

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

Kalio Imeerani Aseminachin and Songo Lawson  
Department of Marketing, Faculty of Business Studies  
Ignatius Ajuru University of Education, Rumuolumeni. Port Harcourt

Email:imeeranionyewon@gmail.com, [lawsonsongo@yahoo.co.uk](mailto:lawsonsongo@yahoo.co.uk)

### ABSTRACT

*The study aimed at ascertaining the relationship between Interior 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 interior 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 interior 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:** *Interior, Display, Affective Evaluation, Cognitive Evaluation, Customer Response, Customers Perception*

### INTRODUCTION

The development of retailing with reference to hypermarkets in developed countries such as Australia, Europe and America evolved from traditional markets and fairs from the 1800s (McCann, 2002; Webber, *et al.*, 2003). In the 1870s, retailers in these developed nations were affected strongly by the appearance of department stores, whereby retailers began to manage their stock into departments. This led to the development of multi-storey buildings and it became the typical trend for store-based retailers until the beginning of the 19<sup>th</sup> century. In modern retailing, the number of shopping centers and hypermarkets has grown and has been paying attention to the perception of customers on retail store ambience. The retail industry has played a vital role in meeting the needs of a modern society (Bawa, *et al.*, 2013). The authors emphasized that retail industry was regarded as a significant component of a nation's economy. The National Retail Federation (NRF, 2000) emphasized that retailers need to re-evaluate the use of store space in order to meet customer expectations and make shopping more enjoyable. Li, *et al.*, (2009) stated that traditional or physical retailers must consider restricted store space as a critical aspect of the store ambience. The authors equally emphasized that each square meter of shop space needs to provide a return to the retailer. This is borne out of the fact that a thorough understanding of ambience factors and their effects as regards getting benefits from shoppers is necessary. The main reason for creating the store ambience factors is to create shopping experience. For instance, shopping is not mere buying of goods in the store. It is a bundle of shopping experiences that include, relaxation time, entertainment, fun time, enjoyable experience, social and interacting place. Store ambience is also an important strategy that creates competitive advantage. Similarly, Parreen and Ajayi (2017) stated that store ambience is an important part of the store design that influences customers' feelings to patronize a particular store.

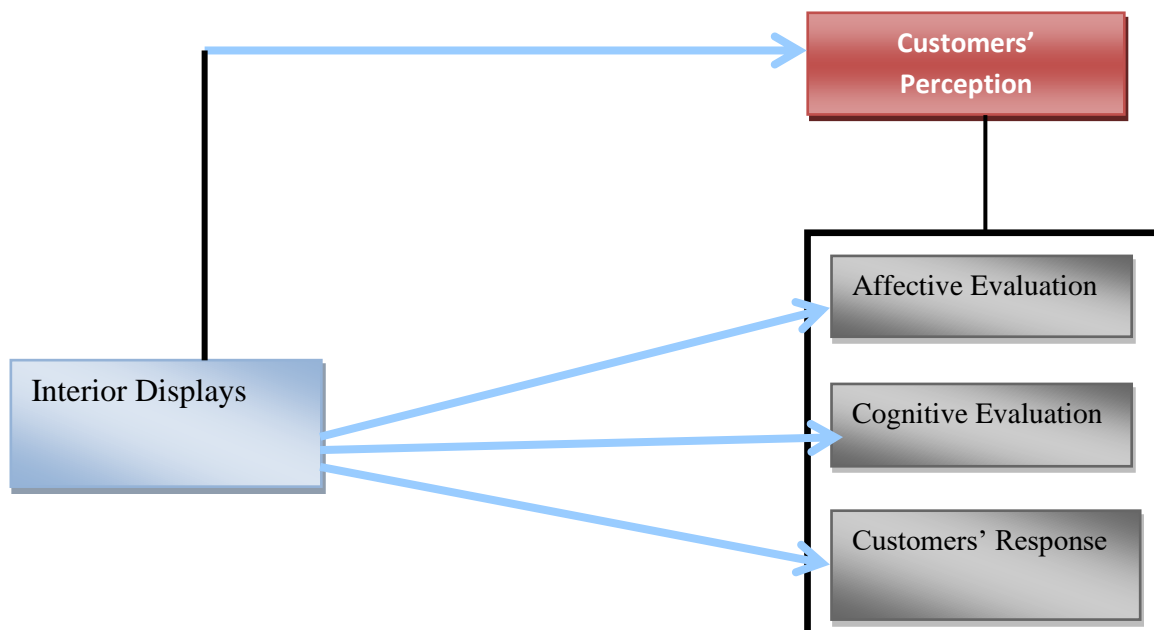
However, Kotler, *et al.*, (2013) opined that, store ambience which is more commonly known as store atmospherics is a designed environment that is created to arouse shoppers leaning towards purchasing a product in a store.

Hence, Zohre and Sreenivasan (2014) asserted that, in a competitive retail environment, an attractive store ambience has the capacity to enhance or influence customers to purchase products from a store. Visser (2006) stated that, retail operators who want to be the customers' preferred choice must pay attention to their store's ambience and exert effort to make the store stand out to differentiate from their competitors.

Kotler and Kelvin (2006) were among the earliest researches to acknowledge the importance of store ambience on consumer decision. Duong (2016) stated that store ambience comprises of four factors, namely, layout, lighting, temperature control, décor and background music. Similarly, Berman and Evans (2010) opined that retail store ambience consists of four elements, which are exterior layout, store layout, interior display and general interior. Store ambience forms the first impression of the store and influences consumers' perception towards the store and that also impacts store image and consumers' expectation of the retailer's offerings (Oh, *et al.*, 2008). Retail store ambience is an important strategy used by retail operators to gain a rivals advantage over their competitors, especially in the retail environment (Watt, 2015; Cherono, 2017).

Previous researchers have paid attention to individual factors of ambience, design, and social factors, such as scent, signage or number of employees. Others focused more largely on combining these individual factors. For instance, scent and music (Mattila & Wirtzm 2001), layout and signage (Ang, *et.al.*, 1997). However, these approaches somewhat lack a comprehensive framework in order to achieve a detailed understanding of retail ambience innovation on customers' perception. To overcome this lacuna, the researcher decided to investigate the relationship between retail ambience innovation (exterior displays, interior displays, store layout and technological inclusions), and customers' perception (affective evaluation, cognitive evaluation and customers' response) of hypermarkets in South-South, Nigeria.

### Operational Conceptual Framework



H<sub>01</sub>: There is no significant relationship between interior displays and affective evaluation of hypermarkets in South-South, Nigeria.

H<sub>02</sub>: There is no significant relationship between interior displays and cognitive evaluation of hypermarkets in South-South, Nigeria.

H<sub>03</sub>: There is no significant relationship between interior displays and customers' response to hypermarkets in South-South, Nigeria.

### **Interior Displays and Affective Evaluation**

Aspfor (2010) stated that lighting in a store plays a significant role in attracting customers to a store environment and eventual purchase behaviour. The researcher further stated that brighter lights are more likely to attract more attention than stores with low lights. Olson & Johnson (2005) also emphasized that colour and lighting are components of visual merchandising which might play a role in the psychological behaviour of customers. This assertion agreed with the views expressed by other scholars which state that the emotional state or affective evaluation is a judgment whether an object is pleasant, attractive, valuable, likable, or preferable (Russell & Snodgrass, 1987). In a study conducted by scholars in retail industry, the results revealed that affective space evoked by the environments was found to be better described by pleasantness and arousal dimensions, whereas dominance was not found to have a predictable or significant effect on behaviour (Russell & Pratt, 1980).

### **Interior Displays and Cognitive Evaluation**

Interior displays play a vital role in positioning the retail business in the minds of customers. Bashir and Ahmed (2012) posited that interior displays have positive relationship with impulse buying behaviour of a customer. This implies that what customer sees in terms of perception influence the action. Stanley (2010) explained that interior decoration has distinguishing values in the minds of the customers. This is connected to the idea of other scholars by way of cognitive evaluation of consumer perception process which originates from information processing and inference theories (Bettman, 1979; Zeithaml, 1988). Grewal & Baker (1994) explained that consumers perceive higher price range of a product as more acceptable in a high social store environment than in a low social environment. Bitner (1990) stated that the appearance of physical environment can cause consumers to perceive the firm to be responsible for service failure. For instance, when there is service failure in a retail super market, consumers might blame the firm for such failure. In this case the consumer is not influenced by the merchandising displays, rather service failure.

### **Interior Displays and Customers' response**

Gibbs (2011) pointed out that a well-planned store interior is capable of attracting and persuading impulse shoppers and also convey the stores brand and the merchandise quality. The author further emphasized that the essence of interior display is to create products more attractive, visible and motivated to purchase. Solomon *et al* (2010) supported the argument that using an appropriate display, impulse purchases increases by 10 percent. In the same vein-customers' response is associated with the psychological reactions such as attitude and behavioural reactions of customers (Bagozzi, 1986). This positive reaction from customers is not in all items. For instance, in the retailing context, response to store stimuli is often termed approach or avoidance behaviour. Approach is the desire to remain in the store, continue shopping and willingness to stay for relatively long periods. In contrast avoidance behaviours are associated with negative reactions including a desire to leave the store and not return (Mehrabian & Russell, 1974).

### **The Retail Accordion Theory**

The retail accordion theory is traceable to Hollander (1970) who argued that the domination by wide-assortment retailers is subsequently followed by domination by narrow-line specialized sellers. McGoldrick (2002) argued that this theory is clearly evident in the evolution of retailing within the USA. The author noted that in the early settlements, the general stores offered comprehensive assortments to locals, but as settlements grow in scale and sophistication, more specialist and sophisticated retailers emerged. Furthermore, the author explained that the specialists subsequently lost ground to department store operators that offered a wide

merchandize assortment to a new urbanized customer base. However, these wide assortment sellers in turn lost market share to specialized chains who responded better to the particular needs of a more demanding customer. In an attempt to retain customer loyalty by these specialist retailers there was the provision of convenience and choice, extension of offerings by hypermarket operators, who began to sell merchandise categories that were not typically associated with their particular format. This theory only recognized the wide-narrow-wide pattern of the dominant retailing firms within a market. The theory is relevant to this study by explaining the dominant role played by hypermarkets to influence patronage by offering varieties of products. However, the psychological influence of the store environments on the customers were not captured, which is the pivotal point of the 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.

## Results

**H<sub>01</sub>:** There was no significant relationship between interior displays and affective evaluation of hypermarkets

Interior Displays and Affective Evaluation

### Correlations

Variables		Interior Displays	Affective Evaluation (AE)
Interior Displays	Pearson Correlation	1	.792**
	Sig. (2-tailed)		.000
	N	341	341
Affective Evaluation (AE)	Pearson Correlation	.792**	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 interior displays correlates with affective evaluation ( $r = 0.792$ ,  $p < 0.001$ ). This signifies a very high correlation indicating a normal relationship. The relationship that exists between interior displays and affective evaluation is shown to be significant at 0.001 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 the 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 SPSS computed output was greater than 0.20 i.e.  $r = 0.792$  is greater than 0.20. Therefore, there is a significant relationship between internal displays and affective evaluation of hypermarkets in south-south region of Nigeria.

**H<sub>02</sub>:** There was no significant relationship between interior displays and cognitive evaluation of hypermarkets

Interior Displays and Cognitive Evaluation

### Correlations

Variables		Interior Displays	Cognitive Evaluation (CE)
Interior Displays	Pearson Correlation	1	.742**
	Sig. (2-tailed)		.000
	N	.742**	341
Cognitive Evaluation (CE)	Pearson Correlation	.000	1
	Sig. (2-tailed)	341	
	N	341	341

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

Source: Survey data, 2019

The result in table 4.24 shows that interior displays correlates with cognitive evaluation ( $r = 0.742$ ,  $p < 0.001$ ). This signifies a very high correlation indicating a normal relationship. The relationship that exists between interior 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 benchmark for accepting the null hypotheses and an  $r$  value that is greater than or equal to 0.20 ( $r \geq 0.20$ ) is the benchmark for rejecting the null hypotheses, based on this guideline for accepting or rejecting the null hypothesis as stipulated 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.  $r = 0.742$  is higher than 0.20. Therefore, there is a significant relationship between interior displays and cognitive evaluation of hypermarkets in south-south region of Nigeria.

**H<sub>03</sub>:** There was no significant relationship between interior displays and customers' response to hypermarkets

Interior Displays and Customers' response

#### Correlations

Variables		Interior Displays	Customers' response
Interior Displays	Pearson Correlation	1	.692**
	Sig. (2-tailed)		.000
	N	341	341
Customers' response	Pearson Correlation	.692**	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 interior displays correlates with customers' response ( $r = 0.692$ ,  $p < 0.001$ ). This signifies a very high correlation indicating a normal relationship. The relationship that exists between interior 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 guideline 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.  $r = 0.692$  is higher than 0.20. Therefore, there is a significant relationship between interior displays and customer's response of hypermarkets in south-south region of Nigeria.

### Discussion of Findings

#### There is no relationship between interior displays and affective evaluation.

Hypothesis one ( $H_{01}$ ) was constructed to examine the significant influence of interior displays and affective evaluation of hypermarkets in south-south, Nigeria. Interior displays were tested against affective evaluation using Pearson Product Moment Correlation Coefficient analytical tool. The result revealed that interior displays correlates with affective evaluation, (where  $r = 0.792$ ,  $p = 0.001$ ). This signifies a very high correlation indicating a strong relationship. The relationship that exists between interior displays and affective evaluation is shown to be significant at 0.01 significance levels. This finding is consistent with Gibss (2011) who pointed that a well-planned store interior is capable of attracting and persuading impulse shopping and also conveying the store image, brand and the merchandise quality. It is also inconformity with Bashar and Aymed (2012), they stated that interior displays have a positive correlation with customer perception that leads to impulse buying behaviour of a customer. Null hypothesis two indicates that interior displays do not significantly relate to cognitive evaluation. The result of the findings showed the existence of a strong and significant relationship between interior displays and cognitive evaluation ( $r = 0.792$ ,  $p = 0.001$ ). This signifies a very high correlation showing a strong relationship. The findings are in line with Stanley (2010) posits that interior decoration has distinguished values in the mind of customers. This is also in consonance with to the ideas of

other scholars by way of cognitive evaluation of customer perception process which originates from information processing and inference theories (Bettman 1979, Zeithanal 1988).

Null hypothesis three ( $H_{03}$ ) stated that there is no relationship between interior displays and customers' response. The outcome of the result however, indicated that interior displays correlate with customers' response ( $r = 0.692$ ,  $p = 0.001$ ). This revealed a very high level of relations indicating a strong relationship. The findings are in line with Solomon et al (2010) findings which stated that an appropriate interior display will increase impulse buying by ten percent. It also supports Bagozzi (1986) supported the argument that customer response is associated with the psychological reactions such as attitude and behavioural reactions.

## **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 interior 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) 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 hypermarket floor for memorable shopping experience. There should be friendliness among employees and those that patronize them.

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