UTILITARIAN SHOPPING VALUE AND HEDONIC SHOPPING VALUE INFLUENCING REPURCHASE INTENTION MEDIATED BY SATISFACTION

Mardiah Purnama, Mugiono, Ainur Rofiq

Universitas Brawijaya, Indonesia
mardiah.purnama@student.ub.ac.id

ABSTRACT

This research aims to explain and analyze the factors that influence Repurchase Intention in e-commerce in 5 big cities in Indonesia. This research is also intended to explain the Satisfaction variable that can mediate Utilitarian Shopping Value and Hedonic Shopping Value on repurchase intention. The subjects of this research are Indonesian consumers who shop online for fashion products in 5 cities, which are the cities with main source of ecommerce visitors. In this research, the Likert Scale was used as a research instrument measurement scale to determine the opinions of consumers in 5 city in Indonesia regarding the following three factors: (1) hedonic shopping value is necessary for e commerce in order to encourage users to make a repeat purchase/repurchase intent; (2) Utillitarian shopping value has a positive and significant effect on Repurchase intention; (3) Satisfactory shopping value perceived adventure journey in shopping, for example, to get value added in getting promos or discounts there can lead users to repeat purchases; and (4) Utilian shopping value can increase satisfaction; (5) satisfaction mediates the relationship between the two variables; (6) satisfaction is still able to have a significant influence on the motivation shopping value (Utiliarian and hedonitic) on epurchase intention, even though the nature of the satisfaction variable is partial mediation.

INTRODUCTION

Internet technology has driven significant changes in many aspects of human life and society as well as in shopping culture. According to Erjavec & Manfreda (2022), online shopping is a common activity found globally. Regarding this matter, Bank Indonesia has stated that e-commerce transactions in Indonesia are rapidly increasing, with total sales valued at IDR 401 trillion in 2021. This keeps on expanding at a rate of 50.8% compared to 2020, when its amount reached to IDR 266 trillion; in January 2022, it has continued to rise, and there is even a possibility of exceeding the forecast of IDR 530 trillion. Apart from that, the Directorate General of Information Applications of the Ministry of Communication and Information, Septriana Tangkary, also stated the growth in the value of electronic commerce (e-commerce) in Indonesia reached 78 percent, the highest in the world (Meiryani et al., 2022).

In 2020, in Q1 (Quartile 1), according to published data of iPrice, the largest number of e-commerce visitors in Indonesia was Shopee, with an average of 71 million visitors every month, followed by Tokopedia, Bukalapak, Lazada, and Blibli which are the top 5 based on the number of visitors. High competition in e-commerce marketplace leads companies to retain consumers with various innovations to make repurchase intention. Continuous purchasing from consumers is a crucial aspect of establishing e-commerce success (Trivedi & Yadav, 2020). This is supported by a general increase in the number of monthly web visitors to the e-commerce marketplace. Repurchase intention is a form of customer loyalty by

repeating purchases through existing platform. Consumers who repeat purchases are generally willing to spend more money, thereby generating greater profits compared to attracting new consumers (W. Chiu & Cho, 2019). Previous researchers stated that the process of acquiring new consumers and getting them to make purchases is estimated to be 5 times more expensive than retaining existing consumers (Trivedi & Yadav, 2020).

The Opinion Poll or Jakpat (2022) conducted a survey of 2,963 e-commerce shoppers from three places (Jakarta Area, Java Area, and Outside Java Area) to learn more about their online purchasing patterns from August to December 2022. It turns out that, out of all the variables, free shipping is the one that customers favor, namely 66%. Then there are lower costs (64%), special offers (59%), a simple payment procedure (56%), and a wide range of payment choices (53%). A user-friendly application (52%), a wide selection of products (49%), a simple way to search for products (47%), a detailed product description (44%), and many delivery options (42%). Considering the previously listed consideration elements, it can be concluded that this is the utility value that users experience when they shop. This is because, as per Chung et al. (2017), consumers view shopping as a journey in which they acquire the things they need. According to Babin & Attaway (2000), the values that motivate people to shop are divided into two, to which are Utilitarian shopping values and Hedonic shopping value. Utilitarian value is a value that is seen in terms of cognitive, instrumental, task-related, rational, functional benefits, and a meaning for the final goal. Hedonic values are different from utilitarian values which prioritize pleasure over benefits. This is in accordance with the definition, namely as a reflection of entertainment and benefits emotions from non-instrumental, experiential, and affective shopping (Sánchez-Fernández & Iniesta-Bonillo, 2007).

This research aims to explain and analyze the factors that influence Repurchase Intention in e-commerce in 5 big cities in Indonesia. This research is also intended to explain and analyze the Satisfaction variable that can mediate Utilitarian Shopping Value and Hedonic Shopping Value on Repurchase Intention.

METHOD RESEARCH

This research uses 18 variable measurement indicators consisting of 43 question items. Of this number, there are 43 items each multiplied by a minimum of 5 (43 x 5 = 215), namely a minimum of 215 respondents and a maximum of 10 (43 × 10 = 430), then the maximum number of samples used is 430 respondents who are e-commerce users. in 5 big cities in Indonesia. For residents of these cities (DKI Jakarta, Surabaya, Bandung, Medan, Makassar) who have dealt with Indonesian e-commerce in the past. The data collection period will be carried out during June - July 2023. The subjects of this research are Indonesian e-commerce consumers in 5 big cities, which are the cities with main source of e-commerce visitors. The population in this study is unlimited, namely, a population whose exact number is unknown because it has no limits quantitatively. The type of sampling used in this research is non-probability sampling. The sampling technique used in this research is purposive sampling technique.

In this study, researchers used the Likert Scale as a research instrument measurement scale to determine the opinions of e-commerce marketplace users in 5 big cities in Indonesia regarding Utilitarian Shopping Value, Hedonic Shopping Value, Satisfaction, and Repurchase Intention. The Likert scale will consist of statements that express an attitude of agreement or disagreement towards the object to be studied (Blumberg et al., 2014). The Likert scale used in this research is a 5 point Likert Scale.

RESULT AND DISCUSSION
Validity and Reliability Analysis

The results of the questionnaire distributed to e-commerce users are explained in Table 1. The data shows that an average of 51.1% of respondents' ages ranged from 26-35 years, 46.7% had the status of private/BUMN employees, 35.7% lived in DKI Jakarta, and the female:male ratio is 65.8% : 34.2%.

Table 1. Statistical description of respondent characteristics

Criteria	Classification	Amount (Number)	Percentage (%)
Gender	Man	93	34.2
	Woman	179	65.8
Age	17 - 25 years old	97	35.7
	26 - 35 years old	139	51.1
	36 - 45 years old	32	11.8
	46-55 years old	3	1.1
	>56 years	1	0.4
Domicile	DKI Jakarta	97	35.7
	Bandung	60	22.1
	Surabaya	56	20.6
	Medan	31	11.4
	Makassar	28	10.3
Education Final	High School/Equivalent	82	30.1
	S1/D3/D4/Bachelor/Diploma	159	58.5
	S2/Magister/Master	30	11.0
	S3/Doctor	1	0.4
Work	Self-employed	33	12.1
	Private/BUMN Employees	127	46.7
	Government employees	43	15.8
	Student/Students	54	19.9
	Housewife/Father	14	5.1
	Other	1	0.4
Income Level	<Rp 1,000,000	11	4.0
	IDR 1,000,001- IDR 3,000,000	53	19.5
	IDR 3,000,001- IDR 5,000,000	96	35.3
	IDR 5,000,001- IDR 7,500,000	41	15.1
	IDR 7,500,001- IDR 10,000,000	30	11.0
	IDR 10,000,001- IDR 15,000,000	20	7.4
	>Rp 15,000,000	21	7.7
Purchase Frequency	2 times	43	15.8
	3-5 times	106	39.0
	6-8 times	56	20.6
	9-11 times	36	13.2
	12-15 times	14	5.1
	>15 times	17	6.3
The most frequently used e-commerce	Tokopedia	45	16.5
	Shopee	172	63.2

Bukalapak	6	2.2
Lazada	24	8.8
Blibli	2	0.7
TikTok Shop	6	2,2
Zalora	15	5.5
Berrybenka	2	0.7

Validity and Reliability

Reliability tests were carried out to test the internal consistency of the data. Researchers in general use the Cronbach Alpha coefficient to determine the value. Cronbach Alpha coefficient must be above or 0.7 to achieve internal consistency or reliable values. Values above 0.7 are considered acceptable, while lower values indicate poor values. Based on the results in Table 2, Cronbach's Alpha shows utilitarian and hedonic shopping value indicators, illustrating satisfaction with repeat purchases in e-commerce is greater than 0.70. This value indicates that the variable indicators used are valid.

Evaluation of the measurement model from Average Variance Extracted is by comparing the root value of AVE with the correlation between constructs. If the AVE value is higher than the correlation value between constructs, then good discriminant validity is achieved. In addition, an AVE value greater than 0.5 is highly recommended. The AVE value of all constructs is greater than 0.5, so it can be concluded that the evaluation measurement model has good discriminant validity. Apart from construct validity testing, construct reliability testing was also carried out which was measured using criteria tests, which are Composite Reliability and Cronbach's alpha of the indicators that measure the construct. A construct is declared reliable if the Composite Reliability and Cronbach's alpha values are above 0.70. Therefore, it can be concluded that this construct has good reliability.

Table 2. Validity and Reliability

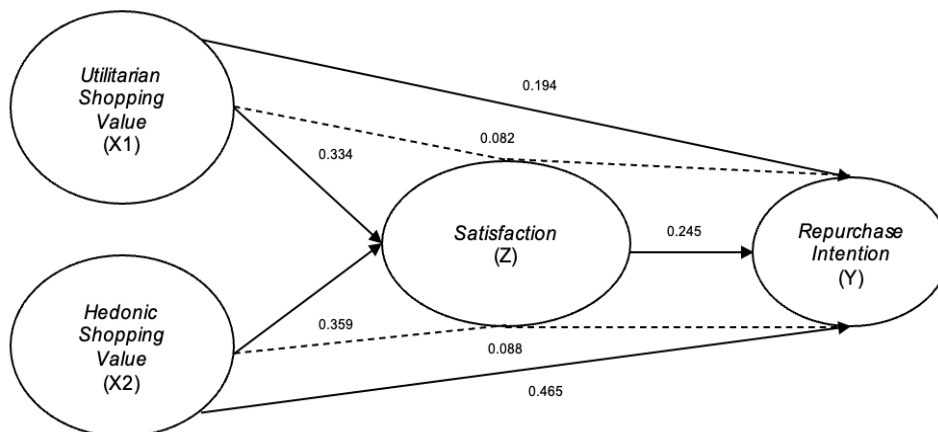|	Cronbach's Alpha	Composite Reliability	AVE
X1	0.933	0.922	0.515
X2	0.837	0.741	0.605
Y	0.965	0.961	0.546
Z	0.857	0.793	0.563

Hypothesis Testing Results

Figure 1. Conceptual Framework

Table 3. Direct & Indirect Effect Test Results

H	Influence	Original Sample	T-Statistics	P Values	Information
H1	Utilitarian Shopping Value -> Repurchase Intention	0.194	3.536	0.000	Positive and Significant
H2	Hedonic Shopping Value -> Repurchase Intention	0.465	7.337	0.000	Positive and Significant
H3	Utilitarian Shopping Value -> Satisfaction	0.334	6.285	0.000	Positive and Significant
H4	Hedonic Shopping Value -> Satisfaction	0.359	6.938	0.000	Positive and Significant
H5	Satisfaction -> Repurchase Intention	0.245	3.637	0.000	Positive and Significant
H6	Utilitarian Shopping Value -> Satisfaction -> Repurchase Intention	0.082	3.148	0.002	Positive and Significant
H7	Hedonic Shopping Value -> Satisfaction -> Repurchase Intention	0.088	3.269	0.001	Positive and Significant

Hypothesis 1. Utilitarian Shopping Value influence on Repurchase Intention

The t-statistics value of the influence of Utilitarian Shopping Value on Repurchase Intention is 3,348 > 1.960 (t-table) and the p-value is 0.001 < 0.05. These results indicate that Utilitarian Shopping Value has a significant effect on Repurchase Intention so that hypothesis 1 is accepted.

Hypothesis 2. Hedonic Shopping Value influence on Repurchase Intention

The t-statistics value of the influence of Hedonic Shopping Value on Repurchase Intention is 7,937 > 1.960 (t-table) and the p-value is 0.000 < 0.05. These results indicate that Hedonic Shopping Value has a significant effect on Repurchase Intention so that hypothesis 2 is accepted.

Hypothesis 3. Utilitarian Shopping Value influence on Satisfaction

The t-statistics value of the influence of Utilitarian Shopping Value on Repurchase Intention is 6,176 > 1.960 (t-table) and the p-value is 0.000 < 0.05. These results indicate that Utilitarian Shopping Value has a significant effect on Satisfaction so hypothesis 3 is accepted.

Hypothesis 4. Hedonic Shopping Value influence on Satisfaction

The t-statistics value of the influence of Hedonic Shopping Value on Satisfaction is 7,001 > 1.960 (t-table) and the p-value is 0.000 < 0.05. These results indicate that Hedonic Shopping Value has a significant effect on Satisfaction so that hypothesis 4 is accepted.

Hypothesis 5. Satisfaction Influence on Repurchase Intention

The t-statistics value of the influence of Satisfaction on Repurchase Intention is 3,721 > 1.960 (t-table) and the p-value is 0.000 < 0.05. These results indicate that Satisfaction has a significant effect on Repurchase Intention so that hypothesis 5 is accepted.

Mediation Effect Test Results
Hypothesis 6. Satisfaction can mediate the relationship between Utilitarian Shopping Value and Repurchase Intention

The t-statistics value of the influence of Satisfaction on Repurchase Intention is 3,149 > 1.960 (t-table) and the p-value is 0.002 < 0.05. These results indicate that Satisfaction is able to significantly mediate Utilitarian Shopping Value on Repurchase Intention so that hypothesis 6 is accepted.

Hypothesis 7. Satisfaction can mediate the relationship between Hedonic Shopping Value to Repurchase Intention

The t-statistics value of the influence of Satisfaction on Repurchase Intention is 3,363 > 1.960 (t-table) and the p-value is 0.001 < 0.05. These results indicate that Satisfaction is able to significantly mediate Hedonic Shopping Value on Repurchase Intention so that hypothesis 7 is accepted.
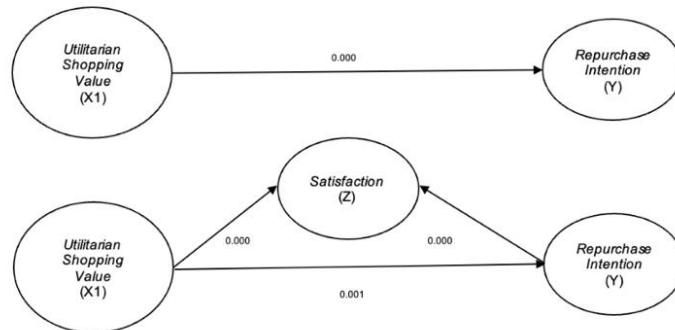
Figure 2. PLS Test Results for Mediation of the Satisfaction Variable on the Utilitarian Shopping Value Variable on Repurchase Intention

It can be seen that the P-Value Utilitarian Shopping Value for Repurchase Intention is 0.000. Then, after including the mediating variable Satisfaction, the P-Value decreased but remained significant with a value of 0.001. Therefore, it can be concluded that the form of mediation is Partial Mediation.
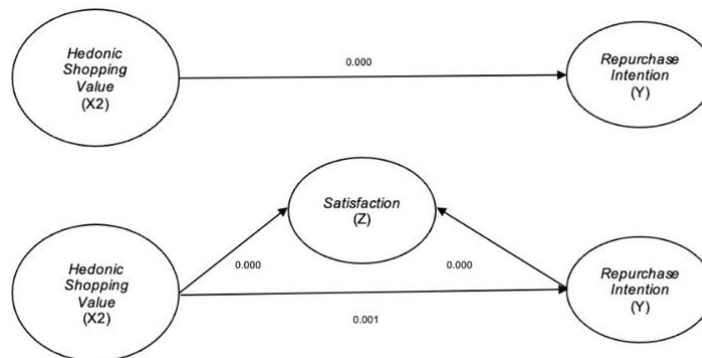
Figure 3. PLS Test Results Mediation of Satisfaction Variable on Hedonic Shopping Value Variable on Repurchase Intention

It can be seen that the P-Value Hedonic Shopping Value for Repurchase Intention is 0.000. Then, after including the mediating variable Satisfaction, the P-Value value remains

significant with a value of 0.000. Therefore, it can be concluded that the form of mediation is Partial Mediation.

Hypothesis 1. Utilitarian Shopping Value influential and significant towards Repurchase Intention

The research results show that Utilitarian Shopping Value has a positive and significant effect on Repurchase Intention. E-commerce has provided functional access according to the needs of society and still has the quality of the functional access provided by each e-commerce in Indonesia. Almost all e-commerce offers various products and fashion brands, not forgetting the complete information provided, providing competitive prices compared to offline stores and of course convenience in terms of flexibility that can be accessed at any time by users. Users consider that utilitarian needs/values also have an important role in influencing repeat purchases from e-commerce.

The hypothesis's outcomes are consistent with studies conducted by Kim et al. (2012), Chiu et al. (2014), and Akel & Armağan (2021), which indicate that consumers' perceptions of utilitarian value can impact their decision to make recurrent purchases through e-commerce.

Hypothesis 2. Hedonic Shopping Value positive and significant effect on Repurchase Intention

The research findings indicate that hedonic shopping value has a major impact on repurchase intention. These findings suggest that hedonic value is necessary for e-commerce in order to encourage user repeat purchases. From the average value of respondents with the highest mean value is the value indicator in the form of promos, discounts, and hunting for promo/discount items provided by e-commerce. It can be interpreted that this hedonic value is also created because there are discounted fashion items, which influences a user's impulsivity so that repeat purchases occur. It is proven by the frequency of purchases made by users in this research in Chapter 4, that as many as 39% of e-commerce purchases fashion products 3-5 times within just 6 months. This hypothesis result is also supported by previous researches Kim et al. (2012); Chiu et al. (2014), and Akel & Armağan (2021) who stated that there is a significant influence on the hedonic value of repeat purchases among e-commerce users.

Hypotheses 3 and 4. Utilitarian Shopping Value and Hedonic Shopping Value positive and significant effect on Satisfaction

The results of hypothesis 3 show positive and significant results states that this utilitarian value has an influence on user satisfaction e-commerce. Satisfaction in this case is of course a response to an evaluation process given by the user when making a purchase(Babin & Attaway, 2000; Kesari & Atulkar, 2016). With the need or utilitarian value from this research, it can be said that users feel utility and value in online shopping of fashion products because you get access a large selection of fashion products on e-commerce as the highest average value to offer flexible comfort that can shop anytime.

Several studies state that the influence of hedonic shopping value on satisfaction is greater than utilitarian shopping value because hedonic shoppers consider shopping to be an activity that can relieve tension, negative emotions, create emotional bonds and enjoy the shopping process (Rintamäki et al., 2006). Hedonic shoppers experience stronger feelings of pleasure and higher arousal creating trust in customers who they share with their environment (Kesari & Atulkar, 2016). Jones et al. (2006) explained that satisfaction is more likely to be influenced by hedonic aspects than utilitarian aspects of shopping. Hedonic Shopping Value in this study also had positive and significant results on Satisfaction. In this research, it is also

stated that the influence of hedonic shopping value on satisfaction is greater than utilitarian shopping value as seen in the t-statistics value which is the significance level of the hedonic shopping value variable of 7.001 which is higher than the utilitarian shopping value variable of 6.176.

The results of this hypothesis are alsoaligned with research by Ryu et al. (2010) and Kesari & Atulkar (2016) who state that utilitarian values are able to have an influence on satisfaction of e-commerce users.

Hypothesis 5. Satisfaction positive and significant effect on Repurchase Intention

Hypothesis 5 has positive and significant results, which Satisfaction has a positive and significant influence on Repurchase Intention. This too is aligned with research by Lee & Lin (2005) which states that a user's satisfaction should influence the tendency to do so make repeat purchases. In this study, e-commerce users who shop online for fashion products expressed satisfaction due to several factors, one of which has the highest average value is because e-commerce has additional services that create a shopping journey increasingly perfect, such as delivery and return of fashion products provided by almost all e-commerce.

Apart from that, the results of this research are also linear with the results of research by Khalifa & Liu (2007) which found that consumers who feel satisfied will try to buy the product again.

Hypotheses 6 and 7. Satisfaction mediate the relationship between Utilitarian Shopping Value and Hedonic Shopping Value on Repurchase Intention

The results of this research show that hypotheses 6 and 7 are also accepted, which means Satisfaction can mediate the relationship between Utilitarian & Hedonic Shopping variables Value. These results suggest that utilitarian and hedonic variable factors can be influenced by satisfaction first before making a repeat purchase/repurchase intention, in other words, if e-commerce users have felt the shopping value from both utilitarian and hedonic, users should also feel satisfaction before making a repurchase intention e-commerce for fashion products.

The results of this research are in line with research conducted by Nejati and Monghaddam (2013) that utilitarian shopping value and hedonic shopping value has a significant effect on consumer behavioral intentions

As previously explained in the mediation test, it is said that the satisfaction variable is partial mediation, which means that there is a direct influence between independent variables, namely utilitarian shopping value and hedonic shopping value. It can also directly influence repurchase intention, with test results making satisfaction as a mediator also continues to produce significant results between variables.

Several efforts have been made by a number of e-commerce companies in Indonesia to increase customer satisfaction and repeat purchases among other things like collaborate work with leading fashion brands to sell their products, offers free shipping services to certain areas with terms and conditions, offers payment using a special installment method for credit card users and offer cash on delivery payment methods (COD, Cash on Delivery) so that consumers can pay when the consumer receives the goods.

CONCLUSION

Based on the results of the analysis and discussion above, several results were obtained with the following conclusion: Utilitarian shopping value is able to increase repurchase intention, Hedonic shopping value can increase repurchase intention. With The most influential level of significance, hedonic shopping value perceived adventure journey in shopping, for example to get value added in getting promos or discounts there can lead users

to repeat purchases, Utilitarian shopping value and hedonic shopping value can increase satisfaction and satisfaction can mediate between Utilitarian shopping value and hedonic shopping value on repurchase intention. Even though the nature of the satisfaction variable is partial mediation, however, the results in this research, shows that satisfaction is still able to have a significant influence on motivation shopping value (Utilitarian and Hedonic) on repurchase intention.

REFERENCES

Akel, G., & Armağan, E. (2021). Hedonic and utilitarian benefits as determinants of the application continuance intention in location-based applications: the mediating role of satisfaction. *Multimedia Tools and Applications*, *80*(5). https://doi.org/10.1007/s11042-020-10094-2

Babin, B. J., & Attaway, J. S. (2000). Atmospheric affect as a tool for creating value and gaining share of customer. *Journal of Business Research*, *49*(2). https://doi.org/10.1016/S0148-2963(99)00011-9

Blumberg, B., Cooper, D., & Schindler, P. (2014). *EBOOK: Business Research Methods*. McGraw Hill.

Chiu, C. M., Wang, E. T. G., Fang, Y. H., & Huang, H. Y. (2014). Understanding customers' repeat purchase intentions in B2C e-commerce: The roles of utilitarian value, hedonic value and perceived risk. *Information Systems Journal*, *24*(1). https://doi.org/10.1111/j.1365-2575.2012.00407.x

Chiu, W., & Cho, H. (2019). E-commerce brand: The effect of perceived brand leadership on consumers' satisfaction and repurchase intention on e-commerce websites. *Asia Pacific Journal of Marketing and Logistics*, *33*(6). https://doi.org/10.1108/APJML-10-2018-0403

Chung, N., Song, H. G., & Lee, H. (2017). Consumers' impulsive buying behavior of restaurant products in social commerce. *International Journal of Contemporary Hospitality Management*, *29*(2). https://doi.org/10.1108/IJCHM-10-2015-0608

Erjavec, J., & Manfreda, A. (2022). Online shopping adoption during COVID-19 and social isolation: Extending the UTAUT model with herd behavior. *Journal of Retailing and Consumer Services*, *65*. https://doi.org/10.1016/j.jretconser.2021.102867

Jakpat Special Report. (2022). *Indonesia E-commerce Trends of 2022*. Jakpat Special Report.

Jones, M. A., Reynolds, K. E., & Arnold, M. J. (2006). Hedonic and utilitarian shopping value: Investigating differential effects on retail outcomes. *Journal of Business Research*, *59*(9). https://doi.org/10.1016/j.jbusres.2006.03.006

Kesari, B., & Atulkar, S. (2016). Satisfaction of mall shoppers: A study on perceived utilitarian and hedonic shopping values. *Journal of Retailing and Consumer Services*, *31*. https://doi.org/10.1016/j.jretconser.2016.03.005

Khalifa, M., & Liu, V. (2007). Online consumer retention: Contingent effects of online shopping habit and online shopping experience. *European Journal of Information Systems*, *16*(6). https://doi.org/10.1057/palgrave.ejis.3000711

Kim, C., Galliers, R. D., Shin, N., Ryoo, J. H., & Kim, J. (2012). Factors influencing Internet shopping value and customer repurchase intention. *Electronic Commerce Research and Applications*, *11*(4). https://doi.org/10.1016/j.elerap.2012.04.002

Lee, G. G., & Lin, H. F. (2005). Customer perceptions of e-service quality in online shopping. *International Journal of Retail and Distribution Management*, *33*(2). https://doi.org/10.1108/09590550510581485

Meiryani, M., Suganda, Y. M., Lindawati, A., Lusianah, L., Kaban, S. E. B., & Thomas, G. N. (2022). Analysis of Compliance Taxpayers of Micro Small and Medium Enterprises

of E-Commerce User. *ACM International Conference Proceeding Series*. https://doi.org/10.1145/3556089.3556191

Nejati, M., & Moghaddam, P. P. (2013). The effect of hedonic and utilitarian values on satisfaction and behavioural intentions for dining in fast-casual restaurants in Iran. *British Food Journal*, *115*(11). https://doi.org/10.1108/BFJ-10-2011-0257

Rintamäki, T., Kanto, A., Kuusela, H., & Spence, M. T. (2006). Decomposing the value of department store shopping into utilitarian, hedonic and social dimensions: Evidence from Finland. *International Journal of Retail & Distribution Management*, *34*(1). https://doi.org/10.1108/09590550610642792

Ryu, K., Han, H., & Jang, S. S. (2010). Relationships among hedonic and utilitarian values, satisfaction and behavioral intentions in the fast-casual restaurant industry. *International Journal of Contemporary Hospitality Management*, *22*(3). https://doi.org/10.1108/09596111011035981

Sánchez-Fernández, R., & Iniesta-Bonillo, M. Á. (2007). The concept of perceived value: A systematic review of the research. *Marketing Theory*, *7*(4). https://doi.org/10.1177/1470593107083165

Trivedi, S. K., & Yadav, M. (2020). Repurchase intentions in Y generation: mediation of trust and e-satisfaction. *Marketing Intelligence and Planning*, *38*(4). https://doi.org/10.1108/MIP-02-2019-0072