

A STUDY ON THE IMPACT OF SITUATIONAL AND CUSTOMER MODERATORS ON THE DETERMINANTS OF CUSTOMER EXPERIENCE AMONG HYPERMARKET SHOPPERS IN SAUDI ARABIA

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ABSTRACT

The major objectives of the study is to determine the impact of situational moderator namely location and customer moderators such as goal and involvement on the determinants of customer experience namely social environment, retail atmosphere, price and past experience among hypermarket shoppers in Saudi Arabia. Convenient sampling was adopted for the purpose of the study. The collected data were coded in an SPSS spreadsheet and a simple statistical analysis such as One-way ANOVA, Linear regression and multiple regressions for better outcome.

It has been established that there exists a significant interaction effect among location with social environment and retail atmosphere on customer experience for a hypermarket. It can be seen that when goal of the customer is experiential it increases the customer experience when price is high. Further it was established that. Significant interaction effect exists among involvement with social environment and retail atmosphere. Hence hypotheses H1A2A, H1A2B, H2A2C, H3A2A, and H3A2B were supported for the purpose of the study. Finally a complete understanding of the various moderators and determinants that are used in this study would enable the retailers in Saudi Arabia to create a memorable experience among the hypermarket customer while visiting their outlets.

KEYWORDS: Situational Moderator, Customer Moderator, Involvement, Goal, Location, Hypermarket

INTRODUCTION

Modern retailing has entered in the Kingdom in form of sprawling malls and huge complexes offering shopping, entertainment, leisure to the consumer and the retailers are continuously experimenting with a variety of formats, such as discount stores to supermarkets to specialty chains to hypermarkets and malls. Shopping habits in Saudi Arabia are evolving, not least due to the rapidly transforming retail sector, with western-style outlets beginning to appear. Western-style malls have begun appearing in metros and second-rung cities like Jizan, introducing the Saudi Arabian consumer to an unparalleled shopping experience.

The transformation of the retail store begins with a deep understanding of the customer and a strategy to personalize the experience at every point of interaction. The most appropriate technologies should be leveraged to enhance the experience in both the physical store and the digital world. This is true with Danube hypermarket. This is up market retailer who caters to the need of upper income, value driven and high value service demanding customers in Jizan. Danube customers are increasing in number due to people's need to consume healthy products. Demand is greatest for exotic fruits, such as Papayas, Dragon fruit, Rambutan and Mangosteen, as well as for berries and vegetables. In addition, organic fruits and vegetables are proving popular at the current time. Hence this study is focused on the impact of situational and

customer moderators on the determinants of customer experience in hypermarket in Saudi Arabia.

ABOUT THE STUDY

A hypermarket is defined as a form of self-service grocery store, offering a wide variety of food and household merchandise, organized into departments which are larger in size and has a wider selection than a supermarket.

The theoretical framework, or the conceptual basis, leading to the development of this study is based upon the Conceptual Model of Customer Experience Creation developed by Verhoef *et al* (2009). There are several determinants or elements of the customer experience among hypermarket shoppers in Saudi Arabia which, including social environment, service interface, retail atmosphere, and previous customer experience (S Shamsudeen 2017).

Verhoef model have proposed that there are many situational and consumer moderators. In this research the impact of situational moderator namely location and consumer moderators namely goal and involvement on the determinants of customer experience among hypermarket shoppers in Saudi Arabia is considered.

A convenience orientation is a key benefit that shoppers seek in the modern environment. Consumers' perceptions of convenience (e.g., opening hours, location, and parking) will have a positive influence on their satisfaction with the service (Berry et al 2002). Consumers' perceived expenditure of time and effort interacts to influence their perceptions of service convenience, and retail facilities are designed to affect those time and effort perceptions. For example, a central location can reduce the transaction costs associated with shopping (e.g., transportation cost, time spent).

Virtually all models of retail competition and shopping behavior specify store patronage as a function of the distance from the store to the shopper's home. Model includes a measure of distance in the form of travel time, which is operationalised as the time in minutes it takes to travel from the household to the nearest store of a given chain.

The underlying assumption is that the shopper travels from home to the closest store of the selected chain, and then returns home. In reality, shoppers may reduce their travel time by linking shopping trips together or combining store visits with other required travel. "Trip chaining," as this practice is called (Thill and Thomas 1987), results in shoppers requiring less than the measured travel time to make a store visit and possibly shopping more than expected at distant stores.

Retail location theory indicates that consumers prefer to shop as close to home as possible, all other things being equal (Thompson 1967). The extent to which consumers are willing to travel to a shopping centre outside the local trading area, then, is inversely related to the extent to which the local shopping centres fulfill their shopping needs (Hozier and Stem 1985).

Previous research found that two fundamental motivational orientations were behind the different shopping motives. The first motivational orientation (e.g., economic, utilitarian) involves consumers engaging in shopping out of necessity to obtain needed products, services, or information with little or no inherent satisfaction derived from the shopping activity itself. This motivational orientation is referred to as the "task-oriented motivational orientation."

The other motivational orientation (e.g., recreational, hedonic) describes consumers engaging in shopping to derive inherent satisfaction from the shopping activity itself. The shopping activity is freely chosen, without any need to engage in it. This motivational orientation is referred to as the "recreational motivational orientation." The two

fundamental motivational orientations identified in the shopping behavior literature are consistent with the fundamental motivational orientations identified in psychology (Apter 1982). The moderating effect of motivational orientation was studied based on the shopping behaviour of the customers by Milliman (1982). The study found that motivation decreased purchasing intentions and spending in hypermarkets.

Richins and Bloch (1983, 1986) indicate that involvement may be either situational (temporary) or enduring (lasting). A consumption experience may have temporal importance due to the situation (i.e., situational involvement), as when an individual must make an expensive purchase such as a personal computer. The object of the consumption experience may also be the subject of an individual's interest (i.e., enduring involvement) who willingly devotes considerable time and energy relative to shopping.

Some individuals may have an enduring involvement with shopping. Such individuals may receive hedonic pleasure directly from the time spent exploring the shopping environment, while others may visit a shopping centre to perform a shopping plan and exit (Babin et al 1994). The recreational shopper, compared to the economic shopper, also spends more time shopping on an average trip and is more likely to continue to shop after making a purchase (Bellenger et al 1977). Therefore, individuals who are more interested in shopping are inclined to spend more time doing what they enjoy. Conversely, the individuals who do not like shopping will want to leave the mall as soon as possible (i.e., after making a purchase decision).

If involvement is higher, customers take more notice of the retail firm's communications and can thus form an opinion more easily (Chandrashekar and Grewal 2003). On the other hand, customers with low involvement only perceive a firm's communications subliminally or to a limited extent because, that is they are less interested in the retailer or the retail sector concerned and what it has to offer.

The phrase 'positive customer experience' has become a slogan for companies large and small in their never-ending efforts to attract and retain business. The reason is obvious: a positive customer experience is a marketplace differential for any company seeking to distinguish itself from competitors. This is also true for the hypermarkets in Jizan KSA

In a holistic approach to customer experiences, it is critical to recognize that a customer experience is not limited to the customer's interaction in the store alone. Rather it is impacted by a combination of experiences which evolve over time, including search, purchase, consumption and after-sales phases of the experience (Shajahan S 2005). In the present study a comprehensive model is used to investigate the effect of the situational and customer moderators on the determinants of *customer* experience among hypermarket shoppers in Saudi Arabia.

Understanding and recognizing the importance of moderators on the determinants of customer experience among hypermarket shoppers is essential to withstand in this highly competitive and ever changing retail environment in Jizan. Knowledge of the various moderators on the determinants of customer experience will give the hypermarket an edge over the competitors. The present research was carried out to analyze the role of situational moderator namely location and consumer moderators namely goal and involvement on the determinants of customer experience in hypermarket in Saudi Arabia

Relationship between the Various Determinants and the Customer Experience

In order to study the relationship among various situational and customer moderators on the determinants of the customer experience in hyper market, multi-item scales were used. A multi-item scale consists of a number of ratings combined into a single value. Multi-item 103 scales are used to represent complex psychological constructs that can't be summarized in a single question. Multi-item measures are more reliable and less volatile than single-item questions. As a result of this increased stability, multi-item scales make excellent benchmarks (Henning 2009).

The internal consistency of the scale items is an important test of reliability. Reliability test is used to assess the internal consistency of summated scale where several items are summated to form total score. One measure of internal consistency is Cronbach alpha. Cronbach's alpha accounts for all possible two-way splits (Nunnally 1967). The Cronbach alpha < 0.6 indicates poor reliability (Malhotra and Birks 2007). The Cronbach alpha > 0.7 indicates more reliability (Nunnally & Berstein 1994). Table 1 gives the Cronbach alpha values for the constructs. It is seen from the table-1 given below that the values are in the range 0.703 to 0.892 which indicate that the instruments are reliable.

Table 1: Cronbach Alpha Values of the Variables

SI No	Variable	Cronbach Alpha
1	Social Environment	0.892
2	Service Interface	0.703
3	Retail Atmosphere	0.774
4	Assortment	0.843
5	Price	0.890
6	Previous Experience	0.791

Source: Sample Survey 2016

Significance of the Study

Organized retailing is gaining a lot of importance since many large players are keen to setup their footprints in Middle East. This study can make a significant contribution to understand the impact of situational and customer moderators on the determinants of customer experience in the Middle East context.

The purpose of the study is to understand the impact of situational and customer moderators on the determinants of customer experience for the hypermarket. Intense competition among the retailers offers a wide array of choices for the customer and hence there arises a need for studying the impact of moderators on the determinants of customer experience through which hypermarket can provide a superior customer experience thereby differentiating them self from the competitors.

Obtaining and sustaining a competitive advantage in retailing, specifically in Saudi retail environment today sets the challenge to determine one thing that will differentiate Danube hypermarket from another. Retail establishments worldwide are trying to find that sustainable competitive advantage and it currently seems possible by strategically focusing on customer experience and the impact of various moderators on the determinants of customers among hypermarket shoppers.

Problem Statement

Creating superior customer experience in hypermarket is the focus and the central objectives of this research. Retailers around the globe have embraced the concept of customer experience management, with many incorporating the

notion into their mission statements. Despite the recognition of the importance of customer experience by practitioners, the academic marketing literature investigating this topic has been limited. Only a limited number of articles explore customer experience in depth from a theoretical perspective. Gentile, Spiller and Noci (2007) empirically investigated the specific role of different experiential features in the success achieved by well-known products. Novak, Hoffman, and Yung (2000) investigated the impact of website design on the customer's experience.

The scarcity of scholarly research on the impact of situational and customer moderators on the determinants of customer experience calls for a theory-based framework to examine customer experience holistically. The research problem, therefore, is to understand the importance of situational and customer moderators on the determinants of customer experience among hypermarket shoppers in Saudi Arabia.

Research Questions

The following questions were formulated for the purpose of research:

- Does situational moderator such as Location influence customer experience while shopping in the hypermarket?
- Do customer moderators such as Involvement and Goal influence customer experience while shopping in the hypermarket?
- What is the interactive relationship between each of the moderators and determinants of customer experience?
- Is there a variation in the influence of the stated moderators on the customer experience in the chosen retail format namely hypermarket?

This study will, therefore, describe and analyze the impact of situational and customer moderators on the determinants of customer experience among hypermarket shoppers in Saudi Arabia.

Research Objectives

Based on the research questions the following objectives are formulated.

- To understand the demographic characteristics of the hypermarket customers
- To measure the experience of the hypermarket customers
- To find out impact of situational moderator Location on the determinants of customer's experience among hypermarket shoppers
- To find out whether there is any significant impact of customer moderators such as Involvement and Goal on the determinants of customer's experience among hypermarket shoppers
- To suggest measures to improve customer experience for chosen retail format namely hypermarket in the Saudi Arabian context.

Scope of the Study

The current study focuses exclusively on the organized retailing sector in KSA. The study is confined to the modern retail store format namely hypermarket. The focus of the study was around Danube hypermarket stores.

The population of the study was confined only to present and past customers of Danube hypermarket stores in Jizan. The study is carried out in Jizan, which is one of the fast developing retail hubs of KSA during 2016-20.

DEFINITION OF VARIABLES AND MAKING OF HYPOTHESIS

The definitions of the moderators and determinants used in the study are given below:

Location

The law of retail gravitation (Reilly 1931) suggests that the potential attraction of a shopping centre should be assumed to be inversely proportional to the driving time from a shopper's home to the centre. A central location can reduce the transaction costs associated with shopping (e.g., transportation cost, time spent) and enhance customer experience. Based on the relationship between location and customer experience the following hypothesis is formulated:

- **H1A1:** Location significantly influences customer experience.
- **H1A2:** Location moderates the effect of the determinants on customer experience.

This hypothesis is tested for the hypermarkets

Goal

The first motivational orientation (task oriented) involves consumers engaging in shopping out of necessity to obtain required products, services, or information with little or no inherent satisfaction derived from the shopping activity itself. The other motivational orientation (experiential oriented) describes consumers engaging in shopping to derive inherent satisfaction from the shopping activity itself. In this case, the shopping activity is wholeheartedly chosen, and there is no need to engage in it. Based on the relationship between goal and customer experience the following hypothesis is formulated:

- **H2A1:** Goal significantly influences customer experience.
- **H2A2:** Goal moderates the effect of the determinants on customer experience.

This hypothesis is tested for the hypermarkets

Involvement

Zaichkowsky (1985) refers to involvement as an individual's "perceived relevance of an object based on inherent needs, values, and interests." According to Lin (2010) there is a positive correlation between the customers' involvement levels and experience values. Consumers with high involvement are more receptive to stimuli and information from the store environment. Based on the relationship between involvement and customer experience the following hypothesis is formulated:

- **H3A1:** Involvement significantly influences customer experience.
- **H3A2:** Involvement moderates the effect of the determinants on customer experience.

This hypothesis is tested for the hypermarkets

Social Environment

The social environment refers to how customers interact with their family, friends or other customers. A better social environment leads to a positive customer experience. In this research social environment is measured in terms of reference groups, customer to customer interaction and crowding (Shajahan S 2011). The previous research study conducted by the author proved that social environment influences customer experience among supermarket shoppers in Saudi Arabia(S Shamsudeen 2017).

Retail Atmosphere

The atmosphere of the retailer can have a significant impact on the experience of the grocery and electronic customer. The retail atmosphere is measured in terms of design, temperature and music. According to a study by Ailawadi and Keller (2004) colour, music, and design influence intention to patronize a retail store and how much time and money is spent in the retail unit. The previous research study conducted by the author proved that retail atmosphere influences customer experience among supermarket shoppers in Saudi Arabia(S Shamsudeen 2017).

Price

By the definition of Verhoef et al (2009) the factor of price in the concept of customer experience is defined by the way customers perceive loyalty programmes and discount policies. The previous research study conducted by the author proved that an excellent service interface would impact customer experience positively (S Shamsudeen 2017). Relationship marketing tactics, such as loyalty programs, company credit cards, and e-mail promotions are becoming increasingly popular. Benefits offered to a customer for engaging in relational exchanges include price decreases, special offers, personalized attention, and customized products (Noble and Phillips 2004).

Past Experience

According to Velazquez *et al* (2010), customers with a positive experience of the product or service at a previous instant are more committed to the grocery and electronic retailer. The previous research study conducted by the author proved that past experience influences customer experience among supermarket shoppers in Saudi Arabia (S Shamsudeen 2017). Experience at the previous instant helps the customer to understand the retailer and form an opinion which impacts the current situation.

RESEARCH PROCESS

Primary data were obtained from retail customers who visited the chosen retail store by means of administering the structured questionnaire. The survey questionnaire consists of two parts: part-A and part-B. Part-A consists of questions connected to respondent's socio-economic and demographic profile. The responses are measured using nominal scales. Part- B consists of the items for customer experience, each dimension of the determinants and the moderators. All items are measured on 5-point Likert scale (5 "strongly agree" to 1 "strongly disagree").

Testing of the preliminary questionnaire was carried out in June 2016 using convenience sample of 30 respondents. The internal consistency of the instrument was tested through reliability analysis using Cronbach's alpha. All reliability results were in the range 0.703 to 0.892 which exceeds 0.70 limit of acceptability (Table-1). The respondents who were part of the pilot study did not participate in the final survey.

The population to be considered for this study consists of all Jizan customers between the age group of 19 and 60, who have shopped in hypermarket within six month for the purpose of the study. Therefore, the population can be defined as active retail shoppers. Respondent for the study is a person who does shopping in the hypermarket chosen for the purpose of the study.

Convenience sampling, a method of non probability sampling is opted for this particular study. The respondents were approached at their home and asked to complete the questionnaire. The main survey was carried out with 350 respondents and 300 questionnaires were found to be complete after applying Outliers. Final data collection was done in the month of July and August 2016. A Household survey was conducted across Jizan. The respondents approached at their homes and were asked to complete the questionnaire. Sufficient time was given and the completed questionnaire was collected at a convenient date/time as specified by the respondent.

Data that have to be collected from the retail customers are divided into two sections – data regarding the demographic profile of the respondents and data regarding the influence of the various moderators on the determinants on customer experience.

The collected data were coded in an SPSS spreadsheet and a simple statistical analysis such as frequency distribution and percentage was carried out along with multiple regression models. SPSS-16 was used for the analysis of data. Reliability, the degree of consistency between multiple measures of a particular construct is tested using Cronbach's alpha coefficient. Large tolerance values and variance inflation factors were observed, indicating no issues with multi-collinearity (Hair *et al* 2006 & Shajahan S 2011)

Different Multivariate Statistical Techniques are Used to Test the Proposed Hypotheses

To examine the general characteristics of the customers one-way ANOVA was used. Analysis of variance is applied to test the equality of three or more sample means and thus make inferences as to whether the samples come from populations having the same mean (Shajahan S 2011).

- **Linear Regression** using the step wise method was used. Significance tests and Beta estimates were used to evaluate the magnitude and direction of the effect(s) of each of the determinants and the customer experience for the various retail formats (Shajahan S 2012).
- **Multiple regressions** were used to test the relationship between dependent and independent variables and to check for the significance of the factors and the causal paths (Shajahan S 2012).

LIMITATIONS OF THE STUDY

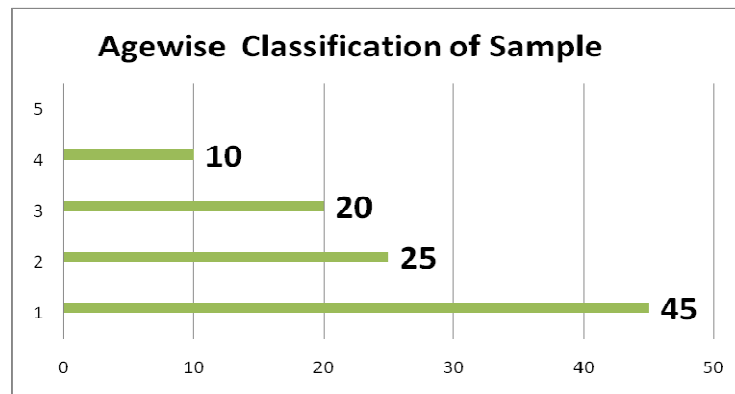
Limitation of this study is the non-probability sampling technique used to collect data from the respondents. Usage of a non-probability sample compromises the external validity of a study to a large extent. Therefore, it is advisable to repeat this study with a probability sampling technique. The period of the study was only 8 weeks and with limited resources at disposal of the researchers also considered as one of the limitations. Only Saudi nationals participated in the survey and no expats were included in the sample population.

DATA ANALYSIS AND INTERPRETATION

Following three sections describes various analyses with research implications

Demographic Profile of the Respondents

Gender wise, majority of the respondents were males (78%). A majority of the respondents were between the age group of 19-29 years (45%). Married respondents were more when compared to the other categories (65%). Nearly 55 percent of the families had more than 6 members. Majority of the families (65%) had more than two earning members showing that the disposable income has increased. In the occupation category, most of the respondents were employees in Government organizations/Ministries in Jizan (65%).

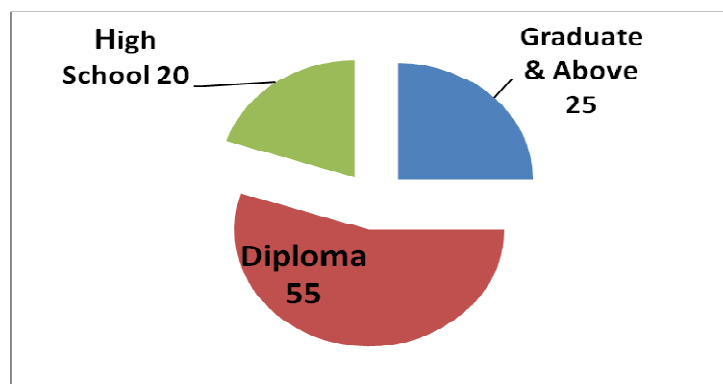


Source: Sample Survey 2016 Figures in Per Cent only

Figure 1: Classification Based on Age

Here in Y axis represent series 1 with age group between 19-29, series 2 with age group between 30-39, series 3 with age group between 40-49 and series 4 with age group 50 and above.

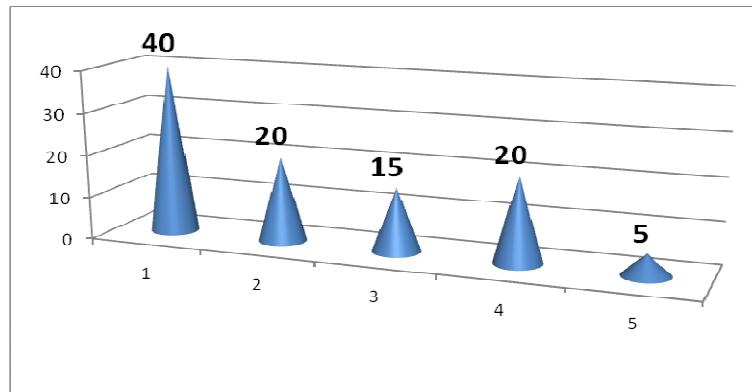
It is implied from the figure1 given above that 19-29 years old respondents (45 per cent) followed by 30-39 years old respondents (25 %) were participated in the study well as the researchers were chosen convenient sampling. They were more accessible for the purpose of the study and form the chunk of active retail customers in hypermarket for the purpose of the research.



Source: Sample Survey 2016 Figures in Per Cent only

Figure 2: Educational Level of the Sample Population

It is implied from the figure2 given above that Diploma holders dominate the sample with 55 per cent followed by Graduates and PGs (25 %). They were more accessible for the purpose of the study and also reflect the active chunk of reasonably educated retail customers of hypermarket in Jizan.



Source: Sample Survey 2016 Figures in Per Cent only

Figure 3: Monthly Income of Sample Population

Here in Y axis represent series 1 with Monthly Income up to SAR 10,000, series 2 with Monthly Income between SAR 10,001-20000, series 3 with Monthly Income between SAR 20,001-30000, series 4 with Monthly Income between SAR 30,001-40000 and series 5 with Monthly Income Above SAR 40000.

It is implied from the figure 3 given above that respondents with monthly income up to SAR 10,000 dominated the sample with 40 per cent followed by respondents with SAR 10,001-20000 and SAR 30,001-40000 (20 % each) as the researchers were chosen convenient sampling. They were more accessible for the purpose of the study and form the active shoppers in the Hypermarket for the purpose of the study. In short, Respondents were reasonably educated since majority of them were Diploma holders, graduates and above (80%). A majority of the respondents were drawing a salary upto SAR 240,000 annually (60%).

Consumer Demographics and Shopping Habits

Male and female customers predominantly visit branded retail stores, hypermarkets, malls and specialty stores. Customers mainly in the age group of 19-59 years visit these organized formats and majority of them are married. They are relatively educated and belong to the upper middle class income greater than SAR 150,000 per Year, with more earning members in a joint family setup. Customers are employed mainly in Government organization with many of them visiting hypermarket at least once a week.

Relationship between the Situational and Customer Moderators on the Determinants of Customer Experience

The regression model and its related β estimates as shown in Table 2 given below indicate that social environment, retail atmosphere, price and past experience play a major role in creating a superior customer experience among hypermarket shoppers in Saudi Arabia. (S Shamsudeen 2017).

Table 2: Predictor Effects and B Estimates for Determinants on Customer Experience

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	a	Std. Error	Beta		
Constant	0.769	0.270		2.851	0.005
Past Experience	0.178	0.054	0.211	3.316	0.001
Retail Atmosphere	0.453	0.074	0.494	6.138	0.000
Assortment	-0.004	0.080	-0.004	-0.045	0.964
Price	0.152	0.071	0.163	2.145	0.003
Service interface	0.044	0.080	0.045	0.555	0.580
Social environment	0.173	0.074	0.173	2.358	0.019

Source: S Shamsudeen 2017

The regression equation for determining customer experience of hypermarket shoppers was estimated by the author through the previous research is stated as

$$CE = 0.77 + 0.17 SE + 0.49 RA + 0.16 PR + 0.21 PE$$

Where CE is Customer Experience, SE is Social Environment, RA is Retail Atmosphere, and PR is Price and PE is Past Experience.

Hypermarkets are the dominant format of organized retailing with a number of retailers operating in the Saudi retail environment. Thus competition is tough between the different players. Focusing on customer experience can give an edge to the retailer. Social environment, retail atmosphere, price and past experience are the significant antecedents of customer experience for the hypermarket shoppers in Saudi Arabia.

It is important to be noticed in Saudi Arabia that service interface and assortments never considered important determinants in their shopping experience. This is because of Saudi Arabian law brings a lot of restriction while serving family and female customers in retail outlets by the male staff. Also assortments are more or less similar or with narrow variations in exotic fruits and vegetables across all supermarkets. This is very unique when compared to rest of the retail outlets globally.

Impact of Moderators on the Determinants

Moderator models are used to examine when an independent variable influences a dependent variable. That is, moderated models are used to identify factors that change the relationship between independent and dependent variables. General linear method was performed on customer experience, the determinants and the moderator. The moderating effects of the situation moderator namely location on the various determinants namely the social environment, retail atmosphere, assortment and past experience were studied in detail.

Location

The moderating effects of the situation moderator namely location on the various determinants namely the social environment, retail atmosphere, price and past experience are tested for hypermarket. The main and interaction effect of location and determinants on customer experience was tested

- **H1A1:** Location significantly influences customer experience in the case of hypermarkets.
- **H1A2:** Location moderates the effect of the determinants on customer experience for hypermarkets.

- **H1A2A:** Location moderates the effect of the social environment on customer experience for hypermarkets.
- **H1A2B:** Location moderates the effect of the retail atmosphere on customer experience for hypermarkets.
- **H1A2C :** Location moderates the effect of the price on customer experience for hypermarkets
- **H1A2D :** Location moderates the effect of the past experience on customer experience for hypermarkets

Table 3: Two Way ANOVA of Location and Social Environment on Customer Experience for Hypermarkets

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Location	11.137	1	11.137	31.528	0.000
Social Environment	23.974	1	23.974	67.867	0.000
Location X Social Environment	8.453	1	8.453	23.929	0.000
R square = 0.449 and Adjusted R square = 0.441					

Source: Sample Survey 2016

As hypothesized the main effect of location on customer experience ($F(3,300)=31.528, p>0.01$) was not supported. The interaction effect of location and social environment on customer experience for a hypermarket as hypothesized in H1A2B ($F(3,300) =23.929, p<0.1$) was not supported (Table 3). But it supports at 10% level of significance.

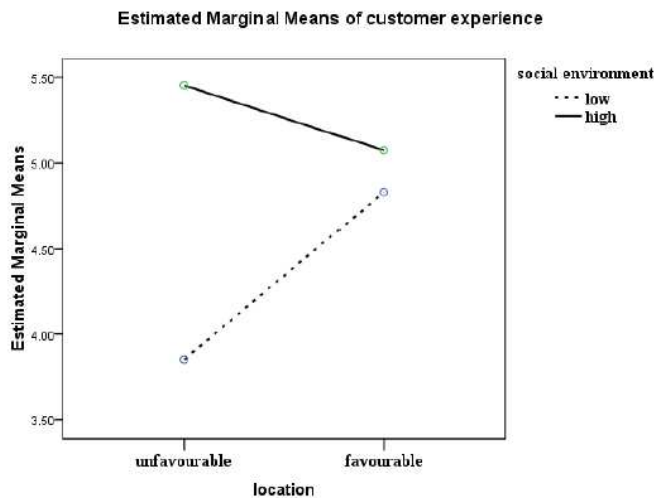


Figure 4: Interaction Effect of Location and Social Environment on Customer Experience for Hypermarkets

From the Figure 4 it can be seen that an increase in location increases customer experience when social environment is low. Whereas an increase in location, decreases customer experience when social environment is high.

In the case of hypermarket, a favourable location enhances customer experience when perception about social environment is low. This may be due to the fact that although a hypermarket is crowded or is not highly rated by the peer groups the central location and easy accessibility can significantly increase customer experience. On the contrary when location is favourable and social environment is high customer experience decreases. This may be attributed to the fact that the hypermarket is usually looked at as a place of fun and entertainment where people prefer to socialise and enjoy along

with family and friends but crowding at the malls may corrode the experience. Therefore, the retailer should organise events such as “happy shopping hours” where

Discounts are given and can help control crowds at peak times.

Table 4: Two Way ANOVA of Location and Retail Atmosphere on Customer Experience for Hypermarkets

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Location	6.274	1	6.274	23.780	0.000
Retail Atmosphere	42.585	1	42.585	161.401	0.000
Location X Retail Atmosphere	3.793	1	3.793	14.377	0.000
R square = 0.586 and Adjusted R square = 0.580					

Source: Sample Survey 2016

As hypothesized the main effect of location on customer experience ($F(3,300)=23.780$, $p>0.01$) was not supported. The interaction effect of location and retail atmosphere on customer experience for a hypermarket as hypothesized in H1A2A ($F(3,300)=14.377$, $p>0.01$) was not supported (Table 4). But it supports at 10% level of significance.



Figure 5: Interaction Effect of Location and Retail Atmosphere on Customer Experience for Hypermarkets

From the Figure 5 it can be seen that an increase in location increases customer experience when retail atmosphere is high. Similarly an increase in location, increases customer experience when retail atmosphere is low.

A favourable location of the hypermarket increases the customer experience for the various values of retail atmosphere. A pleasant retail atmosphere is one of the most important basic attributes that affects customer experience in any retail format. In the case of hypermarket it is seen that a favourable location can simply override the importance of retail atmosphere and affect customer experience. Therefore, retailers have to select effective and efficient store locations. They have to establish outlets within the main central shopping areas so that it is accessible to all consumers.

Table 5: Two Way Anova of Location and Price on Customer Experience for Hypermarkets

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Location	2.375	1	2.375	6.447	0.012
Price	19.873	1	19.873	53.954	0.000
Location X Price	0.756	1	0.756	2.053	0.154
R square = 0.411 and Adjusted R square = 0.02					

Source: Sample Survey 2016

As hypothesized the main effect of location on customer experience ($F(3,300) = 6.447, p > 0.01$) was not supported. The interaction effect of location and price on customer experience for a hypermarket as hypothesized in H1A2C ($F(3,300) = 2.053, p > 0.01$) was not supported (Table 5).

Table 6: Two Way Anova of Location and Past Experience on Customer Experience for Hypermarkets

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Location	13.183	1	13.183	38.849	0.000
Past Experience	20.480	1	20.480	60.352	0.000
Location X Past Experience	8.931	1	8.931	26.319	0.000
R square = 0.534 and Adjusted R square = 0.526					

Source: Sample Survey 2016

As hypothesized the main effect of location on past experience ($F(3,300) = 38.849, p > 0.01$) was not supported. The interaction effect of location and past experience on customer experience for a hypermarket as hypothesized in H1A2D ($F(3,300) = 26.319, p > 0.01$) was not supported (Table 6).

GOAL

The moderating effects of the goal of the customer (whether the customer is experientially oriented or task oriented) on the various determinants namely the social environment, retail atmosphere, price and past experience are tested for hypermarket. The main and interaction effect of Goal and determinants on customer experience was tested

- **H2A1:** Goal significantly influences customer experience in the case of hypermarkets.
- **H2A2:** Goal moderates the effect of the determinants on customer experience for hypermarkets.
- **H2A2A:** Goal moderates the effect of the social environment on customer experience for hypermarkets.
- **H2A2B:** Goal moderates the effect of the retail atmosphere on customer experience for hypermarkets.
- **H2A2C :** Goal moderates the effect of the price on customer experience for hypermarkets
- **H2A2D :** Goal moderates the effect of the past experience on customer experience for hypermarkets

As hypothesized the main effect of goal on customer experience ($F(3,300) = 0.690, p > 0.01$) was not supported. The interaction effect of goal and social environment on customer experience for a hypermarket as hypothesized in H2A2A ($F(3,300) = 0.421, p > 0.01$) was not supported (Table 7).

Table 7: Two Way Anova of Goal and Social Environment on Customer Experience for Hypermarkets

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Goal	0.291	1	0.291	0.690	0.407
Social Environment	36.881	1	36.881	87.443	0.000
Goal X Social Environment	0.178	1	0.178	0.421	0.517
R square = 0.342 and Adjusted R square = 0.332					

Source: Sample Survey 2016

As hypothesized the main effect of goal on customer experience ($F(3,300) = 0.173, p > 0.01$) was not supported. The interaction effect of goal and retail atmosphere on customer experience for a hypermarket as hypothesized in H2A2B ($F(3,300) = 0.560, p > 0.01$) was not supported (Table 8).

Table 8 Two Way Anova of Goal and Retail Atmosphere on Customer Experience for Hypermarkets

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Goal	0.055	1	0.055	0.173	0.108
Retail Atmosphere	55.966	1	55.966	175.814	0.000
Goal X Retail Atmosphere	0.178	1	0.178	0.560	0.455
R square = 0.500 and Adjusted R square = 0.493					

Source: Sample Survey 2016

As hypothesized the main effect of goal on customer experience ($F(3,300) = 5.494, p < 0.1$) was not supported. The interaction effect of goal and price on customer experience for a hypermarket as hypothesized in H2A2C ($F(3,300) = 4.630, p < 0.1$) was not supported (Table 9). But it supports at 10% level of significance.

Table 9 Two Way Anova of Goal and Price on Customer Experience for Hypermarkets

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Goal	2.262	1	2.262	5.494	0.020
Price	37.783	1	37.783	91.762	0.000
Goal X Price	1.906	1	1.906	4.630	0.033
R square = 0.341 and Adjusted R square = 0.332					

Source: Sample Survey 2016

From the Figure 6 below, it can be seen that increase in goal increases customer experience when price is high. On the contrary, an increase in goal, decreases customer experience when price is low. In the case of hypermarket an experientially oriented customer has enhanced customer experience when perception of price is high. On the contrary for experientially oriented customer high experience decreases when price perception is low. Experiential customers usually frequently visit hypermarket with the intention to reap loyalty discounts and benefit from the various promotional offers. When the above expectation is satisfied they have better experience.

Therefore, retailers can introduce customized loyalty programmes and display promotion offers at prominent locations to significantly increase the experience of these customers.



Figure 6: Interaction Effect of Goal and Price on Customer Experience for Hypermarkets

As hypothesized the main effect of goal on previous experience ($F(3,300) = 2.011, p > 0.01$) was not supported. The interaction effect of goal and past experience on customer experience for a hypermarket as hypothesized in H2A2D ($F(3,300) = 2.463, p > 0.01$) was not supported (Table 10).

Table 10: Two Way ANOVA of Goal and Past Experience on Customer Experience for Hypermarkets

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Goal	0.893	1	0.893	2.011	0.158
Past Experience	27.501	1	27.501	61.927	0.000
Goal X Past Experience	1.094	1	1.094	2.463	0.118
R square = 0.290 and Adjusted R square = 0.279					

Source: Sample Survey 2016

INVOLVEMENT

The moderating effects of involvement of the customer (whether the involvement of the customer is high or low) on the various determinants namely the Social environment, Retail atmosphere, Price and past experience are tested for hypermarket. The main and interaction effect of goal and determinants on customer experience was tested.

- **H3A1:** Involvement significantly influences customer experience in the case of hypermarkets.
- **H3 A2:** Involvement moderates the effect of the determinants on customer experience for hypermarkets.
- **H3A2A:** Involvement moderates the effect of the social environment on customer experience for hypermarkets.
- **H3A2B:** Involvement moderates the effect of the retail atmosphere on customer experience for hypermarkets.
- **H3A2C:** Involvement moderates the effect of the price on customer experience for hypermarkets.
- **H3A2D:** Involvement moderates the effect of the past experience on customer experience for hypermarkets.

Table 11: Two Way Anova of Involvement and Social Environment on Customer Experience for Hypermarkets

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Involvement	4.640	1	4.640	11.635	0.001
Social Environment	27.885	1	27.885	69.928	0.000
Involvement X Social Environment	3.753	1	3.753	9.411	0.002
R square = 0.378 and Adjusted R square = 0.368					

Source: Sample Survey 2016

As hypothesized the main effect of involvement on customer experience ($F(3,300) = 11.635, p > 0.01$) was not supported. The interaction effect of involvement and social environment on customer experience for a hypermarket as hypothesized in H3A2A ($F(3,300) = 9.411, p > 0.01$) was not supported (Table 11). But it supports at 10% level of significance.

From the Figure 4 given below, it can be seen that an increase in involvement decreases customer experience when social environment is high. On the contrary, an increase in involvement, increases customer experience when social environment is low. Hence retailers have to provide more information at the hypermarket and during the pre-purchase phase since high involved customer is active information seeker are not influenced much by the reference groups comprising mainly of family, friends or peers.

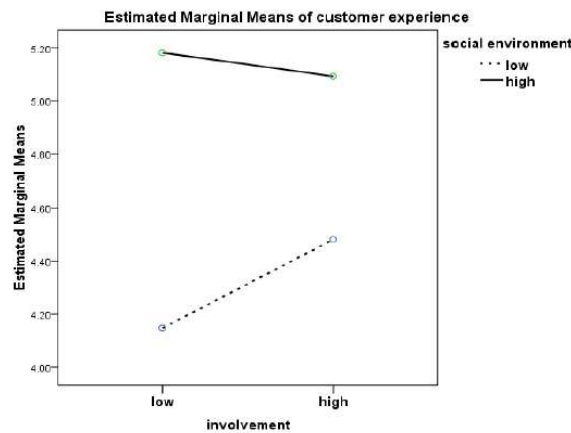


Figure 7: Interaction Effect of Involvement and Social Environment on Customer Experience for Hypermarkets

As hypothesized the main effect of involvement on customer experience ($F(3,300) = 11.687, p > 0.01$) was not supported. The interaction effect of involvement and retail atmosphere on customer experience for a hypermarket as hypothesized in H3A2B ($F(3,300) = 10.086, p > 0.01$) was not supported (Table 12). But it supports at 10% level of significance.

Table 12: Two-Way Anova of Involvement and Retail Atmosphere on Customer Experience for Hypermarket

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Involvement	3.582	1	3.582	11.687	0.001
Retail Atmosphere	49.229	1	49.229	160.627	0.000
Involvement X Retail Atmosphere	3.091	1	3.091	10.086	0.002
R square = 0.519 and Adjusted R square = 0.512					

Source: Sample Survey 2016

From the Figure 8 it can be seen that increase in involvement decreases customer experience when retail atmosphere is high. On the contrary, an increase in involvement, increases customer experience when retail atmosphere is low. Due to their high interest (highly involved customer), these consumers have already gained an overview in the pre-purchase phase and formed an opinion. Hence, they do not require a stimulating environment. They expect only the fundamental elements of the retail atmosphere to be present, for example a functional design/layout of the store that permits them to obtain the desired grocery, fruits & vegetables or electronic products in hyper market.

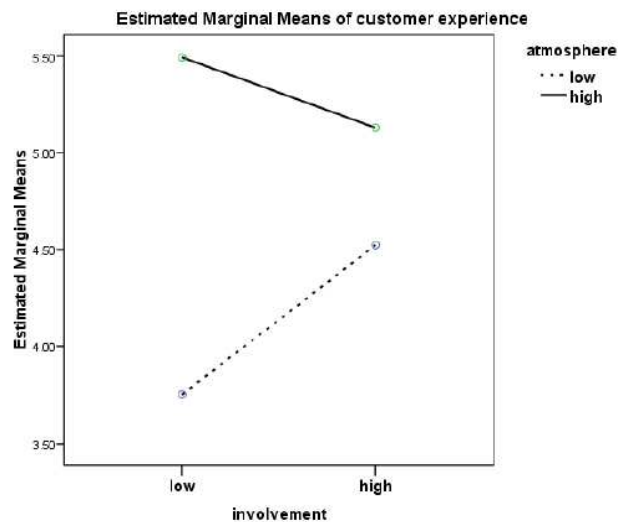


Figure 8: Interaction Effect of Involvement and Retail Atmosphere on Customer Experience for Hypermarkets

As hypothesized the main effect of involvement on customer experience ($F(3,300) = 3.306, p > 0.01$) was not supported. The interaction effect of involvement and price on customer experience for a hypermarket as hypothesized in H3A2C ($F(3,300) = 2.395, p > 0.01$) was not supported (Table 13)

Table 13: Two-Way ANOVA of Involvement and Price on Customer Experience for Hypermarket

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Involvement	1.377	1	1.377	3.306	0.071
Price	22.102	1	22.102	53.056	0.000
Involvement X Price	0.998	1	0.998	2.395	0.123
R square = 0.334 and Adjusted R square = 0.324					

Source: Sample Survey 2016

As hypothesized the main effect of involvement on past experience ($F(3,300) = 21.505, p > 0.01$) was not supported. The interaction effect of involvement and past experience on customer experience for a hypermarket as hypothesized in H3A2D ($F(3,300) = 19.686, p > 0.01$) was not supported (Table 14).

Table 14: Two Way ANOVA of Involvement and Past Experience on Customer Experience for Hypermarkets

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Involvement	8.760	1	8.760	21.505	0.000
Past Experience	31.374	1	31.374	77.025	0.000
Involvement X Past Experience	8.018	1	8.018	19.686	0.000
R square = 0.349 and Adjusted R square = 0.339					

Source: Sample Survey 2016

MAJOR FINDINGS

Creating a superior customer experience has been gaining increasing attention from the retailers. However, there has been a shortage of academic research on this topic. This research has tried to provide a complete picture of the customer experience and its determinants among hypermarket customers.

The demographic profile shows that the retail store customers of chosen retail store is relatively younger, reasonably educated, middle class with a reasonably good income at their disposal. Author’s past research on Regression analysis was utilized for selecting the most significant contributors to customer experience among hypermarket shoppers in Saudi Arabia. It was observed from the previous research that Social environment, retail atmosphere, price, and past experience are the most significant antecedents of customer experience among hypermarket shoppers in KSA.

General linear method was used to study the effects of moderator on the relationship between the determinant and customer experience. Significant interaction effect exists among location with social environment and retail atmosphere. Also significant interaction effect exists between goal and price. Finally it has been proved from the findings of the study that there exists a significant interaction among involvement with social environment and retail atmosphere. Hence hypotheses H1A2A, H1A2B, H2A2C, H3A2A, and H3A2B were supported for the purpose of the study.

IMPLICATIONS OF THE STUDY

The study will enable retailers, managers, salespersons and researchers to gain a better understanding of the factors that lead to creating a superior customer experience for the customers which in turn will create a positive business outcome in Saudi Arabian market. A complete understanding of the various moderators and determinants that are used in this study would enable the hypermarket in Saudi Arabia to create a memorable experience for the customer. The study contributes to this volume of modern literature on moderators and determinant of customer experience for hypermarket shoppers in the Middle East scenario. The managerial contribution of the study provides a base for the modern retailers who want to understand what the key drivers of customer experience in Saudi retail outlet and modify their retail strategies accordingly to provide a better experience in the hypermarkets in Saudi Arabia

SUMMARY AND RECOMMENDATIONS

The study focused only on analyzing the impact of moderators on determinants of customer experience namely social environment, retail atmosphere, Price and past experience among hypermarket shoppers in Saudi Arabia. It has been proved that favourable location of the hypermarket increases the customer experience for the various values of retail atmosphere but crowding at the malls may corrode the experience. Therefore, retailers have to select effective and efficient store locations.

Also established from the findings of the research that an increase in involvement decreases customer experience when social environment and retail atmospheres are high. Experiential customers usually frequently visit hypermarket with the intention to reap loyalty discounts and benefit from the various promotional offers. When the above expectation is satisfied they have better experience. Therefore, retailers can introduce customized loyalty programmes and display promotion offers at prominent locations to significantly increase the experience of these customers.

The study was conducted in Jizan and hence the study reflects the perceptions of the urban population. There may be variations in the perceptions of the customers belonging to other cities like Jeddah and Riyadh of KSA which are emerging as the favorable destinations for the hypermarket. In summary, customers' experiences resulting in positive emotional reactions are increasingly being seen as real and sustainable differentiators between competing retailers under study. Online retailing is a relatively new phenomenon in KSA and hence research is required to understand the determinants of e-retailing that would help the retailers to comprehend the customers and in turn would be beneficial for the organizations also.

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