Store satisfaction and store loyalty: The moderating role of store atmosphere

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1. Introduction

Store loyalty is a topic of great interest to both academics and companies (Martos-Partal and González-Benito, 2013), and several antecedents of store loyalty have been studied in recent years. Customer satisfaction with a store has been indicated as one of the major precursors of store loyalty (Kumar et al., 2013), even if questionable. Store atmosphere has also received increasing attention, especially the question of what atmospherics most affect consumer shopping behavior in a store (Turley and Milliman, 2000). However, although the majority of studies demonstrate a positive relationship between store loyalty and both consumer satisfaction and store atmosphere, some contributions reveal contradictory results (Bloemer and de Ruyter, 1998). Therefore, more research is needed on this topic.

In addition, to our knowledge, there is a lack of studies that examine the role of store atmosphere in the relationship between store satisfaction and loyalty. Therefore, the principal aim of this article is to add to the literature and provide a picture of how the perception of store atmosphere can increase or decrease the effect of store satisfaction on store loyalty. To achieve this, we used data from a panel of 623 Italian customers from 2010 to 2012. Panel data analysis was preferred because it allows the investigation of a certain phenomenon across time and individuals, thus providing an effective and dynamic exploration of the research issue.

This research provides two main contributions to the extant literature on store loyalty. First, it examines the effect of store satisfaction and store atmosphere on loyalty in a longitudinal way. To the best of our knowledge, no other studies adopted this methodology. Second, it provides initial evidence of how, in addition to directly influencing store loyalty, store atmosphere also has a moderating effect on the relationship between store satisfaction and store loyalty.

The rest of the paper is structured as follows. The next section presents the theoretical background and introduces the hypotheses. Section 3 outlines the research methods, explaining the sample, the variables, and the research design. Section 4 describes the empirical outcomes, while the last section provides conclusions as well as research limitations and propositions for future work.

2. Literature review and hypotheses

2.1. Store loyalty

The concept of loyalty was originally conceived through the adoption of a behavioral perspective (Bridson et al., 2008). One of the oldest and most frequently adopted definitions comes from Jacoby and Kyner (1973, p. 2), who define loyalty as "a biased behavioral response expressed over time by a decision-making unit with respect to one or more alternative brands out of a set of brands and being a function of psychological processes". Bustos-Reyes and González-Benito (2008, p. 1016) provide a more comprehensive definition, where "loyalty refers to consumer behavior guided by a brand, product, or particular store over time, operationalized as the observed patterns of purchase repetition or relative volume of purchase of the same brands or in the same stores".

Over the years, several authors (Meyer-Waarden, 2015; Oliver, 1999) have noted that the attitudinal approach should also be considered, i.e., when "customers feel a sense of belonging or commitment to the good or service" (Thomas, 2013, p. 18). However, different researchers support the use of the behavioral approach, including specific measures, particularly when it is not possible to obtain attitudinal information, such as in the case of frequent consumption markets, when evaluating repeatedly purchased products, or when analyzing situations involving only purchase data (Bustos-Reyes and González-Benito, 2008; Oliver, 1999).

At the store level, authors measure behavioral store loyalty using different variables (Bustos-Reyes and González-Benito, 2008), such as repetition of purchases in the store (Sivadas and Baker-Prewitt, 2000), repeat patronage (Johnson et al., 2015), switching frequency (Knox and Denison, 2000; Martos-Partal and González-Benito, 2013), customers' frequency of visiting a store (Martinelli and Balboni, 2012), and consumption expenditure in a store (Bustos-Reyes and González-Benito, 2008; East et al., 1995).

A growing interest in the analysis of factors influencing behavioral store loyalty has also developed, placing emphasis on store satisfaction (Kumar et al., 2013).

Although previous studies have examined behavioral store loyalty

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constructs and antecedents, the results so far are not conclusive (Martos-Partal and González-Benito, 2013; Meyer-Waarden, 2015), thus suggesting that more research is needed in this area.

2.2. Store satisfaction

In the marketing literature, store satisfaction has constantly been a central topic (Oliver, 2014). However, over the years, many definitions have been provided (Grah and Tominc, 2015), although it is possible to identify two main typologies of satisfaction: transaction-specific and overall or cumulative satisfaction (Oliver, 2014; Theodoridis and Chatzipanagiotou, 2009). While the former considers customer satisfaction to be "a post-choice evaluative judgment of a specific purchase occasion" (Anderson et al., 1994, p. 54), the latter proposes that "satisfaction accumulates across a series of experiences with the product, which results in an overall evaluation over time" (Theodoridis and Chatzipanagiotou, 2009, p. 712).

Following the overall perspective, in this study we adopt the specific definition of store satisfaction provided by Macintosh and Lockshin (1997, p. 489) which is "the customer's overall evaluation of the store experience".

Store satisfaction is also generally recognized as one of the most important drivers of store loyalty. Han and Ryu (2009) demonstrated this relationship with regard to the tourism industry, while similar findings come from other studies, such as those of Martinelli and Balboni (2012), McDougall and Levesque (2000), and Sivadas and Baker-Prewitt (2000).

The relationship between satisfaction and loyalty has been widely investigated (Murali et al., 2016), though with contradictory results. A recent literature review conducted by Kumar et al. (2013) provides a list of 10 studies examining the relationship between satisfaction and behavioral loyalty, and the results reveal a positive relationship in six cases, a negative association in two cases and a non-significant relationship for the remaining two cases. Therefore, previous studies yield contradictory results, revealing that satisfaction does not always have a positive impact on store loyalty. However, as suggested by Martinelli and Balboni (2012, p. 2237), "a repeated purchase means loyalty only if the customer has developed a kind of cumulative satisfaction through a series of positive service encounters with the retailer". Accordingly, we propose the following hypothesis:

H1:. Store satisfaction is positively related to store loyalty.

2.3. Store atmosphere

Store atmosphere has received growing interest from academics, and several authors emphasize its importance (Bäckström and Johansson, 2006; Koo and Kim, 2013; Kotler, 1973). Store atmosphere can be generally referred to as all the physical and non-physical elements of the store that could affect the shopper's behavior toward the retailer (Eroglu and Machleit, 1989; Hoffman and Turley, 2002). A more comprehensive description of atmospherics is usually ascribed to Turley and Milliman (2000), who recognized five broad categories of atmospherics, namely, external variables, general interior variables, layout and design variables, point of purchase and decoration variables, and human variables.

Most of the research in retail atmospherics has been aimed at exploring their impact on emotional states (Turley and Milliman, 2000), shopping value (Babin and Attaway, 2000), and consumers' purchases (Turley and Milliman, 2000), adopting a micro-level viewpoint that focuses on specific variables, such as color, lighting, music, displays, social factors, or their interactions. The majority of studies found that the manipulations of different atmospherics can generate a variety of psychological, physical, and behavioral responses in individuals, often with the mediation of certain variables (Tai and Fung, 1997). Recently, based on a holistic concept of store atmosphere, a complementary

approach has been developed (Jang and Namkung, 2009; Rayburn and Voss, 2013). These studies focused their attention on the overall effect of atmospherics on shopping behavior (Bonnin and Goudey, 2012; Mattila and Wirtz, 2001; Michon et al., 2005), and they can be classified into non-model-based and model-based. While the former aimed at analyzing the impact of store atmospherics on consumers without relying on specific models, the latter aimed at exploring the relationship between store atmosphere and human behavior, using the Mehrabian-Russel Model. This holistic approach considers the synergistic effect of atmospherics occurring in a real sales environment, thus explaining how consumers evaluate the overall atmosphere (Bonnin and Goudey, 2012; Turley and Milliman, 2000). Furthermore, in relation to this, some researchers conceptualized what is known as the perceived overall atmosphere construct (Jang and Namkung, 2009; Rayburn and Voss, 2013). These studies usually call for research that should be conducted in natural environments, in order to improve the understanding of the relationship between shoppers and marketplaces and to reduce the methodological limitations connected to simulations (Bonnin and Goudey, 2012).

According to Spence et al. (2014), retailers need to consider the store atmosphere holistically to effectively manage it because customers perceive atmospherics as a whole (Baker et al., 2002; Mattila and Wirtz, 2001; Michon et al., 2005). Nonetheless, the holistic approach is rather difficult to apply, since it involves substantial difficulties in manipulating atmospheric cues in a real store setting (Baker, 1998; Michon et al., 2005). On the other hand, laboratory experiments generally adopted for a micro-level approach become more affordable, although less realistic (Michon et al., 2005). Moreover, by focusing on a single atmospheric or a few atmospherics, the micro-level approach increases the prescriptive effectiveness of the analysis, thus providing useful implications for the store management (Baker et al., 1992; Kumar and Kim, 2014; Michon et al., 2005; Turley and Chebat, 2002).

Following a micro-level approach, in this study, we decided to specifically adopt an "unstructured" vision of store atmosphere that better allows the retailers to use atmospherics as a marketing tool (Tai and Fung, 1997). In particular, attributes related to physical and social atmospherics will be investigated to deepen the comprehension of the relationship between store atmosphere and consumer response.

Within this approach, in the late 1990s, researchers demonstrated that store loyalty is dependent on the store atmosphere, as a component of the overall store image (Bloemer and de Ruyter, 1998). However, the relationship between store atmosphere and store loyalty is an area deserving further investigation because the atmosphere has been mainly examined as a factor affecting store satisfaction rather than loyalty (Koo, 2003; Orth and Green, 2009). Nevertheless, the relevance of this relationship has been increasingly stressed in recent contributions to the literature where store satisfaction generated by a positive atmosphere has been identified as critical for enhancing the customer buying experience (Schmitt and Zarantonello, 2013), as well as the enjoyment from shopping (Johnson et al., 2015), which, in turn, can be considered as precursors of store loyalty. The above discussion enables us to propose the following hypothesis:

H2:. Store atmosphere is positively related to store loyalty.

2.4. Role of store atmosphere as a moderator between satisfaction and behavioral loyalty

Various studies stress how the relationship between satisfaction and behavioral loyalty is influenced by several moderators. In particular, in their literature review, Kumar et al. (2013) identify three categories of moderators: relational, customer, and marketplace. Regarding relational moderators, significant effects of churn, loyalty programs, and involvement (Bolton et al., 2000; Seiders et al., 2005) have been found. Among customer moderators, previous studies (Homburg and Giering, 2001; Mittal and Kamakura, 2001; Seiders et al., 2005) have discovered