



# Who needs delight?

## The greater impact of value, trust and satisfaction in utilitarian, frequent-use retail

Impact of value,  
trust and  
satisfaction

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### Abstract

**Purpose** – The aim of this study is to determine whether the cumulative effects of satisfaction, trust, and perceived value may, under certain conditions, provide more explanatory power for customer loyalty intentions than the often studied and more elusive customer delight. Herzberg's two-factor theory is used to explain why the frequent nature of grocery shopping, a primarily utilitarian experience, might introduce considerations that have not yet been addressed in the study of delight.

**Design/methodology/approach** – A survey is administered to a quota sample of Portuguese supermarket shoppers via phone, using a CATI system.

**Findings** – Research findings suggest that perceived value, trust, and satisfaction have a greater impact on behavioural outcomes than customer delight in the grocery shopping setting. In such a setting, cognitive drivers may be even more important for customers who are primarily concerned with hygiene factors (rather than motivators).

**Research limitations/implications** – Retailers are encouraged to focus on the more mundane factors that influence consumers' perceptions of value and trust rather than trying to invest in the substantial resources required to continually delight consumers. Future research may explore other determinants of loyalty intentions and test the extended model in different service sectors, cultural contexts and countries.

**Originality/value** – This study applies Oliver *et al.*'s consumer delight model in a utilitarian, frequent-use setting, finding previously undiscovered limitations to its validity.

**Keywords** Trust, Value, Customer satisfaction, Customer loyalty, Delight, Hygiene factors

**Paper type** Research paper

### Introduction

In the first decade of the 21st century, Portugal and other countries witnessed a proliferation of supermarkets, most of them incorporated in shopping malls (APED, 2011). As a result, consumers have been granted access to an increasingly wide range of products and brands, and competition among major retailers has intensified. In such a competitive market consumers' store selection is of significant importance (Furey *et al.*, 2002).

Retail managers are required to form and maintain long-term relationships with consumers in order to achieve profitability, in part because keeping existing customers



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is typically more lucrative than recruiting new customers (Meenely *et al.*, 2008; Petrick and Sirakaya, 2004). A UK study examining store loyalty and its impact on retail revenue (Knox and Denison, 2000) revealed that significantly larger amounts and higher proportions of family budgets are spent by store-loyal customers in the grocery sector. Not surprisingly, consumer loyalty is often recognized as being a strategic objective for companies (Reichheld, 1993; Oliver, 1999), with loyal shoppers spending twice as much in their main (primary) store as they do in other stores (Knox and Denison, 2000).

Several studies have highlighted that among the more effective means of generating customer loyalty are to delight customers (Crotts and Magnini, 2011; Barnes *et al.*, 2011; Loureiro and Kastenholz, 2011; Lee *et al.*, 2001), to deliver superior value via excellent services and quality products (Patterson and Spreng, 1997; Parasuraman and Grewal, 2000), and to provide trustworthy service (Garbarino and Johnson, 1999; Singh and Sirdeshmukh, 2000; Loureiro and Miranda González, 2008). Nevertheless, the authors can find no empirical study to date that has investigated these constructs in a single framework.

Customer delight is traditionally regarded as a function of surprise, arousal and positive affect (Oliver *et al.*, 1997; Loureiro and Kastenholz, 2011), that is, the reaction that customers have when they experience a surprisingly positive product. On the other hand, perceived value, satisfaction, and trust are considered relationship-based constructs (Garbarino and Johnson, 1999; Sirdeshmukh *et al.*, 2002). Both delight and the three relationship-based constructs (Fornell *et al.*, 1996) are predictors of loyalty intentions, but the explanatory power of delight on loyalty intentions has not yet been compared empirically to customer value, satisfaction, and trust.

Moreover, several practitioners and researchers have suggested that merely satisfying customers may be insufficient and that going beyond satisfaction to achieving customer delight is important (Oliver *et al.*, 1997; Arnold *et al.*, 2005) or even mandatory, for example in a service recovery context (Andreassen, 2001). Yet other researchers point out that it is very difficult to delight customers who engage in regular transactions with the service provider (Kumar *et al.*, 2001; Dixon *et al.*, 2010; Crotts and Magnini, 2011). Accordingly, there is no consensus regarding whether delight is a necessary driver of loyalty intentions, especially when the consumed product involves regular transactions such as in the case of a supermarket. This discussion is important because of the high costs – financial, temporal, and spatial – that are typically associated with consistently delighting customers.

This study will employ Oliver *et al.* (1997) consumer delight model, as modified by Finn (2005), which demonstrated a causal relationship between disconfirmation of expectations and arousal. The authors will introduce perceived value and trust as antecedents of loyalty intentions, relationships that have been demonstrated in previous research (Andreassen and Lindestad, 1998; McDougall and Levesque, 2000; Alhabeeb, 2007; Jones and Kim, 2010). The combined model will allow for comparison of the explanatory power of those constructs and that of delight as they relate to loyalty intentions. All paths will be estimated, and comparison of the path estimates for the model will allow the researchers to answer the research question, could perceived value, trust, and satisfaction have a greater impact on behavioural outcomes than customer delight? The answer to this question may be informed in part by the repetitive and utilitarian nature of the grocery shopping experience. Because Herzberg's two-factor model (Herzberg, 1975) suggests that certain factors drive satisfaction (motivators) and

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that others drive dissatisfaction (hygiene factors), the authors examine whether the more mundane hygiene factors may be more salient for grocery customers, thus decreasing the need for the surprising consumption experience necessary for the creation of delight.

### Conceptual development

Because the majority of the paths in this model have already been empirically proven and the focus is on the strength of the paths when all constructs are included, the following sections will provide only a brief discussion of constructs. Greater emphasis is placed on justifying the expectations of their relative strengths.

#### *Concept of customer delight*

The concept of customer delight is based on a paradigm of expectation disconfirmation. According to this paradigm a positive (negative) disconfirmation occurs when the perception of a service delivery is above (below) expectations; and simple confirmation occurs when perceptions meet expectations (Oliver, 1980, 1981). If the deviations between perceptions and expectations are within a range based on the consumer's previous experience, the discrepancy is not relevant (Woodruff *et al.*, 1983). A notable disconfirmation is considered to have occurred when the discrepancy is perceived as highly unlikely, unexpected, or surprising (Oliver and Winer, 1987; Oliver, 1989). This type of disconfirmation is the basis of customer delight. In this context, the activation potential of the deviation between perception and expectation can be viewed as a function of both the consumer's acceptance region and the corresponding surprise level experienced (Oliver *et al.*, 1997).

#### *Customer delight and loyalty intentions*

Oliver (1993) demonstrates the existence of significant relationships between positive affect (e.g. joy) and satisfaction/dissatisfaction responses, distinguishing several dimensions of positive-negative affect, such as: moderate-arousal positive affect (pleasure), high-arousal positive affect (delight), and high non-specific arousal (surprise). In short, the concept of delight is a combination of pleasure and arousal/activation, or of joy and surprise (Oliver *et al.*, 1997).

Surprise related to consumption tends to be viewed as an emotion that arises from the degree to which actual performance differs from expectations (Oliver *et al.*, 1997; Finn, 2005). Oliver (1989) suggests that only a large, positive discrepancy between performance and expectations is able to cause the sensation of surprise. In this context, to assess surprising consumption, this study adopts the approach of Oliver *et al.* (1997) and Finn (2005) by asking consumers to rate how frequently they feel astonished and surprised during their consumption experiences. Surprising consumption can be regarded as intrinsically arousing in nature and therefore influencing directly the emotional state of arousal (Oliver *et al.*, 1997; Vanhamme, 2000; Finn, 2005; Chitturi *et al.*, 2008).

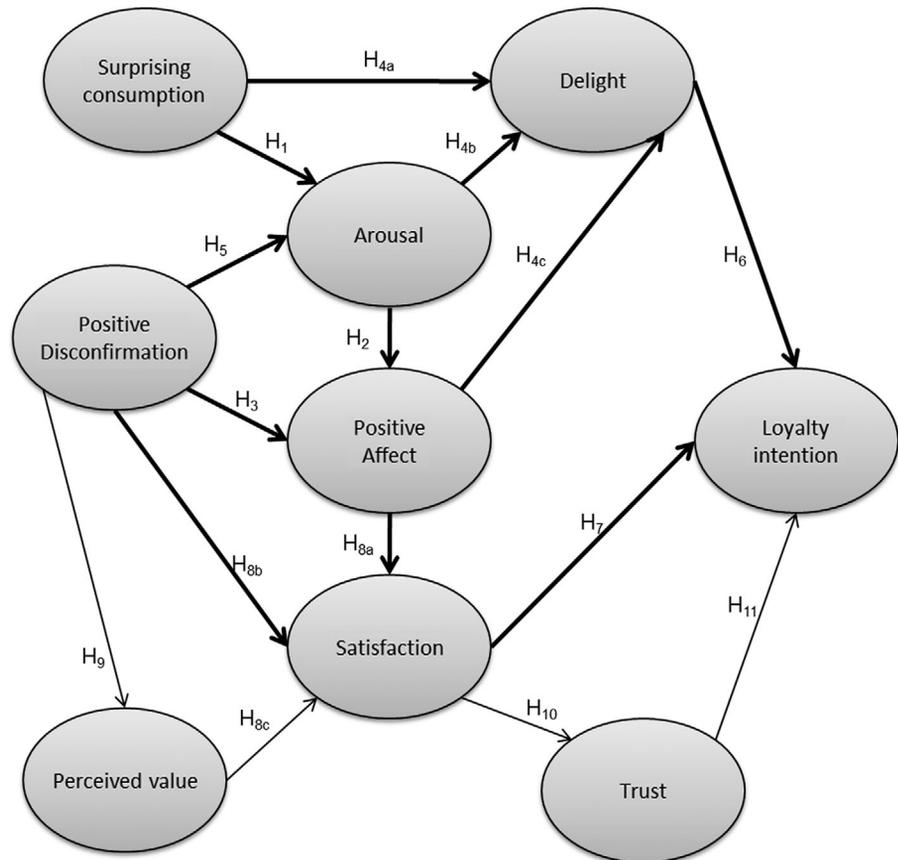
Arousal and positive affect are the primary antecedents of delight (Oliver *et al.*, 1997; Finn, 2005). Arousal is a state of heightened activation (Vanhamme, 2000; Oliver *et al.*, 1997; Finn, 2005), the extent to which a person feels excited (or enthused) and active during the consumption experience (Baker *et al.*, 1992; Menon and Kahn, 2002; Kaltcheva and Weitz, 2006; Wu *et al.*, 2008; Rufin *et al.*, 2012). In this study, the arousal concept relates to the frequency with which an individual feels excited during the supermarket consumption experience. Positive affect is viewed as a state of happiness and pleasure

(Price *et al.*, 1995; Finn, 2005) that could occur during the supermarket consumption experience. The above considerations relate to the following model paths (Figure 1):

- *Path 1.* Surprise consumption directly impacts arousal.
- *Path 2.* Arousal directly impacts positive affect.
- *Path 3.* Positive disconfirmation directly impacts positive affect.
- *Path 4.* Surprise consumption (a), arousal (b), and positive affect (c) directly impact consumer delight.

Finn (2005) applies the Oliver *et al.* (1997) model to online retail services, adjusting it by adding a direct relationship between disconfirmation and arousal to reinforce the effect of arousal on delight and consequently the effect of delight on loyalty intentions. Therefore, the following path is included in the model:

- *Path 5.* Disconfirmation directly impacts arousal.



**Figure 1.**  
Proposed model

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Oliver *et al.* (1997) also hypothesize that delight creates a desire for further pleasurable service in future consumption. Loyalty intentions, or the idea that there is a relationship of some sort between a customer and a marketer, have been widely and intensively studied. More recently, Crotts and Magnini (2011) provide evidence that customer delight has a strong association with guest loyalty as measured by willingness to recommend and repeat purchase. Therefore, the following path is included (Figure 1):

- *Path 6.* Consumer delight directly impacts loyalty intentions.

#### *Satisfaction and loyalty intentions*

Customer satisfaction has been analyzed from two perspectives: transactional and cumulative. In a transactional perspective customers evaluate or make a judgment of a *specific* service encounter or consumption situation (Oliver, 1980; Anderson *et al.*, 1994). For example, satisfaction may be the result of an encounter with a specific employee (Jones and Suh, 2000) or with a website (Wang *et al.*, 2011). Comparatively, in a cumulative perspective, customer satisfaction is a holistic evaluation of the total purchase and consumption experience with a product over the time (Fornell *et al.*, 1996; Szymanski and Henard, 2001; Auh and Johnson, 2005; Brown and Lam, 2008; Lewin, 2009; Nam *et al.*, 2011). Oliver (1999) defines overall satisfaction as a cumulative process across a series of transactions or service encounters. Maxham and Netemeyer (2002) refer to a customer's cumulative satisfaction with previous exchanges. Research has demonstrated empirically that the cumulative perspective is a superior predictor of loyalty (Fornell *et al.*, 1996; Johnson *et al.*, 2001; Bodet, 2008; Nam *et al.*, 2011).

Satisfaction has been typically viewed as being influenced by both cognitive and affective antecedents (Jones *et al.*, 2006). The cognitive perspective can result from a comparison between service expectations and perceived service performance or disconfirmation (Oliver, 1980), whereas the affective perspective suggests that satisfaction is influenced by emotions (Mano and Oliver, 1993).

In this study, consistent with Finn (2005) and Devlin *et al.* (1993), the authors define disconfirmation as variation in the perceived performance of the store when compared with the consumer's expectations of how the store meets the consumers' requirements. The stronger the perception that the store service exceeds the consumer's expectations, the higher the effect on both the satisfaction and the arousal emotions will be.

Loyalty intentions, in turn, have been regarded as a consequence of satisfaction (Oliver *et al.*, 1997; Rufin *et al.*, 2012; Lin and Lin, 2011; Ha and Im, 2012). Thus, the following paths are included in the model (Figure 1):

- *Path 7.* Satisfaction directly impacts loyalty intentions.
- *Path 8a.* Positive affect directly impacts satisfaction.
- *Path 8b.* Positive disconfirmation directly impacts satisfaction.

#### *Customer perceived value and satisfaction*

In the literature there are several definitions of value, however the following conceptual proposal by Zeithaml (1988, p. 14) seems to be the most accepted: "the overall assessment of the utility of a product based on the perceptions of what is received and what is given". Consistently, in the ACSI (American Customer Satisfaction Index) model, perceived value is defined as "the perceived level of product or service quality relative to the price paid" (Fornell *et al.*, 1996, p. 9).

Perceived value is inextricably linked to major consumer behaviour constructs including satisfaction (Patterson and Spreng, 1997; Kim *et al.*, 2012). The perception of high value may lead consumers to have positive feelings about the product and thus encourage them to buy (Wu *et al.*, 2012). Several researchers have proposed that perceived value contributes directly to customer satisfaction which, in turn, leads to loyalty intentions (Andreassen and Lindestad, 1998; McDougall and Levesque, 2000; Hu *et al.*, 2009; Wu *et al.*, 2012). Therefore, the following paths are included (Figure 1):

- *Path 8c.* Perceived value directly impacts satisfaction.
- *Path 9.* Disconfirmation directly impacts perceived value.

#### *Trust and loyalty intentions*

Morgan and Hunt (1994, p. 23) define trust as “confidence in an exchange partners’ reliability and integrity.” Sirdeshmukh *et al.* (2002, p. 17) define consumer trust as “the expectations held by the consumer that the service provider is dependable and can be relied on to deliver on its promises.” Trust then can only be built over a period of time, based on customer satisfaction (Loureiro and Miranda González, 2008). Given the intangible nature of service and the fact that it is consumed at the moment of purchase, it can be argued that a high level of trust in the product and/or supplier is a necessary prerequisite to purchase. Chaudhuri and Holbrook (2001) empirically tested that consumer trust leads to both types of loyalty, where behavioural loyalty results in repeated purchases, and consequently greater market share for the company, while attitudinal loyalty results in consumer commitment to the product, allowing a higher relative price to be charged for the brand. Based on the above considerations, the following paths are included in the combined model (Figure. 1):

- *Path 10.* Satisfaction directly impacts trust.
- *Path 11.* Trust directly impacts loyalty intentions.

#### *Theoretical justification for expected findings*

Attending to the research question (*Could perceived value, trust, and satisfaction be more impactful on behavioural outcomes than customer delight?*), the model displayed above will be the basis of the analysis comparing the explanatory power of delight to that of perceived value, trust, and satisfaction. The expectation is that all paths will be significant, as they have been tested in previous research. The value of testing the combined model in this way is that it allows for comparison of the explanatory power of the more affective antecedent of delight to that of the more cognitive antecedents of perceived value, trust, and satisfaction.

But the repetitive and utilitarian nature of grocery shopping begs a supplemental research question – In a supermarket setting, will hygiene factors be more salient for customers, increasing the likelihood that delight will not be necessary to drive desired behavioural outcomes? In spite of the numerous studies that indicate the value of delighting the customer, the expectation is that the utilitarian nature of the grocery shopping experience, combined with the familiarity that consumers have with their “usual” supermarket, will make the cognitive elements more salient and therefore better predictors of consumers’ loyalty intentions. As shoppers become increasingly familiar with the grocery store surroundings, they should attend less to the kinds of things that

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might produce delight and instead focus on the utilitarian factors that would constitute a successful grocery-shopping trip. The basis for this expectation can be found in the Bidimensional Model of Service Strategies (Tuten and August, 1998), which extended Herzberg's (1975) Two-Factor Theory to consumer services. Herzberg suggests that employees are motivated to perform by two distinct factors – motivator factors, or satisfiers, and hygiene factors, or dissatisfiers. The motivation factors relate directly to the work performed by the employee, typically higher-order affective motivations such as self-expression, personal growth, and meaningful experiences. The hygiene factors, on the other hand, relate to the more cognitively evaluated conditions surrounding the employee's job, such as pay, job security, physical working conditions, and company policies. Borrowing from Maslow's (1943) Hierarchy of Needs, Herzberg states that the lower-order hygiene factors are necessarily present for an employee to be satisfied with his job but that the higher-order motivator factors must be present for the employee to feel motivated to perform well. So the hygiene factors are only relevant to motivation when they are not present.

Extending this model to consumer services, Tuten and August (1998) claim that consumers, like employees, are responding to both their surroundings (i.e. hygiene factors) and their activities (i.e. motivating factors). Service hygiene factors would include pricing, store policies, availability of store personnel to provide service when needed, and tangible environmental conditions such as cleanliness, safety, and fitness for use. These are the factors deemed critical for prevention of customer dissatisfaction. When these hygiene factors are sufficient, consumers feel no dissatisfaction and no motivation to change behaviours (i.e. switch providers).

Service motivator factors, however, are related to the consumer's interaction with the service itself. These would include feeling appreciated by the provider, sense of achievement from the purchase, or opportunities for self-expression through the service. While the Bidimensional Model of Service Strategies suggests that these motivators should be present for consumers to experience satisfaction with services, they allow for the possibility that certain more utilitarian services might rely primarily on hygiene factors. For example, postal services, transportation, and repair services might be considered satisfying merely by meeting the minimum expectations of the consumer. The authors of this study suggest that grocery shopping is just such a utilitarian service. Because many of the consumers in question make multiple trips to the grocery store on a regular basis, it is possible that the more salient factors that inform their perception of the experience will be those that relate to the utilitarian function they are fulfilling. If this is indeed the case, then these customers should attend more heavily to their perceptions of the utilitarian hygiene factors than to the more affectively assessed motivator factors.

Supermarket customers who are routinely conducting their shopping in the store that they describe as their "usual" supermarket should be less likely to focus on motivator factors, while hygiene factors should be more salient for them, in part because of their familiarity with the provider and its environment. In essence, the cognitive drivers of perceived value, trust, and satisfaction will be more salient for them than the affective sensations most often associated with delightful consumption. When those more salient hygiene factors are present for these customers and then exceed expectations, the customer perceives value and is satisfied. While some suggest that delight also results from this disconfirmation even in settings that are perceived as mundane by the customer (Kumar *et al.*, 2001; Dixon *et al.*, 2010), the authors of this study suggest that the resulting

response does not rise to the level of delight. Therefore, the authors predict that the explanatory power of perceived value, trust, and satisfaction will indeed be greater than that of delight in the supermarket setting.

### Methodology

#### *Sample and data collection*

A questionnaire was created based on the literature review, and all measurement items were adapted from existing instruments. The original questionnaire was written in English (because most items were originally in English), then translated to Portuguese, and translated back to English. Back translation was used to ensure that the items in Portuguese communicate similar information as those in English (Brislin, 1970). The questionnaire was pre-tested with the help of twenty consumers, who were randomly selected in two supermarkets and personally interviewed by the lead researcher. Based on those responses, a few minor alterations were made to improve the effectiveness of the questionnaire. The revised questionnaire was then administered to a sample of 1004 Portuguese respondents. The data were collected through phone interviews using the National telephone lists of Portugal. CATI (computer assisted telephone interview) technique was used to conduct the survey at different times of the day to ensure that working and non-working members of the households had equal chances of being present. The resulting sample is a quota sample covering all regions of Portugal. Participants were asked to think about the supermarket where they regularly shop. Respondents' gender was split almost equally. More than 60 percent of the sample fell into the 21-50-year-old age group (Table I).

#### *Variables and measurement*

Although several authors have used a single measure of overall satisfaction in their studies (Bolton and Lemon, 1999; Fornell *et al.*, 1996), this construct is most commonly measured using multi-item scales (Brady *et al.*, 2002; Bigné *et al.*, 2001; Loureiro and Miranda González, 2008). Because satisfaction with a supermarket is perceived as being an overall evaluation with both cognitive and affect-based responses to a service based on existing experience (Jones and Suh, 2000), this study used a 3-item scale adapted from previous research (Garbarino and Johnson, 1999; Olsen and Johnson, 2003; Ha, 2006).

Three items adapted from scales previously developed were used to measure loyalty intentions (Zeithaml *et al.*, 1996; Ha, 2006; Molina *et al.*, 2009). Trust was measured using a four-item scale as recommended in previous research (Moorman *et al.*, 1993; Morgan and Hunt, 1994; Grönroos, 1995, 2000; Setó, 2003; Loureiro and Miranda González, 2008). Three items were used to measure perceived value (Andreassen and Lindestad, 1998; McDougall and Levesque, 2000; Fornell *et al.*, 1996). Finally, positive disconfirmation, surprising consumption, and positive affect were assessed via

Gender (%)	Age (%)
Male: 49.4	18-20: 5.0
Female: 50.5	21-30: 28.0
	31-40: 22.3
	41-50: 22.2
	51-60: 17.4
	60-65: 5.1

**Table I.**  
Respondents'  
demographic profile

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two items each, while arousal and delight were measured with one item each. All five variables were based on the Oliver *et al.* (1997) and Finn (2005). Analogous to Vázquez-Casielles *et al.* (2012), participants were asked to evaluate each item on a 10-point scale (Table II), bearing in mind the supermarket they most frequently use. We also asked participants to tell us the name of that supermarket in order to help the participant to focus their responses on the service of that supermarket.

### *Data analysis*

A structural equation model approach using PLS was employed to test the modified model in this study. PLS is based on an iterative combination of principal component analysis and regression; it aims to explain the variance of the constructs in the model (Chin, 1998). In terms of analytical advantages, PLS simultaneously estimates path coefficients and individual item loadings in the context of a specified model. As a result, it enables researchers to avoid biased and inconsistent parameter estimates. PLS has been found to be an effective analytical tool to test interactions by reducing Type II errors (Chin *et al.*, 2003). By creating a latent construct that represents an interaction term, a PLS approach significantly reduces this problem by accounting for error related to the measures (Echambadi *et al.*, 2006). Tenenhaus *et al.* (2005) propose the geometric mean of the average communality (outer mode) and the average  $R^2$  (inner model) as overall goodness of fit (GoF) measures for the PLS (Cross validated PLS GoF), which range from 0 to 1. The model proposed in the current study is complex (9 constructs) and as Wold (1985, p. 590) writes, “in large, complex models with latent variables, PLS is virtually without competition.” Therefore, the authors chose PLS to accommodate the presence of a large number of variables.

### **Results**

The PLS model is analyzed and interpreted in two stages. First, suitability of the measurements is assessed by evaluating the reliability of the individual measures and the discriminant validity of the constructs (Hulland, 1999). Then the structural model is appraised. Item reliability is assessed by examining the loading of the measures on their corresponding construct. Items with loadings of 0.707 or more should be accepted, which indicates that more than 50 per cent of the variance in the observed variable is explained by the construct (Carmines and Zeller, 1979). In this study, all items (Table II) display loadings equal to or above 0.748 and were therefore accepted. Composite reliability was used to analyse the reliability of the constructs as this has been considered a more accurate measurement than Cronbach's  $\alpha$  (Fornell and Larcker, 1981; Sánchez-Franco and Roldán, 2005). Table II indicates that all constructs demonstrate acceptable composite reliability with values over 0.7 (Nunnally, 1978).

The measures demonstrated adequate convergent validity as the average variance of manifest variables extracted by constructs (AVE) was at least 0.5, indicating that more variance was explained than unexplained in the variables associated with each construct. The criterion used to assess discriminant validity was proposed by Fornell and Larcker (1981), and suggests that the square root of AVE should be higher than the correlation between the two constructs in the model. In this study all latent variables met that criterion, demonstrating discriminant validity (Table III).

A second criterion for discriminant validity is that no item should load more highly on another construct than it does on the construct it intends to measure

**Table II.**  
The measurement model  
and descriptive statistics

Construct	Item	Item Mean (SD)	Loadings and cross loadings					Trust <i>p</i> -value	L.Intent		
			Delight	Arousal	Positive affect	Disconf. c.	Satisf.				
Delight <sup>b</sup> Arousal <sup>b</sup> Positive affect <sup>b</sup>	Delighted	6.2 (2.26)	1.000	0.840	0.793	0.403	0.624	0.425	0.409	0.394	0.440
	Excited	6.2 (2.25)	0.840	1.000	0.827	0.413	0.669	0.440	0.424	0.409	0.454
	Pleased	6.4 (2.27)	0.681	0.773	0.901	0.408	0.653	0.434	0.400	0.382	0.426
	Happy	6.9 (2.11)	0.749	0.718	0.902	0.419	0.548	0.428	0.445	0.413	0.432
Positive Disconf.	How well did this store meet your requirements? (1 – Below my requirements, 10 – Above my Requirements)	7.5 (1.64)	0.362	0.360	0.411	0.890	0.318	0.625	0.587	0.552	0.516
	Overall, when compared to your expectations, you found the experience to be (1 – Much Worse, 10 – Much Better)	7.5 (1.61)	0.355	0.373	0.404	0.886	0.336	0.582	0.612	0.563	0.537
Surprise c. <sup>b</sup>	Surprised	5.6 (2.42)	0.597	0.647	0.649	0.338	0.954	0.339	0.317	0.310	0.350
Satisf. <sup>a</sup>	Astonished	5.4 (2.45)	0.592	0.629	0.620	0.364	0.952	0.344	0.331	0.320	0.344
	Overall, the store satisfies my needs	8.1 (1.47)	0.325	0.342	0.388	0.551	0.238	0.820	0.608	0.599	0.538
	It is one of the best stores comparing with others	7.1 (1.98)	0.342	0.361	0.379	0.559	0.317	0.840	0.520	0.568	0.476
Trust <sup>a</sup>	Overall, the store delivers an excellent service	7.6 (1.69)	0.415	0.420	0.450	0.626	0.359	0.896	0.658	0.665	0.596
	I trust on service delivered by store	7.9 (1.48)	0.358	0.374	0.419	0.576	0.305	0.624	0.872	0.676	0.584
<i>p</i> -value <sup>a</sup>	I feel confidence in the quality of the products	8.1 (1.40)	0.325	0.347	0.398	0.565	0.273	0.606	0.847	0.668	0.545
	The promises are fulfilled	7.6 (1.63)	0.307	0.304	0.326	0.504	0.226	0.510	0.767	0.545	0.475
	Here the promise is fulfilled	7.6 (1.57)	0.365	0.378	0.405	0.591	0.315	0.584	0.829	0.596	0.536
	Evaluate the prices relatively to the service quality	7.6 (1.55)	0.358	0.359	0.405	0.559	0.298	0.670	0.681	0.890	0.569
	Evaluate the prices relatively to the quality of the products	7.8 (1.46)	0.338	0.346	0.374	0.584	0.280	0.647	0.687	0.898	0.553
	Evaluate the prices relatively to the prices in other stores	7.3 (1.61)	0.305	0.340	0.342	0.442	0.263	0.496	0.532	0.748	0.421

(continued)

Construct	Item	Item Mean (SD)	Delight	Arousal	Positive affect	Loadings and cross loadings			Trust	<i>p</i> -value	L.Intent
						Disconf.	Surprise c.	Satisf.			
L. Intention <sup>a</sup>	I intend to continue to buy with the same frequency in the store	8.4 (1.53)	0.331	0.335	0.336	0.466	0.250	0.528	0.537	0.476	<i>0.787</i>
	I speak well about this store to other people	7.6 (1.86)	0.401	0.403	0.442	0.520	0.314	0.536	0.550	0.539	<i>0.876</i>
	I will recommend the store if someone ask for my advice	7.7 (1.93)	0.391	0.422	0.437	0.529	0.364	0.556	0.569	0.550	<i>0.895</i>

**Notes:** <sup>a</sup>The items of these constructs were evaluated with 10 point Likert-type scale (1 – strongly disagree, 10 – strongly agree; or 1 – very bad, 10 – very good); <sup>b</sup>the items of these constructs were evaluated with 10 point scale (1 – never, 10 – always) (during the visit to the store how frequently did you feel . . . ?); the italic figures are item loadings

Table II.

Construct	Mean	CR	C.											
			alpha	1	2	3	4	5	6	7	8	9		
1. Arousal	6.2	1.00	1.00	<i>1.000</i>										
2. Surprise c.	5.5	0.95	0.90	0.669	<i>0.953</i>									
3. Delight	6.2	1.00	1.00	0.840	0.624	<i>1.000</i>								
4. Pos. Disconf.	7.5	0.88	0.73	0.413	0.368	0.403	<i>0.888</i>							
5. L. Intent	7.9	0.89	0.81	0.454	0.364	0.440	0.592	<i>0.854</i>						
6. <i>p</i> -value	7.6	0.88	0.80	0.409	0.330	0.394	0.628	0.612	<i>0.848</i>					
7. Positive affect	6.7	0.90	0.77	0.827	0.666	0.793	0.459	0.476	0.441	<i>0.901</i>				
8. Satisf.	7.6	0.89	0.81	0.440	0.358	0.425	0.680	0.633	0.719	0.478	<i>0.853</i>			
9. Trust	7.8	0.90	0.85	0.424	0.339	0.409	0.675	0.647	0.752	0.469	0.703	<i>0.829</i>		

**Table III.**  
Correlation matrix for  
discriminant analysis

**Notes:** C.R. – composite reliability; AVE – average variance extracted; the figures in the sub-diagonal are correlation coefficients and the italic figures in the diagonal represent square root of AVE

(Barclay *et al.*, 1995, p. 298). An examination of the matrix loadings and cross-loadings (Table II) reveals that all items passed the second criterion for discriminant validity.

This study employed a nonparametric approach known as Bootstrap to estimate the precision of the PLS estimates and the strength of the pathways (Chin, 1998; Fornell and Larcker, 1981). Globally, almost all path coefficients were found to be significant at the 0.001, 0.01 or 0.05 levels Paths 3, 4a, 5, and 6 were not significant in the context of this study even though each has been found to be significant in previous research (Table IV).

As models yielding significant bootstrap statistics may still be invalid in a predictive sense (Chin, 1995), measures of predictive validity (such as  $R^2$  and  $Q^2$ ) for focal endogenous constructs can be employed. All values of  $Q^2$  ( $\chi^2$  of the Stone-Geisser Criterion) are positive, so the relations in the model have predictive relevance (Fornell and Cha, 1994). The model also demonstrates a good level of predictive power ( $R^2$ ) as the modelled constructs explain 61.5 per cent of the variance in satisfaction, 39.4 per cent of the variance in perceived value, 49.4 per cent of the variance in trust, and 50.1 per cent of the variance in loyalty intentions. A GoF statistic of 0.49, considering the large effect size and the high level of predictive power ( $R^2$ ), suggests an acceptable overall fit by the structural model (Table IV).

In order to better understand the contribution of delight versus that of perceived value, satisfaction and trust, and to better support our findings that suggest the superiority of the latter constructs in this setting, Table V presents results of path coefficients,  $R^2$  and GoF for the proposed model and comparative models: a model that does not include delight, a model that includes the direct link from positive affect to loyalty intentions and a model that also includes the direct link between arousal and loyalty intentions. These results indicate that delight does not exercise a significant direct significant effect on loyalty intentions. Neither do the other affective antecedents of arousal or positive affect have any impact on loyalty intentions.

Notably, the  $R^2$  of loyalty intentions changes from 50.1 per cent to 48.2 per cent when delight is removed, but the GoF value increases from 0.49 to 0.65. So the global fit (GoF) is better for the model without delight. When multiplying the values of the Pearson correlation and the path coefficient of both constructs, results reveal that delight

Path	Coefficient beta Direct effect	Coefficient beta Total effect	Test results
Surprise → Arousal	0.599***	0.599***	H1: Accepted
Arousal → Positive affect	0.768***	0.768***	H2: Accepted
Positive disconfirmation → Positive affect	0.142ns	0.290**	H3: Accepted only regarding the total effect
Surprise → Delight	0.051ns	0.523***	H4a: Accepted only regarding the total effect
Arousal → Delight	0.563***	0.789***	H4b: Accepted
Positive affect → Delight	0.294*	0.294*	H4c: Accepted
Positive disconf. → Arousal	0.192ns	0.192ns	H5: Not accepted
Delight → L. Intention	0.159ns	0.159ns	H6: Not accepted
Satisfaction → L. Intention	0.309*	0.565***	H7: Accepted
Positive affect → Satisfaction	0.122ns	0.122ns	H8a: Not accepted
Positive disconf. → Satisfaction	0.341**	0.660***	H8b: Accepted
<i>p</i> -value → Satisfaction	0.451***	0.451***	H8c: Accepted
Positive disconf. → <i>p</i> -value	0.628***	0.628***	H9: Accepted
Satisfaction → Trust	0.703***	0.703***	H10: Accepted
Trust → L. Intention	0.365**	0.365**	H11: Accepted
<i>R</i> <sup>2</sup> Arousal	48.0%	Q <sup>2</sup> Arousal	0.48
<i>R</i> <sup>2</sup> Positive affect	70.0%	Q <sup>2</sup> Positive affect	0.57
<i>R</i> <sup>2</sup> Perceived value	39.4%	Q <sup>2</sup> <i>p</i> -value	0.21
<i>R</i> <sup>2</sup> Delight	73.8%	Q <sup>2</sup> Delight	0.74
<i>R</i> <sup>2</sup> Satisfaction	61.5%	Q <sup>2</sup> Satisfaction	0.45
<i>R</i> <sup>2</sup> Trust	49.4%	Q <sup>2</sup> Trust	0.34
<i>R</i> <sup>2</sup> L. Intention	50.1%	Q <sup>2</sup> L. Intention	0.36
GoF	0.49		

Notes: Significant at: \**p* < 0.03, \*\**p* < 0.01 and \*\*\**p* < 0.001; ns: not significant

**Table IV.**  
Structural results:  
total effect

contributes only 6.98 per cent to the explanation of loyalty intentions. Regarding the model without delight, 22.28 per cent of the variability in loyalty intentions is explained by satisfaction and 25.89 per cent by trust. The model exploring the direct effect of positive affect and arousal on loyalty intentions demonstrates that the strength of the affective antecedents on loyalty intentions (delight → loyalty intentions,  $\beta = 0.057$ , not significant; arousal → loyalty intentions,  $\beta = 0.075$ , not significant; positive affect → loyalty intentions,  $\beta = 0.061$ , not significant) are weaker than the strength of satisfaction and trust as antecedents (satisfaction → loyalty intentions,  $\beta = 0.297$ ,  $p < 0.05$ ; trust → loyalty intentions,  $\beta = 0.355$ ,  $p < 0.01$ ).

## Discussion

Exploration of the relative importance of delight in the supermarket setting is extremely relevant because of the high costs typically associated with delighting retail customers. Among the reasons customers often provide for their delight are the availability of easy parking, wider store aisles, highly trained salespeople who are empowered to make decisions and equipped with problem-solving capabilities, the absence of stock outs,

Path	Model with Delight Coefficient beta Direct effect	Model without Delight Coefficient beta Direct Effect	Model with Delight and the links Positive affect → L. Intentions and Arousal → L. Intentions Coefficient beta Direct Effect
Surprise c. → Arousal	0.599 ***	0.599 ***	0.599 ***
Arousal → Positive affect	0.768 ***	0.769 ***	0.768 ***
Disconf. → Positive affect	0.142ns	0.141ns	0.142ns
Surprise c. → Delight	0.051ns	–	0.051ns
Arousal → Delight	0.563 ***	–	0.563 ***
Positive affect → Delight	0.294 *	–	0.294 *
Disconf. → Arousal	0.192ns	0.192ns	0.192ns
Delight → L. Intentions	0.159ns	–	0.057ns
Satisfaction → L. Intentions	0.309 *	0.352 **	0.297 *
Positive affect → Satisfaction	0.122ns	0.123ns	0.122ns
Disconf. → Satisfaction	0.341 **	0.341 **	0.341 **
<i>p</i> -value → Satisfaction	0.451 ***	0.451 ***	0.451 ***
Disconf. → <i>p</i> -value	0.628 ***	0.628 ***	0.628 ***
Satisfaction → Trust	0.703 ***	0.703 ***	0.703 ***
Trust → L. Intentions	0.365 **	0.400 **	0.355 **
Positive affect → L. Intentions	–	–	0.061ns
Arousal → L. Intentions	–	–	0.075ns
<i>R</i> <sup>2</sup> Arousal	48.0%	48.0%	48.0%
<i>R</i> <sup>2</sup> Positive affect	70.0%	70.2%	70.0%
<i>R</i> <sup>2</sup> <i>p</i> -value	39.4%	39.4%	39.4%
<i>R</i> <sup>2</sup> Delight	73.8%	–	73.8%
<i>R</i> <sup>2</sup> Satisfaction	61.5%	61.5%	61.5%
<i>R</i> <sup>2</sup> Trust	49.4%	49.4%	49.4%
<i>R</i> <sup>2</sup> L. Intentions	50.1%	48.2%	50.5%
GoF	0.49	0.65	0.68

**Table V.**  
Structural results:  
comparison  
between models

**Notes:** Significant at: \**p* < 0.03, \*\**p* < 0.01 and \*\*\**p* < 0.001; ns: not significant

and extreme markdowns (Arnold *et al.*, 2005). Each of these sources of delight requires heavy financial investments by the retailer as well as time and spatial resources. As the results of this study demonstrate, those may be unnecessary expenses in retail settings that customers visit frequently.

The results provide new insights into the concepts of consumer delight and loyalty intentions, contributing to calls in the literature to better understand the influence of both cognitive and affective drivers (Oliver *et al.*, 1997; Loureiro and Kastenholz, 2011). Specifically, positively surprisingly consumers in unexpected ways can induce delight through arousal and stimulation that induces positive affect. However, delight – a motivator factor – does not significantly influence consumers’ intentions to continue to buy with the same frequency from the store or to recommend the store to others. This lack of support for the impact of delight could reflect the fleeting nature of delight that has been suggested by previous literature (Oliver *et al.*’s, 1997). This contradictory finding might also point out an interesting difference between the previously studied (Crotts and

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Magnini, 2011; Barnes *et al.*, 2011) service settings and the more routine and repetitive nature of grocery shopping in particular. Perhaps in this utilitarian setting in which consumers become accustomed to their surroundings through repeated exposure, the more mundane hygiene factors that produce satisfaction are of greater value and thus increase loyalty. This finding is consistent with the recommendations of Kumar *et al.* (2001) and Dixon *et al.* (2010) that service providers should identify and focus on more mundane factors that are at the core of an ongoing pleasurable experience. The finding is unique, however, in that those authors suggest that delight is the desired outcome of such service. This study seems to indicate that delight is not a necessary result of the positive disconfirmation of hygiene factors.

These findings in a supermarket services context are also in line with Oliver *et al.*'s (1997) results, particularly in their Symphony study. Indeed, for both hedonic and mundane services, the more unexpected the level of "positive surprise", the greater the consumer's delight. This study also corroborates Finn's (2005) and Loureiro and Kastenholz's (2011) findings suggesting that the positive effects exerted by satisfaction on loyalty intentions are stronger than those of delight.

In addition, the indirect nature of the influence of surprising consumption on delight suggests that customers do not need to be consistently surprised to feel delighted, a finding unique to this study. Real importance lies in the creation of a feeling of delight by providing a service that generates positive emotions (arousal) in the customer's mind, with or *without* the presence of a surprise factor. Inconsistent with Crotts and Magnini's (2011) suggestion that surprise is an essential component of delight, the current study demonstrates the important role of positive emotions (arousal and positive affect) as mediators between surprising consumption and delight. These findings are in accordance with Kumar *et al.* (2001) and Dixon *et al.* (2010). Hence, establishing an on-going pleasurable relationship with consumers and attempting to solve customers' problems are crucial to building loyal relationships in the grocery context.

On the other hand, a positive disconfirmation and perceived value are important antecedents of satisfaction which, together with trust in the supermarket, increase switching barriers and lead to the consumer returning to the store and recommending it to others. Furthermore, the direct effects of both trust and satisfaction on loyalty intentions are stronger than the non-significant direct effect of delight on loyalty intentions. Therefore, regarding the initial research question, perceived value, trust, and satisfaction do indeed have a greater impact on behavioural outcomes than customer delight in this utilitarian, frequent-use service setting.

In a context of frequent encounters, positive disconfirmation and perceived value have been shown to be important drivers of satisfaction (Fornell *et al.*, 2006). Therefore, the cognitive antecedents in the current model – positive disconfirmation, perceived value, and the cognitive component of satisfaction – could be expected to impact consumer loyalty. Trust has also been regarded as an important relationship-based variable (Morgan and Hunt, 1994; Loureiro and Miranda González, 2008) that can act as a mediator between satisfaction and loyalty intentions. This study confirms the role of trust in building a long-lasting consumer-supermarket relationship, but extends previous knowledge through the inclusion of a cumulative assessment of these antecedents and by the empirical proof that these variables are more predictive of loyalty than customer delight.

These results are consistent with Oliver *et al.*'s (1997) and Finn's (2005) and Loureiro and Kastenholz's (2011) assessment that customer delight and customer satisfaction are two distinctly different concepts. Moreover, the current results suggest that affective

elements are relatively more important as determinants of delight than cognitive drivers yet less predictive of loyalty. In fact, the impact of surprising consumption on arousal is stronger than that of disconfirmation. Conversely, behavioural and attitudinal intentions seem to be more dependent on *cognitive* than on affective drivers.

Regarding the effect of cognitive and affective elements on satisfaction, disconfirmation exerts a stronger influence on satisfaction than positive affect. This is contrary to Lin and Lin (2011), whose findings in ten service industries (coffee shops, restaurants, shoe retailers, optical stores, apparel retailers, electronic retailers, bookstores, hair salons, physical therapy centres, and spas), suggest that positive emotions significantly impact satisfaction. In the current study positive affect does not exercise a significant effect on satisfaction demonstrating that, in a supermarket setting, cognitive elements are more important to customer satisfaction. This is not surprising when one considers the nature of the customer experience in the list of services above. Each of those service settings is either a hedonic experience for the consumer, as in the case of the restaurant or spa, or a sporadic event, as in the case of the optical store or the apparel retailer. Clearly, the implication for the grocery retailer is that the frequent nature of the consumption experience combined with the more utilitarian nature of the visit causes the grocery customer to be more focused on the elements of the experience that are more cognitively assessed. Indeed, even though it is necessary for the grocer to positively disconfirm the customer's expectations, this transcending of expectations is not required at a surprising level, greatly decreasing the pressure on the retailer to produce mind-blowing service experiences.

This study contributes to the existing body of knowledge by testing the model proposed by Oliver *et al.* (1997) in the context of the frequent service encounter. In building a long-term relationship for this type of service setting, the quality of the experience could be more important than creating surprisingly positive emotions. A customer who is globally satisfied with and trusts in the goods and services provided by a supermarket, even when compared with direct competitors, will be more loyal to that company and will be more likely to re-patronize and to recommend the retailer to others.

### Conclusions

The main goal of this study was to determine whether the cumulative effect of satisfaction, perceived value and trust provide more predictive power of consumers' loyalty intentions than does the construct of customer delight in a routinely-patronized, utilitarian service setting. The findings reveal that not only does the cumulative effect of these variables have a greater impact on loyalty intentions than customer delight, but also that delight has no significant impact on loyalty intentions in a utilitarian service setting that encourages frequent patronage, such as that of a supermarket.

### *Managerial implications*

This study provides important managerial implications, many of which are contradictory to those suggested by previous studies. In order to improve customer satisfaction and retention in a utilitarian, frequent-use sector with intense competition, such as supermarket services, managers should pay particular attention to the manner in which they provide the service, focusing on consistent and reliable customer encounters. Managers should routinely monitor and react to competitors' prices and promotions, without decreasing the variety of products and brands, and maintaining store

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organization and service delivery. This, together with the fulfilment of promises (trust), strengthens switching barriers and leads the consumer to not only return to the store, but to recommend it. Furthermore, delivering a service environment that is free from clutter, well stocked, and containing the essentials required by customers does more to enhance customer loyalty than attempts to dazzle and entertain those customers. The findings of this study suggest that customers will be more loyal to a frequently visited service provider who provides consistently good service than to those providers who waste valuable resources trying to create exciting and surprising store environments. Indeed, supermarket managers do not need to be focused on the provision of delightful surprise to their patrons, striving to create excitement, pleasure, diversion, or joy. In fact, there is the possibility that by introducing disruptors (even positive ones) into the shopping environment, the service provider may cue the customer to shift from a focus on cognitive hygiene factors and to the more difficult to provide affective factors that are required to provide delight. The cumulative context of this study suggests that delivering the basics that merely satisfy customers and occasionally deliver a bit more than expected, delivered at a fair price with service that demonstrates that the provider is trustworthy will lead the customer to not only continue the relationship with the supermarket but to also recommend the experience to others. Their overall positive assessment of the supermarket will serve as the heuristic that drives behavioural loyalty in the form of continued repatronage and attitudinal loyalty in the form of positive word of mouth.

#### *Limitations and future research*

As in any study, there are limitations to this study and its findings that should be addressed. First, while a quota sample was appropriate and manageable for this type of study, there is no substitute for a truly random sample. Second, this research did employ a few single-item indicators, which did not seem to produce any problems in the data analysis, but may not have completely reflected the constructs of interest. Third, the responses relied on the respondents' recollection of their experiences with their primary grocer. While this was appropriate for a study that required a cumulative assessment, it did not take into account the number of other supermarkets that the respondents might frequent as well. Finally, the context of a supermarket is certainly an important service setting but may not allow for the kind of broad generalization that many researchers claim. The grocery setting, however, is such a large part of most consumers' monthly spending that it was deemed appropriate as a research focus.

The findings in this study should be considered carefully, as the focus of the study, a frequently visited supermarket, is a utilitarian service. Data were collected by asking participants to think about a supermarket where they usually shop. Some respondents shop every day in order to take advantage of promotions, while others shop once a week. In the future the same extended model should be analysed in a specialty shop, a spa, or other more hedonic service settings. In such services, the hedonic nature of the encounter could cause the affective elements to be more impactful on satisfaction, and perhaps the affective elements, including surprise, could be more impactful on loyalty intentions than perceived value and trust. The real originality of the current study lies in considering a more holistic assessment of the service provider and not a specific critical incident. As consumers tend to make holistic judgments of service providers, this seems to be a necessary inclusion in future research that examines consumer behaviour in service settings.

Another interesting avenue for future research would be to test the model in different cultural contexts and across countries. Perhaps in cultures where the grocery shopping trip is not necessarily frequent or in supermarkets that provide a more hedonic experience through the inclusion of sampling stations, international product sections, or specialty gourmet items, the findings might be quite different. The influence of customers' lifestyle is another potentially important component that could be introduced in the context of this model. Finally, further research might also examine consumers' actual purchase and recommendations rather than their intentions.

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### **Appendix. Questionnaire items**

Please indicate whether you agree or disagree with the following statements (1 – strongly disagree, 10 – strongly agree).

#### *Satisfaction*

- Overall, the store satisfies my needs.
- It is one of the best stores comparing with others.
- Overall, the store delivers an excellent service.

#### *Trust*

- I trust on service delivered by store.
- I feel confidence in the quality of the products.
- The promises are fulfilled.
- Here the promise is fulfilled.

#### *Loyalty intentions*

- I intend to continue to buy with the same frequency in the store.
- I speak well about this store to other people.
- I will recommend the store if someone ask for my advice.

#### *Perceived value*

- How do you... (1 – very bad, 10 – very good).
- Evaluate the prices relatively to the service quality.
- Evaluate the prices relatively to the quality of the products.
- Evaluate the prices relatively to the prices in other stores.

#### *Positive disconfirmation*

- How well did this store meet your requirements? (1 – Below my Requirements, 10 – Above my Requirements).
- Overall, when compared to your expectations, you found the experience to be (1 – Much Worse, 10 – Much Better).

#### *Emotions*

- During the visit to the store how frequently did you feel...? (1 – Never, 10 – Always).
- Surprised.
- Astonished.
- Excited.
- Delighted.
- Pleased.
- Happy.

### About the authors

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