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# Do They Matter? The Impact of Atmospheric on Farmers' Market Consumers' Purchase Intention and Word-of-Mouth

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## **Do They Matter? The Impact of Atmospherics on Farmers' Market Consumers' Purchase Intention and Word-of-Mouth**

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Keywords: Atmospherics, farmers' market, purchase intention, word-of-mouth

### **Research Background**

Across the United States, the number of farmers' markets has increased exponentially from 1,755 in 1994 to 8,662 in 2017 (U.S. Department of Agriculture, 2017). Consumers seek out farmers' markets for the quality food products offered as well as the unique atmosphere and social environment characterizing the markets (Bloom, 2010). While food quality and atmospherics have been identified as important, no empirical research has examined the interplay between these variables including their impact on farmers' market consumers' purchase intention and word-of-mouth. This study fills this gap in the literature by applying Baker, Parasuraman, Grewal, and Voss's (2002) comprehensive store patronage model to the farmers' market channel.

As proposed by Baker, et al. (2002) store environment is a multi-dimensional construct comprised of design, social, and ambient factors. These factors impact store choice criteria which includes consumers' perceptions of merchandise quality. Store choice criteria in turn impacts consumer patronage. Utilizing this framework, two components of store environment - design and social perceptions - are investigated. For this study, the store choice criteria of merchandise quality is conceptualized as food quality. It is hypothesized that design and social perceptions will have positive influences on food quality perceptions (H1 and H2). Food quality perceptions will in turn have positive and significant influences on the endogenous constructs of purchase intention and word-of-mouth (H3 and H4).

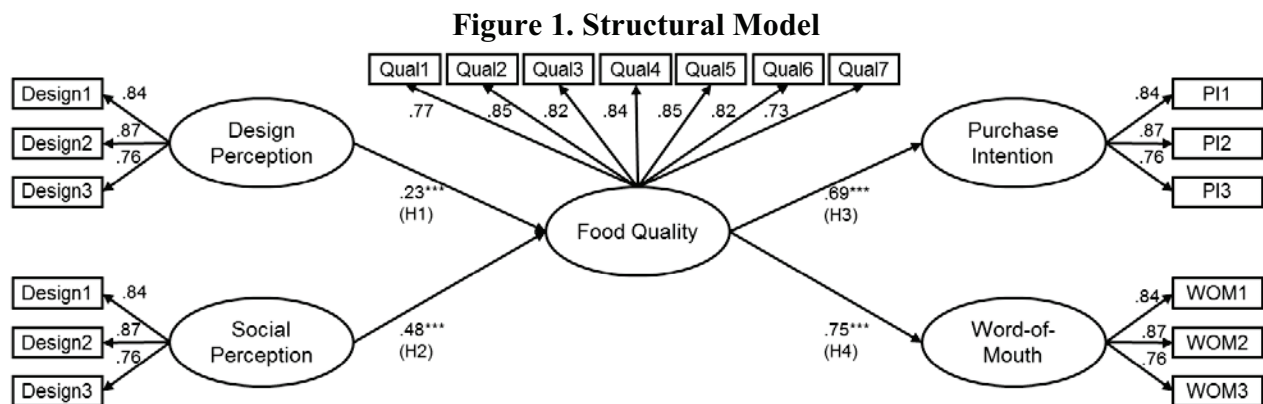
### **Methods and Results**

A web-based, self-administered survey was developed. Scale items developed by Baker, et al. (2002) were utilized to measure design and social perceptions. Consumers' perceptions regarding food quality were measured using scales by Kamenidou, Priporas, Michailidis, & Mamalis (2003). Scales adapted from Vermeir and Verbeke (2008) and Babin, Lee, Kim, and Griffin (2005) were used to measure purchase intention and word-of-mouth respectively.

A national sample of consumers who had purchased local foods at a farmers' market during the preceding 12 months was obtained through an online marketing research company. A total of 485 useable surveys were returned and submitted for data analysis.

Confirmatory factor analysis (CFA) was conducted to test the reliability and validity of the measurement model. The chi-square value for the measurement model was significant for the data set ( $p < .01$ ). The fit indexes indicated satisfactory model fit (GFI = .912, NFI = .941, CFI = .959, and RMSEA = .067). In addition, construct reliability and validity met the recommended minimum standards (all AVEs > .66, all CRs > .86) (Bagozzi & Yi, 1988).

Subsequently, the structural model was estimated to test the hypothesized relationships. The model produced an adequate fit to the data (GFI = .882, NFI = .916, CFI = .934, and RMSEA = .083). All the hypothesized paths were supported ( $p < .001$ ) (see Figure 1).



## Conclusions and Implications

All hypothesized paths were significant. Design and social perceptions impacted consumers' perceptions regarding quality of food products sold at the farmers' markets. Food quality perception, in turn, significantly impacted purchase intention and word-of-mouth. Social perception had a larger influence on food quality perception compared to design perception. Perceptions of food quality had strong impacts on word-of-mouth and purchase intention.

To the best of our knowledge, this research is a first attempt to apply the work of Baker, et al. (2002) from the formal retail environment to the informal environment of farmers' market retailing. This research holds implications for farmers' market vendors and market managers. Given the significant impact of design and social perceptions on consumers' perception of food quality, it is imperative farmers' market vendors give careful consideration to the means by which their products are merchandised. Additionally, attention should be given to creating an environment which fosters increased social interactions. Consumers' intention to purchase and their word-of-mouth communications hinged on their perception of food quality. It is imperative, therefore, that farmers' market vendors continually attend to offering products of highest quality.

**References.** Available upon request.