

## Spatial Layout and Customer Patronage of Cinema Firms in Port Harcourt, Nigeria

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### ABSTRACT

In services industry the quality of service delivered depends on the front line employees, and the physical surroundings of the service factories. Customers spend reasonable time in leisure service settings. Spatial layout, in this context, not only facilitates service delivery, but acts as an important element of value proposition and gives cues to the service quality. This study, therefore, investigates the association of spatial layout with customer patronage of cinema firms in Port Harcourt. To achieve this purpose, data were collected from 375 respondents in three cinema houses in Port Harcourt using a set of questionnaire. The test of hypotheses, using Pearson product moment correlation coefficient, showed that spatial outlet has significant association with customer patronage of cinema firms in Port Harcourt. The study concludes that spatial layout should be considered a critical marketing factor in setting up cinema services environment. Recommendations were proffered for sustainable customer patronage of cinema services.

**Keywords:** spatial layout, customer patronage, cinema firms

### INTRODUCTION

Physical environment plays considerable role in determining customers perceive services offered to them by cinema firms. Though most modern cinema firms offer other range of services, their core service is the movies they show in their theater. As such, efforts should be made to ensure that the theater is well organized, in terms of furniture arrangement, functionality of the equipments (e.g. air conditioners, multiplex HD TV, sound system and light effects during movies and the entire atmospheric design of the theater.

Spatial layout is the arrangement of complementary service equipments, including their space dimensions (Bitner, 1992). A study by Baker & Pearce (2002) shows that spatial layout influences customer patronage; as customers' decision to patronize a cinema is also based on issues relating to space as a physical dimension (Dara, 2015).

Customers have diverse motivations, taste and preferences. They constantly seek solutions to the various state of deprivation (needs) through product offerings. Thus consumers consider various features of a service outlet in expressing their purchase intention. Customer purchase intention is a function of psychological factors influences buying behavior (Burnkrant, 1982; Fishbein and Ajzen, 1975).

The pressing problem that gave rise to this study is the fact that in today's world, customers are more sensitive and demanding than ever, especially in the area of services. They always want to get the best value for their money. If they do not get reliable and friendly service, they will likely switch providers, all in the bid to maximize their benefits. Cinema is among the services that command customers' time and resources. On this basis, a cinema without proper spatial layout in the areas of furniture arrangement and spacing, good equipment functionality and atmospheric design will tend to lose current and potential customers.

### REVIEW OF RELATED LITERATURE

Consumers' purchase of services is influenced by the physical evidence of the service outlet, as well as the contact persons (Bitner, 1992). Consumers most times have an idea of service quality by looking at the quality of the physical service point. Services are intangible products that are not

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stored, as they are produced and consumed the same time (Bitner, 1992). Nevertheless, the service outlet, through which services are rendered, has tangible and intangible features (Lin & Mattila, 2010). The inclusion of the physical environment of a service outlet in evaluating the quality of service provided had motivated several studies on the relationship between physical setting and consumer patronage of services firms (Darley & Hilbert, 1982).

### **Spatial Layout**

Service outlet, through which services are rendered, greatly influences the rate of consumers' patronage of the service offered for sale, as the service environment is one of the major determinants of consumers' loyalty to a particular services firm (Russell and Ward, 2000). Because service encounter environment is purposeful (that is, it exists to fulfill specific needs of consumers), it should therefore given adequate attention by service firms (Bitner, 1992).

The definitions and meaning of spatial layout by various authors are somewhat similar. Bitner (1992), defined spatial layout as the complementary services equipments, including their space dimensions. In a self-service outlet, where customers rarely meet contact persons, spatial layout therefore becomes a salient salesperson that assists customers in determining whether or not to buy (Bitner1992). Wakefield and Blodgett (2005), defined spatial layout as the design and arrangement of service equipments in a service outlet, including the space provided for easy entry and exit.

The level of comfort derivable from a service outlet, as well as the longevity of time to be spent therein by customers, depends on the spatial layout of the service environment (Awasthi & Surivastava, 2014).

Customers of cinema firms would like to see a "reasonable crowd" at the theatre. Nevertheless, they frown at congested environment that makes entry and exit difficult. Thus, appropriate layout that ensures free movement patronage of the firm offering the service (Baker & Pearce, 2002).

Based on the foregoing, the dimensions of spatial layout adopted in this study are facility layout and facility design.

### **Facility Layout**

Facility layout refers to the way facilities are arranged in a service setting to maximize process that are not only efficient but effective towards the overall organizational goal. Facility layout is important in cinema because it can affect the comfort of customers. Seating arrangement and relaxation are often considered by customers of cinema firms, as they are likely to spend reasonable hours in the course of being entertained. Thus, seats and their arrangement, especially the space between seats, are important factors in ensuring seating comfort. Adequate proximity among seats should be ensured; as customers may be physically or psychologically uncomfortable if they are forced to sit too close to one another (Baker & Pearce, 2002).

Previous studies on perceived crowding, such as Eroglu & Michelet, (2000) and Bateson & Hui (1992) suggest that customers frown at narrow and restricted space among seats as these slow customers' movement, especially in the use of ancillary service areas within the service outlet (Simpeh et al, 2011).

### **Facility Design**

Facility design refers to the coordination of the decorative elements of the structural space, including color schemes, fittings, furnishings and architectural design. Wakefield and Blodgett (2005) see facility design as the internal decorative design of the physical service environment which customers, consciously or unconsciously, evaluate when they enter the service outlet (Simpeh *et al*, 2011). This evaluation influences their attitudes towards the place (Baker & Pearce, 2002; Khan2012). Elements of facility design used in appealing to customers include colour, light (Byu & Han 2011; Eiseman, 1998) and pictures (Sim[eh et al 2011). However, colour is the most visible element of facility design (Eiseman, 1998).

### **Customer Patronage**

Customer patronage is the impulse, desire and consideration within the customers which induce the purchase of goods and services from an outlet (Ozor, 2002). Customer patronage is combination of attitude, normative beliefs and motivation that will influence purchasing behavior (Burnkrant, 1982;

Fishbein and Ajzen, 1975). Consumers’ patronage of a firm’s offer is based on a combination of factors considered significant by consumers (Moye, 2002); and these factors are used by consumers in determining the firm(s) to patronize.

A number of researchers have suggested various dimensions of customer patronage-including financial and non-financial dimensions. Engle *et al* (1996) measured customer patronage using store traffic flow. Awah (2015) suggests repeat purchase, customer retention and customer referrals as the three dimensions of customer patronage. This study adopts a two-dimension of customer patronage – customer satisfaction and referrals-to measure the relationship between spatial layout and customer patronage of cinema firms in Port Harcourt, Nigeria.

### Customer Satisfaction

Customer satisfaction is the achievement of customer’s expectation from a firm’s offer (Hansemark & Albisson, 2004). The level of satisfaction is usually based on the level of customer expectation from the firm (Khan, 2012). If a firm’s offer is in line with the expectation of customers, they would be satisfied. The satisfaction derivable from a firm’s offer depends on the level of customer expectation met by the offer (Gerpoh, Rams and Schindler, 2001).

Customer satisfaction in a basis for projecting a firm’s future profit (Hauster, Simester & Warnerfelt, 1994), as it guarantees customer retention (Guo, Xiao and Tang, 2009). Thus, unsatisfied customers are not expected to buy a firm’s offer repeatedly (Lin and Wu, 2011).

### Referrals

Referrals, often refers to as Word- of -Mouth (WOM), is a face –to-face communication about a firm or its offer between two or more individuals, one of whom, at least, must have had an encounter with the firm or its offer being discussed. Generally, a satisfied customer tells about 3 to 5 persons about his or her positive encounter with a firm; and this is believed experience. More than when it comes from the traditional media.

Firms that acquire customers through referrals are acquiring more profitable customers, thereby making it desirable to run referral marketing campaign (Villaneuava, *et al*, 2008). Firms are beginning to embark on stimulated WOM campaign where current customers are motivated to bring new customers. However, the firm checks its records to ensure that the supposedly new customers are actually new (Van den Bulte & Wuyts, 2007).

Customers to the firm (Van den Bulte & Wuyts, 2007) in view of the foregoing, the theoretical framework as shown in the figure below was developed.

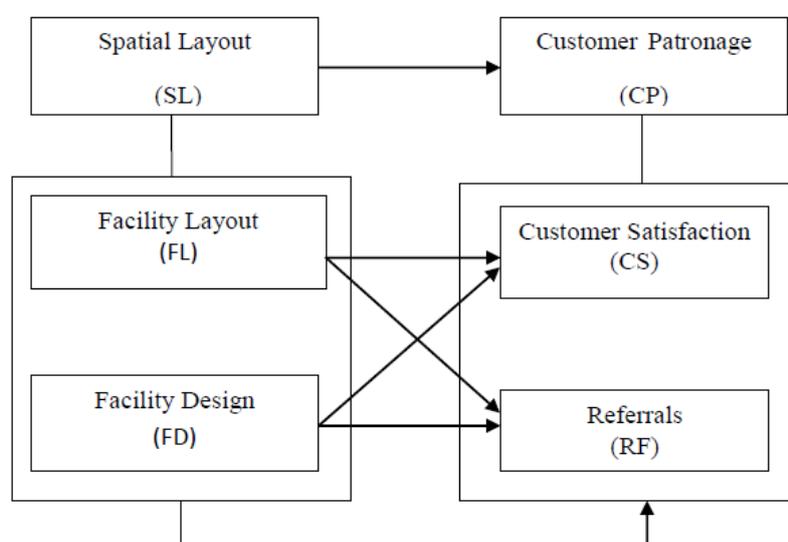


Figure1. Theoretical Framework for Spatial Layout and Customer Patronage.

Source: Developed for the Research

Sequel to the theoretical framework, certain hypotheses, as stated below, were formulated for the study.

**Ho<sub>1</sub>:** Facility layout has no significant association with customer satisfaction of cinema firms in Port Harcourt.

**Ho<sub>2</sub>:** Facility layout has no significant association with customer referrals of cinema firms in Port Harcourt.

**Ho<sub>3</sub>:** Facility design has no significant association with customer satisfaction of cinema firms in Port Harcourt.

**Ho<sub>4</sub>:** Facility design has no significant association with customer referrals of cinema firms in Port Harcourt.

## RESEARCH METHODOLOGY

This study seeks to empirically ascertain the association of spatial layout with customer patronage of cinema firms in Port Harcourt, Nigeria. Data were collected from 375 respondents, conveniently drawn from the three cinema houses-Genesis Deluxe Cinema, Silver Bird Cinema and Film House-operating in Port Harcourt, using a set of questionnaire structured in a five-point likely measuring scale of strongly agree (5), Agree (4), undecided (3), Disagree (2) and strongly disagreed (1). Pearson Product Movement Correlation Coefficient, in SPSS (version 21.0) was used in testing the hypotheses formulated for the study.

## ANALYSIS OF DATA

**Table1.** Descriptive Statistics of Variables

Variable	N	Mean	Std Deviation
Facility Layout	375	4.30	1.300
Facility Design	375	3.91	1.064
Customer Satisfaction	375	4.27	1.096
Referrals	375	3.90	1.230

**Source:** SPSS (version 21.0) Output

Table 1 above shows the Mean and Standard Deviation of the variables of the study in the sample of 375 respondents. While the Mean of the variables: Facility Layout, Facility Design, Customer Satisfaction and Referrals are 4.30, 3.91, 4.27 and 3.90 respectively, the Standard Deviations are 1.300, 1.064, 1.096 and 1.230. All the Mean of the variables are greater than 3, signifying that spatial layout has significant relationship with customer patronage of cinema in Port Harcourt, Nigeria.

**Table2.** Result of Facility Layout and Customer Satisfaction

		FACILITY LAYOUT	CUSTOMER SATISFACTION
FACILITY LAYOUT	Pearson Correlation	1	.934**
	Sig. (2-tailed)		.002
	N	20	20
CUSTOMER SATISFACTION	Pearson Correlation	.934**	1
	Sig. (2-tailed)	.002	
	N	20	20

\*\* Correlation is significant at the 0.05 level (2-tailed).

Table 2 shows that the correlation and p values are 0.934 and 0.002, respectively. The implication of the p value (0.002) being less than the critical value (0.05) is that facility layout has significant association with customer satisfaction of cinema firms in Port Harcourt. Thus, the null hypothesis is rejected and the alternate accepted.

**Table3.** Result of Facility Layout and Referrals

		FACILITY LAYOUT	REFERRALS
FACILITY LAYOUT	Pearson Correlation	1	.692**
	Sig. (2-tailed)		.001
	N	20	20
REFERRALS	Pearson Correlation	.692**	1
	Sig. (2-tailed)	.001	
	N	20	20

\*\* Correlation is significant at the 0.05 level (2-tailed).

Table 3 shows correlation and p values of 0.692 and 0.001 respectively. Since the p value (0.001) is less than the critical value (0.05), the null hypothesis was rejected and alternate accepted. This implies that facility layout has significant association with customer referrals of cinema firms in Port Harcourt.

**Table4.** Result of Facility Design and Customer Satisfaction

		FACILITY DESIGN	CUSTOMER SATISFACTION
FACILITY DESIGN	Pearson Correlation	1	.846**
	Sig. (2-tailed)		.023
	N	20	20
CUSTOMER SATISFACTION	Pearson Correlation	.846**	1
	Sig. (2-tailed)	.023	
	N	20	20

\*\* Correlation is significant at the 0.05 level (2-tailed).

The correlation and p values, as shown in Table 4 above, are 0.846 and 0.23, respectively. Since p value (0.023) is less than the critical value (0.05), the null hypothesis was rejected and the alternate accepted. This means that facility design has significant association with customer satisfaction of cinema firms in Port Harcourt.

**Table5.** Result of Facility Design and Referral

		FACILITY DESIGN	REFERRALS
FACILITY DESIGN	Pearson Correlation	1	.794**
	Sig. (2-tailed)		.002
	N	20	20
REFERRALS	Pearson Correlation	.794**	1
	Sig. (2-tailed)	.002	
	N	20	20

\*\* Correlation is significant at the 0.05 level (2-tailed).

The correlation and p values, as shown in Table 5, are 0.794 and 0.002, respectively. Since the p value (0.002) is less than the critical value (0.05), the null hypothesis was rejected and the alternate accepted. This implies that facility design has significant association with customer referrals of cinema firms in Port Harcourt.

## DISCUSSION OF FINDINGS

The correlation analyses in Table 2 and 3 show that facility layout has significant association with customer satisfaction and referrals of cinema firms in Port Harcourt, as shown by the positive values of the coefficient (.934 and .692 respectively). Also, the p values of Hypotheses one and two, (.002 and .001 respectively) are less than 0.05; indicating that facility layout has significant association with customer patronage of cinema firms in Port Harcourt. This finding agrees with the finding of Wakefield and Blodgett (2005), that adequate layout enables customers to move freely within a service outlet, even in the use of ancillary service areas.

The correlation analyses in Table 4 and 5 show that facility design has significant association with customer satisfaction and referrals of cinema firms in Port Harcourt, as shown by the positive values of the coefficient (.846 and .794 respectively). Also, the p values of Hypotheses 3 and 4, (.023 and .002 respectively) are less than 0.05, indicating that facility design has significant association with customer patronage of cinema firms in Port Harcourt. The finding is in line with the finding of Simpeh *et al*, (2011) that customers take into consideration the beauty of the external and internal components of a service facility in patronizing a service firm.

## CONCLUSION

Based on the findings above, it is obvious that spatial layout has significant association with customer patronage. This is confirmed by the positive association of the dimensions of spatial layout (facility layout and facility design) with customer patronage (customer satisfaction and customer referrals). This means that spatial layout is considered a critical marketing factor in setting up cinema service environment.

## RECOMMENDATIONS

In view of the above findings and conclusion, cinema firms were advised as the follows:

- i Cinema firms should continuously improve their spatial layout in other to increase customers comfort.
- ii Cinema firms should ensure proper functioning of their equipments, as this will serve as a major prerequisite for customer patronage and retention.
- iii Since customer spend reasonable time in a cinema, effort should be made by management of cinema houses in providing adequate facilities that will help make customers' stay comfort, exciting and memorable.
- iv Management of cinema houses should ensure that damaged items are repaired or replaced, while the entire service environment should be kept neat.
- v Cinema firms could, in the first instance, use various promotional incentives in attracting new customers, who could become loyal customers if satisfied with the services provided them and or now provided.

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