Expectancy Disconfirmation Theory on Millennials Consumer Behaviour in Retail Store

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Abstract. Millennial is a potential generation for industry, yet they are quite challenging because of their critical attitude and low brand loyalty. Recently, retail stores have noticed the consumers' shopping journey, especially the millennial generation who pay attention to the process of their shopping journey. As a low-involvement product, this type of product is more often sought by consumers in retail stores, hence consumers more often experience the low-involvement product shopping journey compared to the high-involvement products. However, there is little literature that describes millennial consumer behaviour in low-involvement products. This study aims to analyse how millennial behaviour in the searching process and confirmation of search behaviour can affect consumer output and satisfaction during the shopping trips. This research is a cross sectional study by conducting multiple regression in hypothesis analysis. The regression results indicate that the theory of disconfirmation expectations is statistically proven to occur in searching process for low-involvement products. This study found that there is an effect of disconfirmation that felt by respondents on the output of their shopping experience.

Keywords: 1 Retail Search · 2 Search Disconfirmation · 3 Consumer Searching Behaviour · 4 Millennial Generation · 5 Millennial Searching Behaviour.

1. INTRODUCTION

As a developing country, Indonesia has a bonus demography, especially in millennial generation. Millennial is a generation born from 1980 to 2000 (Smith & Nichols, 2015). According to the Indonesian Central Bureau of Statistics, millennials currently make up more than 50 percent of the productive age population (those aged 16-64) (Nugroho, World Finance: Infrastructure, 2019). This age can be very potential for company performance because millennials have entered the workforce and have income for their selves or their small families. Thus, they already have purchasing power. However, the millennial age group becomes difficult to satisfy their needs and they become a challenge for the company to fulfill their expectation and provide them a pleasant experience.

Low-involvement products are products that are based on consumers' perceptions that they don't need a lot of information to decide to buy the product (Tanner & Raymond, 2011). The level of decision making depends on the level of involvement of consumer involvement, not the product. However, there are several products included in the category of low-involvement for all consumers, such as products that are close to everyday life where consumers often buy these products (Ahmed, Ahmad, Umar, Bukhari, & Ijaz, 2009), such as grocery products, cosmetics, personal care, and many more. As a product that is often purchased, consumers have repeated experience in making decisions to buy this type of product. When consumers have made a repeat decision-making process, they are highly familiar with a brand or an advertisement, thus they may not pay much attention to a message for it because they do not believe that any additional
effort will increase their knowledge. This process is called automaticity (Solomon, 2017). However, only few studies explore expectation disconfirmation theory (EDT) in the searching process of low-involvement product (Gillison & Reynolds, 2018). Hence, the purpose of this research is to investigate expectation disconfirmation theory in the search process for low involvement of millennial consumer products. The construct of research is built on previous studies, but writers add search expectations to complete EDT in this research.

2. THEORETICAL BACKGROUND AND HYPOTHESES DEVELOPMENT

EDT describes an individual’s reactions following an event, such as a shopping experience or using a product. According to expectancy disconfirmation model, satisfaction indicates to an affective state representing an emotional reaction to a product or service (Qazi, Tamjidyamcholo, Raj, Hardaker, & Standing, 2017). EDT is based on three intimate relationships, namely the direct effect of perceived performance on customer satisfaction and how the influence of expectations on perceived performance will ultimately lead to disconfirmations and satisfaction (Gillison & Reynolds, 2018).

Expectations are used to measure satisfaction that can be filled or unfilled, as explained by perceived performance, and can be assessed by sentiment words that are divided into each type of review (Qazi, Tamjidyamcholo, Raj, Hardaker, & Standing, 2017). Consumer expectations are built on their previous experiences and opinions of others (Gillison & Reynolds, 2018). A study shows that higher expectations tend to produce higher performance and lower expectations tend to produce lower performance (Qazi, et al., 2017).

H1: Search expectation will positively affect search effort.

A study found that the higher the expectations the less chance of positive disconfirmation occurs but the greater likelihood of negative disconfirmation (Grimmelikhuijsen & Porumbescu, 2017). This happens because high expectations will be very difficult to fulfill even though the effort given is also high so that the possibility of negative discounting becomes greater (Qazi, Tamjidyamcholo, Raj, Hardaker, & Standing, 2017). However, when expectations are lower, it is likely that positive disconfirmation will be felt by consumers (Grimmelikhuijsen & Porumbescu, 2017).

H2: Search expectation will positively affect search disconfirmation.

The study conducted by Gillison & Reynolds (2018) explained that the search process carried out by consumers has the potential to slow down or end consumer travel so they don't buy products or services. This is in line with other study that states performance is the main role in forming perceptions of customer satisfaction because performance is the main feature of services provided to consumers who can create consumption experiences (Halstead, Hartman, & Schmidt, 1994). Another study explained that the lower effort will increase the chances of positive disconfirmation (Grimmelikhuijsen & Porumbescu, 2017).

H3: Search effort will positively affect search disconfirmation.

Satisfaction in shopping trips generally can be reduced because the level of pleasure that consumers feel may be lower than what usually happens when they shop (Gillison & Reynolds, 2018). Qazi, et al. (2017) suggested that in the shopping process there is a possibility that
consumers feel disconfirmation because their expectations are not fulfilled from performance and give rise to a feeling of negative disconfirmation that leads to dissatisfaction. However, when consumers feel that events are better than their expectations, positive disconfirmation arises and the level of satisfaction that perceived by consumers will increased (Oliver, 1980; Oliver, 1981).

H4: Search disconfirmation will positively affect satisfaction

If consumers cannot find the desired product when shopping, they will have a negative influence and lead to feelings of regret due to failed searches (D’Astous, 2000). There are two aspects of post-purchase dissatisfaction, namely concerns after dissonance of purchase and regret after purchase (Clarke & Mortimer, 2013). When making decisions, individuals prefer to avoid negative emotions such as regret and prefer positive emotions such as excitement (Liao, Hong-Nan, Luo, & Chea, 2017). Some previous studies have shown that the higher the search efforts made by consumers, the greater the feeling of regret that consumers might arise and the greater the likelihood of feeling regret in the experience of their search (Keaveney, 2007; Reynolds, 2006). Gillson & Reynolds's study explained that if consumers do a search process that is greater than their expectations, consumers will compare searches made with other alternative choices that are considered more positive so that regrets over searches occur.

H5: Search disconfirmation will positively affect search regret.

Consumers with a high hedonic value will see retail stores as a form of entertainment and they tend to like the shopping process because of the pleasure and pleasure they get (Deb, 2012 in Atulkar & Kesari, 2017). Consumers with high hedonic values will be satisfied with the theme environment, events and contests, food court, game zone, music, aroma, sitting room, and overall store atmosphere that makes shopping experience more entertaining (Chandon, Wansibk, & Laurent, 2000; Deb, 2012). Hedonic shopping value is related to emotional and sensory benefits that consumers feel when shopping and studies have proven that hedonic shopping value will increase because of purchases made by consumers (Jones et al., 2006 in Gillison & Reynolds, 2018).

H6: Search disconfirmation will positively affect hedonic shopping value.

Utilitarian shopping values relate to what consumers get in search effort efficiently to find products that they are and are influenced by satisfaction and positive emotions (Gillison & Reynolds, 2018). Utilitarian shopping values influence re-patronage intentions and loyalty or customer loyalty (Atulkar & Kesari, 2017). Utilitarian shopping value will increase along with the search efforts perceived by consumers efficiently and they can find the desired product, so that it appears ‘feeling accomplished’, which leads to positive disconfirmation (Gillison & Reynolds, 2018). Consumers feel the value of utility is greater when they are satisfied after getting branded products at discount prices by shopping without effort (Babin, Lee, Kim, & Griffin, 2005).

H7: Search disconfirmation will positively affect utilitarian shopping value.

Choice confident reflects how consumers feel when they decide to buy a product (Gillison & Reynolds, 2018). When consumers are faced with too many choices or consumers experience choice overload, they will experience a decrease in the level of choice confident (Wang & Shukla, 2013). Gillison & Reynolds (2018) suggested that when search businesses continue to grow,
consumers will experience a decrease in choice trust when they evaluate negative search efforts. This happens because the increased search effort triggers negative disconfirmation and decreases choice trust.

H8: Search disconfirmation will positively affect choice confidence.

Word-of-mouth (WOM) is a way of exchanging opinions about various goods and services offered in the market (Goyette, Ricard, Bergeron, & Marticotte, 2010). The role of WOM has been shown to have an influence on the diffusion and sale of a product (Berger & Schwartz, 2011). The level of satisfaction, service quality, loyalty, trust, commitment, and product value can influence WOM activities among consumers (De Matos & Rossi, 2008). Consumers who make a search effort and fail or cannot find the product they are looking for will experience disconfirmation and encourage them to share negative news about the retail store they are visiting (Gillison & Reynolds, 2018).

In order for consumers to evaluate an outcome, they compare the initial standards they set from their expectations that are used to measure the actual events that are felt (Jack & Powers, 2013). Evaluations carried out will form consumer valuations which result in convergence of expectations. In addition, previous studies explained that service delivery and the process of dealing with service failure affect consumers' desire to share positive (or negative) news about related stores (Esbjerg, et al., 2012). The negative service experience that consumers feel about the product search process will be compared to their expectations, allowing for the emergence of negative disconfirmations that will encourage consumers to share negative news about the stores they visit.

H9: Search disconfirmation will positively affect word-of-mouth intention.

A model of the proposed hypotheses can be found in Figure 1.

Figure 1. Model of Research

3. RESEARCH METHOD

To test the proposed hypotheses, a survey methodology is used. Writer used convenience sampling to collect respondent because this research uses three preliminary question, such as respondents must be between 18-38 years old, respondent has been visited a retail store, search a
product and buy that product for the past 6 months. A total of 246 usable responses were attained using online survey. The sample is 72.4 per cent female and the average age of respondents is 22.8 years old. Example products that respondents reported searching for include personal care, groceries, and household products.

Since the measure for all variables in this study is drawn from existing literature, a confirmatory factor analysis (CFA) was performed using AMOS 22. Validity test using indicator loading factor and reliability test using composite reliability indicator (CR) and average variable extracted (AVE). Overall the research variables are valid and reliable because the factor loading value is greater than 0.5 (Hair, Jr., Babin, & Anderson, 2009), the CR value is greater than 0.7 and the AVE value is greater than 0.5 (Malhotra, 2010). In the confirmatory factor analysis, the model conformity test was carried out by considering four different conformity indices, namely chi-squared test, root mean square error of approximation (RMSEA), goodness-of-fit statistics (GFI), and root mean square residual (RMR) (Hooper, Coughlan, & Mullen, 2008). The analysis yields good overall fit for the hypothesized nine-factor model. Although the overall x2 is significant, the x2/df = 1.865. The model shows acceptable levels of fit with root mean square error of approximation (RMSEA) = 0.059, GFI = 0.854 and RMR = 0.054 (Hooper, et al., 2008; Schreiber, Nora, Stage, Barlow, & King, 2010; Malhotra, 2010).

4. RESULTS AND DISCUSSION

Structural Equation Modelling (SEM) is used to investigate the construct of the research. The SEM analysis method is a procedure for estimating a series of dependency relationships between a series of concepts or constructs represented by several variables measured and incorporated into an integrated model (Malhotra, 2010). This concept is similar to estimating a series of multiple regression equations. The results of analysis can be found in figure 2. In figure 2 can be seen there are two types of lines, namely dotted lines and straight lines. The dotted lines indicate that there is no positive influence between the two variables. While straight lines indicate a positive influence between two variables.

In the process of shopping trips, consumers will compare with the shopping experience they usually feel. When the feelings obtained are not comparable to what usually happens, there is a possibility that consumers feel disconfirmation. This happens because their expectations are not fulfilled from performance and lead to a feeling of negative disconfirmation that leads to dissatisfaction. This is in line with the theory of low-involvement hierarchy of effects where attitude is based on the behavior learning process (Solomon, 2017), or can be seen in the following stages:

Cognition → Behavioral → Affect
Then it can be said that individuals act on a limited knowledge basis and form evaluations only after he has purchased the product. This attitude is likely to arise through behavioral learning, because of good or bad experiences to strengthen the next choice. Thus, when consumers shop for low-involvement products, it is very possible for them to compare their shopping experience at that time with the shopping experience they usually do. Consumers evaluate when they are more difficult to find the desired product than usual, negative disconfirmation arises and results in consumer dissatisfaction.

Figure 2. Analysis Result

Loomes & Sugden (1982) suggest that regret theory is regret when individuals realize alternative choices are more pleasant than the choices they actually make. The result of this study is in accordance with several previous studies, namely if individuals cannot find the desired product when shopping, it will have a negative influence and lead to feelings of regret due to failed searches (D’Astous, 2000). A study suggests that the more negative the trust in shopping and purchasing experience, the greater the experience of regret because of regret is the result of a comparison between things experienced by individuals and other things that might occur in choices not chosen by the individual (Creyer & Ross, 1999). Some previous studies have shown that the higher the search efforts made by consumers, the greater the feeling of regret that consumers might arise and the greater the likelihood of feelings of regret in the search experience they feel (Keaveney, Huber, & Herrmann, 2007; Reynolds, 2006). The results of this study are also in line with the study conducted by Gillison & Reynolds (2018), when consumers experience a product search process that is more difficult than they expect, consumers will compare the current search process with other alternative choices that are considered easier so that feelings of regret arise in the process the search they did.

Hedonic values represent emotional values (Jones, Reynolds, & Arnol, 2006) and sensory aspects that buyers receive when shopping (Babin & Darden, Good and bad Shopping vibes: spending and patronage satisfaction, 1996). The result of this study shows that search disconfirmation positively affects hedonic shopping value. Hedonic shopping value is related to the emotional and
sensory benefits consumers feel when shopping. Studies have proven that hedonic values will increase because of purchases made by consumers (Gillison & Reynolds, 2018). Consumers with high hedonic values will see retail stores as a form of entertainment and they tend to like the shopping process because of the pleasure they get (Atulkar & Kesari, 2017).

Theoretically, utilitarian shopping value will increase along with efficient search efforts that consumers feel and they can find the desired product, so that it appears ‘feeling accomplished’, which leads to positive disconfirmation (Gillison & Reynolds, 2018). However, the results of the study indicate that EDT has no relationship with respondents’ utilitarian value. A study states to increase the value of utility spending, retail stores offer variety of branded and high-quality merchandises to consumers in shopping centers (Kesari & Atulkar, 2016), so buyers will have monetary savings opportunities by choosing products comfortably (Chandon, Wansibk, & Laurent, 2000). Referring to previous studies, the utility value is not only related to the search process, but also relates to retail store attributes such as product quality and price, as well as lay-out that makes it easy for consumers to find the product they are looking for. While in the research, authors only focus on measuring the search journey perceived by consumers without including the attributes of retail stores visited by consumers.

The results of this study shows that search disconfirmation positively affect choice confident. This results are in line with the previos study. When consumers are faced with too many choices, they experience choice overload (Wang & Shukla, 2013). This condition will result in a decrease in the level of choice confident. The purchase of low-involvement products requires a short time in the process of purchasing decisions. When the situation does not allow individuals to defer their choice, they will experience difficulty with decision making and negative disconfirmation. This condition will result in greater regret and dissatisfaction with any decisions made (Saltsman, Seery, Kondrak, Lamarche, & Streamer, 2019).

In the figure 2 shows that search disconfirmation positively affect WOM intention. If consumers experience difficulties or even failures in their searching processes, they will experience negative disconfirmations. This will encourage their desire to share negative stories about the retail stores they have visited (Gillison & Reynolds, 2018). Before sharing negative news, consumers conduct an evaluation process first. In order for consumers to evaluate an outcome, they compare the initial standards of expectations that they are used to measure the actual events that consumers feel (Jack & Powers, 2013).

5. IMPLICATIONS

Based on the results of the analysis carried out in this study, this research makes several important contributions to expectancy disconfirmation theory and millennials searching behavior. For millennial generation, searching process can have a big influence on customer satisfaction when looking for products they want in retail stores because millennials appreciate shopping experience (Woo, 2018). Consumers satisfaction can be described as satisfaction with product search experience, consumers regret, and their desire to tell bad or good things about the store they visit. Hence, there are some important points that retailers can do to improve the quality of the consumer shopping experience, such as simplify the layout of the store so that consumers understand what they have to do and where they should look for when shopping for the desired product, having deft employees who can help consumers in the process of searching for the
products they do. This can put a strain on the efforts of consumers and increase the chances of positive disconfirmation arising. Retailers must consider the store's ambience to increase the desire of consumers to browse stores and encourage their level of purchases. Retailers can also do cross-merchandising, where retailers place items they sell at several locations within the store to encourage additional searches and purchases. However, this must be considered with the support of employees so that the cross-merchandising technique does not backfire for retail stores because it creates negative disconfirmations that lead to consumer dissatisfaction.

For low-involvement product companies, they must ensure the availability of goods in the store. As low-involvement products, the availability in the store will help consumers not to change brands quickly. Low-involvement product companies, can put sales people to influence the consumer purchasing process or help consumers look for the type of product they want.

6. LIMITATIONS AND FUTURE RESEARCH

At the time of conducting this research, authors found several obstacles that were felt and became the limitation of the study. This limitation might influence the results of the entire study. The process of data collection using the survey method might lead to bias because respondents had to explore their memories of shopping experiences that they had done in the past six months. In the survey method, all research variables are taken simultaneously at one time, so that the respondent's memories of their search expectations may be mixed with the memories of the business they have to spend and the actual events that have occurred. In the next study, different research methods can be applied to minimize the bias that might occur in this study. Future research can take the data of search expectation variable before respondents make shopping experience so that there is no bias due to respondents' memories mixed with real events. Another limitation is the authors only focus on the search process carried out by consumers, as well as the feelings they feel related to the search process carried out. The author does not consider the multi-store attributes that might influence the attitude of respondents to the retail stores they visit. Hence, future research can add some other variables that might be related to this research, such as store attributes, product quality and prices, and shop services in expectancy disconfirmation theory. The authors did not examine on one type of low-involvement products. So that it cannot provide an overview of consumer behavior based on the product industry, such as cosmetics, personal care, bottled beverage foods, and others. Thus, further research can also carry out further research by focusing on one type of low-involvement product so that it can be seen consumer shopping behavior on the type of product under study.

7. CONCLUSION

The application of disconfirmation expectation theory in this study can be proven by the influence of the search expectation variable on search effort, the effect of the search effort variable on search disconfirmation, and the role of the search effort variable as a mediator between the search expectation variable and search disconfirmation. Then it can be stated that in the expectancy disconfirmation theory, consumers evaluate the performance or business they do by comparing mental perceptions and expectations that they build with actual events, which are then followed by (dis) confirmation. Thus, it is important for retail entrepreneurs to pay attention to the store aspects to reduce the performance or the consumer's business to bring positive confirmation or disconfirmation. In this study it was found that along with the positive disconfirmation experienced by respondents, the better the shopping output experienced by
respondents. As in the satisfaction variable, confidence in the product purchased, the desire to spread the news about the store visited, and the hedonic value felt when shopping, will increase along with the level of satisfaction of the respondents. While the level of regret is lower if the respondents experience positive disconfirmation in their shopping experience.

REFERENCES


