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Effect of Price Image on Post-purchase Satisfaction and Repatronage Intention: Mediating Role of Price Fairness

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Abstract

Purpose – Consumers heuristically have a specific stereotype on the price level of individual retail format because each format provides them with a different level of purchase satisfaction and emotional benefits. However, if price image which is consumers' overall impression of the aggregate price level of a retailer does not match with their expectations, its price level would be perceived as unfair. It will eventually lead to dissatisfaction and decreased revisit intention. Focused on department store and discount store, this study was designed to verify whether the price fairness plays a role of mediating effect on two influential relationships between price image and post-purchase satisfaction, and price image and repatronage intention.

Research design, data, and methodology - A main survey was conducted to 140 students and 128 effective responses were used for the related analysis. T-test, factor analysis, reliability test, and mediated regression analysis were performed. Six hypotheses were developed to examine the mediating effect of price fairness on the two influential relationships between price image and post-purchase satisfaction, and price image and repatronage intention. It was also examined whether the price image of two different retail format is formed differently or not.

Results – People perceived the price images of the two retail formats differently. Overall price level of department store is much higher than that of discount store. Analysis results showed that price image did not solely have a significant influence on post-purchase satisfaction unless price fairness as a mediating variable is added. Price fairness turned out to be having a significant influence on relationship between price image and repatronage intention. It influences on repatronage intention directly and also via price fairness.

Conclusions – Post-purchase satisfaction can be achieved only if people perceive the price image as fair no matter how the price level is high or low according to traits of retail formats. If they think it's not fair, they would disapprove of the rightness for the price image, and also express their dissatisfaction with it. Consumers willingly make repeated visits to a store if they are convinced of appropriate price level which is perceived as fair, and if they experienced a satisfaction with overall benefits a particular store offered.

Keywords: Retail Formats, Price Fairness, Price Image, Post-purchase Satisfaction, Repatronage Intention.

JEL Classifications: D10, D30, D40, L81, M31.

1. Introduction

With the changing consumers' needs, marketing channels are diversified and consumers are provided with various options to shop. Hence, consumers are able to shop for

products they need conveniently at their favorite store that tempts them most. After all, consumers could easily choose one of those retailers including on-line stores at their convenience and make a purchase. When it comes to purchasing durable consumer goods, for example, department store, discount store, TV home shopping, and internet shopping are now often considered to be the general type of retailers chosen by consumers. Each type of retailer has its own unique store attributes that could distinguish itself from other retailers. Such store attributes as average price level, service level, return policy, business

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hour, store's location and decor, and payment form policies are served as determinants of type of retailer, and also the major considerations that consumers take into when choosing a store. Actually low prices or value for money is one of the key attributes which affect consumer shopping choice and behavior (Padhye & Sangvikar, 2016).

According to the relevant researches, consumers' purchase decisions are influenced not only by a retailer's actual prices of items but also by consumer perceptions of the retailer's price image, which is a construct that reflects consumer perception of the overall level of prices at a given retailer (Hamilton & Chernev, 2013). From this notion, we can infer that consumers use their perceptions of the store-level price to choose which a retailer to visit or revisit, whether to buy an item from that particular store, and then they finally make a purchase decision if they feel the price is fair enough. Previous studies have been discussed and defined the concept of price image, but they have mainly focused on how consumers evaluate prices of individual items rather than on how they do the overall level of a retailer's prices (Hamilton & Chernev, 2013). In fact, based on the prior research, it was found that there are various factors that influence the formation of price image. Hamilton and Chernev (2013) developed a very useful conceptual framework summarizing its major antecedents and consequences, and they enumerated factors while splitted them into three groups such as price-related factors, non-price factors, and consumer-based factors. However, studies dealing with price image did not mention its influence on post-purchase satisfaction and repatronage intention via price fairness as a mediating variable. Since each of retailers is equipped with a distinctive assortment of factors that have an impact on price image in a different way, it would be worthy of investigating influential relationship among the relevant variables that might play a role differently according to a different type of retail format.

In this article, first of all, it was investigated whether a consumer basically forms an intrinsic price image of each of the two common retailers, department store and discount store differently, because these two retail formats are expected to be incompatible with each other in aspects of their typical characteristics. And based on theoretical basis, we verified whether or not price fairness has an influence on the two relationships with price image and post-purchase intention, price image and repatronage intention. It is a meaningful attempt to check it because people may not be satisfied with purchase price they paid, and decide not to revisit that particular store unless they acknowledge the price as a fair one, although the overall price level or price image of a certain retailer is formed as of the particular retail format is to be. Suppose there're consumers who show repeated purchasing behaviors at the particular retail store of which price level is higher relative to other retail formats. The most likely reason people repeatedly choose the department store, for example, to shop is that they are

confident of overall satisfaction from its higher service level, better product assortment, reputation, etc. Thus, they will willingly pay a higher price after all.

Consider a consumer shopping at discount store in which price level is low relative to department store in general. When she or he bought a blender, for example, and requested an exchange or a refund two or three times thereafter because she or he was dissatisfied with its quality and also given a unsatisfactory purchase experience, comparing with department store, would the price image be still formed low as discount store is to be? The chances are slim. In this case, the price image would be too low to compensate for stress consumer has been through, and opportunity cost occurred just because of choosing that a particular store. That is, people would not judge the overall price level of a certain retailer by the same old stereotype.

2. Theoretical Background and Literature Review

2.1. Department store and discount store

Department store is a retail organization that carries a wide variety of product lines-typically clothing, home furnishings, and household goods; each line is operated as a separate department managed by specialist buyers or merchandises (Kotler & Armstrong, 2006). Even though department stores have been threatened by more focused specialty stores and lower-priced discounters in these days, such non-price factors as high-quality service including reliable delivery service or return policy, etc. remains the key differentiating factor. Discount store is a retail institution that sells standard merchandise at lower prices by accepting lower margins and selling at higher volume (Kotler & Armstrong, 2006). Comparing with department store, value for the money as well as one-stop shopping plays as a major motive for a consumer to shop at discount store. In sum, department stores are full-service store which sell merchandise at relatively high prices and high quality, while discount stores as a self-service shops, offer private brands and merchandise at relatively lower prices and average quality (Chang & Fang, 2012).

2.2. Post-purchase Satisfaction

Oliver (1997) defined satisfaction as a judgement that a product or service feature, or the product or service itself, provided a pleasurable level of consumption-related fulfillment, including levels of under or over-fulfillment. And Oliver and Swan (1989) propose that satisfaction results from two comparison processes: disconfirmation (comparing perceived performance with expected performance) and equity (comparing the consumer's own outcome/input ratio

with the retailer's outcome/input ratio). In short, based on disconfirmation of expectation paradigm (Oliver, 1980; Oliver & DeSarbo, 1988; Parasuraman et al., 1988; Tian-Cole et al., 2002), if consumers' expectations about how the product or service should perform are met, satisfaction results. Conversely, when perceived performance of product/service has gone below expectations, dissatisfaction occurs. Regarding purchase intention, as Howard (1974) asserted, satisfaction influences future purchase intention as well as post-purchase attitude, and higher levels of core-service satisfaction yields higher repurchase intentions (Anderson & Sullivan, 1993). That is, highly satisfied customers are more likely to express high levels of repeat purchase intention and a positive affect to that particular firm. Besides, satisfaction is an overall evaluation of performance based on all the prior experiences with a firm (Anderson & Fornell, 1994; Bitner & Hubbert, 1994), and satisfaction is associated with overall appraisal of experience of using a product or service (Kim & Cho, 2013). That is, a formation of satisfaction is not confined to an individual evaluation of a product or service itself only. Moreover, according to the study of Voss et al. (1998), post-purchase price perceptions have a positive impact on satisfaction, that is, more favorable price perceptions will lead to more favorable satisfaction judgement eventually. In other words, the greater the degree of consistency between the price and the actual performance of product or service, the more satisfaction is likely to occur. In conclusion, we can infer from the above research findings that consumers would perceive the price quite reasonable or fair enough when the outcome of performance of product (or service) and the level of satisfaction exceed the value of price they paid (or expected) and vice versa.

2.3. Price Image

The concept of price image has been examined in diverse contexts in relevant research. Based on the previous research, price image could be defined as the categorical impression of the aggregate price level of a retailer (Estelami et al., 2007), or the multidimensional attitude toward a retailer's price level, value, price fairness, and frequency of specials (Zielke, 2006), or the general belief about the overall level of prices that consumers associate with a particular retailer (Hamilton & Chernev, 2013). In order to get a clear understanding of price image, we need to pay attention to the following three aspects of price image defined by researchers in common so far.

First, price image is a consumer's overall impression of the aggregate price level of a retailer. Second, price image is not expressed in terms of a particular currency, but the

extent of expensiveness. Finally, price image beliefs are informed by not only prices but also non-price cues such as store's physical attributes (interior, location, size etc.) and the retailer's reputation among other consumers (Hamilton & Chernev, 2013).

The concept of price image is strictly different from that of reference price because reference price is generally represented as numerical point estimates or range, on the other hand, price image represents a qualitative evaluation of the overall level of a retailer's prices instead of a specific price or price range (Janiszewski & Lichtenstein, 1999). Besides, the concept of price image is not identical to that of price perception because price image reflects the impression of the overall price level of an entire store unlike price perception which connotes a consumer's evaluation of a specific price (Janiszewski & Lichtenstein, 1999). Price image is important to retailers because it has an impact on the prices that consumers expect to pay at a particular retail format, and on decision making including purchase deferral decisions (Hamilton & Chernev, 2010).

2.4. Price Fairness

The construct in which price image has influence on is a price fairness. Price fairness is defined as the judgement of whether a price is reasonable, equitable, and just, relative to similar exchanges (Bolton et al., 2003; Kahneman, Knetsch, & Thaler, 1986), or the degree to which consumers assess that a retailer's prices are reasonable, acceptable, or justifiable relative to the prices its competitors charge (Campbell, 1999). Xia, Monroe and Cox (2004) also define it as a consumer's assessment and associated emotions of whether the difference between a seller's price and the price of a comparative other party is reasonable, acceptable, or justifiable. All the definitions mentioned above basically include the same notion that price fairness is consumer's evaluation of price (Hwang & Shin, 2012).

If the prices retailer charge match up to the consumers' expectations of the level of prices and expected level of service, consumers are supposed to perceive prices as fair. Otherwise it will be perceived as unfair. And such discrepancy resulted mostly from the consumer's experiences with the retailer's past prices (Bolton et al., 2003). Moreover, consumers are able to judge the fairness based on price image even for stores with which they have no experience, provided that a mismatch between the observed prices and store's reputation for prices (Hamilton & Chernev, 2013). The construct of price fairness has been adopted in various research models, and articles that used price fairness as a key variable are shown in <Table 1>.

<Table 1> Price Fairness and Related Studies

Relevant Articles	Independent Variable	Moderating Variable	Mediating Variable	Dependent Variable
Lyer et al. (2016)	Price Consciousness	-	Price Fairness	Purchase Intentions
	Value Consciousness			
	Environmental Consciousness			
	Social Consciousness			
Habel et al. (2016)	Firm CSR Engagement	Intrinsic CSR Attribution	Price Fairness	Customer Loyalty
Ferguson et al. (2014)	Distributive Fairness	-	Price Fairness	Intention to Spread Negative WOM
	Procedural Fairness			
Andres et al. (2014)	Reference Price	-	Price Fairness	Decision Confidence
	Familiarity with Online Hotel Bookings			Loyalty
	Search of Fairness			Satisfaction with Prices
Fassnacht & Mahadevan (2012)	Favoring New Customers over Loyal Customers in Differential Pricing	Similarity of Transactions	-	Price Fairness of Loyal Customers
		Motive Fairness		
		Loyal Customers' Trust		
Tobias et al. (2009)	(higher) Price Increase	-	-	(lower) Price Fairness
	(higher) Price Fairness	-	-	(higher) Willingness to Pay

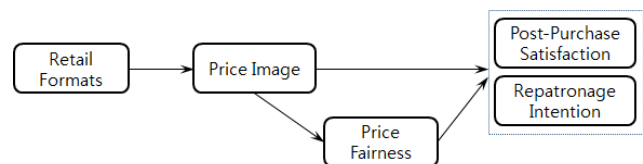
2.5. Repatronage Intention

Based on previous studies, concept of consumer's patronage behavior connotes repeat purchase or revisit and store choice. As Osman(1993) proposed, a patronage behavior is defined as the repeat purchase behavior at a particular store for either the same products or any other products, Shim and Kotsiopoulos(1992) defined it as store choice behavior that represents an individual's preference for a particular store for purchase products. Since then, Pan and Zinkhan(2006) suggested that retail patronage has two dimensions such as store choice(a consumer's choice to patronize particular store) and frequency of visit(how often a shopper patronizes that store). Repatronage intentions are also meant to be consumers' desire to make repeat purchase(Yang & Chang, 2011), repeat patronage, and positive shopping intentions(Hu, 2011) while repurchase intention can be defined as consumers' willingness to buy again the product or service of a certain corporate that they are using today(Kim & Bae, 2005). Therefore, repatronage intention may be put as consumers' future willingness to repurchase the product or service at the particular store that they'd been visited.

Consumer's patronage behavior is known to be influenced by perception of retail attributes such as locational convenience, lowest price, pleasure environment, and friendly staff etc. Pan and Zinkhan(2006) found that store choice had the highest correlation with product selection, followed by service quality, store atmosphere, low price, and convenience. Specifically, Baker et al.(2002) concluded that consumers' price perceptions were linked to the store patronage intentions. Kim(2004) also suggested that the reasonable merchandise price was one of the significant predictors of repatronage intentions.

Future repurchase or revisit intention is also recognized as a positive consequence of customer satisfaction(Anderson et al., 1994; Hellier et al., 2003). And future repurchase intention is presented as a function of the 'perceived relative attractiveness today' and of 'expected future relative attractiveness' of a focal product or service(Andreassen & Lervik, 1999). That is, the more highly consumer is satisfied with overall transaction today, the higher the possibility of repurchase intention will be in the future. Customer satisfaction is also an important predictor of repurchase intention(Liao et al., 2009; Zeithaml et al., 1996). In short, if consumers perceive the price level is reasonable, and product/service performance exceeds their expectations, they reach satisfaction, and it raises the probability of repurchase or revisit eventually.

3. Research Model and Hypothesis Development

**<Figure 1>** Research Model

Formation of price image is not confined to retail format itself but overall post-purchase satisfaction as well as price level. That is, even though a retailer with low-priced image offers lower level of price, its price will never be judged as fair if the quality of goods or service did not meet consumer's expectation absurdly. On the contrary, the higher price of a retailer with high-priced image could be perceived as fair if post-purchase satisfaction results.

Price image, as mentioned earlier, is also formed by non-price cues such as store's physical attributes and retailer's reputation other than price itself (Hamilton & Chernev, 2013). From this assertion we could deduce that department store which is known to provide better product assortment and high-quality service including reliable return policy etc. carries a relatively higher price image. As revealed in prior researches, price image has its influence on consumer judgement of price fairness. Basically, perceived price unfairness tend to happen when there's a mismatch between price retailer charges and consumer's price expectation (Bolton et al., 2003). In other words, consumers may perceive a price as unfair when its price is higher than one offered by another store that sells a compatible product. It implies that a price at low-price-image store is evaluated less unfair than one at store with high price image. On the other hand, consumers who are satisfied with overall experiences such as a reasonable price and reliable service etc. as expected would perceive the retailer's price as fair. And on basis of precedent studies (Voss et al., 1998), once the price is perceived as fair, it leads to favorable judgement of post-purchase satisfaction. Because secured price fairness means that price image (high or low), as of retail format is, was formed properly as expected, post-purchase satisfaction occurs accordingly.

In the same vein, repatronage or revisit intention would increase if purchase transaction is satisfactorily ended up with having a favorable price image because the level of satisfaction is influenced by consumer's perceived price and service quality, and has a direct causal relationship with the repurchase intention (Bitner et al., 1990). This outcome conveys the fact that product or service performance exceeds their expectations and the money they paid is worth it even if the monetary value is high. In other words, positively formed price fairness rooted from corresponding price image leads to a higher possibility of repatronage as satisfactory transaction experience is known to be a significant predictor of repurchase intention, and future revisit intention is recognized as a positive consequence of consumer satisfaction (Liao et al., 2009; Zeithaml et al., 1996). We, therefore, hypothesize that:

- <H1> Based on the attributes of each type of retailer, price image of department store and discount store is different from each other.
- <H2> Price fairness of department store will have a significant mediator effect on the influential relationship between its price image and post-purchase satisfaction.
- <H3> Price fairness of discount store will have a significant mediator effect on the influential relationship between its price image and post-purchase satisfaction.
- <H4> Price fairness of department store will have a significant mediator effect on the influential relationship between its price image and repatronage intention.

- <H5> Price fairness of discount store will have a significant mediator effect on the influential relationship between its price image and repatronage intention.

4. Research Methodology

4.1. Pretest and Result

Based on the convenience sampling, the survey was given to a random sample of students at C University in Seoul in order to secure the validity of experiment and help respondents make an more clear answer to questionnaire items of main survey. Using with 50 surveys, t-Test was performed to see if consumers perceive the concept of two different retail formats differently in the perspectives of price (cheapness), assortment (quality, variety, brand), and post-transaction (delivery, warranty, return policy). As a result, statistically meaningful differences were yielded as shown in <Table 2>, and we confirmed that department store and discount store are different from its inherent attributes.

<Table 2> Descriptive Statistics and t-Test (retail attributes)

Retail Attributes	Store Format	N	Mean	Std. Deviation	t	Sig. (two-sided)
Price	Department	50	2.240	.602	-25.181	.000
	Discount	50	5.440	.667		
Assortment	Department	50	6.340	.672	9.868	.000
	Discount	50	5.030	.656		
Post-Transaction	Department	50	5.967	1.186	3.219	.002
	Discount	50	5.227	1.112		

4.2. Data Collection for Main Survey

We conducted a survey of students at C University in Seoul and collected data. Out of 140, twelve respondents for whom data were missing or skewed to one side were deleted, resulting in final sample size of 128.

4.3. Measures

Variables used in this study are measured on 7-point Likert Scale (1=Absolutely Disagree, 7=Absolutely Agree), and, based on previous studies, the operational definition of each construct, and the measures employed are presented as follows.

Post-purchase Satisfaction is a post-purchase perception of pleasurable fulfillment of product or service, and defined as a post-purchase judgement of pleasurable level of purchase price and performance of the product or service in this study. Post-purchase satisfaction was measured on four items used by Voss et al. (1998), Talyor and Baker (1994).

Price Image reflects a consumer's beliefs about the degree to which retailer's prices are lower or higher than those of competitors. Based on precedent research, we

define price image as the general belief about the overall level of prices that consumers associate with a particular retailer. Price image was measured on four items used by Kukar-Kinney and Grewel (2007), and Estelami et al. (2007).

Price Fairness is basically resulted from a comparison between the price paid and the consumer's reference price. In this study, we define price fairness as the degree to which consumers appraise that a retailer's prices are reasonable, acceptable or justifiable. And this construct was measured on three items including such descriptions as "unfair-fair (Campbell, 2007)", "unsatisfied-satisfied (Oliver, 1980)", and "unjustifiable-justifiable (Bolton et al., 2003)".

Repatronage Intention contains consumers' willingness to repurchase the product that they currently use and revisit or choose the particular store again. Based on literature reviews, we defined repatronage intention as consumer's future willingness to repurchase the product or service at the particular store that they have visited before. And the repatronage intention was measured on three items including descriptions taken from Lim et al.(2007) and Blodgett et. al.(1997).

<Table 3> List of Items for Each Construct

Constructs	No.	Description of Measures
Post-purchase Satisfaction	S-1	If I needed anything, I believe that I would be satisfied with the product (Dept. Store or D/C Store) sells.
	S-2	Overall, in purchasing product, I believe that I would be pleased with (Dept. Store or D/C Store)'s product.
	S-3	I believe that purchasing product from (Dept. Store or D/C Store) is usually a satisfying experience.
	S-4	I was satisfied with price that I paid because it was very reasonable compared to its performance.
Price Image	I-1	In general, I think that average selling prices of this retailer are very cheap.
	I-2	This store's prices are likely to be below the competition's prices.
	I-3	Relative to its competitors, the overall prices at this store are lower than average.
Price Fairness	F-1	I believe the price I paid at this store is fair and reasonable.
	F-2	I'm satisfied with the price I paid at this store considering store's image and reliability.
	F-3	I think the price this store charged is justifiable because its price was similar to my expectation.
Repatronage Intention	R-1	I will revisit this retail store in the near future.
	R-2	The likelihood that I would shop at this retail store in the future is very high.
	R-3	It is probable that I buy the product I need at this retail store again next time.

4.4. Factor Analysis and Reliability Test

As seen in the <Table 4> through <Table 7>, the reliability and validity of the measures used in this study appear adequate to test the research hypotheses. Concretely, each factor was extracted with method of maximum likelihood, and each of them yielded a very reliable Cronbach's Alpha(.778~.932). Moreover, each factor was turned out to be strongly related from the perspective of reliability of KMO(Kaiser-Meyer-Olkin) value(over .80) and significance probability(.000).

<Table 4> Result of Factor Analysis and Reliability Test (Dept. Store)

No.	Factor Loading			Cronbach's Alpha
	Factor 1 (Post-purchase Satisfaction)	Factor 2 (Price Image)	Factor 3 (Price Fairness)	
S3_Dept.	.901	-.069	.090	.896
S4_Dept.	.794	.066	-.007	
S2_Dept.	.775	.045	-.111	
S1_Dept.	.741	.066	-.115	
I2_Dept.	-.027	.866	-.025	.878
I1_Dept.	.021	.836	.069	
I3_Dept.	.038	.807	-.061	
F1_Dept.	.020	.023	-.858	.869
F3_Dept.	-.079	.045	-.782	
F2_Dept.	.239	-.082	-.764	
KMO(Kaiser-Meyer-Olkin)				.834
Bartlett' Test of Sphericity			Chi-Square	823.659
			df(p)	45(.000)

I: Price Image, F: Price Fairness, S: Post-purchase Satisfaction

<Table 5> Result of Factor Analysis and Reliability Test (D/C Store)

No.	Factor Loading			Cronbach's Alpha
	Factor 1 (Price Fairness)	Factor 2 (Price Image)	Factor 3 (Post-purchase Satisfaction)	
F1_D6/C	.869	-.041	.013	.904
F3_D/C	.813	-.114	-.018	
F2_D/C	.775	-.008	.130	
I1_D/C	-.042	-.941	.057	.778
I2_D/C	.023	-.571	-.035	
I3_D/C	.237	-.554	.095	
S3_D/C	-.164	-.116	.793	.848
S1_D/C	.073	.065	.788	
S2_D/C	.264	.089	.664	
S4_D/C	.116	-.053	.649	
KMO(Kaiser-Meyer-Olkin)				.873
Bartlett' Test of Sphericity			Chi-Square	707.000
			df(p)	45(.000)

I: Price Image, F: Price Fairness, S: Post-purchase Satisfaction

<Table 6> Result of Factor Analysis and Reliability Test (Dept. Store)

No.	Factor Loading			Cronbach's Alpha
	Factor 1 (Repatronage Intention)	Factor 2 (Price Image)	Factor 3 (Price Fairness)	
R2_Dept.	.961	-.021	.000	.932
R1_Dept.	.917	.087	-.071	
R3_Dept.	.728	-.020	.242	
I2_Dept.	-.049	.862	.048	.878
I1_Dept.	.048	.829	-.078	
I3_Dept.	.036	.804	.081	
F1_Dept.	.039	.035	.843	.869
F2_Dept.	.174	-.075	.797	
F3_Dept.	-.078	.066	.772	
KMO(Kaiser-Meyer-Olkin)				.845
Bartlett' Test of Sphericity			Chi-Square	822.074
			df(p)	36(.000)

I: Price Image, F: Price Fairness, R: Repatronage Intention

<Table 7> Result of Factor Analysis and Reliability Test (D/C Store)

No.	Factor Loading			Cronbach's Alpha
	Factor 1 (Price Image)	Factor 2 (Price Fairness)	Factor 3 (Repatronage Intention)	
I1_D/C	.980	.040	-.055	.778
I3_D/C	.529	.348	-.027	
I2_D/C	.465	-.079	.272	
F1_D/C	-.007	.867	.052	.904
F3_D/C	.062	.853	-.019	
F2_D/C	-.023	.802	.108	
R1_D/C	.018	-.033	.843	.856
R2_D/C	-.059	.102	.778	
R3_D/C	.092	.107	.713	
KMO(Kaiser-Meyer-Olkin)				.860
Bartlett' Test of Sphericity			Chi-Square	656.137
			df(p)	36(.000)

I: Price Image, F: Price Fairness, R: Repatronage Intention

5. Empirical Analysis and Result

5.1. Verification of <Hypothesis 1>

In order to verify <Hypothesis 1>, t-Test for independent samples was carried out and statistically significant result ($p < .05$) was acquired(see <Table 8>). On 7-point scales, 1 point is checked if absolutely disagreed with its cheapness. Based on this result, as we expected, consumers perceive the price level($M=2.35$) department store offers is much higher(more expensive) than one($M=5.14$) discount store provides. That is, considering its more reliable service, better product assortment, and reputation, overall price level of department store is estimated as reasonable and worthy of paying. Two retail formats are different from each other in the matter of its price level, and <Hypothesis 1> is accepted.

<Table 8> Result of t-Test for Independent Samples

	Mean		Std. Deviation		t	p
	Dept. Store (n=128)	D/C Store (n=128)	Dept. Store	D/C Store		
Price Image	2.35	5.14	1.147	.916	21.492	.000

5.2. Verification of <Hypothesis 2> and <Hypothesis 3>

<Hypothesis 2> and <Hypothesis 3> deal with mediating effect of price fairness of each retail format, department store and discount store, on influential relationship between price image and post-purchase satisfaction. Test results are shown in <Table 9> and <Table 10>.

<Table 9> Mediating Effect of Price Fairness on Post-purchase Satisfaction (Dept. Store)

Verification Step	Independent Var.	Dependent Var.	std. β	t	p	R2
step 1	price image	price fairness	.372	4.494	.000	.138
step 2	price image	post-purchase satisfaction	.312	3.683	.000	.097
step 3(Independent)	price image	post-purchase satisfaction	.100	1.311	.192	.378
step 3(Mediator)	price fairness		.571	7.509	.000	

<Table 10> Mediating Effect of Price Fairness on Post-purchase Satisfaction (D/C. Store)

Verification Step	Independent Var.	Dependent Var.	std. β	t	p	R2
step 1	price image	price fairness	.542	7.239	.000	.294
step 2	price image	post-purchase satisfaction	.437	5.451	.000	.191
step 3(Independent)	price image	post-purchase satisfaction	.156	1.860	.065	.381
step 3(Mediator)	price fairness		.519	6.192	.000	

As a result of mediation(mediator) regression analysis in both cases of <Hypothesis 2> and <Hypothesis 3>, we figured out that price image predicted price fairness significantly($\beta=.372$, $p<.001$ for department store, $\beta=.542$, $p<.001$ for discount store) at step 1 of regression analysis. And a significant influence of price image on post-purchase satisfaction has found and it fulfills the second condition($\beta=.312$, $p<.001$ for department store, $\beta=.437$, $p<.001$ for discount store). The third step of analysis was also performed to see if significant influence on post-purchase satisfaction exist while price fairness(mediating variable) was added to independent variables, along with price image. As in the analyses, influence of price image on post-purchase satisfaction was not statistically significant in both cases($\beta=.100$, $p>.05$ for department store, $\beta=.156$, $p>.05$ for discount store). It means that interaction between price image and post-purchase satisfaction is significant only via price fairness and direct effect can not be found. That is, independent variable itself dose not have an effect on dependent variable without mediating variable, thus we acknowledged the price fairness to play a role of complete mediation. We initially tried to verify the partial mediation effect of price fairness on post-purchase satisfaction, but

concluded in favor of the <Hypothesis 2> and <Hypothesis 3> on the basis of its complete mediation effect in the end.

It seems from this aspect that price fairness plays an inevitable mediating role between price image and post-purchase satisfaction. In other word, after purchasing at retail store either department store or discount store, consumers would not be satisfied unless they perceive the price fair enough even if each retail format's price image is low or high as it is. That is, lower(or higher) price level does not solely explain post-purchase satisfaction significantly if each price image does not appropriately accord with a certain level of expectation consumer forms before or during purchase experience at specific retail format.

5.3. Verification of <Hypothesis 4> and <Hypothesis 5>

<Hypothesis 4> and <Hypothesis 5> were designed to verify the mediating effect of price fairness on the relationship between price image and repatronage intention through mediation regression analysis. Results of analysis are shown in <Table 11> and <Table 12>.

<Table 11> Mediating Effect of Price Fairness on Repatronage Intention (Dept. Store)

Verification Step	Independent Var.	Dependent Var.	std. β	t	p	R ²
step 1	price image	price fairness	.372	4.494	.000	.138
step 2	price image	repatronage intention	.364	4.381	.000	.132
step 3 (Independent)	price image	repatronage intention	.157	2.105	.037	.397
step 3 (Mediator)	price fairness		.555	7.418	.000	

<Table 12> Mediating Effect of Price Fairness on Repatronage Intention (D/C. Store)

Verification Step	Independent Var.	Dependent Var.	std. β	t	p	R ²
step 1	price image	price fairness	.542	7.239	.000	.294
step 2	price image	repatronage intention	.526	6.944	.000	.277
step 3 (Independent)	price image	repatronage intention	.321	3.825	.000	.378
step 3 (Mediator)	price fairness		.378	4.506	.000	

As a result, price image has a significant influence on price fairness in both cases($\beta=.372$, $p<.001$ for department store, $\beta=.542$, $p<.001$ for discount store). Price image also predicted repatronage intention significantly($\beta=.364$, $p<.001$ for department store, $\beta=.526$, $p<.001$ for discount store) at a second step. With this, the first and second condition are fulfilled. In order to verify the third condition, mediation regression analysis carried out with setting price image and price fairness as independent variables, and repatronage intention as dependent variable at this step. Consequently, R2 for repatronage intention has increased to .378 with a significant probability($p<.001$) when price fairness(parameter) was added. And standardized β (.526) at a second step is

shown to be larger than one(.321) at third step. It means that price image has a significant effect on repatronage intention directly and via price fairness as well. From this result, we concluded that price fairness plays a role of partial mediation in effect of price image on repatronage intention, and the <Hypothesis 4> and <Hypothesis 5> are adopted accordingly.

Considering a significant indirect effect, if price image is formed appropriately in accordance with a consumer's belief, price level would be perceived as fair subsequently, and it finally leads a consumer to revisiting or repurchasing at a particular retail store. In other word, people commonly think that higher price department store charge is justifiable or fair

in consideration of its better and diverse product assortment, quality service, and good reputation, etc. The reason consumers repeatedly revisit department store is because they expect the store to satisfy their needs as usual. In case of discount store, people believe that discount store is a lower-priced retail format, and they expect and gladly enjoy the benefit corresponding with its low price.

6. General Discussion

6.1. Conclusions & Implications

As department store and discount store are different from each other in the perspective of attributes such as reputation, service level, product assortment, and so on, people appraised their price level differently. Namely, overall price level of department store is much higher than discount store as we expected.

On the basis of precedent studies, we inferred that price fairness would have a mediating effect on influential relationship of price image and post-purchase satisfaction. In case of both department store and discount store, analysis result showed that price image does not have a significant influence on post-purchase satisfaction independently unless price fairness, mediating variable, is added. It means that people feel satisfaction after purchase only if price level is perceived as fair no matter how price level is high or low according to traits of retail format. And it implies that store managers should always provide consumers with suitable shopping experience which is well matched with the price level whether it is of high or low. If consumers do not get such a clear and steadfast message from a store, they will become suspicious of its rightness of price image, and dissatisfaction will occur in the end.

Regarding mediating effect of price fairness on the influential relationship of price image and repatronage intention in both case of department store and discount store, price fairness is appeared to be having a significant influence firmly. Moreover, price image significantly influence on repatronage intention directly and also via price fairness as a result. A partial mediation effect was verified as we anticipated. We can deduce from this result that people would repeatedly revisit department store or discount store because they are certain that their expected satisfaction will be met with a typical shopping experience each store offers along with a appropriate price level in which they think it's fair. For marketing managers, it is important to keep in mind that satisfactory shopping opportunities in accordance with price image should be sustainedly given to consumers so that they could feel its price level is fair, otherwise they will

scarcely revisit a store or switch to other stores.

In recent years, both retail formats, department store and discount store, confront a stagnation in growth. Alternative marketing channels such as mobile and internet shopping which are equipped with competitive edges in price, quality, and reliable service are growing rapidly. Moreover, an economic depression and increasing number of single-person household also hinder two major retailers' growth. However, if department store and discount store make an effort to provide consumers with proper product assortment and service in accordance with their price images that consumers formed, satisfied consumers would repurchase more, retailers could strengthen the competitiveness, and sustain its growth.

6.2. Limitations & Suggestions for Future Researches

This study mainly focused on the influence relationship between off-line store's price image and price fairness, so it is hard to conclude that this research result is applicable to all the other retailers thoroughly. Thus, various retail formats such as TV home shopping, internet shopping, and mobile shopping other than off-line store are needed to be dealt in relevant studies in the future.

Since no specified product category as a stimuli was used in this study, we hope future studies regarding subject of price image diversify experimental stimuli. Because some product or brand is only available at particular store, people have a limited option to choose a store and are less sensitive to price even though process of purchase was ended up messy. Regarding product involvement, price sensitivity would be expected high when it comes to a high-priced low involvement product, and the price level of that particular retailer might be evaluated as high, for instance.

A brand preference, which was not adopted, another variable that may affect consumer's perception to price fairness of various retail formats, was not considered in our study. In fact, the same brand or model is selling at the different price in different store type. If consumers recognize it as a common business practice, we could presume that they basically expect and accept the different level of service or convenience as reliability and reputation of each store are not homogeneous. Here's a question, then. What if a less preferred brand, generally lower-priced compared with power brand, is selling at much higher price than regularly expected one at department store, for instance? Do people still deem that selling price quite reasonable or fair enough just because of a reliable service or good reputation department store offers? In this sense, dealing with this as a moderating variable is worth studying.

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