THE INFLUENCE OF THE CONSUMER PERCEIVED VALUE ON THE SATISFACTION WITH THE GROCERY RETAILER RELATIONSHIP: THE MEDIATING EFFECT OF THE RISK OF UNSUSTAINABLE CONSUMPTION

ABSTRACT:
This paper proposes a framework to analyse the influence of the different dimensions of the perceived value on consumer satisfaction with the grocery retailer relationship. The research propositions consider, as a mediating effect, the perceived unsustainable consumption risk associated to the purchase. Indeed, it is expectable that the perception, by consumers, of an existing risk of unsustainable consumption, will influence the subsequent perceived satisfaction with the benefits. The research propositions were supported by the literature review on sustainable consumption and consumer perceived value, according to the relationship marketing knowledge.

Keywords: Sustainable Consumption, Customer Perceived Value, Grocery Retailer-Customer Relationship.
pesquisa consideram, como efeito mediador, o risco percebido de insustentabilidade de consumo associado à compra. Na verdade, é expectável que a percepção, pelos consumidores, de um risco de insustentabilidade de consumo influencie a subsequente satisfação percebida relativamente aos benefícios. As proposições de pesquisa encontram-se sustentadas pela revisão da literatura acerca de consumo sustentável e de valor percebido pelo consumidor, de acordo com o conhecimento da relação de marketing.

Palavras Chave: Consumo sustentável, valor percebido pelo consumidor, relação retalhista-consumidor.

RESUMEN:

Este artículo propone un marco de análisis con respecto a la influencia de las distintas dimensiones de valor percibido por los consumidores en la satisfacción con la relación con el vendedor. Las propuestas de investigación consideran, como efecto mediador, el riesgo percibido de insostenibilidad del consumo asociado a la compra. De hecho, se espera que la percepción, por parte del consumidor, de la existencia de un riesgo de insostenibilidad del consumo influyan la posterior satisfacción percibida en relación con los beneficios. Las propuestas de investigación están respaldadas por la revisión de literatura sobre consumo sostenible y el valor percibido por los consumidores, según el conocimiento de la relación de marketing.

Palabras Clave: Consumo sostenible, Valor percibido por el consumidor, relación menudeo – consumidor.

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1. INTRODUCTION

Grocery shopping provides both utilitarian and hedonic value. Consumers obtain utilitarian value by conducting the task that justified the shopping trip, whereas hedonic value reflects the potential entertainment and emotional involvement associated to a shopping process (Babin et al., 1994). Analysing the perceived value of the relationship between the grocery retailer and his customer is crucial to understand the customer’s store choice and frequency, as well as the store performance. Furthermore, the measure of the perceived value should consider a multidimensional approach in addition to both interlocutors’ perspective, but specially the customer’s one. Nevertheless, studies about the value and satisfaction in the grocery retail are scarce (Davies et al., 2001).

Sustainable consumption is about consuming in such a way as to protect the environment, using natural resources wisely and promoting quality of life now while not spoiling the lives of future consumers. Consumer perceived value has been analysed as a multi-dimensional construct including namely the customer’s perspective of the quality and price of the provider (Chen & Dubinsky, 2003), and also as a trade-off between benefits/quality and sacrifices (Flint et al., 2002). In these trade-offs it could be expected that the perception of an existing risk of unsustainable consumption would influence subsequent perceived satisfaction with the benefits (Tukker et al., 2010).

Nowadays, companies recognize the impact of the concept of sustainability on their customer’s choices and so they take this into consideration to design their strategic vision and cultural organizational behaviour. This recognition has become vital to positioning brands and businesses, highlighting the importance of the use of communication and media in this challenge, i.e., strengthening the approach to sustainability in marketing.

The purpose of this paper is to present a conceptual framework and underlying propositions aiming to understand the consumer satisfaction with customer–retailer relationship in the context of sustainable consumption. This paper refers to an on-going research and appeals to two streams of literature mentioned above: customer perceived value and sustainable consumption.

The operationalization of the proposed conceptual model applies a multi-attribute evaluation process based on the PERVAL scale (Sweeney & Soutar, 2001) and considers the mediating effect of the
perceived unsustainable consumption risk associated to the shopping process on grocery retailers. Also, the risk of unsustainable consumption is included as a mediator variable. Therefore the paper discusses first and briefly the concepts of sustainable consumption and consumer perceived value, then presents the conceptual model and propositions, and ends with some conclusions.

2. SUSTAINABLE CONSUMPTION

Sustainable consumption is about consuming in such a way as to protect the environment, using natural resources wisely and promoting quality of life now while not spoiling the lives of futures consumers. Although the role of sustainability in business and organizations is still important, theories addressing sustainability show the importance of deepening this concept, particularly in the area of marketing (Carraher, 2008). This is mostly important because both firms and consumers are self-interested entities, with consumers maximizing utility through consumption (Kilbourne et al., 1997) and with firms maximizing profit through meeting the demand. This societal consumption perspective can lead us to overexploitation of natural resources that are at our disposal, setting the question of fairness and ecological sustainability of our behaviour on planet (Huang & Rust, 2011).

Sustainable factors are considered when consumers purchase products, particularly green consumers (Fraj & Martinez, 2006) and several studies suggested, mostly to those being more responsible and worried with the sustainability of their actions, that there is a hierarchy of importance of ethical drivers in the purchase decision-making process, particularly in the case of “food goods” (Wheale & Hinton, 2007). Sriram & Forman (1993) showed that consumers consider less value on products’ environmental performance when purchasing high involvement products, compared to the case of frequently purchased products. This brings us to the relationship between value and perceived risk of unsustainable shopping on everyday life purchases.

3. CONSUMER PERCEIVED VALUE

Traditionally, value is a driver to marketing as “value-in-exchange”; however, we adopt the service dominant perspective of “value-in-use” promoted by Vargo & Lusch (2006), arguing that there is no value if there is no interaction during the service experience between the provider and the customer. In other words, there is a co-dependency between supply and demand in relation to value creation and appropriation in a service relation, but we are interested on a consumer perspective as well (Payne et al., 2008).

In the past, many studies on the perceived value assumed that companies and customers have different roles in creating value. Consumers used to be only buyers and users of “embedded” value in the product or service that companies provide. In this perspective, the source of value comes from the characteristics of the company’s products or the way it organizes activities that add value. The value takes place at the exchange, recognizing the utility of predetermined functions in the product (Clulow et al., 2007). In the perspective adopted in this paper the value is derived from the use, as an outcome of the relationship, not an output. It is always contextual, co-produced in networks of providers and customers and experientially determined (Normann & Ramírez, 1993, Vargo & Lush, 2004).

So, consumer perceived value is considered as a multi-dimensional theoretical construct in relationship marketing dealing with customer perspectives of the quality and price of the products and services provider (Chen & Dubinsky, 2003), or as a trade-off between benefits/quality and sacrifices (Flint et al., 2002). In these trade-offs one could expect that the perception of an existing risk of unsustainable consumption would influence subsequent perceived satisfaction with the benefits (Tukker et al., 2010).

Customer perceived value questionnaires are typically filled in during or after a specific service use situation. Deductive measurement of predefined value categories are useful in this context because these type of customer perceived value measures (e.g., PERVAL), and especially the overall customer perceived value measures, can be used to estimate the effect of customer perceived value on other constructs, such as customer satisfaction, loyalty or purchase intentions. These can be generalized for larger populations (as the present study intents) or fields of business but are not suitable for exploring individual experiences, particularly from a longitudinal perspective (Helkkula et al., 2012).
Surprisingly, there are not many studies addressing the issue of perceived customer value applied to retail stores and particularly to groceries (Esbjerg et al., 2012), although issues such as service offering quality, value for money, customer satisfaction and how these constructs effect repatronage intentions are well known from literature. In a study by Grace & O’Cass (2005) the antecedents of repatronage intentions across different retail store formats are examined. It was found that retail consumers view the service provided, the way in which the service is delivered by the retail employees and the retail service environment, as having a direct effect on their perception of value for money and their level of satisfaction with the retail store brand. They point that satisfaction is more related to the store service experience perception, in line with disconfirmation of expectations paradigm, and less with the consumers’ evaluation of the store in monetary terms. As such, perceived monetary value played a much more significant role in the discount store model (where supermarkets and groceries are included), whereas social and emotional consumption feelings were shown to be more important in the department store model.

4. FRAMEWORK AND RESEARCH PROPOSITIONS

The four distinct value dimensions (social, emotional, quality/functional and monetary) of the PERVAL scale of Sweeney & Soutar (2001) balance the benefits and the sacrifices in different consumer exchanges. The main research question aims to determine what dimensions influence purchase behaviour in consumer grocery products. The conceptual model (Fig. 1.) suggests that the consumer perception of value affects the risk of unsustainable purchasing, which in turn influences the evaluation of the satisfaction level of the relationship with the retailer.
Risk is always present in any buying decision (Ulaga & Eggert, 2006). Risk dimensions most commonly associated with purchase situations include financial risk, performance risk and social risk (DelVecchio & Smith, 2005). Risk is usually associated with uncertainty, in the sense that uncertain consequences are considered as a component of risk (Hoyer & MacInnis, 1997) and influence decision-making and satisfaction (Aqueveque, 2006). Uncertainty has costs and may be responsible for perceptions of product lower performance or perceptions of risk surrounding of an unknown substitute. Burnham et al. (2003) refer that switching experiences depend of functional, financial and relational costs, negatively influencing consumers’ intentions to stay with their current service provider and the consumer perceived value (Sweeney et al., 1999).

Numerous studies have addressed the relationship between environmental impacts and consumer consumption (Wier et al., 2001, Hubacek et al., 2009). In the specific case of unsustainable consumption, Jackson (2005) argues that we often find ourselves “locked in” to unsustainable behaviours, in spite of our own best intentions guided by what others around us say and do, and by trying to get the best from the solutions proposed when following the “rules of the game”. Tukker et al. (2010) argues that consumers often take heuristic shortcuts when making the hundreds of small, often mundane
decisions that animate daily life, influenced by emotional and monetary situations which lead them to unsustainable practices. On this basis, one would expect that the perception of an existing risk of unsustainable consumption would influence subsequent satisfaction outcomes; therefore, we advance the following propositions:

P1. The risk of unsustainable consumption has a significant effect on the level of satisfaction of the consumer-grocery retailer relationship.

Sweeney & Soutar’s (2001), in their four-dimensional PERVAL framework, here adapted, incorporate the social value dimension defined as “the utility derived from the product’s ability to enhance self-concept”. The social dimension is argued to have two underlying factors, the social image and the reputation (Sheth et al., 1991, Anderson & Weitz, 1992). We assume here that the social factor impacts the way how consumers see the unsustainable consumption, as well as the satisfaction with their usual retailer. Hereby we formulate the second proposition:

P2. Social value has a significant effect on the level of satisfaction of the consumer-grocery retailer relationship, as well as on the unsustainable consumption perceived risk.

A sub-dimension of functional value is value for money, defined as “the utility derived from the product due to the reduction of its perceived short term and longer term costs’ (Sweeney & Soutar, 2001). Several past studies refer an indirect relationship between price perceived and customer satisfaction (Wang et al., 2004, De Pelsmacker et al., 2005, Peattie, 1995). Retailer price premiums found in stores for organic products were found too high, constituting a barrier to buying more sustainable products (De Pelsmacker et al., 2005). In order to provide more insight into this issue of direct and/or indirect relationship of the perceived value with the relational satisfaction and the perceived risk of unsustainable consumption, we formulate the third proposition:

P3. Monetary value has a significant effect on the level of satisfaction of the consumer-grocery retailer relationship, as well as on the unsustainable consumption perceived risk.

Emotional value, defined as “the utility derived from the feelings or affective states that a product generates” (Sweeney & Soutar, 2001), could be considered as the consumer knowledge to develop and sustain relationships with brands and retailers, amplifying the relational satisfaction with the later. The transition from a function-oriented view to a symbolic image of products and brands could generate a lack of
information creating a significant risk to the consumption decisions; for this reason we propose the fourth proposition:

P4. Emotional value has a significant effect on the level of satisfaction of the consumer-grocery retailer relationship, as well as on the unsustainable consumption perceived risk.

Functional value, a more rational dimension of value, refers to “the perceived utility acquired from an alternative’s capacity for functional or utilitarian performance” (Sheth et al., 1991). Sweeney & Soutar (2001) argue that functional value has two sub-dimensions, requiring two different measures, one derived from perceived performance or quality of the provider proposal, and the other related with price, or more precisely, the value for money. In line with this approach we consider functional value as “the utility derived from the perceived quality and expected performance of the product”.

Perceived ecological value is shown to have a significant impact on functional value dimension in general markets. The relevance of “green to have quality,” “green to save money,” “green to feel good,” and “green to be seen” in relation to loyalty intention was discussed by Koller et al. (2011). Wong (2004) considered that functional values influencing organic purchases include perceived health and ecology aspects of organic produce, whereas consumers’ beliefs that organic farming enhances the social well-being of people and communities. Based on these references we suggest the fifth and last proposition:

P5. Functional value has a significant effect on the level of satisfaction of the consumer-grocery retailer relationship, as well as on the unsustainable consumption perceived risk.

5. CONCLUSIONS

Current approaches to measuring customer perceived value, value-in-use and relational satisfaction as an outcome, adopt a multiple item scale as the PERVAL scale. This conceptual paper, reflecting an on-going research, applies the perceived customer value concept in the context of grocery retailing aiming to provide insights on the dimensions of value that influence customer perceptions of unsustainable consumption risk and relationship satisfaction.

The paper draws upon existing literature on the streams of perceived value, relationship marketing and environmental/sustainable behaviour; synthesises relevant findings to propose an integrated
conceptual framework entailing different types of value; and finally points out a few relationships that may lead to a better understanding of consumer behaviour towards the risk of unsustainable consumption.

REFERENCES


