UTILITARIAN SHOPPING VALUE AND HEDONIC SHOPPING VALUE TO IMPROVE CUSTOMER SATISFACTION AND REPURCHASE INTENTION ON E-COMMERCE BUSINESS

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Abstract: This study aims to examine and analyze the relationships between motivation shopping value, repurchase intention, and customer satisfaction on Lazada Indonesia’s e-commerce consumers in Malang City. The population of this research is Lazada Indonesia consumers who are of productive age (19-34 years old) in Malang City and the number of samples obtained following the research criteria is 100 correspondents. Sample selection is done by the non-probability sampling technique with the purposive sampling method. The research instrument used was a questionnaire that was analyzed using smartPLS 2.0 software. The results of this study indicate that utilitarian shopping value and hedonic shopping value have a direct effect on customer satisfaction and repurchase intention. Meanwhile, indirectly hedonic shopping value did not affect repurchase intention through customer satisfaction.

Keywords: Motivation, Utilitarian, Hedonic, Shopping Value, Customer Satisfaction, Repurchase Intention, Online Shopping

ping online. Consumer behavior is related to the success of e-commerce that lies in repurchases by consumers. Therefore, e-commerce actors need to carry out a process of identifying the factors of repurchase intention to consumers.

E-commerce practitioners need to realize that there is the motivation behind someone using the internet in the shopping process. Babin et al. (1994), introduce two types of motivation shopping value: utilitarian shopping value and hedonic shopping value. Holbrook and Hirschman in Anderson et al. (2012), explain that consumer behavior oriented to utilitarian shopping value will choose products efficiently based on rational reasons. Baker et al. and Voss et al. in Anderson et al. (2012), hedonic shopping value describes an emotional value that is felt when shopping and using products.

Previous research on motivation shopping value and repurchase intention still show inconsistencies in research results. Research conducted by Kim et al. (2012) and Chiu et al. (2012), provide results that utilitarian shopping value and hedonic shopping value influence consumer satisfaction and significantly increase repurchase intention. Different results were shown in the study of Syafita et al. (2018), Vijay et al. (2016), and Bagyarta and Diah (2014), who revealed that utilitarian shopping value and hedonic shopping value does not have a significant effect on repurchase intention.

The success of e-commerce requires utilitarian shopping value and hedonic shopping value because these two motivational shopping values are closely related to customer satisfaction and purchase (Kuan et al., 2008; Shang et al., 2005; Sorte et al., 2005; Wolfinbarger and Gilly, 2001). Increasing customer satisfaction is important to increase return visits, repurchases, and product recommendations to others (To et al., 2007). Previous research related to customer satisfaction and repurchase intention states that there is a positive and significant influence between the two (Wen et al., 2011; Fang et al., 2011; Trisnawati et al., 2012; Nejati and Monghaddam, 2013; Lin and Lekhawipat, 2014; Ibzan et al., 2016).

This study responds to the phenomenon and a research gap for further research, by examining the role of utilitarian and hedonic shopping values on intention and consumer behavior. Considering the growing interest in research studies on hedonic and utilitarian outcomes in consumer experience, this study aims to examine the effect of utilitarian and hedonic values on the satisfaction and behavioral intentions of Lazada Indonesia consumers. Researchers were also inspired by previous studies conducted by Kim et al. (2012), with the title “Factors Influencing Internet Shopping Value and Customer Repurchase Intention”. The findings of this study can provide invaluable practical insights for investors, as well as current and future E-commerce practitioners to gain a better understanding of consumer’s preferences and the underlying values which influence their satisfaction and behavior intentions.

LITERATURE REVIEW

Repurchase Intention

Repurchase Intention is one of the most important behavioral goals in marketing, so consumers are willing to buy the same product or brand (Blackwell et al., 2001 in Pham et al., 2018). According to Jonnes and Sasser (1995) in Yang (2009), repurchase is only a basic behavior after consumers find satisfaction in the purchase and usually involves other behaviors, such as product reputation or public recommendations.

Repurchase intention is a positive attitude of consumers towards e-commerce that will result in repeat buying behavior. Kim et al. (2012), explain that repurchase intentions are consumers who are interested in making purchases using online shopping. Consumer online shopping will be reviewed in the future and consumers will be interested in recommending online shopping because they also use online shopping.

This study uses four indicators of repurchase intention that were adapted from Khalilfa and Liu (2007) and Zhou et al. (2009) in Kim et al. (2012):
1. Consumers want to visit again.
2. Consumers are looking for information on internet shopping sites related to the product to be purchased.
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3. Recommend to others who want to buy the same product.  
4. Made the first choice for buying products.  

Utilitarian Shopping Value  
Consumer behavior oriented to utilitarian shopping value will choose products efficiently based on rational reasons (Holbrook and Hirschman in Anderson et al., 2012). Utilitarian internet buyers prefer to focus primarily on certain task functions, such as product/service evaluation and price comparison features, before actual purchases. According to Blythe (2005), utilitarian shopping value is a consumer’s assessment of the functional attributes of a product.  
The indicator used on the utilitarian shopping value measurement scale was adopted from a study developed by Babin et al. (1994) and Arnold and Reynolds (2003): efficiency and achievement.  
1. Efficiency can be interpreted as the needs of consumers in time and resources.  
2. Achievement can be interpreted as the achievement of shopping goals in the form of the discovery of products that have been planned.  

Hedonic Shopping Value  
Baker et al. and Voss et al. in Anderson et al. (2012), hedonic shopping value describes an emotional value that is felt when shopping and using products. Babin et al. (1994), the hedonic aspects are related to emotional consumers so that when shopping consumers feel something like happy, hate, angry.  
Hedonic consumers are looking for websites that provide not only transaction security, privacy, interactive control, and instant access to large amounts of information, but also intrinsic experiences based on sensual stimulation, emotional value, and aesthetics to increase online shopping pleasure.  
The indicator used on the scale of hedonic shopping value measurement was adopted from a study developed by Babin et al. (1994) and Arnold and Reynolds (2003): adventure shopping, social shopping, gratification shopping, idea shopping, role shopping, and value shopping.  

Customer Satisfaction  
Customer satisfaction according to Kotler and Armstrong (2012), is the level of one’s feelings after comparing the product services offered with the product performance results used whether it is following the desired expectations. According to Engel et al. in Tjiptono and Chandra (2011), states that consumer satisfaction is a post-purchase evaluation in which the alternative is chosen is at least the same or exceeds consumer expectations, while dissatisfaction arises when the outcome does not meet expectations. Consumer satisfaction and dissatisfaction with the product will affect the next pattern of behavior. This is shown by consumers after the purchase process/post purchase action (Kotler and Keller, 2010).  
The dimension used to measure customer satisfaction in this study was adapted from Zeithaml et al. (2002), Doll et al. (2004), Khalifa and Liu (2007) in Kim et al. (2012):  
1. Consumers are satisfied with the experience of shopping online  
2. Consumers love shopping at these online shopping sites  
3. Compared to other online shopping sites, consumers are satisfied with the shopping experience at the online shopping sites they visit  
4. Consumers are satisfied with product information provided on online shopping sites  
5. Consumers are satisfied with the additional services provided on the online shopping site  

HYPOTHESIS DEVELOPMENT  
H1 : Utilitarian Shopping Value has a significant effect on Customer Satisfaction  
H2 : Hedonic Shopping Value has a significant effect on Customer Satisfaction  

Although motivations for Internet shopping vary, internet shopping business success requires the provision of both values because they are highly related to the likelihood of customer satisfaction and purchase (Kuan et al., 2008; Shang et al., 2005; Sorce et al., 2005; Wolfinbarger and Gilly, 2001). So, it can be concluded that utilitarian shopping value and
hedonic shopping value influence customer satisfaction. This is consistent with the results of research conducted by Ryu et al. (2010) and Kim et al. (2012).

H3 : Utilitarian Shopping Value has a significant effect on Repurchase Intention

H4 : Hedonic Shopping Value has a significant effect on Repurchase Intention

Utilitarian shopping value and hedonic shopping value can motivate consumers to visit online shopping sites and can be a basis for influencing repeat purchases (Holbrook and Hirschman, 1982; Babin et al. 1994; Chandon et al. 2000; Childers et al. 2001; To et al., 2007; Bridges and Florsheim 2008; Chiagouris and Ray 2010). So, it can be concluded that utilitarian shopping value and hedonic shopping value influence repurchase intention. This is in line with the results of research conducted by Kim et al. (2012) and Chiu et al. (2012).

H5 : Customer Satisfaction has a significant effect on Repurchase Intention

A positive shopping experience can cause positive emotions and satisfaction with a product (Song et al., 2012). When consumers are satisfied with a product, it will create an emotional bond and can be a basis for consumers to make repeat purchases (Chaudhuri and Holbrook, 2001). Improving customer satisfaction is essential for increasing customer revisits, repurchases, and recommendations of products to others (To et al., 2007). So, it can be concluded that customer satisfaction influences repurchase intention. This is consistent with the results of research conducted by Wen et al. (2011), Fang et al. (2011), Trisnawati et al. (2012), Nejati and Monghaddam (2013), Lin and Lekhawipat (2014), and Ibzan et al. (2016).

H6 : Utilitarian Shopping Value has a significant effect on Repurchase Intention by mediating Customer Satisfaction

H7 : Hedonic Shopping Value has a significant effect on Repurchase Intention by mediating Customer Satisfaction

Consumers’ perceptions of motivation shopping values influence their satisfaction and repurchase intention and that customer satisfaction are crucial for repurchase intention (Kim and Gupta, 2009; To et al., 2007). The use of customer satisfaction as a mediator variable is based on research conducted by Nejati and Monghaddam (2013), which shows that motivation shopping value has a significant effect on consumer behavior intentions with consumer satisfaction as mediation. The previous studies stated a positive relationship between customer satisfaction and repurchase intention (Wen et al., 2011; Fang et al., 2011; Trisnawati et al., 2012; Lin and Lekhawipat, 2014; Ibzan et al., 2016).

METHOD

This type of research is an explanation. The population and sample of this study were 100 customers of the Lazada Indonesia of productive age (19-34 years old) in Malang who have made pur-
chases at Lazada Indonesia at least 2 times during 2017-2018. In this study, the measurement scale used in the questionnaire was based on a five-point Likert Scale, where each question was given a score of 1 to 5. The data analysis technique used was Partial Least Square (PLS) analysis.

### RESULTS

**Hypothesis Tests**

The results of hypothesis analysis for each pathway using SmartPLS 2.0 software are as follows:

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Variable Correlation</th>
<th>Path Coefficient</th>
<th>t-value</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>Utilitarian Shopping Value (X1) → Customer Satisfaction (Z)</td>
<td>0.634</td>
<td>5.052</td>
<td>Accepted</td>
</tr>
<tr>
<td>H2</td>
<td>Hedonic Shopping Value (X2) → Customer Satisfaction (Z)</td>
<td>0.310</td>
<td>2.391</td>
<td>Accepted</td>
</tr>
<tr>
<td>H3</td>
<td>Utilitarian Shopping Value (X1) → Repurchase Intention (Y)</td>
<td>0.159</td>
<td>1.975</td>
<td>Accepted</td>
</tr>
<tr>
<td>H4</td>
<td>Hedonic Shopping Value (X2) → Repurchase Intention (Y)</td>
<td>0.606</td>
<td>8.326</td>
<td>Accepted</td>
</tr>
<tr>
<td>H5</td>
<td>Customer Satisfaction (Z) → Repurchase Intention (Y)</td>
<td>0.235</td>
<td>3.155</td>
<td>Accepted</td>
</tr>
</tbody>
</table>

Source: Processed Primary Data 2018

The results of testing the direct effects of the hypothesis in Table 1 show that hypotheses 1-5 are accepted. This can be seen from the results of the t-value > 1.96 and the p-value <0.05. So it can be concluded that utilitarian shopping value and hedonic shopping value has a direct influence on customer satisfaction and repurchase intention, where customer satisfaction directly influences customer loyalty. Likewise, customer satisfaction has a significant influence on repurchase intention.

**Mediation Test**

Testing the hypothesis of indirect effects aimed at testing whether there is an indirect effect of the independent variable on the dependent variable through mediating variables.

### Table 2. Testing Result of Indirect Effect

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Variable Correlation</th>
<th>Path Coefficient</th>
<th>t-statistic</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>H6</td>
<td>USV → CS → RI</td>
<td>0.149</td>
<td>2.676</td>
<td>Accepted</td>
</tr>
<tr>
<td>H7</td>
<td>HSV → CS → RI</td>
<td>0.073</td>
<td>1.906</td>
<td>Rejected</td>
</tr>
</tbody>
</table>

Source: Processed Primary Data 2018

Table 2 shows a summary of the test results of the indirect influence of the mediating role of customer satisfaction. The coefficient value of utilitarian shopping value on repurchase intention through customer satisfaction is 0.149. While the t-value test results are 2.676 (t-value > 1.96). Thus, the influence of customer satisfaction is significant. While the coefficient value of the influence of hedonic shopping value on repurchase intention through customer satisfaction is 0.073 and the t-value test results are 1.906 (t-statistic < 1.96). So, the influence of customer satisfaction mediation is not significant.
DISCUSSION

The Effect of Utilitarian Shopping Value on Customer Satisfaction

The findings of this study indicate that utilitarian shopping value has a significant influence on customer satisfaction. The results of this study are in line with the research presented by Ryu et al. (2010), that the higher the utilitarian shopping value, the higher the customer satisfaction.

Judging from the results of the utilitarian shopping value variable loading factor, the highest item is in the efficiency indicator. This shows that statistically if Lazada Indonesia wants to increase purchases to consumers who have utilitarian shopping motivations, Lazada Indonesia must increase the value of consumer efficiency when shopping.

The Effect of Hedonic Shopping Value on Customer Satisfaction

The results of the study show that hedonic shopping value has a significant influence on customer satisfaction. This is in line with the research conducted by Kim et al. (2012), which states that hedonic shopping value has a positive influence on customer satisfaction. This means that the higher the hedonic shopping value, the higher the customer satisfaction.

Lazada Indonesia consumers who get satisfaction from the hedonic aspects, such as discovering new products or products that are trending, shopping processes that can improve mood, can share experiences with other consumers related to products purchased, and buy products that are discounted can increase consumer pleasure when shop.

The Effect of Utilitarian Shopping Value on Repurchase Intention

The findings of this study indicate that utilitarian shopping value has a significant influence on repurchase intention. The results of this study are in line with the research presented by Chiu et al. (2012), which states that utilitarian shopping value has a significant direct effect on repurchase intention.

In the results of the descriptive analysis, the customer showed a good response to all indicators on the utilitarian shopping value variable. This shows that consumers have a positive experience when shopping at Lazada Indonesia so they can create repurchase intentions. Consumers must have prior experience in dealing with the same online store so that it is easier for these consumers to trust the online store and make a repurchase if the online store has a good performance (Pappas et al., 2014).

The Effect of Hedonic Shopping Value on Repurchase Intention

The results of this study indicate that hedonic shopping value has a significant influence on repurchase intention. The results of this study are in line with the results of research from Chiu et al. (2012), which states that hedonic shopping value has a significant direct effect on repurchase intention.

The interaction of correspondents with Lazada Indonesia in one year was quite high. This can be seen from the answers of the majority of respondents who shop at Lazada Indonesia for one year as many as 3-4 times. This shows that consumers only need to use some of the promo programs offered by Lazada Indonesia. Besides, comfort, safety, and practicality are the reasons for consumers to buy back at Lazada Indonesia.

The Effect of Customer Satisfaction on Repurchase Intention

The findings of this study indicate that customer satisfaction has a significant influence on repurchase intention. The results of this study are in line with the research presented by Wen et al. (2011), Fang et al. (2011), Lin and Lekhawipat (2014), dan Ibzan et al. (2016).

According to Song et al. (2012), a positive shopping experience can lead to positive emotions and produce a sense of satisfaction with a product. When consumers are satisfied with a product, it will create an emotional bond and can be the basis for consumers to make repeat purchases (Chaudhuri and Holbrook, 2001).

All products sold at Lazada Indonesia are 100% Buyer Protection and/or Satisfaction Guarantee unless otherwise specified on the product offer page.
or product description. This shows Lazada Indonesia is focused on service quality and customer satisfaction, thus encouraging consumers to buy back at Lazada Indonesia.

The Effect of Utilitarian Shopping Value on Repurchase Intention is Mediated by Customer Satisfaction

In this study, customer satisfaction can mediate the relationship between utilitarian shopping values and repurchase intention. The results of this study are in line with the research conducted by Nejati and Monghaddam (2013), that utilitarian shopping value has a significant influence on the intention to behave consumers with customer satisfaction as mediation.

Some of the efforts made by Lazada Indonesia to increase customer satisfaction and repurchase include working directly with leading brands to sell their products, offering free shipping services to certain regions with applicable conditions, and offering payment by installment methods specifically for credit card users. Lazada Indonesia also offers a cash on delivery (COD) payment method so that consumers can pay when consumers receive goods.

The Effect of Hedonic Shopping Value on Repurchase Intention is Mediated by Customer Satisfaction

The results of the analysis show that customer satisfaction is not able to mediate the relationship between hedonic shopping value and repurchase intention. According to Jonnes and Sasser (1995) in Yang (2009), repurchase is only a basic behavior after consumers find satisfaction in the purchase and usually involves other behaviors, such as product reputation or public recommendations.

Seeing the phenomena that occur in the field, each consumer has a different emotional experience when shopping at Lazada Indonesia, thus providing a relatively lower effect on customer satisfaction because consumers also compare with shopping at other e-commerce. This is what makes hedonic shopping value if mediated by customer satisfaction is relatively lower and even tends to be insignificant because satisfaction has a relationship with expectations where each consumer has their preferences.

CONCLUSIONS

Repurchase Intention is influenced by customer satisfaction and motivation shopping value. the most dominant variable influencing repurchase intention is hedonic shopping value and the most dominant indicator informing the hedonic shopping value variable is role shopping. These results indicate that Lazada Indonesia’s consumers with hedonic shopping motivation have greater potential in making repurchases than consumers with motivation utilitarian shopping.

The most dominant variable influencing customer satisfaction is utilitarian shopping value and the most dominant indicator informing the utilitarian shopping value variable is efficiency. These results indicate that Lazada Indonesia’s consumers with utilitarian shopping motivation are more satisfied shopping at Lazada Indonesia compared to consumers with hedonic shopping motivation because consumers with utilitarian shopping motivation value choose products based on rational reasons and focus more on shopping based on needs so that when their needs fulfilled through an efficient shopping process, consumers are satisfied.

RECOMMENDATIONS

This research has been carried out optimally. However, there are limitations to the research, namely the selection of research objects and samples is limited, thereby limiting the generalization of research results. Future studies may consider adding other research objects for comparison, increasing the size of the research sample and expanding the location of research samples, and may consider using other variables to measure repurchase intention such as convenience, customer benefits, enjoyment, e-trust, and online customer experience.

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