

2024-05-07

Drivers of formal and informal retail patronage in emerging markets

Rajaguru, R

<https://pearl.plymouth.ac.uk/handle/10026.1/22465>

10.1108/IJRDM-04-2023-0205

International Journal of Retail & Distribution Management

Emerald

All content in PEARL is protected by copyright law. Author manuscripts are made available in accordance with publisher policies. Please cite only the published version using the details provided on the item record or document. In the absence of an open licence (e.g. Creative Commons), permissions for further reuse of content should be sought from the publisher or author.

Drivers of formal and informal retail patronage in emerging markets

Abstract

Purpose: This study examines how formal retail formats (FRFs), and informal retail formats (IRFs) may co-exist as substitutes and complements in emerging markets because of store patronage driven by customers' chronic shopping orientations, and differences in salesperson consultation in the two retail formats.

Design/methodology/approach: Using a shopping motivational orientation framework, we develop and test a moderated-mediation model using survey data from 515 shoppers of formal and informal grocery retail outlets in India.

Findings: While task-focused and experiential-focused shopping orientations influence both FRF and IRF patronage, store satisfaction mediates these relationships and crucially attenuates the negative impact of task-focused orientation on FRF patronage. Salesperson consultation moderates the mediating effects of satisfaction in the link between shopping orientation and patronage of both FRFs and IRFs.

Research limitations/implications: The findings suggest that FRFs and IRFs could co-exist as complements and substitutes when patronage is examined as repeated visits determined by shopping orientation, mediated by satisfaction and moderated by salesperson consultation.

Practical implications: For FRFs and IRFs to be complements, both formats must prioritize their distinctive attributes that satisfy a consumers' chronic shopping orientation. Substitution depends on how both retail formats prioritize salesperson consultation and in-store characteristics that appeal to consumers' chronic orientation during specific shopping trips.

Originality: Whilst FRFs must satisfy task-focused shoppers to compete with IRFs, salesperson consultation can inhibit such satisfaction. However, the extent of co-existence between FRFs and IRFs depends on how each format leverages salesperson consultation to enhance satisfaction of experiential-focused shoppers.

Keywords: *Retailing, emerging markets, formal and informal retail formats, shopping orientation, patronage, satisfaction*

Introduction

The retailing sector is a major contributor to the gross domestic products (GDPs) and a key driver of economic growth in most emerging markets (Minimol and Nair, 2020). With large population bases, strong GDP growth, and fast-growing middle class, emerging markets are attractive investment destinations for global retail giants (Singh and Wagner, 2019). In India, food and grocery retailing makes-up 60% of the retail market and remains one of the most promising sectors for launching a retail business (Hiremath *et al.*, 2023). As one of the fastest-growing retail markets globally, the Indian retail sector attracts more than half of FDIs (Minimol and Nair, 2020), and is projected to grow at 9% annually, from \$779 billion to \$1.8 trillion between 2019 and 2030 (India Brand Equity Foundation, 2022).

Often described as the next retail frontier, emerging markets have attracted global retailers often competing with local informal retailers (Jerath *et al.*, 2016). Although, comparatively, global retailers have enhanced retailing capabilities (Kardes *et al.*, 2021), they still face stiff competition from local informal retail formats (IRF) (Dholakia *et al.*, 2018; Singh and Wagner, 2019). Thus, while the entry of large supermarket chains into emerging markets has reduced IRF numbers, those remaining IRFs have become stronger competitors of global retail giants (Jerath *et al.*, 2016). Scholars call for further research on factors driving patronage of formal retail format (FRF) and IRF in emerging markets, as new findings challenge traditional retail theories (Dholakia *et al.*, 2018; Jerath *et al.*, 2016). This study responds to these calls and examines the drivers of FRF and IRF patronage in an emerging market.

FRFs include licensed supermarkets and hypermarkets with formal operations and salaried employees, while IRFs are mostly family-owned neighborhood shops – commonly known as *kirana* stores in India (Dholakia *et al.*, 2018), and smaller groceries stores closer to residential areas (Goswami and Mishra, 2009). This study conceptualizes patronage as repeated store

1
2
3 visits across formats over time (Uncles and Kwok, 2009). Such patronage behavior can
4 facilitate substitution when consumers switch between FRF and IRF on different shopping trips
5 or complementarity when consumers use both formats during multi-purpose shopping (Bonfrer
6 *et al.*, 2022). To understand these dynamics, it is crucial to identify what motivates consumers
7 in the same segment to patronize either FRF or IRF.
8
9

10
11 However, prior literature on patronage of FRFs and IRFs in emerging markets has mostly
12 focused on factors influencing consumers from different market segments to choose either
13 format (Maruyama and Wu, 2014; Maruyama *et al.*, 2016). Studies investigating these factors
14 for consumers within the same market segment, often view the impact of these factors on one
15 format as inversely related to the other (Hino, 2014; Kardes *et al.*, 2021; Paswan *et al.*, 2010).
16 Therefore, how consumers in the same segment patronize FRFs and IRFs as substitutes or
17 complements in emerging markets remains less understood. This study advances research in
18 emerging markets' retailing by investigating the mechanisms through which consumer
19 shopping orientation affects patronage of FRFs and IRFs as substitutes or complements for
20 consumers in the same segment.
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38

39 The balance of this paper proceeds as follows. First, we review the literature on FRF and IRF
40 patronage in emerging markets. Next, we present a conceptual model and hypotheses. Then we
41 discuss the methods, data analysis, and results. Subsequently, we discuss the findings and their
42 implications. Finally, the study limitations and directions for future research are presented.
43
44
45
46
47
48
49

50 **2. Literature Review**

51 *Shopping patterns and market structure analysis of FRF and IRF in emerging markets*

52
53 Prior research has examined the relationship between FRFs and IRFs in emerging markets (e.g.,
54 Hino, 2014; Tran and Sirieix, 2020), from a market structure or evolution perspective by mostly
55
56
57
58
59
60

1
2
3 focusing on how consumers' food-shopping patterns shape the evolving relationship between
4 FRFs and IRFs (see the systematic literature review in Appendix 1). Market structure analysis
5 is a valuable tool for understanding competition and for assessing the substitutability and
6 complementarity of market offerings (Matthe *et al.*, 2022). It also facilitates understanding of
7 cross-shopping behavior and retail format competition including the structure and evolution of
8 FRF and IRF competition in emerging markets (Bonfrer *et al.*, 2022).
9

10 From a market evolution perspective scholars used a market entry lens to identify
11 socioeconomic class, retail outputs and consumer economic abilities as key drivers of
12 patronage of FRF (Narayan *et al.*, 2015). Some scholars argue for FRFs to replace IRFs due to
13 modern shopping offered by FRFs but acknowledge that many still prefer IRFs (Maruyama
14 and Wu, 2014; Maruyama *et al.*, 2016). Some scholars differentiate competitive advantage of
15 both formats with environmental factors driving patronage of FRF online (Kardes *et al.*, 2021),
16 and IRFs offline (Dholakia *et al.*, 2018). Thus, FRF and IRF patrons may not be mutually
17 exclusive as customers may shop across both formats to satisfy different motives.
18

19 Although some studies measure the effects of cross-shopping behavior on FRF and IRF
20 indirectly through IRFs share of wallet spent (Paswan *et al.*, 2010), and FRF market share
21 (Hino 2014) or directly by modelling consumer choices at both formats to deduce IRF market
22 share and FRF profitability (Jerath *et al.*, 2016), these studies mostly overlook customer
23 motivations driving patronage of both formats. Customer motivation is crucial in identifying
24 store attributes appealing to customers with different shopping orientations and driving
25 patronage of both IRF and FRF. While Dholakia *et al.*, (2018) identified some of these motives
26 with qualitative study, the motives driving patronage of both formats remains underexplored.
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

3. Conceptual Framework and Hypotheses Development

Prior customer-oriented research employs judgmental, behavioral or motivational approaches to analyze market structures and to determine substitution and complementarity among offerings (Matthe *et al.*, 2022). Judgmental approach uses hypothetical perceptual maps for customers to evaluate substitution or complementarity but overlooks real-world customer choices whereas the behavioral approach uses scanner panel data to analyze customer inter-purchase times and switching behavior, but overlooks shopping motives (Shocker *et al.*, 1990; Yang *et al.*, 2021). Motivation approach evaluates customer motives for choosing between offerings or retail formats as complements or substitutes based on their offerings (Matthe *et al.*, 2022; Satyam *et al.*, 2022). This study adopts motivation approach to examine the drivers of FRF and IRF patronage as substitutes and complements in emerging markets.

According to shopping motivation theorists, the intensity, persistence, and direction of an individual's effort is a result of either extrinsic or intrinsic stimuli (Bonfrer *et al.*, 2022; Deci and Ryan, 1985). Extrinsic motivation emphasizes the reward for attaining a desired outcome, while intrinsic motivation focuses on the reward in the process of undertaking a task (Deci and Ryan, 1985). Thus, extrinsic motivation emphasizes store attributes as key drivers of patronage (Yokoyama *et al.*, 2022), while intrinsic motivation emphasizes consumers' shopping orientation as either task-focused or experiential-focused (Albrecht *et al.*, 2017; Büttner *et al.*, 2014). Task-focused shoppers rationalize shopping through costs-benefits analyses arising from store visits (Yokoyama *et al.*, 2022) whereas experiential-focused shoppers indulge in the shopping process by seeking pleasure, entertainment, and enjoyment from store visits (Elmashhara and Soares, 2019; Djelassi *et al.*, 2018).

Previous studies have identified variations in consumers' chronic shopping orientation, with some leaning towards experiential-focused while others favor a task-focused approach (Buttner

1
2
3 *et al.*, 2014; Ganesh *et al.*, 2007). Kaltcheva *et al.*, (2011) suggest that a consumer's shopping
4
5 orientation is influenced by the interplay between their chronic orientation and situational
6
7 factors, with typical store environments prompting the chronic orientation while extraordinary
8
9 store environments evoke a more atypical orientation. Thus, while consumers generally align
10
11 their shopping orientation with their chronic preference, situational factors can activate a
12
13 corresponding situational orientation overriding the chronic orientation (Büttner *et al.*, 2013).
14
15
16

17
18 Despite the situational overlaps in the two orientations, this study follows existing retail
19
20 research dichotomizing the two orientations and categorizes shoppers as either chronically
21
22 task-focused or experiential-focused (Büttner *et al.*, 2015; Kaltcheva and Weitz, 2006). Thus,
23
24 a consumer can only be either task-focused or experiential-focused but not both. This
25
26 categorization aligns with the theorization that different attributes of both formats can appeal
27
28 to the same market segment, inducing consumers, with either orientation as chronic consumer
29
30 traits, to patronize FRFs and IRFs as substitutes across shopping trips and as complements on
31
32 multi-purpose shopping.
33
34
35

36
37 However, the study argues that either format may appeal to both orientations as chronic
38
39 orientations because shoppers with different shopping orientations may patronize the same
40
41 format to satisfy different expectations (Kesari and Atulkar 2016). This argument is consistent
42
43 with findings in FRF settings that experiential-focused shoppers prefer store atmospherics
44
45 whereas task-focused shoppers prefer efficient store-layout (van Rompay *et al.*, 2012).
46
47 Nonetheless, emerging markets' research shows that service personalization through
48
49 salesperson interactions strongly influences food and grocery retail patronage (Arditto *et al.*,
50
51 2020) and the choice of IRF is mostly influenced by salespersons interactions (Dholakia *et al.*,
52
53 2018; Jerath *et al.*, 2016). Accordingly, we advance a moderated-mediated conceptual model,
54
55
56
57
58
59
60

1
2
3 in which the effects of shopping orientation on patronage of FRFs and IRFs are mediated by
4 store satisfaction, and this mediation is moderated by salesperson consultation (see Figure 1).
5
6
7
8

9 -----Insert Figure 1 here-----
10

11 12 **3.1 Determinants of patronage of FRF and IRF**

13 14 15 **3.1.1 Effect of Task-focused and Experience-focused Orientation on Patronage**

16
17
18 Prior research shows that task-focused shoppers prefer spacious stores, while experiential-
19 focused shoppers favor high-arousing store environments with enjoyable atmospherics
20 (Kaltcheva and Weitz 2006; Van Rompay *et al.*, 2012). Additionally, task-focused shoppers
21 tend to shop less frequently than experiential-focused ones (Baker and Wakefield, 2012).
22 Comparatively, FRFs are located at distant malls, have spacious layouts and extensive
23 assortments that suit occasional shopping because of transport limitations (Jerath *et al.*, 2016).
24 However, IRFs are located close to residential neighborhoods, have limited space, shallow
25 assortments, lower prices, and often require staff assistance and this encourages frequent
26 shopping as well (Dholakia *et al.*, 2018; Maruyama and Wu, 2014). Accordingly, task-focused
27 shoppers may patronize FRFs for spacious layout, while experiential-focused shoppers
28 patronize FRFs to enjoy the store atmospherics (Van Rompay, *et al.*, 2012). Whereas IRFs may
29 attract task-focused shoppers for their lower prices, IRFs may attract experiential-focused
30 shoppers to interact with familiar store staff for shopping intimacy (Baker and Wakefield,
31 2012; Paswan *et al.*, 2010). As both formats have features that could appeal to both task-
32 focused and experiential-focused consumers, FRFs and IRFs may complement each other.
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53 Accordingly, we propose that:

54
55
56 *H1: Task-focused orientation has a positive effect on store patronage for both (a) IRFs*
57 *and (b) FRFs.*
58
59
60

1
2
3 *H2: Experiential-focused orientation has a positive effect on store patronage for both*
4
5 *(a) IRFs and (b) FRFs.*
6
7

8 3.1.2 Effect of Task-focused and Experiential-focused Orientations on Satisfaction 9

10
11 Prior research analyzed how shopping orientations affect store satisfaction in brick-and-mortar
12 stores (Kesari and Atulkar, 2016) and discovered that consumers' satisfaction varies based on
13 store attributes (Yokoyama *et al.*, 2022). Task-focused shoppers seeking to save time and
14 money with easy access to products (Kaltcheva and Weitz, 2006), may find satisfaction in FRFs
15 offering prior information on promotions and efficient shopping layouts helping to streamline
16 the shopping task (Büttner *et al.*, 2015). Conversely, IRFs may satisfy task-focused shoppers
17 with convenient location and narrower assortment that facilitates quicker decision-making
18 (Maruyama *et al.*, 2016). From market structures and shopping motivation perspectives, task-
19 focused consumers find satisfaction in both retail formats and view them as complements and
20 substitutes. Therefore:
21
22
23
24
25
26
27
28
29
30
31
32
33

34
35 *H3: Task-focused orientation has a positive effect on satisfaction with both (a) IRFs*
36 *and (b) FRFs.*
37
38
39
40

41 Experiential-focused shoppers, valuing shopping experiences, social interactions, and
42 recreation, may find satisfaction in IRFs because their proximity to residential areas allows for
43 frequent visits (Baker and Wakefield, 2012; Elmashhara and Soares, 2019; Kaltcheva and
44 Weitz, 2006). However, they can also derive satisfaction from FRFs with wider assortments,
45 enabling comparison and enjoyable shopping atmosphere (Calvo-Porrall and Lévy-Mangín,
46 2018). Thus:
47
48
49
50
51
52
53

54
55 *H4: Experiential-focused orientation has a positive effect on satisfaction with both (a)*
56 *FRFs and (b) IRFs.*
57
58
59
60

3.1.3 Effect of task-focused and experiential focused orientation on patronage of retail formats through satisfaction

Prior research has established store satisfaction as a mediator between shopping motivation and patronage, primarily focusing on extrinsic factors like store attributes (Nair, 2018) or situational shopping value (Djelassi *et al.*, 2018). From an intrinsic motivation perspective, task-focused shoppers are likely to revisit FRFs if their expectations on monetary promotions and efficient layouts are met (Büttner *et al.*, 2015; van Rompay *et al.*, 2012). Similarly, they may return to IRFs if their expectations regarding proximity, familiarity with store layout, and quicker decision-making from narrower product assortments are met (Maruyama *et al.*, 2016).

Therefore:

H5: Store satisfaction mediates the relationships between task-focused orientation and store patronage of a) FRFs and b) IRFs.

Experiential-focused shoppers are likely to revisit any format as long as their expectations on social interaction and recreation are met during any given visit (Kaltcheva and Weitz, 2006). Such shoppers are also more likely to revisit FRFs because of satisfaction with wider product assortment and enjoyable store atmospherics (Calvo-Porrá and Lévy-Mangín, 2018; Djelassi *et al.*, 2018). Accordingly:

H6: Store satisfaction mediates the relationships between experiential-focused orientation and store patronage of a) FRFs and b) IRFs.

3.1.4 Moderating role of salesperson consultation on the mediating effect of store satisfaction

Customer service employee interactions affect perceived service quality and store satisfaction (Söderlund, 2018). Consultation during shopping can be initiated by either the shopper or salesperson (Haas and Kenning, 2014). While some scholars found proactive salespeople to enhance store satisfaction (Söderlund, 2018), others found face-to-face interaction and jokes

1
2
3 by salespersons to inhibit satisfaction (Söderlund and Oikarinen, 2018). Task-focused shoppers
4
5 approaching shopping with an implemental mind-set (Büttner *et al.*, 2014) would be less
6
7 inclined to engage in conversations with salespersons. Additionally, salespeople's-initiated
8
9 interactions may hinder satisfaction and patronage for such customers at both IRFs and FRFs
10
11 (Söderlund and Oikarinen, 2018). Therefore:
12
13

14
15 *H7: Salesperson consultation negatively moderates the mediating role of store*
16
17 *satisfaction in the link between task-focused orientation and store patronage for (a)*
18
19 *IRFs and (b) FRFs.*
20
21
22

23
24 However, experiential-focused shoppers viewing shopping as a recreational or entertainment
25
26 activity (Albrecht *et al.*, 2017) and approaching shopping with a deliberative mind-set may
27
28 engage salespeople to discuss issues (un)related to the shopping task to enrich their shopping
29
30 experience (Büttner *et al.*, 2014). Therefore:
31
32

33
34 *H8: Salesperson consultation positively moderates the mediating role of store*
35
36 *satisfaction in the link between experiential-focused orientation and store patronage*
37
38 *for (a) IRFs and (b) FRFs.*
39
40

41 **4. Methodology**

42 *4.1 Research context and sample*

43
44
45 As India is one of the leading emerging global economies it was selected as the study context
46
47 to test our model. Data was collected in three tier 1 cities (Mumbai, Bangalore, and Chennai)
48
49 where several formal outlets co-exist with informal ones. These cities have high presence of
50
51 IRFs and popular Indian FRFs. Within a kilometre radius, there were around one FRF to 14-
52
53 17 IRFs (17 in Chennai, 16 in Mumbai and 14 in Bangalore). The three cities were randomly
54
55 selected from out of eight Indian cities with populations exceeding one million (Lata *et al.*,
56
57
58
59
60

2021) to ensure random distribution of the sample. The three cities have comparable per capita income, employment opportunities and are the education, economic and cultural hubs in India.

A qualitative study of 60 shoppers was conducted to inform the questionnaire development for the quantitative study. The questionnaire, developed in English and back-translated to the local language by language specialists for language consistency, was pilot-tested on 30 shoppers in each of the three cities and modifications were made based on their feedback. In the quantitative study, 515 face-to-face surveys were conducted (218 in IFRs and 297 in FRFs). Respondents had to be over 18 year of age and with shopping experience from both FRFs and IRF. A comparison between the respondents and 25 non-respondents with similar demographics on the measurement items for store patronage showed no significant response differences, indicating no non-response bias in the study.

To assess for common method variance (CMV) that can arise from using the same instrument to measure exogenous and endogenous constructs simultaneously, we used the following procedures proposed in literature. First, respondent anonymity and data confidentiality were assured during the data collection. Second, measures from extant literature were used to reduce CMV bias as recommended by Podsakoff *et al.*, (2003). Third, during the questionnaire development stage, a marker variable, “*Response to government initiatives*” that was theoretically unrelated to all the study constructs was included in the questionnaire (Podsakoff *et al.*, 2003). There were no significant correlations between the marker variable and all the study variables in FRF and IRF sub-samples, thereby confirming no common method bias.

The following are the details of the respondents’ profile. 56.9% of the respondents were male and 43.1% female. Most respondents, i.e., 30.9%, were between 35 and 44 years of age, 28.4% were below 25, 22.1% were between 25 and 34, and 18.5% were over 45. 40.2% of the respondents had a higher secondary certificate or below, 36.0% had post-secondary certificates

1
2
3 or diplomas, with 23.4% being graduate or postgraduates. 34.2% of the respondents were
4 located in Chennai, 32.5% in Mumbai, and 33.3% in Bangalore.
5
6
7

8 9 *4.2 Measures of constructs*

10
11 The measurement items for task-focused orientation, experiential-focused orientation (Baker
12 and Wakefield, 2012; Büttner *et al.*, 2014; 2015), salesperson consultation (Hass and Kenning,
13 2014), store satisfaction (Marques *et al.*, 2013) and store patronage (Grewal *et al.*, 2003) were
14 drawn from prior literature. Modifications to the measurement items were made to reduce
15 ambiguity and complexity in interpretation.
16
17
18
19
20
21
22

23
24 Age, gender, education and location were included as control variables, as these demographic
25 characteristics have been identified to affect store satisfaction and patronage in literature
26 (Chang *et al.*, 2023; Grewal *et al.*, 2003). The results indicated no significant effect of control
27 variables on the dependent variable, suggesting homogeneity and no issues with nesting the
28 data. Table 1 shows the measurement items of all the study constructs.
29
30
31
32
33
34
35

36 37 **5. Analysis and results**

38 39 *5.1 Analysis*

40
41 To assess the reliability and validity of the measures, a two-step approach advocated by
42 Anderson and Gerbing (1988) was used. Exploratory factor analysis and then confirmatory
43 factor analysis (CFA) were used to assess the internal and external consistency of the measures.
44 A CFA model was specified for all the major study constructs. The overall fit of the
45 measurement model indicated that the six-factor model had an acceptable fit to the data (χ^2/df
46 =135.31/117 = 1.15, CFI = .99, NFI = .94) and were all within the acceptable thresholds,
47 suggesting good model fit. The measurement items' standardized factor loadings ranged from
48 .51 to .90, exceeding the .50 cut-off point (Browne and Cudeck, 1993), suggesting convergent
49
50
51
52
53
54
55
56
57
58
59
60

1
2
3 validity (see Table 1). To assess discriminant validity, the average variance extracted (AVE)
4 was examined. The square root of the AVEs were well above the highest correlations of the
5 study (Fornell and Larcker, 1981). While squared root of the AVEs for task-focused
6 orientation, experiential-focused orientation, salesperson consultation and store patronage were
7 well-above the correlations between these constructs, the squared root of the AVE for store
8 satisfaction (.871) was slightly higher than the correlation between store satisfaction and store
9 patronage (.868), still confirming discriminant validity.

10
11
12
13
14
15
16
17
18
19
20 The estimated correlation parameter between any pairs of constructs was constrained to unity,
21 and then, after freeing them, the difference between the χ^2 values of the constrained and the
22 unconstrained models were assessed (Anderson and Gerbing, 1988). The χ^2 difference test was
23 significant at the $p < .01$ level, suggesting no perfect correlation between the constructs. Thus,
24 discriminant validity was assumed. Descriptive statistics and bivariate correlation coefficients
25 are shown in Table 1.

26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
The results indicated a correlation between task-focused and experiential-focused orientations
($r = 0.617$). The correlation coefficient less than 0.80 indicates that collinearity is less likely to
exist (Kalnins, 2018; Shrestha, 2020). Additionally, the potential existence of multi-
collinearity was assessed by calculating the variance inflation factor (VIF) and tolerance; a VIF
score below 2.0 and a tolerance score above 0.5 suggests that the results of the regression
coefficient is less likely to be affected by the correlation in the independent variables (task-
focused and experiential-focused). The condition index score of below 15 further assures that
multicollinearity is not a concern in this study (Belsley et al., 1980; Kalnins, 2018).

---Insert Table 1 here---

To examine the moderated-mediation relationships specified in the conceptual model (see
Figure 1), PROCESS model 8 (Hayes, 2018) was used to assess if the indirect effects of task-

1
2
3 focused and experiential-focused orientations on store patronage through store satisfaction
4 were significant at low (-1SD), moderate (mean) and high (+1SD) levels of salesperson
5 consultation. The bootstrapping method that is considered superior to the Sobel test for testing
6 mediation effects (Hayes, 2018), was used to assess significance of the indirect effects at 95%
7 confidence interval and 1000 re-samples. Four models were specified to estimate
8 the conditional indirect effects, the direct and mediated effects while the index of the
9 moderated-mediation were used to interpret the results. The results of the direct, indirect effects
10 and moderated mediation analyses are shown in Figure 2 and Tables 2 and 3.

11
12
13
14
15
16
17
18
19
20
21
22
23 ---Insert Tables 2 & 3 here---

24 25 26 5.2 Results

27 28 29 5.2.1 Direct effects

30
31
32 Contrary to our H1 predictions, the results indicate no significant effect of task-focused
33 orientation on patronage of IRF ($\beta = .056$, ns), but shows significant negative effect on FRF
34 patronage ($\beta = -.139$, $p \leq .05$), see Table 2. Experiential-focused orientation had no significant
35 effects on patronage of IRF ($\beta = .096$, ns) and FRF ($\beta = .021$, ns), disproving H2a and H2b. The
36 results indicated significant positive effects of task-focused orientation on store satisfaction
37 with IRF ($\beta = .441$, $p \leq .05$), and FRF ($\beta = .221$, $p \leq .05$), supporting H3a and H3b respectively.
38 Consistent with our predictions in H4a and H4b, experiential-focused orientation had
39 significant positive effects on store satisfaction with FRF ($\beta = .434$, $p \leq .001$) and IRF ($\beta =$
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100
101
102
103
104
105
106
107
108
109
110
111
112
113
114
115
116
117
118
119
120
121
122
123
124
125
126
127
128
129
130
131
132
133
134
135
136
137
138
139
140
141
142
143
144
145
146
147
148
149
150
151
152
153
154
155
156
157
158
159
160
161
162
163
164
165
166
167
168
169
170
171
172
173
174
175
176
177
178
179
180
181
182
183
184
185
186
187
188
189
190
191
192
193
194
195
196
197
198
199
200
201
202
203
204
205
206
207
208
209
210
211
212
213
214
215
216
217
218
219
220
221
222
223
224
225
226
227
228
229
230
231
232
233
234
235
236
237
238
239
240
241
242
243
244
245
246
247
248
249
250
251
252
253
254
255
256
257
258
259
260
261
262
263
264
265
266
267
268
269
270
271
272
273
274
275
276
277
278
279
280
281
282
283
284
285
286
287
288
289
290
291
292
293
294
295
296
297
298
299
300
301
302
303
304
305
306
307
308
309
310
311
312
313
314
315
316
317
318
319
320
321
322
323
324
325
326
327
328
329
330
331
332
333
334
335
336
337
338
339
340
341
342
343
344
345
346
347
348
349
350
351
352
353
354
355
356
357
358
359
360
361
362
363
364
365
366
367
368
369
370
371
372
373
374
375
376
377
378
379
380
381
382
383
384
385
386
387
388
389
390
391
392
393
394
395
396
397
398
399
400
401
402
403
404
405
406
407
408
409
410
411
412
413
414
415
416
417
418
419
420
421
422
423
424
425
426
427
428
429
430
431
432
433
434
435
436
437
438
439
440
441
442
443
444
445
446
447
448
449
450
451
452
453
454
455
456
457
458
459
460
461
462
463
464
465
466
467
468
469
470
471
472
473
474
475
476
477
478
479
480
481
482
483
484
485
486
487
488
489
490
491
492
493
494
495
496
497
498
499
500
501
502
503
504
505
506
507
508
509
510
511
512
513
514
515
516
517
518
519
520
521
522
523
524
525
526
527
528
529
530
531
532
533
534
535
536
537
538
539
540
541
542
543
544
545
546
547
548
549
550
551
552
553
554
555
556
557
558
559
560
561
562
563
564
565
566
567
568
569
570
571
572
573
574
575
576
577
578
579
580
581
582
583
584
585
586
587
588
589
590
591
592
593
594
595
596
597
598
599
600
601
602
603
604
605
606
607
608
609
610
611
612
613
614
615
616
617
618
619
620
621
622
623
624
625
626
627
628
629
630
631
632
633
634
635
636
637
638
639
640
641
642
643
644
645
646
647
648
649
650
651
652
653
654
655
656
657
658
659
660
661
662
663
664
665
666
667
668
669
670
671
672
673
674
675
676
677
678
679
680
681
682
683
684
685
686
687
688
689
690
691
692
693
694
695
696
697
698
699
700
701
702
703
704
705
706
707
708
709
710
711
712
713
714
715
716
717
718
719
720
721
722
723
724
725
726
727
728
729
730
731
732
733
734
735
736
737
738
739
740
741
742
743
744
745
746
747
748
749
750
751
752
753
754
755
756
757
758
759
760
761
762
763
764
765
766
767
768
769
770
771
772
773
774
775
776
777
778
779
780
781
782
783
784
785
786
787
788
789
790
791
792
793
794
795
796
797
798
799
800
801
802
803
804
805
806
807
808
809
810
811
812
813
814
815
816
817
818
819
820
821
822
823
824
825
826
827
828
829
830
831
832
833
834
835
836
837
838
839
840
841
842
843
844
845
846
847
848
849
850
851
852
853
854
855
856
857
858
859
860
861
862
863
864
865
866
867
868
869
870
871
872
873
874
875
876
877
878
879
880
881
882
883
884
885
886
887
888
889
890
891
892
893
894
895
896
897
898
899
900
901
902
903
904
905
906
907
908
909
910
911
912
913
914
915
916
917
918
919
920
921
922
923
924
925
926
927
928
929
930
931
932
933
934
935
936
937
938
939
940
941
942
943
944
945
946
947
948
949
950
951
952
953
954
955
956
957
958
959
960
961
962
963
964
965
966
967
968
969
970
971
972
973
974
975
976
977
978
979
980
981
982
983
984
985
986
987
988
989
990
991
992
993
994
995
996
997
998
999
1000

5.2.2 Mediating effects

The results shown in Table 2 indicate that store satisfaction mediates the link between task-focused orientation and patronage of FRFs ($\beta = .106$, $p \leq .05$) and IRFs ($\beta = .397$, $p \leq .05$),

1
2
3 which support H5a and H5b, respectively. The effects of experiential-focused orientation on
4 patronage through store satisfaction were positive and significant for FRFs ($\beta = .424, p \leq .05$)
5 and IRFs ($\beta = .497, p \leq .05$). These findings support both H6a and H6b.
6
7
8
9

10 5.2.3 Moderating role of salesperson consultation on the mediating effect of store satisfaction

11 The results involve conditional indirect effects and moderated mediation effects at low,
12 medium and high levels of salesperson consultation (see Table 3). The results show that the
13 index of the moderated-mediation for salesperson consultation regarding the mediation of store
14 satisfaction in the link between task-focused orientation and store patronage was significant
15 but negative for IRF (indirect effects = $-.466$, boot $SE = .064$, 95% bias corrected CI [$-.61$ to $-.32$]).
16 Thus, H7a was supported, as bias-corrected confidence intervals did not straddle a zero.
17 However, the index of the moderated-mediation for salesperson consultation regarding the
18 mediation of store satisfaction in the link between task-focused orientation and store patronage
19 was insignificant for FRF (indirect effects = $-.189$, boot $SE = .145$, 95%CI [$-.49$ to $.06$]), Thus,
20 H7b was not supported, as the CIs straddled a zero. These results of the simple slope analysis
21 suggest that the effects of task-focused orientation on store patronage through store satisfaction
22 are weaker at higher levels of salesperson consultation only in the IRF context (see Figure 2).
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41

42 ---Insert Figure 2 here---

43
44
45 Supporting H8(a) and H8(b), the results indicate that the index of moderated mediation effects
46 were positive and significant indicating the moderation effect of salesperson consultation on
47 the mediation effects of store satisfaction on the relationship between experiential-focused
48 orientation and store patronage for IRF (indirect effects = $.454$, boot $SE = .076$, 95% CI [$.32$ to
49 $.61$]) and FRF (indirect effects = $.204$, boot $SE = .113$, 95% CI = [$.01$ to $.43$]). These did not
50 straddle a zero. Figure 2 shows stronger conditional indirect effects of experiential-focused
51 orientation on patronage at higher levels of salesperson consultation for both IRFs and FRFs.
52
53
54
55
56
57
58
59
60

6. Discussion

This study examined how shopping orientation influences patronage of FRF and IRF in emerging markets. The results show that both task-focused and experiential-focused orientations have a significant positive impact on store satisfaction in both IRF and FRF, confirming previous research indicating that shopping motivation influences store satisfaction in both online and offline shopping settings (Kesari and Atulkar 2016). From market structures perspective, we contend that while having distinct attributes, IRF and FRF offer asymmetric complementary shopping experiences for task-focused and experiential-focused shoppers because task-focused shoppers exhibited greater satisfaction with IRF, while experiential-focused shoppers perceived greater satisfaction with FRF.

The result suggests that satisfaction fully mediates the relationship between experiential-focused orientation and patronage of IRF and FRF. However, its mediation role between task-focused orientation and patronage of FRF and IRF is respectively partial and full. These confirm previous research that found satisfaction to mediate shopping motivation and store patronage (Djelassi *et al.*, 2018; Nair, 2018) and suggest that both formats can induce patronage from task-focused and experiential-focused shoppers if they satisfy these shoppers.

The negative moderation of salesperson consultation of the mediation role of satisfaction in the relationship between task-focused orientation and patronage of IRF suggests that personalizing services with salespeople can reduce satisfaction and patronage among task-focused shoppers. Thus, although salespeople's presence can enhance convenience and safety (Söderlund, 2016), task-focused shoppers at IRFs may view salesperson interaction as intrusive and time-wasting, contradicting Söderlund's (2018) finding that proactive salespersons increase satisfaction.

Finally, the positive moderation of salesperson consultation of the mediation role of satisfaction in the relationship between experiential-focused orientation and patronage of both FRF and

1
2
3 IRF support previous findings on personalized services enhancing store satisfaction
4 (Söderlund, 2018). However, personalized services benefit experiential-focused shoppers in
5
6 emerging markets like India, which is contrary to Söderlund and Oikarinen's (2018) findings
7
8 suggesting that extensive salesperson interaction can inhibit store satisfaction and patronage.
9
10
11
12

13 **7. Theoretical contributions**

14
15
16 Extant research on retailing in emerging markets has examined how FRFs and IRFs serve
17
18 different customer segments with the same offerings (Maruyama and Wu, 2014; Maruyama *et*
19
20 *al.*, 2016), or serve the same segment with different offerings (Hino, 2014; Jerath *et al.*, 2016;
21
22 Kardes *et al.*, 2021). By demonstrating how task-focused and experiential-focused shopping
23
24 orientations drive FRF and IRF patronage through store satisfaction, this study shows that *both*
25
26 FRFs and IRFs can serve the same segment when each of them prioritizes how their offerings
27
28 satisfy consumers' chronic shopping orientation on specific shopping trips. Conversely, *either*
29
30 FRF or IRF can serve customers in different segments by prioritizing distinct store attributes
31
32 satisfying shoppers with different chronic orientations across shopping trips.
33
34
35
36
37

38 However, this study's key contribution involves the role salesperson consultation plays in
39
40 moderating, the mediating effects of satisfaction in the relationship between task-focused and
41
42 experiential-focused orientations and patronage of both FRF and IRFs. The study reveals that
43
44 while salesperson consultation reduces satisfaction and patronage of IRFs for task-focused
45
46 shoppers, it enhances satisfaction and patronage for both FRFs and IRFs by experiential-
47
48 focused shoppers. These findings advance knowledge on competition between FRFs and IRFs
49
50 in emerging markets, as the traditional set-up of IRFs in emerging markets is inherently
51
52 personalized (Dholakia *et al.*, 2018; Maruyama and Wu, 2014) compared to FRFs (Jerath *et*
53
54 *al.*, 2016). The findings suggest that FRFs can compete by adopting less personalized approach
55
56
57
58
59
60

1
2
3 to attract chronic task-focused shoppers across shopping trips while IRFs focus on personalized
4 service offering to attract chronic experiential-focused shoppers across shopping trips.
5
6
7

8
9 Second, this study is one of the first to examine the evolving retailing market structure of FRF
10 and IRF around shopping motivation in emerging markets. Extant research has explored how
11 established shopping behaviors for IRF hinder FRF adoption or IRF modernization (Maruyama
12 *et al.*, 2016; Narayan *et al.*, 2015). Some scholars investigate factors driving customers in
13 emerging markets to choose IRF over FRF (Dholakia, *et al.*, 2018) or one format over the other
14 (Hino, 2014; Tran, and Sirieix, 2020). This study examines how task-focused and experiential-
15 focused orientations influence patronage of both FRF and IRF and suggests that adopting a
16 shopping orientation perspective can reveal their complementarity within the same segment
17 when consumers visit these formats on multipurpose shopping trips.
18
19
20
21
22
23
24
25
26
27
28
29

30 Third, although existing research emphasizes cross-shopping behaviors as key drivers of
31 patronage of either FRF or IRF in emerging markets (Tran and Sirieix, 2020), how cross-
32 shopping behaviors affect patronage of either format has been measured separately through
33 market share of FRF (Hino, 2014) or share of wallet spent at IRF (Paswan *et al.*, 2010). By
34 examining how the same shopping orientation influences patronage as repeated visits to FRF
35 and IRF through satisfaction, this study indicates that FRF and IRF competition may not always
36 be a zero-sum game. Rather, it can be a win-win situation if either format prioritizes customer
37 satisfaction during store visits.
38
39
40
41
42
43
44
45
46
47
48

49 Finally, the study extends market structure analysis in retailing literature from consumer
50 motivation perspective by examining substitution and complementarity between FRFs and
51 IRFs in emerging markets. While store satisfaction serves as the mechanism through which
52 shoppers patronize FRFs and IRFs as substitutes and complements, satisfaction attenuates the
53 negative effect of task-focused orientation on FRF patronage.
54
55
56
57
58
59
60

8. Managerial implications

This study has several managerial implications for retailing strategy in emerging markets. First, given that both task-focused and experiential-focused orientations influence patronage of both FRF and IRF through satisfaction, both formats can co-exist as substitutes and complements for customers, if they both satisfy customers' shopping orientations. Such coexistence may occur if FRFs focus on store layout, spaciousness, and atmospherics, while IRFs focus on locational convenience, lower prices and store staff interactions.

Second, as experiential-focused and task-focused shoppers exhibit frequent and less frequent store visits respectively, FRF can design loyalty schemes to encourage frequent store visits by experiential-focused shoppers, while designing monetary promotion schemes to induce store visits by task-focused shoppers. IRFs may prioritize convenient location that enable frequent (occasional) visits by experiential-focused (task-focused) shoppers to satisfy their chronic shopping orientations.

Third, salesperson interaction moderates the mediation role of satisfaction on patronage and implies that retailers should promote salesperson interactions as a store-specific or format-specific attribute rather than a situational one. FRFs can use different promotion strategies to induce in-store personal and non-personal interactions respectively for experiential and task-focused shoppers whereas IRFs must differentiate between these shopper types at the store entrance to avoid distraction of task-focused shoppers in the shopping process.

Finally, while task-focused shoppers exhibited greater satisfaction with IRF, experiential-focused shoppers perceived greater satisfaction with FRF. Thus, IRFs should reduce store access costs and limit personalized interactions for task-focused shoppers, while FRFs can

enhance satisfaction for experiential-focused shoppers by promoting group and family shopping atmospherics.

9. Limitations and areas for further research

Like all research, this study has some limitations that could offer directions for future research. First, this study relies on cross-sectional survey data, which limits the generalizability of the findings across time. Future researchers could adopt a longitudinal or experimental research designs to assess causality across the factors identified in the current research. Second, while this study examined how task-focused and experiential-focused orientations determine FRF and IRF store patronage, examining shopping behavior among FRFs is more mainstream. Therefore, future research may examine how task-focused and experiential-focused orientations determine patronage across formal, but different, retail formats. Third, this research focused on shoppers in India, which is one of several emerging market economies. Future research could test the model advanced in this study in other emerging economies. Finally, future research can examine this study's conceptual model in different retail sectors and online retail contexts.

REFERENCES

- Albrecht, C.M., Hattula, S. and Lehmann, D.R., (2017), "The relationship between consumer shopping stress and purchase abandonment in task-oriented and recreation-oriented consumers", *Journal of the Academy of Marketing Science*, Vol. 45 No. 5, pp.720-740.
- Anderson, J. C. and Gerbing, D. W. (1988), "Structural equation modeling in practice: A review and recommended two-step approach", *Psychological Bulletin*, Vol. 103 No 3, p. 411.
- Arditto, L., Cambra-Fierro, J. J., Fuentes-Blasco, M., Jaraba, A. O. and Vázquez-Carrasco, R. (2020), "How does customer perception of salespeople influence the relationship? A study in an emerging economy", *Journal of Retailing and Consumer Services*, Vol. 54, p. 101952.
- Baker, J. and Wakefield, K. L. (2012), "How consumer shopping orientation influences perceived crowding, excitement, and stress at the mall", *Journal of the Academy of Marketing Science*, Vol. 40 No. 6, pp. 791-806.
- Belsley, D. A., Kuh, E., and Welsch, R. E. (1980). *Regression diagnostics: Identifying influential data and sources of collinearity*. New York: Wiley.
- Bonfrer, A., Chintagunta, P. and Dhar, S. (2022), "Retail store formats, competition and shopper behavior: A systematic review", *Journal of Retailing*, Vol. 98 pp. 71–91.

- 1
2
3 Browne, M.W. and Cudeck, R. (1993), "Alternative ways of assessing model fit", *Sage Focus Editions*,
4 Vol. 154, pp. 136-36.
5
6 Büttner, O.B., Florack, A. and Göritz, A.S. (2013), "Shopping orientation and mindsets: How motivation
7 influences consumer information processing during shopping", *Psychology & Marketing*, Vol. 30 No.
8 9, pp.779-793.
9
10 Büttner O. B., Florack, A. and Göritz, A. S. (2014), "Shopping orientation as a stable consumer disposition
11 and its influence on consumers' evaluations of retailer communication", *European Journal of*
12 *Marketing*, Vol. 48, pp. 1026-45.
13
14 Büttner, O.B., Florack, A. and Göritz, A.S. (2015), "How shopping orientation influences the
15 effectiveness of monetary and nonmonetary promotions", *European Journal of Marketing*, Vol. 49
16 No.1/2, pp. 170-89.
17
18 Calvo-Porrall, C. and Lévy-Mangín, J.P. (2018) "Pull factors of the shopping malls: an empirical
19 study", *International Journal of Retail & Distribution Management*, Vol. 46 No. 2, pp.110-124.
20
21 Chang, Y. W., Hsu, P. Y., Chen, J., Shiau, W. L., and Xu, N. (2023) "Utilitarian and/or hedonic shopping–
22 consumer motivation to purchase in smart stores", *Industrial Management & Data Systems*, Vol. 123
23 No. 3, pp. 821-842.
24
25 Deci, E. L. and Ryan, R. M. (1985), "The general causality orientations scale: Self-determination in
26 personality", *Journal of Research in Personality*, Vol. 19 No. 2, pp. 109-134.
27
28 Dholakia, R. R., Dholakia, N. and Chattopadhyay, A. (2018), "Indigenous marketing practices and
29 theories in emerging economies: Consumer behavior and retail transformations in India", *Journal of*
30 *Business Research*, Vol. 86, pp. 406-15.
31
32 Djelassi, S., Godefroit-Winkel, D. and Diallo, M.F., (2018), "Does culture affect the relationships among
33 utilitarian and non-utilitarian values, satisfaction and loyalty to shopping centres? Evidence from two
34 Maghreb countries", *International Journal of Retail & Distribution Management*. Vol. 46 No. 11/12,
35 pp. 1153-1169.
36
37 Elmashhara, M.G. and Soares, A.M. (2019), "The impact of entertainment and social interaction with
38 salespeople on mall shopper satisfaction: The mediating role of emotional states", *International*
39 *Journal of Retail & Distribution Management*, Vol. 47 No. 2, pp. 94-110
40
41 Fornell, C. and Larcker, D.F. (1981), "Structural equation models with unobservable variables and
42 measurement error: Algebra and statistics", *Journal of Marketing Research*, Vol. 18, pp. 382-88.
43
44 Ganesh, J., Reynolds, K. E. and Lockett, M. G. (2007), "Retail patronage behavior and shopper
45 typologies: a replication and extension using a multi-format, multi-method approach", *Journal of the*
46 *Academy of Marketing Science*, Vol. 35, pp. 369-381.
47
48 Grewal, D., Baker, J., Levy, M. and Voss, G. B. (2003), "The effects of wait expectations and store
49 atmosphere evaluations on patronage intentions in service-intensive retail stores", *Journal of*
50 *Retailing*, Vol. 79, No. 4, pp. 259-268.
51
52 Haas, A. and Kenning, P. (2014), "Utilitarian and hedonic motivators of shoppers' decision to consult
53 with salespeople", *Journal of Retailing*, Vol. 90 No. 3, pp. 428-41.
54
55 Hayes, A. F. (2018), *Introduction to mediation, moderation, and conditional process analysis: A*
56 *regression-based approach (2nd edition)*, The Guilford Press, New York.
57
58 Hino, H. (2014), "Shopping at different food retail formats: Understanding cross-shopping behaviour
59 through retail format selective use patterns", *European Journal of Marketing*, Vol. 48 No. 3/4, pp.
60 674-98.
- Hiremath, S., Panda, A., and Pasumarti, S. S. (2023), "An empirical investigation of customer characteristics on retail format selection—a mediating role of store image", *Journal of Indian Business Research*, Vol. 15 No 1, pp. 55-75.
- India Brand Equity Foundation (2022), "Indian retail industry analysis", Available at: <https://www.ibef.org/industry/indian-retail-industry-analysis-presentation> (accessed April 02, 2023).
- Jerath, K., Sajeesh, S. and Zhang, Z. J. (2016), "A model of unorganized and organized retailing in emerging economies", *Marketing Science*, Vol. 35 No. 5, pp. 756-78.

- 1
2
3 Kalnins, A. (2018). Multicollinearity: How common factors cause Type 1 errors in multivariate
4 regression. *Strategic Management Journal*, Vol. 39 No. 8, pp. 2362-2385.
- 5 Kaltcheva, V. D., Patino, A. and Chebat, J. C. (2011), "Impact of retail environment extraordinariness on
6 customer self-concept", *Journal of Business Research*, Vol. 64 No. 6, pp. 551-557.
- 7 Kaltcheva, V. and Weitz, B. A. (2006), "The moderating influence of motivational orientation on the
8 relationship between shopping environment arousal and behavior", *Journal of Marketing*, Vol. 70 No.
9 1, pp. 107-18.
- 10
11 Kardes, I., Reinecke Flynn, L. and Dugan, M. (2021), "Online retailing: Determinants of competition
12 between multinationals and local firms in emerging markets", *International Journal of Retail &
13 Distribution Management*, Vol. 49 No. 2, pp.263-280.
- 14 Kesari, B. and Atulkar, S. (2016), "Satisfaction of mall shoppers: A study on perceived utilitarian and
15 hedonic shopping values", *Journal of Retailing and Consumer Services*, Vol. 31, pp. 22-31.
- 16 Lata, K., Thapa, K. and Rajput, A. S. (2021), "Liveability of Indian Cities and Spread of Covid-19--Case
17 of Tier-1 Cities", *Indian Journal of Public Administration*, Vol. 67, No. 3, pp. 365-382.
- 18 Marques, S. H., Cardoso, M. M., and Palma, A. P. (2013), "Environmental factors and satisfaction in a
19 specialty store", *The International Review of Retail, Distribution and Consumer Research*, Vol. 23,
20 No. 4, pp. 456-474.
- 21
22 Maruyama, M. and Wu, L. (2014), "Quantifying barriers impeding the diffusion of supermarkets in China:
23 The role of shopping habits", *Journal of Retailing and Consumer Services*, Vol. 21 No. 3, pp. 383-
24 393.
- 25 Maruyama, M., Wu, L. and Huang, L. (2016), "The modernization of fresh food retailing in China: The
26 role of consumers", *Journal of Retailing and Consumer Services*, Vol 30, pp. 33-39.
- 27 Matthe, M., Ringel, D.M. and Skiera, B. (2022), "Mapping market structure evolution", *Marketing
28 Science*. pp. 1-25
- 29 Minimol, M. C. and Nair, S. B. (2020), "Do Macroeconomic indicators encourage foreign direct
30 investment in Indian retail?" *Journal of Management Research*, Vol. 20, No. 1, pp. 26-33.
- 31 Nair, S.R. (2018), "Analyzing the relationship between store attributes, satisfaction, patronage intention
32 and lifestyle in food and grocery store choice behavior", *International Journal of Retail & Distribution
33 Management*, Vol 46 No. 1, pp. 70-89.
- 34 Narayan, V., Rao, V. R. and Sudhir, K. (2015), "Early adoption of modern grocery retail in an emerging
35 market: evidence from India", *Marketing Science*, Vol. 34 No. 6, pp. 825-42.
- 36 Paswan, A., Pineda, M. D. L. D. S. and Ramirez, F. C. S. (2010), "Small versus large retail stores in an
37 emerging market—Mexico", *Journal of Business Research*, Vol. 63 No. 7, pp. 667-672.
- 38 Podsakoff, P. M., MacKenzie, S. B., Lee, J. Y. and Podsakoff, N. P. (2003), "Common method biases in
39 behavioral research: A critical review of the literature and recommended remedies", *Journal of
40 Applied Psychology*, Vol. 88 No. 5, pp. 879-903.
- 41 Satyam, Aithal, R.K. and Pradhan, D. (2022) "Resilience of an evolved retail agglomeration: case of rural
42 periodic markets in emerging economies", *International Journal of Retail & Distribution
43 Management*, Vol. 50 No.11, pp.1395-1411.
- 44 Shocker, A. D., Stewart, D. W. and Zahorik, A. J. (1990), "Determining the competitive structure of
45 product-markets: Practices, issues, and suggestions", *Journal of Managerial Issues*, pp. 127-159.
- 46 Shrestha, N. (2020). Detecting multicollinearity in regression analysis. *American Journal of Applied
47 Mathematics and Statistics*, Vol. 8 No. 2, pp. 39-42.
- 48 Singh, S. and Wagner, R. (2019), "How Indian home-grown businesses outsmart the MNCs", *European
49 Business Review*, Vol. 31 No. 6, pp. 849-869
- 50 Söderlund, M. (2016), "Employee mere presence and its impact on customer satisfaction", *Psychology &
51 Marketing*, Vol. 33 No. 6, pp. 449-64.
- 52 Söderlund, M. (2018), "The proactive employee on the floor of the store and the impact on customer
53 satisfaction", *Journal of Retailing and Consumer Services*, Vol. 43, pp. 46-53.
- 54
55
56
57
58
59
60

- 1
2
3 Söderlund, M. and Oikarinen, E. L. (2018), "Joking with customers in the service encounter has a negative
4 impact on customer satisfaction: Replication and extension", *Journal of Retailing and Consumer
5 Services*, Vol. 42, pp. 55-64.
- 6 Tran, V. H. and Sirieix, L. (2020), "Shopping and cross-shopping practices in Hanoi Vietnam: An
7 emerging urban market context", *Journal of Retailing and Consumer Services*, Vol. 56, p. 102178.
- 8 Uncles, M. D. and Kwok, S. (2009), "Patterns of store patronage in urban China", *Journal of Business
9 Research*, Vol. 62 No. 1, pp. 68-81.
- 10
11 Van Rompay, T. J., Tanja-Dijkstra, K., Verhoeven, J. W., and van Es, A. F. (2012) "On store design and
12 consumer motivation: Spatial control and arousal in the retail context", *Environment and
13 Behavior*, Vol. 44 No. 6, pp. 800-820.
- 14
15 Yang, Y., Zhang, K. and Kannan, P.K. (2022), "Identifying market structure: A deep network
16 representation learning of social engagement", *Journal of Marketing*, Vol. 86 No. 4, pp.37-56.
- 17
18 Yokoyama, N., Azuma, N. and Kim, W. (2022), "Moderating effect of customer's retail format perception
19 on customer satisfaction formation: An empirical study of mini-supermarkets in an urban retail market
20 setting", *Journal of Retailing and Consumer Services*, Vol. 66, p.102935.
- 21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

Figures

Figure 1: Conceptual Model

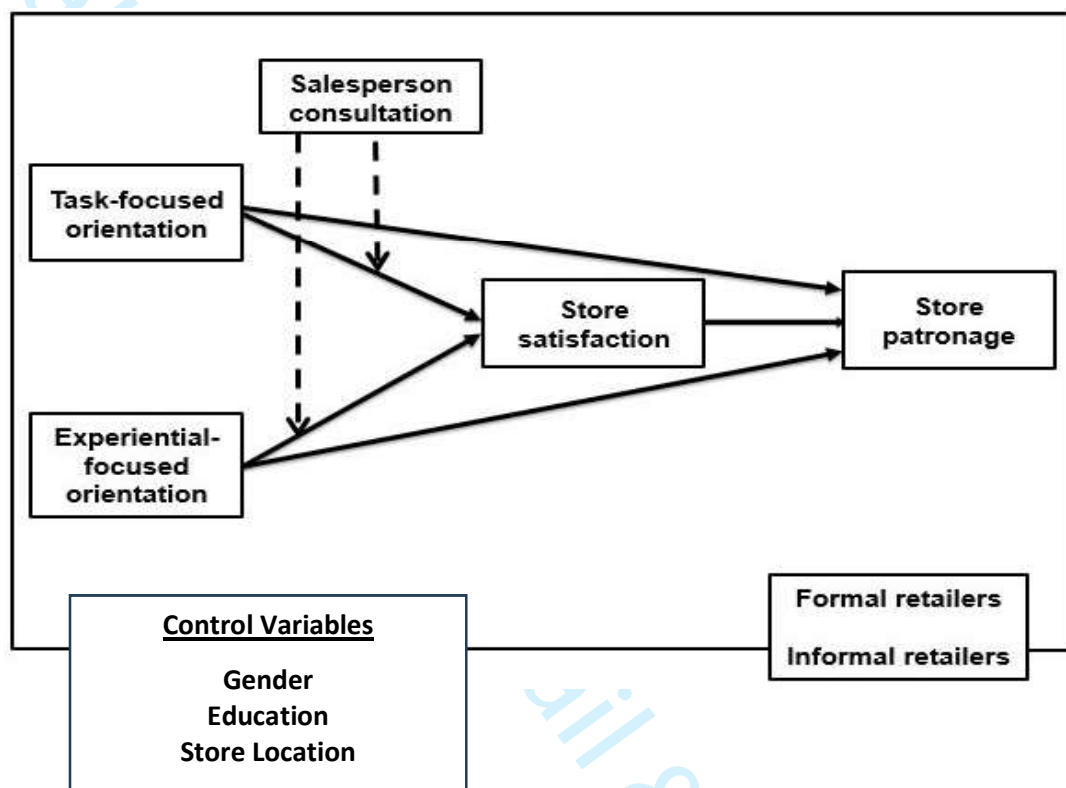
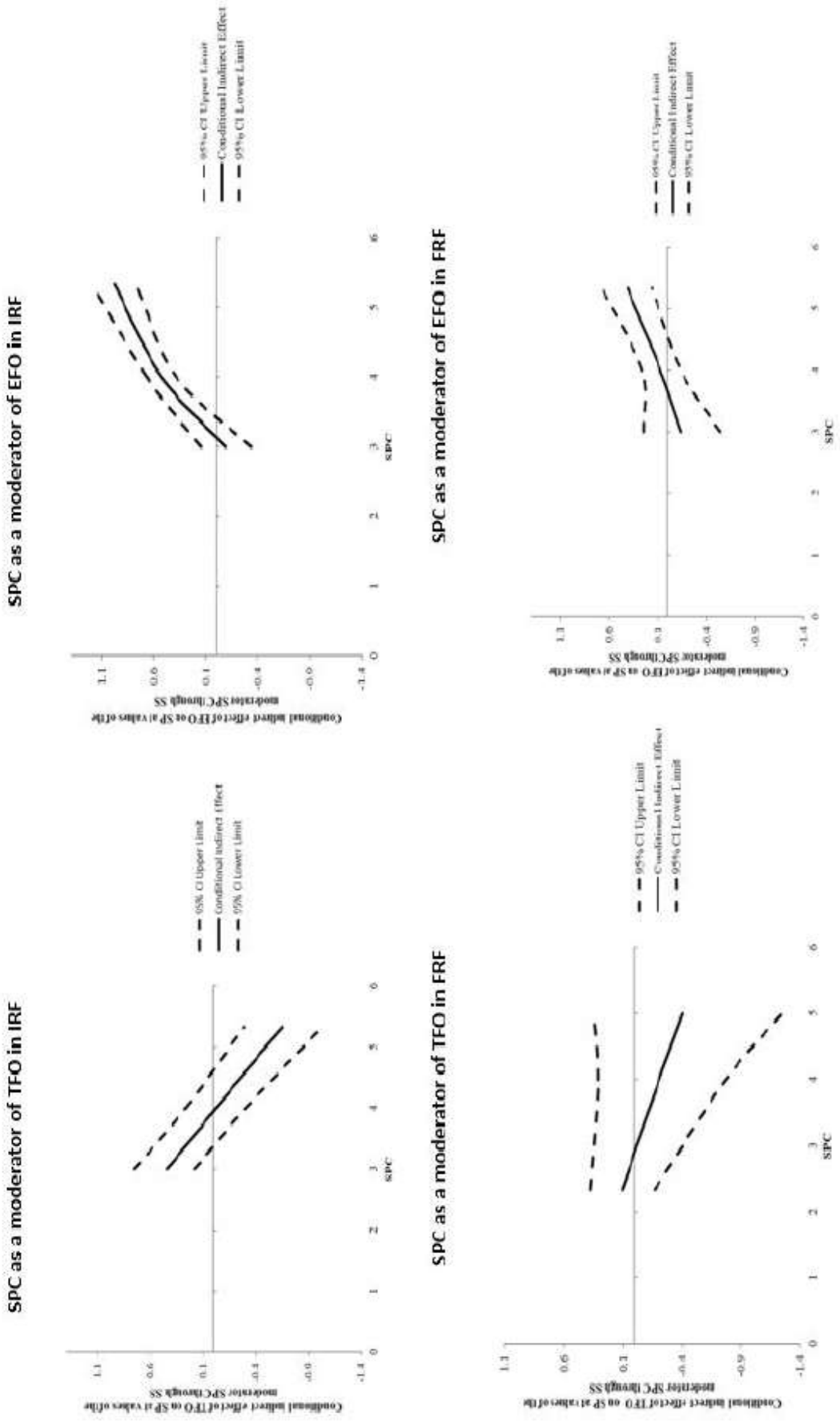


Figure 2: Slope analysis of salesperson consultation as a moderator of the mediating role of store satisfaction



TFO = Task-focused orientation; EFO = Experiential-focused orientation; SP = Store patronage; SPC = Salesperson consultation; SS= Store satisfaction.



Table 1: Confirmatory Factor Analysis, Correlation and Descriptive Statistics

Confirmatory Factor Analysis		Correlation Analysis and Descriptive Statistics								
	SFL	AVE/CR	Task-focused	Experiential-focused	Salesperson consultation	Store satisfaction	Store patronage	Marker variable	Mean	SD
Task-focused orientation										
My primary objective in shopping is get it done.	.678	CR = .750	.764#	.617**	-.097*	.345**	.315**	-.015	4.209	.878
I concentrate on getting the shopping done.	.764	AVE = .501								
My primary aim in shopping is to complete as planned.	.677									
Experiential-focused orientation										
In shopping, I prefer being immersed in exciting products.	.506	CR = .843		.714#	-.326**	.444**	.403**	-.052	4.225	1.068
In shopping I prefer to explore and touch different products	.927	AVE = .583								
In shopping, I like to consider wide selection of products.	.834									
In shopping, I expect joy and pleasure.	.723									
Salesperson consultation										
The store employed enough salespersons.	.733	CR = .910			.821#	-.296**	-.237**	-.057	3.925	1.265
Salespersons are friendly.	.625	AVE = .674								
Salesperson responds well to requests and questions.	.910									
Salesperson is honest.	.943									
Salesperson is trustworthy.	.850									
Store satisfaction										
I preferred to shop at this store/ market.	.880	CR = .926				.871#	.867**	-.037	4.687	1.231
I feel happy when I shop at this store/market.	.831	AVE = .758								
My shopping experience at this store/market have always been pleasant.	.866									
I am very satisfied with this store/market.	.905									
Store patronage										
I will visit the store/market in the future.	.892	CR = .925					.868#	-.001	4.793	1.290
I will shop at this store/market in future.	.834	AVE = .754								
I consider this store/market as my first choice.	.852									
I intend to keep shopping at this store/market.	.894									
Marker Variable										
									2.654	0.989

*_p<.05; #_ Square root of average variance extracted; SFL - Standardized Factor Loadings; CR – Composite Reliability; AVE – Average Variance Extracted;

LLCI - Lower Limit Confidence Interval ; ULIC – Upper Limit Confidence Interval

Table 2: Direct, Mediated and Moderated Mediation Effects

	Store Satisfaction		Store Patronage	
	Co-efficient	LLCI	ULCI	ULCI
Direct effects				
H1a: Task-focused (Informal)				.201
H1b: Task-focused (Formal)				-.007
H2a: Experiential-focused (Informal)				.040
H2b: Experiential-focused (Formal)				.329
H3a: Task-focused (Informal)	.441 (p≤.05)	.142	.479	
H3b: Task-focused (Formal)	.221 (p≤.05)	.054	.268	
H4a: Experiential-focused (Informal)	.144 (p≤.05)	.012	.156	
H4b: Experiential-focused (Formal)	.434 (p≤.05)	.231	.539	
Mediating effects (Indirect Effect) through store satisfaction				
Store satisfaction (Informal)				
Store satisfaction (Formal)				.874
H5a: Task-focused (Informal)				.923
H5b: Task-focused (Formal)				.603
H6a: Experiential-focused (Informal)				.349
H6b: Experiential-focused (Formal)				.673
Moderated Mediation effect (Salesperson Consultation as a moderator)				.638
H5a: Task-focused (Informal) X Salesperson Consultation Store satisfaction -> Store patronage	.795 (p≤.05)		.725	
H5b: Task-focused (Formal) X Salesperson Consultation Store satisfaction -> Store patronage	.860 (p≤.05)		.796	
H6a: Experiential-focused (Informal) X Salesperson Consultation Store satisfaction -> Store patronage	.397 (p≤.05)		.149	
H6b: Experiential-focused (Formal) X Salesperson Consultation Store satisfaction -> Store patronage	.106 (p≤.05)		.041	
H5a: Task-focused (Informal) X Salesperson Consultation Store satisfaction -> Store patronage	.497 (p≤.05)		.187	
H5b: Task-focused (Formal) X Salesperson Consultation Store satisfaction -> Store patronage	.424 (p≤.05)		.165	
H6a: Experiential-focused (Informal) X Salesperson Consultation Store satisfaction -> Store patronage	-.466 (p≤.05)		-.610	
H6b: Experiential-focused (Formal) X Salesperson Consultation Store satisfaction -> Store patronage	-.189 (p≤.05)		-.489	
H5a: Task-focused (Informal) X Salesperson Consultation Store satisfaction -> Store patronage	.454 (p≤.05)		.316	
H5b: Task-focused (Formal) X Salesperson Consultation Store satisfaction -> Store patronage	.204 (p≤.05)		.014	
Control Variables				
Gender (Informal)	.0481 (p≤.05)	.006	.090	.027
Location (Informal)	.012 (ns)	-.023	.047	.035
Education (Informal)	.065 (ns)	-.018	.149	.038
Gender (Formal)	.0472 (p≤.05)	.005	.089	.029
Location (Formal)	.010 (ns)	-.025	.045	.036
Education (Formal)	.069 (ns)	-.014	.154	.041
R ² (Informal)	.322			
R ² (Formal)	.525			

* _ p≤.05; #_ Square root of average variance extracted; LLCI - Lower Limit Confidence Interval; ULIC - Upper Limit Confidence Interval; ns - not significant

Table 3: Conditional moderated mediation indirect Effect

Salesperson Consultation as a Moderator	Effect	SE	LLCI	ULCI
Task-focused (Informal) X Salesperson Consultation				
Store satisfaction -> Store patronage				
Low	.438 (p≤.05)	.14	.282	.756
Medium	-.082 (ns)	.15	-.306	.263
High	-.649 (p≤.05)	.19	-1.039	-.292
Index of moderated mediation	-.466 (p≤.05)	.06	-.610	-.320
Task-focused (Formal) X Salesperson Consultation				
Store satisfaction -> Store patronage				
Low	.104 (ns)	.14	-.168	.372
Medium	-.210 (ns)	.22	-.771	.311
High	-.399 (p≤.05)	.40	-.945	-.348
Index of moderated mediation	-.189 (p≤.05)	.15	-.489	.060
Experiential-focused (Informal) X Salesperson Consultation				
Store satisfaction -> Store patronage				
Low	-.085 (ns)	.12	-.337	.149
Medium	.525 (p≤.05)	.07	.384	.668
High	.976 (p≤.05)	.11	.775	1.192
Index of moderated mediation	.454 (p≤.05)	.07	.316	.612
Experiential-focused (Formal) X Salesperson Consultation				
Store satisfaction -> Store patronage				
Low	-.131 (ns)	.20	-.542	.044
Medium	.072 (p≤.05)	.10	.136	.261
High	.412 (p≤.05)	.13	.162	.345
Index of moderated mediation	.204 (p≤.05)	.11	.014	.431

LLCI - Lower Limit Confidence Interval; ULIC - Upper Limit Confidence Interval; SE - Standard Error

Appendix 1: Systematic Literature Review

Research publication	Methodology	Evolution of competition between FRF & IRF	Determinants of patronage:		Modelling the drivers of consumer patronage patterns		Measurement of format patronage		FRF & IRF comparison in the same study			
			Same for FRF&IRF	Different for FRF&IRF	Independents	Mediators; Moderators	Format output	Format choice	Format trips	FRF	IRF	Both
Goldmana Ramaswami and Krider (2002)	Behavioral modelling	Barriers to the advancement of modern food retail formats	✓		✓			✓			✓	
Goldman and Hino (2005)	Survey	Barriers to FRF market share growth	✓		✓			✓				✓
Maruyama and Trung, (2007)	Survey	Preferences between IRF and FRF	✓		✓			✓				✓
Hino (2010)	Survey	Market entry by FRF and consumer adoption of FRF	✓		✓			✓				✓
Paswan, Pineda, and Ramirez (2010)	Survey	How consumer preference to shop from IRF is affected by patronage of FRF	✓		✓			✓				✓
Maruyama and Trung (2010)	Survey	Consumer choice between FRF and IRF	✓		✓			✓				✓
Amine and Lazaarout (2011)	Qualitative	Consumer reaction to FRF emergence	✓		✓			✓				✓
Dholakia, Dholakia, and Chattopadhyay, (2012)	Qualitative	Co-existence between FRF and IRF	✓		✓			✓				✓
Maruyama and Wu (2014)	Survey	Patronage of IRF as a barrier to FRF adoption	✓		✓			✓				✓
Hino, (2014)	Survey	How consumer patronage of FRF is affected by patronage of IRF	✓		✓			✓				✓
Narayan, Rao and Sudhir, (2015)	Household panel data	Socioeconomic class likely to adopt FRF and the impact of IRF	✓		✓			✓				✓
Hino (2015)	Survey	How food consumers patronize FRF and IRF	✓		✓			✓				✓
Maruyama Wu and Huang, (2016)	Survey	Role of consumer in modernizing food retailing through patronage of FRF and IRF	✓		✓			✓				✓
Jerath, Sajeesh, and Zhang (2016)	Behavioral modelling	How consumer patronage behaviors affect market share of IRF and profitability of FRF	✓		✓			✓				✓
Dholakia, Dholakia, and Chattopadhyay, (2018)	Qualitative	How consumer patronage patterns for FRF and IRF reveals IRF dominance over FRF	✓		✓			✓				✓
Anderson, Iacovone, Kankanhalli, and Narayanan (2022)	Experiment	How modernization of IRFs affects patronage of IRFs	✓		✓			✓				✓
Current research	Survey	How consumer patronage behaviors reveals co-existence between FRF and IRF	✓		✓			✓				✓