



# The efficacy of shopping value in predicting destination loyalty<sup>☆</sup>



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## ABSTRACT

Recognizing the importance of tourism's experiential aspects, this research examines how hedonic and utilitarian values relate to tourist's overall shopping experience satisfaction and destination loyalty. Study findings suggest both hedonic and utilitarian shopping values are strongly linked to overall shopping satisfaction. Overall shopping satisfaction fully mediates utilitarian shopping value's effect on destination repatronage intention (DRI), destination word-of-mouth (DWOm), and partially mediates hedonic shopping value's (HSV) effect on DRI and DWOm. Study results advance consumer behavior theory and offer managerial implications for retailers operating in a rapidly maturing tourism destination in Turkey's Mediterranean region.

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## 1. Introduction

Arguably, shopping serves as an important tourist destination pull-factor and provides an integral component to trip experiences (Choi, Chan, & Wu, 1999; Heung & Qu, 1998; Jansen-Verbeke, 1991; Littrell, Paige, & Song, 2004; Yu & Littrell, 2005). In fact, shopping ranks as the top leisure activity for travelers (Hong & Littrell, 2003). Tourists purchase variety of goods when they travel. They shop for local crafts, goods, arts as souvenirs, and essential utilitarian items such as toothpaste and batteries for personal use. Shopping also entertains tourists as they gaze around local shops, flea markets, and shopping malls when searching for authentic music and foods. While they shop, chatting and bargaining with shop owners or sales people offer tourists an opportunity to interact with the locals. The shopping activities entertain and enrich tourism experiences. Hosany and Gilbert (2010, p. 521) state "tourists' emotional [shopping] experiences play an important role in influencing destination satisfaction and intention to recommend." Previous studies report that shopping expenditures account for nearly one-third of total travel spending (Kim & Littrell, 2001; Wong & Law, 2003). Destination choice studies regard shopping as a prime motivator for short trips. Accordingly, tourists visit destinations (e.g., New York, Milan, Paris, and Hong-Kong) or they take cross-border trips primarily for shopping (Snepenger, Murphy, O'Connell, & Gregg, 2003; Yu &

Littrell, 2005). Similarly, limited shopping opportunities reduce the attractiveness of long haul destination visits.

Shopping affects the tourist's emotional state, stimulates cultural interactions between hosts and guests, and contributes to the local economy. Tourism researchers argue shopping is a core contributor to visitor satisfaction and overall destination experience (Croes, Shani, & Walls, 2010; Crouch & Ritchie, 1999; Dwyer, Mellor, Livaic, Edwards, & Kim, 2004; Fallon & Schofield, 2006; Gallarza & Gil Saura, 2006; Huang & Sarigöllü, 2008; Yüksel & Yüksel, 2007). Shopping revenues provide both primary and secondary benefits to local economies. For example, Lee and Kwon (1995) report a 223 percent economic value for every dollar foreign tourists spend on shopping in Korea. This effect increases nearly a seven-fold from primary to secondary effects implying a large percentage of expenditures are retained in the economy. Every dollar spent shopping generates 2.23 dollars for the local economy. Their results demonstrate shopping provides an economic boost. As tourism destinations become more competitive, destination managers and government officials dedicate more resources to increase visitor satisfaction and destination loyalty. Understanding the relationship between tourists' shopping experiences and destination loyalty is paramount. Previous research uncovers some critical outcome variables of shopping value. For example, retail industry research investigates how hedonic and utilitarian shopping values affect overall shopping satisfaction, store loyalty (Carpenter, 2008; Jones, Reynolds, & Arnold, 2006; Reynolds, Jones, Musgrove, & Gillison, 2011), and online shopping loyalty (Overby & Lee, 2006). In the tourism industry Huang and Hsu (2009) note that shopping experience is precursor to destination revisit intentions, but they omit shopping values' affective and cognitive components. Hernández-Lobato, Solis-Radilla, Moliner-Tena, and Sánchez-García (2006) identify tourism's affective component as being more influential than the cognitive component to create overall

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satisfaction and destination loyalty; however, they disregard shopping's hedonic and utilitarian aspects. Other studies investigate hedonic and utilitarian shopping values on overall satisfaction and behavioral intentions within the same product category (e.g., restaurants or hotels) as opposed to two independent but related product categories including consumer retailing and tourism destinations (Babin, Lee, Kim, & Griffin, 2005; Ryu, Han, & Jang, 2010). Understanding the efficacy of both the cognitive and affective components on tourists' shopping experiences and delineating these retail consumption relationships with overall shopping satisfaction (OSS) and destination loyalty advances the tourist behavior literature and theory. Thus, this study examines cognitive and affective shopping value as antecedents to OSS and destination loyalty. From a theoretical perspective, this research extends shopping's value into the tourism context and explores the efficacy of shopping experiences-as delineated by hedonic and utilitarian values- in predicting tourist's overall satisfaction (OSS) with shopping experience, destination repatronage intentions (DRI) and destination word-of-mouth (DWoM).

## 2. Conceptual framework

### 2.1. Shopping value and destination loyalty

The current study examines the efficacy of tourists' hedonic and utilitarian shopping values in predicting overall shopping satisfaction, and destination loyalty. Consumer behavior literature examines customer value from many perspectives, including price and product benefits (Zeithaml, 1988, p.13). Value often is described as “a trade-off between overall benefits gained and sacrifices made by the customer” (Olaru, Purchase, & Peterson, 2008) or “what one gets for what she gives up” (Zeithaml, 1988). Despite the existence various value conceptualizations, the literature coalesces around two value concepts: Monroe's acquisition and transaction value (Monroe, 1979 in Gallarza & Gil Saura, 2006) versus Holbrook and Hirschman's (1982) hedonic and utilitarian value approach. Al-Sabbahy, Ekinci, and Riley (2004) question the validity of Monroe's approach finding that the transaction value does not emerge in a tourism context. The current study adopts the latter conceptualization as operationalized by Babin and his colleagues. Babin, Barry, Darden, and Griffin (1994) developed and validated a scale measuring hedonic (HSV) and utilitarian shopping value (USV) in order to capture shopping's joy aspects (hedonic) and instrumental (utilitarian) nature. Shopping's *hedonic value* is subjective, emotional, and fun. Shoppers experience what Csikszentmihalyi (1990) calls a state of “flow experience” (losing a sense of time due to total immersion into an activity) or a *true state of leisure*, akin to the opposite of work. In this sense, one does not need to purchase a product for enjoyment to take place; the pure engagement in shopping creates a state of satisfaction or euphoria. Tourists taking part in shopping (not necessarily the purchase though) might find the activity enjoyable. Accordingly, shopping amenities and opportunities serve as important pull factors at tourism destinations (Sirakaya, McLellan, & Uysal, 1996). Babin et al.'s (1994, p. 651) findings indicate “consumers may use shopping as a form of mental therapy in managing their emotions” and that “perceived hedonic value is significantly related to a single-item satisfaction measure, albeit positing weak relationship between the two.”

Over the last three decades, the growing emphasis on studying guest satisfaction in tourism research is due to tourism's experiential nature. Understanding tourist satisfaction is critical for successful and sustainable tourism industry. Oliver's (1981) “expectancy-disconfirmation model” provides an early conceptualization of consumer satisfaction. The expectancy-disconfirmation model contends consumers form expectations prior to a consumption experience through a cognitive process involving semantic meaning of product and service attributes. After consumption, the consumer evaluates the experience relative to the expectations, leading to satisfaction or dissatisfaction. If the evaluation is positive, a state of satisfaction occurs. Customer satisfaction

conceptualization includes both cognitive and emotional responses to direct product experiences whereas satisfaction positively influences future intentions. Jones et al. (2006, p. 975) conclude satisfaction judgments “rely on the accumulated affective experiences with a product or service, and beliefs and other cognitions which are retained and updated over time”. Ekinci, Dawes, and Massey (2008) extend existing consumer satisfaction models by suggesting that a variety of functional (e.g., service quality or perceived value) and symbolic values (self-concept) experienced at service encounters influence consumer satisfaction.

Dick and Basu (1994, p. 99) describe loyalty as “the strength of relationship between the relative attitude and repeat patronage.” Repeat purchase behavior may occur due to perceived time/energy costs, perceived risk, perceived absence of choice, probability or bias, temporary selling incentives, or legal and corporate policy constraints (Jacoby & Kyner, 1973). In contrast, loyalty also involves a psychological bond to the entity (seller). Emotions and affective cues likely precede loyalty (Dick & Basu, 1994; Jones et al., 2006).

Fig. 1 displays the relationships between the constructs based on the aforementioned research.

As can be seen Fig. 1, OSS fully mediates hedonic and utilitarian shopping values' effects on destination loyalty operationalized by intention to return and WoM measures.

Fig. 2 shows the partial mediation model as an alternative model which posits shopping value's direct effect on destination loyalty.

## 3. Hypothesis development

### 3.1. Shopping values' effect on overall shopping satisfaction (OSS)

Extant retailing research demonstrates that hedonic and utilitarian values determine the shopping experience's outcome. Value constructs help explain satisfaction and behavioral loyalty. Reynolds and Beatty (1999) find that functional and social benefits driven from a sales transaction result in customer satisfaction that lead to loyalty. Confirming Reynolds and Beatty (1999), Jones et al. (2006) report hedonic and utilitarian values affect satisfaction differently. On the one hand, they posit that:

critical outcome variables such as satisfaction with the retailer, WoM, and repatronage intentions - are influenced more by non-product-related, hedonic aspects of shopping than traditional utilitarian orientations. On the other hand, utilitarian shopping value is more strongly related to repatronage intentions. Specifically, utilitarian shopping value may well be a necessary, but not sufficient condition for building store loyalty (Jones et al., p. 979).

More recently, Carpenter's (2008) study shows that both utilitarian and hedonic shopping values predict consumer satisfaction with trip experiences and WoM for Wal-Mart, Target, and K-Mart shoppers. Customer satisfaction serves as an antecedent to consumer loyalty and explains intention to return and WoM (Paridon & Carraher, 2009; Söderlund, 2006). Applying the retailing study constructs to a cross-cultural hospitality research setting results in similar findings. Babin et al.'s (2005) restaurant customer study confirms both hedonic and utilitarian values positively relate to consumer satisfaction and WoM. Both utilitarian and hedonic shopping values play equally important roles in determining customer satisfaction in a tangible retail setting. However, research in an online shopping environment reveals that only the utilitarian value significantly affects consumer satisfaction and WoM (Overby & Lee, 2006). To date, corresponding tourist retail experience studies tend to focus on intangible experiences. Primarily, tourist shopping studies examine limited product purchases experiences (e.g., souvenirs and gifts and local produce for longer-term tourists). Because tourism involves events that can create memorable experiences, hedonic value or the fun side of shopping as well as

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