

INVESTIGATING MODERATORS OF SATISFACTION- REPURCHASE RELATIONSHIP IN RETAILING CONTEXT

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ORGANISED retail is a complex business delivered simply and profitably through focused management of Location, Assortment and Personality of store. Experience of retail in most countries have shown that organised retail takes some time to take off, but having reached a critical mass, the share increases exponentially. Organised retail, which currently stands at two per cent of the total estimated market of 180 billion USD, is growing at 35 per cent annually. Assuming this growth is maintained in the immediate future, by 2010, organised retail share of market will increase from 7.5 per cent to 14 per cent of retail spend (KSA-Technopak). Increased urbanization, growing wealth, and increasingly time-conscious consumers will fuel this spectacular growth. This growth seems mainly to be limited by the ability of retailers to find suitable retail space with necessary infrastructure and their understanding to existing and potential customers. To date, the unmet demands of Indian consumers has been so great that even companies that have not worked as hard as others have achieved impressive year-on-year increase in sales. But, eventually, individual businesses will need to know a bit more of their customers' product requirements, their purchase habits, and demographic profile to improve their customer proposition and continue current growth trends. To properly understand consumers, retailers need to have a holistic view of their consumption patterns and demographic profile. Not only does a retailer need to know what its customers are doing IN their stores, it is eventually important to know what they are doing OUTSIDE. This posed a difficult challenge to provide a uniquely customized shopping experience to each individual. To illustrate, the shopping behaviour of a DINKs' (Double Income No Kid) will be significantly different from that of an extended family, and retailers must adjust their offers accordingly. The choice of retail mix elements will enable the retailer to decide the type of format or structure of business. Each retailer shall be required to evaluate the need enablers and deterrents in the retail marketplace. It primarily involves identifying the key drivers of growth, the shoppers' profile and shopper expectations. It also calls for evaluating the nature of competition and challenges in the market place. Then, the retailer would be able to decide the elements of the retail mix that would go long way in satisfying the target customers' needs more effectively and efficiently than its competitors.

Marketing researchers have made consistent efforts that becomes evident from the critical review literature on measurement of customer satisfaction which is a key antecedent to loyalty and repurchase, but current marketing knowledge has find it difficult to fully explain the pervasiveness of satisfied customers who defect and dissatisfied customers who do not (Bendapudi and Berry 1997; Ganesh,

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Arnold, and Reynolds 2000; Jones and Sasser 1995; Keaveney 1995). Although, prior researches have pointed out several variables that may moderate the satisfaction-repurchase relationship, empirical results are equivocal and difficult to reconcile. In response to calls for deeper insight into factors that may moderate the satisfaction-repurchase relationship (e.g. Bolton, Lemon, and Verhoef, 2004), we have attempted to replicate a conceptual framework as provided by Kathleen et. al, (2005) that explains why two customers with the same (different) levels of satisfaction engage in different (the same) patterns of repurchase behaviour in an understudied retail context. This context was noteworthy because, in India, hardly any researcher has put in efforts to examine the satisfaction-repurchase relationship in a retail shopping category that is characterized by low switching costs, comparison shopping behaviour marked by moderate repurchase frequency. In this research study an attempt has been made to explain about a customer, relational, and marketplace characteristics that moderate the relationship between satisfaction and repurchase behaviour. The results of the research study have suggested that the relationship between customer satisfaction and repurchase behaviour is contingent on the moderating effects of convenience, customer involvement, and household income. The scope of the study was confined to the selected semi-urban cities known as “Anand” and Vidyanagar located in the central part of the Gujarat State. Its sample includes only shoppers who had visited the chosen store and not those non-customers who have either defected or never visited the store at all. This research study is an attempt to provide factual justifications that reinforces the importance of moderating influences and offer new insights that enhance the understanding of what drives repurchase behaviour.

Prologue

The concept of retailing draws strength from the French word *retailier*, which means ‘to cut a piece of’. The range of activities carried out by a modern retailer encompasses sourcing a wide range of products at large volumes and through intelligent use of systems and processes, getting them across to consumers at attractive prices. A metaphor close enough to describe the dynamism of the Indian retail sector would be that of the Big Bang theory. Triggered by giant collision courses involving several thousand unorganised retailers occasionally rubbing shoulders against smart supermarkets, the Indian retail sector, following the years of heating and cooling, has evolved into a strong all-encompassing mass. Today, topping the Global Retail Development Index for the third consecutive year as the most attractive market for retail investment, India has one of the most vibrant retail sectors in the world, where huge malls and supermarket chains co-exist with below-the-line traders. At present, there are 12 million retail outlets in India, which is estimated to triple by 2015. The 25 per cent projected increase in retail growth illustrates the strong fundamentals of the retail sector, which is expected to contribute to 22 per cent of India’s GDP by 2010. The fastest growing segments in retail are, not surprisingly, Wholesale Cash-and-Carry Stores, Supermarkets, and Hypermarkets. Shopping Malls are another growth segment, with over 100 malls in India now and over 600 malls under construction largely in A1-class cities. Indian retailing is one of the largest institutions in India and is estimated to be the largest employment provider-both direct and indirect. At a time, when the world is worried about economic slowdown and rising inflationary pressures, one sector which is feeling the heat the most is retail industry. The retail sector, which is believed to possess the potential to single-handedly turn the fortunes of the country, is however so entwined with the world economy that a recession in the other parts of the globe is bound to affect it. Currently, India is the fourth largest economy and is all set to become the third largest by the year 2013, leaving Japan behind. There will be around 300 million middle class consumers by the year 2013 and the organised retail market share will reach 10 per cent of the total market share. By the year 2025, it will grow to 24 per cent of the total market share as compared to the current 3 per cent.

One of the key challenges of the Indian market is to build organised retail. Concepts like franchising are only now gaining currency, and tremendous effort that had to be put in even in the late 1990s to build a fashion retail chain through international franchises. The mindset of the typical Indian customer,

however, has shifted over the years. Today, global brands have high visibility and awareness among urban customers, who drive the organised retail sector. This change was relatively slow and has only hastened now with the economy gaining momentum. Emaar Retail Report showed that the retail sector grew from US\$198 billion in 2001 to US\$226 billion in 2005 - a modest 14 per cent growth. However, the organised retail sector grew by 93 per cent from US\$3.96 billion to US\$7.68 billion in the same period, though its share of the total grew modestly from 2 per cent to 3.4 per cent. Modern retailers' approach to retailing, centered on its communities, will gain more currency in India with the numbers in the consuming class increasing. The high disposable income, gained from economic growth, has pushed the total number of households in the consuming class from 26.5 million in 2001-2002 to 40.8 million in 2006-2007. According to D. Shivakumar, Vice President and MD, Nokia India, "We are moving on from an era of independent growth to an era of dependant growth. Indian retail is going to explode and by the year 2011, it will be bigger than the telecom industry". Ireena Vittal, Partner at McKinsey & Company, suggested that "The only way you can make money in India is if you innovate your format and drive consumption by giving priority to build sales and identifying and delivering value along with low prices". Many believe that India is better recognized for the huge domestic market, a loss of one or two sales opportunity would hardly matter, but the retailer should emphasis on, never miss a single sale opportunity. The challenges being faced by Indian retail are viz., branding, inadequate understanding of the shopper, surplus of labour but a dearth of talent and incompetent supply chain management. The profile of Indian consumer has changed enormously and s/he should not be underestimated. The Indian consumer is ready for change, however, the retailers must be sensitive to customers' needs and customize the offerings accordingly. Strategic Benchmarking and Operational Benchmarking are the two ways that can help the retailers in benchmarking their business. Strategic Benchmarking implies looking at the various factors like store formats, store positioning, customer retention and location, whereas Operational Benchmarking stands for the footfalls, conversion ratios, operating parameters, basic revenue and expense rates, and resource planning. Besides, in consideration of the needs of today's shoppers, the four mega trends being faced by the retailers today are viz., convenience and practicality, indulgence and pleasure, ethics and enhancement in health and well being. It advocates favourably towards an urgent need for identifying the factors which ultimately drives the consumer behaviour.

A Brief Review of Literature on Customer Satisfaction and Repurchase Relationship

The importance of Customer Satisfaction (CS) to the success of consumer goods manufacturers (Mittal and Kamakura, 2001; Voss et al., 1998), and retailers (Darian et al., 2001) has been well documented. CS is regarded as a primary determining factor of repeat shopping and purchasing behaviour. The greater the degree to which a consumer experiences satisfaction with a retailer, the greater the probability the consumer will revisit the retailer (Wong and Sohal, 2003). CS has traditionally been viewed as a cognitive construct where consumers cognitively compare perceived performance with an evaluative standard (expectations) (Westbrook and Oliver, 1991). Based on expectancy theory expectations represent the anticipated most likely level of performance (Tolman, 1932). It is viewed as an objective outcome of the magnitude and direction of the difference existing between expectations and the perceived level of performance experienced. Consumer behaviour is also a highly social activity, often involving direct social interactions between consumers and sellers (Hatfield et al., 1994; Howard and Gengler, 2001; Pugh, 2001). In a marketing literature, CS has been consistently identified as a key antecedent to loyalty and repurchase, but current knowledge fails to explain fully the prevalence of satisfied customers who defect and dissatisfied customers who do not (Bendapudi and Berry 1997; Ganesh, Arnold, and Reynolds 2000; Jones and Sasser 1995; Keaveney, 1995). Although, prior research points to several variables that may moderate the satisfaction-repurchase relationship, empirical results are equivocal and difficult to reconcile. The consumer resource allocation theory has been used to support the prediction that, after controlling main effects established in prior research customer, relational, and marketplace

characteristics moderate the relationship between satisfactions and repurchase behaviour (Anderson and Sullivan 1993; Bolton 1998; Boulding et al. 1993; Rust, Zahoric, and Keiningham, 1995). The conceptual framework has been tested in an understudied retail context that is characterized by low switching costs and comparison shopping behaviour (Kathleen, Seiders, Glenn B. Voss, Dhruv Grewal, and Andrea L. Godfrey, 2005). This context was noteworthy because no known research had examined differences in intentions and objective repatronage behaviour in a retail shopping category marked by moderate repurchase frequency. The findings of the research study suggested that the predictive validity of repurchase intentions varies widely from frequently purchased convenient goods to infrequently purchased durables (Chandon, Morwitz, and Reinartz, 2005). In addition, the satisfaction-repurchase relationship can differ significantly between contractual services and discrete, recurring purchases (Lemon, White, and Winer 2002; Reinartz and Kumar, 2003), for which switching costs are lower and customers typically are not obligated to give all their business to any one firm (Rust, Lemon, and Zeithaml, 2004).

A Conceptual Framework of the Research Study

Though some work in this regard has been carried out in developed economies, developing economies like India has remained largely unexplored, since organised retailing is in a nascent stage. Also, looking at the amount of opportunity for organised retail at the bottom of pyramid, the researchers found it interesting to conduct the study in the twin cities of Anand and Vidyanagar located in NRI dominated region of Central Gujarat. Moreover, most of the studies conducted so far have focused on certain specific areas thus leaving scope for the other areas to be explored. In response to calls for deeper insight into factors that may moderate the satisfaction-repurchase relationship (Bolton, Lemon, and Verhoef, 2004).

The researchers have attempted to replicate a conceptual framework (Kathleen, Seiders, Glenn B. Voss, Dhruv Grewal, and Andrea L. Godfrey, 2005) as shown in the following Figure Number 01 that explains why two customers with the same (different) levels of satisfaction engage in different (the same) patterns of repurchase behaviour. The Conceptual Framework as provided by Kathleen, Seiders, Glenn B. Voss, Dhruv Grewal, and Andrea L. Godfrey (2005) has been used in this research that proposes three categories of moderators that operate at different levels viz., Customer Characteristics, Relational Characteristics, and Marketplace Characteristics which are explained in brief as Figure 1.

Customer Characteristics

Customer characteristics explain variations in the satisfaction-repurchase relationship due to individual differences. For each category of moderator, it proposes two specific moderating variables. Customer characteristics explain variations in peoples' purchase levels for an entire purchase category. We expect that customer-level variables have a direct influence on repurchase intentions and behaviour and moderate the relationship between satisfaction and repurchase behaviour. We have examined involvement, a motivational resource, and household income, a monetary resource. Because both moderators are closely linked to key resources, they are likely to be among the most significant customer-level influences.

Involvement is the importance of the purchase category to the consumer and is based on the consumer's inherent needs, values, and interests (Mittal, 1995). From a resource perspective, highly involved customers allocate more time and effort to search (Beatty and Smith 1987; Bloch, Sherrell, and Ridgway, 1986; Maheswaran and Meyers-Levy, 1990) and report higher levels of repatronage intentions (Wakefield and Baker, 1998), which suggests a positive direct link between involvement and repurchase behaviour. Some authors have also acknowledged an alternative view that involvement could negatively affect repurchase intentions. More involved consumers may be more likely to search and potentially identify more preferred alternatives in the market, regardless of their level of satisfaction. It can also be expected

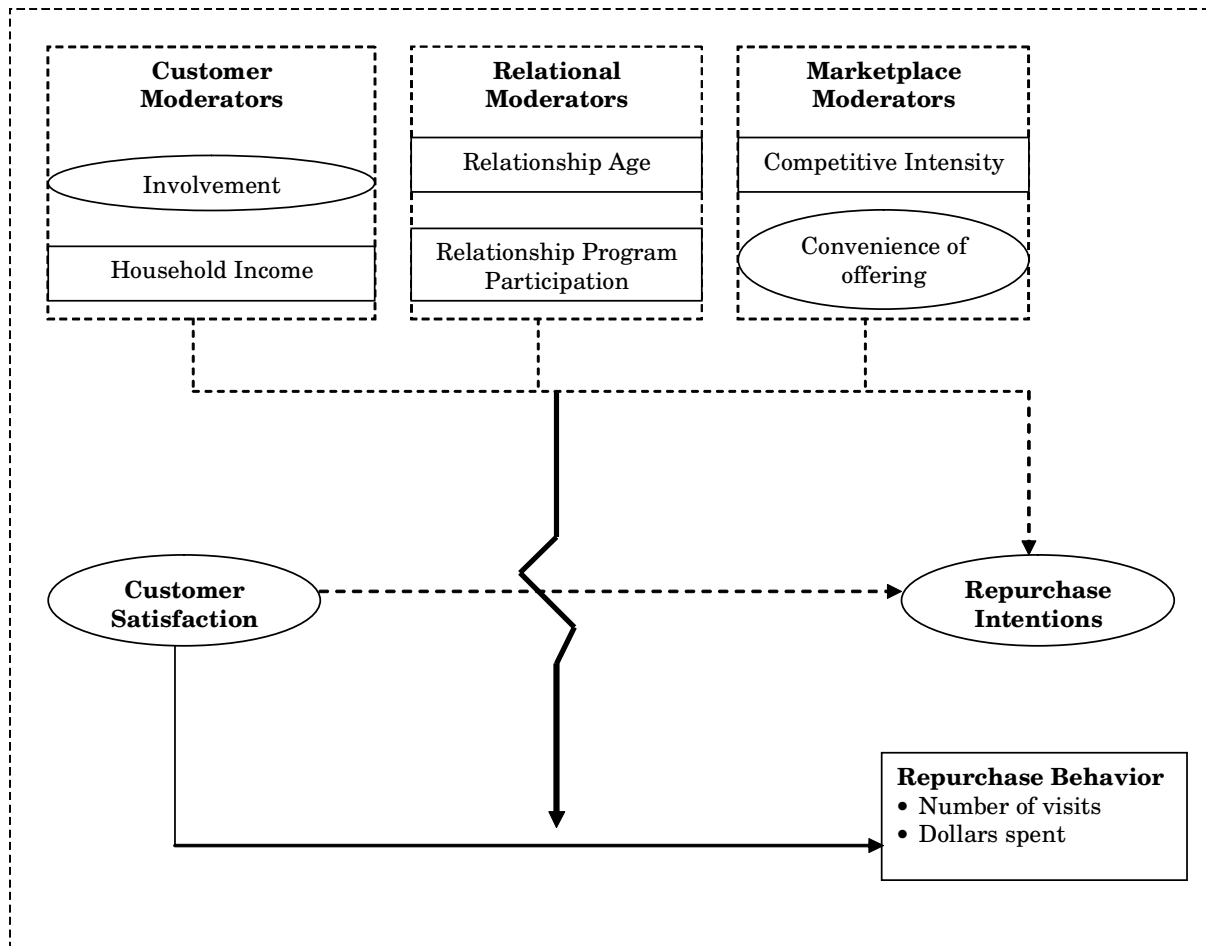


Figure 1: A Framework for Examining Moderators of the Relationship between Customer Satisfaction and Repurchase

Source: Journal of Marketing, Vol.69, October 2005, p.27.

that involvement enhances the positive effect of satisfaction on actual repurchase behaviour. Involved shoppers should allocate more time, effort, and money to retailers that provide exceptional satisfaction. They should also be more discriminating among offerings and more responsive and committed to superior offerings (Beatty, Kahle, and Homer, 1988). This positive moderating effect would extend to repurchase behaviour.

Household income is positively related to consumers' routine expenditures for multiple types of services (Nichols and Fox 1983; Soberon-Ferrer and Dardis, 1991), loyalty among online shoppers (Keaveney and Parthasarathy, 2001), and profitable lifetime customer duration (Reinartz and Kumar, 2003). On the basis of these findings, we expect that household income has a positive influence on repurchase behaviour. Household income should also intensify the relationship between satisfaction and repurchase behaviour.

The conversion of intent into purchase varies across groups that differ in their ability to fulfill that

intent (Morwitz and Schmittlein, 1992), and lower-income customers may be constrained in their purchases. Because, higher-income customers place a higher value on time and are more discriminating in how they allocate their time (Marmorstein, Grewal, and Fische, 1992), they should visit and spend less at retailers that offer low satisfaction and more at retailers that offer high satisfaction. This positive moderating effect would extend to intentions only if higher- and lower-income customers accurately incorporated the enabling and constraining effect of income (Kathleen, Seiders, Glenn B. Voss, Dhruv Grewal, and Andrea L. Godfrey, 2005).

Relational Characteristics

Relational characteristics capture customers' investments in building or formalizing relationships with specific firm. It represents formal and informal bonds between the firm and its customers; relational bonds can create social and financial switching barriers that provide firms with an advantage insulated from competitor actions.

Although, relational moderators have been examined primarily in the context of contractual services, relational strategies designed to encourage discrete, ongoing repurchase are widespread. Proposed relational moderators include relationship age with the focal firm and participation in the firm's relationship program.

Relationship Age

Prior experience influences intent, repurchase behaviour (Anderson, Fornell, and Lehmann 1994; Morwitz and Schmittlein, 1992), and loyalty (Ganesh, Arnold, and Reynolds, 2000). Relationship age is positively related to customer profitability (Reinartz and Kumar, 2003), retention (Bolton, 1998), number of services purchased (Verhoef, Franses, and Hoekstra, 2002), continued museum membership (Bhattacharya, 1998; Bhattacharya, Rao, and Glynn, 1995), and repurchase intentions and behaviour (Kathleen, Seiders, Glenn B. Voss, Dhruv Grewal, and Andrea L. Godfrey, 2005).

Relationship Program Participation

Relationship programs represent company initiatives that target individual customers who agree to exchanges that may be complementary or ancillary to their purchase transactions. These programs promote retention by enhancing customers' perceptions of the relationship investment and increasing their trust and commitment (De Wulf, Odekerken-chroder, and Iacobucci, 2001; Rust, Lemon, and Zeithaml 2004). Participants may receive personalized communications that keep them informed of new offerings or preferential treatment and rewards for past loyalty. Empirical findings have indicated that relationship program participation has positive direct effects on intentions, usage levels, retention, and customer share development (Bolton, Kannan, and Bramlett 2000; Garbarino and Johnson 1999; Verhoef, 2003).

Marketplace Characteristics

Marketplace characteristics account for variations related to market-level competition. Marketplace moderators feature interactions among customers, the focal firm, and competing firms. To illustrate, intense competition that spurs price promotions may increase switching behaviour and overall purchase volume, or new firms entering the marketplace may steal customers and market share from entrenched competitors. We have made an attempt to examine the convenience of the focal firm's offering and its interaction with competitive intensity in the marketplace.

Overall convenience is a second-order construct that consists of five types of time and effort costs involved in service experiences (Berry, Seiders, and Grewal, 2002).

Empirical findings have indicated that convenience is significantly related to customer satisfaction

and behavioural intentions (Andaleeb and Basu, 1994), consumer switching behaviour (Keaveney, 1995), customer perceptions and retention (Rust, Lemon, and Zeithaml, 2004). Convenience enhances the positive effect of satisfaction on repurchase behaviour. From a resource allocation perspective, a convenient offering conserves customers' time and effort and thereby facilitates a satisfied customer's ability to fulfill his or her intent. In this capacity, convenience functions less as an input to evaluation and more as an ongoing barrier that encourages or discourages repurchase behaviour. This is likely to be particularly relevant for repatronage behaviour, for which access to geographically based retailers or other service firms is a major decision factor, and can produce both planned and unplanned trade-offs between degree of convenience and level of satisfaction.

Competitive intensity is defined as the level of direct competition that the focal firm faces within its immediate business domain. It can attenuate competitive advantage and influences repurchase behaviour over time because competition erodes customers' perceptions of differential advantage along unsustainable dimensions. To illustrate, convenience represents a characteristic that can be readily replicated in many marketplaces; thus, the relative advantage it offers when competition is low is eroded as competition intensifies. We have also reproduced summarized finding of the earlier research studies that support moderating effects of various customer, relational, and Marketplace Characteristics (Please Refer Appendix A).

Research Objectives of the Research Study

From the past research studies, it was observed that there are many variables that moderates positive relationship between customer satisfaction and repurchase intentions. It triggered the researchers to make an attempt to understand the association of key moderators influencing the relationship. In response to the same, the following objectives were determined for the research study.

- To study the factors influencing the repurchase intentions of retail customer;
- To investigate the factors affecting the repurchase intension of the retail customers., and
- To study the relationships between the factors with repurchase intentions of retail customers.

Research Design of the Research Study

An exploratory study has been carried out to get the clarity on the above mentioned objectives based on collection of the primary data mainly from the customers.

Pre-Testing of A Structured Non-Disguised Questionnaire

In the first phase, a preliminary questionnaire was developed using multi-item scales to measure repurchase intentions (Parasuraman, Zeithaml, and Berry, 1994), satisfaction (Voss, Parasuraman, and Grewal, 1998), involvement (Beatty and Talpade, 1994) and convenience (Kathleen, Seiders, Glenn B. Voss, Dhruv Grewal, and Andrea L. Godfrey, 2005). The structured questionnaire was pre-tested by personally interviewing 20 respondents. Finally, during editing exercise, the problems identified during the pre-testing were rectified. The components in the structured questionnaire were fine tuned keeping in view the experiences gained while interacting with customers and retailers.

Collection of the Primary Data

The necessary Primary data was collected using a survey method with the help of a structured non-disguised questionnaire structured questionnaire administered in person on customers when s/he came out of the retail stores viz., Big Bazaar, Reliance Super, and Subhiksha located in the twin-cities of Anand and Vallabh Vidyanagar of the Central part of the State of the Gujarat. The respondents were approached after they had finished shopping. In all, total of 120 responses were obtained during period of April 2008 to June 2008. As, 14 responses suffered from various non-response errors, finally, 106 responses only were considered for further data analysis. The sampling method applied was convenience sampling.

Data Analysis and Interpretation

The statistical tools were run using Statistical Package for Social Sciences (SPSS) 15.0 to get inferences. As the study attempted to explore the moderators which affect the relationship between customer satisfaction and repurchase intentions, the following moderators were considered for the study (Please Refer Table 2). Principal Component Analysis was used since it was an exploratory factor analysis. For deducting the important moderators, a set of moderators were listed (Please Refer Table 2) and each respondent was asked to indicate the degree of agreement or disagreement with each of the item statement on a scale of 1 to 5 with 1 being defined as Strongly Disagree and 5 as Strongly Agree respectively.

Factor Analysis was used to understand the interdependence amongst the moderators. The Factor Analysis was run, using principal component analysis method in SPSS windows. The result showed that the solution containing 26 factors gave high KMO and also high individual MSA values. The KMO and Bartlett's test values 0.67 was considered as adequate to apply Factor Analysis. The criteria for extracting initial factors were Eigen value of over 1. As the number of variables was less than 50, the Eigen value was used as the criterion.

In the first iteration a total of 26 factors were extracted with total variance explained being 85.14 per cent (Please Refer Appendix B). The total variance of 85.14 per cent was considered as significant for a research study of this nature.

Varimax rotation was applied for the selected 26 variables. The factor loadings of the 26 variables were then observed and variable were clubbed into 7 factors (Please Refer Table 3). The associations between the important factors are studied (Please Refer Table 4).

The factors were named accordingly; the factor names and their constituents were as follows (Please Refer Table 1).

Table 1: Factors and Its Constitutes

Factor No.	Factor Name	Factor Constituents
01	Involvement	Easy To Find Products, Easily Get Product Advice, Easy Product, Evaluation, Importance of Store, Importance of Products Offered
02	Post Benefit Convenience	Product Alteration, Product Replacement, Product Repairs, After-Purchase Problems Resolved
03	Transaction Convenience	Queue For Payment
04	Access Convenience	Quickly Reach At The Store, Easily Reach At Store, Convenient Parking, Convenient Store Location
05	Decision Convenience	Easy Decision, Quick Decision, Quick Information
06	Time Convenience	Convenient Opening Timings, Convenient Closing Timings, Convenient Time Duration
07	Satisfaction	Satisfaction With Overall Services, Overall Satisfaction

**Table 2: Moderators of Satisfaction-Repurchase Relationship
Considered for the Study**

Sr. No.	Moderators
01	Prior Information
02	Easy Decision
03	Quick Decision
04	Quick Information
05	Quickly Reach At The Store
06	Easily Reach At Store
07	Convenient Parking
08	Convenient Store Location
09	Convenient Opening Timings
10	Convenient Closing Timings
11	Convenient Time Duration
12	Easy Payment
13	Queue For Payment
14	Easy To Find Products
15	Easily Get Product Advice
16	Easy Products Evaluation
17	Product Alteration
18	Product Replacement
19	Product Repairs
20	After-Purchase Problems Resolved
21	Satisfaction With Overall Services
22	Shopping Excitement
23	Overall Satisfaction
24	Strong Personal Interest
25	Importance of Store
26	Importance of Products Offered

Table 3: Component Matrix

	Components						
	1	2	3	4	5	6	7
Prior Information	0.31	-0.04	0.88	0.06	0.08	0.09	0.08
Easy Decision	-0.08	0.01	0.09	0.00	0.89	-0.21	0.21
Quick Decision	0.36	-0.10	0.60	0.00	0.63	-0.04	0.15
Quick Information	0.17	0.05	-0.13	-0.14	0.84	-0.17	-0.01
Quickly Reach At The Store	-0.05	0.14	-0.17	0.84	-0.01	-0.19	-0.10
Easily Reach At Store	-0.02	0.14	-0.15	0.90	-0.01	-0.05	0.12
Convenient Parking	0.23	-0.15	0.09	0.69	-0.12	-0.16	-0.04
Convenient Store Location	0.23	0.22	-0.19	0.58	0.13	0.21	0.07
Convenient Opening Timings	0.00	-0.03	0.40	-0.03	-0.18	0.87	-0.04
Convenient Closing Timings	0.40	-0.06	0.00	-0.27	-0.16	0.84	0.03
Convenient Time Duration	-0.45	0.10	-0.13	-0.05	-0.18	0.81	-0.09
Easy Payment	-0.41	0.11	-0.14	0.12	0.67	0.00	0.01
Queue For Payment	-0.08	0.06	0.80	-0.26	0.04	0.17	-0.12
Easy To Find Products	0.85	0.12	0.07	0.17	-0.07	-0.09	0.16
Easily Get Product Advice	0.79	0.39	-0.19	0.19	-0.03	-0.03	0.13
Easy Products Evaluation	0.63	0.43	0.40	0.35	-0.04	0.04	0.18
Product Alteration	0.18	0.97	0.00	0.06	0.05	0.03	0.06
Product Replacement	0.18	0.97	0.00	0.06	0.05	0.03	0.06
Product Repairs	0.15	0.94	0.02	0.11	0.03	-0.01	0.06
After-Purchase Problems Resolved	-0.31	0.77	0.43	0.07	-0.03	-0.10	0.11
Satisfaction With Overall Services	0.17	0.10	0.11	-0.04	0.13	0.05	0.88
Shopping Excitement	0.29	0.36	0.67	-0.12	-0.23	0.13	0.35
Overall Satisfaction	0.25	0.10	0.06	0.08	0.10	-0.15	0.91
Strong Personal Interest	-0.25	0.18	0.80	-0.25	-0.19	-0.12	0.17
Importance Of Store	0.79	-0.06	0.43	-0.04	0.04	0.13	0.15
Importance Of Products Offered	0.65	0.09	-0.46	0.01	0.11	0.03	0.35

Note:

Extraction Method: Principal Component Analysis;

Rotation Method : Variomax with Kaiser Normalization

Table 4: Correlation Matrix between Factors

Factors	Descriptive Statistics		Correlation Matrix							
	Mean	Std. Deviation	Involvement	Post Benefit Convenience	Transaction Convenience	Access Convenience	Decision Convenience	Time Convenience	Satisfaction	Repurchase Intension
Involvement	18.22	3.38	1.00							
Post Benefit Convenience	16.04	2.06	0.4**	1.00						
Transaction Convenience	2.5	1.08	0.06	0.13	1.00					
Access Convenience	15.45	2.12	0.3**	0.19	-0.37**	1.00				
Decision Convenience	11.49	2.14	0.21*	0.05	0.13	0.00	1.00			
Time Convenience	9.3	2.63	0.00	-0.01	0.25*	-0.23*	-0.3**	1.00		
Satisfaction	8.41	0.96	0.45**	0.21*	-0.04	0.05	0.35**	-0.10	1.00	
Repurchase Intension	8.44	1.05	0.45**	0.71**	0.32**	0.08	0.13	0.33**	0.36**	1.00
	N = 106		** Correlation is significant at the 0.01 level (2-tailed). * Correlation is significant at the 0.05 level (2-tailed).							

Findings of the Research Study

- There existed significant correlation between satisfaction and Involvement (0.45), and satisfaction and decision convenience (0.35).
- The research study yielded significant correlation between repurchase intention and post benefits convenience (0.71), repurchase intension and involvement (0.45) and repurchase intension and satisfaction (0.36).
- From the study it was found that satisfaction, involvement, post benefit convenience, accessibility convenience, transaction convenience, and time convenience are the most influencing factors for repurchase intentions of retail customer.
- The study provided significant correlation between satisfaction and involvement, satisfaction and repurchases intention and satisfaction and decision convenience.
- A significant correlation between repurchase intention and post benefit convenience was found.
- The retailers can not neglect the below mentioned 7 factors at any cost, as they are very important for customer satisfaction and repurchase intension.

Implications of the Research Study

- Managers would benefit from a better understanding of moderating variables, such as involvement and household income that can be used to segment customers into lower or higher repurchase groups.
- Firms should identify customers with higher levels of involvement and then attempt to foster long-term relationships with members of that group. Managers can invest resources in offering programs by using initiatives such as in-store events, experiential classes, and charitable campaigns) to increase customer involvement.
- An assumption received an empirical support that these carefully focused initiatives can lead to more repurchase visits and spending by increasing involvement among customers. Managers should encourage repurchase behaviour through deliberately multifaceted strategies that conserve customers' time and effort.
- Innovative and comprehensive approaches to site location analysis should be a priority for retailers.
- Retail firms should develop strategies that would promote convenience and reduce uncertainty by communicating specific and detailed information about merchandise online and by focusing on coordination to ensure consistency across

Limitations of the Research Study

The researchers would like to list out following limitations of the research study. A number of limitations exist which limit the generalizability of the results. First, the study was exploratory in nature. Second, to control for demographic variation, the sample included only female customers. The sample, therefore, included individuals who were similar demographically and who were from a single geographic area as the study was conducted in the cities of Anand and Vallabh Vidyanagar. The generalizability of the findings to different types of retail settings such as different types of store, different products being procured has not been established. Finally, a relatively small sample size of 106 sampling units has been monitored.

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**Appendix A: Moderators of the Association Between
Customer Satisfaction and Repurchases**

Research Study	Dependent Variable(s) Context and Design	Customer Characteri- stics	Relational Characteri- stics	Marketplace Characteristics
Bolton (1998)	Relationship Duration (OM) Telecommunications Longitudinal Contractual services		Length of experience (+)	
Bowman and Narayandas (2001)	Share of Category Requirements (SR) Consumer package goods Cross-sectional Noncontractual goods	Heavy users (+)	Loyalty (+)	
Bowman and Narayandas (2004)	Share of Customer Wallet (SR) Processed metal Longitudinal Noncontractual Industrial goods	Size (-)	Account management tenure (+)	Satisfaction with competitor (+)
Burnham, Frels, and Mahajan (2003)	Intention to Stay with Provider (SR) Credit card and telephone service Cross-sectional Contractual services		Relational switching costs (n.s.)	Procedural switching costs (n.s.) Financial switching costs (n.s.)
Capraro, Broniarczyk' and Srivastava (2003)	Defection/Repurchase (SR) Health insurance Longitudinal Contractual service	Objective knowledge (n.s.) Subjective knowledge (n.s.)		
Garbarino and Johnson (1999)	Future Intentions (SR) Professional theater Cross-sectional Contractual and noncontractual service		Relational orientation (-)	

Contd...

Research Study	Dependent Variable(s) Context and Design	Customer Characteri- stics	Relational Characteri- stics	Marketplace Characteristics
Homburg and Giering (2001)	a. Recommendation Intentions (SR) b. Brand Repurchase Intentions (SR) c. Dealer Repurchase Intentions (SR) Auto manufacturer/dealer Cross-sectional Contractual goods and services	Income SP (-: a, b, c) SSP (+: a, b) Involvement: SSP (-: b) Gender: SP (+m: c) SSP (+f: b) Age SP (+: a, b, c) SSP (-: b)	Variety seeking SP (-: a, b, c)	
Jones, Mothersbaug, and Beatly (2000)	Repurchase Intentions (SR) Banking and Hair salon Cross-sectional Contractual and noncontractual services		Interpersonal relationships (-)	Switching costs (-) Attractiveness of alternatives (+)
Magl (2003)	a. Share of Purchase (SR) b. Share of Visits (SR) Grocery stores Longitudinal Noncontractual consumption goods	Economic orientation (-: a; n.s.: b) Personalizing orientation (-: a, b) Apathetic shopping orientation (n.s.: a, b) Age (n.s.: a, b) Purchase vol. (+: a; n.s. :b)		

Contd...

Research Study	Dependent Variable(s) Context and Design	Customer Characteri- stics	Relational Characteri- stics	Marketplace Characteristics
Mittal and Kamakura (2001)	Repurchase behavior (OM) Automobile manufacturer Longitudinal Contractual durable goods	Sex (+) Education (+) Marital status (n.s.) Age (+) Children (+)		Urban versus suburban (n.s.)
Verhoef (2003)	a. Customer Retention (OM) b. Customer Share Development (OM) Insurance Longitudinal Contractual service		Relationship age (+: a; n.s.: b)	
Vehoef, Franses, and Hoekstra (2002)	a. Customer Referrals (SR) b. Number of Services Purchased (OM) Insurance Cross-sectional and longitudinal Contractual service		Relationship age (n.s.: a; +: b)	
Seiders, Voss, Grewal and Godfrey (2005)	Repurchase Intentions (SR), Repurchase Visits (OM), and Spending (OM)			
	Apparel and home furnishings Cross-sectional and longitudinal Noncontractual fashion goods	Involvement Household income	Relationship age Relationship program Participation	Competitive intensity Convenience of offering

Notes:

+/- indicates that the effect of satisfaction on the dependent variable increases / decreases as the moderating variable increases / decreases;
N.S. = not significant; SR = self-reported measure provide by respondent; OM = objective measure taken from secondary source;
SP = satisfaction with the product; and SSP = satisfaction with the sales process.

Source: *Journal of Marketing*, Vol.69, October 2005, pp.28-29.

Appendix B: Total Variance Explained

Component	Initial Eigenvalues			Rotation Sums of Squared Loadings		
	Total	percentages of Variance	Cumulative percentages	Total	percentages of Variance	Cumulative percentages
1	6.21	23.87	23.87	4.12	15.86	15.86
2	4.42	17.01	40.88	4.07	15.65	31.51
3	3.29	12.65	53.53	3.98	15.31	46.83
4	3.15	12.10	65.63	2.80	10.75	57.58
5	2.16	8.31	73.94	2.62	10.06	67.64
6	1.59	6.13	80.07	2.44	9.37	77.02
7	1.32	5.08	85.14	2.11	8.13	85.14
8	0.81	3.13	88.27			
9	0.72	2.76	91.03			
10	0.60	2.29	93.32			
11	0.44	1.68	95.01			
12	0.27	1.05	96.06			
13	0.25	0.96	97.02			
14	0.19	0.71	97.73			
15	0.15	0.58	98.32			
16	0.10	0.37	98.68			
17	0.07	0.29	98.97			
18	0.07	0.26	99.23			
19	0.06	0.21	99.45			
20	0.05	0.19	99.64			
21	0.04	0.17	99.81			
22	0.02	0.10	99.90			
23	0.01	0.05	99.95			
24	0.01	0.04	99.99			
25	0.00	0.01	100.00			
26	0.00	0.00	100.00			

Note: Extraction Method: Principal Component Analysis.

Appendix C: Sample Profile of Customers

	Variable	Frequency
Respondent's Age	18-30 years	29
	31-45 years	45
	Above 45 Years	32
	Total	106
Respondent's Occupation	Business	8
	Service	74
	Self-employed	24
	Total	106
Respondent's Annual Family Income	50,000-100,000	9
	100,000-300,000	53
	Above 300,000	44
	Total	106