added-services, store accessibility, store atmosphere, the relation with customers and stock availability of fresh items was the step wise order of attributes affecting customers satisfaction.

In an earlier study by Moye and Giddings (2002) it was found that store atmospherics which includes store interior (attractive, fashionable, stylish decorations, lightings, temperature)

seem to have a positive direct influence on shopping behaviour in various clothing stores. Venter and Dhurup (2005) found that customers attach great importance to the atmospheric variable (physical aspects), the reliability and the policies of the retailer. North and Croeser (2006) suggest that shoppers seek stores that have a pleasant atmosphere. Chan and Chan (2008) also emphasizes that a pleasant store atmosphere helps consumers to have an exhilarating shopping experience. Another study conducted by Vignali and Pavičić (2006) revealed that atmospherics affect sensory pleasure as well as components of affective pleasure (emotional pleasure) and cognitive pleasure (seeing oneself in the fantasy).

Teller and Dennis (2012) conducted a critical review of researches that had established the effect ambient scent had on consumer's perceptions, emotions, and behaviour on a local mall in UK. They established contradictory results to previous studies-that ambient scent did not affect consumer behaviour. This indicated how same environmental cues could influence varying consumer behaviours. As such, Teller and Dennis proposed that rigorous research be conducted to elaborate the effectiveness of atmospheric stimuli to consumers' behaviour, as they felt that the results of their study could be replicated in other environmental/atmospheric variables. Molina, Martín, Santos and Aranda (2009) carried out a study to examine the relationship between consumer service and loyalty in Spanish grocery store retailing. According to the study findings, store atmosphere was seen as an essential element affecting customer's satisfaction, mood and purchasing behavior. Retailers had to persuade consumers to come to their premises, make them stay and spend money as well as convince them to come again. Therefore, the study concluded that store atmospherics closely linked to the physical store attributes were important elements of customer service.

The effect of atmospherics or physical design and decor elements on consumers and workers is recognized in earlier research as important to customer perceptions of quality and has been labeled as Servicescapes (Bitner, 1992). The ability of the physical environment to influence behavior and to create an image is particularly apparent for service businesses. Bitner suggests the physical environment in which the service is performed includes dimensions such as: posters, advertisements, signs, music, lighting, and decor. Servicescapes also referred to as the service encounter has been shown to increase customer satisfaction across industries (Pareigis et al., 2010).

In Africa, a study by Dhurup, Mafini, and Mathaba (2013) investigated the store image factors influencing store choice among sportswear consumers in South Africa and found store atmospherics, sales assistance, in-store induced appeals, store accessibility and promotion/brand availability as the environmental factors that influenced consumer behaviour. Thus, Dhurup *et al.* recommended marketers of sports apparel stores to enhance these factors

as a way of increasing sales. According to Morrison, Gan, Dubelaar, and Oppewal's (2011) study "In-store music and aroma influences on shopper behaviour and satisfaction retailers," that experimentally examined the effect loud/soft music and presence or absence of vanilla scent had on consumer behaviour, the volume of music and aroma of in-store environment were found to have significant effect to shoppers' emotions and extents of satisfaction.

Abimnwi and Njuguna (2015) conducted an analysis of in store environment ambience factor influence on consumer behaviour in East Africa, Kenya and prevailing aspects in supermarkets. The findings show that the background music played in supermarkets in Kenya is characterized by a soft tone, an average pitch, and a slow tempo. Generally, customers perceived the background music played in supermarkets in Kenya as appealing (good) to listen to. However, the study found that the background music played had no relationship with customers' shopping behaviour. The background music did not have any effect on the waiting time at the counter; the time spent browsing merchandize in the store, the number of goods purchased, and the likelihood of returning to shop from the supermarket in future.

## **RESEARCH METHODOLOGY**

### **Research design**

A research design reflects the process that involves the overall assumptions of the research to the method of data collection and analysis. It is the roadmap of carrying out a research study (Churchill & Peter, 2007). The research was based upon the philosophical and methodological foundations of logical positivism. A logical positivist researcher deduces and formulates variables and hypotheses and operationalizes definitions based on existing theory (Hayes, Masuda, Bissett, Luoma, & Guerrero, 2002). The study adopted a cross-sectional survey research design. Cross sectional studies are carried out at one point in time or over a short period. Therefore, cross-sectional studies provide a 'snapshot' of the variables of interest at a specific point in time (Churchill & Peter, 2007). Cross sectional studies investigate the relationships between variables. Survey research design was used due to its versatility, efficiency, and generalizability. Surveys are efficient in that many variables can be measured without substantially increasing the time or cost.

### **Target population**

A target population of 97,867 customers who make daily purchases in the supermarkets as well 31 branch managers represents the 31 supermarkets across 8 regional headquarters in Kenya namely; Mombasa, Nairobi, Kisumu, Nakuru, Eldoret, Kakamega, Machakos and Nyeri urban centers. The focus of the supermarkets was the main CBD areas in these regions, owing to the

high population, high consumer traffic and business activities within. Both the customers and the branch managers were targeted, because they were better placed to provide information on the influence of Customer service and firm level characteristics on customer satisfaction.

### Sample size and Sampling Procedure

The sampling frame is comprehensive list of all the sampling units from which a sample can be selected. All the large retail supermarkets in Kenya constitute the sampling frame for purposes of this study and the Branch managers of each supermarket. The sampling frame for the customers were the lists of supermarket branches from which the main branch in the region were selected. Being a survey study, a portion of the population was used to extrapolate the findings and make conclusions about the population.

The sample size of this study was determined using a scientific formula by Nassiuma (2008) as outlined below;

$$n = \frac{NC^2}{C^2 + (N - 1) e^2}$$

where:

n = Sample Size

N = Target Population

C = Coefficient of Variation ( $21\% \leq C \leq 30\%$ ),

e = Precision Level ( $2\% \leq e \leq 5\%$ )

$$\begin{aligned} \text{therefore; } n &= \frac{97867 \times 0.30^2}{0.30^2 + (97867 - 1) 0.02^2} \\ n &= 224 \end{aligned}$$

This implies that the size of the sample will be equivalent to 224 respondents (customers) and 31 branch managers will constitute the total sample for the study. Salkind, (2010) recommended oversampling your sample size by 40%-50% to account uncooperative respondents. Hence for the proposed study, increasing the sample size by 50% gives a sample size of  $224 + 112 = 336$  customers.

Multi stage sampling technique was employed in the study. In stage one Stratified sampling method was adopted to obtain the sampled respondents from the target population. Stratified samples are statistically efficient, and they allow the investigation of the characteristics of the interest for particular subgroups within the population (Churchill & Peter, 2007). The study adopted a stratum of 8 geographical regions namely: Mombasa, Nairobi, Kisumu, Nakuru, Eldoret, Kakamega, Machakos and Nyeri Towns.

## RESULTS AND DISCUSSIONS

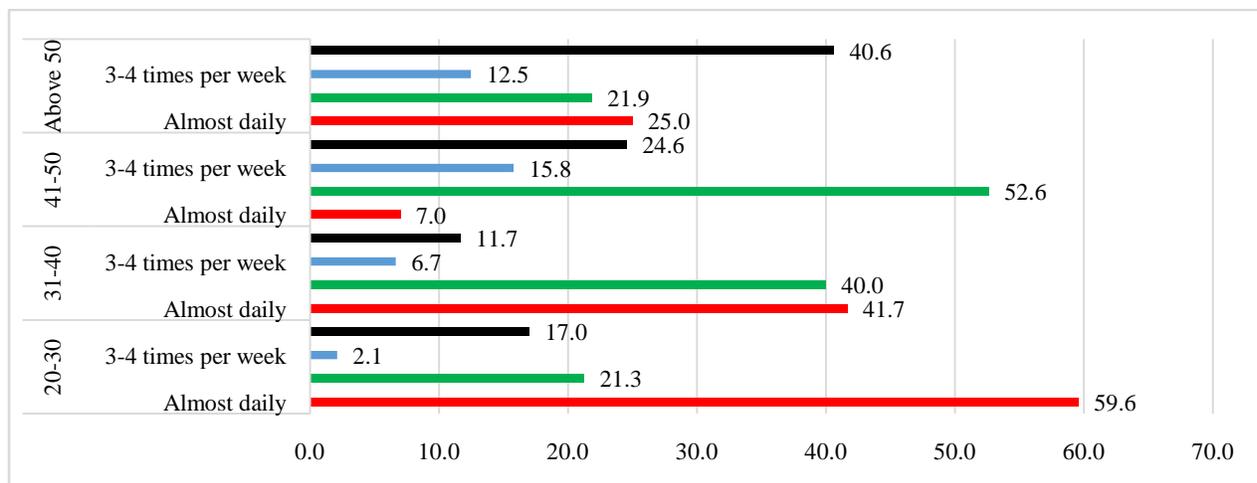
The researcher further categorized the supermarkets into three classifications, that is, Low-end, Middle-end and High-end supermarkets. This helped the researcher in understanding the intra class comparisons. Lower-end supermarkets included those located down town in busy areas (bus stop); middle end included those located along avenues in the CBD areas, while High-end supermarkets included those along highways or outskirts of the major towns.

### Demographic Characteristics

Most of the respondents were aged 40 years or below. It is important to note that the consumer adoption process begins where the product development process leaves off. Most important to note is that the study was able to get responses from all the age categories as the prices keep changing. This was useful in that age is critical in the assessment of customer satisfaction levels as they adopt new products at different times through their adopters' category. Different age groups register different customer satisfaction levels as demonstrated by Mirzagoli and Mimarian (2015) who found that age was an important demographic characteristic which influence customer expectations and customer satisfaction. Paulins and Geistfeld (2003) also established that age affect the store choice and time spent on the shopping activity.

Most of the respondents shopped at their supermarkets regularly; almost daily if not twice per week. Shopping frequency was a critical aspect, since it had an influence on their perception of the supermarkets services, as observed by Betancourt, *et al.* (2004) who noted that frequency of purchases had a significant influence on how customers perceived supermarket service. As shown in Figure 1, the age group with the highest shopping frequency highest was that between 20 and 30 years (50.6%).

Figure 1: Shopping frequency per Age Group



## Descriptive Statistical Results on Supermarket Ambience

The findings show that majority 91% of the respondents agreed their supermarket of choice was spacious enough. Majority of the customers indicated that their supermarkets ensured that there was enough space for air circulation with the shopping floors and all sections of the supermarkets. The level of cleanliness was a priority issue in large retail supermarkets in Kenya. The supermarkets had attractive decorations and that they ensured that entry and exit was to the benefit and satisfaction of their customers. The findings also revealed the large retail supermarkets had spacious aisles for customer easy movement; and gave much consideration for hygiene factors. Another noted aspect in majority of the large retail supermarkets was background music for entertainment purposes. In addition, the study also established that most of the large retail supermarkets in Kenya had an easy-to-locate products arrangement.

## Correlational Results

The results for Pearson correlations between Supermarket Ambience and customer satisfaction were as provided in Table 1.

Table 1: Correlation Results according to Supermarket Categories

Supermarket Level		Supermarket Ambience
Low End	Pearson Correlation	0.231
	Sig. (2-tailed)	0.136
	N	43
Middle End	Pearson Correlation	.763**
	Sig. (2-tailed)	0.00
	N	66
High End	Pearson Correlation	.647**
	Sig. (2-tailed)	0.00
	N	166

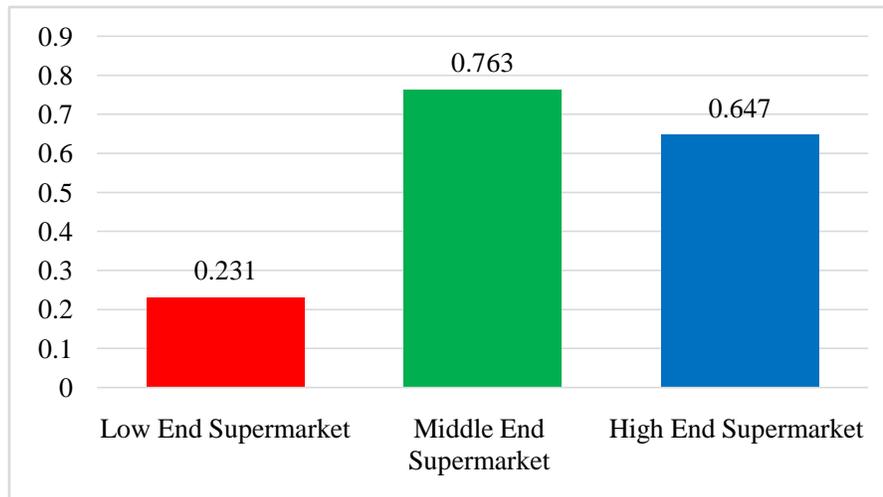
\*\* . Correlation is significant at the 0.01 level (2-tailed).

\* . Correlation is significant at the 0.05 level (2-tailed).

The findings in low-end large retail supermarkets show that there was a positive Pearson correlation between supermarket ambience and customer satisfaction ( $r = 0.231$ ,  $p = 0.136$ ). The results show that there was a positive association between supermarket ambience and customer satisfaction. The Pearson correlation results in middle-end show that there was a positive Pearson correlation between supermarket ambience and customer satisfaction ( $r = 0.763$ ,  $p = 0.000$ ). The results also show that there was a positive association between the

supermarket ambience and customer satisfaction. Finally, in high end large retail supermarkets, the study established that there was a positive Pearson correlation between customer supermarket and ambience satisfaction ( $r = 0.647$ ,  $p = 0.000$ ). The results show that there was a positive association between supermarket ambience and Customer Satisfaction. The comparison across the supermarket classes was as provided in Figure 1.

Figure 2: Summary of Correlational Results according to Supermarket Categories



The findings show in Figure 1 show that middle end supermarkets recorded the highest correlations, followed by high-end supermarkets. This shows that customers in middle end supermarkets valued ambient factors more than those in high end supermarkets. The combined correlation between supermarket ambience and customer satisfaction for all the supermarket categories was as provided in Table 2.

Table 2: Combined Correlation between Supermarket Ambience and Customer Satisfaction for all the Supermarket Categories

		Supermarket Ambience	Customer Satisfaction
Supermarket	Pearson Correlation	1	.620**
Ambience	Sig. (2-tailed)		.000
	N	275	275
Customer	Pearson Correlation	.620**	1
Satisfaction	Sig. (2-tailed)	.000	
	N	275	275

The findings in Table 2 show that the Pearson correlation results between supermarket ambience and customer satisfaction were as follows. There was a positive Pearson correlation between switching costs and competitive strategy employed ( $r = 0.620$ ,  $p = 0.000$ ). Given that, the  $p$  value ( $0.000$ ) was less than the test significance level at ( $p < 0.05$ ) this relationship is statistically significant. This shows that there was an association between supermarket ambience and customer satisfaction employed.

### Test of hypothesis

It was hypothesized that:  $H_0$ : **supermarket ambience did not have any significant influence on customer satisfaction among large retail supermarkets in Kenya.**

The study findings established that supermarket ambience had a significant influence on customer satisfaction. The  $R$  Square value in the Model Summary Table 3 shows the amount of variance in the dependent variable that can be explained by the independent variables. In this case, the independent variable of supermarket Ambience accounts for 38.2 per cent of the variability in customer satisfaction.

Table 3: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.620 <sup>a</sup>	.385	.382	.49627

a. Predictors: (Constant), Supermarket Ambience

The findings in respect to the analysis of variances are as provided in Table 4. The  $p$  value is  $0.000$ , which is less than  $0.05$  (Coefficient level). This indicates that the effect of pricing differentiation on the customer satisfaction is statistically significant. This is also confirmed by the  $F$ -test whereby the calculated  $F = 170.598$  is statistically significant indicating that data fits the regression line.

Table 4: Analysis of Variances (ANOVA) for Combination of all Supermarket Categories

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	42.016	1	42.016	170.598	.000 <sup>b</sup>
	Residual	67.236	273	.246		
	Total	109.252	274			

a. Dependent Variable: Customer Satisfaction

b. Predictor: (Constant), Supermarket Ambience

### Linear Regression Coefficients

The following regression model was used

$$CS = -0.242 + 0.941 SA + 0.072$$

The regression analysis in Table 5 shows that Supermarket Ambience recorded a Beta value of 0.941. Numerically this means that as supermarket ambience increases by one unit, customer satisfaction increases by 0.941. The relationship between independent and dependent variable is positive and statistically significant. Thus  $H_0$  hypothesis stating that “ Supermarket Ambience does not have any significant influence on customer satisfaction among large retail supermarkets in Kenya”, was rejected and concluded that supermarket ambience has a positive significant effect on customer satisfaction in large retail supermarkets ( $\beta= 0.941, P<0.05$ ).

All the branch managers indicated that measures had been put in place to ensure a high level of cleanliness was maintained, the shopping malls were spacious and attractive and had a friendly environment and this was highly appreciated by customers in most of the large retail supermarkets. The findings show that most of the large retail supermarkets in Kenya were keen in ensuring that the space in the shopping floors and malls was large enough. The findings were consistent with those of Moye and Giddings, (2002) who found that store atmospherics includes store interior (attractive, fashionable, stylish decorations, lightings, temperature) seem to have a positive direct influence on shopping behaviour in various clothing stores.

Table 5: Regression Coefficients

Model	Unstandardized		Standardized	t	Sig.
	Coefficients		Coefficients		
	B	Std. Error	Beta		
1 (Constant)	-.242	.302		-.803	.423
Supermarket Ambience	.941	.072	.620	13.061	.000

a. Dependent Variable: Customer Satisfaction

Supermarket atmosphere according to Kotler (2009) with enough air circulation was necessary in order to produce emotional effects in the customer with the intent to enhance the purchasing probability. Most customers, considering the fact that large retail supermarkets were in most cases visited by affluent customers, would then avoid a stuffy environment. The design had to factor in different sections or sub-sections or departments to cater for convenience goods, another for shopping and specialty goods in that order. This finding was in agreement with a study by Venter and Dhurup (2005) who found that customers attach great importance to the

atmospheric variable (physical aspects), the reliability and the policies of the retailer. Also in agreement were Ligas and Chaudhuri (2012) who found out that limited shopping space and lack of convenient accessibility to products affect consumers' level of commitment to the store.

The study findings therefore determined that supermarket ambience was one of the most important aspects to the respondents especially to the middle-end supermarkets. Therefore, majority of the large retail supermarkets ensured that they had enough space for air circulation; spacious aisles for customer easy movement; the level of cleanliness maintained; an easy-to-locate labeling; and as such, customers did not waste time trying to locate items, background music for entertainment purposes were top priority to the management. Notably, the supermarket ambience and locational strategies are informed by space availability and therefore are intertwined, thus, the establishment of supermarkets in the outskirts of major cities or towns. Ambience contributes a lot in maintaining quality control and safety of products in the supermarket. Certainly, if supermarket ambience technique is applied, it means that the customers will enjoy and spend more time in the supermarket shopping (window-shopping) thereby provoking impulse purchase and ultimately repeat purchase behavior is realized due to customer satisfaction.

## **CONCLUSION**

The study concludes that supermarket ambience had a statistically significant influence on customer satisfaction among large retail supermarkets in Kenya. The effect of supermarket ambience on customer satisfaction varied among different customer demographic and social groups. The supermarket layout and cleanliness gave the customers freedom of choice; easy movement within the supermarket and products safety. The labeling and packaging of products further assisted in terms of easy location of goods and customer information. These factors were more effective and highly regarded especially by customers below 40 years.

Most supermarket managers understood the role of supermarket ambience in influencing customer satisfaction and thus had ensured that they had attractive decorations; and ensured that the entry and exit of their supermarket of choice were conveniently located, labeled, separated and secured; and the supermarket had an easy-to-locate products arrangement. These indicators were precursors to customer satisfaction.

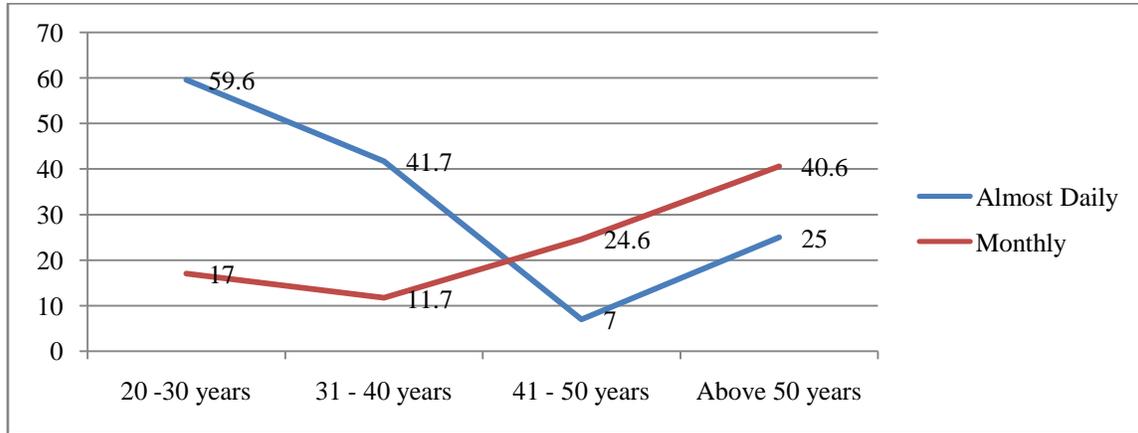
## **CONTRIBUTION TO THE EXISTING BODY OF KNOWLEDGE**

### **The link between Ambience and Demographic Characteristics**

The effect of supermarket ambience on customer satisfaction varied among different customer demographic and social groups. Figure 3 shows the relationship between customers age group

and frequency of purchases. Ambient factors had the greatest influence among persons below the age of 40 years.

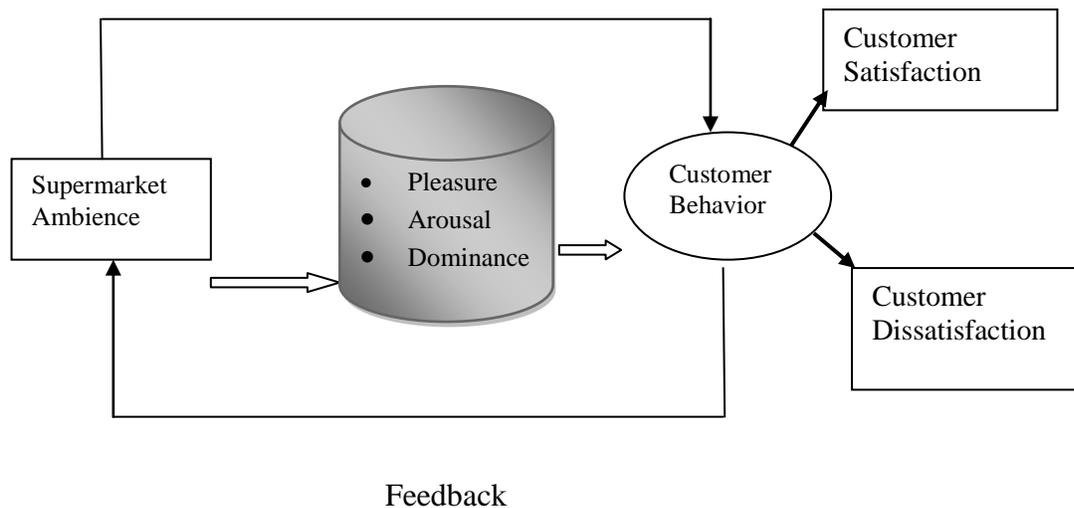
Figure 3: Customer Purchase Frequency as per Age Groups



**Proposed Model from this Study**

The study findings demonstrate that supermarket ambience create three different emotions, namely pleasure, arousal and dominance among customers in large retail supermarkets in Kenya (See Figure 4). These emotions yield different behavioural consequences such as impulse purchase, repeat purchase or avoidance. Subsequently, this results into higher customer satisfaction levels.

Figure 4: Cheronno’s Model of Supermarket Ambience



## LIMITATIONS OF THE STUDY

The study focused on large retail supermarkets and thus, generalization of the findings on small and medium retail supermarkets may not be possible. This is because they do not have the same customer service and firm level characteristics. However, generalization is still possible albeit with caution.

The study relied heavily on the use of research questionnaires in the collection of data. Therefore, the study was likely to experience the shortcomings associated with the use of questionnaires, which include the fact that it is not easy to know when the respondents are truthful or not. To overcome this, other tools such as the interview schedules were used.. The researcher also used both open ended and closed ended questions to help detect possible dishonesty in the responses.

## RECOMMENDATIONS OF THE STUDY

Large retail supermarkets should consider organizing Health, Safety and Environment (HSE) training for their staff. This will enhance the supermarkets in ensuring a healthy, safe and appealing environment for its customers.

Given that the effect of supermarket ambience on customer satisfaction varied among different customer demographic and social groups, and the capricious nature of customers, the supermarket should consider conducting periodic research / customer satisfaction surveys. A periodic survey will enable the supermarkets to get up-to-date information in real time and therefore stay competitive and in business.

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