A PROPOSED MODEL OF LIFESTYLE AND STORE ATTRIBUTES FOR HYPERMARKETS’ LOYALTY

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Abstract

Hypermarket industry is gaining more popularity in recent days. With variety of merchandise services and facilities offering under-one-roof, consumers prefer to patronize in this stores. Success of hypermarket industry is dependent on its consumers’ loyalty. So, understanding hypermarket industry’s consumer behavior will be a great platform to retailers to be competitive in the market. Basically, researchers have agreed that loyalty is the main issue for making and maintaining relationships with consumer. This study aims to examine factors influence customer’s loyalty in Iran’s hypermarket industry by looking into the element of lifestyles and store attribute. Therefore, a model of hypermarket customers’ loyalty is designed to investigate the relationship of lifestyle, store attributes, consumer satisfaction and store loyalty for selecting hypermarket. The findings of this study are expected to help retailers to raise their consumers’ loyalty by considering lifestyle, store attributes and consumer satisfaction.

Keywords: customer loyalty, lifestyle, store attributes, hypermarket
Introduction

Retailing is the largest industry in most developed countries (Burt & Sparks, 1995). Retailing is divided into two formats: non store-based retailing and store based retailing. Non store-based retailing does not have physical store and contains formats like online retailing, mail order, automatic vending machine and teleshopping. Store based retailing refers to a channel where consumer can purchase the goods, which they can touch and see it in front of them at a specific store for a specific period of time (Ray, 2010).

Nowadays, hypermarket is an important store based retailing. Hypermarket is the preferred type of retail store for consumer for regularly purchased packaged products, due to its low prices and suitable one-stop shopping (Farhangmehr, Marques, & Silva, 2000). Moreover, hypermarket is the most growth sector in the retailing industry which other sector cannot compete with to this format (Dunne & Lusch, 2008). In addition, hypermarket replaces thousands of small grocery stores because of present a large assortment with competitive prices (Seiders & Tigert, 2000). Most of consumers prefer to shop in hypermarket because of low level of risk and more convenience (Farhangmehr, et al., 2000), having everything under one roof, low prices and self service basis and free parking (Kamath & Godin, 2001). Additionally, lifestyle of consumer has been changed and their lifestyle defines many aspects of their life; such as their choice of where they can buy. So they choose the store that is most matches with their needs and lifestyle and if they became satisfied from store, then store loyalty occurs.

Therefore, retail managers should not be oblivious of the fact that lifestyle of consumers plays an important role in their business survival and should create store attributes (store images) based on lifestyle of consumers to attract them, because store attributes play vital role in store choice of consumers and can make consumer not only satisfied, but also loyal to store.

Store Loyalty

Store loyalty refers to repeat purchase behavior. Repeat purchase behavior is evidenced by purchases made at the same retailer for similar products (Osman, 1993). Bloemer and Ruyter (1998) indicated that when shoppers become committed to a store format then they become loyal.

When there is much choice between numerous stores with similar products, manager should create store loyalty (Josée Bloemer & Ruyter, 1998; Miranda, Ko´nya, & InkaHavrila, 2005; Osman, 1993). Studies by (Chang & Tu, 2005) illustrated that the best retailer’s asset is having long-term loyal consumers who is reluctant to changes stores because of an emotional connection with the store. Whereas, a short- term loyal consumers think less of a connection and will change stores when offer a better options. For retailers in order to planning to create store loyalty, it is essential explore information on the shopping for improved services (Miranda, et al., 2005). Osman (1993) expressed that with managing store attributes and creating store loyalty, retailer can protect their consumer from other rivals. Therefore, preferred store attributes can serve as a positive improvement which results in repurchase by consumer (Hawkins,
Mothersbaugh, & Best, 2010). Bloemer and Ruyter (1998) indicated that there is relationship between store attributes, consumer satisfaction and store loyalty. In direct relationship, store attributes has impact on store loyalty but in indirect relationship store attributes impact on store loyalty through consumer satisfaction. In addition, retail managers should not be oblivious that lifestyle of consumers plays an important role in their business survival. Therefore, in this study, researchers want to examined the effect of lifestyle, store attribute and customer satisfaction on store loyalty.

Lifestyle

One way that retailers work to better understanding their consumer is using consumer lifestyle. “lifestyle is basically how a person lives” (Hawkins, et al., 2010, p.434) and can be influenced by family, friends, and community (Preez, Visser, & Zietsman, 2007). Lifestyles are real models of behavior and are represented by consumers’ activities, interests and opinion (Hoyer & Macinnis, 2009). Consumers, who have different activities, will have different opinion and interest which influences on their shopping behavior.

In the marketing literature, there is increasing interest to effect of lifestyle on store attributes. The link between store attributes and lifestyles of consumers was studied by Huddleston, et al. (1990) that found the importance effect of lifestyle on store attributes, similar to findings from other studies such as: (Chaudhuri & Holbrook, 2001; Lumpkin & Hite, 1988; Moschis, 2003). Results proposed that availability of advertised goods, store reputation, ease of finding items, well-located parking, easy to read labels and tags, well-informed sales personnel, and attractive prices were important. All studies were on the same opinion that there is a significant relationship between lifestyle of consumer and store attributes of selected store, which they desire to shop and these attributes were different among people with different lifestyle characteristics.

Store attributes

store attributes are viewed as overall image of the store and can drive store selection process (Ghosh, Tripathi, & Kumar, 2010). (Martineau, 1958) identified that store attribute is the method in which the store is described in the consumer’s mind, one part by its useful qualities and other part by a feeling of emotional attributes. (Lindquist, 1974) categorized store attributes into nine items: products, service, consumers, physical facilities, convenience, promotion, store atmosphere, institutional factors and past transactions. Among these factors, product-related considerations such as assortment, quality and price seem to be the most important items. (Erdem, Oumlil, & Tuncalp, 1999) determined three store attributes including status, merchandise and price are significant for apparel shopping. (Westbrook, 1981) named a number of store attributes as source of consumer satisfaction, these store attributes were sales personnel, store atmosphere, product policy and service product, service and promotion. (Soltani, 2004) supposed that based on consumers complains, five store attributes including price, product assortment, promotion, sales personnel and store atmosphere are the main reason of store
weakness and lack of consumer satisfaction in Iran’s hypermarket. That study named them as internal store attributes and demonstrated the need for an improved understanding of the importance of these internal store attributes in hypermarket format. Thus, this study will use them to identify their relationship with lifestyle of Iranian consumer and its influence on consumer satisfaction and loyalty to promote performance of hypermarket format in Iran.

**Consumer Satisfaction**

One of the most important targets of creating store attributes is achieving consumer’s need and making consumer experience positively. (Oliver, 1996) defined customer satisfaction as a “psychological state resulting when the emotion surrounding disconfirmed expectations is coupled with the consumer’s prior feelings about the consumption experience” (p: 21). Consumer satisfaction lead to growth of repurchase intention and buy other product at specific store that result to long-term benefit for retail format (Chang and Tu, 2005) and expend more money from consumers (Chen-Yu & Hong, 2002). Hence, satisfaction increases the intent of repurchase and store loyalty(J Bloemer, Kasper, & Lemmink, 1990; Kincade, Redwine, & Hancock, 1992).

Consumer satisfaction and the intention to repurchase originate from emotional experience of consumer during the shopping and after evaluation of store attribute (Kim and Jin, 2001). Similarly, consumer’s attitude towards the store may is outcome of his/her evaluation of the becoming importance of store attributes (Ghosh, et al., 2010). consumers depend closely on image of internal store attributes for the period of shopping (Jacoby & Mazursky, 1984) and according to Baker et al(2003), positive evaluation of desired store attributes can lead to consumer satisfaction and highlights why stores try hard toward the needs and satisfaction of consumers. Bloemer and Ruyter (1998) found a link between store image, store selection, consumer satisfaction and store loyalty. Their study also claimed that evaluation of store attributes leads to satisfaction and positive evaluation of store attributes lead to commitment and store loyalty. Additionally, (Koo, 2003), Chang and Tu (2005) and (Nguyen, Nguyen, & Barrett, 2007) aimed that there is direct and indirect relationship between store attributes and store loyalty.

**Hypotheses and Research Framework**

Based on literature and abovementioned the following hypotheses are posited to investigate this study;

H1) There is a relationship between lifestyle and store attributes of hypermarket.
H2) There is a relationship between store attributes and consumer satisfaction.
H3) There is a relationship between consumer satisfaction and store loyalty.
H4) There is a relationship between store attributes and store loyalty.

The research framework concentrates influence of store attributes and how store attributes effect on consumer satisfaction and store loyalty.
Conclusion:

The purpose of this paper was examined factors influence customer’s loyalty in Iran’s hypermarket industry by looking into the element of lifestyles and store attribute. Therefore, a model of hypermarket customers’ loyalty is designed to investigate the relationship of lifestyle, store attributes, consumer satisfaction and store loyalty for selecting hypermarket. As a conceptual model, it needs empirical testing in future research.

Reference:


