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**ANALYZING THE AFFECTS OF EXPERIENTIAL VALUE  
DIMENSIONS ON CUSTOMERS' EXTRA-ROLE BEHAVIOR**

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***Abstract***

The affects of experiential value on customers' in-role behavior have widely been investigated in the past literature. However, there is a dearth of studies discussing the affects of experiential value dimensions (aesthetic value, customer return on investment playfulness, and service excellence) on customers' extra-role behavior like customers' citizenship behavior. The current paper aimed to overcome this gap by examining the affects of aesthetic value, customer return on investment, playfulness and service excellence on customers' citizenship behavior in hypermarkets retailing. The data were collected from 800 customers of Malaysian hypermarket. The data were analyzed through Covariance Based Structural Equation Modeling (CB-SEM). The results revealed that aesthetic value and service excellence positively influenced customers' citizenship behavior. Contrary to it, the customers' return on investment and playfulness did not influence the customers' citizenship behavior. The findings showed that the customer possessed citizenship behavior in response to reactive values of hypermarkets. In contrast, the customers did not possess citizenship behavior in response to the active values of the hypermarkets. It is suggested that the hypermarket managers need to find out the ways to develop customers' citizenship behavior based on active value.

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**Keywords:** Experiential value, consumer behavior, citizenship behavior, SEM, retailing.



## **1. Introduction**

Modern retailing such as hypermarkets are not confined to financial, economic, commercial, or marketing advantages only but it emerged as a setting for social interactions, discoveries, experiences, entertainment and joys (Amine & Lazzaoui, 2011; Filser, 2001). It has changed the concern from “how you shop” to “where you shop” (Elms, Canning, De Kervenoael, Whysall, & Hallsworth, 2010). In Malaysia, the growing population, excellent economic growth, and customers modernized lifestyle have advanced the retailing trends (Cao & Pederzoli, 2013; Larke, 2006) resulting in customer preference of hypermarkets for shopping compared to small-scale retailing. One of the competitive edges for the hypermarket retailing compared to other retailers is staging experiential value (Mathwick, Malhotra, & Rigdon, 2001). Experiential value perceptions are based upon customers’ interactions with the service environment, usage of the products and services or either distanced appreciations of the service (Mathwick et al., 2001; Shamim, Ghazali, & Abdul Jamak, 2015). The customer interactions with the service encounters (includes interaction with the environment, employees, goods, services and/or other customers) provide them relativistic preference experience (Holbrook & Corfman, 1985).

To recognize the importance of experiential value in retailing, extant research has been conducted. The findings of past research reveal experiential value as an important factor in changing customers’ behavior. For instance, Keng, Huang, Zheng, and Hsu (2007) found experiential value influences customer behavioral intentions toward shopping. Wu and Liang (2009) found that experiential value results in customer satisfaction with the service encounters. Similar findings were reported by Yuan and Wu (2008) who identified experiential value as an important strategic tool for building customer satisfaction with the service provided by the firm. Nonetheless, most of these studies are limited to the investigation of experiential value on customers’ in-role behaviors which are beneficial to the customers themselves. The studies investigating the influence of experiential value on customer extra-role behavior such as customer citizenship behavior which is beneficial to the service providers (such as hypermarkets) are limited. This is important to investigate because customers’ extra-role behavior appears an important competitive advantage for the hypermarkets in recent times (Yi & Gong, 2008) and is more advantageous to the service providers compared to the customers themselves (Abdul Jamak, Shamim, & Ghazali, 2015; Bove, Pervan, Beatty, & Shiu, 2009; Groth, 2005; Rosenbaum & Massiah, 2007; Yi & Gong, 2006). Hence, this research paper intends to overcome this research gap by investigating the influence of four dimensions of experiential value namely aesthetic value, customer return on investment, playfulness, service excellence on customer citizenship behavior in the context of hypermarkets.

## **2. Literature Review**

### **2.1. Experiential Value**

Experiential value perceptions are based on customers interactions with the service encounter, usage of the products and services or either distanced appreciations of the service (Mathwick et al., 2001). The experiential value provides both extrinsic benefits, such as utilitarian values, and intrinsic benefits like feeling of happiness through fun and playfulness (Mathwick et al., 2001). Holbrook (1994a) extended this conceptualization by introducing activity dimension namely reactive value and active value. The reactive value is a kind of passive value which is gained when customers appreciate the service encounters, goods

or services based on their consumption experience with it (Yuan & Wu, 2008). In contrast, the active value is a participative value which is gained through customers direction interactions with the service encounters such as service employees, environment, goods and/or services (Holbrook, 1994b). Based on these **topologies**, Mathwick et al. (2001) conceptualized experiential value into four dimensions including aesthetic value, playfulness, customer return on investment, and service excellence representing the active vs. reactive and extrinsic vs. intrinsic value.

## **2.2. Customers' Extra-Role Behavior**

The customers' in-role behavior like behavior towards shopping, retail brand or customer satisfaction is mostly expected from the customers as it gives benefits to the customers themselves. Therefore, customers possess these kinds of behaviors most often (Yi & Gong, 2013). Nonetheless, customers' extra role behavior such as citizenship behavior is not expected from every customer (Bove et al., 2009; Yi & Gong, 2013) as this behavior give more benefit to the firm rather than customer himself (Bove et al., 2009). The customer citizenship behavior has dimensions namely feedback, advocacy, helping and tolerance. Feedback is customer sharing experience with the service providers (Yi & Gong, 2013). Advocacy behavior is the customers' loyalty and commitment to the hypermarket which customers express by endorsing it to the other customers without their personal gains (Groth et. al., 2004). Helping behavior is assistance to other customers in creating an experience with the hypermarket. Finally, the tolerance behavior is customer patience to ignore the service weaknesses customers observe during shopping, service encounter or consumption stages (Yi & Gong, 2013).

Hence, this paper aims to investigate whether experiential value dimensions such as aesthetic value, customer return on investment, playfulness and service excellence can develop customers' citizenship behavior of hypermarket retailing. Following four hypotheses are formulated to address this question:

H<sub>1</sub>: Aesthetic value positively influences customer citizenship behavior

H<sub>2</sub>: Customer return on investment positively influences customer citizenship behavior

H<sub>3</sub>: Playfulness positively influences customer citizenship behavior

H<sub>4</sub>: Service excellence positively influences customer citizenship behavior

## **3. Problem Statement**

Most of the earlier researchers investigated the influence of experiential value in developing customers' in-role behavior. Nonetheless, there is a dearth of studies on the investigation of the influence of experiential value dimensions such as aesthetic value, customer return on investment, playfulness and service excellence on customers' extra-role of behavior such as customer citizenship behavior. This is important to investigate because most of the customers at the present time do extensive product choice search before deciding to buy any product and same goes with the choice of hypermarkets. The hypermarkets need to trigger out all those factors that could develop such a behavior where other customers are getting influence. Experiential value dimensions could be some such factors. However, without empirical investigation, it is hard to say that these factors can develop customer's extra role behavior. Therefore, this research is crucial in its investigations

#### **4. Research Questions**

Q1. Whether aesthetic value positively affect customers' citizenship behavior

Q2. Whether customer return on investment (CROI) positively affect customers' citizenship behavior

Q3. Whether playfulness positively affect customers' citizenship behavior

Q4. Whether service excellence positively affect customers' citizenship behavior

#### **5. Purpose of the Study**

The purpose of this research paper is to examine the effects of experiential value dimensions, aesthetic value, customer return on investment, playfulness and service excellence on customer citizenship behavior in hypermarket retailing.

#### **6. Research Methods**

The scale for measuring experiential value dimensions were adapted from Mathwick et al. (2001) and customer citizenship behavior from Yi and Gong (2013). The scale was administered on five-point Likert scale starting from 1 (strongly disagree) to 5 (strongly agree). The data was collected from 800 customers of four top hypermarkets in Malaysia using mall intercept survey technique (Sudman, 1980) through multistage sampling. The 56.4% respondents were female while rests were males. The 55.41% respondents were of Malay ethnic background, 25.32% were Chinese, 18% were Indians and 1.27% were others. The 27.99% respondents were single, 68.92% were married, 2.81% were divorced and 0.28% were separated. Data was analyzed using co-variance based structural equation modelling (CB-SEM) in AMOS 21.0 software. Based on the SEM two step approach, first measurement model was tested for model fit, construct validity and items reliability. The structural model was performed for hypothesis testing.

##### **5.1. Data Analysis**

###### **5.1.1. Measurement Model**

The measurement model was tested to observe model fit, construct validity and composite reliability. The GFI = 0.926; CFI = 0.900; TLI = 0.926; RMSEA = 0.067 and Chi-Square / df = 4.198 indicates a good model fit. The factor loadings of all item exceeded the threshold value of 0.60 and the average variance extracted (AVE) exceeds threshold value of 0.50 confirming convergent validity (Hair, Black, Babin, & Anderson, 2010). Moreover, the square root of AVE for all corresponding latent constructs is greater than their inter-construct correlations suggesting discriminant validity of the model (Fornell & Larcker, 1981). Finally, the composite reliability of each construct is greater than 0.70 which shows reliability of the items (Shamim, Ghazali, & Albinsson, 2016).

###### **5.1.2. Structural Model**

The four hypotheses were tested in the structural model shown in Figure 1. The structural model represents good fit to the data (GFI = 0.926; AGFI = 0.900; CFI = 0.939; TLI = 0.926; NFI = 0.921; Chisq/df = 4.198 and RMSEA = 0.067). The standardized regression estimate ( $\beta$ ) for the first path from aesthetic value to customer citizenship behavior is 0.153,  $t = 3.122$ ;  $p = 0.002 < 0.01$  which is significant at 99%

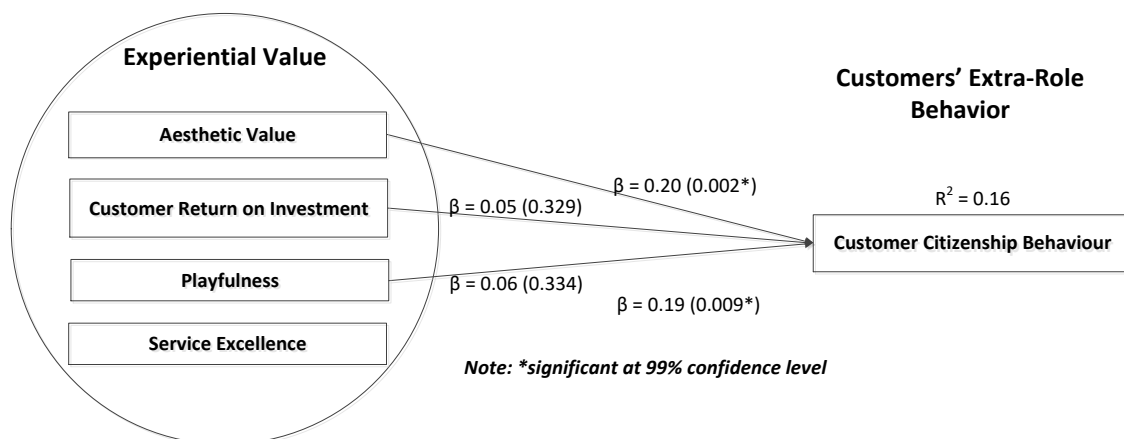
confidence level. This indicates that aesthetic value has positive effect on customer citizenship behavior. Thus, hypothesis H<sub>1</sub> is supported. The standardized regression estimate ( $\beta$ ) for the second path from playfulness to customer citizenship behavior is 0.029,  $t = 0.967$ ;  $p = 0.334 > 0.05$  which is insignificant. This indicates that playfulness does not affect customer citizenship behavior. Thus, hypothesis H<sub>2</sub> is not supported. The standardized regression estimate for the third path from customer return on investment to customer citizenship behavior is 0.029,  $t = 0.967$ ;  $p = 0.334 > 0.05$  is also insignificant indicating that customer return on investment does not affect customer citizenship behavior. Thus, hypothesis H<sub>3</sub> is not supported. Finally, the effect of service excellence on customer citizenship behavior is significant, that is,  $\beta = 0.128$ ,  $t = 2.612$ ;  $p = 0.009 < 0.01$  (significant at 99% confidence level). Thus, hypothesis H<sub>4</sub> is supported, and it is suggested that service excellence has positive effect on customer citizenship behavior.

The coefficient of determination ( $R^2$ ) for the predictor variables on customer citizenship behavior is 0.16 indicates that the four dimensions of experiential value together explains the 16% of variance in customer citizenship behavior (medium effect size). Table 1 and Figure 1 summarizes the estimates of the structural model.

**Table 01.** Standardized Regression Estimates

Independent Variable	Path	Dependent Variable	Estimate	S.E.	t	p	Remarks
Aesthetic Value	--->	Customers' citizenship behavior	0.153	0.049	3.122	0.002*	Supported
Customer Return on Investment	--->	Customers' citizenship behavior	0.04	0.041	0.976	0.329	Not Supported
Playfulness	--->	Customers' citizenship behavior	0.029	0.03	0.967	0.334	Not Supported
Service Excellence	--->	Customers' citizenship behavior	0.128	0.049	2.612	0.009*	Supported

\* $p < 0.01$  (results are significant at 99% confidence level).



**Figure 01.** Structural Model

## 7. Findings

The study reveals interesting findings. It was predicted that all four dimensions of the experiential value, aesthetic value, playfulness, customer return on investment and service excellence significantly and

positively effects customer citizenship behavior. However, the results are rather different. The findings revealed that two of the dimensions, aesthetic value and service excellence, positively affect customer citizenship behavior. However, the customer return on investment and playfulness do not affect customer citizenship behavior.

According to Mathwick et al. (2001), the aesthetic value and service excellence are reactive values in which customers react in response to the stimuli generated by these values. In the hypermarket retailing context, the aesthetics are reflected by two key dimensions, the visual appeals of the retail environment and entertaining aspects of the service performance. The visual appeal is reflected by the hypermarket design, environment's beauty and attractiveness. The entertainment value is reflected in term of appreciation of the customers. Thus, based on the findings, it is argued that the customers who take the hypermarket shopping as an experience rather than just fulfilling shopping needs are actually engaged in citizenship behavior. They take the influence and react to the aesthetic value by possessing citizenship behavior. They share their experiences caused by the aesthetic environment to other customers or members of the society, thus, engaging in citizenship behavior. Similarly, the service excellence is also a reactive response in which customers react by praising to the service provided by the hypermarkets (Holbrook, 1994b; Holbrook & Corfman, 1985). Based on this reaction, they are not only shoppers but also valuable feedback providers to the hypermarkets. They help in terms of improving service and facilitators to other customers by referring the hypermarkets. They act as citizenship agent for the hypermarkets and promote their service to other customers and members of the society. Thus, the service excellence value in addition to provide unique experiences also develops customer citizenship behavior.

The other two dimensions, customer return on investment and playfulness, are active responses in which customers are actively engaged. The customer return on investment is the return which customers are getting from hypermarkets on their investment in terms of financial, temporal, behavioral and psychological resources (Mathwick et al., 2001). Since this return is limited to customers' individual value which varies from other customers; therefore, the customers' return on investment do not influence their citizenship behavior. Similarly, playfulness is customers' intrinsic enjoyment that comes from their engagement in activities during the shopping. The engagement can be with any kind of activity which intrinsically motivates the customers for engagement. This is also an activity which is limited to customers' individual self, and it varies from customer to customer; therefore, this activity does not create customer citizenship behavior.

## **8. Conclusion**

The study concludes that the reactive values, i.e., aesthetic value and service excellence, serve as a catalyst for developing customer citizenship behavior in hypermarkets retailing in Malaysia. On the other hand, active values, i.e., customer return on investment and playfulness, do not create customer citizenship behavior in hypermarkets retailing. Thus, to develop customer extra-role behavior (citizenship behavior), the hypermarkets should more emphasize on the reactive values compared to than that of active values.

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