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Review

Comprehending rural market environment

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Rural markets are gold mines paved with thrones. With mammoth size of 833 million populations residing in 640867 villages, rural India offers huge untapped potentiality for any marketer. There is wide disparity in village population range from less than 200 to more than 10000. The main occupation of majority of rural population is agriculture and allied activities that signify main source of income. Rural consumers spend more on food items as against urban counterparts who spend more on non-food items. About 54 percent of rural households possess telephone, 46 percent possess bicycles and 33 percent possess television. Central and State governments invest massive amounts on rural development through several programmes. At this juncture, a modest attempt is made in this paper to comprehend rural market environment through rural population growth, villages by population range, occupation, income and expenditure pattern of rural population, rural households by possession of assets and rural development programmes.

Key words: Expenditure, hinterland, income, mammoth, villages.

INTRODUCTION

India is a country of villages. Rural markets are characterized by small population, distantly scattered, poor infrastructure, communication and transportation, low literacy, stumpy media reach, low standard of living, and especially low and irregular income levels. Many corporates have been trying to get a grip on rural market by facing the challenges like how to make the product affordable, how to penetrate villages with small populations, connectivity, language barriers and spurious brands (Ramkishen, 2005). Despite these challenges, factors such as increasing rural income, expenditure and life styles, declining urban demand and urban market saturation, and government concentration on rural development programmes compel marketers to find potential niches in the hinterland. It is inevitable to any marketer to access rural India as it comprises mammoth size of 833 million population living over 640867 villages. Under these circumstances comprehending rural market milieu is perceived appropriate.

Favourable demographics such as 64 percent of the

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Table 1. Rural Urban Proportion-1901-2011.

Yr	Total population (in million)	Rural population (in million)	Proportion in total (%)	Urban population (in million)	Proportion in total (%)
1901	238.40	212.54	89.15	25.86	10.85
1911	252.09	226.15	89.71	25.94	10.29
1921	251.32	223.23	88.82	28.09	11.18
1931	278.98	245.52	88.01	33.46	11.99
1941	318.66	274.51	86.15	44.15	13.85
1951	361.09	298.65	82.71	62.44	17.29
1961	439.23	360.30	82.03	78.93	17.97
1971	548.16	439.05	80.10	109.11	19.90
1981	683.33	523.87	76.66	159.46	23.34
1991	846.42	628.70	74.28	217.72	25.72
2001	1028.61	742.49	72.18	286.12	27.82
2011	1210.57	833.46	68.85	377.11	31.15

Source: Census of India.

Table 2. Villages by population size class – India.

Population size class	Number of inhabited villages	Proportion in total (%)	Total rural population	Proportion in total (%)
Less than 200	82151	13.75	8179551	0.98
200-499	114732	19.20	39685424	4.76
500-999	141800	23.73	103321330	12.39
1000-1999	139164	23.29	197536058	23.69
2000-4999	96428	16.13	288773884	34.64
5000-9999	18652	3.12	123877458	14.86
10000 and above	4681	0.78	72375147	8.68
Total	597608	100.00	833748852	100.00

Source: Census of India, 2011.

population in the working age category, increasing urbanization, rising number of nuclear families (which means multiple washing machines, air-conditioners and TVs), rising disposable incomes, falling prices, easier access to financing and growth of organized retail attract new players into the Indian rural market space.

Rural Urban Proportion-1901-2011

Since 1901, the growth and proportion of rural population are moving in opposite directions in India. The proportion of rural population in the total population is diminishing gradually in the pace of urbanization. However, the rural India is very big in size than any country's total population in the world except China. It is significant to understand decadal changes in rural and urban proportions in the total population.

Table 1 depicts that the absolute number of rural population has increased to 833 million in 2011 from 213 million in 1901. But the proportion in the total population has decreased to 68.85 percent in 2011 from 89.15 percent in 1901 that resembles the progress of urbanization. In case of urban population, both absolute and proportion are moving in the increasing direction. The percentage of urban population in the total population has reached 31.15 in 2011 from 10.85 in 1901. A three-fold raise in urban population proportion reflects the pace of development in the country (Table 1).

Villages by population – India

The populations in green patches vary in the hinterland. The size of the population is an important determinant to plump a marketer whether to tap it or not. So far, the hinterland is a neglected area by many marketers due to its low village populations and no parity concern but now it is inevitable market on account of several reasons.

The number of inhabited villages shown in Table 2 represents the unmerged portions of villages which are outside the urban areas. There are as many as 597608

Table 3. Occupational pattern of rural population.

Occupation	Proportion of total rural population (%)
Agriculture	50
Agricultural labour	27
Business	10
Non-agricultural labour	9
Salary earners	2
Not gainfully employed	2
Total	100

Source: Census of India, 2001.

Table 4. Income generation in rural areas.

Source of income	Proportion of total rural income (%)
Agriculture	59
Agricultural wages	16
Business and craft	9
Non-agricultural wages	7
Salaries	3
Current transfers	2
Others	4
Total	100

Source: Census of India, 2001.

inhabited villages out of total 640867 villages in India. Among them 82151 villages have a population size less than 200. Very few people (0.98 percent) are living in this category of villages. The highest percentage of villages in this range are located in Arunachal Pradesh (29.40) followed by Himachal Pradesh (13.16) and Meghalaya (12.82). There are 114732 villages in the population range of 200-499 and holds 4.76 percent of the total rural population. The highest number of villages (141800) is reported in the population size 500-999 and claims 12.39 percent of the total rural population. Nearly half of the rural population of India is residing in 115080 villages with population more than 2000 but less than 10000. The highest percentage of rural population (34.64) is noted in the range 2000-4999. But major portion of rural population is residing in village size groups of 1000-1999 and 2000-4999. Villages having more than 10000 and above population represent 8.68 percent of the total population. With 92.21 percent Kerala represents highest population living in villages in this range. As compared to Census 2001 data, there is an increase in the number of villages in the population size groups 1000-1999, 2000-4999, 5000-9999, and 10000 and above while decrease in number of villages in less than 500 and 500-999 ranges.

Occupational pattern

Predominance of agriculture is the prime characteristic of Indian rural economy. Now it is taking a new stride. The National Sample Survey Organisation (NSSO) data show that during 2004-05 to 2009-10, rural construction jobs rose to 88 per cent, while the number of people employed in agriculture fell from 249 to 229 million (BL Bureau, 2012).

Table 3 discloses that the main occupation for majority of rural population is agriculture and allied activities. Half of the rural population own or lease land and cultivate it for their livelihood. Another 27 percent are dependent on these cultivators for jobs as agricultural labourers. Thus, a total of 77 percent of rural population solely depend upon only land for their living and land is the main source of their income. There are others who are engaged in businesses like petty shops or are itinerant merchants besides a small section of salary earners like teachers, health workers and village-level officials.

Income generation

The prosperity of rural areas, to a large extent, depends on the progress of agriculture and related activities. Nearly six lakh villages are busy rejoicing bountiful harvest after good monsoons, rapidly supporting minimum support price (MSP) for crops and steady cash-flow from the government's rural employment guarantee schemes (Rashmi, 2014). A robust increase in rural income is also due to rising non-farm employment opportunities and government's rural focus through employment generation schemes.

Table 4 divulges that 75 percent of rural income is generated from agriculture and agriculture-related activities. On average 9 percent a year increase in MSP since 2007-08, rice-growing farmer's income has increased nearly 50 percent in the last five years. The rural income is not only about farming but there are others supporting the economy – teachers, weavers, artisans and many others. A rationalization and expansion in income tax slabs in Union Budget 2014 puts significant money in the hands of salary earners.

Expenditure Pattern

There has been a notable shift in rural consumption; from necessities to discretionary goods. From buying tractors and bikes to fairness creams to noodles, rural India led consumption party – offering hope to corporates in the doldrums. Recent data from the NSSO show that rural consumption expanded at roughly 8.6 percent a year between 2004 and 2012 (Aarati, 2014). In addition, migrants from villages to urban areas, who benefitted from job opportunities in infrastructure and construction

Table 5. Absolute and Percentage break-up of average $MPCE_{MMRP}$* by Item Group, India.

Item group	Monthly per capita expenditure (Rs.)		Percentage of total MPCE	
	Rural	Urban	Rural	Urban
(1)	(2)	(3)	(4)	(5)
Cereal and cereal substitutes	154	175	10.8	6.7
Pulses and their products**	42	54	2.9	2.0
Milk and milk products	114	184	8.0	7.0
Edible oil	53	70	3.7	2.7
Egg, fish and meat	68	96	4.8	3.7
Vegetables	95	122	6.7	4.6
Fruits	41	90	2.8	3.4
Sugar, salt and spices	76	94	5.3	3.6
Beverages, refreshments, processed food#	113	236	7.9	9.0
Food: Total	756	1121	52.9	42.7
Pan, tobacco and intoxicants	46	42	3.2	1.6
Fuel and light	114	177	8.0	6.7
Clothing and footwear$	100	167	7.0	6.4
Education	50	182	3.5	6.9
Medical	95	146	6.7	5.5
Conveyance	60	171	4.2	6.5
Consumer services excl. conveyance	57	147	4.0	5.6
Misc. goods, entertainment	76	152	5.3	5.8
Rent	7	164	0.5	6.2
Taxes and cesses	4	22	0.2	0.8
Durable goods	65	139	4.5	5.3
Non-food: Total	674	1509	47.1	57.3
All Items	1430	2630	100.0	100.0

*$MPCE_{MMRP}$ = Modified Mixed Reference Period Monthly Per Capita Expenditure. **includes gram; # includes purchased cooked meals;$ excludes tailoring charges. Source: NSSO 68th round: Key Indicators of Household Consumer Expenditure in India, 2011-12, 20 June 2013.

projects, increased remittances to their families in rural India, which boosted consumption (BL Bureau, 2012). The 68th round of NSSO on Household Consumer Expenditure is primary source of data on various indicators of level of living, pattern of consumption and well-being of households. As per the data in Table 5, for an average rural Indian, food items account for 52.9 percent of the value of consumption during 2011-12. This includes 10.8 percent cereals and cereal substitutes, 8 percent milk and milk products, 7.9 percent beverages, refreshments and processed food, and 6.7 percent vegetables. Among non-food item categories, fuel and light for household purposes (excluding transportation) account for 8 percent; clothing and footwear, 7 percent; medical expenses, 6.7 percent; education, 3.5 percent; conveyance, 4.2 percent; other consumer services (excluding conveyance), 4 percent, and consumer durables, 4.5 percent. Rural people spend fewer amounts than urban people on all food and non-food items except pan, tobacco and intoxicants item group.

The Modi government's recent decisions such as a meager 6.7 percent allotment for rural development and a low 3.8 percent increase in MSP in the Union Budget 2014, reforms in urea prices and targeted subsidies, revamp NREGA to prevent misuse, and the looming possibility of drought adversely affecting rural spending power.

Households by possession of assets

About one in every two rural households now has a mobile phone. Even in India's poorest states such as Bihar and Orissa, one in three rural households has a mobile phone.

Table 6 portrays that 54.3 percent of rural households possess telephone followed by 46.2 percent households have bicycles and 33.4 percent households owned television. Similarly, 14.3 percent rural households have a two-wheeler. Communication, transportation and entertainment are priorities for rural people. A notable amount of radios, computers and cars are also owned by rural Indians. Bicycles and unspecified assets are more in rural areas than urban areas.

Table 6. Households by possession of assets – India.

Type of Asset	Percentage of Households		
	Total	Rural	Urban
Total number of households	**(246,692,667)**	**(167,826,730)**	**(78,865,937)**
	100.0	**100.0**	**100.0**
Radio/Transistor	19.9	17.3	25.3
Television	47.2	33.4	76.7
Computer/Laptop – With Internet	3.1	0.7	8.3
Computer/Laptop – Without Internet	6.3	4.4	10.4
Telephone	63.2	54.3	82.0
Telephone/Mobile Phone – Landline only	4.0	3.1	5.9
Telephone/Mobile Phone – Mobile Phone only	53.2	47.9	64.3
Telephone/Mobile Phone – Both	6.0	3.3	11.7
Bicycle	44.8	46.2	41.9
Scooter/Motorcycle/Moped	21.0	14.3	35.2
Car/Jeep/Van	4.7	2.3	9.7
None of the specified assets	17.8	22.9	7.0

Figures in parentheses ( ) are absolute in number. Source: Census 2011 – Provisional Population Totals – India.

Rural development programmes

The Five Year Plans have witnessed massive investments by the Central and State governments in rural areas in a number of developmental programmes. Some of these programmes which contributed substantially to the incomes of rural people and created considerable impact are:

1. National Rural Employment Guarantee Act (NREGA): With the objective of providing 100 days guaranteed work for rural households, NREGA is launched on February 2, 2006. The ensured employment generated is from works that raise land productivity. The daily wages under the scheme vary from Rs 153 in Meghalaya to Rs 227 in Chandigarh (Rashmi, 2014). Nearly 27 percent of rural households availed themselves the employment under this scheme in 2009-10 (BL Buereau, 2012).
2. Swarnjayanti Gram Swarozgar Yojana (SGSY): Through this scheme rural poor get self-employment. Poor families (swarozgaris) above the poverty line are provided with income generating assets through a mix of bank credit and government subsidy. The scheme involves organization of the poor into Self Help Groups (SHGs) build their capacities.
3. Indira Awaas Yojana (IAY): Being an independent scheme since 1996, IAY provides assistance for construction / upgrading of dwelling units to the Below Poverty Line (BPL) rural households, with special emphasis on SCs, STs and freed bonded labour categories. A maximum assistance of Rs 35,000 per unit for construction in plain areas and Rs 38,500 per unit for hilly/difficult areas is provided. For upgrading a dwelling unit for all areas Rs 15,000 is provided. The funding of IAY is shared between the Centre and State in the ratio of 75:25.
4. National Social Assistance Programme (NSAP): The scheme provides social assistance benefit to poor households in the case of old age, death of primary breadwinner and maternity.
5. Integrated Watershed Management programme (IWMP): The three area development programmes, namely, Integrated Wasteland Development Programme (IWDP), Drought Prone Area Programme (DPAP) and Desert Development Programme (DDP) are integrated and consolidated into a single programme known as IWMP during the Eleventh Plan for optimum utilization of resources and sustainable outcomes.
6. National Land Records Modernization Programme (NLRMP): NLRMP is a major reform initiative that concerned with computerization, updating and maintenance of land records and validation of titles. This facilitates valuable and comprehensive database for planning developmental, regulatory and disaster management activities by providing location-specific information, while providing citizen services based on land records data.
7. Intensive Agricultural District Programme (IADP – popularly known as Package Programme)
8. Intensive Agricultural Area Programme (IAAP)
9. High-Yielding Varieties Programme (HYVP – Green Revolution)
10. Small Farmers Development Agency (SFDA)
11. Marginal Farmers and Agricultural Labourers Development Programme (MFAL)
12. Integrated Tribal Development Programme (ITDP)

13. Hill Area Development Programme (HADP)
14. Operation Flood I, II and III (White Revolution)
15. Sericulture Development
16. Fisheries Development (Blue Revolution)
17. Integrated Rural Development Programme (IRDP)
18. Sampoorna Grameena Rozgar Yojana (SGRY) and several others.

While the above programmes focused mainly on agriculture and allied activities, there have been investments in other programmes devoted to the development of rural people. They include improvement in health, education, sanitation, adult education, recreation, women development, and so on and have made considerable impact on the life styles of the masses by exposing them to modernization, reducing the drudgery of their work, and adding a modicum of dignity to their lives. Infrastructure facilities like road and communications network, rural electrification, public distribution system, cinema, television coverage, and the like have also received considerable attention in rural areas in the post-independent era (Sarangapani, 2008).

From FMCG companies to automobile makers, to those manufacturing small appliances, most consumer sectors have seen rural demand for their products move into higher gear due to rising support prices for crops, giveaways such as the NREGA and a significant expansion in agricultural credit routed through banks (Aarati, 2014).

Initiatives to capture untapped rural potential

Many FMCG and durables companies have initiated programmes to capture the untapped potential in rural India. For instance, FMCG major HUL has undertaken two projects – Bharat I and II – to take its products deeper into the rural areas. This is in spite of the fact that they are pioneers in rural marketing in India. Henkel Spic India has started a project called *Hariyali Safar*, or 'green journey', aimed at rural marketing. Maharaja Appliances Ltd. has launched a range of 'no frills' home appliances meant especially for the rural and semi-urban markets. Sony has entered the rural market without reducing its prices or even offering lower-end models for potential buyers. Mobile handset companies and mobile service providers have also started wooing rural consumers in a big way. After 'Project Double', which increased its rural penetration by 2.5 times over the past two years, Dabur India has launched a new initiative called 'Project Core' to expand its distribution footprint in the chemist channel. The FMCG company expects to increase its chemist coverage from 55,000 to 75,000 in the phase I, with an investment of Rs. 15 crore, and then to 125,000 chemists over the next few years. Rural marketing is inevitable for retailers. When retailers in urban areas are struggling to maintain their growth, rural areas offer huge potential for growth of organized retail sector. This is obvious from the fact that when giants like India bulls, Subhiksha and Spencer are forced to wind up their operations in some cities, companies such as Godrej and Kisan Sansar, which have focused on rural areas, are able to perform well. All FMCG and durables players are confident that these strategies may not bring quick results in the short-run period but gain momentum in the long-run.

Conclusion

Factors such as increase in rural income, improved rural infrastructure and urban market saturation drive corporates to the green patches of hinterland. Rural population has increased in absolute number but decreased in proportion since 1901. Rural India lures marketers with mammoth population of 833 million. This massive population is living in villages range from less than 200 to more than 10000 that signifies the size of discrete market. Agriculture and allied activities are the main occupations which act as prominent source of income. Central and State governments have contributed several programmes for the development of rural income. Rural consumer spends more on food items that include cereal and cereal substitutes, milk and milk products, beverages, refreshments, processed food, and vegetables etc. More than half of the rural households possess telephone besides a significant number of bicycles and television sets. By comprehending all these facts and figures, stakeholders of rural marketing are needless to say that they have to take precise decisions to capture substantial untapped potential of the hinterland.

Conflict of Interests

The authors have not declared any conflict of interests.

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Full Length Research Paper

Physical architecture and customer patronage of banks in Nigeria: An empirical study

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This study assesses the impact of physical architecture on customer patronage of quoted banks in South-south zone of Nigeria. 14 quoted banks at the Nigeria Stock Exchange Market were used for the study. The research considered firm level of analysis and top managers unit of analysis. Customers of the chosen banks were also used. By this arrangement, 42 managers and seven customers randomly selected constituted our respondents for the study. Descriptively, data were generated and presented while inferentially, the Spearman's Rank Correlation Coefficient was used in testing the postulated hypotheses. The result of the analysis showed that there is a positive and significant correlation between physical architecture and customer patronage. The study specifically revealed that physical architecture significantly impacts sales volume, profit margin, and customer retention. Furthermore, the study concluded that physical architecture strongly affects customer patronage. The authors therefore recommended that the improvement on customer patronage is predicated on the bank's ability to efficiently improve on its operational equipment and to ensure that they perform optimally while reducing customers' waiting time.

Key words: Spatial layout, functionality and retail bank patronage.

INTRODUCTION

Design factors can create attraction and uniqueness to appeal to people at the focal point by signaling a pleasant and worthwhile experience. The design aspects of banks and retail stores are an ideal convergence of artistic ideas, instinct and business in a planned and profitable manner. According to Din (2000), retailers need to create or find out new environment in which space, cost and flexibility are designed in such a way that they effectively communicate brand value and attract consumers. Bank's design layout may communicate value by increasing search efficiency, comfort, inventory capacity, product quality, price, product displays etc. Signage and window dressing is the face index of the store that can attract or repel customers from the store. Customers may develop associations of trust, value, quality of goods and services, price warranty and guarantees, as they come across visuals such as signage, window dressing, logo, etc based on past shopping experiences, signs and graphics used in the store act as bridge between the merchandize and the target market. Design factors create theoretical

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effect, add Spersonality, beauty and communicate store image. Therefore, this study is designed to examine the impact of physical architecture on customer patronage of banks in the South-south zone of Nigeria.

THEORETICAL BACKGROUND

Physical architecture and customer patronage

Physical architecture refers to the ways in which machinery, equipment, and furnishings are arranged, the size and shape of those items, and the spatial relationships among these elements. More so, it refers to the functional ability of the same items to facilitate performance and the accomplishment of goals. Within the leisure service context, architecture accessibility refers to the way in which furnishings and equipment, service area and passage ways are arranged; and the spatial relationships among these elements (Bitner, 1992). An effective layout will provide for ease of entry and exist, and will make ancillary service areas such as concessions, restrooms, and souvenir stands more accessible to customers. Effective architecture in discount stores and banks facilitates the fulfillment of functional needs (Wakefield and Blodget, 2005). Interesting and effective physical architecture may also facilitate fulfillment of hedonic or pleasure needs. That is, by making ancillary service areas more accessible customers are able to spend more time enjoying the primary service offering.

Surprisingly, little has been published about the effects of physical architecture on sales volume in commercial service settings such as banks (Wener, 2000; Seidel, 2002). Logic suggests that physical architecture and functionality of the environment are highly salient to customers in self service environments where they must perform on their own and cannot rely on employees to assist them. Similarly, if the tasks to be performed are very complex, efficiency of layout and physical architecture will be more important than when the tasks are mundane or simple. When either the employees or customers are under time pressure, they will also be highly conscious of the relative ease with which they can perform their tasks in the environment.

However, it is important to emphasize that physical architecture that makes people or customers to feel constricted may have a direct effect on customer quality perceptions excitement levels, and indirectly on their desire to return (customer retention). This implies that service or retail facilities that are specifically designed to add some level of excitement, arousal or satisfaction to the service experience such as in an upscale restaurant or commercial bank should provide ample space to facilitate exploration and stimulation within the physical environment (Wakefield and Blodgett; 2005). From the forgoing discussion, we are inclined to believe that physical architecture can influence patronage in banks.

Furthermore, services encounter environments are purposeful environments (i.e. they exist to fulfill specific needs of consumers, often through the successful completion of employee actions); this underscores the relevance of physical architecture of business surroundings. The study of Baker et al (2002) showed strong evidence that customer's perception towards display and layout influence the customer's value perception. The value perception has a strong impact on customer patronage. When customers find that the merchandise or services is easily identified, the higher the possibility that customers will purchase on the merchandise. Efficient design of layout aids people in getting the right direction and to understand signs in stores and offices (Bitner, 1992). More so, customers that are successfully attracted to a store or office have a chance to purchase on product and spread positive word of mouth to friends and family (Barth, 1993).

On the other hand, physical architecture refers to the ability of the same items to facilitate performance and the accomplishment of goals. Much of the empirical research in organization behavior and psychology illustrated effects of the physical architecture and from the employee's point of view. Little has been published about the effects of physical architecture on customers in commercial service settings.

The impact of furnishing can be evidenced through the affective response of comfort; and this is also an important aspect of service environment that attracts profit margin and retention. For instance, seating comfort is likely to be a particularly salient issue for customers of leisure and banking services that must seat for a number of hours or minutes observing or participating in some of banking transactions and or some form of entertainment. Seating comfort is affected by both the physical seat itself and by the space between the seats. Some seats may be comfortable or uncomfortable because of their design or condition (new vs. deteriorating, padded vs non padded, bench seats vs seats with backs). Seats may also be comfortable or uncomfortable because of their proximity to other seats; customers may be physically or psychologically affected if they are forced to seat too close to the customers next to them (Baker, 2000). Indeed, previous research related to perceived crowding (Eroglu and Michelet, 1990; Hui and Bateson, 1991) suggests that cramped seating quarters are likely to be perceived as displeasing and of poor quality, hence may negatively impact on customer retention, sales volume and resultant profit level.

Furthermore, the amount of space between rows of seat is also an important dimension; because it affects the ease with which customers may exit their seats to use ancillary service such as rest rooms, concession areas, etc. More so, when rows are too narrow other customer

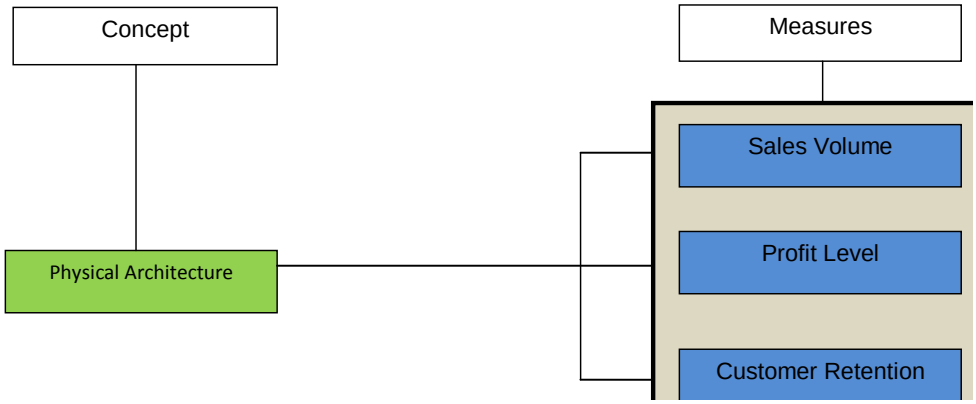

Figure 1. Customer patronage measures. Source: authors Desk Research (2014).

are frequently forced to stand or shift in their seats to let other customers pass by. However, the arrangement of space i.e. efficient positioning of items to pave way for easy movement and access to facilities by customers in a banking environment will significantly impact on sales volume, customer retention and profit margin.

Physical architecture can be an effective way to manage perceptions of progress in a queuing situation (Haynes, 2000). Furthermore, physical architecture may lead consumers to attribute the cause of a delay to the service organization. For example, bank customers were angry at delays they attributed to the bank when they observed tellers waiting for their computers to respond. After the bank installed partitions concealing computer terminals, tellers where perceived to be busy throughout the entire transaction and complaints decline (Martin, 2001). Physical architecture thus contributed to consumers' affective responses, and this led to lower perception of waiting time duration. Similarly, if consumers attribute delays to an organization due to poor facility layout and design then negative effect and increased time perception may result.

Conversely, effective and proper arrangement of facilities, equipment and their optimal/efficient performance will resultantly enhance the organization's customer retention. Parasuraman et al. (1988) conceptualized customer retention as "a global judgment, or attitude relating to the superiority of the service. In this regard, understanding and meeting customers' needs are essential for the success of any business or organization, no matter how small or large (Timm, 2008). There is general agreement that the delivery of high service quality can create a competitive advantage for retailers by differentiating them in terms of meeting the needs of their customers better than their competitors do (Darshan, 2006; Chiliya et al., 2009) (Figure 1).

Therefore, from the forgone discussion, we are inclined to think that the design of physical architecture, i.e. the equipment spacing, and spacious banking hall that will enhance easy customer traffic and mobility will encourage patronage, increase retention, volume of transactions and ultimately impact on the firms profit level. Hence, we develop the following hypotheses for the study. These are stated as follows:

H1: There is a significant relationship between physical architecture and sales volume
H2: There is a significant relationship between physical architecture and Profit margin.
H3: There is a significant relationship between physical architecture and Customer Retention.

STUDY METHODOLOGY

This study adopted the cross sectional survey method and the objectivist research strategies. The major decisions of the study were based on the nomothetic methodology. This approach focuses attention upon the process of developing questionnaire and testing hypotheses in accordance with the canons of scientific rigor (Ahiauzu, 2006).

The primary data were drawn from fourteen (14) functional and registered quoted banks in the south-south zone of Nigeria which also constitute our target population and level of analysis. More so, these banks were registered with the Corporate Affairs Commission (CAC), Nigerian Deposit and Insurance company (NDIC), and the Nigeria Stock Exchange (NSE). Forty two (42) copies of structured questionnaire were distributed on the ratio of three copies per bank. Our unit of analysis constitutes the bank's general managers and other top management staff who have direct contact with the customers.

The generated data were presented in tables and percentages and the various hypotheses were tested by employing the Spearman's Rank Correlation Coefficient to ascertain the relationship between physical architecture and customer patronage. The research instrument was designed using likert scale in the measurement of the two Constructs, Physical Architecture and Customer Patronage which ranges from "very high extent" to "very low extent". Most of the instruments used to measure the constructs in this study were adapted from previous studies in order to ensure content validity (Bitner, 1992). Items measuring physical

Table 1. Reliability coefficient of variables measured.

S/NO	Dimensions/measures of the study variables	No of items	No of cases	Cronbach's Alpha
1	Physical Architecture	5	42	0.762
2	Sales Volume	5	42	0.906
3	Profit Margin	5	42	0.875
4	Customer Retention	5	42	0.935

Source: SPSS Output version 15.0.

Table 2. Result of spearman rank correlation coefficient between physical architecture (PA) and sales volume (SV).

			Physical architecture	Sales volume
Spearman's rho	Physical architecture	Correlation coefficient	1.000	.692**
		Sig. (2-tailed	.	.000
		N	42	42
	Sales volume	Correlation Coefficient	.692**	1.000
		Sig. (2-tailed	.000	.
		N	42	42

**. Correlation is significant at the 0.01 level (2-tailed). Source: Research Data 2014 and SPSS ver. 15 window output.

Table 3. Result of spearman rank correlation coefficient between physical architecture (PA) and profit margin (PM).

			Physical architecture	Profit margin
Spearman's rho	Physical architecture	Correlation coefficient	1.000	.622**
		Sig. (2-tailed	.	.000
		N	42	42
	Profit margin	Correlation coefficient	.622**	1.000
		Sig. (2-tailed	.000	.
		N	42	42

**. Correlation is significant at the 0.01 level (2-tailed). Source: Research Data 2014 and SPSS ver. 15 window output.

architecture, including facility layout, facility design and equipment functionality are obtained from Darshan, (2006) and Haynes, (2000). Customer patronage was measured by items such as: sales volume, profit level and customer retention which were adapted from Cronin et al. (2000), Asiegbu et al. (2011), Adiele et al. (2011) and Athanasoglou et al. (2005). The validation process led us to seeking the opinion of experts in services marketing and service environment strategist. Towards this end, ten copies of structured questionnaire were pretested on selected managers of the different banks within the context of our study.

The Cronbach's Alpha coefficient was used to ascertain or test for instrument reliability. It is also an indicator of the internal consistency of a measure (Witney, 1996; Ahiauzu, 2006). From the analysis the results were all above the threshold of (0.70) as suggested by Nunnaly (1978), indicating that our research instrument was reliable. We therefore regard the items in the instrument as being internally related to the factors they are expected to measure (Table 1).

ANALYSES OF RESULTS

The hypotheses and data on Physical Architecture and Customer Patronage of banks in the south-south zone of Nigeria are presented in Tables 2, 3 and 4 respectively.

Result of spearman rank correlation coefficient between physical architecture (PA) and sales volume (SV)

Ho_1: There is no significant relationship between physical architecture and sales volume in Banks in South-South Zone of Nigerian

Table 2 shows that the correlation coefficient variables

Table 4. Result of spearman rank correlation coefficient between physical architecture (PA) and customer retention (CR).

			Physical architecture	Customer retention
Spearman's rho	Physical architecture	Correlation coefficient	1.000	.704**
		Sig. (2-tailed	.	.000
		N	42	42
	Customer retention	Correlation coefficient	.704**	1.000
		Sig. (2-tailed	.000	.
		N	42	42

**. Correlation is significant at the 0.01 level (2-tailed). Source: Research Data 2014 and SPSS ver. 15 window output.

ranked x and Y is (.692). This positive value of rs says that there is a strong rank correlation between Physical Architecture (x) and sales volume (Y) in the sample of banks in south-south zone of Nigeria. Furthermore, the Cronbach's Alpha values for physical architecture and sales volume are (.762) and (.906) respectively as shown in Table 2. Since the p-value (0.000) is less than the level of significance at (0.05), we therefore reject the null hypothesis and uphold the alternate hypothesis which says that there is a significant relationship between physical architecture and sales volume in the Banks in south-south zone of Nigeria.

Result of spearman rank correlation coefficient between physical architecture (PA) and profit margin (PM)

Ho_2: There is no significant relationship between physical architecture and profit margin in the banks in South-South Zone of Nigerian.

Table 3 shows that the correlation coefficient variables ranked x and Y is (.622). This positive value of rs (.622) indicates that there is a strong rank correlation between physical architecture (x) and profit margin (Y) in the sample of Banks in south-south zone of Nigeria. Moreso, the Cronbach's Alpha values for physical architecture and profit margin are (.762) and (.875) respectively as shown in (Table 1). Since the p-value (0.000) is less than the level of significance at (0.05), we therefore reject the null hypothesis and uphold the alternate hypothesis which says that there is a significant relationship between physical architecture and profit margin in Banks in south-south zone of Nigeria.

Result of spearman rank correlation coefficient between physical architecture (PA) and customer retention (CR)

Ho_3: There is no significant relationship between Physical Architecture and Customer retention in Banks in South-South Zone of Nigeria.

The Spearman's Rank test result in Table 4 shows that the correlation coefficient of the variables Rank- x and Rank –Y is .704. The positive value of rs (.704) revealed that there is a strong rank correlation between physical architecture (x) and customer retention (Y) in the sample of Banks in south-south zone of Nigeria. More so, the Cronbach Alpha values for physical architecture and customer retention are (.762) and (.935) respectively (Table 1). Since p-value (0.000) is less than the level of significance at (0.005), we therefore reject the null hypothesis and uphold the alternate hypothesis .This implies that there is a significant relationship between physical architecture and customer retention in the banks in South-south zone of Nigeria.

DISCUSSION OF THE FINDINGS

Relationship between physical architecture and customer patronage

The test of hypotheses one, two and three as shown in Tables 2, 3 and 4, respectively revealed that a strong and positive relationship exists between physical architecture and each of the measures of customer patronage in the sample of banks in South-south zone of Nigeria. The positive value of (.692), (.622) and (.704) also showed the strength of the relationships between the variables. The Cronbach's Alpha values for physical architecture (.762), sales volume (.906), profit margin (.875) and customer retention (.935) indicated the rate at which our research instruments were reliable (Table 1).

Furthermore, the p-value (0.00) is less than the level of significance of (0.05); therefore, we reject the null hypotheses and conclude that a positive and significant relationship exists between physical architecture, sales volume, profit margin and customer retention.

This finding corroborates the views of Wakefield and Blodget (2005), that an effective layout will provide ease

of entry and exist, and will make ancillary service areas such as concessions, restrooms, and souvenir be more accessible to customers. Similarly, Wakefield and Blodget (2005) argued that effective architecture in discount stores and banks facilitates the fulfillment of functional needs. Notably, interesting and effective physical architecture was found to facilitate fulfillment of hedonic or pleasure needs. That is, by making ancillary service areas more accessible customers are able to spend more time enjoying the primary service offering. However, it is important to emphasize that physical architecture that makes people or customers to feel constricted may have a direct effect on customer quality perceptions excitement levels, and indirectly on their desire to return (customer retention). This is consistent with the views of Wakefield and Blodget (2005) that service or retail facilities that are specifically designed to add some level of excitement, arousal or satisfaction to the service experience such as in an upscale restaurant or commercial bank should provide ample space to facilitate exploration and stimulation within the physical environment (Wakefield and Blodgett; 2005). From the foregone discussion, we are inclined to opine that physical architecture can influence patronage in banks.

Skogland and Siguaw (2004) similarly examined the people factor and satisfaction with hotel and bank ambience and reported that they positively affect word-of-mouth loyalty. Their finding corroborates with the views of Timm (2008), that underscored the importance of bank design and amenities as drivers of sales volume. Hence, Chiliya et al. (2006) opined that organizations build themselves around what is good for their customer and change their organizational ambience, structures, systems and processes to build great customer experiences in order to continually sustain growth despite fierce competition. This assertion is in line with our findings in Table 2 which showed a significant relationship between physical architecture and sales volume as evidenced in the strong value of (69.2%).

Furthermore, in the view of Goddard et al. (2004a), as banks move into the twenty first century, they must focus more than ever before on creating new streams of revenue in order to increase shareholders value. Critical to this effort is the need to assess and analyze the profitability of the bank's current customers, relationships, services customer retention rate and products. It is only through such analysis that bank can determine which customers to fight for, which customer relationship to expand, and which prospective customer to pursue. This statement corroborates with our study finding in Table 3 which indicated a significant relationship between physical architecture and profit margin as evidenced in the positive value of 62.2%.

Similarly, for any business organization, even the banking industry to perform creditably and remain in business, there must be inherent customer retention program and strategies. Customer retention affects both revenues and cost in the equation of profitability. This equation equates profitability to be equal to revenue and cost is lowered due to lesser generation and marketing costs of such revenue. Sales volume plays a key role in the profit level of any organization. Higher sales volume will always reflect in higher profit margin or increasing demand and the number of units sold. Arguably, from the above discussions, there is a relationship between physical architecture, sales volume, profit margin and customer retention. This statement agrees with our finding in Table 4 which indicated a strong and significant relationship between physical architecture and customer retention as observed in the strong value of 70.4%. Another positive consequence of customer retention is that it can help the firm gain competitive advantage and an expansion of their market share as customers willingly buy other products as well as refer others to the organization (Christopher and James, 2012). The impact of furnishing can be evidenced through the affective response of comfort; and this is also an important aspect of service environment that attracts profit margin and retention. The study of Baker et al. (2002) showed strong evidence that customer's perception towards display and layout will influence the customer's value perception. The value perception has a strong impact on customer patronage. From the discussion thus far, we conclude that physical architecture positively and significantly affects customer patronage.

CONCLUSION AND RESEARCH IMPLICATIONS

This article has explored some of the pertinent areas in which physical architecture and customer patronage are predicated upon and also established the relationship between these constructs. Based on the findings obtained from summary of discussion, empirical related literature; thus far, we conclude that physical architecture affect customer patronage of banks in the south-south zone of Nigeria. Furthermore, amongst the measures of patronage, physical architecture strongly affects customer retention of banks under investigation as evidenced in Table 4.

Similarly, the implication of the study is that the use of physical architecture as a strategy to enhance customer patronage in banks should be recognized since both theoretical and empirical evidence has proven that the dimensions of physical architecture positively correlate with customer patronage.

We suggest that, banks should take cognizance of the fact that physical architecture (i.e. efficient facility layout, facility design and functionality of their equipment) can help facilitate their service delivery process thereby reducing customer waiting time, crowding and complaint. From our findings and discussion thus far, we develop a

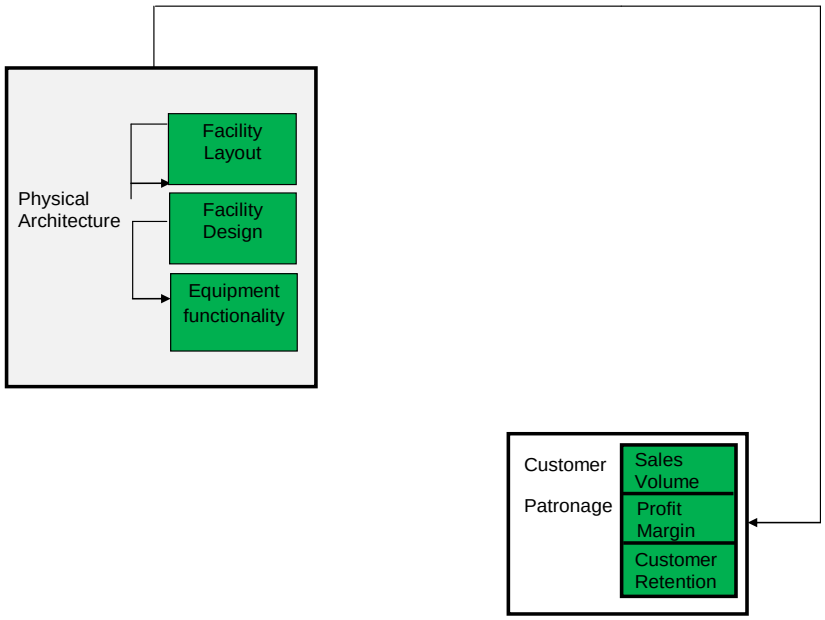

Figure 2. Physical architecture and customer patronage model.

new physical architecture and customer patronage heuristic model presented in Figure 2.

Conflict of Interests

The authors have not declared any conflict of interests.

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