Impact of perceived value on the satisfaction of supermarket customers: developing country perspective

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Abstract

**Purpose** – The purpose of this paper is to provide insight into the impact of customer perceived value and its dimensions on customer satisfaction in a developing country, and practical suggestions for marketing strategies.

**Design/methodology/approach** – A cross-sectional survey collected data from five-hundred supermarket customers in Fiji. SPSS was used to provide descriptive and inferential analysis.

**Findings** – Results reveal that customer perceived value (CPV) has a positive impact on customer satisfaction; and functional value (price/value for money) has more positive impact than social value, emotional value has a negative impact and functional value (performance/quality) has no significant impact on customer satisfaction.

**Research limitations/implications** – Considering this research was undertaken in the supermarket sector of only one country, other researchers are urged to replicate this research in Fiji and other developing countries, to yield further insight into the context-specific nature of CPV.

**Practical implications** – It is suggested that marketers note these findings (to understand better the conceptualisation and context-dependent nature of CPV, its dimensional interrelationships and its impact on customer satisfaction) in order to enhance CPV and ultimately customer satisfaction.

**Originality/value** – This study makes several contributions to research on CPV by providing insight into how developing country customers perceive the value of supermarkets from a construct and multidimensional perspective, the inter-relatedness of CPV dimensions and the impact of CPV and its dimensions on customer satisfaction.

**Keywords** Customer perceived value, Customer satisfaction, Supermarket customers, Developing countries, Fiji

**Paper type** Research paper

Introduction

The creation of superior customer perceived value (CPV) is widely recognised in marketing literature as a vital requirement for organisations to differentiate themselves from competitors (Evans and Wurster, 1997) and to generate customer satisfaction (Demirgüç, 2015). However, “historically, most companies have relied on the supremacy of their products or services to distinguish themselves from competitors” (Thielemann *et al.*, 2018, p. 26). Consequently, many companies have been investigating customer-centric approaches to discriminate themselves rather than by their products or services (Rao and Kartono, 2009). More recently, the delivery of value has become the paramount objective of businesses (Reichheld and Teal, 1996).
Also, in recent years there has been a renewal of interest by marketing researchers in understanding customers’ perceptions of value (El-Adly and Eid, 2015) and the effect of CPV on customer satisfaction (El-Adly and Eid, 2016; Nguyen et al., 2018). However, most research that examines the CPV and customer satisfaction relationship considers CPV as a unidimensional construct, concerned only with the aggregate construct (McDougall and Levesque, 2000) and the measure of overall value (Murray and Howat, 2002). Also, an aggregate measure does not allow for an understanding of the individual dimensions that comprise CPV (Patterson and Spreng, 1997), the complexity of the construct and its interrelationships (El-Adly and Eid, 2015). Therefore, this study aims to broaden the knowledge of CPV by studying CPV as both a unidimensional and multidimensional construct and investigating its influence on customer satisfaction, in the supermarket context.

Notwithstanding, specific gaps in the literature exist. First, considering the criticality of the consumer to supermarket sector growth, the consumer is often neglected from such studies. Second, a scarcity of country-wide surveys quantifying supermarket customer’s perceptions exists (D’Haese et al., 2008). Third, most prior studies of perceived value concentrate on Western societies (Sarabia-Sanchez et al., 2012). Fourth, a dearth of studies of developing countries’ supermarket sectors using the multidimensional PERVAL scale prevails. Fifth, a large number of empirical studies investigate the importance and effect of perceived value on customer satisfaction and produced mixed results (Nguyen et al., 2018). Lastly, despite the value’s importance, there has been relatively little empirical research to develop an in-depth understanding of the concept (Sweeney and Soutar, 2001). Due to the multidimensional nature of the value concept, it is crucial to understand the factors that are salient in developing value for customers. This is important for businesses to understand as a customer’s perception of value is a precursor to customer satisfaction (Kim et al., 2019; Song et al., 2015; Sweeney and Soutar, 2001).

This study attempts to fill those gaps by integrating pertinent theoretical foundations and empirical findings through the use of a modified multidimensional PERVAL scale. We adopt an investigative, cross-sectional research design to provide insight into how developing country (Fiji) customers perceive the value of supermarkets from a construct and multidimensional perspective, the inter-relatedness of the CPV dimensions and the impact of CPV and its dimensions on customer satisfaction. It is anticipated this empirical research will answer the call of Humphrey (2007) for further research of consumers in developing markets and in tailoring supermarket strategies to meet the ever-increasing demands of “value-driven” retail customers (Levy, 1999).

For this study, the term “supermarket” is defined as a large, departmentalised retail store (Pintel and Diamond, 1991), “which operates on a self-serve basis selling primarily grocery products and, occasionally, a small assortment of nongrocery merchandise” (Harris et al., 1999, p. 36), and it shall apply to both locally and foreign-owned supermarkets.

The next section of this paper provides a critical review of the literature on CPV, customer satisfaction and the impact of CPV from a construct and multidimensional perspective on customer satisfaction. This is followed by the conceptual model, research methodology; results and discussion; and conclusions, future research, and limitations.

**Literature review**

*Customer perceived value (CPV) conceptualisation*

Two main approaches to the conceptualisation of value exist. Firstly, value is a unidimensional construct that may be produced by multiple antecedents; however, is not an aggregate formed from several components (Sánchez-Fernández and Iniesta-Bonillo, 2007). Secondly, value is a multidimensional construct composed of various interdependent
attributes or dimensions that capture consumers’ multifaceted perceptions of value (Sweeney and Soutar, 2001).

Early unidimensional construct research of CPV focused on the quality–price relationship and development of related models (Dodds and Monroe, 1985) that were underpinned by the theory of utility (Tellis and Gaeth, 1990). This theory indicates that consumers derive value based on the disparity between the utility contributed by the product attributes and disutility from the price paid (Sánchez-Fernández and Iniesta-Bonillo, 2007, p. 429). Nonetheless, researchers argue that perceived value is a more complex construct than merely the trade-off between utility and price (Monroe, 1990). Moving forward, Zeithaml (1988) used the means-end theory to adapt the model developed by Dodds and Monroe (1985). This theory assumes that consumption decision-making is influenced by connections between product attributes, consumer’s values and perceived consumption consequences (Sánchez-Fernández and Iniesta-Bonillo, 2007). While the unidimensional conceptualisation has been widely adopted (McDougall and Levesque, 2000), it has been castigated for being too simplistic (Sánchez-Fernández et al., 2009), and deficient in recognising the multidimensional peculiarities of perceived value (Chen and Hu, 2010). Sweeney and Soutar (2001, p. 201) argue “a more sophisticated measure is needed to understand how consumers value products and services.”

Emerging research “conceptualises customer perceived value as a multidimensional construct” (Zauner et al., 2015, p. 5). Based on the theory of consumption value (TCV), which recognises five consumption values influence consumer choice behaviour, Sheth et al. (1991) introduced those five customer value dimensions (functional value, epistemic value, conditional value, social value and emotional value) into a multidimensional model. Sheth et al. (1991) proposed that those values act additively and independently of each other depending on the situation and the product or service (Zauner et al., 2015). Other authors have developed multidimensional frameworks based on the Sheth et al. (1991) model. Wang et al. (2004) included perceived value dimensions (functional, social, emotional and perceived sacrifices) and non-monetary factors (time, effort and energy). Therefore, it is hypothesised that:

H1. A significant positive correlation exists between emotional value and social value.

Pura (2005) defined six dimensions of perceived value (convenience, monetary, epistemic, conditional, social and emotional). Sweeney and Soutar (2001) decomposed consumer value into emotional, social and functional (i.e. value for money and quality in the retailing context). Based on the work by Sweeney and Soutar (2001), Kim et al. (2011) argued that there are six types of consumer value, playfulness and aesthetics are related to emotional value, social self-image expression and social relationship support are related to social value and functional quality and price utility are related to functional value (Yeh et al., 2016). Therefore, it is hypothesised that:

H2. A significant positive correlation exists between emotional value and functional value (price/value for money).

From the above discussion, it becomes clear that three types of value (i.e. emotional, social and functional) generally specify customer value (Yeh et al., 2016) despite several studies attempting to draw into the nature of each value type (Karjaluoto et al., 2012; Pihlström and Brush, 2008). This highlights the correlation between emotional value and functional value (performance/quality). Therefore, it is hypothesised that:

H3. A significant positive correlation exists between emotional value and functional value (performance/quality).

Four interrelated value dimensions: emotional value, social value, functional value (price/value for money) and functional value (performance/quality) (Sweeney and Soutar, 2001,
p. 211) seem to be the most appropriate framework as it simultaneously includes all significant benefits. Other researchers have used similar dimensions when measuring perceived value (Hou et al., 2020; Yeh et al., 2016). This suggests the correlation between social value and functional value (price/value for money). Therefore, it is hypothesised that:

\[ H4. \] A significant positive correlation exists between social value and functional value (price/value for money).

Kim et al. (2011) argued that there are six types of consumer value, playfulness and aesthetics are related to emotional value, social self-image expression and social relationship support are related to social value and functional quality and price utility are related to functional value (Yeh et al., 2016). This highlights the correlation between social value and functional value (performance/quality). Therefore, it is hypothesised that:

\[ H5. \] A significant positive correlation exists between social value and functional value (performance/quality).

Looking at the definition of functional value that has expanded from physical performance/quality (Sheth et al., 1991) to value for money and physical performance/quality (Kim et al., 2011; Sweeney and Soutar, 2001). This model incorporates separate dimensions for quality and price as they are suggested to “contribute separately to perceived value and that they should be measured separately” (Sweeney and Soutar, 2001, p. 206). Sweeney and Soutar (2001) decomposed consumer value into emotional, social and functional (i.e. value for money and quality in the retailing context). This shows the correlation between functional value (price/value for money) and functional value (performance/quality). Therefore, it is hypothesised that:

\[ H6. \] A significant positive correlation exists between functional value (price/value for money) and functional value (performance/quality).

This scale addresses the over-dependence on economic value existing in earlier conceptualisations, and acknowledges emotions as an essential contributor to value (Sánchez-Fernández et al., 2009). The scale also has been extensively tested and is relevant to measure CPV (Oliver, 2010).

Customer satisfaction and the impact of customer perceived value
Customer satisfaction definitions have tended to either highlight an evaluation process (Gustafsson, 2005; Hunt, 1977) or a response to an evaluation process (Rust and Oliver, 1994). According to Gustafsson et al. (2005), customer satisfaction is a customer’s overall evaluation of the performance of an offering to date; and as recommended by Hunt (1977), customer satisfaction is the process of evaluation that the experience was as good as it was supposed to be. On the contrary, Rust and Oliver (1994) define satisfaction as the “customer fulfilment response” to service evaluation. This definition is founded on the value-percept disparity theory, which presumes satisfaction is an emotional response induced by a cognitive evaluation, where customers compare their perceptions of an offer to the fulfilment of their values (Westbrook and Reilly, 1983). For this study the definition of customer satisfaction proposed by Rust and Oliver (1994) is adopted as “most definitions have favored the notion of consumer satisfaction as a response to an evaluation process” (Giese and Cote, 2000, p. 2). Hence, customer satisfaction in this study is conceptualised and measured as a unidimensional construct comprising three items, and based on the research of Rust and Oliver (1994). Considering previous research also confirms CPV has a significant positive direct influence on customer satisfaction in many retail and service contexts (El-Adly and Eid, 2016; Williams and Soutar, 2009). Thus we proposed:
H7. CPV has a significant positive impact on customer satisfaction.

Impact of customer perceived value dimensions on customer satisfaction

The PERVAL scale administered in this study is based on the TCV and constitutes four interrelated value dimensions. These dimensions include performance/quality value, emotional value, price/value-for-money and social value. Further, there is unquestionable support for the significant impact of the TCV dimensions on satisfaction (Sweeney and Soutar, 2001; Wang et al., 2004).

Emotional value has been defined by Sheth et al. (1991) as a social-psychological dimension dependent on a product/service to motivate feelings or the affective states and by Sweeney and Soutar (2001, p. 211) as the “feelings or affective state that a product generates.” Previous studies identify a direct and strong positive influence of emotional value on customer satisfaction (Lee et al., 2011). A study conducted by Song et al. (2015) found that emotional values positively affect tourist satisfaction with temple stays. Similar results were found by Peña et al. (2012) in the context of rural tourism. The emotional value was also found to positively impact customer satisfaction by Prebensen and Xie (2017). Thus, it can be hypothesised:

H8. Emotional value has a significant positive impact on customer satisfaction.

Sheth et al. (1991, p. 161) suggest that social value is the “perceived utility acquired from an alternative’s association with one or more specific social groups.” Further, social value refers to the capacity of a product to heighten an individual’s self-image and social approval (Bearden and Netemeyer, 1999) and link consumers to a specific social group (Sheth et al., 1991; Sweeney and Soutar, 2001). Social value is opined to improve customer satisfaction (Williams and Soutar, 2009). In the context of social commerce, a high level of social value has been found to increase user satisfaction (Gan and Wang, 2017). Another research by Hsu and Lin (2015) found that social value has a significant effect on purchase intention toward paid mobile app. Similar results were found by Hu et al. (2015) and (Prebensen and Xie, 2017). Based on the mentioned literature, it is postulated:

H9. Social value has a significant positive impact on customer satisfaction.

Functional value (price/value for money), as determined by Sweeney and Soutar (2001, p. 211), is “the utility derived from the product due to the reduction of its perceived short term and longer-term costs.” Wang et al. (2004) have identified a direct and positive effect of functional value (price/value for money) on customer satisfaction. The price value was found to significantly impact customer satisfaction in the context of hotels (El-Adly, 2019). The effect of value for money on customer satisfaction has been studied by Rajaguru (2016) in the airline industry. The findings from that study showed that the value for money was the main predictor for customer satisfaction. Hence, it is postulated:

H10. Functional value (price/value for money) has a significant positive impact on customer satisfaction.

Functional value, as established by Sheth et al. (1991, p. 160) is the “perceived utility acquired from an alternative’s capacity for functional, utilitarian or physical performance” and is viewed as a predominant driver of consumer choice (Sweeney and Soutar, 2001). Nonetheless, according to Sweeney and Soutar (2001, p. 211), functional value (performance/quality) is “the utility derived from the perceived quality and expected performance of the product.” In other words, consumers assess products based on the perceived quality and expected performance of the product. Consumer research literature has consistently found a positive relationship between perceived functional value and customer
satisfaction (Lee et al., 2011; Williams and Soutar, 2009; Yang and Mattila, 2016). A study conducted by Choi et al. (2015) found that customer satisfaction is enhanced by obtaining functional value. Similar results were found by Ahn and Back (2019) concerning cruise brand experience. Drawing from the previous research, it is hypothesised:

H11. Perceived functional value (performance/quality) has a significant positive impact on customer satisfaction.

Conceptual model
Drawing from the literature review, it is determined that CPV and its dimensions are underpinned by the TCV that recognises consumption values influence consumer choice behaviour (Sheth et al., 1991). Notwithstanding, Sweeney and Soutar (2001) argue that the CPV dimensions are interrelated to each other. Furthermore, customer satisfaction is founded on the value-percept disparity theory, which presumes satisfaction is an emotional response induced by a cognitive evaluation, where customers compare their perceptions of an offer to the fulfilment of their values (Westbrook and Reilly, 1983). Moreover, there is unquestionable support for the significant impact of the TCV dimensions on satisfaction (Sweeney and Soutar, 2001; Wang et al., 2004). Hence, based on this theoretical foundation and the mentioned research findings, the authors propose a conceptual model (Figure 1) and 11 hypotheses to be tested, to examine the inter-relatedness of the CPV dimensions and the impact of CPV and its dimensions on supermarket customers’ satisfaction.

Research methodology
Survey instrument
The survey questionnaire adopted for this empirical study contains demographics questions in addition to items derived from existing literature to measure the chosen constructs, dimensions and interrelationships. Section 1 contains eight demographic questions designed to describe the research sample. Section 2 contains a modified version of the PERVAL scale and comprises four dimensions: emotional value, social value, functional value (price/value for money) and functional value (performance/quality), and 19 items, to examine CPV. Items’ wording was modified to suit the supermarket environment. Section 3 contains a three-item scale based on the research of Rust and Oliver (1994) for the measurement of customer satisfaction. In sections 2 and 3, respondents were asked to specify their level of agreement or disagreement for a series of statements on a symmetric five-point Likert scale (1 = “strongly disagree” to 5 = “strongly agree”). Table 1 details the survey questionnaire constructs, dimensions and items.

The PERVAL scale forming the basis of this study’s questionnaire “was found to be reliable and valid” (Sweeney and Soutar, 2001, p. 216). Notwithstanding, face and content validity are often combined with increasing the validity strength of the questionnaire (Mackison et al., 2010). Measurement of the face and content validity was undertaken in this study by asking experts and the general public to rate the appropriateness of the questionnaire to measure what the researchers intended to measure, and to indicate whether all items were essential to measure the constructs. The consensus amongst experts and the general public confirmed the face and content validity of this study’s questionnaire.

Sampling procedure and response rate
Primary data for this study were collected between January and February 2017 from five hundred supermarket customers in five main town centres of Fiji (Suva, Nadi, Lautoka Savusavu and Labasa). Fiji is a small developing island country located in the South Pacific, consisting of two main islands (Viti Levu and Vanua Levu) (Sharma et al., 2020a). A public-
intercept survey, using a self-completion questionnaire, was administered in the national language (English). In order to obtain a probability sample, a systematic sampling technique was used to collect data from every twentieth supermarket customer post-purchase as they exited a supermarket. Respondents were sampled Monday to Saturday (days supermarkets are open), to ensure appropriate representation of the population, and respondents were able to be controlled because each supermarket only had one exit point past the cashiers. One hundred responses were obtained from each town centre. The response rate for this research was 62% (because the questionnaire was well designed, and only required five to ten minutes to complete) and is considered higher than the 50% maximum response rate for intercept surveys typically reported in the literature (Denstadli, 2000).

Because a self-report measurement was used in this study, common method bias potentially could increase relationships between variables (Podsakoff et al., 2003). Hence, the researchers used a combination of procedural remedies as recommended by Podsakoff et al. (2003) to limit common method variance. For instance, through careful construction of the scale items, piloting and sampling of the questionnaire, we ensured statements were specific, simple and concise, and not ambiguous and allowed respondents to respond appropriately. The survey was not lengthy; we informed respondents of the study’s purpose and assured them of their anonymity, and also informed respondents there were no correct or incorrect answers in the questionnaire.

Statistical Package for the Social Sciences version 25 was used to analyse the data. Descriptive statistical analysis (frequencies, means and standard deviations) was used to establish the respondents’ demographic profile and customer perceptions of the constructs and dimensions, forming the basis of this research. Cronbach’s alpha, an extensively used estimator of scale reliability, was used in this study as opposed to composite reliability, which

**Figure 1.** Conceptual model
is usually calculated in conjunction with structural equation modelling (SEM) (Peterson and Kim, 2013). Bivariate correlations determined the interrelationship between each construct, dimension and item, and inferential statistics (regressions) were calculated and conclusions drawn from the data analysis. The average variance extracted (AVE), a requirement of SEM (Hensler et al., 2015), was not determined in this study as SEM was not used in this study.

### Results

#### Demographic profile of the sample

Demographic profiling of the 500 respondents shows 276 (55.2%) were females and 224 (44.8%) were males. Most of the respondents were married (n = 305, 61.0%), Fijians of Indian Decent (n = 284, 56.8%) and in the age range of 26–30 years (n = 181, 36.2%) and 31–40 years (n = 118, 23.6%). Respondents’ education levels were predominantly secondary (n = 245, 49.0%) and tertiary level (n = 242, 48.4%), and the gross income per annum of respondents was primarily Fijian $10,001–$20,000 (n = 308, 61.6%). The majority of respondents purchase grocery items from a supermarket on a weekly basis (n = 286, 57.2%) or on a daily basis (n = 207, 41.4%), and typically spend Fijian $10,001–$20,000 per annum (n = 189, 37.8%) and Fijian $2,501–$5,000 per annum (n = 124, 24.8%).

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mean</th>
<th>SD</th>
<th>Cronbach’s alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer perceived value</td>
<td>3.814</td>
<td>0.428</td>
<td>0.992</td>
</tr>
<tr>
<td>Emotional value</td>
<td>3.835</td>
<td>0.515</td>
<td>0.927</td>
</tr>
<tr>
<td>Has products that I would enjoy</td>
<td>3.836</td>
<td>0.557</td>
<td>0.846</td>
</tr>
<tr>
<td>Would make me want to use their products</td>
<td>3.854</td>
<td>0.567</td>
<td>0.859</td>
</tr>
<tr>
<td>Has products I would feel relaxed about using</td>
<td>3.796</td>
<td>0.558</td>
<td>0.760</td>
</tr>
<tr>
<td>Has products that would make me feel good</td>
<td>3.862</td>
<td>0.555</td>
<td>0.902</td>
</tr>
<tr>
<td>Has products that would give me pleasure</td>
<td>3.828</td>
<td>0.550</td>
<td>0.880</td>
</tr>
<tr>
<td>Social value</td>
<td>3.795</td>
<td>0.488</td>
<td>0.910</td>
</tr>
<tr>
<td>Products would help me feel acceptable</td>
<td>3.818</td>
<td>0.523</td>
<td>0.860</td>
</tr>
<tr>
<td>Products would improve the way I am perceived</td>
<td>3.824</td>
<td>0.546</td>
<td>0.881</td>
</tr>
<tr>
<td>Products would make a good impression on other people</td>
<td>3.808</td>
<td>0.551</td>
<td>0.835</td>
</tr>
<tr>
<td>Products would give me social approval</td>
<td>3.728</td>
<td>0.543</td>
<td>0.681</td>
</tr>
<tr>
<td>Functional value (price/value for money)</td>
<td>4.014</td>
<td>0.433</td>
<td>0.788</td>
</tr>
<tr>
<td>Is reasonably priced</td>
<td>4.010</td>
<td>0.488</td>
<td>0.803</td>
</tr>
<tr>
<td>Offers value for money</td>
<td>4.012</td>
<td>0.456</td>
<td>0.699</td>
</tr>
<tr>
<td>Has good priced products</td>
<td>4.018</td>
<td>0.454</td>
<td>0.713</td>
</tr>
<tr>
<td>Products would be economical compared to other shops</td>
<td>4.014</td>
<td>0.459</td>
<td>0.696</td>
</tr>
<tr>
<td>Functional value (performance/quality)</td>
<td>3.613</td>
<td>0.520</td>
<td>0.803</td>
</tr>
<tr>
<td>Has consistent quality products</td>
<td>3.638</td>
<td>0.565</td>
<td>0.761</td>
</tr>
<tr>
<td>Products are well made</td>
<td>3.572</td>
<td>0.530</td>
<td>0.715</td>
</tr>
<tr>
<td>Products are of an acceptable standard of quality</td>
<td>3.658</td>
<td>0.581</td>
<td>0.767</td>
</tr>
<tr>
<td>Products are hygienically made</td>
<td>3.622</td>
<td>0.558</td>
<td>0.737</td>
</tr>
<tr>
<td>Products last to the “best by date”</td>
<td>3.598</td>
<td>0.549</td>
<td>0.717</td>
</tr>
<tr>
<td>Products are of an acceptable standard of safety</td>
<td>3.590</td>
<td>0.585</td>
<td>0.720</td>
</tr>
<tr>
<td>Customer Satisfaction</td>
<td>3.929</td>
<td>0.515</td>
<td>0.718</td>
</tr>
<tr>
<td>Based on my overall experience with supermarkets, I am very satisfied</td>
<td>3.934</td>
<td>0.500</td>
<td>0.678</td>
</tr>
<tr>
<td>The shopping experience provided by supermarkets is above my expectations</td>
<td>3.924</td>
<td>0.536</td>
<td>0.715</td>
</tr>
<tr>
<td>I am happy to shop in supermarkets</td>
<td>3.928</td>
<td>0.540</td>
<td>0.711</td>
</tr>
</tbody>
</table>

Table 1. Constructs, dimensions and items—descriptive statistics

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IJRDM
Reliability statistics
Each construct, dimension and item, and their corresponding Cronbach’s alpha (\( \alpha \)) values are shown in Table 1. Alpha values for each of the constructs range between \( \alpha = 0.992 \) (CPV) and \( \alpha = 0.718 \) (customer satisfaction); for each dimension range between \( \alpha = 0.927 \) (emotional value) and \( \alpha = 0.778 \) (functional value (price/value for money)); and for each item range between \( \alpha = 0.902 \) (“Has products that would make me feel good”) and \( \alpha = 0.678 \) (“Based on my overall experience with supermarkets, I am very satisfied”).

Mean scores and standard deviations
Each construct, dimension and item, and their corresponding mean scores and standard deviation values are shown in Table 1. The mean scores of CPV dimensions range between functional value (price/value for money) (\( M = 4.014 \)) and functional value (performance/quality) (\( M = 3.613 \)), with emotional value (\( M = 3.814 \)) and social value (\( M = 3.795 \)) also perceived by customers. Additionally, the range of mean scores for CPV dimension items ranges between “Has good priced products” (\( M = 4.018 \)) and “Products are made well” (\( M = 3.572 \)). The standard deviation (SD) values for each of the constructs range between customer satisfaction (SD = 0.515) and CPV (SD = 0.428); for the dimensions between functional value (performance/quality) (SD = 0.520) and functional value (price/value for money) (SD = 0.433); and for individual items between SD = 0.585 (“Products are of an acceptable standard of safety”) and SD = 0.454 (“Has good priced products”). Standard deviation results indicate a relatively narrow range of perceptions of respondents to CPV and customer satisfaction.

Confirmatory Factor Analysis
The confirmatory factor analysis was conducted with the sample. The table below shows the standardised maximum likelihood loading and fit statistics. Composite reliability (CR) values \( \geq 0.872 \) and the AVE values \( \geq 0.608 \). All these values indicate adequate reliability (see Table 2).

Bivariate correlations
Table 3 shows statistically significant positive correlations exist between each of the CPV dimensions and range between emotional value and social value (\( r = 0.940, p < 0.01 \)) with a strong correlation, and functional value (price/value for money) and functional value (performance/quality) (\( r = 0.446, p < 0.01 \)) with a weak/moderate correlation. The correlations between CPV and customer satisfaction, and between the four dimensions of CPV and customer satisfaction, were also all statistically significant positive correlations.

Regression analyses
SPSS was used to conduct a linear regression to determine the impact of CPV on customer satisfaction (hypothesis H7), and backward elimination multiple regressions were conducted to determine the impact of the CPV dimensions on customer satisfaction (hypotheses H8–H11). Tables 4–6 respectively display the model 1 and 2 summaries, Anova and coefficients.

Model 1 – Impact of customer perceived value on customer satisfaction.
CPV was entered into the regression equation. CPV (\( p = 0.000 \)), with \( p \)-value < 0.05 contributed to the model: \( F(1, 498) = 383.711, p < 0.0005, R^2 = 0.435 \). For this model, CPV, \( t(498) = 19.589, p < 0.05 \), was a significant predictor of customer satisfaction, and the regression equation for predicting customer satisfaction is: Customer satisfaction = (0.904) + (0.793*CPV).

Model 2 – Impact of the customer perceived value dimensions on customer satisfaction.
At step 1 of the analysis the four CPV dimensions were entered into the regression equation. Emotional value (\( p = 0.000 \)), social value (\( p = 0.000 \)) and functional value (price/value for money) (\( p = 0.000 \)) contributed to the model; however, functional value (performance/quality) (\( p = 0.518 \)) did not contribute to the model. At step 2, multiple linear regressions were run
again for the three remaining CPV dimensions. Emotional value \( (p = 0.000) \), social value \( (p = 0.000) \) and functional value (price/value for money) \( (p = 0.000) \) contributed to the model: \( F(3, 496) = 346.145, p < 0.0005, R^2 = 0.677 \). For this model, emotional value \( t(496) = -3.846, p < 0.05 \); social value \( t(496) = 4.637, p < 0.05 \); and functional value (price/value for money) \( t(496) = 22.969, p < 0.05 \) were significant predictors of customer satisfaction, and the regression equation for predicting customer satisfaction is: Customer satisfaction = \((−0.137) + (−0.310*emotional value) + (0.367*social value) + (0.962*functional value (price/value for money)).\

Discussion

Considering the reported Cronbach’s alpha values for the modified PERVAL questionnaire administered in this study \((\alpha = 0.979)\), and its constructs dimensions and items, it is suggested the questionnaire has an acceptable/good degree of internal consistency and can be considered a reliable measure of supermarket customer’s perception of perceived value and customer satisfaction.
<table>
<thead>
<tr>
<th></th>
<th>Perceived value</th>
<th>Emotional value</th>
<th>Social value</th>
<th>Functional value (price/value for money)</th>
<th>Functional value (performance/quality)</th>
<th>Customer satisfaction</th>
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<tr>
<td>Perceived value</td>
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<td>0.954**</td>
<td>0.938**</td>
<td>0.773**</td>
<td>0.825**</td>
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</tr>
<tr>
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<td>0.686**</td>
<td>0.697**</td>
<td>0.573**</td>
</tr>
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<td></td>
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<tr>
<td>Functional value (price/value for money)</td>
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</tr>
<tr>
<td>Pearson correlation</td>
<td>0.773**</td>
<td>0.686**</td>
<td>0.625**</td>
<td>1</td>
<td>0.446**</td>
<td>0.814**</td>
</tr>
<tr>
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<td>0.000*</td>
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<tr>
<td>Pearson correlation</td>
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<tr>
<td>Pearson Correlation</td>
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<td>0.573**</td>
<td>0.563**</td>
<td>0.814**</td>
<td>0.400**</td>
<td>1</td>
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<tr>
<td>Sig. (2-tailed)</td>
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<td>0.000*</td>
<td>0.000*</td>
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</tbody>
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Note(s): **Correlation is significant at the 0.01 level (2-tailed)
*Correlation is significant at the 0.05 level (2-tailed)
The mean scores of this study’s constructs reveal that customers tended towards agreeing supermarkets provided CPV and customer satisfaction. These results suggest that supermarket management realise delivering superior value is paramount to generating customer satisfaction (Kesari and Atulkar, 2016), and supermarkets have somewhat appropriate strategies in place to deliver such value offerings. However, the mean scores for CPV dimensions and items are more revealing. These results indicate that customers tended towards agreeing/agree supermarkets provide the four studied dimensions of CPV, and the predominant strategies adopted by supermarkets are based on CPV as a multidimensional construct. These results also indicate a heavy emphasis on supermarket strategies towards providing functional value (price/value for money) to customers, some emphasis on emotional value and social value and a lesser emphasis on functional value (performance/quality). It is implied that these supermarket strategies are guided by context-specific knowledge of consumer behaviour.

Additionally, consumer behaviour research indicates, “growing evidence shows food consumers pay particular attention to price factors” (Nguyen et al., 2015, p. 2). Further, bearing in mind the Fiji context, the overall poverty rate was reported at 28.1% in 2013–2014 (Fiji Bureau of Statistics, 2015), and “most [consumers] spent between 26 and 50%...or 51–75% [proportion of their household income]...on food or groceries respectively” (Kim et al., 2017, p. 17). It is suggested that these low-income shoppers would face spending constraints and trade-off various factors such as price, quantity and quality when purchasing their food products (Leibtag and Kaufman, 2003).

<table>
<thead>
<tr>
<th>Model</th>
<th>$R$</th>
<th>$R$ square</th>
<th>Adjusted $R$ square</th>
<th>Std. error of the estimate</th>
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<td>0.660 $^a$</td>
<td>0.435</td>
<td>0.434</td>
<td>0.3873</td>
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<td>2 (Step 1)</td>
<td>0.823 $^b$</td>
<td>0.677</td>
<td>0.674</td>
<td>0.2937</td>
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<tr>
<td>2 (Step 2)</td>
<td>0.823 $^c$</td>
<td>0.677</td>
<td>0.675</td>
<td>0.2936</td>
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</tbody>
</table>

**Note(s):** $^a$Predictors: (Constant), Customer Perceived Value  
$^b$Predictors: (Constant), Emotional Value, Social Value  
$^c$Predictors: (Constant), Emotional Value, Social Value, Functional Value (Price/Value for Money), Functional Value (Performance/Quality)

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of squares</th>
<th>df</th>
<th>Mean square</th>
<th>$F$</th>
<th>Sig.</th>
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<td>1</td>
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<td>1</td>
<td>57.547</td>
<td>383.711</td>
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<td>498</td>
<td>0.150</td>
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<td></td>
<td>Total</td>
<td>132.234</td>
<td>499</td>
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</tr>
<tr>
<td>2 (Step 1)</td>
<td>Regression$^c$</td>
<td>89.526</td>
<td>4</td>
<td>22.381</td>
<td>259.409</td>
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<tr>
<td></td>
<td>Residual</td>
<td>42.708</td>
<td>495</td>
<td>0.086</td>
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<tr>
<td></td>
<td>Total</td>
<td>132.234</td>
<td>499</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 (Step 2)</td>
<td>Regression$^f$</td>
<td>89.490</td>
<td>3</td>
<td>29.830</td>
<td>346.145</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>42.744</td>
<td>496</td>
<td>0.086</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>132.234</td>
<td>499</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Note(s):** $^a$Dependent Variable: Customer Satisfaction  
$^b$Predictors: (Constant), Customer Perceived Value  
$^c$Dependent Variable: Customer Satisfaction  
$^d$Predictors: (Constant), Emotional Value, Social Value, Functional Value (Price/Value for Money), Functional Value (Performance/Quality)  
$^e$Dependent Variable: Customer Satisfaction  
$^f$Predictors: (Constant), Emotional Value, Social Value, Functional Value (Price/Value for Money)
Statistically significant positive correlations were shown to exist between each of the CPV dimensions. Results have highlighted that emotional value, social value, functional value (price/value for money) and functional value (performance/quality) are interrelated. This result supports H1 to H6 that was formulated as the start of the study. These results are in line with previous findings that indicate CPV dimensions are interrelated in many retail and service organisations (Sweeney and Soutar, 2001), and reinforces the need for supermarkets to provide products and services as an “amalgam of rational and emotional factors” (MacKay (1999, p. 182) when deciding on their marketing strategies. Other correlations tested also showed statistically significant positive correlations (between CPV and customer satisfaction, and between the four dimensions of CPV and customer satisfaction). These results support previous research findings that suggest CPV is positively correlated with customer satisfaction (El-Adly and Eid, 2016; Williams and Soutar, 2009).

Model 1 linear regression analysis reveals CPV has a significant positive impact on customer satisfaction, and 43.5% of the variance in customer satisfaction could be accounted for by CPV. Hence, hypothesis H7 is accepted. These results reinforce the findings of researchers in disparate contexts that CPV strongly, positively impacts customer satisfaction (Bajs, 2015; Williams and Soutar, 2009).

Model 2 multiple linear regression analysis reveals the social value and functional value (price/value for money) have a significant positive impact on customer satisfaction, emotional value has a significant negative impact on customer satisfaction and in combination accounted for 67.7% of the variance in customer satisfaction. Also, functional value (performance/quality) was found not to have a significant positive impact on customer satisfaction. Hence, hypotheses H9 and H10 are accepted, and H8 and H11 are rejected. Further, the magnitude of the t-statistics indicates the functional value (price/value for money) had a more positive impact than the social value on customer satisfaction. Model 2

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardised coefficients</th>
<th>Standardised coefficients</th>
<th>95.0% confidence Interval for B</th>
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<td></td>
<td>B</td>
<td>Std. error</td>
<td>Beta</td>
</tr>
<tr>
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<td>(Constant)</td>
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<td>0.793 0.040</td>
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<tr>
<td></td>
<td>Emotional value</td>
<td>-0.137 0.129</td>
<td>-0.310 0.081</td>
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<tr>
<td></td>
<td>Social value</td>
<td>0.367 0.079</td>
<td>0.348 0.042</td>
</tr>
<tr>
<td></td>
<td>Functional value (price/value for money)</td>
<td>0.962 0.042</td>
<td>0.809 0.042</td>
</tr>
<tr>
<td>2</td>
<td>(Constant)</td>
<td>0.367 0.079</td>
<td>0.348 0.042</td>
</tr>
<tr>
<td></td>
<td>Emotional value</td>
<td>0.962 0.042</td>
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<td>Functional value (price/value for money)</td>
<td>0.962 0.042</td>
<td>0.809 0.042</td>
</tr>
</tbody>
</table>

Table 6. Coefficients

Note(s): aDependent Variable: Customer Satisfaction
bDependent Variable: Customer Satisfaction
cDependent Variable: Customer Satisfaction
results (H9 and H10) align with previous research that identified social value (Williams and Soutar, 2009) and functional value (price/value for money) (Wang et al., 2004) respectively have a direct and positive effect on customer satisfaction. Model 2 results (H8 and H10) are not aligned with previous research that suggests emotional value (Hennig-Thurau et al., 2002) and functional value (performance/quality) have a direct and positive effect on customer satisfaction (Williams and Soutar, 2009). These inconsistent findings reinforce the results of researchers that CPV findings are inconsistent due to the context-specific nature of CPV (Woodall, 2003; Zeithaml, 1988).

**Theoretical contribution**

The empirical results of this study have several theoretical implications. First, this study validates that customer value influences customer satisfaction levels. Second, the result from this study highlights the interrelationship between the CPV dimensions (i.e. emotional value, social value, functional value (price/value for money) and functional value (performance/quality). This result is a significant contribution to the literature on retailing and consumer behaviour as it reinforces that consumer decision-making takes into account a combination of rational and emotional factors. As such, a fusion of these factors should be considered when formulating marketing strategies. Third, the study provides empirical evidence for the effect of consumer value on customer satisfaction. The significance of emotional, social, functional (price/value for money) and functional (performance/quality) values are satisfied in fast-food restaurants based on such value evaluations. Fourth, this study contributes to the gap in the literature by testing the PERVAL scale in a developing country context. The literature on theory building highlights the importance of testing the generalisability of instruments and research models to understand the better the context and how it may differently influence theories (Brown et al., 2010; Sharma et al., 2020b; Venkatesh et al., 2012).

**Implications for practice**

From a practical perspective, this scale can be used to promote customer satisfaction in the fast-food industry. This study was able to identify customer value factors that affect customer satisfaction in the fast-food industry. The results of this study revealed that social value and functional value (price/value for money) positively affect customer satisfaction when purchasing fast food. Therefore, businesses in this industry should emphasise these factoring when promoting fast food to customers. To attract more customers is vital for such restaurants to create or build a brand that could enhance the social image of customers (Shin et al., 2019). Results reveal the importance of fast-food restaurants closely monitoring the menu price, portion size and meal quality to ensure positive assessment of value for money by customers (Lu and Chi, 2018). Fast-food restaurants may raise prices for menu items by accompanying the dishes with inexpensive or free side dishes, to signal a good value for money. This study provides valuable advice to managers to carefully consider consumers’ value structure to enhance customer satisfaction.

**Conclusions, limitations and future research**

The developing country context for this study with one-third of the population living below the poverty line and a large portion of the population as "working poor" (with at or below minimum wages and household incomes at or below the poverty level) is suggested to be a significant factor affecting CPV, customer satisfaction and associated supermarket strategies. While some findings of this study are consistent and others inconsistent with the results of other research in disparate contexts (Sweeney and Soutar, 2001; Zeithaml, 1988), such inconsistency is to be expected considering the context-specific nature of CPV (Woodall,
It is recommended that comparisons of CPV research findings be cautiously undertaken, bearing in mind the impact of disparate contexts on CPV.

Descriptive analysis of CPV and customer satisfaction constructs as aggregates superficially suggests supermarkets adopt strategies that are somewhat effective in delivering CPV and generating customer satisfaction. However, these results also suggest supermarket management and marketers need to further refine and endow with the value their strategies and offerings in order to enhance CPV and customer satisfaction. Additionally, descriptive analysis of CPV as a multidimensional construct suggests supermarket strategies are guided by context-specific knowledge of consumer behaviour. Hence, there is a perceived heavy emphasis on supermarket strategies towards providing functional value (price/value for money) to customers, some emphasis on emotional and social value and a lesser emphasis on functional value (performance/quality). The compound effect of socio-economic factors is suggested to be an overriding factor influencing supermarket strategies, consumer behaviour and ultimately CPV and customer satisfaction. Supermarket management and marketers are also recommended to note the inter-related nature of the CPV dimensions and to ensure marketing strategies promote products and services as an “amalgam of rational and emotional factors” (MacKay, 1999, p. 182).

Inferential analysis of the aggregate constructs reveals CPV has a significant positive impact on customer satisfaction and accounts for 43.5% of the variance in customer satisfaction. This finding is significant as it enables supermarket management and marketers to hone marketing strategies to optimise CPV, and predict customer satisfaction outcomes.

Inferential analysis of the multidimensional construct CPV and unidimensional construct customer satisfaction reveals the social value and functional value (price/value for money) have a significant positive impact on customer satisfaction, emotional value has a significant negative impact on customer satisfaction, functional value (performance/quality) has no significant effect on customer satisfaction and in combination accounted for 67.7% of the variance in customer satisfaction. It is suggested that the significance of the impact of functional value (price/value for money) and insignificance of the impact of functional value (performance/quality) on customer satisfaction findings are interrelated and result from the compound effect of socio-economic factors on this study’s customers, and supermarket knowledge of, and strategies that, take into account the impact of socio-economic factors on customers. As indicated by Leibtag and Kaufman (2003), it appears customers resort to a trade-off between various factors such as price, quantity and quality when purchasing their food products. While the non-significant impact of functional value (performance/quality) and significant negative impact of emotional value on customer satisfaction may appear to be inconsistent with other disparate research findings, it is suggested these are significant findings of this study and readily explained. Consider the interrelatedness of the four value dimensions (Sweeney and Soutar, 2001), the viewpoint that cognition precedes emotions (Bigné et al., 2008), and customer emotions are also an essential element of customer satisfaction (Cronin et al., 2000). Now, it is reasonable to assert when customers undergo cognitive appraisals (price/value for money and performance/quality) of the consumption process, this leads to judgments of emotional value and, in turn, affects customer satisfaction. Hence, in this study with functional value (performance/quality) suggested to be traded off by customers and also deprioritised by supermarket management and marketers against the functional value (price/value for money), a resultant outcome is negative customer emotions and an adverse impact on customer satisfaction. Additionally, while the social value is considered in disparate contexts to be the critical CPV dimension that influences customer satisfaction (Williams and Soutar, 2009), in this study, social value has been overshadowed by functional value (price/value for money). Notwithstanding, in this study, shopping at supermarkets is perceived to be an essential factor that affects customers’ decision-making, social image and social status and for customers to improve how they are perceived by others.
This study broadens the knowledge of CPV by studying customer perceptions of CPV as both a unidimensional (aggregate) and multidimensional construct and investigates its influence on customer satisfaction in the understudied supermarket context of a developing country supermarket. The descriptive and inferential findings of this study offer opportunities for supermarket management and marketers to hone strategies to optimise their CPV efforts and, in turn, enhance customer satisfaction. However, we concur with the recommendation of researchers (Meirovich et al., 2013, p. 3) that “the complex relationship between cognitive appraisals, affective responses and satisfaction warrants further investigation.”

Certain limitations arise from this study. Firstly, the unit nonresponse bias for this study was 38%, which could affect the representativeness of the sample. To mitigate unit nonresponse bias, future research could consider the implementation of guidelines for initial contact with potential respondents, reduction in questionnaire length and use of an alternative sampling procedure. Secondly, this quantitative study focused on quantifying customer perceptions of CPV and its influence on customer satisfaction. Future research could utilise a mixed-methods approach to shed light on the human experience associated with this phenomenon and to gain a deeper understanding. Thirdly, this study measured CPV in a post-purchase situation. Future research, as suggested by Woodruff (1997), could investigate whether CPV and its dimensions change across different scenarios such as pre- and post-purchase.

References


Further reading


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