

Exploring the Relationship between Ambient Marketing Practices and Behavioural Intentions

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ABSTRACT

Ambient marketing practices are heavily employed by the market managers have the potential to reach the outsized consumer market easily and effectively by clasping the attention of the consumers towards company/product/brands. With less marketing budget, innovative and creative and eye-catching messages, ambient marketing campaigns influence the knowledge, and brand characteristics of the consumers which pave the way towards consumer behavioural intentions. Present study has highlighted these facets of ambient marketing practices and empirically investigates how these campaigns affect behavioural intentions of the consumers. Data were collected randomly from five hundred consumers of Jammu city using self design questionnaires and analysed using exploratory factor analysis (EFA), confirmatory factor analysis (CFA) and structural equation modeling approach (SEM). Our results indicated positive impact of ambient marketing practices on consumer behavioural intentions and other brand related measures. These results provide useful insights for the market managers and scholars for designing their marketing communication campaigns effectively. Lastly the study highlighted various limitations and proposed future research.

Keywords: ambient marketing practices, behavioural intentions, knowledge, corporate image, quality perceptions, product/brand preference, product/brand relations.

INTRODUCTION

Consumers are exposed to approximately 1600 marketing campaigns everyday through various channels (Holt, 1995). Most of these visuals or campaigns fail to find a particular rigid place into consumers' minds which directly collided with their cognitive minds while they undertake their day to day buying decisions. The campaigns which attract consumers' attention successfully communicate planned messages to the target audience would upshot their behavioural intentions. In the vast market world of today, designing customized marketing messages/communication is equally important and a sturdy job as compared to designing product/services (Holt, 1995; Gemini, 2006). Thus, to make a stand in the marketing world, companies need to stand out from the crowd Eloquent to these facts several companies or market managers are always trying to find out peculiar or untraditional ways that can grapple the consideration of the demanding consumers to quantify the Discernable Experiences (Graffigna, Gambetti & Bosio, 2011 and Karimova, 2013). Perhaps this is the main reason that consumers are exposed to quite a lot of uncanny messages/communication presented through an unusual technique and on out of way remarkable places, things and as such do not find place in the category of traditional marketing. Scholars have coined such type of marketing into a term known as ambient marketing. We can find many marketing campaigns on walls and floors of hotels, restaurants, schools, buildings, public bathrooms, buses, auto-rickshaws, shops, malls and many other incredible places presented in an interesting fonts, pictures, colours etc. which are an example of ambient marketing practices. All these tricks generate awareness and favourable perception of company/product/brand characteristics into the consumers psyche (Brioshi & Uslenghi, 2009). Recent data has shown that ambient marketing is being the fastest growing practices across the globe (PQ media, 2012) with increased budget by 15.29% to \$ 7.0 billion in 2016 (Nielsen, 2016). Marketers are extensively using unusual external environment to generate consumer engagement, persuasion, long term effects on brand perceptions which increase the perceived value of such

campaigns among the consumers (Dahlen, 2005; Dahlen, Frierg & Nilsson, 2009; Rosengren, Modig & Dahlen, 2014).

OBJECTIVES OF THE STUDY

Ambient marketing is an innovative or novel step that can reach millions of audience faster and economically than any other campaigns. But extensively dug out from the marketing literature, ambient marketing concept is still more conceptual in nature than empirical. Further, the concept has several perceptual focuses towards brands/product/companies among the consumers which have yet to be explored fully. Thus, we argue that ambient marketing practices have some reciprocated communication with the brands that generate favourable behavioural intentions among the consumers. In this way utilizing consumer perspective present study walk around the brand communication effect of ambient marketing practices towards behavioural intention of the consumers. In view of this the present study is based on the following objectives:

1. To empirically examine and explore the consumer perception about ambient marketing practices and how these perceptions affect the behavioural intentions of the consumers.
2. To explore the impact of several factors on the ambient marketing practices and behavioural intention link.
3. To provide a strategic framework that can help the managers to use ambient marketing practices for effecting behavioural intentions of the consumers.

LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

Ambient marketing and behavioural intentions

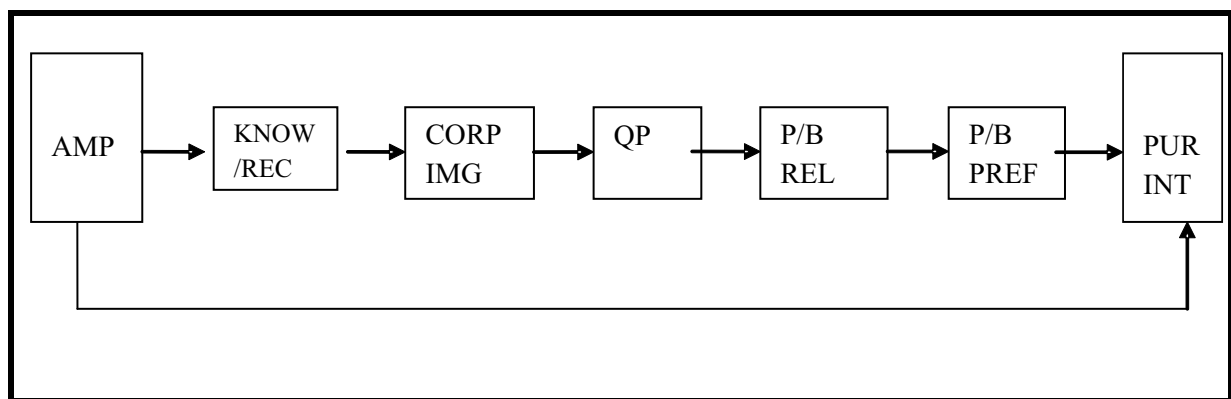
Ambient means marketing campaign at a place where one could not think about in order to make an amusing impact on consumers minds. During 1990, ambient marketing practices/campaign was firstly observed in British media jargon since then it is established as an admired term among marketing scholars and managers. Without any particular terminology, it may be well known as nontraditional, creative (Dahlen, 2005) or out of home (Shanker & Horton, 1999) form of marketing which can be used with main stream marketing strategies or traditional marketing strategies (Rosengran & Dahlen, 2012). Particularly it covers the elements of environment with every physical space to engage the consumers towards the message it want to convey (Gambetti, 2010). Today it has been grown as an unusual, quirky and innovative form which can be seen anywhere. Who can forget an interesting campaigns of Kitkat chocolate as Kitkat bench, Mumbai's Asema charitable trust for children's campaign of road side educational games, Monster .com foosball table asking Are you stuck in a wrong job?, UNICEF vending machine for awareness of dirty water, Oral – Bs one crore pledge campaign etc. All these campaigns are an example of ambient marketing which yield companies huge brand recognition. In this way marketing practices going through a paradigm shift directed towards attracting consumers attention rather than a forcible binding upon them (Hull, 2009 and Kirmani, 1990). Hence brands marketed through ambient campaigns do not interrupt them rather participate with the consumers in their daily routine work (Rosengren et. al, 2015). By the end of 2017, the market for ambient strategies is expected to grow globally at a compound rate of 6.7% (PwC, 2015). Research studies have empirically focused how ambient marketing practices creates favourable long term brand perception and preference (Dahlen, Friberg & Nilsson, 2009) among the consumers and consumers find them more valuable where brands are supposed to care consumers (Rosengren et al., 2015). Nyilasy & Reid (2009) advocated that in order to create positive behavioural intentions among the consumers, marketers should engage consumer emotionally by going beyond traditional marketing strategies. More specifically, the message will stick the consumers emotionally if its contents are creative and communicate directly with the consumers (Gambetti, 2010) by way of ambient strategies. Better fit of innovation and ambient marketing message create the communication effect that the

consumer appreciates the novel effort which creates the image of the company among the consumers. Thus perceived value of the marketing efforts among the consumers increase and they behave positively towards the product (Rosengren & Dahlen, 2012).

Consumers in the current competitive market settings there is a need to establish emotional bonding between product/brands and the consumers which may generate profitable relationship. Scholars have well established the fact that to maintain a profitable relationship with the brand/product/company, market managers must try to create innovation, aesthetic, pleasure and astonishment among the consumers through ambient marketing strategies (Thomson, MacInnis & Park, 2005 and Schmitt, 2012) along with traditional market strategies. Thus, with the consistent use of ambient or innovative and traditional communication strategies, consumers can be encouraged to develop a healthy relationship. Simultaneously, creatively projected brand/product into the consumer perceptual settings yielded healthy brand evaluations and comparisons with association, image and quality perceptions more rapidly. This yielded expressive and astounding response from the consumers by way of high awareness (Hutter & Hoffmann, 2011). Thus, ambient strategies with high recognition, image, favourable quality perceptions and strong relationships generate preference among the consumers for the brand/products and consumers have the excitement and willingness to purchase them (Briaghi, Gambetti & Graffigna, 2015). Thus, consumers are more prone to buy the product/brand induced by awareness, corporate image, quality, brand relationship and brand preference (Hutter & Hoffman, 2011 and Briaghi et al., 2015). Based on these arguments we can hypothesise that:

- H1: Ambient marketing practices significantly influence consumer purchase intention.
- H2: Ambient marketing practices significantly influence knowledge/recognition of the company/product/brand among the consumers.
- H3: Knowledge/recognition of the company/product/brand significantly influence corporate image.
- H4: Corporate image significantly influence quality perception among the consumers.
- H5: Quality perception significantly related to product/brand relationship with the consumers.
- H6: Product/brand relationship is significantly related to consumer product/brand preference.
- H7: product/brand preference is significantly related to consumer purchase intention.

Fig.1 Conceptual framework



KEY: AMP-AMBIENT MARKETING PRACTICES, KNOW/REC – KNOWLEDGE AND RECOGNITION, COPR IMG – CORPORATE IMAGE, QP – QUALITY PERCEPTION, P/B PRE – PRODUCT/BRAND PREFEREFNCE, P/B REL – PRODUCT/BRAND RELATION, PUR INT – PURCHASE INTENTION

RESEARCH METHODOLOGY

Questionnaire Design and Data Collection

The study employed both primary data and secondary sources to measure the effectiveness of ambient marketing strategies on behavioural intentions of the consumers. Secondary sources have been extracted from reputed marketing journals to establish the understanding of the concepts. Primary data have been collected via questionnaires prepared from valid and reliable measures from the literature. For measuring ambient marketing practices scale items have been used from the paper of Jurca & Madlberger, (2015), brand related measures have been taken from the papers of Keller (1993), Yoo & Donthu (2001) and Buil et al. (2013). For measuring purchase intention behavioural intention scale by Zeithamal (1988) has been used. These measures have been further validated by the experts in the field and through pilot survey of the 100 consumers selected randomly in the Jammu city of J&K state, India. After pretesting and modifying the data, final survey was conducted. Data was collected from the consumers in Jammu city of J&K state in India. The city was highly condensed with approximately above five lakhs urban population with awareness about brands/product/services and new methods of marketing having shopping malls and big retail centers. To collect the final sample size we employed methodology provided by Israel (2009) that accordingly with a large population of above five lakhs, a sample of 400 would be appropriate with 5% error. But we decided to distribute 600 questionnaires as non response or incomplete response was also to be concerned. We firstly divided Jammu city into four zones East, West, North and South and from each zone conveniently we distributed about 150 questionnaires. From 600 questionnaires we got only 547 questionnaires returned back with 90% response rate which has been considered good for primary study (Hair et al., 2010). Out of 547 questionnaires around 33 questionnaires were invalid because of incomplete response or vague response and finally we were left with 513 questionnaires with us for further analysis. The data were then purified with SPSS (17.0) through box plot method. We observed about 13 outliers which were deleted from the data and finally we were left with 500 questionnaires for final analysis. Table 1 shows the demographic characteristics of the respondents. After this we performed (EFA) exploratory factor analysis in SPSS (17.0) to find out the factorial structure and to pool down the large data and (CFA) confirmatory factor analysis to find out the dimensionality, validity and reliability of the merged factorial structure. Hypotheses have been tested using (SEM) structural equation modeling method in AMOS (16.0). Reliability and validity has been checked through average variance explained, composite reliability and alpha values.

RESULTS AND DISCUSSION

EFA and CFA

To determine the factorial construction exploratory factor analysis (EFA) was conducted with principal component analysis with varimax rotation and eigen values > 1 (Hair et al., 2010).

Items having factor loading less than .5 were deleted (Hair et al., 2010) to augment the total validity of the item. Kaiser Meyer-oklin (KMO) test the adequacy of the sample and was above .6 or near to .8 in all cases as satisfactory confines. Table 3 shows the results of the factor analysis. having significant Eigen values (< 1), factor loading ($< .6$) and mean values (near to 4).

For inspecting whether a solitary aspect emerged on entering all the items into an un-rotated EFA which accounts for all the variance CMV was conducted (Podsakoff et al., 2003). In our test four factors were emerged the largest of which accounted for 40% of the variance. These results ensured that common method bias did not exist. Further respondents were assured that there were no right or wrong answers and they can give the answers as per their perceptions. Further the confidentiality and anonymity of the study was also assured (Chang et al., 2010).

Several goodness of fit measures corresponds to these constructs are summarised in Table 4. Examination of these goodness-of-fit measures shows that they are uni-formly good, indicating that the measurement models fit the data well. The minimum discrepancy ($-\chi^2/df$) is less than or equal to 2.0 in all cases (it should be between 0 and 5 for a good fit with lower values indicating a better fit), except brand image it may be because of less items in this constructs. The root mean residual (RMR) values are very low (a value of 0 indicates perfect fit), and the goodness of fit (GFI) and adjusted goodness of fit (AGFI) indexes are both close to 1.0 (a value of 1.0 indicates perfect fit). The standardized regression weights, average variance explained, composite reliability and cronbach alpha values are all statistically significant as shown in the Table 4, that confirmed the reliability and validity of the constructs.

This shows that the latent variables of all the constructs can be reliably operationalised using the dimensions that were specified for each construct and therefore validates the factor structure of the constructs. However, one should be somewhat cautious in placing complete confidence in the factor structures. Although commonly done, some authors do not recommend using the same data for specifying a model and for assessing the fit of the data to the model (Hair et al., 2010). Since all the constructs were measured with self-reported instruments it was also necessary to establish that these were in fact separate constructs and that the instruments were not essentially measuring the same construct. Otherwise, one could hypothesise that any relationship found between these constructs was a function of how they were measured.

Hypothesis Testing and analysis

For testing the hypotheses we prepared path model in AMOS (16.0) (Fig.2). Path model results indicate significant impact of ambient marketing practices on knowledge or recognition of products/brands ($\beta = 0.58$, $p < 0.001$). It implies one unit increase in ambient marketing practices resulted into 58% variance in the consumer knowledge and product recognition. These results confirm our H1 that ambient marketing practices significantly influence consumer knowledge and recognition. Path model results also confirmed our hypothesis (H2) that consumer knowledge and recognition significantly influence corporate image and this impact is found to be positive. Hence consumer knowledge and recognition accounts for 18% positive variance in corporate image. Our results indicate significant positive influence of corporate image in influencing perceived quality ($\beta = 0.20$, $p < 0.001$). Regarding the impact of perceived quality path model 1 shows that perceived quality significantly accounts for 40% ($\beta = 0.40$, $p < 0.001$) variance in establishing consumer relationship with product or brand where this product or brand relationship positively related to consumer brand preference ($\beta = .35$, $p < 0.001$) which in-turn has positive impact on consumer purchase intention ($\beta = 0.26$, $p < 0.001$). Thus, with these results our hypotheses H3 H4 H5 and H6 are confirmed. Path model 1 also shows that ambient marketing practices have significant positive impact on consumer purchase intention ($\beta = 0.23$, $p < 0.001$). This confirmed our hypothesis H7.

CONCLUSION

Present research explored the impact of ambient marketing practices on consumer behavioural intention. The results indicated that ambient marketing practices significantly influence consumer knowledge and association towards the product/brands. Further, this knowledge/association creates positive corporate image in the minds of the consumers which in-turn has significant impact on the perception of quality. This quality perception significantly creates positive relationship between consumers and product/brands and further this relationship generate significant preference among the consumers about the products/ brands. This preference produces intentions to purchase among the consumers. Also the results showed significant positive impact of ambient marketing practices on consumer purchase intentions. Regarding these results it has been suggested that market managers should fully control the influence of ambient marketing practices through tool - ambitious as an interaction media rather than a mere marketing approach to engage the

consumers. Thus in order to generate profitable communication, market managers should shift from schematic marketing driven approach towards context driven and interaction based approach. Through improving the quality of encounters in interactions between consumers and products/ brands lively engagement could be created by the consumers in their gathering spaces. Thus, ambient marketing should be premeditated and shaped not only to astound the consumers by way of creativity but also sensitivity inspirations and marketers must understand the environment in which the consumers can be engaged. Our research are in conjunction with the

Established fact about the communication effectiveness of ambient marketing practices (Dahlen, 2005; Dahlen et al., 2009; Rosengren et al., 2014)

Theoretically the current study contributes to the marketing literature through many ways. Firstly the study extends the theoretical and conceptual knowledge or priorities in the field by empirically establishing the facts about ambient marketing practices on consumer behavioural intentions as most of the studies are conceptual in nature. Secondly it has also been explored that the way of ambient marketing practices towards purchase intentions lies with various other behavioural factors. Thirdly present research further validates the scale of ambient marketing practices in product markets with four dimensions as creativity, unexpectedness, engagement and subtlety which may help the marketers to design and shape their marketing campaigns accordingly.

Present research has also some limitations. The scope of the present research is limited to the manufacturing industry thus, service products/brands should also be studied and validated scale in the field should be developed to better utilize the results by the market managers. Present study only establish the relationship between various behavioural factors and interrelationship among these factors have not been studied which limits the generalisability of the results. As many research studies have investigated these interrelationship and individual impact among the factors. In view of this it may have been a proposed avenue for future research. Also the mediation impact of knowledge, image, perceived quality, product/ brand preference and product/brand relationship between the ambient marketing practices and purchase intention relationship may be another avenue for future research. Lastly, the impact of consumer characteristics may further improve the validity of the present research study.

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