



Influence of hedonic and utilitarian motivations on retailer loyalty and purchase intention: a facebook perspective



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ABSTRACT

Social networks are an innovative tool that people use to communicate with family, friends and, increasingly, businesses. To optimize social networks as a marketing strategy, apparel retailers must understand consumers' motivations to interact with retailers via social media. We argue consumers' motivations for shopping on Retail Facebook Pages (RFP) compared to traditional retail formats may differ. The purpose of the study was to examine the influence of utilitarian and hedonic motivations (i.e., time savings, information access, bargain perception, and experiential shopping) on purchase intention and loyalty among consumers that use RFP. Using SEM, we show that experiential shopping influences loyalty, but not purchase intention, that bargain perception influences neither purchase intention nor loyalty, that information access influences time savings and loyalty, and that loyalty impacts purchase intention.

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1. Introduction

Social media is an innovative communication tool for retailers to interact with consumers. Additionally, consumers are willing to pay more to receive only marketing that resonates with them, and they are receptive to marketing messages that are short, focused and personally communicated by friends and trusted experts ("Marketers Must Change", 2005). Thus, it is no surprise that retailers are integrating social media into their marketing strategies. In fact, the 500 retailers ranked in Internet Retailer's 2014 Social Media sold an estimated \$2.69 billion in 2013 directly from social media networks (Dusto, 2014).

Social media represents a substantial change in communication for retail operations. Harris and Dennis (2011) identified four stages of social commerce for retailers: (1) Testing social media sites, (2) recognizing the need for infrastructure, (3) selecting products, and (4) creating consumer-centric experiences. Now considered an essential addition to retail marketing, social networking is a pivotal technique in the current retail environment as today's postmodern consumer seeks individualistic and communal brand experiences. Retailers must provide compelling propositions that attract consumers to their organizations and

must understand consumers' motivations to interact with companies using social media.

Facebook is one of several Social Networking Sites (SNS) (e.g., YouTube, Twitter) where consumers can interact with other consumers and is the second most visited website with 10% share of all websites visited (Experian, 2014). This SNS grew from 21 million members in 2007 (Ellison et al., 2007) to over 1.2 billion active monthly users as of 2013 (Facebook, 2014). Consequently, retailers are increasing their involvement in the Facebook community and creating their own Facebook pages. While 70% of total Fortune 500 companies used Facebook in 2013, 96% of Fortune 500 specialty retailers used Facebook during this same time period (Barnes et al., 2013).

Retailer Facebook Pages allow consumers to share products and services with others, who represent 67% of online adults (Duggan and Brenner, 2013). As technology continues to impact consumer shopping, it is important to note that more than 75% of Facebook's active users engage via mobile devices (Facebook, 2014). As Facebook users increasingly access their accounts via mobile devices, the convenience of social shopping is available anytime, anywhere. However, shopping is, in fact, a larger experience than just the purchase of items (Babin et al., 1994).

Understanding Facebook connections attracts researchers from multiple perspectives, (Harris and Dennis, 2011). Researchers have examined numerous aspects of Facebook including social capital gains from Facebook (Ellison et al., 2007), self-presentation through profile images (Strano, 2008), personalities of Facebook users (Ross et al., 2009), trust/privacy for SNS users (Dwyer et al., 2007; Fogel

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and Nehmad, 2008; Swamynathan et al., 2008), technology acceptance (Suki et al., 2011), brand communities and experiences (Gummerus et al., 2012; Simon et al., 2013), psychological factors underlying usage (Toma and Hancock, 2013), credibility of Facebook advertising (Yaakop et al., 2013), and demographic differences in Facebook usage (Junco, 2013).

Although the potential strength of social commerce is apparent (Gongloff, 2011; Trusov et al., 2009), there is little empirical research relative to understanding consumers' motivations to connect with apparel retailers' Facebook pages. Examining the values that motivate consumer behavior in the context of Facebook can provide valuable insights as apparel retailers create impactful Facebook marketing messages that can stimulate purchase intention and even loyalty.

2. Literature review

Engaging consumers in social media marketing requires an understanding of the shopping motivations of individuals connecting to RFP. Researchers (Babin et al., 1994; Holbrook and Hirschman, 1982) identify two shopping motivation dimensions: Utilitarian and hedonic. Utilitarian motivations relate to the functionality of shopping, while hedonic motivations are defined as consumers' enjoyment of the shopping experience itself. Utilitarian and hedonic values co-exist for consumers shopping in multiple channels, similar to traditional retail formats (Babin et al., 1994; Childers et al., 2001; To et al., 2007; Kwon and Jain, 2009; Pookulangara et al., 2009).

2.1. Utilitarian values

Utilitarian values (Babin et al., 1994) stem from the desire for efficient, rational, task-oriented efforts relevant to purchasing products. Consumers motivated by utilitarian values online may seek the convenience of saving time (Childers et al., 2001; Kwon and Jain, 2009) or the ease of accessing information (Childers et al., 2001; To et al., 2007; Kwon and Jain, 2009). Utilitarian values motivate purchases in traditional formats (Babin et al., 1994) as well as online channels (Childers et al., 2001; To et al., 2007).

2.2. Hedonic values

For consumers motivated by hedonic values, the experience itself is important (Babin et al., 1994). These consumers enjoy the experience without the need to make a purchase, but a purchase is a result of the experience. Hedonic values can include a desire for entertainment and escapism (Babin et al., 1994; Childers et al., 2001; To et al., 2007) or the wish to find a good deal and the enjoyment of the hunt for a good bargain (Babin et al., 1994). The motivation positively influences consumers' attitudes toward online shopping (Childers et al., 2001) and virtual shopping technology (Kim and Forsythe, 2007). Hedonic values also positively influence consumers' attitudes toward social network advertising.

3. Conceptual framework

The conceptual framework for this study draws on To et al.'s (2007) model to study shopping motivations on the Internet. Findings indicate that digital consumers, like consumers in physical stores, demonstrate both utilitarian and hedonic shopping values. The adapted model suggests that the values of time savings, information access, bargain perception, and experiential shopping are related to the dependent variables of purchase

intention and loyalty. The model additionally suggests a relationship between time savings and information access and a relationship between purchase intention and loyalty. This study extends the model to examine consumer motivations to connect with retailers through RFP (Fig. 1).

4. Hypotheses

Based upon the literature review and framework for this study, the following hypotheses were tested. Time savings, also known as convenience (Kwon and Jain, 2009), is traditionally perceived as efficiency of shopping found through saving time. Online shopping allows consumers to shop when and where they want (Childers et al., 2001). Time Savings is a motivation for consumers to engage in multi-channel shopping (Childers et al., 2001; To et al., 2007). Thus, we proposed

H1a. Time savings will be related positively to purchase intention for consumers that connect with retailers using RFP.

H1b. Time savings will be related positively to loyalty for consumers that connect with retailers using RFP.

Information access, also known as information or information seeking is the desire for product information, such as pricing, assortment, product quality (Kwon and Jain, 2009; Messinger and Narasimhan, 1997), store locations, and promotions (To et al., 2007). Information access motivates search and purchase intention. Previous research identifies significant inter-construct correlations between information access and time savings (Mikalef et al., 2013). Researchers Jiang et al. (2013) identified five dimensions of online shopping convenience: (1) access, (2) search, (3) evaluation, (4) transaction, and (5) possession/post-purchase convenience. Thus, we posit:

H2a. Information access will be related positively to time savings for consumers that connect with retailers using RFP.

H2b. Information access will be related positively to purchase intention for consumers that connect with retailers using RFP.

H2c. Information access will be related positively to loyalty for consumers that connect with retailers using RFP.

Bargain perception is motivated by the desire to find a good deal and by the enjoyment of the hunt for a good bargain (Babin et al., 1994) without the need of a task-oriented purchase. Thus, bargain perception is identified as a hedonic rather than utilitarian value (Babin et al., 1994; To et al., 2007). Although Babin et al. (1994) indicate a positive correlation between shopping and bargain perception, this finding may not extend to the online shopping environment (Kwon and Jain, 2009; To et al., 2007). Cost savings, a utilitarian value, motivates search and purchase intention (Kwon & Jain, 2009; To et al., 2007). For purposes of this study, bargain perception was identified as a hedonic motivation. Thus, we propose

H3a. Bargain perception will be related positively to purchase intention for consumers that connect with retailers using RFP.

H3b. Bargain perception will be related positively to loyalty for consumers that connect with retailers using RFP.

Experiential shopping is a hedonic value referring to the desire for an enjoyable and entertaining shopping experience (Babin et al., 1994; Kwon & Jain, 2009). Researchers refer to this motivator by multiple names including experiential, entertainment, adventure and enjoyment (Babin et al., 1994; Childers et al., 2001; Kim and Forsythe, 2007; Kwon and Jain, 2009; Taylor et al., 2011;

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