

The Role of Sustainable Visual Merchandising Practices in Predicting Retail Store Loyalty

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Background and Purpose

- Fifty percent of Americans are partially concerned about environmental problems and an additional 15% have great interest in and a willingness to conserve the environment (Hyllegard, Ogle, & Dunbar, 2006).
- Consumers want retailers to transform stores into eco-friendly settings as people are becoming more sensitive about environment for future generations (Pegler, 2012).
- Increasing numbers of consumers are willing to pay for eco-friendly products and want to shop in green stores (Pegler, 2012).
- By using sustainable visual merchandising practices, retailers can expect increased patronage intention from environmentally responsible consumers (Baker, Parasuraman, Grewal, & Voss, 2002).
- Eco-friendly design leads to revenue in the long term (Badding, 2011) and hence potential consumers' loyalty to retailers might be predicted via their attitude toward sustainable visual merchandising practices, attitudes which influence behavioral intentions (Ajzen & Fishbein, 1980).
- The **purpose** of the present study is to identify sustainable visual merchandising practices to gain insight into consumers' attitudes toward such practices, to predict consumers' intention to patronize and buy from such retailers which use green visual merchandising practices, and ultimately to predict the store loyalty.

Hypotheses

- Positive consumer attitude toward sustainable visual merchandising practices will positively influence willingness to buy from such a retailer (**H1**) and intention to patronize such a retailer (**H2**).
- Consumer willingness to buy from retailers who practice sustainable visual merchandising will influence store loyalty (**H3**).
- Consumer intention to patronize retailers who practice sustainable visual merchandising will influence store loyalty (**H4**).

Method

- An online survey method was used to collect data.
- Five vignettes reflecting consumers' attitude toward sustainable practices in visual merchandising (such as energy efficient lighting, eco-friendly fixtures, store displays created from repurposed material) were developed.
- Items from existing scales with acceptable reliabilities ($\alpha > .70$) were adapted to measure willingness to buy, patronage intention, and store loyalty.
- The survey included seven-point Likert-type scale (1 = *Strongly Disagree*, 7 = *Strongly Agree*).
- Demographic questions were also included in the survey.
- A total of 694 useable surveys were gathered from students (age 18 and above) enrolled at Iowa State University.
- Qualtrics was used to develop online survey; SPSS 22.0 was used to run descriptive statistics and exploratory factor analysis (EFA); MPlus 7.0 was used to run confirmatory factor analysis (CFA) and structural equation modeling (SEM)

Results

- The sample consisted of female (70%) and single (94%) respondents.
- All hypotheses were supported.
- Based on standardized path coefficients and significance levels, attitude toward sustainable merchandising practices positively influenced willingness to buy and patronage intention. Willingness to buy and patronage intention positively influenced store loyalty.

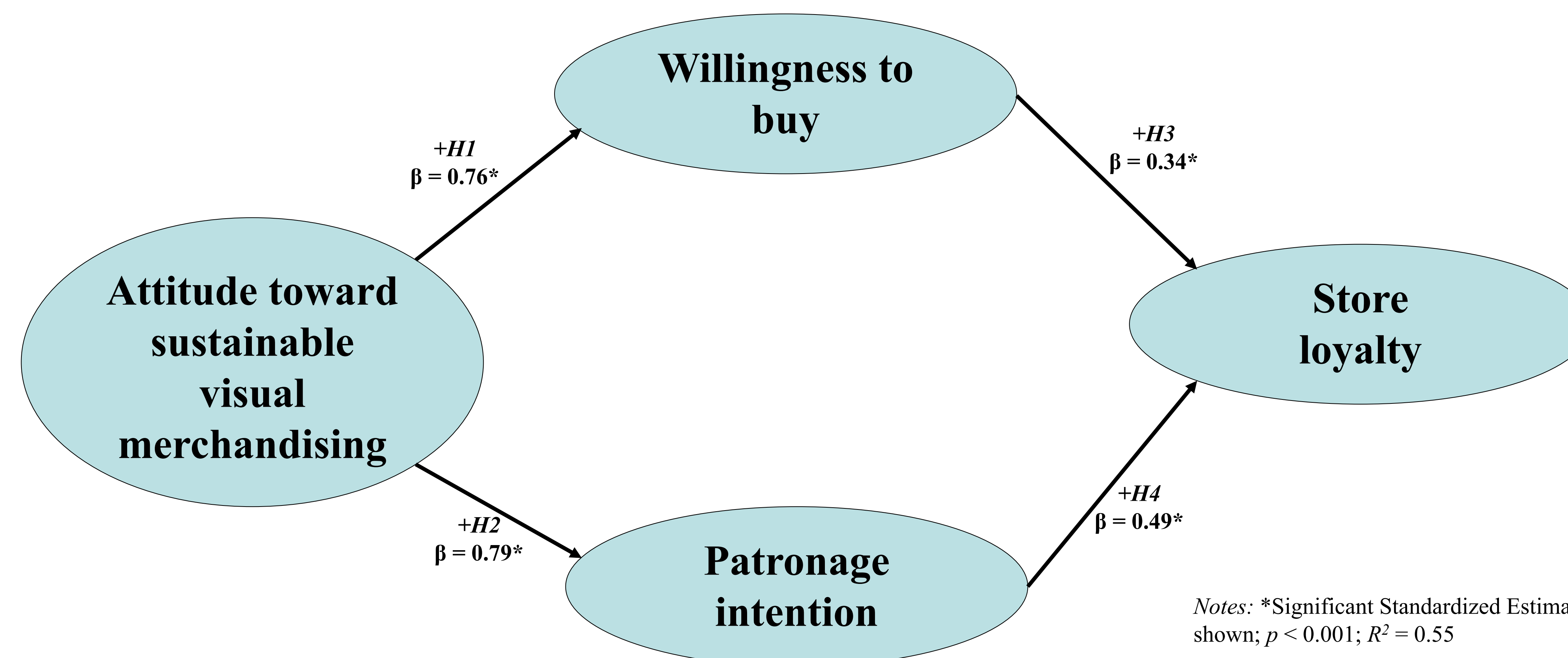


Figure 1: Latent model showing structural path coefficients among research variables.

Notes: *Significant Standardized Estimates shown; $p < 0.001$; $R^2 = 0.55$

Model fit indices: $\chi^2 = 1117.8$, $df = 100$, $p < .000$, CFI=.89, RMSEA=.10, SRMR = .10

Conclusions

- The research findings contribute to a better understanding of sustainable retail practices and its influence on store loyalty.
- Findings suggest that consumers' attitude toward sustainable visual merchandising practices is a strong indicator of their willingness to buy and intention to patronize such retailers, which ultimately results in store loyalty.
- Retailers should implement more and more sustainable visual merchandising practices and should emphasize those efforts in advertising and marketing, which will help to ensure store loyalty.
- This way, retailers will not only contribute to the cause of saving the environment but also lead to profitability.

References

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