

VISUAL MERCHANDISING AND CUSTOMER PATRONAGE OF SUPERMARKETS IN PORT HARCOURT

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Abstract

This paper proposes a framework of relationship between visual merchandising and customer patronage of supermarkets. A set of questionnaire was administered to customers of 175 supermarkets in Port Harcourt metropolis. The test statistic for the hypothesized relationship was Pearson product moment correlation coefficient, which reported that the relationships between the three dimensions of visual merchandising and customer patronage were statistically significant at the same level (positive). Management was, therefore, advised to develop an illuminating eye-catching and appealing method of displaying available products in their stores.

Keywords: Visual merchandising, Customer Patronage, Supermarket

Introduction

Retailing is a flourishing industry (Chakrapani, 2015), which has witnessed undoubtedly changes in the past decades (Pradhan, 2009). Supermarket is one of the in-store retailing institutions through which produced goods get to the ultimate consumers (Kalu et al, 2011). As such, supermarkets are being opened in every nook and cranny of major cities in Nigeria, with its attendant benefit of one-stop shopping which many shoppers find advantageous.

In Port Harcourt metropolis, the increasing number of supermarkets is encouraging shoppers to patronize more than one store (Kalu, 2004), thereby putting store loyalty at risk. The tendency of switching supermarkets by shoppers has put supermarkets in direct competition with one another. This competition is depleting the number of shoppers patronizing one supermarket exclusively for all items needed (Kalu, 2004). The competition in the supermarket sub-sector, therefore, calls for the development of appropriate marketing strategy to win customer patronage (Harris & Ogbonna, 2001). One of the strategies being adopted by some supermarkets in attracting customer patronage is visual merchandising.

Visual merchandising is an art of presenting products in a retail store to educate customers and create in them the desire to purchase the products (Davies and Ward, 2005). Due to competition and similarity of products sold, supermarkets use visual merchandising to distinguish themselves, attract customers, increase desire for the product, and ultimately make sales (Agnihotri & Oburai, 2010). It adds to visual excitement by strategically illuminating and locating focal destinations in a supermarket (Amandeep, 2013). Everything customers see in supermarkets arouse their interest and desire (Parker & Donald, 2011). No wonder two-third of the items that the average shopper takes out of the store is brought on "impulse", thereby

making unseen products unsold (Kalu, 2004). Thus, proper display of merchandise is one of the marketing tactics supermarkets can use to attract customers to their stores where they spend time examining and consequently purchase the products (Charles, 2012).

In view of the foregoing, most supermarkets are adopting visual communication using their merchandise as a competitive tool (Lea-Greenwood, 1998). This visual communication leads to direct and closer interaction between the customer and the displayed products. The implication of this interaction on customer patronage of supermarkets is the major focus of this study.

Research Problem

Supermarkets are changing their marketing strategies in response to changing consumer buying habits (Terry, 2009). The force behind the changing consumer buying habits is the stiff competition in the supermarkets sub-sector (Harris & Ogbonna, 2001). The desire to create a distinctive store personality undoubtedly contributed to this competition; and as this competition increases, store loyalty decreases (Kalu, 2004). This intensified competition has made supermarkets to expend a lot of resources (human and material) with the hope of creating unique image for themselves in the minds of their customers, through in-store communication using their merchandise (Lea-Greenwood, 1998), which may influence customer patronage positively. This development prompted the researcher to look into the relationship, or otherwise, between visual merchandising and customer patronage of supermarkets in Port Harcourt.

Theoretical Development

Visual Merchandising

Most supermarkets nowadays are emphasising on elements that excite the senses of shoppers, such as flat screen videos or graphics, music, smells, lighting and flooring. These elements tend to capture customers' attention as they create unique store image and shopping experience (McGoldrick, 2002; Marsh, 2005). The above element which are in-store communication (Lea-Greenwood, 1998), digested by customers through a number of sensory modalities, including visual, aural, olfactory, haptic and taste, affect customers' perception of a store (Davies & Ward, 2005). However, of all the in-store communication, visual stimulation and communication have long been considered the most influential by retailing practitioners and scholars (McGoldrick, 2002). The influentiality of visual stimulation and communication prompted the practice of visual merchandising in supermarkets (Lea-Greenwood, 1998).

Visual merchandising is the visual display and arrangement of merchandising assortments within a store to improve store layout and increase sales and profitability (Amandeep, 2013). Visual merchandising makes it easier for shoppers to locate the stuff they need (Agnihotri & Oburai, 2010). It is used in getting customers attention, interest or desire, which could lead to impulse buying behavior (Amandeep, 2013), as it has been asserted to be a salient salesperson in a shelf (Bell & Termis, 2002). Visual merchandising covers both store's exterior and interior décor used in creating favourable shopping atmosphere and enhancing consumers' perceived image of the store (Law et al, 2010). Scholars (Seock & Eun-lee, 2013; Bell & Ternus, 2002; Nelia *et al*, 2013) assert that visual merchandising is a sales-support entity, which if properly utilized stimulates consumers' purchase intentions when in a store.

Customer Patronage

Customer patronage is a combination of attitude, normative beliefs and motivations that influence purchase behavior (Fishbein & Ajzen, 1975). It is, therefore, a measure of the degree to which a customer makes purchase from a particular firm in relation to competitors (Anwuri & Ogbuji, 2016). In retailing industry, patronage indicates the willingness of a customer to shop in a particular store, spread favourable word-of-mouth on the store and repurchase from the store in the future (Baker *et al*, 2002).

Various dimensions have been used in measuring customer patronage, including repurchase intentions, cannibalization (cross-sell opportunities), customer satisfaction and spread of positive word-of-mouth (Eisingerich & Bell, 2007); store traffic flow (Engle *et al*, 1996); repeat purchase, customer retention and customer referrals (Awah, 2015); repurchase intentions, customer satisfaction and word-of-mouth publicity (Davidow, 2003). However, extant studies suggest that satisfied customers exhibit strong intention to repurchase (Kelley *et al*, 1993; Labarbera and Mazursky, 1983) and to spread positive word-of-mouth about their experiences with others, including potential buyers and loyalists of firms other than the one they purchased from (Awa *et al*, 2011; Bhardwaj, 2007).

Research Framework and Hypotheses

The research framework, shown in figure 1, depicts the proposed relationships and three hypotheses to be tested in subsequent section. The dimensions of visual merchandising used in this study include window display, store layout, and store lighting.

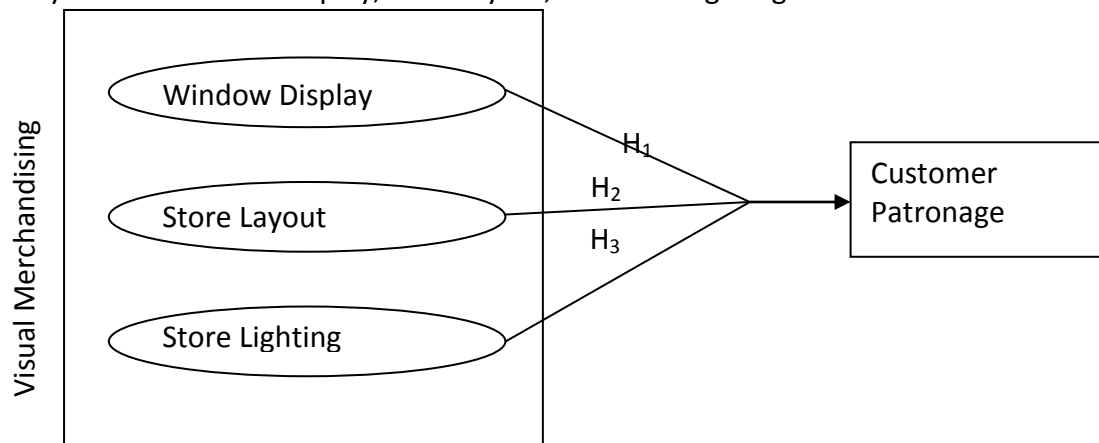


Figure 1: Research Framework

Window Display

Window display is an essential element of visual merchandising (Neha *et al*, 2013). It is a creative way of advertising products in a store (Bakarne, 2008; Neha *et al*, 2013). Window display aims at achieving better image for a store (Cornelius *et al*, 2010), as it is the first contact point with customers (Sen *et al*, 2002). Extant studies (Mehta & Chugan, 2013; Omar, 1999; Lea-Greenwood, 1998) found that window display significantly affects consumers purchase behaviour especially as it may act as a trigger factor to induce consumers to enter a store later on (Block *et al*, 1986).

H₁: Window display significantly influences customer patronage of supermarkets.

Store Layout

Customers do not expect to have difficulties moving in and around a store when shopping (Kalu *et al*, 2011). The ease with which customers move around in a supermarket while shopping depends on the store's layout (Barnez & Lea-Greenwood, 2009). Store layout is, therefore the design of a store's interior for ease of shoppers' movement in a store for maximum access to displayed products (Kalu *et al*, 2011). Dimensions of store layout include shelf arrangement, product placement, check-out counters, interior decoration, traffic flow, department locations, allocation of floor space and allocations within department (Levy *et al*, 1995; Turkey & Milliman, 2000). These dimensions of store layout significantly impact on customer patronage of supermarkets as they offer route in store to make customers have no difficulties in finding their way in a store as well as finding the item(s) they are looking for with ease (Hui *et al*, 2007; Borges, 2003; Wilson, 2007; Bell & Termus, 2002).

H₂: Store Layout Significantly Influences Customer Patronage of Supermarkets

Store Lighting

For centuries, music and lighting had been acknowledged to have great influence on human response (Sweeney & Wyber, 2002). Lighting is illuminating a particular place using specific equipment. Store lighting has become a major issue in today's fast growing retail trend (Zeynep & Nilgun, 2011) as it is not simply illuminating a store (Levy & Weitz, 2007). Store lighting draws attention to products (Bell & Ternus, 2012), affects consumers' emotional states (Park & Farr, 2007) and purchase behavior (Madhavi & Leelarati, 2013). Summers and Hebart (2001) report that products displayed under bright lighting conditions are more often examined and touched than those under dim lighting conditions. Further, studies (Boyce, 2004; Donovan *et al*, 1994; Tiapana, 2009) found that store lighting increases the attractiveness of products, captures customers' attention, and creates a feeling of likeness for the displayed products in the mind of customers.

H₃: Store Lighting Significantly Influences Customer patronage of Supermarkets

Research Methodology

There are 310 registered supermarkets in Port Harcourt metropolis (Vconnect, 2014/2015 edition). For a population of 310, a sample size of 175 is adequate (Sekeran, 2003). Thus, this study was carried out in 175 supermarkets in Port Harcourt. However, simple random sampling technique was adopted in selecting the 175 supermarkets studied as all 310 registered supermarkets were numbered in folded pieces of paper which were consequently poured in a basket from where one was drawn at a time without replacement till the 175th was drawn. The unit of analysis is the customers of the selected supermarkets. For the purpose of this study, the researcher selected two (2) customers from each of the 175 supermarkets selected for study for questionnaire administration. Thus, the sample size of this study is 350. However, those selected for questionnaire administration where customers seen shopping, or leaving after shopping, in the selected supermarkets. This is referred to as convenience sampling (Ezejelue *et al*, 2008). The questionnaire was used in generating data used in testing the hypotheses. Analysis was based on 301 valid copies of the questionnaire, as shown in Table 1.

Table 1: Questionnaire Distribution and Retrieval

Pattern	Number	Percentage
Not retrieved	24	6.9
Retrieved and used	301	86.0
Retrieved but not used	25	7.1
Total	350	100

Analysis and Results

Table 2: Reliability Analysis

Variables	No. of Items	Alpha Value
Visual Merchandising	Window display	4
	Store layout	4
	Store lighting	4
Customer patronage	12	

The measurement scale for the variables in this study was based on a 5-point likert scale ranging from “strongly agree” (5) to “strongly disagree” (1). Reliability statistics indicate that the alpha value of all items exceeded the recommended 0.70 for scale reliability.

Table 3: Descriptive Statistics of Variables

Variable	N	Mean	Std. Deviation
Window display	301	4.2	1.6021
Store layout	301	4.3	1.6101
Store lighting	301	4.2	1.7212
Customer patronage	301	4.3	1.6754

Table 3 indicates a high rate of affirmative response with regards to the respondents’ experiences and observations of the study’s variables. Each of the study’s variables has mean score greater than 3.0.

Table 4: Hypothesis Testing

			Customer Patronage	Window Display	Store Layout	Store Lighting	
Pearson	Customer Patronage	Correlation	1.000	.951**	.855**	.866**	
		Correlation Sig (2-tailed)	-	.000	.000	.000	
	Window Display	Correlation	.951**	1.000	.901**	.920**	
		Correlation Sig (2-tailed)	.000	-	.000	.000	
	Store Layout	Correlation	.853**	.901**	1.000	.935**	
		Correlation Sig (2-tailed)	.000	.000	-	.000	
	Store Lighting	Correlation	.866**	.920**	.935**	1.000	
		Correlation Sig (2-tailed)	.000	.000	.000	-	
			N	301	301	301	301

N

** $p \leq 0.05$

Table 4 shows the results of the test of hypothetical statements of significant influences of window display and customer patronage ($r = 0.951$; $p < 0.05$); store layout and customer patronage ($r = 0.855$; $p < 0.05$); and store lighting and customer patronage ($r = 0.866$; $p < 0.05$). The results indicate significant levels of correlation in all three instances. Thus, hypotheses 1, 2 and 3 are accepted.

Discussion of Findings

The test of hypotheses (see Table 4) revealed significant associations between all three dimensions of the predictor variable (visual merchandising) – window display, store layout and store lighting and the criterion variable (customer patronage). All the hypothesised relationships were supported at $p < 0.05$ with varying statistical coefficients.

Window display has positive and significant interaction with customer patronage ($r = 0.935$, $p < 0.05$), indicating that window display influences customer patronage of supermarkets. This study finds window display to be the most influential of all the dimensions of visual merchandising used in this study (its coefficient value greater than others). This finding is in line with the findings of extant studies (e.g. Sen *et al*, 2002; Cornelius *et al*, 2010) that window displays influence store patronage and purchase decision.

The interaction between store layout and customer patronage was significant and positive ($r = 0.855$, $p < 0.05$). This suggests accepting H_2 , because customers prefer stores where they can easily move around and have maximum access to displayed products. Previous studies (e.g. Michon *et al*, 2008; Wagner, 2007; Griffit, 2005) support this finding when they report that store layout is critical determinant factor for customer repeat purchases.

At p -value of $0.00 < 0.05$, the interaction between store lighting and customer patronage with respect to test of H_3 was positive and statistically significant ($r = 0.866$). This finding suggests acceptance of H_3 that store lighting influences customer patronage of supermarkets, and is consistent with the findings of extant studies (e.g. Levy & Weitz, 2007; Sweeney & Wyber, 2002; Broekemier *et al*, 2008) that found that adequate and appropriate store lighting impacts positively on customer patronage.

Conclusion and Implication

The purpose of this study is to establish the relationship, or otherwise, between visual merchandising and customer patronage of supermarkets in Port Harcourt metropolis. Drawing from extant retail management literature to develop its framework, the study investigated the effect of three different dimensions of visual merchandising on customer patronage of supermarkets. The predictor variables (window display, store layout, and store lighting) exhibited the same statistical interactions and direction (positive and significant relationships) with customer patronage. However, window display was the most influential among the three predictor variables, followed by store lighting, and store layout in that order. These conclusions have theoretical and practical implications.

This study attempts to extend the theoretical base of retail management by proposing a framework of the relationship between visual merchandising and customer patronage of supermarkets. The basic ground of this paper was building into the framework three constructs

whose reliability and validity were confirmed through statistical coefficients. Proper application of the framework could be a means of competitive advantage to remain strategic amidst stiff competition in retailing industry in general and supermarkets in particular.

From practical perspectives, the three dimensions of visual merchandising should be given adequate attention, and not to be left to chance, if improved customer patronage is desired. Specifically, management of supermarkets is advised to develop an eye-catching and appealing method of displaying available products in their stores, with proper illumination and spaces among shelves for easy movement in the store. Further, no matter how easy management thought that getting to displayed merchandise is, customers who desire to be assisted should not be left to their own fate. Therefore, contact staff are required to be proficient in showing courtesy, empathy, respect, politeness and concern in dealing with customers. This, indeed, requires training and retraining of the contact staff.

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