The research on the relationship between consumer attitudes and loyalty index：Degree of Satisfaction is Mediator Variable

Rui Zhang

Business School，Jianghan University，Wuhan, P.R. China

lx_zr@163.com

Keywords: relationship, consumer attitudes, loyalty index, degree of satisfaction

Abstract: This article will divide the consumer attitude into the hedonism and utilitarianism meanwhile dividing the satisfaction degree into decision-making and purchasing based on purchase phase ，then studying the correlation among the above 4 points and loyalty index。Firstly, we get the measurement scale of the consumer hedonism / utilitarianism attitudes and decision-making satisfaction degree and purchase satisfaction degree and loyalty index based on the literature information and depth interview, and then putting forward a revised formal questionnaire through the pre-test data reliability analysis.   After formal questionnaire issuing and data collecting which is use for the reliability testing and confirmatory factor analysis，we use the structural equation modeling software to simulate model parameters, and ultimately test the research hypothesis through the path analysis.

Introduction

Nowadays, the competition between the retailers (shopping center, department store, supermarket etc.) is becoming more and more intense. Demands of the consumers are more and more diversified. In this diversified consumption background, businesses providing only basic products and services fail to stand out from the competition. To better meet consumer demand and attract more consumers, increasing consumer identity based on grasping consumer psychology is essential to businesses. To date, extensive research has been conducted on consumer satisfaction, but little to no research has investigated satisfaction by dividing it into decision satisfaction during the purchase and consumption satisfaction after the purchase. To fill the void, this article examines the correlation between each of the consumer's hedonistic/utilitarian attitude, the decision/consumption satisfaction and the customer loyalty degree. And it is instrumental for later articles studying the correlation between consumer decision-making process and affect responses after purchase. And also, the study reveals the correlation between decision satisfaction and loyalty, as well as consumption satisfaction and loyalty, offering ways to increase loyalty from a new perspective.

Research hypothesis and conceptual model

Research hypothesis

Research hypothesis on the correlation between consumer's hedonistic/utilitarian attitude and consumer satisfaction

There is much previous research on the correlation between hedonism and satisfaction: positive emotional experience has positive effect on satisfaction (Mano and Oliver，1993) ; emotional experience is related to word of mouth (Xiheng Xu,1998); hedonism and practical

intuition experience work together to influence consumer satisfaction (Mano and Oliver,1993); pleasure aroused by emotion is positively correlated with satisfaction (Wirtzeal,2000); consumer experience of service quality is positively correlated with satisfaction (Kathryn,1997); hedonism as the intermediate variable is positively correlated with satisfaction. From the model of consumer decision-making behavior of Hawkins and Best(2003), we can see that consumer attitude directly affects the shopping process, and consumer will evaluate the purchase both during and after it. Based on the analyses above, we make the following hypotheses:

H: 1a Hedonistic attitude is positively correlated with decision satisfaction;

H: 1b Utilitarian attitude is negatively correlated with decision satisfaction;

H: 1c Hedonistic attitude is positively correlated with decision satisfaction;

H: 1d Utilitarian attitude is positively correlated with consumption satisfaction;

Research hypothesis on the correlation between decision/consumption satisfaction and loyalty

Gustafsson &Johnson（2005) think consumer satisfaction is significantly positively correlated with loyalty; Bitner(1990) thinks consumer satisfaction is the antecedent variable of brand loyalty, and has positive effect on loyalty; Dayan Wei(1998) thinks satisfaction and loyalty usually change in the same direction, but in some cases they don't. Satisfaction comes from the perception of the functions, properties and consequences of the products compared to personal expectation of the products, and comes from the pleasure of displeasure level brought up by the comparison(Kotler，1999). Hence, satisfaction is affected by product quality. Fornell(1981) pointed out that the increase of satisfaction can lead to the increase in loyalty. Based on the analyses above, we propose the following hypotheses:

H: 2a Consumer decision satisfaction is positively correlated with loyalty;

H: 2b Consumer consumption satisfaction is positively correlated with loyalty

Conceptual Model

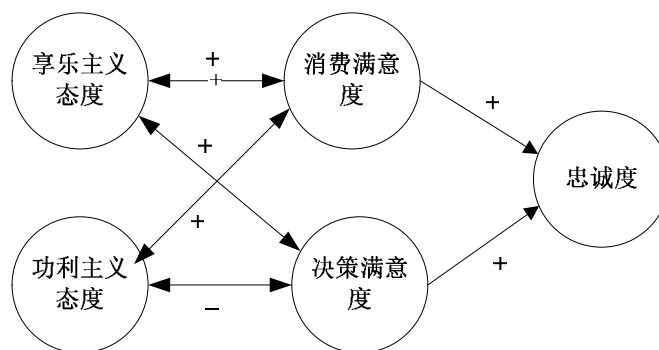Based on existing literature and investigations, this article proposes the following conceptual model:

Figure 2-1 Conception Model

Methodology

Group Interviews

To enhance the reliability and validity of the questionnaire, we launched a small-scale investigation. The survey of this study is done by interviewing 19 customers in the shopping centre and was conducted during July and August of 2008. The main purposes of the interviews are:

1. To find out what consumers understanding of hedonistic/utilitarian attitude is
2. To find out the causes of customers' satisfaction
3. To find out whether hedonistic/utilitarian attitude have effect on   customers' satisfaction

4. To test the accuracy and clarity of the items

Pretest

To find out the accuracy and clarity of the items and the reliability and validity of the new added items, a pretest should be taken before formal questionnaire is issued. The pretest mainly screens variable by reliability analysis of the items.

Table 3-1 Reliability table of hedonistic/utilitarian attitude and loyalty

Hedonistic attitude	CITC	Cronbachs'α
A1 Shopping is not something I must do but I enjoy the	0.844	
A2 Shopping makes me relax, just as a journal to let go of worry	0.937	
A3 Compared to other things, shopping process is quite enjoyable	0.864	
A4 I will immerse in a joy of finding new things while shopping	0.962	0.915
A5 I enjoy the shopping process as well as the goods I buy	0.672	
A6 Shopping make me happy because I can indulge myself while	0.766	
A7 I can feel the excitement of buying new things while shopping	0.686	
A8 I can let go of worry while shopping	0.775	
Utilitarian attitude		
B1 Shopping means a task rather than an enjoyment to me	0.598	
B2 I feel like I have completed a task when I've bought all I need	0.627	
B3 The thought of having to buy new things is like a new	0.687	
B4 I completed the task of the buying	0.817	0.854
B5 I find the thing I need	0.742	
B6 I feel pressure to think of shopping taking a lot of time	0.863	
B7 I feel disappointed when I can't find what I need in one store	0.568	
Decision satisfaction		
C1 There are a lot of good choices of good products	0.518	
C2 I think the process of making decision is good	0.502	
C3 I want to do this selection again next time I buy it	0.630	0.802
C4 I think the process of buying the product is interesting	0.779	
C5 I'm satisfied with the selection experience	0.791	
Consumption satisfaction		
D1 In general, I'm satisfied with the products I bought in this store	0.776	
D2 In general, considering the quality, the products in	0.812	
D3 In general, the service provided by this company meets	0.724	0.672
D4 In general, I think the service provided by this company is quite	0.677	
D5 I think the products in this store have high-quality in general	0.776	
Loyalty		
E1 I often shop in this store	0.789	
E2 I know this chain fairly well	0.766	
E3 I would like to recommend this chain to my friends	0.520	
E4 I like this chain	0.796	
E5 I think this chain is reputable	0.678	0.831
E6 This chain is the first to come into my mind when I need to shop	0.514	
E7 I will go shopping in this store again	0.621	

Formal Research

In formal research, we asked people we interviewed to fill in the questionnaire on-site. Research objects were customers who just finished shopping in a store of Beijing Hualian and they were asked to complete a questionnaire based on their shopping experience. We choose customers from one store in order to exclude the possibility that different product quality and service attitude in different stores will impacts the result. The survey lasted 7 days, with 180 questionnaires distributed. Removing invalid ones, we got 172 valid questionnaires.

Data Analysis

Sample Analysis

In the survey, 172 valid questionnaires were returned, of which 95 males and 77 females; 4 high school or less educated people, 36 college people, 77 undergraduate people, 55 graduate and higher educated people; 14 under 20 years old, 100 between 20 and 30, 58 above 30; 28 earn less than 2000 RMB per month(including some students who have no or little salary),31 earn 2000 to 5000 RMB per month,113 earn more than 5000 RMB per month. We analyzed the samples, regarding gender, age, educational background and monthly salary as influencing factors, and used factor analysis with factor mean to measure differences of hedonistic/utilitarian attitude. We concluded that male hedonistic attitude is generally low, female utilitarian attitude is generally low; utilitarian attitude increase with age; hedonistic attitude decreases for higher levels of education.

Reliability and Validity Testing

Reliability Analysis

We used the reliability analysis of SPSS15.0 to analyze the reliability of the table. The scale's Item number and Cronbach'sα are as follows.

Table 4-1 hedonistic/utilitarian attitude and satisfaction reliability

variable	Item number	Cronbach'sα
hedonistic attitude	8	0.822
utilitarian attitude	7	0.712
decision satisfaction	5	0.834
consumption satisfaction	5	0.934
loyalty	7	0.723

Validity Testing

Using AMOS7.0 software to conduct confirmatory factor analysis on 172 questionnaires, 5 variables and 32 subjects gathered in the formal survey. The results are as follows.

Table 4-2　confirmatory factor analysis table

Item	SL	SR	CR	AVE
hedonistic attitude factor				
A1	0.680	0.39		
A2	0.732	0.36		
A3	0.793	0.62		
A4	0.794	0.64	0.904	0.522
A5	0.830	0.74		
A6	0.702	0.42		
A7	0.583	0.32		
A8	0.747	0.50		
utilitarian attitude factor				
B1	0.705	0.35		
B2	0.654	0.32		

B3	0.675	0.52		
B4	0.556	0.43		
B5	0.676	0.43	0.856	0.562
B6	0.763	0.32		
B7	0.862	0.45		
decision satisfaction factor				
C1	0.542	0.64		
C2	0.565	0.51	0.784	0.613
C3	0.660	0.44		
C4	0.678	0.34		
C5	0.843	0.56		
consumption satisfaction factor				
D1	0.579	0.37		
D2	0.672	0.47		
D3	0.771	0.43	0.783	0.656
D4	0.873	0.64		
D5	0.872	0.62		
loyalty factor				
E1	0.529	0.37		
E2	0.539	0.63		
E3	0.679	0.27	0.732	0.683
E4	0.673	0.47		
E5	0.871	0.57		
E6	0.557	0.37		
E7	0.779	0.46		

Parameter Estimation and Hypothesis Testing
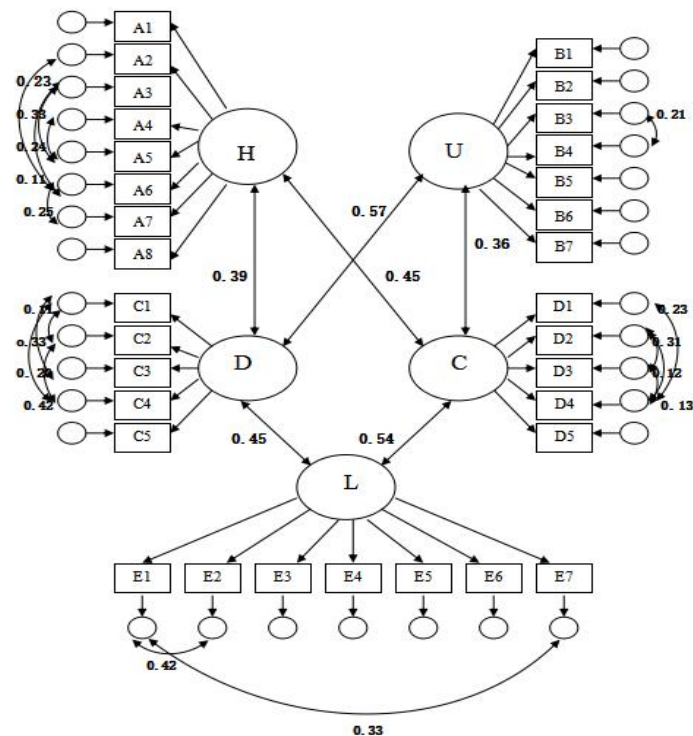
Parameter Estimation of the Model

Figure 4-1 hedonistic/utilitarian attitude and satisfaction and loyalty parameter estimation model

We use Amos 7.0 software to conduct fitting evaluation on parametric models. The results are as follows.

Table 4-3 Model fitting evaluation index table

d_f	x^2	x^2/d_f	P	RMSEA	GFI
441	804	1.824	0.000	0.065	0.780
PNFI	PGFI	AGFI	NFI	IFI	CFI
0.726	0.652	0.737	0.817	0.908	0.907

As for fitting indexes, $x^2/d_f<2$, it is believed that this model has good fitting quality. RMSEA(Root Mean Square Error of Approximation)<0.08, also indicates good fitting quality. GFI,AGFI,NFI are a bit lower than 0.9. AGFI and GFI indexes are easily influenced by sample degrees, NFI indexes are mainly influenced by sample amounts, so they don't match well. PNFI, PGFI >0.5. So as for the whole situation, parametric models have good matching levels and construction validity. The model is acceptable.

Hypothesis Testing

Through the path coefficient calculation of structural equation models, it is found that after standardization, the influence path coefficient of hedonistic attitude and decision satisfaction is 0.39, of utilitarian attitude and decision satisfaction is -0.57, of hedonistic attitude and consumption satisfaction is 0.45, of utilitarian attitude and consumption satisfaction is 0.36, of decision satisfaction and loyalty is 0.45, of consumption satisfaction and loyalty is 0.54. It has passed significance tests. The hypothesis is verified.

Implications

For the consumers who hold an utilitarian attitude, shopping centers should carry a omni-directional experience marketing strategy. First, they should take entertainment marketing actions, organize various marketing activities for amusement, and attract consumers by designing elaborate recreations for them, for the purpose of making them purchase. Secondly, to perfect the art of sales service, the sales assistants should give reasons for consumers as to why they should make the purchase. In this way, shopping centers better meet the consumer satisfaction by making the consumers who hold a hedonistic attitude feel at ease to do shopping and less likely to regret after the purchase. Last but not least, to provide an elegant and comfortable purchase environment, the marketers should choose beauteous elements, colors, music, shapes, patterns, so on and so forth, and choose the beauteous styles, like fashionable, elegant, gorgeous, compact ones, combine them into an atmosphere that matches consumers' taste, and can trigger consumers' desires for shopping.

For the consumers who hold an utilitarian attitude, the shopping centers should meet their basic shopping needs, and then cultivate the loyalty of the consumers by highlighting the difference of their shopping experience. First, they should enhance their service quality. Shopping centers should provide some kinds of targeted sale guiding services, at the greatest extent to improve the decision satisfaction of the consumers who hold an utilitarian attitude. Secondly, elevate their experience value, sequentially perfect the ornament, acoustics, lights, weather and the merchandise exhibition of both the inside and outside of the marketplaces, to construct the lively atmosphere, and enhance the experience value. Finally, improve both the pre-sale and after-sale service, to relieve the worries of the consumers who hold an utilitarian attitude for the consequences of purchases.

REFERENCES

[1] Mano，H.and R.L.Oliver.Assessing the Dimensionally and Structure of the
Consumption Experience：Evaluation，Feeling and Satisfaction[J].Journal of Consumer Research，
1993，(20)：451-660.

[2]Wakefifeld，Kirk L.and Julie Baker.Excitement at the Mall：Determinants andeffects on shopping
response[J].Journal of Retailing，1998，74(4)：515-539.

[3]Wirtz，J.，A.S.Mattila，and R.L.P.Tan.The moderating role of target-arousal
on the impact of affect on satisfaction–an examination in the context of service
experiences[J].Journal of Retailing，2000，76(8)：347-365.

[4]Kathryn Winsted.The Service Experience in Two Cultures：A BehavioralPerspective[J].Journal
of Retailing，1997，73(3)：337–360.