



Satisfaction, loyalty and repatronage intentions: Role of hedonic shopping values



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ABSTRACT

Today the Indian traditional retail shopper visiting various hypermarkets formats for purchasing and enjoying their valuable time with their family members and friends, as these formats offer hedonic shopping values. Therefore, this research paper focused on hypermarket shoppers of central India and the main objective of this study is to identify the role of hedonic shopping values on creation of satisfaction, loyalty and repatronage intentions with the help of proposed research framework based on 329 responses. Confirmatory factor analysis and structural equation modeling (SEM) is used to analyze and validate the proposed research framework. The result supports the relationship between hedonic shopping values with customer satisfaction, loyalty and repatronage intentions. The study also demonstrates the moderating role of gender on these relationships, which shows that both male and female consumers have different levels of shopping behavior when it comes to see the influence of hedonic shopping values. Therefore, this research paper would help hypermarket retailers to design their retail store environment more attractively to maintain the optimum customer satisfaction level that enhances the loyalty and repatronage intentions in the customer in this current competitive retail scenario.

1. Introduction

Organized retail formats in the form of hypermarkets enlarging the growth of organized retail stores in the Indian retail market (IBEF, 2016). Hypermarkets are the attractive location facilities with both the hedonic and utilitarian shopping values (Babin et al., 1994, 2005; Babin and Darden, 1995; Kesari and Atulkar, 2016), motivate consumers to visit the retail stores for purchases. Hypermarkets and supermarkets would be the largest retail formats with a network of nearly 319 stores, encompassing an area of over 10 million square feet (IBEF, 2016) offers a wide range of branded products, unlock an enormous scope for foreign players. Babin et al. (1994) defined hedonic shopping values as acquiring the joy and excitement of shopping embedded with products and services. It has been observed that the customer who visited the hypermarkets to get emotional satisfaction during the shopping process (Batra and Ahtola, 1991; Roy, 1994; Wakefield and Baker, 1998) is highly motivated by hedonic shopping values (Arnold and Reynolds, 2003; Jackson et al., 2011). These shoppers love the fun and enjoyment of the shopping process. Researcher Rayburn and Voss (2013) explored that the perceived overall retail store atmosphere related to hedonic shopping value works as an antecedent to show positive or negative effects on loyalty and repatronage intentions. Customer loyalty (Kuo et al., 2013; Thaichon et al., 2016) has generally been observed when the customer

repeatedly purchases goods or services over time and holds favorable attitudes towards the retail stores supplying the goods or services (Yuen and Chan, 2010; Wang and Wu, 2012). The perception of a modern retail environment should enhance the hedonic shopping experience (Anderson et al., 2014) in terms of fun, fantasy, moods, and emotions (Rayburn and Voss, 2013). Academicians further point out that the hedonic shopping motivation has become increasingly important for the retailers to motivate and attract their consumers to visit the retailer store regularly (Chandon et al., 2000; To et al., 2007).

Hedonic shopping motives are concerned with hedonic fulfillment, such as experiencing fun, amusement, fantasy, and sensory stimulation (Babin et al., 1994). Today the Indian traditional retail shopper visiting various hypermarkets formats for purchasing, as these formats offer hedonic shopping motivations (Arnold and Reynolds, 2003). Study of Velitchka and Barton (2006) shows that the task-oriented shoppers derive shopping value from the outcome of the shopping activity itself, not necessarily buying a specific product or services. Generally, it has been believed that customer purchase is not only for utilitarian values of the products, but also for receiving satisfaction during the shopping process (Babin and Darden, 1995, 1996; Babin et al., 2005). Customer satisfaction is defined as customers' feelings of happiness, fulfillment and pleasure towards a service provider and its services (Parasuraman et al., 1985; Thaichon and Quach, 2015). Therefore, the entertainment and

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enjoyment (Wakefield and Baker, 1998) aspect of these retail stores is increasingly being recognized as a key competitive tool. Today the retailers from online service providers to traditional retail stores are more focused towards hedonic aspects of shopping along with the utilitarian values (Babin et al., 1994). They comes with values for the consumers with new and exciting ideas, such as one day sale offer, promotional events, free home delivery, festive offers, be the part of context on purchase of items etc. motivate consumers to frequently browse the retail store, produces loyalty and creates repurchase intentions (To et al., 2007). Researcher Yuen and Chan (2010) shows that loyal customers are important assets to retailers, they make proportionally more purchases than customers who switches and they are more willing to spend a larger as compared to less loyal customers. Researcher Thaichon and Quach (2015) considered customer loyalty as a crucial factor for the success of all businesses, as attracting new customers is more expensive and less beneficial than retaining existing customers (Thaichon et al., 2014) in this competitive environment. Parallel to this retailer uses periodic sales promotions activities on a regular basis, plays an important role in the process of inducing customers to purchase from variety of products on offer.

Earlier to this researchers in the past have focused on the effects of both hedonic and utilitarian shopping values on customer satisfaction (Babin et al., 1994, 2005; Roy, 1994; Wakefield and Baker, 1998; Kesari and Atulkar, 2016), consumer buying behavior (Batra and Ahtola, 1991), loyalty (Dick and Basu, 1994; Carpenter, 2008; Rayburn and Voss, 2013; Kuo et al., 2013; Thaichon et al., 2016), repurchase intentions (Donovan and Rossiter, 1982; Zeithaml, 1988; Swinyard, 1993; Jones et al., 2006; To et al., 2007) and customer preferences (Robertson, 1995), mostly in the USA, European countries (Jin and Kim, 2003; Li et al., 2004) and metro cities of India (Kuruvilla and Joshi, 2010; Khare and Rakesh, 2011; Deb, 2012; Tripathi and Dave, 2013), but a very little attention has given on the influence of hedonic shopping values on both loyalty and repatronage intentions especially in Indian context. Jones et al. (2006) define repatronage intentions as the reflection of possibility that a customer will shop at the retail store again in the future, whereas the loyalty is a deeply held commitment of the consumer to a specific brand or a particular retailer (Hirschman and Holbrook, 1982; Oliver, 1999). Dick and Basu (1994) define loyalty as the relationship between the consumer attitude toward an entity and patronage behavior. Whereas, the customer like to purchase and repurchase a product or service that can maximize their benefits (Wang and Wu, 2012).

The study of Jones et al. (2006) examined the interaction between shopping value and satisfaction, which shows that the hedonic benefit contributes more to shoppers' satisfaction than the utilitarian benefits, generates loyalty and spending behavior (Swinyard, 1993). It has been observed that the customers are more likely to switch the retail store when the level of hedonism is higher (Scarpi et al., 2014) and less likely to shop at the same store again and again. Another study by Carpenter and Moore (2009) has demonstrated links between shopping values and important business outcomes including satisfaction, repatronage intentions, and loyalty (Babin et al., 2005; Jones et al., 2006; Carpenter, 2008; Scarpi et al., 2014). Specifically, the utilitarian shopping value shows positive influence on repatronage intentions and loyalty, whereas the hedonic shopping value demonstrates a positive influence on loyalty, but does not appear to impact on repatronage intentions (Jones et al., 2006). Therefore, the utilitarian shopping values demonstrate a strong influence than hedonic shopping values in terms of repatronage intentions (Jones et al., 2006). So, it creates a scope for further research, to give more attention to hedonic shopping values and its influence through satisfaction on both loyalty and repatronage intentions (Carpenter and Moore, 2009).

It has been observed that customer's footfall increases in hypermarket during weekends for purchasing and enjoying their valuable time with their family members and friends. Hence, the question arises, how these hedonic shopping values created by hypermarket retailers'

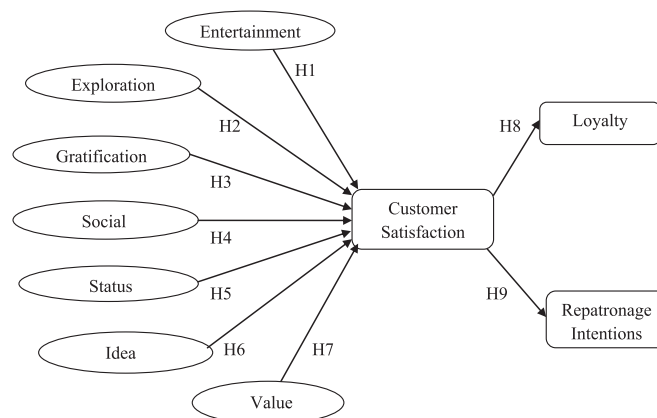


Fig. 1. Research Framework.

influences on loyalty and repatronage intentions of Indian customers. Therefore, this research paper focused on hypermarket shoppers of central India and the main objective of this study is to identify the role of hedonic shopping values on creation of satisfaction, loyalty and repatronage intentions with the help of proposed research framework (Fig. 1). The study extend our knowledge on the relationships between shopping value, satisfaction, loyalty and repatronage intentions at hypermarket retail stores in central India. Discussing various factors of hedonic shopping values (Jackson et al., 2011; El-Adly and Eid, 2015), researchers try to focus on the importance and how these shopping values influence on loyalty and repatronage intentions via customer satisfaction of hypermarket shoppers (Atulkar and Kesari, 2016) which help retailers to design their retail store environment more attractively. The researcher applies a structural equation modeling to verify the relationship amongst various factors in the research framework.

2. Literature reviews

2.1. Hedonic shopping values

Perceiving values of sensual and emotional satisfaction during shopping process represents hedonic shopping values (Batra and Ahtola, 1991; Roy, 1994; Babin and Darden, 1995; Wakefield and Baker, 1998; Jackson et al., 2011; El-Adly and Eid, 2015). Hedonic shoppers love fun and enjoyment of shopping process viewed retail store as a place of entertainment and exploration (Bloch et al., 1994; Deb, 2012). According to To et al. (2007) hedonic motivation refers to those consumption behaviors in search for happiness, fantasy, awakening, sensuality, and enjoyment (Holbrook and Hirschman, 1982). These shoppers love to shop is because they enjoy the shopping process. Tauber's (1972) identified the self-gratifying benefits of shopping, which make the shopper feel better during the process of shopping by reducing the stress or tensions. Researcher Arnold and Reynolds (2003) shows that some shoppers enjoy the socializing (Dawson et al., 1990) with others while shopping and that shopping gives them a chance to bond with other shoppers (Sherry, 1993). Hedonic shopping value is the perception that a customer perceives during shopping, generates greater values by eliminating disturbance and helping customers to focus on their shopping activities (Arnold and Reynolds, 2003; Jones et al., 2006). Some consumers may enjoy the latest trends in fashion, styling, or innovations, motivates consumers to browse the retail stores (To et al., 2007). Bloch and Richins (1983) state that consumer' experience involvement, freedom, fantasy fulfillment, and escapism, which enhance the hedonic aspect of shopping (Jones et al., 2006; Arnold and Reynolds, 2012; Scarpi et al., 2014; Anderson et al., 2014). Therefore, retailers today invest huge amount of money in designing the hypermarkets to fulfill the needs of global brand, with relaxing and valuable retail environment.

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