CHAPTER – 2

REVIEW OF LITERATURE

Review of literature is an essential part of a research and is a careful examination of a body of literatures pointing toward the answers to the current research questions. This not only explains the need for the proposed study, it also appraises the shortcomings and gaps in the previous studies. Review makes the researcher aware of the current progress made in the area and provides the needed insight into the problem statement. All of us are consumers. We consume things for daily use; we also consume and buy these products according to our needs, preferences and buying power. These can be consumable goods, durable goods, specialty goods or, industrial goods. What we buy, how we buy, where and when we buy, in how much quantity we buy depends on our perception, self concept, social and cultural background and our age and family cycle, our attitudes, beliefs values, motivation, personality, social class and many other factors that are both internal and external to us. After a thorough investigation of the previous literatures on CRM, it is clear that it is a process starting from the activity of segmenting and identifying the cohort of consumers in the various demographic constructs in accordance with cohort’s consuming and buying behaviour.

Tax & Brown (1982) studies the behaviour of the customers on Complaint handling that, when customers evaluate a performance and not complain when they experience a service failure and simply choose another service provider. So it becomes clear that monitoring customer satisfaction over time is not enough. Complaint handling has an adverse effect on customer satisfaction. Hence, a well handled complaint has a positive effect on satisfaction which has an impact on consumer repurchase and future real intention. This helps in the continuing relationship between the stores and the customer. The single-purpose shoppers tend to shop at stores that were in a convenient location rather than those that provide opportunities for other activities. This is consistent with customers who reported that single-stop grocery trips are more localized than multi-stop shopping trips, which include a visit to a grocery store.
Dickson et al (1991) observed that better promotion and identification of price specials might benefit the consumer who wants the best deals and the manufacturer who wants to increase the impact of its promotions. Also Dickson suggests that it may be better for both manufacturer and retailers to reduce the amount of the price reduction on grocery specials and invest more in promoting the special, particularly at the point of purchase.

Parasuraman, Berry, and Zeithaml (1991) found a positive and significant relationship between customers’ perceptions of service quality and their willingness to recommend the company and that when customers praise the firm, express preference for the company over others, and recommend the company of service to other friends and relatives by saying positive things about company. Parasuraman et al, found the relationship between willingness to recommend and service quality. Further, Parasurman et al suggests that the search for quality is arguable the most important consumer trend of the 1980s as consumers are now demanding higher quality in products than ever before

Dodds et al (1991) found that the effects of price, brand, and store information on buyers perceptions of product quality and value, as well as their willingness to buy. Results indicate that price had positive effect on perceived quality, but a negative effect on perceived value and willingness to buy. Favorable brand and store information positively influenced perception of quality and value and subjects (consumers’) willingness to buy.

Julie Baker (1992) had examined Retail store atmospheric factors like ambient cues (lighting and music), social cues (number/ friendliness of employees) on respondents’ pleasure, arousal, and willingness to buy. The results indicate that the ambient cues interact with the social cues to influence respondents’ pleasure and the social cues influence arousal in the store environment. These affective states (pleasure and arousal) are in turn found to have a positive relationship with respondents’ willingness to stay for a little more time and buy.

Boulding et al (1993), identified that increase in the volume of their purchases, or agreeably pay a price premium they are indicating behaviorally that they are bonding with the company. Though, several studies have examined the association between service quality and more specific behavioral intentions, Boulding found a positive correlation between service quality, and repurchase intentions and willingness to recommend.
Donovan et al (1994) followed the model of Mehrabian-Russell environmental psychological model involving the store atmosphere; found that the pleasantness of the in-store environment was a significant predictor of willingness to spend time in the store and intentions to spend more money than originally planned.

Eugene et al (1994) opines that compared to new customers, loyal customers were likely to increase volume and frequency of purchase with the company and were more likely to fulfill their needs with products of the favored company rather than splitting their spending budget among competing firms.

Morgan and Hunt (1994) expresses that Customer loyalty is a buyer’s overall attachment or deep commitment to a product, service, brand, or organization. The loyalty concept is similar in meaning to relationship commitment, which is described as an enduring desire to be in a valued relationship. Customer loyalty manifests itself in a variety of behaviors, the more common one being repeatedly patronizing the service provider and recommending a service provider to other customers.

Berry (1995) has stressed that attracting new customers should be viewed only as an intermediate step in the marketing process and that developing closer relationship with these customers and turning them into loyal ones should be equally important aspects of marketing. Thus, he proposed that relationship marketing (i.e. CRM) be seen as “attracting, maintaining, and – in multi-service organizations – enhancing customer relationships”.

Zahorik et al (1995) found that typically, one will have a repurchase intention measure rather than retention itself (Rust and Zahorik, (1993)). The categories on the repurchase intention question may vary from store to store, but it may be useful to have more than a “yes-no” question for repurchase intention.

Zeithaml et al, (1996) found that customer satisfaction increases revenue in twofold. First, increased customer satisfaction generates positive word-of-mouth and brings in new customers for the firm. Furthermore, satisfied customers are more likely to view the firm as less risky and thus are more likely to adopt other products from the same firm. Second, customer satisfaction has a positive impact on customer retention, which increases repeat sales.
Messinger et al (1997) argue that large assortments become more important as time costs increase, which would lead one to predict that supermarkets/Department stores, which offer large assortments (Brand availability), would become more popular over time relative to convenience (kirana) stores.

Grewal et al (1998) opines that a positive store image and good value merchandise are keys for retailers to achieve and sustain success in an increasingly competitive marketplace. Three important components that appear to be keys to store patronage decisions were the retailer's store image, quality of the merchandise brands sold and price/promotions. Favorable brand and store information positively influenced perception of quality and value and consumers willingness to buy. Consumers use certain cues as signals for these components; store name (Image), brand name and price discounts according.

Josée Bloemer (1998) while explaining store loyalty management prioritizes the Store image as second most important factor. And that satisfaction is built among other things (like emotions, values, attributions, etc.) by store image. It is the store image that drives the customer to be more loyal to the store.

David Bell (1998) stresses the importance of store image for the consumers to select their choice of retail store and retail store formats. He further emphasis that the repurchase intension of customers has a greater influence on the store image. Variable price has a positive influence in the consumers shopping behaviour (defined as average size of the shopping basket and the frequency of store visits) is an important determinant of the store choice decision when stores offer different price formats. Further, the study analyse the impact of price on consumer preference of store after, fixing other factors like distance to the store, prior experience in the store, advertised specials as constant. According to Bell, grocery shopping behaviour has three unique characteristics that suggest a relationship between shopping behaviour and preference for different price formats. They are (a) Consumers typically shop for multiple items on a given trip; (b) For most of these items, they are usually unable to determine actual prices before visiting the store; and (c) Grocery shopping is repetitive and while individual trips may differ somewhat, most consumers settle into specific shopping patterns with respect to the average basket size per trip and frequency of shopping. Together, these three factors
suggest that (1) Store choices (if influenced at all by pricing) will be influenced by prices for a “basket” of multiple items, (2) Price expectations (rather than actual prices) will be the mechanism for this influence, and (3) it may be useful to segment consumers according to fundamental differences in shopping behaviour. Bell (1998) suggests that one of behavioral intentions could be designed as positive behavioral intention is loyalty. Certain behaviors signal that customers are forging bonds with a company. Further he suggests that satisfaction can be viewed directly as an overall feeling. Satisfaction is related closely to, but is not the same as, the customer’s general attitude toward the service. The key to distinguishing satisfaction from attitude is that satisfaction assessments relate to individual transactions whereas attitudes are more general. Also Bell identifies that there are two types of buyers: "large basket" shoppers (those who buy a lot of items on one trip, but go less often to the store) and "small basket" shoppers.

Bolton (1998) shows that customer satisfaction has been found to have a negative impact on customer complaints and a positive impact on customer loyalty and usage behaviour. Store image encompasses characteristics such as the physical environment of the store also has a positive impact on customer satisfaction and customer loyalty.

Dhruv Grewal (1998) found that the influence of price discounts on a brand's perceived quality was minimal. Price discounts, internal reference price, and brand's perceived quality exerted significant influence on perceived value. Perceived value and store image, in turn, positively influenced purchased intentions. High knowledge customers are more influenced by brand name, while low knowledge customers are more influenced by price discounts. Low knowledge consumers are also swayed by store name and brand name.

Bell, Ho, and Tang (1998) suggest Store location also influence cross-shopping, although, an inconvenient location was not necessarily a deterrent. They suggested that store choice is explained better by analyzing consumer response to shopping costs, in which locational differences are captured as part of the fixed cost.

Oliver (1999) opines that customer loyalty is a buyer's overall attachment or deep commitment to a product, service, brand, or organisation. The loyalty concept is similar in meaning to relationship commitment, which is described as an enduring desire to be in a valued relationship.
Subhash Sharma et al (1999) expresses that increasing customer satisfaction reduces costs of complaint handling, which in turn reduces operating costs. Monitoring customer satisfaction is one of the most important goals of a firm as research studies suggest that customer dissatisfaction is the overwhelming reason why customers leave a company.

Söderlund (1999) explored the links between customer satisfactions; repurchase intentions, purchase behaviour, and customer profitability. The analysis reveals a strong link between customer behaviour and customer profitability, while modest links exist between repurchase intentions and subsequent behaviour.

Bolton et al (2000) investigated the importance of store location and suggests that Department stores (e.g., limited assortment stores) may also be located at more convenient locations or locations, which facilitate multi-purpose shopping. Further found about the customer loyalty that Companies that offer loyalty reward programs believe that their programs have a long-run positive effect on customer evaluations and behaviour. However, if loyalty rewards programs increase relationship durations and usage levels, customers will be increasingly exposed to the complete spectrum of service experiences, including experiences that may cause customers to switch to another service provider. Generally, the goal of these programs is to establish a higher level of customer retention in profitable segments by providing increased satisfaction and value to certain customers. For example, many supermarkets preferred shopper programs that are targeted toward heavy users. The managerial justification for these programs is that increased customer satisfaction and loyalty have a positive influence on long-term financial performance. In the long run, loyalty rewards programs encourage customers to become more demanding concerning product/service benefits and price.

Degeratu (2000) revealed that “It is likely that consumers in the traditional Supermarkets/Department stores are buying featured products even when there is little price reduction”. Also suggest that the impact of price in choosing the store is highly complex and local in nature. It depends on many factors like demographic and other SERQUAL factors.

Machleit et al (2000) has shown that an increase in perceived crowding in a retail store (created from either human or spatial density) can decrease the level of satisfaction
that shoppers have with the store. When the number of people, objects, or both, in a limited space (referred to as density) restricts or interferes with individuals’ activities and goal achievement, the individual will perceive that the environment is ‘crowded’. Perceptions of crowding are individual in nature; two different shoppers in the same store may perceive different levels of crowding depending on individual characteristics and situational constraints.

Menon and Dubé (2000) opine that it is an affective reaction in which the consumer’s needs, desires and expectations during the course of the service experience have been met or exceeded. Menon believe that detailed planning of these more interpersonal aspects of a retail strategy may be as critical to customer satisfaction and repeat purchase as the planning of store layout and merchandise.

Parvatiyar and Sheth (2000) found that Customer Relationship Management is a comprehensive strategy and process of acquiring, retaining, and partnering with selective customers to create superior value for the company and the customer. CRM is all about maintaining a long term relationship with the customers for the mutual benefit of the store and customers.

Storback (2000) opines that, another important facet of CRM is “customer selectivity.” As several research studies have shown, not all customers are equally profitable for an individual company. The company therefore must be selective in tailoring its program and marketing efforts by segmenting and selecting appropriate customers for individual marketing programs.

Atul Parvatiyar (2001) states that Customer knowledge is so dynamic, and it changes rapidly. CRM starts with in depth knowledge of customers, their habits, desires, and their needs, by analyzing their cognitive, effective behaviour and attributes. For the existence of a long term relationship between the store and its customers, the customer and store should be loyal to each other. The loyal customer will repurchase and have a willingness to recommend as well. A customer will repurchase in the same store only when his customer satisfaction level is high.

Bell et al (2001) analyzed the impact of retail price format on store choice, had identified three key metrics: (1) number of shoppers, (2) number of trips (Frequency of
visits), and (3) average spending per trip (Purchase volume). Further insists that, pricing is central to retail decision-making: “Nothing is more important in business than getting the pricing strategy right”.

Bell, Ho and Tang (2001) observed on the premise that when choosing a store, consumers evaluate both the fixed and variable utilities of shopping. The fixed utility does not vary from trip to trip whereas the variable utility depends on the size and composition of the shopping list (basket size/purchase volume).

Binta Abubakar (2001) found that customers have become very demanding. Customer satisfaction is a mental state which results from the customer’s comparison of

a) Expectations prior to a purchase
b) Performance perceptions after a purchase.

Also, investigated the customer satisfaction in Australian supermarket with the key factor or of ambience of the store satisfaction and found that the environment of the store is vital factor in customer satisfaction. Customer satisfaction now represents a central strategic focus for customer-oriented firms across diverse industries. Customer satisfaction is about customer expectation. If the performance of a service provider meets or exceeds expectations, then the customer is more likely to be satisfied. If the performance fails to meet expectations, then the customer is more likely to be dissatisfied. Also, Abubakar have designed to investigate customers’ satisfaction levels with a range of key elements, which contribute to the retail offer presented by an Australian supermarket chain. Factors of particular interest in a retail supermarket environment are ambience, friendliness of staff, specialized foods on offer, merchandise variety, prices, check out procedure and accessibility. Reputation is important whether it is for quality, for cleanliness or for freshness of produce. People care about reputation as a differentiator since most retailing is otherwise very similar. Access to the retail is important. This might refer to availability of parking and the associated costs. Large self-service retail chains cannot ignore the importance placed by customers on the attribute of service quality. Customers value friendliness and caring treatment and to succeed there is need to provide this especially in competitive market. The results suggest customer service, might be an important antecedent to customer loyalty and future patronage. Retailers should always keep in mind
that customer expectations move continuously upward and that only satisfied customers were likely to remain loyal in the long run.

Soni Neha and Verghese Manoj (1992) in the emerging business scenario various promotional techniques are used by the marketer for influencing the purchase decision of their consumers. Sales promotion, a key element of promotional mix has been widely used to sustain competitive advantage, increase sales and stimulate consumer purchase decision, is becoming a valuable tool for marketers to influence purchase decision. Through this study, an effort has been made to find out the various sales promotion tools and its impact on purchase decision towards white good (refrigerator). For conducting the research, data was collected through convenience sampling of 109 respondents through descriptive research design technique. Later the data was analyzed and the hypothesis was tested by using multiple regression technique. The result shows that among the various sales promotion tools: offer, premium and contest are the most influencing variables for consumer purchase decision.

G. M. Shafayet Ullah (1992) Fast Moving Consumer Goods (FMCG) is one of the largest sectors in the economy of Bangladesh. In the last few years the FMCG industry in Bangladesh has experienced dramatic growth; both qualitative and quantitative improvements have occurred in the consumer durable items. Fast Moving Consumer Goods or FMCG in marketing means convenient and low involvement products like- salt, flours, pens, chocolates etc. But in recent years, the FMCG industries worldwide have experienced a difficult market condition. In some categories, formerly popular brands have either been deleted or squeezed between the category leaders and low-cost competitors. This study has identified eight primary factors that influence consumer’s purchase decision of FMCG products in Bangladesh. These factors are Sales Promotion, Unavailability of Brand, Time Constraints, In-Store TVC, Variety Seeking Behavior, Product Features, End of Aisle Display and Product Convenience. This study recommends focusing on three important factors i.e. Sales Promotion, Time Constraints and Unavailability of Brand to smoothen the progress of the FMCG industries in Bangladesh. The FMCG industries will find better development opportunities if the findings of this study are used as input in their strategic decision making.
Mousumi Majumdar (1993) With retail competition at an all-time high, today’s retailers must find new ways to attract consumers and inspire high levels of customer loyalty. Due to the scarcity of time and advancement in technological and strategical innovations, it becomes inevitable for the retailer to come up with various new ways of promoting the brands and their products in-store at the time of decision making. Innovative retail set up can create a truly differentiated in-store experience with fun, interactive tools that put a wealth of information at customers’ fingertips during the right time of purchase decision. Retailers open in-store media (ISM) and allow manufacturers to advertise to shoppers. With an informative and easy-to-use retail experience, shoppers are empowered to access a wide variety of real-time product information— including pricing, location, availability, helpful advice, targeted promotions and more — right in the aisle, without waiting for a store associate. This enhanced self-service gives customers the best of both worlds — the instant information access in an internet-based online store and the irreplaceable tactile experience of shopping in the brick and mortar store. This research paper discusses on various in-store promotional strategies, new shopping solutions and how this in turn helps the customer to make purchase decision right in the retail store.

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Kevin lane keller (1994) the author presents a conceptual model of brand equity from the perspective of the individual consumer. Customer-based brand equity is defined as the differential effect of brand knowledge on consumer response to the marketing of the brand. A brand is said to have positive (negative) customer-based brand equity when consumers react more (less) favorably to an element of the marketing mix for the brand than they do to the same marketing mix element when it is attributed to a fictitiously named or unnamed version of the product or service. Brand knowledge is conceptualized according to an associative network memory model in terms of two components, brand awareness and brand image (i.e., a set of brand associations). Customer-based brand equity occurs when the consumer is familiar with the brand and holds some favorable, strong, and unique brand associations in memory. Issues in building, measuring, and managing customer-based brand equity are discussed, as well as areas for future research.

Peter R Dickson (1994) A model of grocery shopper response to price and other point-of-purchase information was developed and hypotheses were tested by using observations and interviews. The findings suggest that shoppers tended to spend only a short time making their selection and many did not check the price of the item they selected. Perhaps as a consequence, more than half could not correctly name the price of the item just placed in the shopping cart and more than half of the shoppers who purchased an item that was on special were unaware that the price was reduced. Other results on point-of-purchase information processing and behavior are discussed.

R Krisnan (1995) This paper develops and tests a conceptual model of the effects of store name, brand names and price discounts on consumers' evaluations (store image, brand quality perceptions, internal reference prices, and value perceptions) and purchase intentions. The moderating effects of consumer knowledge and prior ownership on the proposed relationships in the model are also explored. A store's perceived image is influenced by the store name and the quality of merchandise it carries. Results also indicate that internal reference price is influenced by price discounts, brand name, and a brand's perceived quality. The influence of price discounts on a brand's perceived quality was minimal. Price discounts, internal reference price, and brand's perceived quality exerted significant influence on perceived value. Perceived value and store image, in turn, positively influenced purchased intentions. High knowledge respondents are more
influenced by brand name, while low knowledge respondents are more influenced by price discounts. Low knowledge consumers are also swayed by store name and brand name.

**Pierre Chandon (1996)** Are monetary savings the only explanation for consumer response to a sales promotion? If not, how do the different consumer benefits of a sales promotion influence its effectiveness? To address the first question, this research builds a framework of the multiple consumer benefits of a sales promotion. Through a series of measurement studies, the authors find that monetary and nonmonetary promotions provide consumers with different levels of three hedonic benefits (opportunities for value expression, entertainment, and exploration) and three utilitarian benefits (savings, higher product quality, and improved shopping convenience). To address the second question, the authors develop a benefit congruency framework, which argues that a sales promotion's effectiveness is determined by the utilitarian or hedonic nature of the benefits it delivers and the congruence these benefits have with the promoted product. Among other results, two choice experiments show that, as predicted for high-equity brands, monetary promotions are more effective for utilitarian products than for hedonic products. The authors then discuss the implications of the multi benefit and the benefit congruency frameworks for understanding consumer responses to sales promotions, reexamining the value of everyday-low-price policies, and designing more effective sales promotions.

**Sunil Gupta (1996)** The effectiveness of a sales promotion can be examined by decomposing the sales "bump" during the promotion period into sales increase due to brand switching, purchase time acceleration, and stockpiling. The author proposes a method for such a decomposition whereby brand sales are considered the result of consumer decisions about when, what, and how much to buy. The impact of marketing variables on these three consumer decisions is captured by an Erlang-2 inter purchase time model, a multinomial logit model of brand choice, and a cumulative logit model of purchase quantity. The models are estimated with IRI scanner panel data for regular ground coffee. The results indicate that more than 84% of the sales increase due to promotion comes from brand switching (a very small part of which may be switching between different sizes of the same brand). Purchase acceleration in time accounts for less than 14% of the sales increase, whereas stockpiling due to promotion is a negligible phenomenon accounting for less than 2% of the sales increase.
Rockney (1998) Guided by past research, conventional wisdom in the retailing area, and microeconomic theory, the authors develop a series of hypotheses about the effects of loss leaders, in-store price specials, and double coupon promotions on overall store sales, profit, and traffic. The resulting system of structural relationships is tested and cross-validated with data from two large supermarkets. The findings indicate that (1) though most of the loss leader promotions had no effect on store profit, those loss leaders that did affect profit did so through their effect on store traffic rather than through their effect on sales of the promoted items, (2) double coupon promotions affected profit by increasing sales of products purchased with a coupon rather than by increasing store traffic, and (3) in-store price specials appear to have had no effect on store profit, sales, or traffic. The results of the study also emphasize the importance of building store traffic to increase retailer profit and of examining the effects of price promotions within the context of a system of relevant equations.

Paul A. Pavlou and David W. Stewart (1999) Although interactive Advertising is not new, its scale, scope and immediacy has increased substantially with the diffusion of new technologies such as the Internet. The growth of interactive Advertising highlights the role of the consumer in the determining the effects and effectiveness of Advertising, while challenging traditional assumptions about how Advertising works. The active role of the consumer in determining the effects of Advertising has important implications for how the effects and effectiveness of Advertising are measured and how various measures are interpreted. The present paper offers a discussion of these issues and compares and contrasts traditional notions regarding the measurement of Advertising effects with notions that recognize the active role of the consumer in interacting with Advertising and the advertiser. Implications for future research are discussed.

Deekna (2000) We conducted a field experiment to explore the effects of two situational factors, store knowledge and time available for shopping, on consumers' grocery shopping behavior. The results indicate that these two factors have an impact on such shopping behaviors as failure to make the intended purchases, unplanned buying, brand and product class switching, and purchase volume deliberation. The findings also suggest that the information processing activities that mediate these relationships differ across shopping conditions. Implications for managing the grocery store environment that may advance current practice are offered.
Vinay Chobra (2001) To what extent do price promotions have a long-term effect on the components of brand sales, namely, category incidence, brand choice, and purchase quantity? The authors answer this question by using persistence modeling on weekly sales data of a perishable and a storable product derived from a scanner panel. Their analysis reveals, first, that permanent promotion effects are virtually absent for each sales component. Next, the authors develop and apply an impulse response approach to estimate the promotional adjustment period and the total dynamic effects of a price promotion. Specifically, they calculate the long-term equivalent of Gupta's (1988) 14/84/2 breakdown of promotional effects. Because of positive adjustment effects for incidence but negative adjustment effects for choice, the authors find a reversal of the importance of category incidence and brand choice: 66/11/23 for the storable product and 58/39/3 for the perishable product. The authors discuss the implications of the findings and suggest some areas for further research.

Soo Juiuan Tan (2002) Using experimental design and conjoint analysis, this paper studies the risk perception of Singaporean consumers on Internet shopping, and tests the effectiveness of several risk-reducing strategies that Internet marketers could use in promoting online shopping among consumers. The results show that Singaporean consumers with a higher degree of risk aversion than others tend to perceive Internet shopping to be a risky activity. However, Internet marketers could rely on using reference group appeal as the most preferred risk relievers for this group of consumers, particularly by getting expert users to endorse the products involved. In addition, the marketer’s reputation, the brand’s image, and specific warranty strategies are also effective risk relievers for the potential Internet shoppers.

Josee Blomer (2002) found that store image have a positive impact on store satisfaction and it is a way a retailer could achieve this by appealing to consumers’ sensory perceptions of sight, sound, scent, taste and touch which covers in the physical aspect of the store.

Atul Parvatiyar et al (2002) suggest that “CRM represents an enterprise approach to developing full-knowledge about customer behavior and preferences and to developing programs and strategies that encourage customers to continually enhance their business relationship with the company. Marketing scholars are studying the nature and scope of
CRM and are developing conceptualizations regarding the value and process of cooperative and collaborative relationships between buyers and sellers. They are interested in strategies and processes for customer classification and selectivity; one-to-one relationships with individual customers; key account management and customer business development processes; frequency marketing, loyalty programs, cross-selling and up-selling opportunities; and various forms of partnering with customers including co-branding, joint-marketing, co-development, and other forms of strategic alliances”. Also Relationship marketing and customer relationship management are used interchangeably. The core theme of all CRM and relationship marketing perspectives is its focus on a cooperative and collaborative relationship between the firm and its customers, and/or other marketing factors.

Rhee et al (2002) on the inter store mobility feels that while shoppers often patronize many stores, they typically have a primary affiliation to a “main store” that captures the majority of their purchases. More likely, shoppers are unwilling to give up the benefits of store-specific knowledge of assortment, layout and prices. Supermarket shoppers were relatively immobile in the sense that they are unlikely to make major changes in where they spend most of their money even in the presence of several competing alternatives. The longer a shopper continues with the current main store, the less likely a transition away becomes. More the length of patronization more will be the affinity towards the store. Also suggests that the overall positioning of the store is critical to the ability to improve the customer franchise. A retailer wanting to actively target customers of a competitor should focus on a competitor of the same basic price format. Store location has some role to play as more convenient stores see less mobility overall.

Baker et al (2002) on store crowding suggests that crowding can trigger both perception of physical density and a negative emotional reaction to physical density (which leads to consumer dissatisfaction. This undesirable outcome is particularly accentuated when high levels of crowding are not expected and the individual has a low tolerance for crowding.

Jagdish (2002) found that the fundamental axiom of CRM is, or should be, that consumers like to reduce choices by engaging in an ongoing loyalty relationship with marketers. This is reflected in the continuity of patronage and maintenance of an ongoing
connectedness over time with the marketer. It is a form of commitment made by consumers to patronize selected products, services and marketers rather than exercise market choices. When the consumers make such commitments, they repeatedly transact either the same marketer or purchase the same kind of products or services. Customer Relationship Management is a comprehensive strategy and process of acquiring, retaining, and partnering with selective customers to create superior value for the company and the customer. It involves the integration of marketing, sales, customer service, and the supply-chain functions of the organization to achieve greater efficiencies and effectiveness in delivering customer value. Further, opines that CRM should not be misunderstood to simply mean a software solution implementation project. Building relationships with customers is a fundamental business of every enterprise, and it requires a holistic strategy and process to make it successful. CRM represents an enterprise approach to developing full-knowledge about customer behavior and preferences and to developing programs and strategies that encourage customers to continually enhance their business relationship with the company.

**Gandhi et al (2002)** analyzed the relationship between consumers’ satisfaction, repurchase intention, and demographic characteristics like Sex; Age; Marital Status; Education; Income; Number of Children; and Employment. In the past decade, there has been a widespread realization that satisfaction ratings may be a means to strategic ends, such as customer retention, that directly affect profits. For a firm interested in managing its customer acquisition strategy, it is important to identify characteristics of customers with higher levels of intrinsic retainability. Such customers represent a constant and consistent source of revenue for the company, may be ideal for testing new ideas and service features.

**Bloomer et al (2002)** found that customers are more entitled to work stress and strain. Also that a consumer within a specific retail environment should feel happy, pleased and at ease. In fact, a retailer should create a positive ambience. One way a retailer could achieve this by appealing to consumers’ sensory perceptions of sight, sound, scent, taste and touch. Factors such as in-store background music, store display, scent, shop cleanliness, shop density or congestion and store personnel all make up the in-store shopping environment, among others. Theories imply that consumers attend to design, social and ambient environment cues when evaluating stores, because they believe that
these cues offer reliable information about product-related attributes such as quality, price and the overall shopping experience.

**Baker (2002)** on store layout suggests that poorly designed stores (e.g., confusing product arrangement) may cause consumers to incur psychic costs and also it may reduce shopping pleasure and lead to deterioration of customers’ moods.

**Werner et al (2002)** insisted that instead of focusing on loyalty alone, companies will have to find ways to measure the relationship between loyalty and profitability so that they can better identify which customers to focus on which to ignore. The notion is that the more loyalty programs a consumer has been enrolled in, the more likely it is that this consumer signs up for a particular program in a different industry. The decision to enroll may also depend on a customer’s loyalty to the store. Some customers may perceive potential privacy infringements of loyalty programs in general as a non-economic cost, leading to a decreased likelihood of loyalty program participation.

**Kotler (2003)** suggests that there are two ways to increase customer loyalty: create high switching barriers, i.e. cost of preferring another supplier, or deliver exceptional levels of customer satisfaction. Loyalty ultimately starts from how employees see their company, which is, in turn, the key to improving how customers perceive it. Thus increasing employee loyalty leads to improved customer loyalty. Firms can also increase loyalty by providing their customers with specific knowledge about how they work. Customers are more likely to spend for the firm that they are acquainted with, than to invest in unknown products/processes.

**Solgaard et al (2003)** observed that price level; assortment (brand availability) and store distance (location) appear as anticipated to be the important drivers for consumers’ choice between store formats. Price generally plays the decisive role in the positioning of grocery stores but service outputs, of course, also provide input for the positioning. Retailers can select a price format on a continuum ranging from every-day-low-pricing at one end to high-low-pricing at the other end, but high-low pricing formats generally also provides larger assortments and better service than every-day-low-pricing formats. Quality and service on the other hand do not differentiate between location and formats. For price the discount format appears to have the greatest influence, while the conventional
supermarket format exerts the largest effect with respect to assortment. Concerning distance the hypermarket format seems to be the most sensitive and the least influential.

Bhatnagar and Ratchford (2004) explain that all the customers naturally, do not prefer a cheaper store or the one-stop convenience. A cheaper store might be offering lower levels of service, poor presentation, poor atmospherics conditions and even crowding, which might reduce the benefits drawn and increase the costs.

L W Turley (2004) This review focuses on the research conducted over the years on the effects of facility-based environmental cues, or “atmospherics”, on buyer behavior. We review the pertinent literature by constructing a comprehensive table of the empirical studies in this area that focuses on the various findings associated with these investigations. This summary table indicates that atmospheric variables influence a wide variety of consumer evaluations and behaviors. In addition to discussing the findings and contributions of this literature stream, the article concludes by identifying gaps in the literature and suggesting potential future topics for atmospheric related research.

Bolton et al (2004) observed on loyalty program that customers acquired through channels with a price emphasis tend to be less loyal. A loyalty program alone can’t create wonders for a retailer. If the basics of product, pricing or location are not strong in themselves, a loyalty program is like a band-aid on a fracture.

Matzler et al (2004) emphases on quality and customer satisfaction are key drivers of financial performance. Further, satisfaction leads to increased loyalty, reduced price elasticity, increased cross-buying and positive word of mouth. Satisfaction is a consumer’s post-purchase evaluation of the overall service experience.

Miranda et al (2004) on customers’ shopping satisfaction, confirms that Retail firms often do not recognize that the elements that contribute to customer satisfaction are different from those factors that help sustain store loyalty and consequently do not separate their resources between the two sets. Unless retail firms remain vigilant to changing consumer behavior patterns, they will not be able to tell apart the elements of the retail mix that could typically insulate their primary customers from responding to special competitive offers.
Yang et al (2004) suggest that Companies that strive for customer loyalty should focus primarily on satisfaction. Customer satisfaction remains a worthy pursuit among the consumer marketing community. Certainly, customer satisfaction is a critical focus for effective marketing programs. Among the more popular measures, two widely employed approaches are transaction-specific and cumulative or overall satisfaction. The transaction-specific approach defines customer satisfaction as an emotional response by the consumer to the most recent transactional experience with an organization.

Amit Joshi (2005) by establishing the relationship between customer satisfaction and brand loyalty found that customer satisfaction is positively related with brand loyalty in case of the chosen stores like Big Bazzar and Megamart. Further, suggests that more stringent efforts on the part of both the stores to enhance customer satisfaction and maintain their own image and identity in the eyes of the customers.

Gustafsson (2005) overall evaluations of performance (e.g., customer satisfaction) and the viability of competitive offerings (e.g., calculative commitment) in periodic surveys used to predict retention. Whereas customer satisfaction is commonly included in such surveys, calculative commitment is not. Calculative commitment helps capture the competitive element that is often missing when predicting retention. Further, shows how important it is for the stores segment to invest in this factor. The explanation for this result is that from the point of view of the customer who repurchase at the same store, each specific transaction with a supplier serves as the basis for a satisfaction assessment. These specific assessments, in turn are assumed to result in an accumulated level of satisfaction. The accumulated satisfaction level is adjusted in light of each additional transaction so that it represents a continuously update account of customers’ relationship with suppliers. On customer retention and loyalty they suggests that customer satisfaction is the primary driver of retention and a firm should improve product or service quality or offer better prices. A store should either build more direct relationships with customers or build switching barriers in relation to competitors. Further reveals that to understand the complexity of customer loyalty, it is important to understand the valuations, attitudes, and intentions that affect behavior.

Raymond R Burkey (2005) for companies to realize the benefits of recent innovations in customer interface technology, they need to understand the value consumers
place on technology as part of the shopping process. A national survey of 2,120 online consumers was conducted to explore how people want to shop in both online and in-store environments and determine how interactive and conventional media work together to move consumers through the purchase process. The study investigated 128 different aspects of the shopping experience, from common elements to recent innovations. The results indicated that consumers are generally satisfied with the convenience, quality, selection, and value provided by retailers today. They are less satisfied with the level of service provided, the availability of product information, and the speed of the shopping process. The findings suggest that new technologies can enhance the shopping experience, but applications must be tailored to the unique requirements of consumer segments and product categories.

Mithas et al (2005) stressed the importance of customer knowledge as one of the mediating mechanisms that explains the association between the customer relationship management implementation and customer satisfaction. Further, only the firms act on this knowledge by modifying service delivery or by introducing new services will truly benefit from their CRM. It is also stressed that firms may need to make changes in their incentive systems and institute complementary business processes to leverage CRM investments.

Richards (2005) opine that as more and more people are aware of the availability of different product brands, they would like to cherry pick their favorite brand. It has become an imperative to shelf different brands. Further claims that variety is a key competitive tool used by the retailers to differentiate themselves from rivals. The results show that retailers do indeed use both price and variety strategies to compete for their market share.

Sharad Borle et al (2005) suggests that one of the primary value propositions offered by many grocers is one-stop shopping; customers can find exactly what they are looking for without visiting multiple stores. Retailers fear that backing off from this principle could steer consumers to a competitor that continues to offer a broader product assortment. In today’s world it is very difficult to find time. Making the customer to spend more time in the store is a big task. Customers can be attracted and make them stay during the festival seasons by displaying many offers and gifts. Also by maintaining a good
environment and a pleasing customer service one can make the customer to stay a longer time in the stores.

**Sonia, (2005)** found that the relationship between trust in the store brands and trust in the store is not significant in the case of supermarket and the reason maybe because these two kinds of trust are clearly lower for supermarket. Complaint handling does not engender trust in supermarket. The product packaging generates trust in the store brands, comfortable and nice surroundings reveals as an important signal and reputation especially engenders trust in the personnel and in the store. The warranty is positively related to trust in the personnel and trust in the store in supermarkets.

**Sungho lee (2006)** this study explores the relationships between selected marketing mix elements and the creation of brand equity. The authors propose a conceptual framework in which marketing elements are related to the dimensions of brand equity, that is, perceived quality, brand loyalty, and brand associations combined with brand awareness. These dimensions are then related to brand equity. The empirical tests using a structural equation model support the research hypotheses. The results show that frequent price promotions, such as price deals, are related to low brand equity, whereas high Advertising spending, high price, good store image, and high distribution intensity are related to high brand equity.

**Damir Anić et al (2006)** suggests that time spent in shopping is an important factor in determining how much the shopper will buy. The longer the shopper remains in a store, the more he or she will buy. More time available in the store will lead to more unplanned buying. Damir Anić defines Store density as the ratio of number of people to space. Store density is a part of the overall store environment and perceived density is a subjective estimate of the number of people in a space. Further Damir Anić opines that consumers commonly shop for groceries with list of items for purchase. The use of list represents some degree of pre-shopping planning. Shopping plans are purchasing decisions made before entering the store. Those are purchases that involve a greater expenditure of money, time, or effort. He further argues that branding, promotion and location build brand awareness and purchase predisposition, those factors do not always translate into sales. Consumer purchasing decisions are frequently made at the point of purchase and may be heavily influenced by what takes place there. A great many factors contribute to purchase
decision, including consumer characteristics, brand features and situational factors. By identifying those factors, retailers may improve store layout and design, merchandising, atmosphere and staffing decisions significantly. Those issues are a critical basis for developing competitive advantage in competitive grocery market. The outcome of the study emphasis that store environment, social surroundings, temporal perspective, shopping task and antecedent situational dimensions influence the amount of money spent and number of items purchased. Research results indicate that social surroundings, high perceived density and large-scale shopping were factors that significantly contribute to higher level of purchasing outcomes. The longer a shopper stays inside the store, the more she or he spent. Shopping outcomes were shown to be the highest on Saturday and for shoppers who patronized one or two stores as compared to other days and other shopper types respectively. It has been recognized that grocery shopping behavior is different from mall shopping behavior and thus food retailers should consider situational factors differently from retailers of other products. Customer loyalty expresses an intended behavior related to the product or service. This includes the likelihood of future purchases or renewal of service contracts or, conversely, how likely it is that the customer will switch to another brand or service provider. Customers may be loyal owing to high switching barriers related to technical, economical or psychological factors, which make it costly or difficult for the customer to change supplier. Customer may also be loyal because they are satisfied with the supplier or product brand, and thus want to continue the relationship. As most barriers appear to be of limited durability, companies tend to approach satisfaction as the only viable strategy in the long run.

Sonja Radas (2006) explains that In-store promotions have an important role in the grocery retailers' marketing efforts. Retailers use those short-term strategy variables to influence the sales of certain products and consumer purchases, and in particular to encourage unplanned purchases. Most common promotional devices used inside the grocery stores involve different forms of price reductions, in-store displays, brands advertised, free sample of merchandise, and couponing. Major shoppers did spend more time inside the store, did purchase more items, and did spend more money than fill-in shoppers. There were significantly more major shoppers who purchased more promoted items than fill-in shoppers, and purchased more on unplanned basis.
Varshney et al (2006) opines that Store location is a retailer’s most costly and long-term marketing-mix decision. Unlike a bad pricing or promotional decision, a poor store location adversely affects retailer performance for several years. We know that retailers prefer to locate close to consumers, but doing so exposes them to competition from other retailers that also want to be close to consumers. From the retailer’s point-of-view, proximity to consumers means proximity to other stores. It is evident that customer will out shop only when the total utility he draws is high enough to cover travelling cost, stress, and time cost, etc. And normally expects to get it only when purchases of larger value are made and is normally clubbed with large number of other activities

Haelsig et al (2007) suggests that branding can be especially important in the retailing industry in influencing customer perceptions, as well as in motivating store choice and loyalty. Thus, the rise of the retailer as a brand is one of the principal trends in retailing and he refers to this phenomenon as “retail branding. According to Haelsig, successful positioning of an object (such as a retailer) is the result of the overall image of the retail store. The image of the department store is an important factor in deciding the selection of stores that has an impact on loyalty of the customer directly.

Nadene (2007) on the customer retention and brand availability simply puts that, retailers fear assortment reductions erode customer retention in analyzing the supermarkets in Vietnam, insists on Service Personnel as the key factor impacting customer’s perception of service quality in supermarkets. By improving the performance of employees, supermarkets can increase customer’s satisfaction. Sales personnel actually represent their employers, the retailers. Excellent customer-salesperson relationships contribute to pleasant shopping experiences and reduce risk perception, especially during the final stages of the decision-making process. A customer-oriented approach that signifies empathy, expertise, and competence enhances customer satisfaction and store loyalty and encourages positive word-of-mouth communication. Store employee cues are expected to have a positive influence on merchandise quality perceptions. Also, on one-stop shopping customers can find exactly what they need and look for without visiting multiple stores, Marketers fear that change in this principle could turn away customers to a competitor who continues to offer a broader product assortment. On simple words, retailers fear assortment reductions erode customer retention.
Nguyen Dang Duy Nhat (2007) suggests that Customers are highly demanding in after-sales services. The complaint handling has a significant impact on discriminating loyalty groups. In fact, complaint handling has been considered to be an important tool for managers to deal with failures, especially in the services sector, where customers evaluate a performance and not complain when they experience a service failure. In understanding the determinants in the selection of supermarkets in Vietnam, he saw the importance of store environment in selection of store and subsequent satisfaction.

Vieira et al (2007) proves that, “corporate image not only had a significant effect, but also a stronger effect on loyalty than customer satisfaction. Store image has a significant impact on the differentiation of the loyalty groups so that a better environment a better look of the store is associated with customer repurchase. Customer satisfaction has a positive influence on consumer loyalty. In analyzing the factors influencing the customer loyalty, the study reveals that the satisfaction of the customer has the most positive influence in retaining and in increasing his loyalty. Complaint handling is the action taken by an individual who involves communicating something negative regarding a product or service to either the firm manufacturing or marketing that product or service, or to some third-party organizational entity. Price is a well known variable in the retailing context, especially in department stores in retaining and attracting new customers. Price is conceptualized as the price paid compared to quality received, price paid compared to other competitors and price paid compared to established expectations. Therefore consumers think about the price of the product and compare prices with those offered by competitors. Once individuals realize the price is lower than they expected and lower than that offered by the competitor, they tend to constantly repurchase products in the same stores. Therefore many stores have a price as a strategic tool to create reference points and increase loyalty among customers.

Ganguli Shirshendu et al (2008) found on drivers of customer satisfaction and loyalty in the Indian Retail Supermarkets that they were most influenced by pricing features like price of the product, discount offers which establish the fact that India is still a highly price conscious market. The next influencing factor for customer satisfaction was ambience with store cleanliness, product staking and spacious floor area. The least influencer of loyalty was shopping convenience, as this factor does not matter once the customer becomes loyal. Customer satisfaction had a strong influence on loyalty, which
means customers who were satisfied tend to continue shopping and recommend the retail store to others.

**Indrayani et al (2008)** found that price has a greater impact on brand loyalty. The study is more significant as it was done in India. Further, observed that a tendency to switch to another brand is greater when the price changes from 1 per cent to 2 per cent or from 9 per cent to 10 per cent. This action of consumers implies to marketing manager that every one digit of price changes on product pricing, will give effect on sales. This suggests to the marketing manager that every price change on product pricing, will give effect on sales volume. In the Indian context, price is the most influencing factor in deciding the volume of purchase.

**Manohar (2008)** The authors report results from a controlled experiment designed to investigate the impact of a brand's price promotion frequency and the depth of promotional price discounts on the price consumers expect to pay for that brand. A key feature of the work is that expected prices elicited directly from respondents in the experiment are used in the analysis, as opposed to the latent or surrogate measures of expected prices used in previous studies. As hypothesized, both the promotion frequency and the depth of price discounts are found to have a significant impact on price expectations. Evidence also supports a region of relative price insensitivity around the expected price, such that only price changes outside that region have a significant impact on consumer brand choice. Further, the authors find that consumer expectations of both price and promotional activities should be considered in explaining consumer brand choice behavior. Specifically, the presence of a promotional deal when one is not expected or the absence of a promotional deal when one is expected may have a significant impact on consumer brand choice. Finally, as in the case of price expectations, consumer response to promotion expectations is found to be asymmetric in those losses loom larger than gains.

**Niraj et al (2008)** found that the recognition of the fact that consumers make multi-category purchase decisions across a variety of contexts, for example, in grocery products (pasta and pasta sauce), durable goods (washer and dryer), financial products (stocks, bonds, mutual funds), etc. It is clear that manufacturers and retailers recognize the dependencies in consumers’ behaviors across related categories. Manufacturers’ utilization
of cross-category promotions and retailers’ shelf-space allocation decisions across product categories within a store evidence this reality.

**Sanjeev Tripathi et al (2008)** stress the importance of store image for the consumers to select their choice of retail store and retail store formats. Further, Tripathi found that store choice is dependent on the timing of shopping trips, with consumers visiting smaller local store for short “fill-in” trips and larger store for regular shopping trips. Also on the sequence of the decision making process of the customer is that they select the store format first and the store choice comes second in order and select a particular store highly depends on the environments of the store.

**Sinha (2008)** found that the store choice behaviour (Store format choice) of shoppers has been found to be quite similar to the brand choice behaviour of the consumers, with a difference being the incorporation of the spatial dimension in store choice.

**Bolten et al (2009)** evaluated the antecedents and consequences of customer satisfaction and enthusiasm for small retailers based on the example of specialized organic stores. They suggest that overall customer satisfaction (CS) and customer enthusiasm (CE) influence sales performance. They also identified the influence on CS and CE as quality of products, customer service, shop atmosphere and location as main determinants of overall evaluation. They also found that the size of the store has no influence on CS and CE. Customer enthusiasm (CE) which is closely connected to word of mouth communication and shopping frequency. Customer enthusiasm is something the shop owner will achieve, if he or she can surprise the customer, e.g., with lower prices, a better shop atmosphere and a larger variety in the range of products on offer.

**Mariri et al (2009)** on in-store shopping environment on impulsive buying among consumers found that it can be implied, therefore, that poor people were more likely to do impulsive buying for economic reasons rather than for hedonic reasons. As already highlighted, such price induced impulsive buying can be explained by the mental accounting activity which posits that an increase or decrease in the amount spent for an essential item on a given shopping trip (e.g., an unexpected increase in the price of milk) would increase or decrease the amount that is perceived to be available to spend on other goods, producing a congruent spillover effect.
Nishi Roy (2009) opines that a loyalty program as an integrated system of marketing actions that aims to make member customers more loyal. Customer satisfaction is a person’s feeling of pleasure or disappointment that result from comparing a product’s perceived performance (or outcome) to their expectation. If the performance fall short of expectations the customers is dissatisfied. If the performance exceeds expectation, the customer is satisfied

Rajan Saxena (2009) suggest that loyalty is created by only when customers perceive fairness, equity, and transparency in his/her relationship with the seller. It is in the interest of the seller to convert more number if customers into loyal customers as they are the biggest engines of growth.

Reutterer et al (2009) about the store format attributes that impact on store format choice when consumers conduct fill-in or major trips to buy groceries. The results reveal a considerable moderating effect of the shopping situation on the relationship between perceived store format attributes and store format choice. Consumers’ utilities were significantly higher for discount stores and hypermarkets when conducting major trips. To the contrary, supermarkets were preferred for fill-in trips in the focused retail market. Merchandise-related attributes of store formats have a higher impact on the utility formation regarding major-trips, whereas service- and convenience-related attributes do so with regards to fill-in trips.

Usha Rani (2009) on consumer shop selection among Chennaites, opines that selection of the shopping store depends on many factors which may vary depending on demographic parameters of the consumer. Among other parameters, income of the buyers plays a major role. Lower income people were mostly influenced by the price and offer, whereas the higher income groups were influenced by quality, different brands, extended working hours and food courts in the stores.

Jayasanakaraprasad (2010) on the food and grocery retailing in Hyderabad, India suggests that no single retail format in grocery seems to be the prime in meeting customer wants and needs. Customers first select a store format in grocery where they can save time, effort, and money. For bulk purchase, good ambience, location, visual merchandising and social experience were the significant predictors for the supermarket/departmental stores.
Jo-Ting Wei (2010) defined the concept of CRM as to make profit and to identify the profitable customers. The concept of customer relationship management (CRM) is to acquire and retain most profitable customers by understanding their values. It is the high value of the stores that retain the customers and makes the customer more loyal. When the industry becomes more competitive, it is important for a company to identify and retain high value and important potential customers.

Ishwar Kumar (2010) have emphasized that there is significant relationship between retail environment and consumer behavior. They feel that advertising or other promotional activities are important in marketing the brand yet they do not create the desired store image that leaves a lasting impression on the consumers. Customers may perceive feelings of discomfort and suffocation depending on their personal tolerance level and the amount of inventory that makes it difficult to move around or locate things within the store. The most important outcome that needs to be examined is the relationship between perceived crowding and customer value because customer value in a shopping is a function of customer satisfaction, and consequently, customer value leads to store image and patronage intention. Store's layout may communicate value by increasing search efficiency, comfort, inventory capacity, product quality, price, product displays, etc. Signage and window dressing is the face index of the store that can attract or repel customers from the store. Customers may develop associations of trust, value, quality of goods and services, price, warranty and guarantee, etc as they come across visuals such as signage, window dressing, logo, etc based on past shopping experiences. Availability of range of product is the most important reasons for the customers to patronize a particular outlet.

Kamala devi (2010) opines that CRM uses profiling, micro-segmentation and predictive analyses to identify each customer’s figurative genetic structure. CRM uncovers the preferences and propensities of customers so that they can be nudged towards optimal profitability. The Consumer spending behavior can be significantly influenced by the store atmosphere and the customer mood is what the study suggests. Further, the study reveals that, Customers require a store layout that maximizes the number of products seen within the context of a customers’ need for the product. Customers who experience a form of personal control, whether in orienting themselves to the store section they need to go to or in finding the products they want, generally feel good about the store. Good feelings lead
to more purchases, especially if products are presented within a display that shows the potential usefulness of the product for them.

**Sukumar (2010)** explored the customer satisfaction towards departmental stores in Coimbatore, with the objectives of factors influencing the customer in purchasing and their overall satisfaction. The outcome of the study was that, customers were satisfied with the contributions made by the departmental stores and customers were interested in recommending the departmental stores to other prospective customers.

**Aparna (2011)** opines on store location and its impact on store patronization, that convenient store location is fast gaining prominence in the world of organized retail. Customers’ prefer good convenient location which is more accessible and safety to travel in patronizing the store.

**Krishnamurthy (2011)** analyzed about the Chennai city grocery customers ‘Evaluating the perceptions and expectations of consumers, it can be seen that no dimension of service quality brings customer satisfaction’ is very vague and does not answer the problem. The gap score analysis was carried out and it was found that, the overall service quality is low as perceived by consumers in grocery stores and hence no customer satisfaction. Consumers have higher expectations than what they actually receive from grocery stores even though the difference is not wide. The overall perceived service quality is low as expectations exceed perceptions, meaning consumers desired more than what was offered to them. As a result of this gap, it is clear that consumers are not satisfied. Evaluating the perceptions and expectations of consumers, it can be seen that no dimension of service quality brings customer satisfaction as per the study.

**Narasimha Rao (2011)** emphasis that the CRM is a holistic approach and it is a philosophy of business for identifying and acquiring prospect customer, understanding prospect customers’ needs, increasing customer value, loyalty and retention, and implementing customer-centric strategies. A good Customer relationship management can ensure stores by keeping the current customers and attracting new customers.

**Rajesh Kesari et al (2011)** explains CRM as a business strategy that attempts to ensure every customer interaction. It always emphasize on building of ‘bond’ between customers and retailers right from the first interaction. CRM is the overall process of
building and maintaining profitable customer relationships by delivering superior customer value and satisfaction. It deals with all aspect of acquiring, keeping and growing customers.

Rajesh Rajaguru (2011) suggests that functional attributes facilitate the shoppers’ motive of hedonic and utilitarian value and interestingly, Indian supermarkets have the capability of offering hedonic and utilitarian value to shoppers, while the traditional markets are far behind. However, store appearance at both supermarket and traditional markets failed to motivate the shoppers shopping value. Retailers need to invest resources to modify the supermarket appeal to offer hedonic and utilitarian value to customer.

Satpathy (2011) emphasis that, price is the criteria for purchasing decision, as it should be within their budgeted limits for the Indian women purchasers and the semi-urban buyers are still unwilling to pay for value additions.

Shailesh (2011) suggests that the customer always enjoys shopping (unplanned) at shopping mall. They expect good quality and services from shopping malls. Good customer service means more than sales staff being nice and attentive to the customer. The customer will not be happy unless the required goods are available in the store.

Thiruvenkadam (2011) deals only with the drivers for the consumer preference in selecting a retail outlet and not relating the consumer satisfaction and consumer expectation. Though some of the antecedents of SERVQUAL are considered in the study, not all the 22 factors were taken for analysis. Safety measure inside the store outlet which is high priority driver in store selection is not considered for study. There is a wide disparity in socio-economical status like educational level, income level etc among north, central and south Chennai which is not considered as a demographic factor in the study.

Thiruvenkadam (2011) opines that people who are found more price conscious and price sensitive will be switching stores only because of price. In competitive market the shop which provides the maximum value to its customers with minimum price will get a winning edge than the other stores, since, today’s customers are found more informed and always searching for information for getting better deals.

Vetrivel (2011) suggests that customers face the major problems like information about the free items, parking facilities, staff awareness about the product in display,
inadequate staff training. Product quality and low price, product assortment, discounts and availability of the products were the key factors in selecting a FMCG retail store. Further opines that, there is only a moderate practice of CRM in the Erode district. Because of lack of information about the customer, the Retailers service level of the Erode consumers could not be improved.

Ramakrishnan (2012) found out the determinants of Retail Service Quality Model in departmental stores in TamilNadu. The factors considered by the researchers were Physical aspect, Policy, Problem solving, Reliability, and Personal interaction. Further, found the RSQS model helps the retailers to understand the customers and to improve the service quality. Also, retailing applying multi-dimensional service quality scale developed and used internationally to South Indian retail settings need to understand the model factor structure and scale adaptation.

Jobber (2012) defines Advertising as any paid form of non – personal communication or ideas or products in the prime media, i.e. television, press, posters, cinema & radio. Each person has his or her own personal relationship with a brand & so every Advertising response is unique. Advertising’s effects happen concurrently and interactively.

Ambler’s (1998) model, based around long-term memory, feelings (affect) and thinking (cogitation) (M&C Model) provides a useful framework for this. In making decisions memory is used first, failing that, feeling and only then, failing that, cogitation. It is worth hundreds of gross rating points (GRPs).

Recent evidence indicates that only about 30 percent of campaigns generate a powerful effect in the short term (Jones, 2002). It is far better to reach the right audience fewer times with effective Advertising, than to repeatedly bombard them with meaningless imagery and ideas (Ambler, 2012).

New Stimuli, experiences and learning continually reshape individual’s needs and perceptions (Earls, 2010). In particular, response levels to Advertising are conditioned by the brand’s current salience as the individual draws on prior knowledge and experience of the brand and its competitors (Ambler, 2012).
When Advertising effects occur, they occur most frequently during early exposures (Jones, 1995). This is entirely logical because, for later exposures, the proportion making a fresh response will be much lower, as only “new entries” can be freshly affected (Krugman, 2012).

Historically, finding out what people got out of advertisements seemed straightforward, the audience were exposed to the advertisement and then asked what it told them. However, many ideas from an advertisement affect brand feelings without the audience being aware of them (Health, 2001, 2012).

So it has become apparent that it is absurd to ask people what they have learned they do not fully know,

So can only tell about some of the explicit and probably rational) bits that they remember! But even this can be misleading because implicit & explicit take-out is often unrelated (Banaji and Bhasker, 2012) Compounding this problem, pre knowledge and expectations are incorporated into new “memories”, so that what people say about the advertisement is likely to be colored by pre knowledge and so does not reflect what they really took from the advertisement.

There is no central repository of brand or other information. Bits of ideas and memories are stored and accessed in many different parts of the brain using quite different non integrated memory systems (Dennett, 2012).

Some of these memories are explicit and may be retrievable and some are implicit, operating at the level of unconscious feeling (Schacter, 2012). The only time they can be interrelated is when they are brought together into the working memory. However, working memory holds only a few ideas concurrently.

It is now widely accepted that our feelings are intrinsically involved with the way we think about anything (Eichen –baum & Bodkin, 2000; Garden & ford Hutchinson, 2012). The implication for communication research is that when consumers think about a brand, the ideas that they access tend to be ones that support their current attitude to it. A further implication is that people respond more attentively to stimuli associated with something with which they already have an existing positive relationship. Thus users will
generally be more conscious of any Advertising (or anything else relating to their brand) than non users.

The belief about Advertising in general is distinct from a belief about a specific advertisement. It also differs from a person’s evaluation or attitude about Advertising in general, e.g., “I like Advertising” (Andrews, 2012).

On the basis of a large random sample in the United States, Bauer & Greyser (2012) found a significant relationship between general beliefs toward Advertising and attitudes toward Advertising. They focused on eight specific aspects about the nature and consequences of Advertising as a social institution (e.g., the effect of Advertising on prices, products, and our standard of living). These aspects provide an inventory of potential supporting arguments and criticisms of the institution of Advertising. Indeed, in many countries government policies toward, and the regulation of, the Advertising industry reflect the strength of the beliefs the government and the public have about the positive and negative social and economic consequences of Advertising. The propensity of a decision maker to act on these beliefs, however, depends on the general attitude that one has formed toward Advertising (i.e., how the beliefs result to a positive or negative general feeling towards Advertising, how strong these feelings are, and how they motivate alternative types of actions).

The general attitude toward Advertising manifests itself not only through political and regulatory activities but also through the exposure of individuals to Advertising, the attention they pay to it, the perceptions of specific advertisements, and their responses (e.g., purchasing decisions) to these advertisements (Lutz, 1985), James and Kover (1992) have shown that the overall attitudes toward Advertising affect the involvement with specific advertisements in significant but complex ways.

In the conventional store environment theory, Lewison (2012) developed a theoretical framework that supports that the retail store environment consists of 3 basic components:

- Store image
- Store atmospherics
- Store theatrics
Defining store image is far from easy. The mixture of tangible and intangible dimensions and the complexity of meaning and relationships attributed to retailers by customers have long been recognized (e.g. Myers, 1960; Arons, 1961; Weale, 1961; Rich & Portis, 1964; Kunkel & Berry, 1968; Perry & Norton, 1970; May, 1974; Marks, 1976). Martineas (1958) is attributed with being one of the first to discuss “store personality”, Lindquist (1974) develops the distinction between “functional qualities” and psychological attributes”, Oxenfeld (1974) argues that store image is a concept which is “more than the sum of its parts…, it represents interaction among characteristics and includes extraneous elements…, it has some emotional content… a combination of factual and emotional material”. Although originating from an attempt to explain retail identity in an Advertising context,

Kapferer’s (1986) identity prism, comprising physical, personality, cultural, relational, reflection and customer self interest facts, similarly combines functional and symbolic elements and stresses the importance of the customers de-coding of these facts. The interplay of these tangible and intangible elements and the customers’ overall interpretation of them, based up on previous knowledge and experiences, are widely accepted to determine store image (Hirschman, 1981; Marzursicy Jacoby, 1986).

List of attributes which comprise store image have been devised and in turn criticized by several authors (e.g. zimmer and Golden, 1988). Marteneaci’s (1958) paper identified four core attributes; layout and architecture; symbols and color; Advertising; and sales personnel.

However, one of the most enduring sources is the nine attributes derived by Lindquist (1974) from a review of 19 previous studies. These attributes are: merchandise including factors such as quality, assortment, Sydney or fashion, guarantees and price; service, encompassing staff service, ease of return, credit and delivery service; clientele, consisting of social class appeal, self image congruency and store personnel; physical facilities, such as layout and architecture; convenience, primarily location related; promotion, including sales promotions, product displays, Advertising programmes, symbols and colors; store atmosphere, defined as “atmosphere congeniality” which represents a customer’s feeling of warmth, acceptance or ease; institutional factors, such
as the conservative or modern projection of store, reputation and ratability and post
transaction satisfaction, seen as returns and adjustment s.

Although recognized as not being totally comprehensive, these attributes
encompass both functional and symbolic elements of store image, and in one form or
another have formed the basis for many studies of store image. Combinations of these
attributes have been used in the plethora of retail image studies originating from the USA,
for example, in addition to those already cited, Keenkal and Berry (1968), Lessing
(1977), Hirschman et al. (1978), Jacoby and Mafursky (1984), Hildebrandt (1988),
and steenkamp & wedel (1991), Joyce and Lambert (1996). Although essentially all
based on some form of attribute measurement, methods vary and substantial debate centers
around the measurement techniques themselves (MC Dougall & fry, 1974; Swan and
Futrell, 1980; Wu and Petroshius, 1987). Amirani and Gates (1993) provide an
overview of the different approaches before introducing their own preferred option,
conjoint analysis. These approaches include variations of semantic differentials (eg. Kelly
&Stepheson, 1967, Hirschman et al., 1978; Menezes and Elbert, 1979; Golden et al.,
1987); Multi dimensional scaling techniques (e.g. Jain & Etgar, 1976; Palmer, 1985);
Multi attribute models (e.g. James et al., 1976); and content analysis (eg. Zimmer &
Golde,1985).

The majority of these studies explore image, taken as the consumer perception of
the overall store image, relative to specific purchase behaviour contexts or specific store
and service attributes. A number of studies however point to the issues associated with
implementing image and the dissonance which may exist between management and
consumer perceptions of store image.

Two schools of thoughts exist regarding the conceptualization of store image – the
attribute – based view and the holistic view. The attribute – based approach considers store
image to consist of both cognition and affect (Martineall, 1958). The cognitive
component consists of a number of functional qualities represented by salient store
attributes; merchandise quality and service quality have been the most examined attributes
concerning effects on store image (Lindquist, 1975). The affect component represents the
feelings that shoppers hold for a store (Darden & Babin, 1994). Consumer affect toward
a store is mainly described by two dimensions. Pleasure – displeasure (the degree to which the person feels good in the environment) and arousal – non arousal (the extent to which a person feels excited or stimulated (Baker et al., 1992, P.449)

The holistic view defines store image as the total impression a store makes on the minds of its customer. Typically, a semantic differential scale such as good / bad, favorable / unfavorable, or like / dislike is used (yoo et al., 1998).

There is a lack of studies that have focused on the nature of shopping behavior exhibited in the Indian environment. A study by Venugopal (2001) has investigated the relating business from the perspective of a retailer’s expectations from the suppliers. Another study showed that shoppers demanded good service as well as quality merchandise from the retailers (Business Today, 1999). In such a scenario, there remains a need for studying the stopper’s behavior. Given the rapid rate at which new retail formats have been introduced in the Indian market in recent times, many with limited success, it is imperative for Indian business to understand changing shopping behavior among consumers, especially with regard to their preferred points of purchase. With growth in disposable incomes and improving infrastructure, consumers, a wide choice of departmental store where they can choose to shop. It is therefore, necessary for retailers to understand stoppers motivations and to attract customer residing beyond the, hither to considered, catchy in-store Advertising devices in their stores.

Will the use of in-store Advertising at regular prices produce greater sales than the use of price specials without Advertising? How significant are the synergistic effects on products sales if both a price special & in-store Advertising are used?

After reviewing several empirical studies Engel, Kollat & Blackwell (1973) point out that the consumers find it difficult to know prices when confronted with thousands of items. Since most items tested are purchased frequently in supermarkets, it seems logical to assume that consumers have even less knowledge of actual prices of the vast majority of products. If a store wants to create a low price impression, regular price along with special price should be used in Advertising and point-of-purchase displays.

A number of studies appearing in progressive Grocery (1971) resulted in point-of-purchase displays increasing sales from 18 to 400 percent more than normal shelf
movement. A study in Grocery manufacturer (1971) utilized controlled merchandising tests in a panel of A & P super markets to demonstrate the importance of different point-of-sale displays for new products. Their tests indicate that use of a simple sign has decreased as a point-of-sale method since discounting has become more general but that it is still effective in increasing sales. The specific findings included: using hand-lettered cards, which designated the shelved item “As advertised” moved from 61 percent to 177 percent more product than in control stores which did not use shelf signs. In another test of shelf signs, results indicated that their setting effectiveness seems to depend on how well the sign informs the customer. Signs Reading “save more” were put on shelves in front of certain items, but sales varied only from no change to 9 percent higher. When the name and type of product were added to the sign sales rose from 5 percent to 31 percent. However when the container size & selling price were added, movement climber is 10 percent to 59 percent. Two complementary rationales have been suggested to explain the efficacy of in-store Advertising in increasing sales (Engel, Kollat & Balckwell, 1973):

A market survey recently showed that 26 percent of consumers are often enticed by window displays to make a purchase; 15 percent of consumers use seasonal product displays (e.g. Christmas, valentine’s day) to reach purchase decisions (Caine, 2003) much as bill boards of cigarettes & alcohol use social Cues to create a perception of social rewards, in-store, Advertising contains social cues which convey such a compelling message that the consumer will feel tantalized enough to step in to a store & make a purchase (Bell + Ternas 2002; pegler, 1998). Both meaning movement theory and social influence theory may be utilized to help understand how social meaning embedded in visual materials influence consumer purchasing decision.

Meaning movement theory suggests that socio-cultural meaning is drawn from the culturally constituted world & then transferred to consumer goods via in store Advertising devices. (MC Craken, 1986; 1989).

Social influence theory suggests that a consumer may be more likely to adopt a product because it was promoted by another, perhaps prominent, certainly idealized, “Model” person. Consumer identification with the model – i.e. the models influence in an in-store display would be scan as a key element to establishing patronage intentions. Take, for instance, a typical women’s clothing department where posters might show a
confidently smiling young woman wearing a well-tailored suit, working on a computer while talking on the phone. The poster presents shoppers, especially young women, with the kind of confidence & professionalism they idealize. These shoppers may attach professionalism and confidence – projected by the model – to the suit and thus be persuaded to try it on & perhaps to purchase it. To take the applicability of the theory a step further, it has also often appears in in-store graphics (Daneshvary & Schwer, 2000).

Developing a strong positive appearance has become essential to the maintenance of sustained competitive advantage. Research into in-store appearance has allowed retailers to create positioning strategies and enabled them to differentiate their stores in terms of the products and prices or services on offer (Birtwistle and Shearer, 2001).

The significant role played by store appearance within food retailing is unquestionable and many authors have long advocated that a desirable store appearance, facilitated by an effective positioning strategy, can be considered a core element of the retail mix and can be integral in influencing store choice. Consumer loyalty will be more likely when the consumer perceives the appearance of a store to be desirable. A wide belief exists that consumers perceive store appearance to be desirable when the store image is congruent with their self-image or the image to which they aspire (Devlin et al., 2003).

Estelami and Bergstein (2006). are also of the same opinion that consumers typically form an overall impression of a retail store through various information processing mechanisms, such as advertising, word-of-mouth, or personal experience. The resulting store appearance helps create consumer expectations that may subsequently influence a consumer’s assessment of the behaviors and actions of the retailer in future transactions. As a result, consumer assessment of critical retailer characteristics, such as value perception, evaluations of employee behavior, and satisfaction judgments may be influenced by the appearance associated with the store. Store appearance provides the consumers with a series of standards by which they can evaluate the retailer.

The determinants of a good store layout are scare because they mainly rely on delivering of services and the quality of services being provided. However, there are six major dimensions that should be considered when determining a good store appearance, namely: personal interaction, policy, physical appearance, premises, problem solving and the convenience of a store. The findings reveal that the impact of physical appearance and
convenience are the most basic marketing tool for retailers to create competitive advantages and to enhance customer’s shopping experience. The physical appearance of a store has the greatest impact on the overall service quality, higher customer retention and higher future consumption, respectively Chennai.

**Thang and Tan (2003).** further assert that attributes of store image and appearance affect consumer’s preference for the stores. The stimuli that pertain to store attributes include merchandising, store atmosphere, in-store service, accessibility, reputation, promotion, facilities and post-transaction service. Consumers’ preference is based on their post-visit ranking of the stores. To a certain extent, consumers’ visits to retail stores often take the form of a recreational activity whose worthiness is reinforced by the level of service provision within the store. Hence, the quality of in-store services is likely to have a strong impact on consumers’ purchasing behavior and, if not liked or incompatible with the values or the beliefs sought by the target consumers, might inhabit attraction. Below is diagram with components of a good store appearance.

**Vrechopoulos et al. (2004).** Found that store layout is an important factor affecting consumer behavior and critical determinant towards the creation of store image. Well designed layouts are extremely important because they strongly influenced in-store traffic patterns, shopping atmosphere, shopping behavior, and operational efficiency.

Most important for customer satisfaction is the store as a brand. Retailers must be good at retailing. Customers are satisfied when the store is neat and pleasant and when they feel that the store understands their needs. Only certain customer segments are interested in store brands. Satisfied customers are loyal. Several studies demonstrate that store appearance affects consumer product judgments and responses. Strong store appearance offers recognition, familiarity, confidence, and other associations that make it easier for consumers to make shopping decision (Marten son, 2007).

**Jasper (2005),** the holistic view defines store appearance as the total impression a store makes on the minds of its customers. In the past, store displays were mainly used for promotional purposes. However, as consumers became more sophisticated, retailers have discovered new roles for effective appearance: communicating product information and store image, assisting consumers in making purchase decisions, and creating an existing shopping environment. As a result of the above mentioned factors, consumers had a more
favorable attitude toward merchandise and service quality and felt more aroused or pleased with a store where more appearance cues were present. They also had a more favorable perception of store image when high-personalized service was provided. Consumers perceived that they would be more likely to shop in a store that had more in-store display of graphics with user-friendly meaning.

The store layout is the foundation for operation. Therefore, conducting a traffic flow analysis is good step to take when the goal is to improve store performance. This tool is useful when planning a major remodel or simpler reorganization of the current arrangement. The analysis is also useful when the motive is to fine tune after a remodel. By establishing customers’ shopping patterns, a retailer can examine the strengths and weaknesses of the layout. The analysis is easy to conduct and can be done on a large or small scale, encompassing the whole store or one department. The results will be very clear and make decision easier to come by. The overall objective of conducting a traffic flow analysis is to determine ways to make shopping and running the store easier, using layout and merchandising techniques to improve sales, enhance the store’s appearance and make shopping more fun (Quinn and Stewart, 2007).

Shopping is one of the most exciting activities in life. As the taste and the preference of shoppers change constantly, retail facilities have evolved in response. It is universally accepted that in-store traffic flow plays an important role in the success of a retail facility (Hue et al., 2007). Many small retailers find difficulties in competing with modern retail developments in the town centre and off-centre locations, and are in decline as a result of congestion and heavy traffic flow in store. Traders recognize that most of the shops serve the local community, and the high residential density of the surrounding area means that there is a sizeable population living within easy walking distance. However, much of this potential for locally based stores has been lost to large supermarkets and other stores due to less attention being devoted to the problems of congestions and heavy traffic flow in stores (Guy and Duckett, 2003).

Pan et al., (2008) maintain that research on store context evidenced that the atmosphere of a store is the key element in consumers’ purchasing attitudes in the consumer decision process, particularly for unplanned shopping. In other words, unique store cues eventually induce positive influences on the consumption context, which, in
turn, generate favorable customer perception towards the store and the products displayed, eventually affecting the purchasing intention, and actual buying action. Generally store atmosphere is defined as designing the retail space to affect consumer emotions and, accordingly, to appeal to consumer purchasing behavior. This definition includes physical products on display, sales procedures, after sales services, and most importantly the aggregate atmosphere of this space. Elements contributing to the atmosphere could be either tangible or intangible. Tangible elements may include coloring, lighting, background music, goods display, point-of-sale-posters, employees and visitors. Exterior cues include location, exterior lighting, and exterior coloring. Intangibles may include scent, odors, and temperature, and social factors such as gestures, attitudes, and behavior of service employees and the visitors as well as personal buying readiness and past experience. These element will result in favorable consumer perception (or sometimes may act as irritating factors and, subsequently, ignite (or extinguish) the consumer’s perception of value as well as other in-store or shopping behaviors in a board sense.

When it comes to traffic patterns, nothing says it better than a correctly designed store. Wide aisles encourage customers to “power walk” to the merchandise they have come into the store to buy. While this facility might be great for very large stores, it’s not so good for specialty retailers. Since a customer spends an average of eight minutes shopping in a store, it’s impossible to see a large number of stock-keeping units in the average store in so short a time. Retailers have to slow customers down to get them to see more merchandise, yet not create traffic jams in the store and lose them altogether. The best strategy is to establish aisles that are narrow enough to force customers to slowdown, which gives them enough time to notice the products displayed, but not so narrow that they create a traffic jam. Therefore, the best place for customers to linger is at the rear of the store. To achieve this, lower density fixtures should be positioned at the front of the store, and higher density, the longer a customer is likely to stay to look at merchandise. Increasing merchandise density to the rear of the store encourages customers to stay and browse (Traffic Flow: Make it Work to Maximize Sales, 2008).

Deon (2004) states that crowding is not simply a matter of density in a given space. Crowding appears to arise through the juxtaposition of density with certain social and personal circumstances which sensitize the individual to the potential constraints of limited space. The perception of such constraints leads to a recognized disparity between the
amount of space demanded, or considered to be adequate, by the individual, and the amount of space available to them. To provide high quality services under conditions of crowding, it is important to understand the relationships between crowding and personal control. The introduction of the distinction between cognitive and affective crowding would provide a better understanding of retail crowding and personal control might allow one to better understand the role of personal control in the crowding process.

Emerson. (2006) are of the opinion that recent initiatives, such as efficient consumer response, have raised the profile in-store merchandising as a possible solution. Improving on customer traffic flow and on-shelf availability has become sometimes of a mantra within retailing. If the product is not on the shelf when the shoppers arrive to make their selection, the sale (and potentially also the customer) may be lost to the store. Store visits suggest that variations might exist between merchandisers’ working practices, due to different store group practices. Store group stocking policies, stock control, staffing levels and the volume of customer traffic were identified by merchandisers as affecting their activities.

Feinberg. (2002) suggest that, given that most retailers have very limited resources, it would seem prudent to identify which small set of features really do make a difference in customer satisfaction and store traffic. Retailer should, by virtue of the nature of the business, be at the cutting edge of store traffic flow. It is, therefore, on surprise that store traffic flow automates and centralizes customer contacts. The investment in store traffic flow has generally led to increase in customer satisfaction, sales, or loyalty. A business that does not consider a customer important should try to do without them for 30 days. A satisfied customer buys more, is more loyal, and more profitable over his/her lifetime. There is clear logic to store traffic flow being the central focus for business. A dissatisfied customer causes market damage because he/she is more likely to defect to competition and more likely to persuade others to defect.

Cottet. (2006) strongly suggest that utilitarian value of shopping is essentially obtained through easy access to products or information. The utilitarian value depends on the way the consumption need, leading to the shopping act, has been fulfilled. Hedonic values have an influence on satisfaction; they tend to indicate that the utilitarian value is related to product availability, while the hedonic value is influenced by such elements as
atmosphere, relations with store employees, as well as crowding and other peripheral services. For the retailer, it is important to know whether the value of shopping has an impact on consumer satisfaction. If such is the case, measures and typologies to avoid crowding have to be developed (Dion, 2004).

Merchandise display, which is discussed below, is another important characteristic of store layout.

Merchandise display, according to Zentes. (2007), is a term frequently used in the context of in-store marketing. It refers to the way products are presented in a retail outlet. While this expression has been used with a focus on merchandise display (e.g. the choice of fixture to be used and the method of product presentation), it relates to overall store design, store layout and other facets of the store environment. Therefore, it is often used synonymously with the design component of in-store marketing.

Two basic objectives of in-store marketing are:

- To facilitate the search process for customers, i.e. to design the store for easy internal orientation; and
- To create a positive store atmosphere, i.e. to evoke a positive emotional state of mind in consumers while visiting the store.

Both aspects are important to different degrees in different stores and for different consumer segments. The retailer’s focus is mainly on easy orientation and supporting the consumer search process. When approaching shoppers, the efforts are shifted towards merchandise display as it facilitates shopping and easy orientation, because consumers should not be confused but feel secure and self-confident in the shopping situation (Zentes., 2007).

McIntosh (2007) illustrates that merchandising is more than simply the arrangement of products on the shelf. It is an integral component of the business image. It should be considered when designing the retail mix. Opinions suggest that merchandising and display are frivolous extra expenses for the small business owner who is just starting up. The implication is that expenses such as marketing, rent, inventory, utilities and staffing are serious expenses, while merchandising and display are frills. Merchandising
and display are an important part of the retail environment, and should have a reasonable budget allocated even for a retailer operating on a shoestring. In today’s competitive retail environment, a retailer cannot afford to consider merchandising as a frill. Everyone is competing for the customers’ rand. There are more choices out there consumers than ever before. By rotating merchandise and changing displays, the customers feel that there is always something new for them to see or experience. Including merchandising in the retailing plan and budget makes sense. It can make the difference between selling a product and having it sit on the shelf.

Appealing display by retailers can lead shoppers to sacrifice the time and effort required to go further to more distance stores. This technique suggests that consumers shop at the stores where they can maximize their satisfaction (i.e. efficiency). Considering both retail attributes and shopping costs. Pleasant shopping atmosphere positively affects the shopping time and the money that customers spend in a store as well as the emotion of shopping (Kim and Jin, 2001).

Laroche. (2005) state that, in a shopping environment, consumers not only evaluate merchandise quality, but also consider service quality. A store environment can serve as an important basis for consumers’ evaluations of merchandise products. The store atmosphere has been found to shape consumers’ merchandise value perceptions, which, in turn, influence store patronage intentions. However, little attention has been paid to how these relationships may be influenced by the consumers’ shopping environment and merchandise value perceptions. These authors found that service quality perceptions contribute to purchase intentions. There is no doubt that consumer, who is in a good mood, is more likely to want to affiliate with store employees, stay longer in the shopping environment, and makes more purchase there. Therefore, pleasure is expected to influence service quality perception positively.

According to the research performed by the Food Marketing Institute (FMI), product placement at eye-level or slightly below seems to have the most selling success. Eye-level is described to be at around 13 centimeters from the floor. Therefore, companies opt to place their product at eye-level or in children’s reach. May leading brands or high draw items are placed on the eye-level shelves. Also, new products are often displayed on the best shelves to promote their new product advertisement generate enough interest so
that customers will want to try them. Otherwise, items, depending on their size and weight, are put above or below. Generally, products that are heavier are placed on the bottom shelves (Aghazadeh, 2005).

Sinha and Banerjee (2004) contend that convenient stores’ shoppers attach more importance to merchandise display. These shoppers prefer to visit those stores that have depth and width of products. The importance of relationship/comfort level with the retailer is stressed with regard to grocery stores. The shopper is willing to trade-off the extra travel effort with the experience. Such an experience can be provided through services and merchandise. A good display of products, so that the shoppers can look around and touch and feel the products, becomes an important consideration to consumers. It is, therefore, imperative for convenience stores to stock and display at least a minimum required number of brands and models to ensure visits by shoppers. Given the size of stores currently in Chennai, this a challenge for the stores as well as for brands that have smaller market shares.

Kerfoot. (2003) maintain that initial findings in suggest that liking of display does not totally determine purchase, but dose make it four times more likely. Visual stimulation and communication have also been considered important aspects of retailing by practitioners. Merchandise display is, therefore, concerned with both how the product and/or brand is visually communicated to the customer. The themes that linked most strongly to purchase intention are: merchandise colors, presentation style, awareness of fixtures, path finding, sensory qualities of materials and lighting. The importance of attaining appropriate merchandise display has meant that within the retail environment, numerous methods have been used to display merchandise and communicate product and retailer brand. This diversity in merchandise display methods has also stemmed from the vast array of goods and services that are sold by retailers. Favorable merchandise display entices consumers to browse through the store and result in purchasing. This pattern is supported in previous research studies with results showing that merchandise display results in increasing purchasing patterns. The themes that linked most strongly to purchase intention are: merchandise colors, presentation style, awareness of fixtures, path finding, sensory qualities of materials and lighting (Kerfoot, 2003).
According to merchandising (2008), the way that products are displayed or merchandised can have a significant effect on retail sales. In self-service stores, staple products to be merchandise strategically so that customers, looking for these items, are required to walk past items such as luxury goods. This display can often result in higher sales and higher profits.

Merchandising consists of the following elements:

- Correct strategic placement in the store;
- Eye-catching and appealing display;
- Appearance point of sale support media (e.g. labels, signs); and
- Legal requirements satisfied.

Krishnan, (2002) comment that has the availability of consumers’ most preferred merchandise in an assortment positively influences consumers’ perceptions of assortment size. This finding points to the impact of a hitherto unexplored retail strategic dimension and commitment to assortment consistency. What is meant by consistency in assortment is the tacit promise made by a retailer to carry a given setoff brands, sizes, flavors and colors from one period to the next, so that a consumer, who looks for his/her preferred brand, will be able to find that brand at that retail store. While it is obvious that the mere existence of the consumer segment that looks for consistent assortments will drive some retailers to adopt such commitments to consistent assortments, what is less obvious is that this strategy is affected (negatively) by supply side factors such as the availability of trade deals. It is important to note that although consumers may seek particular brands, their final choice of a retailer is also affected by merchandise display and location of the retailers. Thus, it is not clear how a retailer would react in a competitive environment even if a sizable segment of the market seeks consistent merchandise assortment.

Azuma and Fernie (2001) propose that in order to meet the needs of the consumers and respond to the sudden changes in trends and consumption patterns, retailers need to have the “leanest” and the most “agile” ways to get the right product in the right place at the right time in smaller consignment sizes with increasing frequency. Good merchandise display leads to the delight of customers and remain profitable
simultaneously. As a result, retailers with efficient merchandise displays achieve higher levels of distribution.

Mitchell and Ingram (2002) contend that merchandise display is at a premium in most retail outlets, particularly those that depend on high sales volume. Such outlets attempt to optimize the display space used and allocate coat (a fraction of rent) for product lines according to the contribution to sales and profitability. The determination of the best product mix and layout is a central problem in retailing, where increasingly the number of products and categories available to the retail buyer is plentiful but retail shelf space is finite and fixed.

The determination of the optimal product display assortment requires information about factors such as:

- How much value the market places on each available product, including which products are viewed as completely unacceptable; and
- How the market assesses the sustainability across products based on price.

Below is a discussion about product assortment which is also a key element in store layout.

Levy and Weitz (2007) found that a good merchandise assortment should entice customers to move around the store to purchase more merchandise than they may have planned originally. One method is to expose customers to a layout that facilitates a specific traffic pattern. Another method of helping customers move through the store is to provide variety; the store should be filled with little nooks and crannies that entice shoppers to wander around. A good layout should provide a balance between giving customers adequate space in which to shop. The breadth and depth of the assortment in a merchandise category can affect the retailer’s brand image. In general, retailers need to display their merchandise effectively in order to satisfy the customer’s need and maintain their brand image with respect to merchandise category. There is a belief that customers actually by more if there are improvements in assortment.

Findings reveal that consumer’s perceptions of the assortment range stems from the combination of few indicators, mainly the number of stock-keeping units proposed and the
availability of the favorite brands. Findings further demonstrate that consumer’s evaluation of the overall store assortment draws on the perceived choice within the product categories where they are highly sensitive to the assortment range. For convenience stores to reach their prime goal of building an efficient assortment, retailers need, beside increasing the outlet’s cost-efficiency, to evaluate shoppers’ assortment perceptions so that what the store actually offers can be tailored to meet customers’ needs and expectations (Amine and Cadenat, 2003).

Boatwright and Nunes (2001) contend that most retailers realized that consumers often prefer stores that carry large assortments of products for several reasons. For one, the larger the selection, the more likely consumers are to find a product that matches their exact specifications. In addition, more products mean more flexibility, which is important if the consumer has uncertain preferences. Moreover, recent research suggests that consumer has uncertain preferences. Moreover, recent research suggests that consumer choice is affected by the perception of variety among a selection which depends on more than just the number of distinct products on the shelves. The consumer’s perception of variety can be influenced by the space devoted to the category, the presence or absence of the consumer’s favorite item, the arrangement of an assortment and the repetition of items, and the number of acceptable alternatives. Therefore, many observers in industry and academia believe that, if retailers plan merchandise assortment property, consumers can make a sizeable contribution to the overall retail sales.

Halepete. (2005) identify that, in the past, when competition was less intense, a store could target a wide range of customer. However, retailing trends indicate that is becoming more important to satisfy customers’ needs. Moreover, assortment, planning is one of the most important factors in merchandising. In general, the assortment of products depends on store location, store size, and the lifestyle of the local consumers. Halepeta. (2005:71) propose that this model could be used by managers of retail outlets to understand the various variables that need to be considered while merchandising for their stores. Based on the area the store is located in, the importance of each variable can be adjusted to best suit specific stores. Application of the information gained through this model could help to increase sales and, hence, profits to a great extent.
Miranda. (2005) further support the argument that increased rates of customer retention leads to increased profitability. The strength of allegiance or loyalty of customers to a store is an important indicator of store health. In fact, a study of retailing in the United Kingdom highlighted the importance of developing a corporate retail strategy to manage customer loyalty and prevent shoppers from switching stores. Store satisfaction is a necessary condition for achieving store loyalty. Miranda et al. (2005:220) further indicate that a number of store image studies identified a link between the store attributes and store loyalty. One such study discovered that perceptions of quality and service provided by the store contributed much to the customer’s intention to return to the store.

Rani and Velayudhan (2008), there is almost complete lack of understanding about consumers’ attitudes towards an out-of-stock store. It is more important to understand attitude than behavior for two reasons. Firstly, attitude towards store influences behavior (which, in turn, determines profits) importantly and consistently; and, secondly, store attitude can serve as an important measure for effectiveness of retailer strategies and/or practices. An out-of-stock retailer can typically face revenue losses. Consumers choose and patronize a store on the basis of consumer perceptions, images and attitudes towards store experiences, information and consumer needs. Consumers are further influenced primarily by store location and the associated travel costs while choosing a store. Consumers choose a store to minimize total cost in which case they would not want to revisit a store to purchase an out-of-stock item. This visit would mean extra travel expenses, causing higher levels of stress resulting into dissatisfaction which is directly linked to negative attitude towards a store.

It is common knowledge that retail consumers are often willing to make substitutions if their initial choice of product is out of stock. That is, they may prefer to buy a different size, color or brand within a product category rather than go home empty handed. When such behavior is prevalent in a product category, it makes intuitive sense that a retailer’s inventory decisions ought to account for the resulting substitution effects. Yet, most inventory models assume that demand processes for different variants are independent. As a result, demand is independent of inventory levels, though it does depend on the initial choice of variants offered in the assortment. This static substitution model simplifies the resulting inventory and variety analysis, but it is a somewhat unsatisfying assumption, especially for categories such as cigarettes, soft drinks, and
grocery items, in which consumers substitute readily when products are out of stock (Maharajan and Van Ryzin, 2001:334)

Lowson (2005), the task of managing the retail mix has grown considerably over the past decade s retailers constantly seek to create and sustain unique trading images that attract and maintain customers. Competition is no longer between products, but encompasses all elements of this mix, including: product offer and positioning, store location, customer service, quality, retail design and store image, retail promotion, retail Advertising , price points and other channel members. Floor space shows how store design and in-store communications can make shopping trips easier and more fun for both parents and children. The core requirements are enough space to move around the store, ease of access for outside the store and clear navigation and displays. Stores can also improve the communication of their values by memorable window displays, strong departments using better point of sale (POS), personal touches to encourage customer loyalty, graphics, highlighting prices and age ranges in busy areas (Cowles, 2002).

Michon (2008) further substantiate that the environmental psychology theory suggests that floor space should influence shoppers’ mood and behavioral intentions. The theory rests on suggestions that a well designed floor space is a desire to stay longer, explore the premises, and affiliate with other shoppers and/or sales associates. Shopping value involves an interaction between a consumer and a product or service that pertains not only to the object itself, but also to the consumption experience. It involves the intrinsic and extrinsic values of the object. Shopping goes way beyond functional utility and task orientation, and provides other experiential benefits and gratifications. Well designed floor space was found to have a positive impact on perceived shopping value, which, in turn, positively influences a consumer’s consistent repeat purchase behavior.

Consumers’ substantial desire for shopping pleasure expresses their pursuit of social and experiential value provided by retail environments and store employees. In particulars, the motivational pattern referring to shopping pleasure centers around the desired fun to shop, feeling comfortable inside stores, and human contact.

Griffith (2005), store floor space is a critical factor driving consumer elaboration and response in retailing. The floor space of a retail store has been found to significantly impact on retailer’s overall performance through its influence on information processing,
purchase intentions, and attitude towards the retail establishment. Retailers’ floor space results in greater consumer elaboration and more positive consumer outcomes.

**Turely and Milliman (2000)** suggest, that the floor space offered by a store can influence consumers’ decisions to visit the store and the retail environment can guide consumers’ inferences about merchandise, service quality, and enjoyment at the store. The prestige store ambience is described as the store that has an open layout with discreet signs, clean wide aisles, decorative ceiling, classic colors, decorated fixtures; textures wall coverings, pile carpeting, soft/dim lighting

Ventilation of buildings depends significantly on the used criteria for the indoor environment, which also affects health, productivity and comfort of the retail consumers. First of all, store ventilation measures should not sacrifice peoples’ comfort and health while shopping. There is, therefore, a need for ventilation for the indoor environment for retail design, and to improve shopping conditions (**Olesen, 2006**).

**Hayter. (2003),** the retail sector has been slow to adopt sustainable building practices for a variety of reasons. These reasons include a desire to construct retail spaces quickly (allowing little time to design the building) and the uncertainty of how non-traditional building envelopes and systems will affect sales. Retailers have significant experience in controlling lighting levels and others store related elements to ensure that stores remain profitable. Due to the risk of reduced profits, most retailers are reluctant to incorporate ventilation systems into their stores. Improving the ventilation systems provided the greatest opportunities to reduce energy costs and results in improved shopping morale.

**Kotzab and Teller (2005)** have observed that today’s’ retailers have to perform on an extra-ordinary level by combining different decisions regarding location, assortment, selection of target markets, negotiations with suppliers, motivation of staff and other typical retail decisions, such as store ventilation and merchandising are all done in a very competitive and global environment. Since the 1990s, there has been an increasing importance of store ventilation, which was recognized to generate competitive advantages by increasing in-store traffic and enjoyment of shopping. The ultimate goal of store ventilation is efficiency, which means offering the best shopping atmosphere.
Rogers (2008) further support the argument that a number of studies have explored the impact of store entrances on consumer behavior. The findings indicate that store entrances are relevant to retailing, although there are differences in the levels of importance attached to various retailing elements. Also, the level of importance of the elements varies with customers depending on whether they are participating in a planned purchase, an alternative/substitute purchase (when the planned purchase is not possible), or an impulse purchase. Store entrances can improve a retail outlet’s performance by causing the consumer to undertake unplanned or impulse purchases buying intention prior to entering the store. Efficient and well planned store entrances can generate positive consumer behavior towards the store and this behavior can be linked to increased levels of browsing and increased levels of consumer spend in store.

Wilson and Boyle (2004), the current wave of shop refurbishment and expansion of store entrances illustrate the increasing managerial emphasis that is being place on efficiency and effectiveness and operating the shops in the commercial approach. Retail attractions are increasingly under pressure to provide best value for money by generating revenue as well as offering a service. Therefore, emphasis is put on store entrances as they are becoming more important in retail operations. Viewing store entrances holistically becomes clear that they form a concerted effort to optimize the shop’s performance despite the various drawbacks that may be encountered.

Koo (2003) asserts that a retail store is considered to be abstract and global image components which influence consumers’ satisfaction through:

Forming the overall attitude is more closely related to in-store services atmosphere, employee service, after sales service and merchandising, store satisfaction is formed through perceived store atmosphere and value; and

The overall attitude has strong influence on satisfaction and loyalty and its impact is much stronger on loyalty than on satisfaction, store loyalty is directly affected most significantly by store entrances and exit points, merchandising and after sales service. Satisfaction is not related to customers’ committed store revisiting behavior Priluck (2003) notes that relationship marketing is beneficial to firms because it can foster customer loyalty and re-patronage behavior. Consumers engaged in relational exchanges are more satisfied than those in discreet transactions because of the store entrance ease and
psychological comfort of purchasing from a familiar company. Researchers have suggested that developing good store entrances and exit point contributes to the firms’ success and practitioners have begun to use the concept of using store entrances in attracting and retaining customers. When an establishment can allow customers to enter the store with ease, it stands a good chance of loyal customers visiting that retail organization, and may be retained even when dissatisfied by other store components.

Retailing is probably more complicated than it can seem at times. The three most important factors for success in retailing are location, location, and location. Store format retailing is still an important channel of distribution and, given the pressures from competing channels of distribution, it is accepted that store entrances have to keep pace with customer change. One way of keeping pace is by focusing on the customer-retailer interface. The store manager is responsible for laying out the entrances in such a way as to entice customers, achieve a suitable return and make best use of the available space (Pal and Byrom, 2003).

Moerloose. (2005) indicate that findings suggest that retailing can be implemented successfully with up to three easy-to-use entrances to the store allowing for improved in-store traffic flow. In the retail sector, ease-of-use with simple store entrances and inviting appearance are positive factors that promote engagement from consumers.

The most important aspect with regard to the location of a store is that it should be highly accessible to the target market. The target market must be able to visit the store without making any special effort. The store’s atmosphere determines, to a large extent, how consumers feel and behave in a shop, and they expect the same atmosphere to do justice to the products or services which they intend buying (Terblanche, 1998).

Baker et al. (2002) are of the opinion that for many shoppers one of the key goals for shopping is convenience, which includes getting in and out of the store quickly and finding the merchandise they seek easily. Layout, product assortment, and lighting are examples of design that may influence customers’ expectations of their efficient movement through a store. As customer’s perceptions of store design become more favorable, customers will perceive time/effort costs to be lower.
Findlay and Sparks (2008) maintain that to be successful retailers, one has to attract and retain consumer spending profitably. Consumers nearly always have the opportunity to change their shopping behavior. They assess and reassess the shopping opportunities available to them. As a result, they may change their behavior by switching between stores or retailers. Consumer store-switching behavior (defined as the change of the main shop for a main shopping trip, e.g. food) is thus of fundamental importance to retailers. The ability to generate change in behavior and then to retain the “switched” customer is a critical long-term success factor for retailers. Similarly, the ability to reduce switching to rival retailers by valuable consumer will lead to competitive advantages.

More and Giddings (2002) report that consumer shopping orientations can be used to predict why consumers shop at certain stores. In order to successful service consumers, retailers must identify their shopping needs and preferences. Evidence suggests that consumers make patronage decisions based on store accessibility. Consumers evaluate store while shopping and assess whether or not a particular retail store is based on their shopping orientation or experience with the shopping process. Consumers are likely to avoid retail stores that do not present the desired retail store environment and seek a more congenial store to patronize. Store attributes such as accessibility, location, and services influence consumer decisions to patronize or shop at particular retail stores.

Daskalopoulou and Petrou (2009) note that store accessibility exerts both direct and indirect effects on the store’s performance through constructing consumers’ perceptions over good/poor service quality. The higher the store accessibility, the higher the probability is that a positive outcome will result in terms of sales, word-of-mouth and future intention to purchase/repurchase. Store size, product variety, location and belonging to chain variables exert the largest positive effect upon the probability that a store experiences above-average performance. Consequently, service quality is an important determinant of a store’s performance. High service quality induces future encounters through positively affecting consumers’ behavioral intentions and that, in turn, enhances stores’ performance.

Location selection plays a very prominent role in retailing due to its high and long-term investments. It is very difficult to make up once an inappropriate convenience store location has been establishment. The conventional approaches to location selection can
only provide a set of systematic steps for problem-solving without considering the relationships between the decision factors globally (Kuo. 2002).

**Jones. (2003)**, store accessibility has long been touted as an important competitive factor in retailing and services. For retailers and services providers, the location is the point of contact where customers access the desired goods and services. A common conclusion based on previous location theory research has been that to ensure success, retailers and services should select convenient locations that allow easy access and that attract the largest number of customers.

Store accessibility and location have long been a mantra for retailers and service providers. It is widely believed that the choice of a location is the single most important decision facing retailers and service providers. In fact, it has been argue that poor location may be an insurmountable obstacle for even the best retailers. Researchers have developed store choice models which generally assume that consumer utility for a given retailer decreases as the distance to the retailer increases, thereby reducing the likelihood that the store will be chose. Convenient location is critical and it is an important strategic factor in minimizing defection when satisfaction with the core service drops (Jones et al., 2003).

**Hoyle (2003)** substantiates that lighting for any retail environment has the potential to dramatically affect sales. Lighting can increase floor traffic, create visual interest and direct people through the store—either deeper, where there are fewer distractions from other mall competitors, or to areas of product that the store manager is trying to promote. Store lighting generally requires high ambient-light levels to help create a comfortable environment that allows customers to evaluate merchandise, further compounding the problem of display lighting. One of the most popular methods of display lighting is to add track lights to a store layout, allowing extra light to be focused on mannequins and feature items. The Illuminating Engineering Society of North America (IESNA) states that accent lighting in a store should be a minimum of three times brighter than ambient-light levels, depending on the color of objects being shown, remembering that darker colors require more light that brighter colors. A ratio of 10 or even 15 to 1 should be considered.

If a typical department store has an ambient –light level of 30 to 60 foot-candles, accent lighting could demand as much as 300 to 600 foot-candles. Displays are rarely static and often change with the season, trends and fashion. Track lighting can offer the
solution, as the system is very flexible. While the track itself is permanently mounted, the lights that connect to them can be easily moved and adjusted. A variety of styles are available so that stores can pick a tack head that complements their interior (Hoyle, 2003).

**Levy and Weitz (2007)** note that good lighting in a store involves more than simply illuminating space. Lighting can highlight merchandise, sculpt space, and capture a mood or feeling that enhances the store’s image. Having the appropriate lighting has been shown to positively influence customer shopping behavior. A good lighting system helps create a sense of excitement in the store. These authors further note that the color and lighting, music can either add or detract from a retailer’s total atmospheric package. Unlike other atmospheric elements, however, music can be easily changed. Retailers also can use music to affect consumer behavior. Music can control the pace of store traffic, create an image, and attract or direct consumers’ attention. In general though, slow music is good. A music of classical or otherwise soothing music encourages shoppers to slow down, relax, and take a good look at the merchandise.

Retail shoppers themselves have also acknowledged the importance of music as an atmospheric variable. Atmospherics, including music and lighting, have received considerable attention in the retail/services literature since used in the designing of space in store environment to create certain effects on buyers. Positively valence (happy) music should lead to positive moods which should encourage positive evaluation and behaviors. The music element does influence consumer’s retail patronage intentions. Retail mangers need to make informed music and lighting choices involving their store types and target markets. It is important that retail managers know the music that their target market likes and play happy selections in that genre or by those liked artists (Broekemier et al. 2008:59). According to Sweeney and Wyber (2002:51), music and lighting have been known for centuries to have a powerful effect on human responses. In the social science context, music is particularly known for its effectiveness in triggering moods. In the marketing domain, music has been shown to affect consumer behaviors, particularly shopper behavior, as well as emotional responses. Retailers realize the importance of music and also that playing music is, in itself, not enough, that music needs to be used to differentiate the store from competitors and to maximize store image rather than serving as a distraction to shoppers. Music has an expanded role in the marketing strategy of many retailers, especially with the convenient stores. Consumers also use environmental cues,
such as music, in cognitive processing, when predicting or evaluating the value of an offering by both goods and service retailers. While it is well known that the consumers infer merchandise quality based on the retail store environment, including music, using the retail environment to infer service quality is far less discussed. Besides heat and light, music is the only thing that impacts consumers 100 percent of the time while they are in the store. In addition, music, noted as the ultimate marketing tool which leaves a lasting impression on the consumer, is a relatively easy store characteristic to manipulate. Retailers recognize the importance of music and that it is a fast way to create a store identify, particularly with merchandise becoming so standardized.

Oakes (2000) proposes that music is just one of a range of physical environmental dimensions influencing the behavior of customers and employees within a services environment context. This dimension ultimately impacts on behavioral responses such as duration of stay, amount purchased, exploration of the store environment, and likelihood of return. If background music can make perceived waiting time seem shorter (e.g. in restaurant and supermarket queues), it may result in fewer dissatisfied customers. In addition, if perceived shopping times are shorter than actual or anticipated shopping times, it could result in more time being spent in the store, and a greater likelihood of unplanned purchases. It has been suggested that playing the right type of background music may even influence shoppers to buy more expensive brands.

Aside from the obvious commercial issues, the role of music in consumer research is of considerable theoretical interest. Music is capable of evoking complex affective and behavioral responses in consumers. Although the impact of music on consumer emotions and shopping behavior has attracted considerable attention among marketing researchers, empirical evidence of the impact of the physical characteristics of music is mixed (Mattila and Wirtz, 2001).

Varley (2006) reports that a great contributor to the general atmosphere in store is the lighting used. The overall level of ambient light needs to be such that customers can see the merchandise clearly and the store looks bright and inviting, however, lighting can be used to create interest in the store design itself. Lighting is an integral part of any features display, and enormously enhances the dramatic effect, with product areas being accentuated by suspended lighting and pin spots. Lighting can also affect the color of
merchandise. This can be used positively to highlight products. Lighting can also create problems when it comes to color matching, and so buyers should ensure that they use both store lighting and natural lighting when approving color matches.

Sahinidis and Bouris (2008), training is defined as the planned intervention that is designed to enhance the determinants of individual job performance. Hawkins, et al. (2001) define attitude as follows: “an attitude is an enduring organization of motivational, emotional, perceptual and cognitive processes with respect to some aspect of our environment”. Attitude is a learned predisposition to respond in a consistently favorable or unfavorable manner with respect to a given object. Thus, an attitude is the way one thinks, feels, and acts towards some aspect of one’s environment such as a retail store, television programme or product. Employee attitudes (e.g., job satisfaction, organizational commitment, and job involvement) have a positive relationship between morale (i.e. aggregated levels of satisfaction) and organizational performance (Schneider et al., 2003).

In retail and other service environments, the interaction between customers and front-line employees is likely to importantly affect customer perceptions of the shopping and consumption experience. High quality interactions with service providers often result in customer satisfaction despite problems with other aspects of service delivery, whereas dissatisfying experiences with service providers have the potential to ruin otherwise pleasant service encounters. Service providers often are the organization in customers’ perception, and their attitudes, expressed verbally and non-verbally during customer interactions, may leave a lasting impression that affects satisfaction, repeat buying, and financial performance (Brown and Lam, 2008).

Little and Dean (2006) are of the opinion that staff attitude is defined in terms of employees’ beliefs in the goals and values of the organisation, the willingness to exert effort, and their intention to maintain membership of the organization. Thus, staff attitude encapsulates both employees’ feelings about the organization and their desire to remain with it. According to the service profit chain, investing in employee recruitment, training, and retention leads to increased service quality, customer satisfaction and retention which eventually results in profit improvements and employees’ service quality (Gerstner and Libai, 2006).
Gerstner and Libai (2006) state that recent reports in the popular media suggest that service and customer satisfaction are declining. Poor service results from poor selection of employees, lack of training, service process failures, or misalignment of incentives and, more generally, gaps in organizational knowledge and perceptions, service provides, who apply customer relationship management, view customers as assets. Poor service also results when retailers have employees with negative attitude towards shoppers. An alternative to increasing customer retention and profits is improving customer’s satisfaction and improving staff morale which leads to improve staff attitude towards customers.

Offering training programmes to one’s employees may have an effect, direct or indirect, on both employee motivation and organizational commitment. The training programme content must be perceived as effective and of value to those participating in it. This will have a positive effect to employee attitudes and organizational performance outcomes including productivity, turnover and absenteeism (Sahinidis and Bouris, 2008).

Based on the views of Yoo advertisement Park (2007), the quality of service is of fundamental importance to a number of firms as customers expect high-quality services and are willing to pay a premium for them. Since services have the multiplicity of tangible and intangible elements, and the subjectivity of customer evaluation in nature, its concept is more evasive than that of product quality. Therefore, to achieve effectiveness in service firms, employees have been trained to practice courtesy, empathy, responsiveness commitment, satisfaction, vision and motivation. Employees need to have the capability of interpreting customer needs quickly, adjusting their behaviors timely, and alleviating customer complaints appropriately. Training enables employees to better understand their responsibility, monitor their work performance, and adapt work routines in response to a variety of circumstances. Training in skill, leadership, customization, information-sharing, and the process of development and performance management will provide better problem-solving capability and improve service quality to a number of customers.

Daniels (2003), employee training represents a significant expenditure for most organizations, yet, for the majority, it fails to achieve the best possible results. Training too, often, is viewed tactically rather than strategically. The organization’s leaders are often not clear about what they want from training and, therefore, fail to connect training
with the overall organizational goals and strategy. Training should not be regarded as a luxury to be undertaken when time and budgets allow. Nor is it wise to think of training as remedial, as a matter of shoring up weak employees or fixing problems. In a successful programme, the training unit acts not like a group of physicians who minister to organizational ills, but rather as an agent of change. Senior management recognizes that the training function has valuable intelligence about employees’ core skills. The training unit, in a successful programme, understands the organization’s strategic direction and can design and implement a creative way of moving people in that direction.

Good training is based on having fully answered the following questions:

Is there actually a need for training? What is the need?

Who needs to be trained?

Who will provide the training?

What form will the training take?

How will the training be transferred from the session to the job?

How will the training be evaluated?

Impulse buying pressure can be defined as an immediate purchase with no pre-shopping intentions. There has been a link of unplanned purchases to consumer moods and pleasant environments and that shows that employee behaviors predict customer evaluations. Moreover prior work indicates that helpfulness of salespeople in assisting customers influence consumers’ willingness to buy. A high level of excitement in a store enhances the loss of self-control, and high arousal reduces peoples’ ability to think through the implications of their actions. It’s also like that may people’s ability to resist temptation is at its lowest level at the end of the day, resulting into increased impulse purchases (Mattila and Wirtz, 2008: 562). Below is a diagram showing environmental stimulation on impulse purchasing.

Mattila and Wirtz (2008) suggest that consumers hold arousal-level expectations. Level of stimulation (i.e. both over-and under – stimulation) will lead to lower in-store approach behaviors (including spending time and money). Strongly held arousal-level expectations result in impulse buying. From a managerial perspective, it is better to stimulate and excite customers in a store environment to the extent to over-stimulation to
increase impulse purchases. Store managers can look at a number of environmental design variables to increase stimulation in their shops.

Silvera (2008), impulse buying refers to making unplanned and sudden purchases. Impulse buying behavior is frequently based on the presence of an immediate stimulus object and is often accompanied by feelings of excitement and pleasure or a powerful urge to buy. As impulse buying behavior consists of unplanned and sudden purchases, the cognitive and affective forces guiding the purchase are typically initiated at the time and place of purchase. Impulse buying is often accompanied by strong affective reactions such as a powerful urge to buy or feelings of pleasure and excitement. Superficially, impulse buying seems to serve hedonic motives. Compared to non-impulse buyers, impulse buyers exhibit hedonic rather than utilitarian considerations for their purchases, and the shopping experiences, of impulse buyers tend to be driven by high-arousal emotions such as excitement and pleasure.

Hausman (2000) concedes that impulse buying behavior is an enigma in the marketing world, it is a behavior which the literature and consumers both state is normatively wrong, yet which accounts for a substantial volume of the goods sold every year across a broad range of product categories. Unplanned buying refers to all purchases made without such advance planning and includes impulse buying, which is distinguished by the relative speed with which buying “decisions” occur. Impulse buying occurs when a consumer experiences a sudden, often powerful and persistent urge to buy something immediately. The impulse to buy is hedonically complex and may stimulate emotional conflict. Also, impulse buying is prone to occur with diminished regard for its consequences. To avoid buying on impulse, consumers should be more aware of retailers’ efforts to manipulate their moods to influence their buying decisions. Moreover, they can reduce enablers by only shopping when they need specific purchases and only carrying enough cash or credit for necessary purchases.

RESEARCH GAP

The present study objective is to understand the respondent’s views towards the effectiveness of in store advertisement and layout in influencing the respondents to purchase goods in retail stores in the competitive market. There is evidence of previous research being carried out on advertisement and its effectiveness on various branded
products in different categories both national and international. In addition, the literature study indicates that research has been done in the area of consumerism, the retail store CRM, consumer satisfaction of retailing, FMCG etc. The researcher found that there is no research indicating analysis of in store advertisement effectiveness in retail outlet. Hence the present study’s aim is to analyse in store advertisement both branded and own store branded products advertisement and layout effectiveness.