

An Assessment of Consumer Shopping Behavior with A Hedonic and Utilitarian Approach to Modern Retail

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ABSTRACT

This study aims to examine and analyze the effect of hedonic and utilitarian shopping behavior on store loyalty in modern retail. The population and sample of this research were the people of Surakarta who shopped at modern retail stores. The type of data in this research adopted primary data. The data collection method used was a questionnaire, and a purposive sampling method was employed. We utilized multiple linear regression as data analysis. The analysis results in this study revealed that hedonism had a significant effect on store loyalty, and utilitarianism had a significant effect on store loyalty.

Keywords: *hedonism, utilitarianism, store loyalty.*

1. INTRODUCTION

Shopping for daily needs, known as shopping at various modern retail stores, is defined as a habit of Indonesian society to fulfill daily necessities. This statement is supported by the number of retail stores opened in Indonesia, both local modern retail stores and overseas franchise stores. Retail means an activity to sell goods and services to customers for personal or family use [1]. The development and completion of retail business structures like supermarkets in year by year extremely rises the society's interest. It can be observed from the highly tight competition in terms of service quality, location, and price in supermarkets.

A supermarket as a shopping facility for a family is considered extremely important because many middle classes, particularly in urban areas, prioritize the quality product acceptable in traditional markets. Nowadays, modern retail brings a supermarket concept offering various products, starting from basic needs to fast food, furniture, and other recreational activities. This concept aims to find out the evolution of consumer behavior, for example, they were only used to buy food and necessities and the behavior is switched nowadays into shopping as fun and exciting activities in the supermarket.

With the large number of retailers coming from within and outside the country, the role of hedonism and utilitarian values can be utilized by retailers to create new concepts that combine the two values, creating an

interesting shopping experience for customers. Considering this aforementioned condition, it becomes a chance for retailers to create new concepts to increase satisfaction in the shopping experience with the combination of two main consumer factors, namely hedonism and utilitarianism values when consumers are shopping. It occurs since shopping is a common thing that consumers do by purchasing in small or large quantities.

The big influence of consumer's shopping behavior with an approach of hedonism and utilitarianism in the modern retail, both local and overseas franchise stores, turns into a business strategy for retailers to market their products to consumers. Handling competition between competitors to gain market segments with hedonism and utilitarianism approaches makes the researchers want to find out the influence on consumers' shopping behavior in modern retail. Hence, the problem formulations obtained as the following:

1. Does hedonic behavior in shopping influence the loyalty of modern retail stores?
2. Does utilitarian behavior in shopping influence the loyalty of modern retail stores?

Then, several objectives want to be gained in this research as follow:

1. Examining and analyzing the influence of hedonism behavior in shopping towards the loyalty of modern retail stores

2. Examining and analyzing the influence of utilitarian behavior in shopping towards the loyalty of modern retail stores

2. LITERATURE REVIEW AND HYPOTHESES FORMULATION

2.1. Hedonism and Store Loyalty in Modern Retail

Hedonism is a consumer purchasing motive because shopping means pleasure to self and does not care about the products' benefit. Consumers who have a high emotional desire and are most excited often get into a hedonic experience in shopping [2]. These needs often arise to fulfill social and aesthetic demands and are called emotional motives [3]. Hedonic behavior in shopping refers to recreational, fun, intrinsic, and stimulation-oriented motivation.

Purchase behavior with a hedonic motive will lead to store loyalty. Consumers with this type of behavior have found their suitable place to shop. They will be loyal and interested to come back again to the store. It means shopping is fun activity based on desire, not a must. Shopping not only looks for the required products but also looks for interesting products. It can reduce stress and significantly affect store loyalty by consumers. It is linear with the previous research [4]: the research entitled "*Fashion stores between fun and usefulness*" found that hedonism and utilitarianism gave positive impacts towards store loyalty; the research entitled "*Unleashing the Effect of Store Atmospherics on Hedonic Experience and Store Loyalty*" showed hedonism gave positive influences towards store loyalty.

H1: Hedonic behavior in shopping gives positive impacts on store loyalty.

2.2 Utilitarian and Store Loyalty in Modern Retail

A utilitarian motive in shopping, mentioned as a rational motive, is a motive to encourage consumers to buy according to the functional benefit and product objectivity [6]. This behavior directly and significantly affects customer loyalty. In accordance with a study [7], utilitarian purchase behavior has two dimensions, efficiency and performance, related to criteria of store evaluation; the closeness level of hedonic purchase behavior variables (X1) and utilitarian purchase behavior (X2) at the same time on store loyalty.

The higher the utilitarian level, the higher the consumers' expectation on property or store attributes. It means that when shopping, they only purchase the

products needed. They are glad to buy the products because of the variety. They are disappointed if they do not find the product they need. Thus, it can be said that they directly impact store loyalty significantly. It is in line with the previous research [4]: the research entitled "*Fashion stores between fun and usefulness*" found hedonism and utilitarianism gave positive influences on store loyalty; the research entitled [8] "*The Effects of Green Image of Retailers on Shopping Value and Store Loyalty*" revealed that the hedonism and utilitarian shopping value positively affected store loyalty.

H2: Utilitarian behavior in shopping positively influences store loyalty.

3. RESEARCH METHOD

The data used in this research are primary. The data type adopted quantitative approaches. This type of research belongs to the category of field survey, spreading *purposive sampling* questionnaires to obtain respondents' answers regarding the independent variable (X) towards the dependent variable (Y). The questionnaires were spread to the respondents who purchased products in a modern retail store.

Data collection in this research used a test tool in the form of a questionnaire using a Likert scale measurement [9]. There are five points of assessment for the answer: 5 points for SS (strongly agree); 4 points for S (agree); 3 points for neutral; 2 points for TS (disagree); and 1 point for STS (strongly disagree).

The sampling method used in this research was probability sampling with an accidental sampling technique. The definition of the approach is a technique of determining the sample in a random way or by chance. It means anyone who meets the researchers can be a sample if the person is an appropriate data source. The characteristics of the respondents consisted of those who had ever purchased products in a modern retail store and were more than 14 years old.

4. FINDINGS AND DISCUSSION

4.1 Respondent Description

This description has an objective to explain the respondents' demographics. It aims to strengthen the result of this research whether the sample taken is right on target. The respondents had many demographic aspects; however, this research only limited as much as four demographic aspects, such as gender, age, occupation, and monthly expenses.

Description Result for Gender

Table1 Description of Respondents' Gender

Gender	Frequency	Percentage
Male	71	64.9%
Female	131	35.1%
Total	202	100%

Source: Respondents' Demographic, 2021

The result of Table 1 above shows that there were 202 female respondents (64.9%) and 35.1% male respondents.

Description Result for Age

Table2 Description of Respondents' Age

Age (Year)	Frequency	Percentage
15 – 20	54	26.7%
21 – 25	121	59.9%
>25	27	13.4%
Total	226	100%

Source: Respondents' Demographic, 2021

The result analysis of Table 2 above describes three groups of age; 26.7% for the age group of 15 - 20 years, 59.9% for the age group of 21 - 25 years; 13.4% for over 25 years.

Description Result for Job

Table 3 Description of Respondents' Job

Job	Frequency	Percentage
Student	17	8.4%
College Student	137	67.8%
Teacher/Lecturer	4	2%

Business owner	21	10.4%
Trader	2	1%
Etc.	21	10.4%
Total	202	100%

Source: Respondents' Demographic, 2021

The result analysis of the Table 3 above depicts the respondents' job: 8.4% for student; 67.8% for college student; 2% for teacher/lecturer; 10.4% business owner; 1% for seller; 10.4% for other professions.

Description Result for Monthly Expenditure

Table 4 Description of Respondents' Monthly Expenditure

Monthly Expenditure	Frequency	Percentage
<1.000.000	108	53.5%
1.000.000 - 2.000.000	67	33.2%
>2.000.000	27	13.3%
Total	202	100%

Source: Respondents' Demographic, 2021

The result analysis of Table 4 above shows that the respondents spent their monthly expenditure. There were 53.5% respondents having <1.000.000 of monthly expenditure; 33.2% for 1.000.000 – 2.000.000; 13.3% for >2.000.000.

4.2 Analysis Results

This research adopted *Confirmatory Factor Analysis* (CFA) as the validity testing method. Confirmatory factor analysis is one of the multivariate analysis methods that can confirm whether the measurement model built aligns with the hypothesis. In confirmatory factor analysis, the latent variable is considered a causal variable (independent variable) that becomes a basic indicator variable [10]. Based on the criteria [10], *the loading factor value considered to meet the validity requirement is above 0.5.*

Table 5 Result Summary of Instrument Validity Test

No	Question Item	Pattern		
H	HEDONISM (X ₁)	Factor 1	Factor 2	Factor 3
1	This shopping trip in modern retail is really fun.	0.552		
2	I enjoy this shopping trip for my own sake, not only for the items I might have bought.	0.733		
3	I keep shopping, not because I dislike it, but because I want.	0,748		
4	I have fun shopping since I enjoy my shopping time.	0.732		
U	UTILITARIAN (X ₂)			
1	I gain what I want in this shopping trip.	0.575		
2	When shopping, I find the items I look for.		0.699	
3	I am disappointed if I must go to other stores to complete my shopping.		0.817	
L	STORE LOYALTY (Y)			
1	I will come back to this store.			0.818
2	I recommend this store to my friends and my family.			0.843
3	Next time I go to a modern retail store, I will come to this store.			0.778

Source: Primary Data Analysis

In accordance with the summary result of the validity analysis in the table, it can be concluded that all question items from three variables met the 0.5 validity criteria of a loading factor value.

The reliability testing of the research instrument in this research used Cronbach Alphacorrelation. The correlation standard aims to determine whether a variable considered to have internal consistency has a correlation value of 0.6 [10].

Table 6 Reliability Validity

Question Item	Cronbach's Alpha	Description
Hedonism (X ₁)	0.759	Reliable

Utilitarian (X ₂)	0.497	Non-Reliable
Store Loyalty (Y)	0.836	Reliable

Source: Analysis Data, 2021

The result of Table 6 describes the hedonism and loyalty variables had Cronbach's alpha values of 0.759 and 0.836, and both were > 0.6. Therefore, it can be said that the two variables used were reliable. Then, the utilitarian variable had Cronbach's alpha value of 0.497 < 0.6. Thus, the utilitarian variable was non-reliable.

The analysis result of hypothesis testing in this research is presented in Table 7:

Table 7 Result of Regression Analysis

Model	Coefficient	T	Sig.	Description
Constant	0.790	4.726		
Hedonism (H)	0.441	6.834	0.000	Significant
Utilitarian (U)	0.281	4.353	0.000	Significant
F		67.778		
Sig.		0.000		
R square		0.405		

Source: Primary Data Analysis, 2021

In shopping, hedonic and utilitarian behaviors are defined as consumers' behavior when shopping for products. Hedonism means a philosophical school assuming that achieving pleasure in the world (hedonic) is the main goal of human life. Hedonic purchasing motive belongs to psychological needs like satisfaction, prestige, emotion, and any other subjective feelings. This need often arises to fulfill social and aesthetic demands and so-called emotional motives [3]. In the context of product shopping behavior in modern retail, consumers have desires that store attributes in modern retail provide a guarantee to come again to the modern retail store they often visit to look for satisfaction and fulfill social demands.

Meanwhile, utilitarianism is an ethical understanding that a good thing is beneficial, profitable, and useful. This behavior in shopping has characteristics related to task, orientation, rational, and extrinsic things. The definition of this motive is to encourage consumers to purchase according to the functional benefit and product objectivity, known as rational motive [6]. It shows there is an understanding that consumers will come back to the modern retail store they often visit to purchase products needed based on the benefit and function of the products [11].

4. CONCLUSION

This research contributes to giving empirical support that consumers' behaviors in shopping with a hedonic and utilitarian approach increase their desire to return to the modern retail they often visit. Interesting store attributes influence their interest in shopping again in the retail store. The loyalty of old and new visitors towards their choice of a modern retail store is affected by two variables, hedonic and utilitarian shopping behavior in the retail modern. Based on the statistical

assessment, the two variables significantly influenced store loyalty.

Hedonic behavior in shopping is related to utilitarian shopping behavior in terms of retail store's attribute, in this case is consumers' behavior in shopping in the modern retail store. The two behaviors are present as shopping orientation. It is prominent for the store manager to find out consumers' behavior in shopping to make the right marketing strategy. Managers of modern retail stores have to comprehend two types of consumer behaviors in shopping. Then, managers can choose whether they will apply a marketing strategy to target hedonic buyers or utilitarian buyers, or both towards their store loyalty.

This research was conducted as best as possible. However, there are still drawbacks (limitations). One of them is the existence of one question item of the utilitarian variable group included in the hedonism variable factor. Thus, future research should add the demographic variety since the researchers did not conduct this research as a whole in the country (Indonesia) but were limited to Surakarta's society. In the implementation, this research was also conducted in the impossible condition to spread questionnaires directly because of the COVID-19 pandemic.

The managerial implication from this research is as follow: It is suggested for managers of modern retail stores to more pay attention to hedonic and utilitarian consumer behaviors in shopping regarding the marketing strategy because, in this research, the two consumer behaviors in shopping influenced store loyalty in modern retail [12] Retail companies should maintain or improve the quality and service to get customers' trust. It is crucial to pay attention to customer satisfaction by asking for a review from the customers who have visited and shopped in their retail store. It aims to determine whether there is a customer complaint

or they feel satisfied with the products and services, so the retail stores can evaluate to maintain consumers' trust towards their retail store [13].

Several suggestions for the next researchers include adding the demographic variety of respondents, for example, those from Bandung, Surabaya, Jakarta, Yogyakarta, and any other cities in this country, related to the modern retail around them. Also, for future research, the addition of question variety needs to be conducted towards the three variables in the questionnaire, which will be distributed.

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