



Measuring The Impact of Hedonic Motivation, Smart Shopper Perception, Location-Based Coupon Attitude on Intention of Use Location-Based Coupon

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Abstract: Increasing use of GPS on mobile devices, the format of direct marketing strategy is also developing, and the location-based coupon is the example of this strategy. This study aims to analyze consumer attitudes toward location-based coupons on mobile devices and their intention of use the location-based coupon for shopping. Simple random sampling is used for the sampling method, a 1-5 Likert scale questionnaire is used for collecting the data. The results show that hedonic motivation, and smart-shopper perception has a positive effect towards intention of use location-based coupon through location-based coupon attitudes. Even so, the impact is not big because there are several variables excluding of this study that might influence it.

Keywords: Hedonic Motivation, Smart-Shopper Perception, Location-Based Coupon, Intention of Use, Attitude

INTRODUCTION

The spreading of smart devices such as smartphones along with the development of technology has provided many possibilities for personalizing promotional messages sent to consumers by utilizing a global positioning system or better known as GPS (Global Positioning System)(Okazaki & Taylor, 2008). By leveraging GPS, marketers currently control information based on the geographic position of mobile communication devices (Bruner & Kumar, 2007). Customer personalization is something that needs attention in order to increase consumer interest, because personalized advertising will lead to a perception of privacy which then leads to better advertising attitudes and high purchase intention (Zhu & Kanjanamekanant, 2021).

There have been many statements either in general or in specific that attitudes really shape behavior intentions (Souiden et al., 2019). The theory of reasoned action (TRA, Fishbein and Ajzen, 1975), technology acceptance model (TAM, Davis, 1989) provides strong evidence supporting the effect of attitudes on intentions (Im & Ha, 2012, 2013). Behavioral intention is described as an individual's perceived opportunity of subjective

likeness or prospect to adopt or engage in a particular behavior (Raza et al., 2017). In marketing literature, behavior intention has been widely studied to measure advertising effectiveness (Raza et al., 2017; Sağlam et al., 2020). Various kinds of ad formats are developed according to circumstances and habits, even where consumers are located. Location-based advertising has been widely applied, especially in various sectors. According to a report from Grand View Research, the global location-based advertising market was valued at 62,35 billion USD in 2019, and is expected to record a compound annual growth rate (CAGR) of 17,4% in 2020 to 2027.

As a result of the development of location-based advertising, companies now use location-based coupons as another marketing tool. In general, coupons are used as an integrated part of advertising policies (Unni & Harmon, 2007; Bruner & Kumar, 2007). Coupons are used to reduce prices, increase store visits, and reduce overstocking of products as well as increase awareness of new products or services (Achadinha et al., 2014; Dickinger & Kleijnen, 2008).

According to Mckinsey report (2017), with current technology the form of coupons has developed from just static notifications that are only published in pamphlets into personal communications that use various channels, from print to applications on smartphones. Coupons that evolve in digital form are known as e-coupons or mobile coupons. E-coupons or mobile coupons are coupons in digital form that are received by potential customers, usually via mobile devices, and then forming location-based coupons. Same as coupons in general, location-based coupons are used for promotions that contain discounts or price percentage discounts, can only be used at certain locations, have expiration dates, and coupons for a product are often related to purchasing other products (MMA, 2007:1).

The new innovation in the form of location-based coupons will certainly provide many benefits and contribute to empowering consumers because companies offer day-to-day price reductions, reduce searching costs and cognitive load, and consider the location of consumers and adjust offers to their preferences, also respecting consumer privacy because it requires prior approval (Achadinha et al., 2014; Fortin, 2000). However, many previous studies examined about mobile coupons (Dickinger & Kleijnen, 2008; Im & Ha, 2012, 2013), and few research on location-based coupons (Souiden et al., 2019). Thus research on location-based coupons needs to be carried out in order to understand consumer attitudes towards location-based advertising.

LITERATURE REVIEW

Hedonic Motivation

Shopping motivation is divided into two dimensions, namely utilitarian and hedonic (Hirschman & Holbrook, 2018). Hedonic motivation describes behavior related to pleasure, entertainment, fantasy, and sensory stimulation aspects of consumption (Babin et al., 1994). Hedonic motivation is considered as a key predictor of consumer behavior research regarding purchase intention (Holbrook da Hirschman, 1982).

In relation to technology, hedonic motivation is defined as the pleasure derived from using technology and is an important determinant of consumer acceptance and use of technology (Alalwan et al., 2018; Shaw & Sergueeva, 2019). The hedonic motivation measurement scale captures a broad range of hedonic reasons individuals to go shopping (Arnold & Reynolds, 2003) and applicate to the retail sector. Hedonic motivation is an umbrella for several terms in similar constructs such as perceived enjoyment (Gao et al., 2015), hedonic expectancy (Ahn et al., 2016).

Smart Shopper Perception

Smart shopper perception is the tendency of individuals to reward themselves for finding promotional offers and exchanging loyalty reward points (Atkins et al., 2016; Atkins & Kim, 2012; Mano & Elliott, 1997). This assumption presupposes two key points: (1) smart shoppers do not pay for products or services at full price, thus an assumption of frugality appears (Zhang & Mick, 2019); (2) smart shoppers give credit to themselves in saving (de Pechpeyrou, 2013; Zhang & Mick, 2019). Smart shopper perception affects emotional attachment to using promotional offers, for example loyalty reward points (Hwang & Mattila, 2021) to be used to buy products or services because the concept of smart shopper perception show more benefits related to ego such as a sense of achievement, boost in self-esteem, and shopping pride (Garretson et al., 2002).

Location-based coupon attitude

The use of coupons as a marketing tool has been done for a long time, however, technological developments, it has pushed marketing strategies by considering online coupons, then mobile coupons (coupons sent via mobile device applications) which can be exchanged for discounted prices when buying a product or service (Mobile Marketing Association, 2007, p.1) and the latest innovation, namely *location-based coupon*.

Location-based coupons (LBC) provide many benefits and contributions to encourage consumer empowerment since offering daily discounts, reducing search costs and cognitive load, considering location and adjusting to consumer preferences and respecting consumer privacy because prior approval is required (Achadinha et al., 2014). The purpose of using location-based coupons is to broaden the customer base, and positioning is not a major concern because consumers will find the store even though on LBC the store position is not certain (Ortner et al., 2007).

Specifically, location-based coupons still need to be researched. Previous study find that savings, convenience, and hedonic motivation had a positive effect on attitudes towards location-based coupons, but of these three factors, it was money savings that had the greatest effect on location-based coupons when tested for its effect directly or when tested through hedonic motivation as a mediator (Souiden et al., 2019). In order to better understand how hedonic motivation influences attitudes toward location-based coupons, this study uses the concept of smart shopper perception which suggest benefits related to ego such as a sense of accomplishment, boosted self-esteem, and a sense of pride in shopping (Garretson et al., 2002) will be used as a variable that mediates hedonic motivation on attitudes on location-based coupons.

Intention of use

Intention can be described from a person's answer in the form of "I intend to do X", "I plan to do X" or "I will do X", and in psychological terms, behavioral intention indicates a person's motivation to perform a behavior (Sheeran, 2002). The purpose of intention is one's self-instruction to achieve desired results (Triandis, 1980).

It is already known that attitudes, both in general and specific, greatly shape behavioral intentions (Souiden et al., 2019), this has been widely studied in marketing literature, for example in TRA theory (theory of reasoned action) (Fishbein and Ajzen, 1975), TAM (technology acceptance model) (Davis, 1989), and parallel distributed processing theory provide strong evidence supporting the effect of attitudes on intentions (Souiden et al., 2019). The effect of attitudes on intentions has been studied more specifically in the discussion of digital marketing (Dickinger & Kleijnen, 2008; Im & Ha, 2013, 2015; Raza et al., 2017; Souiden et al., 2019), thus it is necessary to do further research on the attitude effect towards intention in digital marketing environment.

RESEARCH METHODS

Based on the relevant literatures and practices, this study proposes a conceptual model of the relationship between variables and to test the hypothesis, this study uses a quantitative approach with descriptive-verification analysis methods to explain the data in general, depicting the influence between variables by path analysis using SPSS 26. This study uses a questionnaire as an instrument of data collection. The questionnaire was designed based on a 5 points Likert scale 1-5 represent strongly disagree, disagree, undecided, agree, and strongly agree statements.

Probability sampling technique simple random sampling is used for sampling. As many as 40 questionnaires were distributed with distribution areas around south Jakarta area and distributed to respondents via Google form. As for the characteristics of the respondents, women occupy the most positions as respondents with a percentage of 70%, while men is 30%. The age range of the respondents was also divided, 18-24 years old (33%), 25-30 years old (26,7%), 31 years old and above (40%)

FINDINGS AND DISCUSSION

Validity and reliability test were conducted on each variable using SPSS 26, and found the data was valid by identifying $r_{count} > r_{table}$ 0.312 and Cronbach alpha > 0.7 . The Kolmogorov Smirnov test result was the sig. monte carlo 0.328 > 0.05 which means the data is normally distributed followed by multicollinearity, heteroscedasticity test, and the results show the data does not contain multicollinearity or heteroscedasticity.

Path analysis test were used to determine the direct and indirect effects of variables X1, X2, X3 on Y. The results showed the direct effect of hedonic motivation on intention of use is 0.151, meanwhile the indirect effect of hedonic motivation through location-based coupon attitude on intention of use is $0,614 \times 0,382 = 0,234$. Then the effect of total hedonic motivation on intention of use is the direct effect plus indirect effect, $0,151 + 0,234 = 0,385$. Based on these results it can be seen that the direct effect of hedonic motivation on intention of use is 0,151 and the indirect effect is 0,234 which means the indirect effect is greater than the direct effect indicating hedonic motivation through location-based coupon attitude towards intention of use has positive effect indirectly.

As the results of smart-shopper perception through location-based coupon attitude on intention of use analysis, the direct effect of smart-shopper perception on intention of use is 0,071. Besides, the indirect effect of smart-shopper perception through location-based coupon attitude on intention of use is $0,247 \times 0,382 = 0,094$, then the total effect of smart-shopper perception on intention of use is a direct effect plus indirect effect, $0,071 + 0,094 = 0,165$. With these results it can be seen the direct effect of smart-shopper perception on intention of use is 0,071 and the indirect effect is 0,094 which means the indirect effect is greater than the direct effect indicating smart-shopper perception through location-based coupon attitudes towards intention of use has a positive effect indirectly.

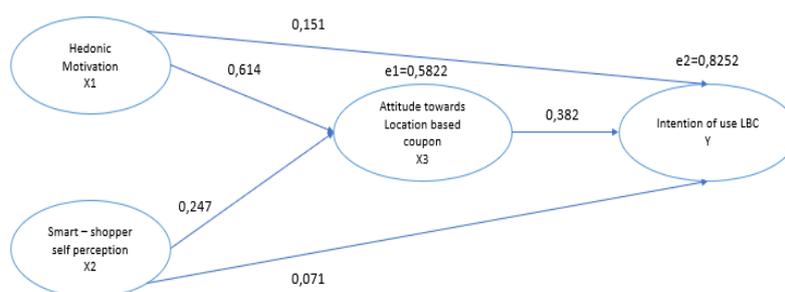


Figure 1. Research model analysis output

Source: Own source (2022)

CONCLUSIONS

According to the results of the data test above, it can be seen that hedonic motivation has a direct positive effect on location-based coupon attitudes, the feeling of enjoying shopping using coupons is high. In line with hedonic motivation, smart-shopper perception gives a positive effect on location-based coupon attitudes, because feelings arising from smart-shopper perceptions increase the feeling of confidence that they have successfully completed a task, activities and increase confidence, pride in shopping trips (Garretson et al., 2002; Souiden et al., 2019) and as a result of positive attitudes towards location-based coupons then increase the intention to use coupons in the future.

This study shows the effect of hedonic motivation, smart-shopper perception, and location-based coupon attitudes on the intention to use location-based coupons. From the results above, although hedonic motivation has a positive effect on location-based attitude (61,4%), smart-shopper perception has a positive effect (24,7%) on location-based coupon attitude, and location-based coupon attitude affect intention of use only 38,2%. In addition, the direct relationship between hedonic motivation and intention of use is only 15,1%, smart-shopper perception is 7,1%. Then, hedonic motivation has a positive effect 23,4%, smart-shopper perception 9,4% through location-based coupon attitude towards intention of use. The remaining 67.2% is affected by other variables not examined. Further research may include economic benefits, recommendation trust, familiarity with retailers (Tang et al., 2019), value consciousness, enjoyment coupons (Gonzalez, 2021). Furthermore, this research only focuses on consumer in general without classifying specific characteristics such as baby boomer generation, generation x, generation y, and generation z. Future research may consider the specific characteristics of respondents based on the type of generation because each generation has different behavior.

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