

STORE LAYOUT CONSIDERATION AND CUSTOMERS REPEAT PURCHASE IN HYPER MARKETS IN PORT HARCOURT

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ABSTRACT

This study determined the relationship between store layout and customers repeat purchase in hypermarkets in Port Harcourt. The study adopted cross-sectional approach since the study time frame is short on a population of three (3) registered hypermarkets in Port Harcourt. They are: Spar at Port Harcourt Mall, Azikiwe Road, Nest Cash and Carry, Trans-Amadi Road and ShopRite, Rumuomasi Road, Port Harcourt and also constituted the sample size of the study. A structured questionnaire was used in generating data which was analyzed via descriptive and inferential statistics. The study employed Pearson's Product Moment Correlation (PPMC) as a suitable analytical tool with the aid of Statistical Package for Social Science (SPSS) version 22. The findings shows that store layout has significant relationship with customer repeat purchase. The study recommended that operators of hypermarkets should ensure effective technological inclusions in the business environment to ensure effectiveness in the business place.

Keywords: Store Layout, Customer Repeat Purchase, Hyper Market

INTRODUCTION

Store layouts can facilitate the efficient flow of shoppers and decreases the feeling of crowding as well as eliminating the psychological costs of negative feelings and diminishes price patronages (Aylott & Mitchell, 1999; Titus & Everett, 1995).

Kotler and Kelvin (2006) was among the earliest researchers to acknowledge the importance of physical evidence on consumer decision. Duong (2016) stated that physical evidence comprises of four factors, namely, layout, lighting, temperature control, décor and background music. Similarly Berman and Evans (2010) opined that business physical evidence consists of four elements, which are exterior layout, store layout, interior design and general interior. Physical evidence forms the first impression of the store and influences consumers' patronage towards a store, and that it also impacts the store image and consumer's expectations of the business er's offerings. (OH, *et al.*, 2008). Physical evidence is an important strategy used by hypermarkets operators to gain a competitive edge over their rivals, especially in the business environment (Watt 2015, Cheron, 2016).

A customer is a particular one, who makes a conscious decision to purchase goods or services from a particular shop/service outlet repeatedly or consistently (Mojekeh, 2011). Adiele, et al (2015), describes customer patronage as a person or thing that eats or uses something or a person who buys goods and services for personal consumption or use. Seock (2009), described patronage -as the repeat purchase behaviour at a particular store for either the same products or any other products. Hypermarkets means premises where customers order, pay for and collect goods from a counter service (Bitner 1992; in Adiele, 2015)

The following null hypotheses controlled the study at 0.05 level of significant.

Ho₁: There is no significant relationship between store layout and repeat purchase of hypermarkets in Port Harcourt.

Store Layout

Store layout refers to where both the merchandise and other structures and facilities are physically located with the effect of creating a particular pattern of customer traffic (Miller, 2008). Levy and

Weitz (2009) stated that store layouts are created to guide customers through the store and help them in locating and finding information about products.

Dunne, *et. al.*, (2011) emphasized that layout in the retail store industry consists of three principles: circulation, coordination, and convenience. The authors stated that the principle of circulation provides for arrangements that facilitate the control of traffic flow through the store; coordination refers to the arrangement of merchandise in such places to help in promoting sales, creating goodwill, and furnishing subject matter for publicity; and convenience is arranging items to furnish a high degree of convenience to the customers and personnel. It has been established that a good store layout can make shopping more fun and more enjoyable by decreasing the stress and evoking a positive effect (Yoo, *et.al.*, 1998; Baker *et al*, 2002). In the same way, a good layout can make store merchandise more impressive, giving the impression that more products are designed than actually exist (Morales *et.al.* 2005).

In addition, Ebester and Garau, (2015) identified different types of layout such as, forced-path layout, counter store layout, grid layout, race track layout, free form layout, as well as mixed layout. Dhotre (2010) supported the viewed above, but added loop layout and spanned layout. The authors emphasized that loop layout improves the stores productivity, allows retailers to design as many products as possible and encourages impulse buying behaviour (Dhove, 2010). He further stated that spine layout allows retailers to design products at both sides of the aisle in various forms and patterns. Hence the traffic flow is arranged in the store as a straight line running from the entrance to the back.

Repeat Purchase:

In the context of marketing, patronage is an exchange process where one receives a service or goods in exchange for money or other considerations. Customer patronage is therefore, the purchase of goods and service from a vendor by a customer or a business. The customer purchases and expects to derive benefits or satisfaction from the goods or services as consideration for the exchange for money paid.

According to Caudill and Murphy (2000) customer expectations of satisfaction leads to an increase in tendencies to purchasing a particular brand. They reiterated that firms that provide high quality products' and services on a regular basis will have more satisfied -customers and these customers will likely re-patronize -the service and products next time.-when indicating that comparatively, firms that offer service of superior quality is bound to get their customers satisfied as well as get higher economic returns more than their competitors. Oftentimes managers use customer satisfaction to forecast brand loyalty that ultimately lead to repurchase. On this basis it is expected that customers of hypermarkets will opt for the sources that meet their quality and value expectations, over those that do not (Stevens, et al 1995). Thus, a customer's loyalty is founded not only on firm's remarkable product offering but may also be influenced by other factors such as hypermarkets image.

Repeat purchase can be described as the placing of order after order by a consumer from the same organization, it can also be seen as the buying of a product or services by a consumer of the same brand. Repeat purchase customers are customers who are satisfied emotionally, intellectually, physically by an organization offering which could be in form of a product which exceeds their expectations. Repeat purchase in another context could be referred to as re-patronage intentions, according to Wirtz and Lwin (2009) it is the willingness of an individual-to re- patronize a services or organization in a relationship built on trust, commitment is engendered and then becomes, a major predictor of future purchases. Customers regularly visit a particular firm based on their patronage of trust-that is, they believe that the company has their best interest at heart when providing a service (Caudill & Mulphy 2000); A repeat purchase is often a measure of loyalty to a brand by consumers, higher repeat purchase value means a well retained, satisfied customer, also higher repeat purchase value drives higher customer value, which means a better top line in the loyalty ladder. Higher repeat purchase value can mean higher profitability as it does not include new customer acquisition costs; organizations can take some actions to ensure repeat purchase of either

their products or services by listening to customer comments, suggestion, feedback, complaints, about the product or services they are offering, by also providing value adding services to the customer experience. Repeat purchase is the prime goal a company can set for its products since it is consumer reference to purchase a given brand in a product category. Customer repeat purchase is a good indicator of a long term business sustainability and profitability of an organization; this is because it points to customer satisfaction and retention.

Research Design

Research design guides the execution of a research study and provides guidance for analysis of the subsequent data (Brymen & Bell, 2011). The study adopted cross-sectional approach since the study time frame is short. Cross-sectional approach means collection of data at one single time and draw conclusions of the snap shop (Aaker et al, 2010).

Population of the Study

Ahiauju (2006) defines population as the entire individuals, persons, group of persons, organizations or things of interest the researcher wishes to investigate. Therefore, the population of this study was three (3) registered hypermarkets in Port Harcourt. They are: Spar at Port Harcourt Mall, Azikiwe Road, Nest Cash and Carry, Trans-Amadi Road and ShopRite, Rumuomasi Road, Port Harcourt. As obtained from the traffic flow device of each of the hypermarkets revealed that over 500 shoppers were recorded on daily bases. Therefore 500 active customers was randomly selected from each of the hypermarkets making a total target population one thousand five hundred (1500).

Sample Size and Sampling Techniques

The sample size of this study was 3 registered hypermarkets in Port Harcourt; Spar, Next Cash and Carry, and ShopRite. This is because the population size is small enough to be used for the study. From each of the three (3) hypermarkets, respondents were randomly or purposively selected, thus giving a total of 260 respondents who were issued questionnaire.

Sources of Data

When it comes to data collection there are two different types of data: primary data and secondary data. Primary data is data that is collected for a specific purpose. Secondary data, are data sourced from journals, books, published articles, unpublished articles and firm's documentaries. In this study primary data was sourced for since it provides up to date information and reduces the risk of results being out of date (Bryman & Bell, 2011). In addition secondary data was employed through literature review. The materials gathered was reviewed to obtain information about physical evidence considerations and customers' patronage of hypermarkets in Port Harcourt, Rivers State,.

Instrument for Data Collection

Instrumentation is the process of creating the instrument. In research, the term instrument means any device that a researcher uses to collect information with regards to conducting a study. Example of instrument include questionnaire and interview schedule. Collection of primary data specific to a study require constructing a research instrument. This study made use of questionnaire in generating data.

Questionnaire Design

The researcher made use of structured questionnaire in gathering data for the study. The questionnaire was structured in multiple choice format. It was divided into four sections: Section A was questions on the demographic profile of the respondents. Section B contained questions relating to physical evidence considerations (PEC) while section C contained questions relating to customers' patronage (CP), and section D was concerned with technological inclusions in the study. The questionnaire was graded into five point Likert rating scale format of strongly disagree = 1; disagree

= 2; neutral = 3; agree = 4; strongly agree = 5. Questions in the instruments were in conformity with the guidelines for the application of the computer-based Statistical Package for Social Sciences (SPSS). Information in section A included questions on respondent's demographic profile which was measured on nominal scale while information in sections B, C and D were measured on ordinal scale.

Validity/Reliability of Instrument

The validity explain how well the collected data covers the actual area of investigation (Ghauri & Gronhaug, 2005). This validity of the scales that was used in this study was content, face and construct validity. The survey instrument was subjected to both face content and construct validity also the instrument was adopted by the research supervisor and research experts for scrutiny. Content validity defines the degree to which items in an instrument reflect the content to which the instrument was generalized (Straub, *et al.*, 2004). Construct validity is the extent to which an instrument actually measures what it intends to measure.

Reliability of Research Instrument

The reliability measure for this study was carried out to ascertain if the scale or test is reliable, if repeat measurement made by it under normal circumstances gave the same results (Moser & Kalton, 1989). To measure the study reliability therefore, internal consistency was carried out on the instrument through Cronbach's Alpha techniques to logically establish the result of the instrument relating the constructs variables which should not be below the threshold of 0.7 as recommended by Hinton et al (2004). Reliability test revealed that the instrument adopted in the measurement of the dimensions and measures of the variables were all consistent and as such could be considered as replicable.

Method of Data Analysis

The major aim of using data analysis techniques is to understand and interpret information collected (Zikmund, *et al.*, 2010). This study employed both descriptive and inferential statistics to analyze the data that was generated. This study used Pearson's Product Moment Correlation (PPMC) as a suitable analytical tool with the aid of Statistical Package for Social Science (SPSS) version 22.

Results

H₀₁: There was no significant relationship between store layout and repeat purchase of hypermarkets in Port Harcourt

Table Store Layout and Repeat purchase

Correlations

Variables		Store Layout	Repeat purchase (CE)
Store Layout	Pearson Correlation	1	.407**
	Sig. (2-tailed)		.000
	N	176	176
Repeat purchase (CE)	Pearson Correlation	.407**	1
	Sig. (2-tailed)	.000	
	N	176	176

** . Correlation is significant at the 0.000 level (2-tailed).

Source: Survey data, 2022

The result in table above shows that store layout correlates with repeat purchase ($r = 0.407$, $p < 0.001$). This shows a high correlation indicating a normal relationship. The relationship that exists between store layout and repeat purchase is shown to be significant at 0.000 level of significance.

Discussion of Findings

Null hypotheses one (H_{01}) examined the extent store layout influenced repeat purchase. The result of the test of hypothesis one indicates that store layout correlates with repeat purchase ($r = 0.407$, $p = 0.000$). This showed a high correlation of a normal relationship. The relationship that exists between store layout and repeat purchase is revealed to be significant at 0.00, significance level. These findings are consistent with the theories of Kumar and Kim (2014), who stated that if a customer belief depict that a store has good items of merchandise, it will affect the repeat purchase towards the merchandise and also if the customer believes that a store has an appropriate store layout, then it will affect the repeat purchase towards the store.

CONCLUSIONS

The study concluded that store layout has significant relationship with repeat purchase in Hyper markets in Port Harcourt.

Based on the implications of the study outcomes, the following recommendations are made:

RECOMMENDATIONS

Based on the implications of the study outcomes, the following recommendations are made:

- 1) Hypermarkets operators in Port Harcourt, Rivers State Rivers State should improve their business environment with innovative facilities. So as to influence customers' patronage.
- 2) Managers of hypermarkets should ensure effective interior design, décor, color, signage and proper merchandising. In the same vein, the operators of hypermarkets should ensure effective lighting and background music on the hypermarkets floor for memorable shopping experience. There should be friendliness among employees and those that patronize them.

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