Store Personality As a Source of Customer Value

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The findings of a consumer survey (n = 206) confirm the impact of store personality on satisfaction and loyalty, mediated by customer value. The hypothesized moderating role of self-congruence is not supported, implying that store personality is valued by customers, regardless of whether the store’s personality matches the customer’s self-concept.

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EXTENDED ABSTRACT

1. Literature Review

“What is the value of the different personality dimensions? Are certain personality dimensions more valuable at driving preference or loyalty than others?”

(Keller and Lehmann 2006, 741)

In the mature and highly competitive retailing environment, customers are more value conscious than ever before. Therefore, creating customer value is particularly vital for retailers to obtain satisfied and loyal customers (Sweeney and Soutar 2001). In line with Zeithaml’s (1988, 4) definition that “perceived value is the consumer’s overall assessment of the utility of a product based on perceptions of what is received and what is given”, there has been a general consensus that customer value involves a trade-off between benefits and costs.

According to the utility theory which provides a theoretical underpinning for the value concept (He and Mukherjee 2007), customers do not buy products for their own sake, nor do they patronize retailers for merely functional benefits. We propose store personality as a potential source of value in retailing and define it as “the way in which the store is defined in the shopper’s mind, partly by its functional qualities and partly by an aura of psychological attributes” (Martineau 1958, 47). Just as personality has been proven to serve as a viable metaphor to ascribe stable human characteristics to product brands, so can retail brands be expected to serve as symbolic devices (Caprara, Barbaranelli, and Gianluigi 1998). As such, the consumer’s first, general impression of a store’s personality may be positive and subsequently color further elaborative information processing on the store and its offerings (Freling, Crosno, and Henard 2011).

2. Research Objectives

This study examines the strategic role of store personality and the related construct self-congruity (i.e., the match between the customer’s personality and store personality) by assessing their effect on customer value. Additionally, we investigate the potential interaction between store personality and self-congruity.

Figure 1 summarizes our hypotheses, with H1 and H2 as the focus of our research. Apart from unpleasantness, all store personality dimensions as well as self-congruity are hypothesized to positively impact customer value. Furthermore, the relationship between store personality and value is expected to be strengthened by perceived self-congruity (i.e., H10).

To obtain a full understanding of the impact of store personality and self-congruity on customer value, we take existing knowledge about the nomological web of these constructs into account (see Figure 1).

3. Methodology

We collected data from 206 visitors (61% female) of an international fashion retailer. The questionnaire consists of existing scales adapted to the setting at hand. As our conceptual model contains both reflective and formative constructs, we opted for PLS path modeling to estimate the relationships. We evaluated the statistical significance of the parameter estimates by using bootstrapping procedures based on 5000 samples.

Since customer value is a second-order construct, we used the two-stage approach to model it in PLS (Reinartz, Krafft, and Hoyer 2003; Ringle, Sarstedt, and Dettmar 2012).

In order to prevent multicollinearity problems commonly associated with the product indicator approach, we tested the interaction effect between store personality and self-congruity by using the orthogonalizing approach (cf. Lance 1988; Little, Bovaird, and Widaman 2006).

With these research objectives in mind, four unique aspects of this study differentiate it from previous studies. First, whereas the dominant focus in most customer value studies is on the consequences of customer value (Cronin, Brady, and Hult 2000), our focus is rather on the antecedent side. Second, rather than focusing on the most easily observable (and also the most straightforward to copy by competitors) store cues, such as price, merchandise quality or store design (Baker, Parasuraman, Grewal, and Voss 2002), the antecedents under study situate at a higher level of abstraction. Third, although customer value, personality, and self-congruity are extensively studied in a product context, these concepts are relatively scarcely studied in retailing (Sirgy, Grewal, and Mangleburg 2000). Fourth, we contribute to the research stream on the conceptualization and operationalization of both customer value and store personality. With regard to customer value, Holbrook’s (1999) Typology is adapted to a retail setting, resulting in seven retail value types (i.e., efficiency, product excellence, service excellence, aesthetics, play, social-, and altruistic value), as opposed to the traditional dichotomous view on shopping value (i.e., utilitarian and hedonic value; Babin, Darden, and Griffin 1994). With respect to store personality, the robustness of d’Astous and Lévesque’s (2003) operationalization is formally tested.

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4. Results

First, we examined the measurement model and conclude that all constructs display favorable psychometric properties.

With regard to the structural model, the R-squared values indicate that our model is very well supported by the data.

Regarding our main hypotheses, we can conclude that both store personality and self-congruity have a significant influence on customer value, supporting respectively H1 and H2. In order of decreasing (absolute) magnitude of coefficients, value is significantly influenced by self-congruity, solidiy, unpleasantness, enthusiasm, and genuineness.

Turning to H10, related to the moderating influence of self-congruity on the relationship between store personality and the outcome variables, we fail to find any significant effect. Hence, H10 is not supported by our data.

5. Discussion and Further Research

Our findings indicate that store personality indeed can be considered as a source of customer value. Value has been recognized as one of the most significant factors in the success of organizations (Slater 1997), leading to satisfaction and loyalty (Cronin et al. 2000). Since the latter two constructs are widely acknowledged as antecedents of a firm’s financial performance (e.g., Anderson, Fornell, and Lehmann 1994), investing in store personality potentially offers a good return on marketing.

Additionally, self-congruity is found to have a positive effect on customer value but the moderating effect was not supported. Although future research is needed to assess whether this particular finding indeed holds, our results are consistent with the notion that store personality and self-congruity are separate and complementary constructs (Helgeson and Supphellen 2004) and that store personality is valued regardless of whether there is a match with the self-concept (Zentes, Morschett, and Schramm-Klein 2008).

REFERENCES


