

EXTERIOR DISPLAY AND CUSTOMERS' PERCEPTION OF HYPERMARKETS IN THE SOUTH-SOUTH, NIGERIA

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ABSTRACT

The study aimed at ascertaining the relationship between Exterior Display and Customers' Perception. The geographical scope of the study is South-South Nigeria, with customers as unit of analysis. The population of this study comprised of all customers from four (4) hypermarkets in South-South states of Nigeria, which are: SPAR (Port Harcourt), SPAR (Calabar), Shoprite (Asaba) and Next Cash and Carry (Port Harcourt). Purposive sampling technique was used to select three hundred fifty two (352) respondents from the population of the study. This was achieved using Krejcie and Morgan's sample size determination table (1970). Pearson product moment correlation coefficient (PPMCC) was used to analyze the multivariate statistics. The concluded that there is significant relationship between exterior display and customers' perception measures. Based on the findings of the study the following recommendations were made: Hypermarket operators in south-south Nigeria should improve their business environment with innovative facilities. So as to influence customers' perception. Operators of hypermarkets should ensure proper exterior displays such as landscaping, window displays, store entrance and aesthetic design of the environment such that it will be appealing to the customers that will enhance patronage by ways of positive perception.

Keywords: *Exterior, Display, Affective Evaluation, Cognitive Evaluation, Customer Response, Customers Perception*

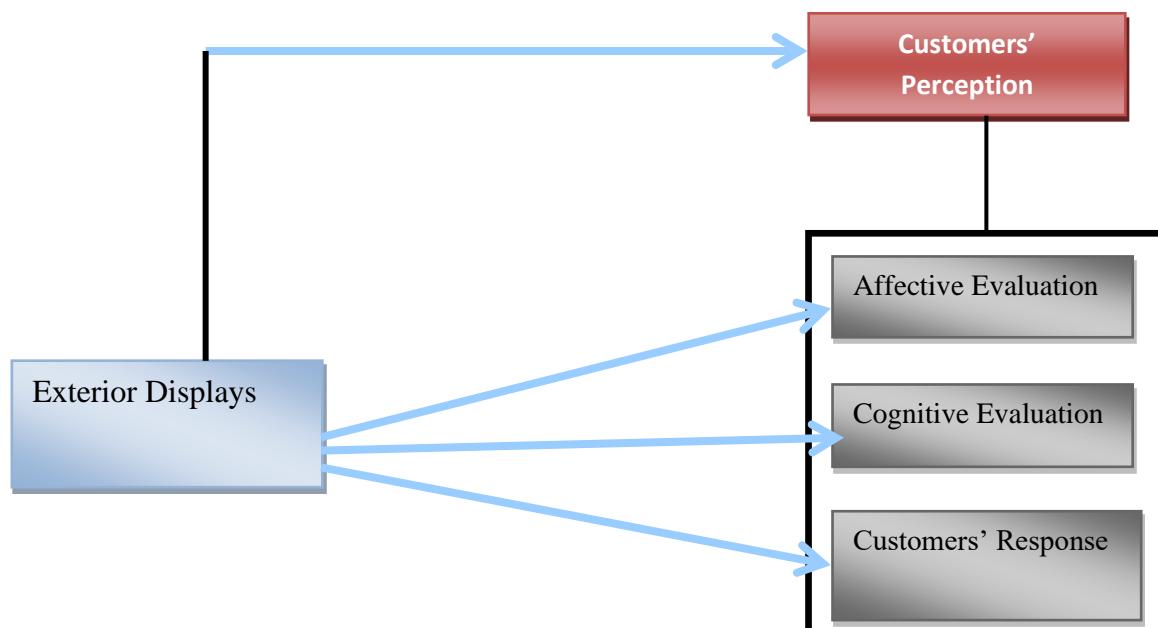
INTRODUCTION

The word retail in its simplest form refers to the selling of merchandise and certain services directly to the final consumers in the right quantity at the right price, time and at the right place for the purpose of satisfying their personal needs and wants. To retail therefore means to sell individual units or small lots to large numbers of customers by a business set up for a specific purpose. Retail thus is a business activity that sells goods to end users and not for the purpose of resale but for the purpose of purchasing for personal consumption (Barbar, 2019). Similarly, Ezirim (2006) viewed retail as institutions that deal with selling goods and services directly to the ultimate consumers through in-store and non-store operators. In the view of Harper (2018), the word retail came from the old French word "**tailler**", which means "to cut off, chip, pare, divide" in terms of tailoring in 1365. It was first recorded as a noun with the meaning of a "**sale in small quantities**" in 1433. As in the French, the word, **retail**, in both Dutch and German also refers to the sale of small quantities of items. Retailing therefore, refers to the activity of reselling.

In the modern society today the retail industry has become more diversified and dynamic. In such an environment, it is not surprising that there is an increasing demand for skills and education (Ihtiyar, *et al.*, 2014; Kumar & Kim 2014; Ogden 2005). It was emphasized by the scholars that the retail industry has become increasingly global in scope through the integration of technology, economic, and demographic changes and innovations. Presently the retail industry is orienting by imbibing the globalization trends leading to so many changes. One important key to success in this era is innovation, (Sangeeta & Chitra, 2011). They further stated that, customers shopping experience for shopping in a particular retail store, which is the major aspect for the store success is influenced by innovation. This is done to enhance customers' satisfaction by adding value to their shopping experience. Cherono (2017) viewed hypermarket ambience as the character and

atmospheric environment that is designed to set and appeal to shoppers' mood for a shopping experience to take place. Store ambience is an important variable that enhances customers shopping experience. This is because, in general a conducive shopping environment is a delight to many customers, thus store ambience to the business environment is designed to stimulate customers' perception and emotion that influences their buying behaviour (Gowrishankkar, 2017). Store ambience is the retail environment created outside and within the store with visual and non visual features that communicate to arouse customers feeling towards the store (Pradeep, 2019). The scholar further stated that, if customers are exposed to stimuli in a positive way, it will influence their perception and preferences towards the store. Pradeep (2019) opined that, one of the major elements that distinguish modern retail stores such as hypermarkets from other retail formats is the store ambience. The difference is the experience that is created through store ambience innovations such as, exterior displays, interior displays, store layout and technological inclusions and social factors, etc. Scholars have shown that one important way to develop physical or store-based retailing is to make full use of the ambience innovations such as exterior, interior, store layout and social factors that have a strong influence on customers' perception (Baker, *et al.*, 2002; Liao, *et al.*, 2012; Seok 2009). Seok (2009) further stated that store ambience innovations impacts not only impulse buying but also patronage (Mohan, *et al.*, 2013). Liao, *et al.*, (2012) conducted a study on retail store ambience. Their findings and results revealed that consumers' potential profit and perceived value were influenced by store environment cues. Other scholars equally reported that store ambience significantly influenced sales and customer satisfaction, thereby, helping stores' growth and development (Demirgunes, 2014; Turley & Milliman 2000). Ragi and Zainal (2016) posited that perception is a wide imagination that people perceive in their mind and evaluate to be meaningful. Amit (2010) opined that perception is the way information is retrieved and ranked. He further stated that perception is influenced by the state of exposure and interpretation of an individual. Similarly, Lawrence and Henry (2017) stated that customers create an image of a product or store in line with the value placed on that store. They further stated that the value placed, could be low price or a shopping experience witnessed by a customer of a particular retail store. Thus, customers' perception has been viewed as the first impression a customer gets when coming in contact with a product or retail environment (Amin, *et.al.*, 2014).

Operational Conceptual Framework



Research Hypotheses

The following null hypotheses were formulated for testing:

H₀₁: There is no significant relationship between exterior displays and affective evaluation of hypermarkets in South-South, Nigeria.

H₀₂: There is no significant relationship between exterior displays and cognitive evaluation of hypermarkets in South-South, Nigeria.

H₀₃: There is no significant relationship between exterior displays and customers' response to hypermarkets in South-South, Nigeria.

Exterior Displays and Affective Evaluation

The opinion of scholars on exterior displays shows that the surroundings of business environment should give the first impression to the customer (Dhotre, 2010). Sangvikar *et al* (2012) observed that retailers normally give customers a special shopping experience that begins with the store exterior environment. The retail store usually experience higher pleasure and arousal and consequently increased purchase intentions. However, Hu and Jasper (2006) gave a holistic definition of store appearance as the total impression a store makes on the minds of its customers. But even when emotion plays out through effective evaluation evoked by the environment, the merchandising might be different from what the outside represent.

Exterior Displays and Cognitive Evaluation

Exterior displays represent everything a customer sees outside the interior. This could be parking space, or garage, landscaping, entry and window displays. These attributes give potential customers first information about the hypermarket. Similarly, Feng *et al* (2008) observed that exterior environmental factors account for the highest level of satisfaction among all other atmospheric factors. These factors include among others, the store appearance, characteristics of the building, store front, entrance, display windows, the surrounding area, and parking space (Berman & Evans, 2005). Turley and Milliman (2000) posited that store exterior includes exterior signs, exterior display, windows, entrances, height of building, size of building, colour of building, surrounding stores, lawns and gardens, address and location, architectural design, availability of parking space and exterior walls. Cognitive evaluation, is termed to be associated with consumer perception process, which originates from information-processing and inference theory (Bettman, 1979). In most items exterior display does not translate into interior benefits even if a customer is attracted to a super market based on exterior attractiveness drawing from the consumer perception process. The consumer might be surprised of the quality of products in the store which might not translate into the earlier perception.

Exterior Displays and Customers' response

Gibbs (2011) opined that a store window is useful for selling merchandise, promoting an idea or marketing the store. He also observed that window display strategy is designed to disseminate different kinds of messages to customers, to show seasonal trends or looks, to show how to use, wear specific merchandise to achieve a particular taste or look, and show what the store has available at various price lines. Customers' response therefore is associated with a psychological reaction such as attitudes and behavioural reactions of consumers towards a particular retail store ambience (Bagozzi, 1986). Retail atmosphere has been found to influence customer behavioural intention, which is composed of different dimensions such as number of items purchased, amount of money spent in the store, and whether the shopper likes the store or not (Sherman & Smith, 1986). This means that much of the research in the area of store ambience has focused more on consumer response to store exteriors (Mari & Poggesi, 2013; Milliman & Turley, 2000; Spence, *et al.*, 2014). However, exterior store atmosphere comprises such elements as store signage, entry ways, display windows, architectural features, landscaping, packing spaces and greeters (Arnold, 2000; Ottelbring, *et al.*, 2013).

The Wheel of Retailing Theory

The wheel of retailing theory was propounded by Malcolm P. McNail in 1958. Brown (1988) opined that the purpose of the wheel of retailing theory was to suggest a cyclical pattern for retail business development. To achieve a shift up market through investments in store environments and by selecting bigger and better locations through the diverse scrambling of their products and service provisions. He noted that the wheel of retailing consists of three distinct phases, that is, entry, trading –up and vulnerability. Brown (1988) stated that each distinct phase is characterized by distinct management activities and priorities. Hollander (1960) acknowledged that department-store merchants, who originally emerged as strong low-price competitors to specialized retailers themselves became vulnerable to discount houses and supermarkets competition. McGoldrick (2002) emphasized that personal preferences and tastes of retail owners/senior management may result in the creation of store environments and adding services which are in reality beyond the financial capabilities and interests of the less affluent customers. This theory served as an explanatory theory in this study.

METHODOLOGY

Research Design

The research employed survey research design. Survey research design is a non-experimental survey design involving a single observation of the sample population with the observations descriptively represented.

Population of the Study

The population of this study comprised of all customers from four (4) hypermarkets in South-South states of Nigeria, which are: SPAR (Port Harcourt), SPAR (Calabar), Shoprite (Asaba) and Next Cash and Carry (Port Harcourt). Information obtained from the traffic flow device of each of the hypermarkets outlets revealed that over 1000 shoppers were recorded on daily bases. Therefore 1000 active customers were randomly selected from each of the hypermarket making a total target population four thousand (4000).

List of Hypermarkets in South-South Nigeria

S/N	Name of hypermarkets	Rives State (PH)	Cross River (Calabar)	Delta State (Asaba)	Total
1.	Spar	1000			1000
2.	Spar		1000		1000
3.	Next cash and carry	1000			1000
4.	Shoprite			1000	1000
	Total	2000	1000	1000	4000

Source: Research Desk information from traffic flow device of various hypermarkets used for the study, 2019

Sample Size and Sampling Techniques

The sampling technique used in this study was purposive sampling, since the study was customer-based. Therefore, to determine the sample size of the study Krejcie and Morgan's sample size determination table was applied. Therefore, the sample size of the study was denoted by S=352. The Krejcie and Morgan's sample size calculation was based on P=0.05, where the probability of committing type 1 error is less than (<) 5% or P < 0.05. As shown in Appendix III.

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.

Method of Data Analysis

This study employed both descriptive and inferential statistics to analyze the data that were generated. This study used Pearson's Product Moment Correlation (PPMC) as a suitable analytical tool.

Test of Research Hypotheses

H₀₁: There was no significant relationship between exterior displays and affective evaluation of hypermarkets in the study area.

Exterior Displays and Affective Evaluation

Correlations

Variables		Exterior Displays	Affective Evaluation (AE)
Exterior Displays	Pearson Correlation	1	.886**
	Sig. (2-tailed)		.000
	N	341	341
Affective Evaluation (AE)	Pearson Correlation	.886**	1
	Sig. (2-tailed)	.000	
	N	341	341

**. Correlation is significant at the 0.01 level (2-tailed).

Source: Survey data, 2019

The outcome in the table shows that exterior displays correlates with affective evaluation ($r = 0.886$, $p < 0.001$). This signifies a very high correlation indicating a normal relationship. The relationship that exists between exterior displays and affective evaluation is shown to be significant at 0.01 level of significance.

Since an r value that is less than 0.20 ($r < 0.20$) is the yardstick for accepting the null hypotheses and an r value that is greater than or equal to 0.20 ($r \geq 0.20$) is the yardstick for rejecting the null hypotheses, based on these guidelines for accepting or rejecting the null hypothesis as stipulated by Irving (2005) cited in Ahiazu and Asawo (2016), the researcher rejected the null hypothesis and accepted the alternative hypothesis. This was as, the r value obtained from our SPSS computed output was higher than 0.20 i.e. $r = 0.886$ is higher than 0.20. Hence, there is a significant relationship between exterior displays and affective evaluation of hypermarkets in south-south region of Nigeria.

H₀₂: There was no significant relationship between exterior displays and cognitive evaluation of hypermarkets

Exterior Displays and Cognitive Evaluation

Correlations

Variables		Exterior Displays	Cognitive Evaluation (CE)
Exterior Displays	Pearson Correlation	1	.752**
	Sig. (2-tailed)		.000
	N	341	341
Cognitive Evaluation (CE)	Pearson Correlation	.752**	1
	Sig. (2-tailed)	.000	
	N	341	341

**. Correlation is significant at the 0.01 level (2-tailed).

Source: Survey data, 2019

The result in the table shows that exterior displays correlates with cognitive evaluation ($r = 0.752$, $p < 0.001$). This signifies a very high correlation indicating a normal relationship. The

relationship that exists between external displays and cognitive evaluation is shown to be significant at 0.01 level of significance.

Since an r value that is less than 0.20 ($r < 0.20$) is the yardstick for accepting the null hypotheses and an r value that is greater than or equal to 0.20 ($r \geq 0.20$) is the yardstick for rejecting the null hypotheses, based on this guidelines for accepting or rejecting the null hypothesis according to Irving (2005) cited in Ahiazu and Asawo (2016), the researcher rejected the null hypothesis and accepted the alternative hypothesis. This was as, the r value obtained from SPSS computed output was higher than 0.20 i.e. $r = 0.752$ is higher than 0.20. Hence, there is a significant relationship between exterior displays and cognitive evaluation of hypermarkets in south-south region of Nigeria.

H₀₃: There was no significant relationship between exterior displays and customers' response in the study area.

Exterior Displays and Customers' response

Correlations

Variables		Exterior Displays	Customers' response
Exterior Displays	Pearson Correlation	1	.502**
	Sig. (2-tailed)		.000
	N	341	341
Customers' response	Pearson Correlation	.502**	1
	Sig. (2-tailed)	.000	
	N	341	341

**. Correlation is significant at the 0.01 level (2-tailed).

Source: Survey data, 2019

The outcome in table 4.22 shows that exterior displays correlates with customers' response ($r = 0.502$, $p < 0.001$). This signifies a very high correlation indicating a normal relationship. The relationship that exists between exterior displays and customers' response is shown to be significant at 0.01 level of significance.

Since an r value that is less than 0.20 ($r < 0.20$) is the yardstick for accepting the null hypotheses and an r value that is greater than or equal to 0.20 ($r \geq 0.20$) is the yardstick for rejecting the null hypotheses, based on this guidelines for accepting or rejecting the null hypothesis as enshrined by Irving (2005) cited in Ahiazu and Asawo (2016), the researcher rejected the null hypothesis and accepted the alternative hypothesis. This was as, the r value obtained from our SPSS computed output was higher than 0.20 i.e. $r = 0.502$ is higher than 0.20. Hence, there is a significant relationship between exterior displays and customers response of hypermarkets in south-south region of Nigeria.

Discussion of Findings

There is a positive relationship between exterior displays and affective evaluation of hypermarkets in south-south, Nigeria.

Null hypothesis one (H_{01}) was formulated to examine the relationship between exterior displays and affective evaluation. Exterior displays were tested against affective evaluation of hypermarkets in South-South, Nigeria using the Pearson Moment Correlation Coefficient analytical tool. The result revealed that exterior displays correlate with affective evaluation, where $r = 0.886$, $p = 0.01$. This signifies a very high correlation among the two variables.

The relationship that exists between exterior displays and affective evaluation therefore significant at 0.01, level of significance. The findings are consistent with Feng et al (2008) which observed that exterior displays account for the highest level of satisfaction among all other

ambience factors. Gibbs (2011) posits that exterior displays should carry the factors that will depict the store image, since it is the first expression a customer sees when going into the store. Null hypothesis two (H_0_2) was constructed to examine the relationship that exists between exterior displays and cognitive evaluation. The results indicate that there is a positive significant relationship between exterior displays and cognitive evaluation ($r = 0.752$, $p = 0.01$). This signifies a very high correlation between the two variables. The relationship that exists between exterior displays and cognitive evaluation is therefore shown to be significant at 0.01.

Null hypothesis three (H_0_3) showed that there is no relationship between exterior displays and customer response of hypermarkets in South-South, Nigeria. The findings revealed that the r values are less than 0.20 ($r = 0.20$) since the yardstick of accepting the null hypotheses is rejected, when r value is greater than or equal to 0.20 ($r = 0.20$) it means that the hypotheses is rejected. The result revealed that exterior displays correlates with customers' response ($r = 0.502$, $p = 0.01$). This signifies a very strong relationship that exists between exterior displays and customers' response shown to be 0.01 which is significant levels. The findings are in line with Bagozzi (1986) who stated that customers' response is associated with a psychological reaction, such as attitude and behavioural pattern towards a particular retail store ambience.

CONCLUSIONS

The findings of the study were based on the results from the quantitative analyses of the data which was in line with the aim of the study. The major conclusion was derived from how operators of hypermarkets of the retail industry and other relevant stakeholders perceived exterior display innovation and its relationship with customers' perception.:.

RECOMMENDATIONS

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

- 1) Hypermarket operators in south-south Nigeria should improve their business environment with innovative facilities. So as to influence customers' perception.
- 2) Operators of hypermarkets should ensure proper exterior displays such as landscaping, window displays, store entrance and aesthetic design of the environment such that it will be appealing to the customers that will enhance patronage by ways of positive perception.

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