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Influence of Perceived Experiential and Functional Value on Indian Consumers’ Mall Satisfaction and Mall Patronage Intention

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Keywords: malls, value, satisfaction, patronage intention

Background and Hypotheses: The Indian retail sector has been expanding and is expected to grow (“McKinsey Global Institute”, 2007). Favorable demographic patterns, a surge in personal income, international exposure, and the changing mindset of Indian consumers are some of the factors driving this growth (“McKinsey Global Institute”, 2007), leading to a monumental increase in the number of malls in the last decade. However, mall growth has not been paralleled by profitability and return on investment for investors. To enhance profitability, it is crucial to understand the factors affecting patronage intention toward the Indian mall and willingness to buy from the retail stores in the mall. Since perceived value is a direct antecedent of behavioral intentions (Dodds, Monroe, & Grewal, 1991), the value consumers derive from mall retail stores (e.g., apparel, electronics, fashion accessories, footwear, and beauty & skincare retailers) and non-store aspects (e.g., hair salon, massage parlor, restaurants, cafes, food courts, theatres/multiplex, and gymnasium) of the mall may affect satisfaction and consequent patronage intentions toward the mall.

The purpose of the present study was to explore the effects of the perceived experiential and functional value (Sweeney & Soutar, 2001) associated with the retail stores and non-store aspects of the mall on Indian consumers’ satisfaction and mall patronage intention. The multi-dimensional view of perceived value by Sweeney & Soutar (2001) is suitable in the context of the present study because the consumer is viewed as not only a rational shopper but also as an experience seeker. In the present study, these value types are divided into two groups: a) experiential value (i.e., emotional, social, and sensory value) that is likely desired by experience seekers and b) functional value (i.e., quality, price, service quality, and efficiency value) that is likely of great importance to rational shoppers.

Figure 1. Hypotheses between the perceived value and outcome variables

Note: Solid line represents significant relationship; dotted line represents non-significant relationship
An integrative framework of the consciousness-emotion-value (C-E-V) and cognition-affect-behavior (C-A-B) models within the Stimulus-Organism-Response (S-O-R) framework, as proposed by Fiore and Kim (2007), was used as the conceptual framework, and hypotheses were developed for the study (see Figure 1).

**Method:** Following the guidelines outlined by Sudman (1980), the data were collected through a mall intercept survey in two malls in New Delhi, India. Five hundred and fifty-two completed surveys were used for the statistical analysis. The survey included 7-point Likert-type scales with items adapted from existing scales with acceptable reliabilities (α > .70). Descriptive and exploratory factor analysis (EFA) was carried out with SPSS 21.0. Using Mplus 7.0, structural equation modeling was performed with goodness of fit measures (e.g., CFI) for confirmatory factor analysis and structural modeling, and estimation parameters were used to assess hypothesized relationships.

**Results:** The majority of respondents were male (66.8%), below 31 years of age (91.3%), single (69.6%), and with a bachelor’s degree (52.4%). The measurement model ($\chi^2 = 3321.44, df = 1399, p \leq .05, CFI = .91, RMSEA = .05, SRMR = .05$) and structural model ($\chi^2 = 3340.14, df = 1405, p \leq .05, CFI = .91, RMSEA = .05, SRMR = .06$) had acceptable fit. Hypotheses H1a, H2, H3a, and H5 were supported. Therefore, experiential value associated with retail stores and non-store aspects of the mall contributed to the willingness to purchase from the retail stores and mall satisfaction, respectively. Moreover, willingness to buy from retail stores in the mall and mall satisfaction positively influenced the patronage intention toward the mall.

**Conclusions and Implications:** The results provide critical insight into the factors that influence Indian consumers’ mall patronage intention. The present study offers practical insight for mall developers, mall managers, and mall retailers to provide the best experiences to shoppers in Indian malls. Whereas having “everything under one roof” may suggest that functional value of malls is the main driver for consumers to patronize malls, the results show that experiential value over functional value affects positive consumer behaviors. In future studies, influence of perceived value on actual spending should be considered to gauge mall profitability.

**References**


