

# The Effect of Store Selection Attributes and Consumption Emotion on Revisit Intention to Traditional Market under Retail Regulation

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## Abstract

**Purpose** – The purpose of this study is to measure the effect on the attributes for store selection and Korean government regulations for large retailers on consumption emotion.

**Research Design, Data, and Methodology** – Using SPSS ver.22, factor analysis & Cronbach's alpha, correlation, and regression test were performed. The total of 287 questionnaires were used for the analysis

**Result** – Familiarity, perceived price, and perceived image have a positive effect on consumption emotion, but perceived quality & service did not. The Consumption emotion had a positive effect on traditional market revisit intentions. Retail regulation preference has a mediate effect between consumption emotion and familiarity & perceived price. Retail regulation preference also has a mediate effect between consumption emotion and traditional market revisit intention.

**Conclusion** – Relationship marketing with sincerity is very important to keep familiarity, perceived price and image. People's consumption trend was changed due to dual career couple and heavy traffic jam in big cities. Therefore, a retail regulation cannot be a right solution for revitalizing traditional markets. So we need to find out an actual situation and design a win-win strategy between large retailers and traditional market.

**Keywords:** Select Stores Attributes, Retail Regulation, Consumption Emotion, Revisit Intention to Traditional Market.

**JEL Classifications:** K23, L52, L81 O25, P47.

## 1. Introduction

Recently, as the ratios of home shopping and e-commerce

have increased thanks to the advancement of the IT industries and development of SNS, the sales of large retailer have been facing stagnant states. To solve these problems, large retailers regard overseas expansion and the development of their own-brands that can reduce product costs as opportunities for take-off. Distributors' sales of their own products as such became to affect manufacturer brands and manufacturer brands have come to compete with distributor brands.

However, despite the large retailers' releases of their own-brand products and overseas expansion, the growth of large retailers and department stores have been in stagnant states and these stagnant states do not lead to benefits to small merchants and traditional markets. A study conducted by Cho et al.(2014) argued that since the government's retail regulations were merely formal or did not play their roles, measures that have actual effect should be sought for.

In such market environments, marketing efforts are being made to reinforce competitiveness, develop diverse products, conduct organized management activities, and analyze and understand customers' own-brand product consumption behaviors. However, according to recent announcements of the government, in distribution markets, the sales of small merchants, traditional markets, and large retailers have been stagnant while the sales of home shopping and Internet shopping malls have been rapidly growing. According to Statistics Korea(2015), the amounts of sales of domestic online shopping malls from January to October 2015 were totaled to 43,605.4 billion won and those of large retailers such as E-mart, Homeplus, and Lotte-mart were totaled to at least 40,280.1 billion won. The volume of mobile shopping was totaled to 23 trillion won in 2015 with an increase by at least three times in two years.

In the present study, the effects of consumers' purchasing place selection attributes and retail regulations on consumption emotion, and whether retail regulations are beneficial to small merchants and traditional markets will be examined. Eventually, consumers become to have continued interest in certain stores or products/services through satisfactory purchase experiences and become to form recursive relationships termed positive repurchases(Oliver, 1993).

Therefore, the present study was intended to examine the adequacy of retail regulations currently in effect based on

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consumers' store selection attributes mediated by consumers' consumption emotion and the relationship between the retail regulations and consumers' intention to repurchase in traditional markets. The authors hope that the results of the present study will be utilized by the government for effective retail regulation policies.

## 2. Theoretical Background

### 2.1. Store Selection Attributes

Consumers' purchase decision making processes consist of problem perception-information search-alternative evaluation-purchasing behavior and behaviors after purchase. Positive or negative experiences accumulated while products are used affect later repurchase and word of mouth intentions. Information is searched and alternatives are evaluated before purchasing behaviors and factors that affect purchasing behaviors in this case include familiarity, perceived quality, perceived service, perceived prices, and store images. Chun et al.(2014) conducted a study on "The effects of general supermarket PB product selection attributes on consumption emotion, brand attitudes, and brand loyalty" and Cho(2014) conducted a study regarding "Retailing and Public Policy ; a Comparative Study of South Korea and Foreign Countries." The present study was designed to figure out the effects of store selection attributes as such on consumption emotion and the effects of consumption emotion formed due to retail regulations on traditional market revisit intentions. When selecting certain products or purchasing places, consumers recognize past experiences, ease of use, and product quality and use familiarity to brands for product selection. The familiarity to brands is normally acquired through experiences or word of mouth. In addition, trust in stores or store images play an important role for purchasing place selection. Unlike products, in the case of services, production and consumption occur simultaneously. The characteristic of services to be produced and consumed simultaneously is called inseparability of services, which is a concept also related to interactions with customers. Perceived prices are distinguished from actual prices of products and refer to the subjective prices felt by consumers by converting the sacrifice and effort necessary to purchase the products or services using monetary criteria. Store images are evaluations appeared through comprehensive consideration of those elements that are considered by customers when they select stores. Favorable and attractive store images mean high possibilities of purchases in the relevant stores.

#### 2.1.1. Familiarity

Bettman(1974) stated, "Familiarity is based on brand image and decreases perceived risks of product and brands while increasing the tendency to prefer the product and brands."

Brand images are maintained through associations with the relevant brands. Associations with brands are formed through consumers' long-term contact with the brands and appear in the forms of consumers' recognition of, attitudes toward, and

emotions about the brands(Keller, 1993).

A study conducted by Richardson et al.(1996) emphasized that familiarity to distributor brands is the most important factor for enhancement of preference for distributor brand products. Images of traditional markets should be different from those of large retailers and those that selecting home shopping or Internet shopping malls seem to rely on familiarity without resistance to the use of IT instruments.

#### 2.1.2. Perceived Quality

A researcher said that quality is "superiority or transcendence" and perceived quality is "Judgment of overall superiority or transcendence of products as recognized by consumers."(Zeithaml, 1988). Since consumers do not have the ability to accurately evaluate products' objective quality in many cases, they evaluate products as subjectively perceived by them to form attitudes toward the products. Therefore, subjectively perceived quality is more importantly addressed(Kotler, 1994).

Bettman(1974) advised that purchases of distributor brand products are more adequately explained by the variables, recognized risks & information and perceived quality than by consumers' personal characteristics. The perception of the quality of PB products increases when it is combined with store images and the quality felt and perceived by customers is lowered when product quality is not consistent.

Hoch & Banerji(1993) suggested success factors for PB brand products as follows; product quality, consistency of the quality, relevant retailers' sales and total margins, the number of manufacturers, and advertising cost expenditures by relevant retailer and in particular, they argued that quality is a more important success factor than prices. In their paper, Chun & Park(2014) stated that perceived quality would positively affect customer satisfaction.

#### 2.1.3. Perceived Service

A characteristic of services is that customers evaluate the degree to which services satisfied their benefits through interactions and calculate the value as prices they pay (Lim, 1991). The value of services plays a very important role in consumers' purchase decision making processes(Bolton & Drew, 1991; Zeithaml, 1988). The value of services can be defined as the ratio of the value of the products and services obtained through customers' purchase processes and to the value of what the customers sacrificed for the products and services(Kotler & Keller, 2006). Eventually, the perceived value of services is overall evaluation of the benefits provided by the services compared to the costs paid by the customer for the services(Kim & Chung, 2012). The value of services is evaluated as a relative value in terms of benefits and costs. To enhance the value as such, the usefulness of the service may be improved for the customer at the same cost or the same usefulness may be provided at a lower cost(Kim & Joo, 2007). Consumers' perceived services are evaluated with the degree of all emotions experienced by the customers in the process of purchasing the products.

The value of services has been addressed importantly in the field of distribution too. In the case of large retailers too, visible elements such as locations, transportation, facilities, ancillary facilities, and parking lots become users' criteria for retailer selection and these physical elements are relevant to technical quality (Gronroos, 1984). However, since services have invisible characteristics, the characteristics of quality determined by experiences can be considered more importantly in the case of services. Since large retailers or home shopping companies enable ordering standardized products using Internet or phone calls through their homepages or broadcasting and provide even free shipping services, the service quality of large retailers or home shopping companies can be said to be very good for those who have jobs or those customers that feel inconvenience in doing shopping due to traffic congestions.

Therefore, in the present study, perceived services can be regarded to be a factor that can appear as trust in distributors by securing customers' overall trust in purchasing places.

#### 2.1.4. Perceived Price

Perceived prices can be said to the degree to which consumers subjectively feel and recognize the prices paid by them for product purchases. Perception becomes an important determinant for consumer behaviors. Consumers use cues such as product compositions, brand names, advertisement levels, and prices as surrogate indicators in discriminating between multiple products and evaluating product quality. Zeithaml (1988) stated that perceived prices are estimated prices felt by consumers including not only the money to acquire products but also visible factors paid by consumers to feel satisfaction such as temporal expenses, exploratory cost, and psychological costs as well as invisible factors.

Prices in traditional markets have meanings more than the prices per se because traditional markets are felt to be places where cheap products can be purchased at low prices and strong affection is overflowing. Large retailers are perceived as places where groceries and fruits are available at competitive prices as well as low priced PB products. Home shopping or Internet shopping malls entice customers by arguing that their prices are the lowest because they have no store and minimum numbers of salespersons. The reason why prices perceived by customers are important even when PB products and NB products are not distinguished from each other is that whether presented prices are acceptable to customers or not affects the perception of fairness (Kim & Bae, 2009).

#### 2.1.5. Store Image

Store images can be defined as the overall impression or feeling of stores formed when consumers experience the stimuli of diverse marketing activities to which they are exposed while they are visiting certain stores (Mazursky & Jacoby, 1986). Customers' store selection is determined by store images perceived by the customers and such store images affect consumers' shopping behaviors and purchase tendencies (Lee et al., 2006). Stores that show good images as perceived by

consumers become to have positive effects on consumers' behaviors to purchase products sold in the stores. When customers have experienced impressive and pleasing store images, they become to feel satisfaction with the store and have good emotions and attitudes toward the store.

Store images consist of factors such as shop atmospheres, services, product assortments, sales promotion, and stores' reputations and these perceived store images become to affect brand recognition, brand and store preference, and shopping behaviors (Chun et al., 2014). In addition, store images are an important factor that affects store loyalty and better store images are associated with higher store loyalty (Hirschman, 1981). Therefore, in the present study, images of stores or selling places can be regarded to be an important element that can affect the perception of product quality.

## 2.2. Retail Regulation Preference

Large distributors such as Emart, Homeplus, and Lotte mart have expanded their market dominating power through the opening of large stores in all areas ranging from downtowns to provinces leading to the ever worsening collapses of traditional markets including small merchants that are relatively inferior in the capital strength and management ability. Therefore, the government established the 'Special Act on the Development of Traditional Markets and Shopping Districts' in 2006 and announced the amendment of the 'Distribution Industry Development Act' with newly established regulatory provisions related to the restriction on large stores' business hours in 2012.

The amended Distribution Industry Development Act restricted the opening of large retailers within 500m from any traditional market for five years and the restriction was reinforced to restrict the opening of large retailers within 1 km from any traditional market in 2011. Article 12 of the amended act contains provisions that allow mayors, gun governors, and ward chiefs to limit the business hours of large stores and super supermarkets (SSM) to midnight through 8:00 PM next day and designate two obligatory holidays per month.

Jung & Cho (2015) analyzed the situation of the application of obligatory closing to large retailers and super supermarkets (SSM) and according to the results, monthly losses amounted to 825.06 billion won. Due to the regulations, the sales of large marts, etc. decreased by 279.7 billion won, the sales of suppliers decreased by 194.2 billion won, consumers' benefits decreased by 343.6 billion won leading to reduction in employment and damage to small suppliers.

Consumers become to have complicated and diverse emotions in the process of purchasing or consuming products and those emotions are called consumption emotion. Consumption emotions are defined as 'sets of emotional responses induced while consumers search and consume products' or 'basic emotions caused by good memories or bad memories of products' (Chaudhuri & Holbrook, 2001; Chun & Park, 2010). In product consumption or selection, not only functional aspects but also human emotions may act more importantly.

Consumers reflect their perceptions based on their evaluation

of store attributes (product, service, advertisement, store atmosphere, etc.) and store attributes become to act as influence factors to which consumers become to respond emotionally (Chun & Park, 2014). The product quality level as perceived by consumer acts as an important element of store evaluation and diverse product assortments promote purchases by minimizing perceived costs during shopping (Grewal et al., 2003; Pan & Zinkhan, 2006).

The value of products that are low priced and good in quality make consumers' shopping more pleasant and atmospheres and facilities in stores are basic elements in most cases that mainly affect emotional responses to shopping activities (Donovan & Rossiter, 1982). In addition, with regard to the efficiency of shopping, good services in stores such as swift calculation procedures in purchasing processes play supportive roles for shopping leading to positive emotions after purchases (Yoo et al., 1998). Sensory elements such as vision and hearing determine atmospheres in stores and they can lead to positive consumption emotion (Park & Bae, 2006).

Consumers are satisfied when they have positive consumption emotion in the process of purchasing products and such emotions induce more positive product attitudes (Blackwell et al., 2001; Oliver, 1993). Through purchase experiences, consumers promote the retrieval of those pieces of information that are consistent with their emotions or more favorably evaluate such pieces of information and such consumption emotion formed in consumption situations and product use processes have positive effects on the consumers' attitudes toward the relevant brands (Chun, 2014).

Access convenience means the degree to which consumers can quickly and easily come into contact with retailers face to face, through phone calls, Internet, or other methods. Therefore, access convenience indicates the proximity of shops, easiness in arriving there and it is closely related with means of transportation, parking lot facilities, accessibility to other shops, connection to subway pedestrian walkways, and accessibility to communication facilities such as phones and Wi-Fi.

Transaction convenience means the degree to which consumers can determine purchases quickly and easily. Berry et al. (2002) mentioned that consumers easily perceive even small inconvenience occurring in transactions and such inconvenience can lead to service providers' monetary and non-monetary losses.

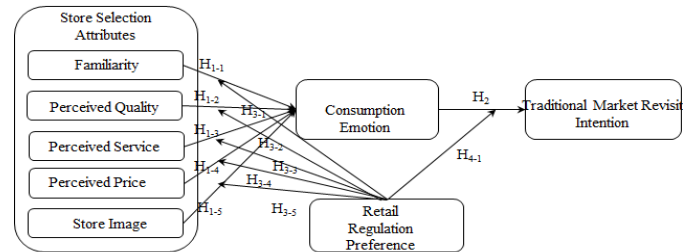
If a consumer feels good emotions about the relevant traditional market, the consumer should talk about the product in the market or about the market thereby positively affecting other consumers' revisit intention

### 3. Methodology and Research Design

#### 3.1. Research Model and Hypothesis Setting

In the present study, the following study models were designed to investigate the effects of purchasing place (store) selection attributes and retail regulations on consumption emotion. Based on existing previous studies, store selection

attributes were classified into five factors; familiarity, perceived quality, perceived services, perceived prices, and store images. Based on such previous studies, under the assumption that purchasing place (store) selection attributes would have significant effects on consumption emotion, the following study models were established.



<Figure 1> Research Model

- <H1> Store selection attributes will have positive(+) effects on consumption emotion.
- <H1-1> Familiarity will have positive(+) effects on consumption emotion.
- <H1-2> Perceived quality will have positive(+) effects on consumption emotion.
- <H1-3> Perceived service will have positive(+) effects on consumption emotion.
- <H1-4> Perceived price will have positive(+) effect on consumption emotion.
- <H1-5> Store image will have positive(+) effect on consumption emotion.
- <H2> Consumption emotions will have positive (+) effect on traditional market revisit intention.

Under the assumption that retail regulation preference will have significant moderating effects between store selection attributes and consumption emotion, the following hypotheses were established.

- <H3> Retail regulation preference will have moderating effects on the relationship between store selection attributes and consumption emotion.
- <H3-1> Retail regulation preference will have moderating effects on the relationship between familiarity and consumption emotion.
- <H3-2> Retail regulation preference will have moderating effects on the relationship between perceived quality and consumption emotion.
- <H3-3> Retail regulation preference will have moderating effects on the relationship between perceived service and consumption emotion.
- <H3-4> Retail regulation preference will have moderating effects on the relationship between perceived prices and consumption emotion.
- <H3-5> Retail regulation preference will have moderating effects on the relationship between store images and consumption emotion.

Since consumption emotion after retail regulations may change depending on individuals, the following hypothesis was established.

- <H4-1> Retail regulation preference will have moderating effects on the relationship between consumption emotion and traditional market revisit intentions.

### 3.2. Measurement of Variables

To identify store selection attributes, five factors that were used in studies conducted by Chun & Park (2014) and Kim & Joo(2007); familiarity, perceived quality, perceived service, perceived price, and perceived image were modified into 25 items to fit the present study and measured using 5-point scales. Consumption emotions were measured using five items based on questionnaires presented by Chun & Park (2014), Lee & Lim (2002) and retail regulations were measured with 20 items selected from among items used in a study conducted by Cho et al. (2014) using 5-point scales.

## 4. Analysis Result and Discussion

### 4.1. General Characteristics of Samples

Data were collected through firsthand visits and interviews by researchers and working students in Seoul and Gyeonggi regions for one month of January 2016 and the purpose and intent of the study were sufficiently explained when the data were collected. A total of 300 questionnaires were distributed and of them, 287 questionnaires excluding 13 questionnaires with unfaithful answers were used as final analysis data and all questionnaire items except for nominal scales were measured using Likert 5-point scales. The collected data were analyzed using SPSS 23.0 by conducting frequency analyses to analyze personal characteristics of the survey subjects and conducting exploratory factor analyses and reliability analyses to analyze store selection attributes, consumption emotion, and traditional market visit intention factors.

In addition, Pearson correlation analyses were conducted to examine the correlations between individual factors. Multiple regression analyses were conducted to analyze the relationships among store selection attributes, consumption emotion, and traditional market visit intentions. Stepwise moderated regression analyses were conducted to analyze the moderating effects of store selection attributes, consumption emotion, traditional market visit intentions, and retail regulation preference.

The personal characteristics of the survey subjects are as follows. Of the entire 287 respondents, 16% were males and 84% were females and the ratios of age groups were as follows; 40s 31% and 60s or older 8%. Among education levels, the ratio of high school graduation or higher levels was the highest at 48.4%. Among occupations, the ratio of full-time homemakers was 24% and among monthly incomes, the ratio of below 3 million won was shown to be 54.7%.

### 4.2. Analysis of Reliability and Validity

Before the empirical analyses, the reliability and validity of those variables that were composed of composite indexes were analyzed. The principal component analysis of exploratory factor analysis was used and as for the rotation method, the orthogonal rotation method according to the Varimax method that improves the value while maintaining independence between factors. Factors were extracted based on 1 or higher eigenvalues indicating that each factor can explain at least one variance and as for a criterion for evaluation of factors, factors with 0.4 or higher factor loading values were judged as significant variables and those with factor loading values below 0.4 were excluded from factors. Personal characteristics were excluded from factor analyses because they are nominal scales and store selection attributes, consumption emotion, and traditional market revisit intentions were analyzed as factors.

Through the analyses, in the case of familiarity, questions 4 and 5 among initial questions were removed and in the case of perceived quality, questions 1 and 4 were removed. In the case of consumption emotion, questions 4 and 5 were removed and in the case of retail regulations preference, question 2 was removed. All the factors had 1 or higher eigenvalues and 0.4 or higher factor loading values.

The values of Cronbach's  $\alpha$  reliability coefficients were shown to be 0.6 or higher for all factors except for the coefficient for perceived quality which was 0.559 and the highest values was shown by perceived service as 0.943. Since the results of reliability analysis showed Cronbach's  $\alpha$  coefficients in a range of 0.559–0.943, internal consistency can be regarded to have been secured. The foregoing details are summarized in the <Table 1>.

<Table 1> Factor loadings of constructs

Factor	question	factor loading	eigenvalue	variance %	Cronbach's $\alpha$
familiarity	Familiarity1	0.733	1.211	6.0%	0.568
	Familiarity2	0.622			
	Familiarity3	0.379			
quality	quality1	0.438	3.251	16.1%	0.559
	quality2	0.832			
	quality3	0.681			
Service	Service1	0.438	3.441	17.1%	0.943
	Service2	0.832			
	Service3	0.681			
price	price1	0.830	2.107	10.5%	0.786
	price2	0.776			
	price3	0.862			
image	image1	0.601	3.169	15.7%	0.786
	image2	0.755			
	image3	0.887			
consumption emotion	emotion1	0.419	1.043	5.2%	0.835
	emotion2	0.756			
	emotion3	0.583			
Traditional market revisit int.	intension1	0.531	1.144	5.7%	0.787
	intension2	0.500			
	intension3	0.656			

Pearson correlation analyses were conducted to examine the correlations among the extracted factors and according to the results, except for the correlation coefficients between administrative supervision and participation in interaction and between listening to interactions and practice related factors, all factors were shown to have positive (+) correlations as is shown in <Table 2>.

<Table 2> Inter-correlations among variables

	1	2	3	4	5	6
1. familiarity	1					
2. quality	-.260***	1				
3. service	-.350**	.754**	1			
4. price	.183***	-.361***	-.101	1		
5. image	-.127**	.682***	.596***	-.199***	1	
6. emotion	.575***	-.107	-.094	.320***	.113	1
7. revisit int.	.678***	-.563***	-.525***	.070	-.428***	.369***

\*: p < 0.10, \*\*:p<0.05, \*\*\*:p<0.001

4.3. Analysis of the Effect of Store Selection Attributes and Consumption Emotion <H1> and <H2-1>

To examine whether store selection attributes affect consumption emotion, multiple regression analyses were conducted with sub factors in store selection attributes, that is, familiarity, perceived quality, perceived services, perceived prices, and store images.

According to the results of multiple regression analyses conducted in store selection attributes and consumption emotion, familiarity, prices, and images(<H1-1>, <H1-4>, and <H1-5>) showed significant results at a significance level of 0.01. The F value was 42.903 and the significance probability was 0.000 indicating that the regression equation is significant and the R2 value was 0.433 indicating that the regression equation was explaining approximately 43.3% of all variations. However, the factors perceived quality(<H1-2>, p=0.410) and perceived services(<H1-3>, p=0.863) did not show any significant result.

<Table 3> Effect of store selection attributes and consumption emotion

variables	Non-standardized coefficients		standardized coefficients	t-value	P	R <sup>2</sup>	F (Prob.)
	B	S.E.	β				
constant	1.214	0.229		5.309	0.000	0.433	42.903 (0.000)
familiarity	0.462	0.041	0.550	11.215	***		
quality	-0.029	0.035	-0.069	-0.824	0.410		
service	0.006	0.033	0.013	0.172	0.863		
price	0.128	0.026	0.249	4.887	***		
image	0.180	0.042	0.272	4.327	***		

\*:p<0.1 \*\*p<0.05 \*\*\*:p<0.01

The results of regression analyses were shown to be significant at a significance level of 0.01. The F value was 44.931 and the significance probability was 0.000 indicating that the regression equation is significant(<H2-1>) and the R2 value

was 0.136 indicating that the regression equation was explaining approximately 13.6% of all variations.

<Table 4> Effect of consumption emotion to revisit intention to traditional market

	Non-standardized coefficients		standardized coefficients	t-value	P	R <sup>2</sup>	F-value (S.P)
	B	S.E.	β				
constant	0.454	0.377		1.204	0.230	0.136	44.931
consumption emotion	0.604	0.090	0.369	6.703	0.000		

\*:p<0.1 \*\*:p<0.05 \*\*\*:p<0.001

4.4. Analysis of Moderating Effect of Retail Regulation between Store Selection Attributes and Consumption Emotion <H3>

Using moderated regression analyses, the moderating effects of retail regulation preference on the effects of store selection attributes on consumption emotion. The results of moderated regression analyses conducted to analyze the moderating effects of retail regulation preference on the relationship between store selection attributes and consumption emotion are as shown in the <Table 5>.

According to the results of analysis of the moderating effects of retail regulation preference on the relationship between familiarity and consumption emotion, in the model of <H1-1>, R<sup>2</sup> gradually increased from 0.330 to 0.389 and 0.408 and the tests of the significance of individual ΔF on ΔR<sup>2</sup> indicated that all ΔFs were significant and the significance probability was smaller than 0.05 in all steps indicating that there were moderating effects. Therefore, retail regulation preference has moderating effects on the influential relationship between the store selection attribute (familiarity) and consumption emotion. Therefore, <H3-1> was adopted.

According to the results of the analysis that show the moderating effects on retail regulation preference to the relationship between perceived prices and consumption emotion, in the model of <H1-4>, R<sup>2</sup> gradually increased from 0.102 to 0.257 and 0.258. However, the results of tests of step 3 showed that there was no moderating effect because the significance probability was 0.847(P<.05) indicating that step 3 was not statistically significant. That is, retail regulation preference had no moderating effect on the influential relationship between perceived prices and consumption emotion. Therefore, <H3-4> was rejected.

According to the results of the analysis of the moderating effects on retail regulation preference to the relationship between store images and consumption emotion, in the model of <H1-5>, R<sup>2</sup> gradually increased from 0.013 to 0.214 and 0.221. However, the results from the tests of step 3 showed that there was no moderating effect because the significance probability was 0.127(P<.05), indicating that step 3 was not statistically significant. That is, retail regulation preference had no moderating effect on

<Table 5> Analyze moderating effect of retail regulation between store selection attributes and consumption emotion

variables		step 1		step 2		step 3	
dependent variables	independent variables	$\beta$ standard	t-value	$\beta$ standard	t-value	$\beta$ standard	t-value
	familiarity(A)	0.575	11.861***	.492	10.041***	0.531	10.601***
	retail regulation(B)	-		.256	5.228***	0.184	3.398***
consumption emotion	mediate(A*B)	-		-		0.153	2.971**
	$R^2$	0.330		0.389		0.408	
	$\Delta R^2$	0.330		0.059		0.018	
	$\Delta F(P)$ 값	140.676(.000)***		27.330(.000)***		8.828(.003)**	
variables		step 1		step 2		step 3	
dependent variables	independent variables	$\beta$ standard	t-value	$\beta$ standard	t-value	$\beta$ standard	t-value
	perceived price(A)	0.320	5.696***	0.292	5.701**	0.290	5.525***
consumption emotion	p/restriction(B)	-		0.395	7.705**	0.332	7.485***
	mediate(A*B)	-		-		0.08	0.193
	$R^2$	.102		.257		.258	
	$\Delta R^2$	.102		.155		.000	
	$\Delta F(P)$ value	32.442(.000)***		59.363(.000)***		0.037(.847)	
variables		step 1		step 2		step 3	
dependent variables	independent variables	$\beta$ standard	t value	$\beta$ standard	t value	$\beta$ standard	t value
	store image(A)	.113	1.923*	0.292	3.896***	0.211	3.923***
consumption emotion	prefer restriction(B)	-		0.395	8.573***	0.430	7.528***
	mediate(A*B)	-		-		-.086	-1.532
	$R^2$	0.013		0.214		0.221	
	$\Delta R^2$	0.013		0.202		0.006	
	$\Delta F(P)$ value	3.699(.055)*		72.881(.000)***		2.348(.127)	

\*:p<0.10 \*\*:p<0.05 \*\*\*:p<0.001

<Table 6> Analysis of the moderating effects of retail regulation preference on the effects of consumption emotion on traditional market revisit intension.

variables		1step		2step		3step	
dependent variables	independent variables	$\beta$ standard	t-value	$\beta$ standard	t-value	$\beta$ standard	t-value
	consumption emotion(A)	0.369	6.703***	0.200	3.595***	.180	3.245***
traditional market revisit intension	prefer restriction(B)	-		0.407	7.328***	.380	6.785***
	mediate(A*B)	-		-		.135	2.580**
	$R^2$	0.136		0.274		0.290	
	$\Delta R^2$	0.136		0.137		0.017	
	$\Delta F(P)$ 값	44.931(0.000)***		53.704(0.000)***		6.655(0.01)**	

\*:p<0.1 \*\*:p<0.05 \*\*\*:p<0.001

the influential relationship between store images and consumption emotion. Therefore, <H3-5> was rejected.

According to the results of the analysis of the moderating effects on retail regulation preference to the relationships between the remaining store selection attributes (perceived prices, perceived quality) and consumption emotion, the moderating effects were not significant on both relationships. Therefore, the established <H3-2> and <H3-3> were dismissed.

#### 4.5. Analysis of the Moderating Effects of Retail Regulation Preference on the Effects of Consumption Emotion on Traditional Market Revisit Intension (<H4-1>)

According to the results of the analysis of the moderating effects on retail regulation preference to the relationship between

familiarity and consumption emotion, in the model of <H4-1>,  $R^2$  gradually increased from 0.136 to 0.274 and 0.290 and the tests of the significance of individual  $\Delta F$  on  $\Delta R^2$  indicated that all  $\Delta F$ s were significant and the significance probability was smaller than 0.05 in all steps indicating that there were moderating effects. Therefore, retail regulation preference has moderating effects on the influential relationship between the store selection attribute (familiarity) and consumption emotion. Therefore, <H4-1> was adopted. The result shows the same in moderated regression analysis for consumption emotion to traditional market revisit intention as <Table 6>.

#### 4.6. The Results of Hypotheses Tests

The hypotheses test are summarized in <Table 7> based on the research analysis.

&lt;Table 7&gt; Hypotheses test result

H	Content	P-value	Result
H1-1	familiarity → consumption emotion	***	Accept
H1-2	perceived quality → consumption emotion	0.410	reject
H1-3	perceived service → consumption emotion	0.863	reject
H1-4	perceived price → consumption emotion	***	Accept
H1-5	store image → consumption emotion	***	Accept
H2-1	consumption emotion → T/market revisit intention	***	Accept
H3-1	moderating retail regulation between familiarity and consumption emotion	0.003	Accept
H3-2	moderating retail regulation between perceived quality and consumption emotion	dismissed	reject
H3-3	moderating retail regulation between perceived service and consumption emotion	dismissed	reject
H3-4	moderating retail regulation between perceived price and consumption emotion	0.847	reject
H3-5	moderating retail regulation between store image and consumption emotion	0.127	reject
H4-1	moderating retail regulation between consumption emotion and traditional market revisit intention.	0.010	Accept

\*\*\*:p<0.001

## 5. Conclusion and Implication

### 5.1. Summary of the Study and Implications.

The present study was designed to investigate the effects of consumers' purchasing place selection attributes and retail regulations on consumption emotion and figure out whether the retail regulations are beneficial to small merchants in traditional markets. Consumers have continued interest in certain stores or services and have revisit intentions through their satisfactory purchase experiences. Researchers defined familiarity as an element that affects distributor selection and a scale to express the recognition and understanding of the relevant purchasing place and the results of the study also indicated that familiarity significantly affected consumption emotion. However, perceived quality and perceived service showed that they have no significant effect on consumption emotion. Since consumers evaluate products and form their attitudes subjectively toward products with their convenience, their ability is insufficient in evaluating the quality of relevant products with objective and accurate way. It means that the quality judged with subjective way is felt more important. Therefore, objective quality is less important from the viewpoint of consumers and the quality of products seems to be accepted when products conform to consumers' situations and viewpoint. The time or allowance to enjoy sellers' service seems to be insufficient in cases where shopping is done in a hurry with their busy daily lives. Only perceived prices and store images were adopted and this seems to indicate that general consumers can accept a certain level of quality and service in cases where price conditions are good. Stores with good images to customers become to trigger positive effects on purchasing behaviors for all products or service sold in those stores. Therefore, good store images give good first images to customers and make the images remembered for long periods of time to have important effects on consumers' store selection.

Consumption emotions were shown to have significant effects on traditional market revisit intentions. Mainly middle aged classes

had a deep sense of nostalgia for traditional markets and thought that traditional markets were the places where they could feel humanity and could buy small quantities of goods and fresh agricultural products at relatively low prices. Many middle aged persons residing in cities advised that they could not visit traditional markets because there was no traditional market around them. But they are visiting traditional markets sometimes by making time and even by using public transportation in special.

In the analysis of the moderating effects of retail regulation preference, familiarity was adopted and perceived quality and perceived service were dismissed. As can be seen from this result, familiarity that enables consumers to use products without burdens or inconvenience was shown to have more significant effects on consumers' consumption emotion than does quality or service.

The influential relationship between perceived prices and consumption emotion was shown to be significantly affected by the moderating effects of retail regulation preference indicating that prices play important roles in consumers' purchasing place selection. However, store images showed no moderating effects of retail regulation preference.

Meanwhile, the moderating effects of retail regulation preference on the relationship between consumption emotion and traditional market revisit intentions were shown to be significant. For product consumption or selection, human emotion can be a more important factor than functional aspects. It has been told that marketing is not selling goods but is selling mind and sincerity to consumers. Therefore, if consumers are treated sincerely, the consumers' mind will move so that the consumers have revisit intentions. If a mistake is made, the trust accumulated hard will disappear. Consumers' mind will move when traditional markets are made to have overflowing humanity and induce people to feel lives.

### 5.2. Limitations of the Study and Future Direction

To investigate the effects of consumers' purchasing place selection attributes and retail regulations on consumption, the present study conducted questionnaire surveys with consumers

that visited large retailers located in the capital region and those that were visiting traditional markets. First, it seemed that the propensities of the two groups of customer were formed discriminately and the customers were clearly divided as those customers that were visiting traditional markets gave answers favorable to traditional markets and those customers that were visiting large retailers mainly gave answers indicating that they prefer large retailers. Therefore, opinions collected from consumers residing in regions where both large retailers and traditional markets exist are thought to yield more accurate analysis results.

However, a general thought of the consumers was that rather than retail regulations, changes in consumers' consumption life patterns should have larger effects on store selection. In fact, many of middle aged persons who were visiting large retailers in new cities advised that although they wanted to go traditional markets in large cities, they could not do so because there was no traditional market around them. Their perception on agricultural and marine products purchased from traditional markets was very good and they make them long for such products. They said that there were limitations for them in going to markets located far away using public transportation. In addition, consumers said that business day regulations should not have large effects because these days, they do not go to market every days as the past but they buy foods for one week and keep them in refrigerators while they eat them and young people said that they use internet shopping and home shopping more frequently because both of each couple are working or due to the traffic jams in downtowns. Therefore, those that were visiting traditional markets also said that they use traditional markets because traditional markets are close to them. Therefore, the effects of using convenience seem to be larger than the effects of retail regulations.

Thus far, we have concluded that a main cause of the slump in traditional markets was large retailers and poured out only related countermeasures. Compared to the money and efforts poured thus far, the results are too poor. In fact, the decreased sales in traditional markets showed of moving into home shopping or Internet shopping malls rather than to large retailers. Even from now, the causes should be figured out properly and the ways for coexistence should be found. Rather than ineffective retail regulations, new policies that fit regional situations should be devised.

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