The Influence of Customer Satisfaction on the Study of the Relation between the Physical Environment of Store and Customer Tendencies

Mona Khosravi, Mohammad Bagher Gorji

Department of Management, Aliabad Katoul Branch, Islamic Azad University, Aliabad Katoul, Iran

*Corresponding Author: Mohammad Bagher Gorji

**ABSTRACT** The current research aim was to investigate the relation between the physical environment of store and customer behavioral tendencies regarding to the role of customer satisfaction. The current research was descriptive-correlative survey. Population includes more than 100,000 individuals and the number of 18 branches of Farhangian stores of Golestan, Iran which 384 individuals were chosen by simple random sampling and Krejcie and Morgan’s table. Standardized questionnaire was used in international research of Lin and Liang. Data were analyzed through SPSS & LISREL by structural equation modeling and path analysis according to the hypothesis. Achieved results showed that there was a significant relation between the physical environment of store and customer behavioral tendencies regarding to the role of customer satisfaction.

**Keywords:** Physical environment of store, Customer behavioral tendencies, Customer satisfaction.

**INTRODUCTION**

Chain stores are one of the distribution agencies that have been progressed, in spite of non-uniformity after existence. As matter of fact, these current chain stores are the mixture of modern distribution methods. Many people prefer to buy their goods from these stores weekly or monthly, but it is obvious that these stores have also their own problems and should find a way to increase their customers and their sales (Sahrayi, 1998). One of the weaknesses of the actual market is the high cost of even small changes, resulting inability to adapt the tastes of each customer. In recent decades, especially in 10 recent decades, systematic and accurate design of store is one of the most important and fundamental principles outlined in the retail and management and nowadays considered as a strategic competitive advantage and invisible power to attract and retain customers. Hence, attention to the topic of design and layout of the store is one of the requirements and prerequisites for optimal management of a store. (Asgharzade, 1995).

Consumer behavior concern on the study of all selection processes, consumption, withdrawal of products and services, individual experiences or ideas, groups and organizations to respond the needs and also the effects of these processes on customer and society.

In the other words, consumer behavior involves a series of mental and physical processes which would be start before buying and would be continue after consuming (Hawkins et al 2006). According to Parboteeah (2005) findings the features that most previous studies have focused on were more on the traditional environment of business such as: product appearance, the shop environment, the kind of shop, and the salesman. Karan and Clark (1988) declared that customer service had a direct impact on the perception of space they also evaluated customers in four different industrial service. That all customers' environmental factors considered as one of the main factor of evaluating the quality of their service. Pastor and KO (2004) added the quality of planning to the model in addition to the 3 components of the engagement; environmental quality and quality of output. Also, they approved the direct relationship between the mentioned components and their customers. The interior design of stores is important for attracting customer and the interior designer plays an important role. Store should be sufficiently attract customers at first glance and it happened by the design that were created by the designer. Store’s decoration must be attractive. Creating the concentration point of view in the shop should be sufficiently visible and attract customers. Store is a performance place
and various functions such as exposure of product, sales table, living room, and the department stores in big stores, coffee shop, and space for children and etc. Function properly together. Outdoor space of stores was very expensive and it is important to use them accurately (Gholizade, 2002). The design and layout of the store shelves and windows can have a direct impact on increasing the level of customer purchase that is to arouse the enthusiasm of the customer, and increase the motivation of buying (Ahmadi, 1996). Using the space efficiently is one of the main goals of the design and layout of the store. Disability standards, using lighting pictures, embedded objects and color combinations are important in interior designs in order to attract customers. Communication and interaction between sellers and customers facilitated, customer service time reduced, control costs minimized, the store robbery reduced, motion and a flurry of customers and sales have been stopped and the entrance and existence of goods and people become easier (Gholizade, 2002). The physical environment of the Store: the purpose of this item is the design and layout of the store, and customers’ attraction factors in order to increase customers. Consumer’s environment includes factors that are independent of individual consumers and companies and also it affects the exchange process (Lin & Liang, 2011). An effective way to make a brand tangible is to use physical elements which are related to the brand. As stated by Crocker different environment can affect emotion, perception, physical and physiological reactions of customers and also affect the evaluation and behavior of them. Many factors play important role in affecting the customers, also reaching their satisfaction and recommending to others like physical environment such as being neat and beauty of equipment, being available, decoration, comfortable chairs and seating customers, electronics and display (Soleymani Beshli & Talebi, 2010).

Emotions demonstrated by staff: One of these factors is the influencing of the customer's vision of justice in all organizational activities which evoke the customers’ emotion and these feelings lead to different behaviors of the customers'. In essence it can be concluded that directors necessarily need to understand the importance of emotions and justice among their customers (Ghasemi & Amiri 2010). Customer Satisfaction: as defined by Zitamel and Bitner customer’s satisfaction is customer evaluation of products or services provided the extent to which the products or services that meet their needs and expectations infrastructure (Shahbazi, 2003). Customer satisfaction is a positive feeling that formed by expectations of customers in other words customer satisfaction is desirable level that the customer gets from the product features (Khaki, 2001). In today's world of competition requires that the managers of organizations focused on enhancing customer satisfaction, reducing the costs and services with a high level of quality in the work hence the study of indicators to measure customer satisfaction and customer satisfaction is important that ultimately determines the success or failure of an organization's level of customer satisfaction.

Satisfied customers are the company’s earning source. Companies that cannot keep customers satisfied will not remain on the market in the long run (Samadi & Eskandari, 2011). Customer satisfaction is the internal organizational act that was oriented toward satisfying the customers’ needs and demonstrated the Improvement of the quality of products and services. Regarding to Juran findings, the Customer satisfaction occurs when the customer feels that his expectations are based on product characteristics in customer satisfaction definition. It was defined as expression that the customer response to the consumer and the purchase. Lingefled defined customer satisfaction from psychological view as a feeling that obtained as a result of the comparison between the products received by customers’ needs and desires and societal expectations in relation to the product. Therefore, Rupp definition of customer satisfaction is defined as an individual's view that is as a result of the constant comparisons between actual performance and the expected performance of the client (Maleki & Darabi, 2008).

Theoretical framework: the aim of the current investigation was therefore to investigate the relation between Ь of physical (environmental and design factors) of Store on customers tendencies and their satisfaction in Farhangian chain stores based on the part of the model presented in the paper of Lin and Liang (2011). Physical environment (environmental and design factors) is very important in stores and customer satisfaction and tendencies are as the dependent variable. In this research, customer satisfaction consider as the physical store environment and as the customer tendencies. The theoretical framework of the study is as follows.

![Figure 1. Conceptual model.](image-url)
Thus, in the current research efforts have been made to investigate the relationship between physical store environment and customers’ tendencies regarding to the role of the mediator of customer satisfaction.

**METHODOLOGY**

The current study was an applied research and from the point of methodology. It is a descriptive-correlative survey and 392 customers were selected from chain stores. All questions were evaluated based on a range of Likert 5 options (Totally disagree, Disagree, Neither agree nor disagree, Agree, Strongly agree). For this research, Cronbach's alpha coefficient was used in order to determine the reliability and validity of the questionnaire. Choosing the individuals was based on simple random sampling.

**RESULTS**

The following table shows the path coefficients between the variables. It is discernible that the path coefficients for each connection were significant at 05.0 (t more than 1.96 and t less than -1.96).
Table 2. The results of the direct relation and significant coefficients of the model assumptions.

<table>
<thead>
<tr>
<th>Path</th>
<th>Sign</th>
<th>Path coefficient</th>
<th>Sig.</th>
<th>Test result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental shop factors … Customer Satisfaction</td>
<td>SAT --- AF</td>
<td>0.18</td>
<td>4.07</td>
<td>Accepted</td>
</tr>
<tr>
<td>Shop design factors … customer satisfaction</td>
<td>SAT --- DF</td>
<td>0.24</td>
<td>4.22</td>
<td>Accepted</td>
</tr>
<tr>
<td>Customer satisfaction…customers’ tendencies</td>
<td>BI --- SAT</td>
<td>0.34</td>
<td>5.26</td>
<td>Accepted</td>
</tr>
</tbody>
</table>

Also, the data of the direct and indirect relationships between variables in the final model are tabulated in table 3 that represents the relationship between direct and indirect research on other variables.

Table 3. The relationship between the variables in the research model

<table>
<thead>
<tr>
<th>Type of relation</th>
<th>Direct relation</th>
<th>Indirect relation</th>
<th>Total relation</th>
</tr>
</thead>
<tbody>
<tr>
<td>AF on SAT</td>
<td>0.18</td>
<td>-----</td>
<td>0.18</td>
</tr>
<tr>
<td>AF on BI</td>
<td>0.24</td>
<td>0.18×0.34=0.06</td>
<td>0.06</td>
</tr>
<tr>
<td>DF on SAT</td>
<td>-----</td>
<td>0.49×0.26=0.13</td>
<td>0.37</td>
</tr>
<tr>
<td></td>
<td></td>
<td>0.49×0.42=0.21</td>
<td></td>
</tr>
<tr>
<td>DF on BI</td>
<td>-----</td>
<td>0.49×0.26×0.34=0.04</td>
<td>0.33</td>
</tr>
<tr>
<td></td>
<td></td>
<td>0.24×0.34=0.08</td>
<td></td>
</tr>
<tr>
<td>SAT on BI</td>
<td>0.34</td>
<td>-----</td>
<td>0.34</td>
</tr>
</tbody>
</table>

The first hypothesis: there were significant difference between Farhangian environmental factors and customer satisfaction. This observation demonstrated that the path coefficient between environmental factors and customer satisfaction was 0.18. T-statistic for this coefficient was 4.07. Hence, there was a significant relation between Farhangian environmental factors and customer satisfaction. So, the first hypothesis was confirmed.

The second hypothesis: there was a significant difference between Farhangian design and customer satisfaction. Model of the relationship between the path coefficients and customer satisfaction was 0.24. T-Statistic for this coefficient was 4.22. Hence, the second hypothesis was confirmed. In other words, there was a significant relationship between Farhangian design factors and customer’s satisfaction.

The third hypothesis: there was a significant relationship between customers’ satisfaction and customers’ tendencies. As showed in table 2, path coefficient of relationship between customer satisfaction and customer tendencies was 0.34. T-statistic for this coefficient was 5.26. So, there was a significant relationship between customer satisfaction and customer tendencies.

The fourth hypothesis: Customer satisfaction was as a mediator in the relationship between Farhangian environmental factors and customer’s tendencies. Fitting model indicated that the path coefficient between environmental factors and customer satisfaction was 0.18 and t-statistic for this coefficient was 4.07, and was significantly higher than the 1.96. On the other hand, the path coefficients and t-values obtained for the relationship between customer satisfaction and customer tendencies were 0.34 and 5.26. So, it can be concluded that customer satisfaction was the main mediator in the relationship between Farhangian environmental factors and customers tendencies.

The fifth hypothesis: Customer satisfaction was as mediator in the relation between Farhangian design and customer tendencies. As showed in fitting model, the path coefficient between design factors and customer satisfaction was 0.24 and t-statistic for this coefficient was 4.22, and it was more than the threshold significant, 1.96. On the other hand, the path coefficients and t-values obtained for the relationship between customer satisfaction and customer tendencies.
tendencies were 0.34 and 5.26. The results clearly indicated that customer satisfaction mediated the relationship between Farhangian design factors and customer tendencies.

CONCLUSION

Surveying the research data showed that there was a significant relation between Farhangian environmental factors and customers' tendencies. These results revealed that Hypothesis was confirmed. The second hypothesis indicated that there was a significant relation between Farhangian design and customers 'satisfaction. hence the H1 hypothesis was accepted. The third hypothesis was also a significant correlation between customer satisfaction and customer tendencies, H1 hypothesis was also confirmed. Since in the fourth and fifth hypothesis, the H1 hypothesis was supported in customer satisfaction which was as a mediator between environmental factors, store design and customer tendencies. Based on the results and the relationship between physical stores and customer satisfaction, the following suggestions are offered:

- There should be the ability to see, compare, and have access to all goods and Judgment.
- Seasonal goods should be set in proper place.
- Beautiful colors and packaging of goods should be arranged in crowded places.
- Cleanliness and brightness of store should be considered.
- Goods should be free of any dust and dirt clogging.
- Empty carton containing products in the sales should not be set in customers’ way.
- Place to collect empty cartons should be separated.
- Products for kids, should be placed in their sight, but not at higher altitudes than they are and should be encourager of their mind as good mind (biscuits, snacks, baby shampoo).
- Typically, vertical display is more efficient than horizontal display of goods.
- Supply and decoration of good should be according to customers ‘tastes based on customers’ satisfaction and tendencies suggested:
  - Using standard quality products to leads customers to pay attention to the quality of store and encourage the customer to purchase further.

REFERENCES

Talghani M, Sadrayi A, 2011. Presenting the conceptual model in order to process the quality, satisfaction and loyalty in the banking industry, Case Study, Melat Bank, Gilan. Marketing Articles database, Azad University.