



An empirical study of the relationship between shopping environment, customer perceived value, satisfaction, and loyalty in the UAE malls context



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ABSTRACT

This study aims to investigate through structural equation modelling (SEM) the relationships between the shopping environment, customer perceived value, customer satisfaction, and customer loyalty in regard to malls in the United Arab Emirates (UAE). The main results of this study show that the mall environment is an antecedent of the customer perceived value of malls (MALLVAL) and customer satisfaction. MALLVAL has a significant positive effect on both customer satisfaction and customer loyalty to malls. In addition, MALLVAL and customer satisfaction mediate the relationship between the mall environment and customer loyalty. Finally, customer satisfaction mediates the relationship between MALLVAL and customer loyalty to malls. Some theoretical and managerial implications of these findings are discussed.

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1. Introduction

Although customer loyalty has received much attention in the retail marketing literature over the last two decades (Chebat et al., 2009; Rabbane et al., 2012), mall loyalty has received little research attention. Most of the existing research on customer loyalty in the mall context has focused on examining the factors affecting mall loyalty, such as the effects of store loyalty (Rabbane et al., 2012), shopper-based mall equity (Chebat et al., 2009), shopping well-being in malls (El Hedhli et al., 2013), shoppers' demographics and patronage of malls (Lee Taylor and Cosenza, 2002; Laroche et al., 2005; Haj-Salem et al., 2016), self-congruity (Chebat et al., 2009; Haj-Salem et al., 2016), mall environment (Lehew et al., 2002; Stoel et al., 2004; Keng et al., 2007; Haj-Salem et al., 2016), customer perceived value (Stoel et al., 2004; Keng et al., 2007; Rahman et al., 2016), and customer satisfaction (Stoel et al., 2004; Kim et al., 2015). None of the previous research in mall loyalty has been conducted in the United Arab Emirates (UAE), in spite of the noticeable movement to establish malls all over the

country, which has intensified the competition between them (El-Adly, 2007).

Since having a loyal customer in these times of strenuous competition is quite vital to the success of many types of retailer, including shopping malls, it would be helpful to better understand the determinants affecting customer loyalty and the relationships between determinants. Nowadays, customers have become more value-driven; therefore, they tend to be more selective and are more likely to be loyal to those malls where they perceive high value to be available and they are more satisfied. By knowing the shopping values that customers derive from the mall shopping experience and their satisfaction with the mall environment, developers and managers of malls can identify the attributes that make shoppers loyal to malls (Jackson et al., 2011). Most studies of perceived value in the mall context (e.g., Stoel et al., 2004; Michon et al., 2007, 2008; Allard et al., 2009; Jackson et al., 2011; Rahman et al., 2016) have focused on the dimensions of utilitarian value (i.e., accomplishing the intended purpose of the shopping trip by getting what is needed or wanted) and hedonic value (i.e., the fun, enjoyment, and playfulness that shoppers gain during their shopping trip to the mall), but have ignored other dimensions that could be derived from the complete shopping experience in malls. Therefore, El-Adly and Eid (2015) proposed a new scale to measure

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the perceived value of the complete shopping experience in malls (MALLVAL), which includes more value dimensions than utilitarian and hedonic ones only.

Meanwhile, the mall environment has been proved an antecedent to both the hedonic and utilitarian values of malls (Stoel et al., 2004; Chebat et al., 2014) or hedonic value only (Michon et al., 2007, 2008). At the same time, the findings of studies that have investigated the relationship between mall environment and mall loyalty are inconsistent. For instance, Lehw et al. (2002) have found that there is no significant difference between loyal and non-loyal mall shoppers in their perception of the mall environment. However, Keng et al. (2007) and Chebat et al. (2009) have found that the perception of the mall environment has an indirect significant effect on mall loyalty. Yet, Stoel et al. (2004) find an insignificant relationship between the mall environment and mall loyalty.

From the previous discussion, we conclude the following: First, mall loyalty research has received little attention in the last two decades compared with customer loyalty in the retail marketing literature, whether at the product/brand level or at the store level. Second, research examining the effect of customer perceived value on mall loyalty has focused only on the hedonic and utilitarian values, ignoring other value dimensions that could be derived from the complete shopping experience in malls. Third, research findings about the relationship between the mall environment and mall loyalty are inconsistent. Finally, none of the previous research has examined mall loyalty and its antecedents in the UAE context. Therefore, this study tries to fill these theoretical and practical gaps by answering the following questions: First, how does the perception of the mall shopping environment influence the customer perceived value of malls (MALLVAL), customer satisfaction, and customer loyalty? Second, what is the role of MALLVAL in generating mall shopper satisfaction and loyalty? Third, how does customer satisfaction affect mall loyalty? To answer these questions, we theorised and tested a model that clarifies how the perceived value of a mall, satisfaction, and loyalty are influenced.

This study may contribute in several ways to the literature of the customer perceived value of malls, customer satisfaction with them, and customer loyalty to them. First, it operationalises and empirically validates the perceived value of malls (MALLVAL). Second, it assesses the influence of the shopping environment of the mall on MALLVAL, customer satisfaction, customer loyalty and the mediating role of MALLVAL and satisfaction in the mall environment-loyalty relationship. Third, it adds to the very limited research on malls in the Arab countries in general and the UAE in particular.

The remainder of this paper is structured as follows. The MALLVAL scale of El-Adly and Eid (2015) is briefly described. This is followed by conceptualisation of the model and formulating the hypotheses about the relationship between the mall shopping environment, perceived value, satisfaction, and loyalty. The next section explains the research method. Then, the main results of the tested model are presented. Finally, the theoretical and managerial implications of the study as well as its limitations and possible directions for future research are discussed.

2. Customer perceived value in malls (MALLVAL)

From the consumer's perspective, obtaining value is a substantial consumption goal in the successful shopping experience (Davis and Hodges, 2012). To reflect the subjective nature of the value that is provided by the complete shopping experience and not merely in acquiring a product, value is defined as 'all the factors, qualitative and quantitative, subjective and objective, that make up the complete shopping experience' (Zeithaml, 1988;

Babin et al., 1994; Jackson et al., 2011).

Previous research on customer perceived value demonstrates its multidimensional and contextual nature (Chen and Dubinsky, 2003). In the retailing industry specifically, it is mainly investigated in the product/brand context (see, for example, Sweeney and Soutar, 2001; Chi and Kilduff, 2011) and in the store context (see, for example, Rintamäki et al., 2006; Jones et al., 2006; Carpenter, 2008; Carpenter and Moore, 2009; Davis and Hodges, 2012). While customers can derive many values from malls that cannot be found at the store level or at the product level, little research so far has investigated customer perceived value at the mall level (see, for example, Stoel et al., 2004; Michon et al., 2007, 2008; Keng et al. 2007; Allard et al., 2009; Jackson et al., 2011; Singh and Prashar, 2014). Most studies in the mall value context focus mainly on both hedonic and utilitarian values (Stoel et al., 2004; Michon et al., 2007, 2008; Allard et al., 2009; Jackson et al., 2011; Rahman et al., 2016), neglecting other important value dimensions that could be generated during the shopping trip to the mall.

Malls are characterised by many features that cannot be found in stand-alone stores: for instance, they are open all day without breaks seven days a week; they contain a variety of stores, products, restaurants, coffee shops, food courts, entertainment facilities, banks, airlines, travel agents, exchange, car rental agencies, as well as opticians and pharmacies. Therefore, they can be expected to offer more values to customers than merely utilitarian and hedonic ones.

El-Adly and Eid (2015) conceptualised and empirically validated MALLVAL, a scale of customer perceived value in malls. Their study confirms that MALLVAL is a multidimensional scale of eight dimensions, namely: hedonic, self-gratification, utilitarian, epistemic, social interaction, spatial convenience, time convenience, and transaction values. El-Adly and Eid (2015) describe hedonic value as the fun and enjoyment that shoppers get from their shopping experience in the mall, while self-gratification is the improvement of the shopper's well-being provided by the shopping experience in the mall, which relieves stress, changes negative moods, and takes them away from daily routine and problems. At the same time, they see utilitarian value in the accomplishing of the intended purpose of the shopping trip by getting what is needed or wanted by every member of the household. In addition, they identify epistemic value as the perceived utility provided by malls to inspire the mall shopper's curiosity (i.e., to explore stores, products, and events), to provide novelty through new offers, events, new fashions, new ideas, new assortments of products, and to satisfy the shopper's desire for knowledge through keeping them up to date with the newest trends and fashions. Moreover, El-Adly and Eid (2015) explain social interaction value in terms of positive feelings gained through interaction with others, such as friends, family, salespeople, and customers during the shopping experience in the mall. With regard to spatial convenience as a value of malls, El-Adly and Eid (2015) explain it as the shopper's capacity to carry out a wide variety of shopping tasks with minimal time and effort without leaving the mall. Meanwhile, they explain the time convenience value as the perceived utility of time provided by malls to shoppers through one-stop shopping, extended trading hours, an enclosed environment and locations that are close to where customers live or work. Finally, they describe the transaction value as the positive emotional perception and pleasure of getting good offers, bargains, and deals in their shopping experience in the mall. The research reported here operationalises MALLVAL in a model that explains the antecedents of mall loyalty.

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