

A Causal Study on the Antecedents of Retail Shoppers' Repatronage Intention

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Abstract

This study has investigated the impact of few important antecedents (such as perceived service quality, perceived product quality, store assortment, price perception, trust, and commitment) of shoppers' satisfaction and how these antecedents as mediated through shoppers' satisfaction affect shoppers' repatronage intention. A multi-item structured questionnaire was used to collect data from 210 shoppers of a major retail chain operating in Dhaka, Bangladesh. Validity and reliability of each construct were assessed by employing Confirmatory Factor Analysis (CFA) using AMOS and the results were satisfactory. Structural Equation Modeling (SEM) was performed to assess the data-model fit and examine the causal paths to test the proposed hypotheses. Out of seven hypotheses, five hypotheses were supported empirically as per SEM results. Perceived product quality, price perception, perceived service quality, and product assortment came out to be the strong antecedents of shoppers' satisfaction with high statistical significance. Furthermore, shoppers' satisfaction demonstrated the most powerful impact on shoppers' repatronage intention. Thus, the fifth hypothesis was supported. This study might encourage the retail operators to identify the needful to make the shoppers to become steady patrons of their stores.

Key Words: Perceived Service Quality, Perceived Product Quality, Store Assortment, Price Perception, Trust, Commitment, Customer Satisfaction, and Repatronage Intention.

1. Introduction

Superstores and retail chain stores are becoming more and more popular every day among the urban people in Bangladesh. If the rise of supermarkets (from historical perspective) is considered, the diffusion of supermarkets in Bangladesh is believed to be taking place in the fourth wave (Kashem, 2012). As reported by Bangladesh Supermarket Owners Association (BSOA) in Bangladesh there is consistent 15%-20 % annual growth in the sales of supermarkets or retail chain stores (Munni, 2010). BSOA also claims that the annual turnover of the superstores now stands at Taka 15.0 billion (approximately). It also reported that about 30 companies with more than 200 outlets have already made foray into the retail industry so far and more than 600 retail chain outlets are expected to be debuted in the next five years. The retail supermarket industry has become the second largest contributing sector to the economy of Bangladesh (Priyodesk, 2012).

Major retail chains in Bangladesh are Agora, Meena Bazar, Prince Bazar, Nandan, and Swapno. These retail stores are catering the everyday shopping needs of the urban shoppers through fair price, right assortment, and best quality. Noteworthy attractive features of these stores are hassle-free shopping, hygienic and clean shopping environment, quality products, fair price, right and wider product assortment, and superior store services (Munni, 2010). However, the most important one is that all sorts of products can be purchased under the same roof. As per the observations of some retail managers, in the early days of retail business, approximately 500 customers used to visit such a retail outlet per day and now the number has gone up to 5,000 per day (approximately). Such a massive traffic of shoppers has necessitated the retail operators to pay attention to the preferences of shoppers in order to keep them happy and delighted. As these shoppers are knowledgeable, convenience seeker, and shopping in superstores goes well with their lifestyle, the retail operators should focus on the imperatives to influence the shoppers to keep patronizing these stores.

Shoppers' satisfaction has become a major concern for the retail operators; because it is not easy to come up with a magic recipe, which will make the shoppers happy. Though there is a certain degree of commonality among the retail shoppers all over the world, but the shoppers are different in different regions and so are their preferences. So it will be wise to put some effort to understand what makes the shoppers happy and loyal in Bangladesh. In the past, researchers attempted to understand various antecedents of shoppers' satisfaction and loyalty such as service quality, product quality, store image, retailer brand image, trust, commitment, relationship strength, relationship quality, product assortment, lifestyle, culture and so forth (Chaiyasoonthorn &

Suksa-ngiam, 2011; Wong & Sohal, 2006). In this study, the author has selected perceived service quality, perceived product quality, store (product) assortment, perceived price, trust, and commitment as exogenous variables. Shoppers' satisfaction and repatronage intention have been chosen as endogenous variables. Actually, satisfaction is rather a mediating variable. In a nutshell, this paper intends to assess the discerning effects of these antecedents on shoppers' satisfaction and their repatronage intention.

2. Literature Review

2.1 Customer Satisfaction

Satisfaction is commonly interpreted as a feeling which results in from a process of evaluating what has been received against what was expected from the purchase and usage of a product or service (Armstrong & Kotler, 1996). Bitner and Zeithaml (2003) stated that satisfaction is customer's evaluation of a service (or product) in terms of whether that service (or product) has met his/her needs and expectations. According to Boselie, Hesselink, and Wiele (2002) satisfaction is a positive and affective state of mind resulting from the appraisal of all aspects of a party's working relationship with another. Previous studies have identified two aspects of customer satisfaction: transaction specific satisfaction and overall or cumulative satisfaction (Andreassen, 2000). According to Wang, Lo and Yang (2004) in the past studies, overall satisfaction has been used more than transaction specific satisfaction to predict customer behavior. This paper has also focused on overall satisfaction. Satisfied customers tend to be more loyal and they are less likely to move to the competitors (Baldinger & Rubinson, 1996). Keeping the shoppers happy and satisfied is an imperative for long-term business success.

2.2 Perceived Service Quality

Service quality is conceptualized as the consumer's overall impression of the relative inferiority or superiority of the services (Zeithaml, Parasuraman, & Berry, 1990). Service quality is often referred to the comparative evaluation between customer's expectation(s) regarding a service to be received and perception of the service being received (Dotchin & Oakland, 1994; Parasuraman, Zeithaml, & Berry, 1988). According to Grönroos (1983) service quality is comprised of two components – technical quality (“what” core services are delivered) and functional quality (“how” the service is being delivered). In SERVQUAL Parasuraman et al. (1988) identified five dimensions of service quality (viz. reliability, responsiveness, assurance, empathy, and tangibles) that link specific service characteristics to customer expectations. However, Dabholkar, Shepherd, and Thorpe (2000) stated that while judging different dimensions of service quality, the customers tend to form a distinct overall evaluation of service quality, which eventually influences their behavioral intentions concerning whether to become or remain loyal to the service provider. According to Imrie, Cadogan, and McNaughton (2002), service quality happens to be an important antecedent of customer's appraisal of value. Berry, Parasuraman, and Zeithaml (1988) considered service quality is to be a great differentiator and the most powerful competitive weapon. Sureshchandar, Rajendran, and Anantharaman (2003) identified a strong relationship between service quality and customer satisfaction, which eventually influences the customer whether to be loyal. Hence, following hypothesis has been identified:

Hypothesis 1: Perceived service quality has a positive and significant impact on customer satisfaction.

2.3 Perceived Product Quality

Product embodies bundle of attributes representing a definite level of quality, which therefore offers utility to the customer (Snoj, Aleksandra, & Damijan, 2004). Perceived product quality refers to the customer's judgment about the superiority of a product, which is essential in conceptualization of quality (Forker, Vickery, & Droge, 1996). Schiffman and Kanuk (2004) stated that customers often judge the quality of a product on the basis of a variety of informational cues (intrinsic or extrinsic, or both) that they associate with the product. Perceived product quality is central to the theory that strong brands or good quality products add points to consumers' purchase evaluation (Low & Lamb, 2000). According to Ruyter and Wetzels (1998) the perceived product quality is often viewed as a pre-requisite for customer satisfaction, repeat purchase and customer loyalty. As retail stores typically thrive on pushing or selling products produced by others, the retailers need to be keen about keeping quality products in their stores. Shoppers' perception of product quality typically influences their value appraisal, which eventually influences their level of satisfaction and loyalty (Munger & Grewal, 2001). Therefore, the next hypothesis has been proposed:

Hypothesis 2: Perceived product quality has a positive and significant impact on customer satisfaction.

2.4 Store Assortment

According to Leszczyc, Sinha and Sahgal (2004) one-stop shopping essentially represents the idea whether the shoppers get an opportunity to buy multiple products or services from a single visit to a retail store. Product assortment is considered to be an integral and crucial part of retail management. Store assortment generally addresses issues like variety of products, brands, SKUs (stock keeping units) considering various shopper segments. Shoppers appreciate wide product assortment without considering retailers' operational implications; whereas the retail operators want to assort exclusively those products that will be sold quickly and in large volume. So there is a certain degree of incongruence in defining an ideal product assortment considering both parties' point of view (Hansen, 2003). However, stores with wider product assortment tend to do better than those with narrower product assortment and vast product assortment helps the shoppers to economize or save money, because such assortment allows them to buy more products in fewer trips (Leszczyc et al., 2004). Hence, the following hypothesis has been developed:

Hypothesis 3: Store assortment has a positive and significant impact on customer satisfaction.

2.5 Perceived Price

According to Schiffman and Kanuk (2004) perceived price (or price perception) refers to the notion 'whether the customers consider a product's price is high, low or fair'. They also said that if the price perceived to be unfair, it affects the customers' perception of value and ultimately their willingness to purchase the product. According to Moore, Kennedy, and Fairhurst (2003) numerous research studies showed that price may carry both positive and negative cues as far as the product's worth or prestige is concerned.

When perceived price carries positive or favorable signals it could be translated to positive (or high) quality, prestige and status in the minds of the customers (Moore *et al.*, 2003). Alvarez and Casielles (2005) stated that if the consumer perceives a gain (as a result of his/her positive price perception), he/she will be more satisfied and continue purchasing. Perceived price also plays an important role in determining post-purchase satisfaction (Jiang & Rosenbloom, 2005). Hence, the more favorable the perceived price is the higher the deemed satisfaction will be. Therefore, the following hypothesis is presented:

Hypothesis 4: Perceived price has a positive and significant impact on customer satisfaction.

2.6 Trust

In business trust is found to be very important for building and maintaining long-term relationships (Rousseau, Sitkin, Burt, & Camerer, 1998; Singh & Sirdeshmukh, 2000). Trust is positive expectations towards the behavior of others (Beatty, Mayer, Coleman, Reynolds, & Lee, 1996). According to Lau and Lee (1999), if one party trusts another party that eventually engenders positive behavioral intentions towards the other party. Trust is a key antecedent to the motivation of enhancing and broadening the scope of a relationship, and a key determinant of relationship continuity (Selnes, 1998). In retail industry, contact personnel can deliver high level of trust by demonstrating that they have the customers' best interest at heart, and they have necessary skills to meet customer needs, and they have the ability to solve customer problems honestly and promptly (Beatty et al., 1996). Clearly, trust is an important construct in relational exchange, which generates comfort and assurance in customer's mind and that leads to customer satisfaction. Thus, the following hypothesis is proposed:

Hypothesis 5: Trust has a positive and significant impact on customer satisfaction.

2.7 Commitment

Moorman, Zaltman, and Deshpande (1992) conceptualized commitment as an enduring desire to maintain a valued relationship. According to Dwyer, Schurr and Oh (1987) commitment is 'an implicit or explicit pledge of relational continuity between exchange partners'. Committed customers are positive both in attitude and behavior while showing resistance to competitors' attempts to entice them (Rowley, 2005). There are two types of commitment: affective and calculative. Affective commitment is usually described in terms of psychological attachment, identification, affiliation and value congruence (Allen and Meyer, 1990). Calculative commitment is based more on rational motives, whether the partners receive superior benefits from their business relationship.

Kumar, Scheer, and Steenkamp (1995) pointed out that ‘intention to stay’ in the relationship is an important and attractive corollary of commitment that has a direct impact on supplier-customer relationships. In the relevant literature, commitment is usually associated with customer satisfaction, loyalty and affiliation (Gundlach, Achrol, & Mentzer, 1995). Therefore, considering the case of relationship between the shopper and the store personnel or the store, the following hypothesis is proposed:

H6: Commitment has a positive and significant impact on customer satisfaction.

2.8 Repatronage Intention

Repatronage intention typically refers to the notion that how likely a shopper will continue shopping at a retail store in the future. Retail shopper’s repatronage intention is quite similar to the repurchase intention germane to product consumption. According to Jones, Reynolds, and Arnold (2006) shopper’s repatronage intention toward a retailer usually corresponds to his/her ‘decision of choice’. Repatronage intention also known as ‘shopper’s revisit intention’ or ‘continuance intention’ is probably the most important outcome variable in the context of retail operation, since it is synonymous to customer retention (Wakefield & Barnes, 1996). Grace and O’Cass (2005) investigated several antecedents of customer’s repatronage intention and found customer satisfaction to be the strongest one like other researchers (Babin & Darden, 1996). Hence, the following hypothesis is proposed:

H7: Customer satisfaction has a positive and significant impact on Repatronage intention.

2.9 Conceptual Framework

Based on the aforesaid hypotheses following conceptual framework is proposed (Figure 1).

[Please insert Figure 1]

3. Methodology

3.1 Sampling and Data Collection

The researchers followed area-based quota sampling. For data collection purpose, the researchers employed survey via personal interview. Structured questionnaires were distributed among 400 (210 questionnaires were finally used) regular and occasional shoppers available at four different outlets of a major retail chain operating in Dhaka, Bangladesh. Thus, the response rate was 53 %. The average age of the respondents was 37.24 years. 73 % respondents were female and 37 % were male.

3.2 Measurement Instruments

The questionnaire was comprised of eight sections meant for eight constructs and the author used borrowed scales from previous researchers and all items were expressed in seven-point Likert scales. The operational definition of each construct is presented with its originally reported reliability in Table 1.

[Please insert Table 1]

3.3 Data Analysis

The researcher has employed both descriptive as well as inferential statistics. For that purpose, SPSS 18 was used. Confirmatory factor analysis and structural equation modeling were carried out by using AMOS 20. The main reason of choosing SEM was it permits the analyses of multiple structural relationships simultaneously while maintaining statistical efficiency (Hair, Anderson, Tatham, & Black, 2006).

4. Results

4.1 Descriptive Statistics and Reliability Coefficients

Descriptive statistics and reliability coefficients of the studied constructs are presented in Table 2. Each scale showed an acceptable level of internal consistency with Cronbach’s alphas in the range of 0.801 to 0.895, which shows that the reliabilities of all the constructs are well above the standard (i.e. 0.70) set by Nunnally (1978). Mean scores of all the variables measured on a seven-point likert scale found to have a range of 5.64 to 6.21 and

the corresponding standard deviations were ranging from 0.86 to 0.58. These mean scores indicate that the shoppers' appraisal of service quality, product quality, store assortment, price, trust, commitment, customer satisfaction, and repatronage intention is quite high.

[Please insert Table 2]

4.2 Testing Multivariate Assumptions

Data screening was carried out to test the multivariate assumptions (normality, homoscedasticity, linearity, and multicollinearity), as any violation of these assumptions usually undermines the use of multivariate statistical techniques (Hair et al., 2006). Univariate normality refers to the distribution of each observed variable; whereas multivariate normality refers to the joint distribution of observed variables as posited in the model by the researcher (Kline, 2005). According to Kline (2005), multivariate normality testing is often difficult. Hence, as a 'quick and dirty' method sometimes researchers test univariate normality of each observed variable and if these variables found to be normally distributed, it is assumed that multivariate normality exists (Garson, 2012). Skewness (ranging from -0.491 to 0.637) and kurtosis (ranging from -0.045 to 0.709) values for each observed variable were checked and as a common rule-of-thumb they were within the acceptable range ± 2 (Garson, 2012). Later on, histograms of the observed variables were visually inspected to evaluate whether the data were normally distributed, and this exercise revealed that histograms had very close resemblance with an ideal histogram drawn from a normally distributed dataset (Hair et al., 2006).

Homoscedasticity was tested using scatterplots of residuals. The assumption regarding randomness of residuals supposedly met if scatterplots show no definite patterns. As per author's visual inspection, the scatterplots did not show any definite patterns, so the condition of homoscedasticity was met. Linearity was assessed by running series of simple linear regression analysis and by examining the residuals using Normal Probability P-P Plots (Hair et al., 2006). As the points were almost in a straight line around the diagonal axis, no violation of linearity assumption can be reported.

To detect multicollinearity, at first the correlation matrix for the independent variables was examined and there was no presence of high correlations (i.e., 0.90 or greater) to reveal the problem of collinearity (Kline, 2005). The highest correlation coefficient was ($r = 0.490$) between product assortment and commitment. Later on, variance inflation factor (VIF) and tolerance values for all the constructs were checked. VIF values (ranging from 1.157-4.566) were less than 10.0, and tolerance values (ranging from 0.219-0.864) were greater than 0.10 but less than 1.0 and confidently suggest absence of multicollinearity (Kline, 2005).

To detect multivariate outliers (a multivariate outlier has extreme score on two or more variables; Kline, 2005) squared Mahalanobis distance (D^2) values were examined from AMOS output. As none of those D^2 values found to be distinctly standing apart from other values, no evidence of serious multivariate outliers could be detected (Byrne, 2001).

4.3 Confirmatory Factor Analysis (CFA)

Scale validity and reliability were assessed using confirmatory factor analysis (Anderson & Gerbing, 1988). The initial Measurement Model (MM) included eight (8) latent constructs and each construct had several indicators/items pertinent to its scale. There were total 31 items. Initially, the first-order CFA model (with 31 items) was drawn to assess the goodness-of-fit of the model. The initial model (CFA1) did not yield a satisfactory model fit for the data. The goodness-of-fit indices for the CFA models are displayed in Table 3. It was obvious that some modifications were necessary to ensure a better fit of the model. This model revision was carried out by examining standardized factor loadings, standardized residuals, and modification indices (MI) as suggested by Hair et al. (2006). Hence, the factor loadings of the items and standardized residuals were consulted to identify the offending item(s) and in that process three (3) items were identified and carefully considered for elimination to improve the model fit.

More specifically, two items with very low factor loadings (i.e. 0.207 and 0.249) were considered for elimination, since standardized factor loading greater than 0.50 is considered acceptable (Bollen, 1990). Furthermore, one item was removed from the model due to unacceptable cross-loading (i.e. 0.619, which is more than the acceptable standard of 0.40) onto another construct. But not a single item was deleted without considering its theoretical implication or relevance and impact on the respective construct. Eventually, the revised CFA model (with 28 items) produced an acceptable level of data-model fit (please see Table 3).

[Please insert Table 3]

However, before testing the structural model (to examine the causal links among the constructs), this revised measurement model has been used to run confirmatory factor analysis in order to assess the convergent validity, discriminant validity, and construct reliability (Straub, 1989).

4.3.1 Convergent validity

Convergent validity refers to how well the observed indicators or items relate to the unobserved construct(s) (Kline, 2005). The convergent validity was assessed by checking the loading of each observed indicator on the respective latent construct (Anderson & Gerbing, 1988). Table 4 presents the standardized factor loading and item reliability of each indicator.

The results show that each factor loading of the indicator was statistically significant at 0.001 level and no loading was less than the recommended level of 0.50. The squared multiple correlations (also known as item reliability) of the items were also higher than the acceptable level of 0.50 (Bollen, 1990). To assess convergent validity fully average variance extracted (AVE) values should be considered too. According to Fornell and Larcker (1981) AVE value should be greater than 0.50 to indicate an acceptable level of convergent validity for a construct. However, AVE values will help again to determine discriminant validity later on. The construct reliability should be greater than 0.70 (Nunnally, 1978). Table 4 presents satisfactory results regarding convergent validity and construct reliability for each construct.

[Please insert Table 4]

4.3.2 Discriminant validity

AS far as the discriminant validity is concern, the most common method is examining whether the AVE value of each construct exceeds the squared inter-construct correlations related to that construct (Fornell & Larcker, 1981). In other words, the square root of average variance extracted value of each construct should be more than its correlations with other constructs. The AVE values and squared inter-construct correlations are shown in Table 5. It is evident from Table 5 that the constructs have adequate level of discriminant validity.

[Please insert Table 5]

4.4 Structural Equation Modeling (SEM)

The structural model was examined by employing SEM under maximum likelihood method (MLE). Testing structural model aids in examining the hypothesized causal paths/links presented in the conceptual framework. Table 6 presents the goodness-of-fit indices along with the acceptable cut-off values recommended by the SEM experts. Other than GFI, all the fit indices have met the requirements set for SEM analysis. Although GFI has not exceeded 0.90 (the threshold value), it still meets the standard suggested by Baumgartner and Homburg (1996), and Doll, Xia, and Torkzadeh (1994): this value still could be considered acceptable if above 0.80.

[Please insert Table 6]

Now the logical step is to examine the path coefficients. Relevant measures of the causal paths portrayed in the structural model (standardized path coefficients (β), standard errors, p values, and hypotheses results) are displayed in Table 7. The level of significance (α) was set at 0.05.

[Please insert Table 7]

The square multiple correlation for the structural equations index connotes that six predictors (perceived service quality, perceived product quality, store assortment, price perception, trust, and commitment) have together explained 71.7 % of the variance in shoppers' satisfaction. Shoppers' satisfaction has explained 47.9 % of the variance in shoppers' repatronage intention (Figure 2). How strong the causal links are between exogenous and endogenous variables are evident from Table 7 as well as Figure 2. Table 7 presents the results or evidences to support H1, H2, H3, H4, and H7.

[Please insert Figure 2]

5. Discussion

The present study is noteworthy for two reasons. Firstly, as to the knowledge of the author, in Bangladesh no such causal study has been carried out to scrutinize the antecedents of shoppers' satisfaction and repatronage intention. Secondly, use of CFA has been considered absolutely vital to estimate the constructs' validity and reliability, as opposed to merely borrowing scales from previous researchers, checking Cronbach's alpha values, and calling the measurement instrument 'sound' (which is rather vague and limited to describe the soundness of an instrument).

Perceived product quality by far seems to be the strongest antecedent of shoppers' satisfaction. Though the customers' quality assessment of the products offered or sold in the retail store is perceptual in nature, the retail operators must not compromise with quality of the assorted products. If good quality products are sold without a fail, the customers' perception regarding the product quality supposed to be straightened or improved through 'instrumental conditioning'.

Price perception seems to be the second important antecedent affecting shoppers' satisfaction. Interestingly, price perception is often linked with issues like price fairness or whether the purchase has ensured (could ensure) 'good value for money'. However, the retail operators should follow the best practices or heuristics of retail pricing that are proven to be effective as reported and recommended by the credible researchers and practitioners in the field of retail operation.

Perceived service quality seems to be the third important factor influencing the shoppers' satisfaction. Shoppers tend to evaluate service related aspects pertinent to a retail store, which subsequently influence their overall assessment of shopping experiences and satisfaction in general. So the retail operators should be keen to deliver impeccable services to the shoppers.

Store assortment appears to be the fourth important antecedent influencing the shoppers' satisfaction. A wider product assortment allows the shoppers to buy many items in fewer trip(s) to the store. Shoppers appreciate wide product assortment, which is often devoid of the consideration 'how it might affect retailers' operation'; whereas the retailers want to assort only those products that can be sold quickly and in large volume. So in defining and determining an ideal product assortment, the retailers should be prudent and follow the best practices germane to retail store category management.

Shoppers' satisfaction as a mediating variable has showed the most powerful impact on the shoppers' repatronage intention. In fact, the way satisfaction has been posited in the structural model, it has become a fully mediated model. Keeping the variables same two competing models like 'no mediation' and 'partially mediated model' could have been compared side by side. But it was not the primary objective of this study.

However, other exogenous variables (such as trust and commitment) appear to be neither significant nor strong antecedents of shoppers' satisfaction. Nonetheless, these weak factors should be given proper consideration (in the light of other relevant empirical evidences) while attempting to understand how these factors effect shoppers' satisfaction and shape their repatronage intention.

The findings of this study have to be interpreted considering few limitations. First, data collection was limited to the shoppers of one retail chain who live in Dhaka metropolitan area. Thus, the results can not be generalized for the entire retail industry. Second, no categorization for shoppers was done to compare the model on multiple groups (i.e. member, non-member, regular or occasional shoppers). Third, the current study was cross-sectional in nature, but to draw causal inferences more assertively and safely a longitudinal study would have been better (Poon, 2004). Finally, inclusion of other variables like- store location, culture, lifestyle, store personnel, relationship strength or relationship quality, store atmosphere, or shopping orientation could have made the conceptual framework more robust. The author intends to incorporate some of the aforesaid variables and do a comparative study of nested models in the future.

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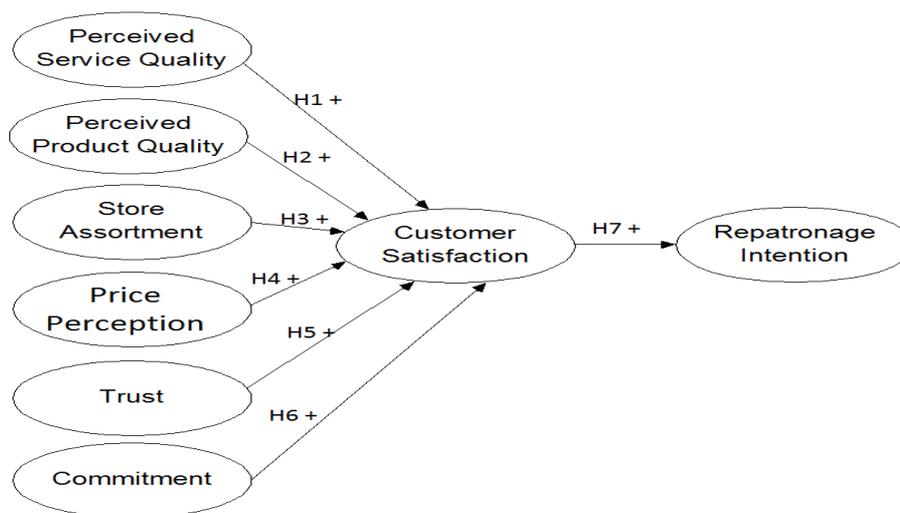


Figure1: Conceptual Framework

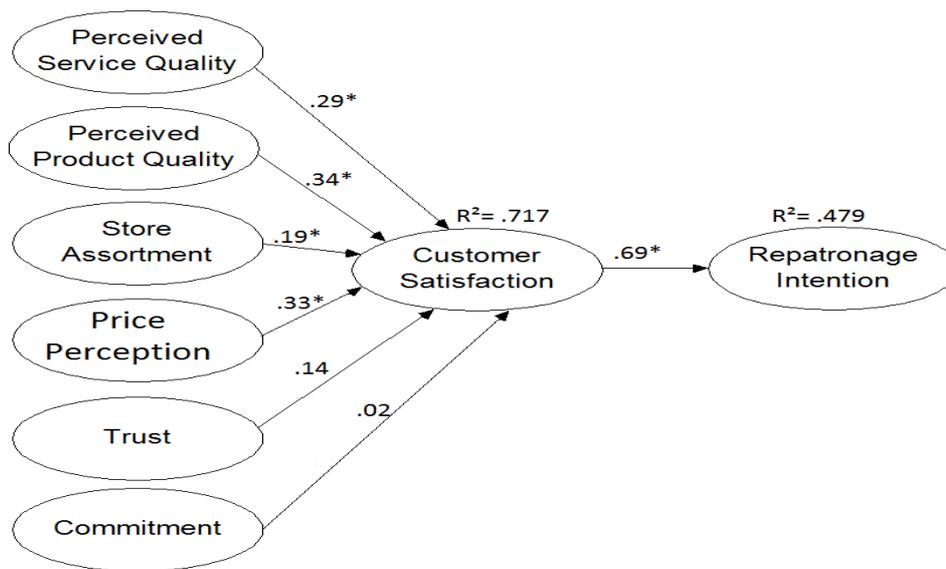


Figure 2: Structural Model with Path Coefficients

Table 1: Operational Definitions and Originally Reported Reliability of the Constructs

Construct	Operational Definition	Source(s)	Reported Reliability (Cronbach's Alpha)
Customer satisfaction	The degree to which the customer is satisfied or dissatisfied with the outcome of shopping at the retail store.	Chaiyasoonthorn and Suksa-ngiam (2011)	0.828
Perceived service quality	How the customer perceives the quality of services rendered at the store.	Wong and Sohal (2006)	0.960
Perceived product quality	The degree to which the customer perceives the quality of products sold in the store as high or low quality.	Chaiyasoonthorn and Suksa-ngiam (2011)	0.806
Store assortment	Whether the customer perceives the product assortment of the retail store is wide or narrow to meet his/her needs.	Chaiyasoonthorn and Suksa-ngiam (2011)	0.835
Price perception	The degree to which the customer perceives the prices of products sold in the store as expensive or cheap or fair.	Chaiyasoonthorn and Suksa-ngiam (2011)	0.816
Trust	To what extent the employees of the retail store or the store is trustworthy.	Wong and Sohal (2006)	0.870
Commitment	To what extent the customer is committed to maintain his/her relationship with the employees of retail store.	Wong and Sohal (2006)	0.910
Repatronage intention	How likely the shopper will patronize the retail store in the future.	Taylor and Baker (1994) & Yang and Chang (2011)	0.890 & 0.874

Table 2: Descriptive Statistics and Reliability Coefficients (N =210)

Scales	Number of items	Alpha	M	SD
Perceived service quality (SQ)	5	0.895	5.98	0.58
Perceived product quality (PQ)	5	0.862	6.09	0.71
Store assortment (AS)	3	0.873	5.93	0.66
Price perception (PR)	5	0.801	6.21	0.81
Trust (TR)	3	0.832	6.05	0.73
Commitment (CM)	3	0.854	5.64	0.82
Customer satisfaction (CS)	3	0.806	6.08	0.75
Repatronage intention (RI)	3	0.847	6.03	0.86

Table 3: Goodness-of-fit Results for Measurement Models

Model	χ^2	df	χ^2/df	P	GFI	TLI	CFI	RMSEA
CFA1 Model (with 31 items)	1261	406	3.11	0.0001	0.713	0.702	0.740	0.095
CFA Revised Model (with 28 items)	911	322	2.83	0.0001	0.897	0.907	0.930	0.069

Note: 3 items (item 7, item 15, and item 19) were deleted

Table 4: Measures to Assess Convergent Validity of Constructs from Measurement Model

Construct	Items	Factor Loading (a)	Standard Error (b)	Critical Ratio (c)	Item Reliability	AVE (e)	Construct Reliability (f)
SQ	item1	0.793	-	(d) -	0.629	0.638	0.90
	item2	0.849	0.104	9.221	0.721		
	item3	0.769	0.144	7.671	0.591		
	item4	0.741	0.124	5.673	0.549		
	item5	0.838	0.148	6.99	0.702		
PQ	item6	0.735	-	-	0.540	0.578	0.85
	item8	0.709	0.094	4.048	0.503		
	item9	0.782	0.158	7.626	0.612		
	item10	0.812	0.152	6.557	0.659		
AS	item11	0.757	-	-	0.573	0.653	0.88
	item12	0.864	0.215	5.728	0.746		
	item13	0.749	0.111	6.588	0.561		
PR	item14	0.855	0.261	5.98	0.731	0.663	0.86
	item16	0.807	-	-	0.651		
	item17	0.860	0.368	4.307	0.740		
TR	item18	0.774	0.112	7.367	0.599	0.643	0.84
	item20	0.826	-	-	0.682		
	item21	0.855	0.084	10.63	0.731		
	item22	0.718	0.094	8.017	0.516		
CM	item23	0.771	-	-	0.594	0.681	0.86
	item24	0.892	0.135	9.468	0.796		
	item25	0.808	0.139	7.46	0.653		
CS	item26	0.714	-	-	0.510	0.564	0.79
	item27	0.726	0.138	8.291	0.527		
	item28	0.809	0.173	7.682	0.654		
RI	item33	0.755	-	-	0.570	0.660	0.85
	item34	0.787	0.097	9.188	0.619		
	item35	0.890	0.217	6.582	0.792		

Note: (a) All item loadings in CFA model were significant at 0.001 level.

(b) S.E. stands for standard error of the covariance;

(c) C.R. is the critical ratio obtained by dividing the estimate of the covariance by its standard error. A value of C.R exceeding 1.96 represents significance level of 0.05;

(d) Some critical ratios were not calculated because loading was set to 1 to fix construct variance;

(e) Variance Extracted (VE) = $(\sum \text{standardized loadings}^2 / \sum \text{standardized loadings}^2 + \sum \epsilon_j)$ (where ϵ = error variance and Σ is summation).

(f) Construct reliability = $(\text{square of the summation of the factor loadings}) / \{(\text{square of the summation of the factor loadings}) + (\text{square of the summation of the error variances})\}$

Table 5: Average Variance Extracted Values and Squared Correlations of the Constructs

Constructs	SQ	PQ	AS	PR	TR	CM	CS	RI
SQ	0.64							
PQ	0.07***	0.58						
AS	0.42***	0.13***	0.65					
PR	0.23***	0.35***	0.37***	0.66				
TR	0.19***	0.14***	0.15***	0.17***	0.64			
CM	0.47***	0.16***	0.49***	0.44***	0.16***	0.68		
CS	0.32***	0.30***	0.35***	0.48***	0.07***	0.32***	0.56	
RI	0.28***	0.41***	0.35***	0.37***	0.11***	0.38***	0.55***	0.66

Note: AVE values (**boldface**) are shown on the diagonal while the off-diagonal entries represent the squared inter-construct correlations. * $p < .05$, ** $p < .01$, *** $p < .001$.

Table 6: Goodness-of-fit Indices for Structural Model

Fit Indices	Accepted Value	Model Value
<i>Absolute Fit Measures</i>		
χ^2 (Chi-square)		934
df (Degrees of Freedom)		328
Chi-square/df (χ^2/df)	< 3	2.85
GFI (Goodness of Fit Index)	> 0.9	0.879
RMSEA (Root Mean Square Error of Approximation)	≤ 0.08	0.071
<i>Incremental Fit Measures</i>		
AGFI (Adjusted Goodness of Fit Index)	> 0.80	0.821
NFI (Normed Fit Index)	> 0.90	0.887
CFI (Comparative Fit Index)	> 0.90	0.943
IFI (Incremental Fit Index)	> 0.90	0.946
<i>Parsimony Fit Measures</i>		
PCFI (Parsimony Comparative of Fit Index)	> 0.50	0.684
PNFI (Parsimony Normed Fit Index)	> 0.50	0.618

Table 7: Summary of Hypotheses Testing Results

Paths	Hypothesized Direction	β	SE	Critical ratio	p	Supported
H1: SQ \rightarrow CS	+	0.29	0.120	2.676	0.007	Yes
H2: PQ \rightarrow CS	+	0.34	0.064	4.171	***	Yes
H3: AS \rightarrow CS	+	0.19	0.086	2.045	0.041	Yes
H4: PR \rightarrow CS	+	0.33	0.099	3.029	0.002	Yes
H5: TR \rightarrow CS	+	0.14	0.12	1.795	0.073	No
H6: CM \rightarrow CS	+	0.02	0.137	1.847	0.065	No
H7: CS \rightarrow RI	+	0.69	0.092	7.938	***	Yes

Note: β = standardized beta coefficients; S.E. = standard error; C.R. = critical ratio; * $p < 0.05$