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Millennials and repurchasing behaviour: A collectivist emerging market

Lee, Yang-im

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The final, published version in International Journal of Retail & Distribution Management, DOI: 10.1108/IJRDM-12-2020-0506, 2021 is available at:

https://doi.org/10.1108/IJRDM-12-2020-0506

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International Journal of Retail & Distribution Manag

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Journal:	*International Journal of Retail & Distribution Management*
Manuscript ID	IJRDM-12-2020-0506.R4
Manuscript Type:	Research Paper
Keywords:	Customer satisfaction, Customer service, SEM, Knowledge function, Repurchase, Switching

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Millennials and repurchasing behaviour: A collectivist emerging market

Abstract

Purpose: This study explains how retailers can use the knowledge function of attitudinal theories to understand how millennials in a collectivist emerging market, trade-off between a satisfactory customer service experience versus price when repurchasing a smartphone.

Design/methodology/approach: 356 useable questionnaires (86% response rate) were collected and analysed using structural equation modelling (SEM), AMOS.

Findings: Millennials in Vietnam tend to adopt an individualistic approach when repurchasing a smartphone and utilise their knowledge of the product. However, they value personalised customer service that is specific to their needs, especially interactions with sales staff that raises their confidence and self-esteem. The unique interaction allows authorised retailers to distinguish themselves from unauthorised retailers. Repurchase behaviour is encouraged by low uncertainty avoidance in conjunction with price sensitivity; and the desire to be seen as achieving a high social status.

Research limitations/implications: The data for the study was collected in Hanoi, the main city of Vietnam and is representative only of urban-based millennials.

Practical implications: Retailers considering entering an collectivist emerging market need to understand that millennials are price sensitive and may repurchase from unauthorised retailers. Accurate information and sales promotions can be used to stimulate demand for a high involvement product.

Originality/value: Functional theories of attitudes is used to link the concept of customer service with knowledge function utilisation in order to establish how customers in an collectivist emerging market process information and share knowledge through socialisation.

Keywords - Customer satisfaction, Customer service, SEM, Knowledge function, Repurchase, Switching

International Journal of Retail & Distribution Management

1. Introduction

Retailers operate in a highly competitive market and are required to invest in customer service in order to build relationships that satisfy the needs of customers. It can be argued that customer service is influential in terms of repurchase intention as it relates to a customer's value perception (Slack *et al*., 2020; Dabholkar *et al.,* 1996). An effective customer service that fulfils inner/outer needs helps retailers to build relationships with customers, and is culturally bound (Samaha *et al.,* 2014). As regards a collectivist culture, people tend to be more receptive to forming social bonds and influencing purchase intention (Lee and Kacen, 2008). As a consequence, retailers that operate in a collectivist culture need to adopt a holistic view of service quality because of the importance associated with group values and the influence that family members have on the purchasing decision process (Diallo and Seck, 2018) and also on repurchase behaviour. This is because there is a strong dependence on groups (Tang, 2017) and group interaction, and the way in which in-group behaviour manifests. Hence, in this research, we explore, when individuals repurchase a smartphone in a collectivist emerging market, how they are influenced by factors such as customer service experience (i.e., customer-staff interaction, customer support, information responsiveness and store convenience), a retailer's brand reputation, other people's opinions; and moderated by previous service experience and price factors.

By understanding the process of socialisation and how information is shared and validated among certain groups, retailers can utilise the knowledge associated with a customer's cognitive evaluation process and devise an appropriate strategy for an emerging market. In fact, Vietnam represents a collectivist emerging market, and young consumers are known to be adept at expressing their behaviour (Nguyen *et al.,* 2003). In addition, they like novelty, are brand and price conscious, relate to sales promotions, and engage in word-of-mouth reviews (Gia Vuong and Nguyen, 2018).The advantage of studying this generational cohort is that they possess similar "values, beliefs, preferences, motivations and behaviours" (Young and Hinesly, 2012), and the financial means to consume high involvement products. The mentality of this group can be considered different to that of previous generations (Lucero-Romero and Arias-Bolzmann, 2019) and this provides an opportunity to explain the change occurring in cultural values in society in a collectivist emerging market.

International Journal of Retail & Distribution Management

For the study, we draw on functional theories of attitudes and link repurchase intention with knowledge function utilisation. This is so that we can establish how customers process information and share knowledge in terms of socialisation. By understanding the process of socialisation and how information is shared and validated among certain groups, marketers can understand how the knowledge function is used to study customer service in terms of repurchase behaviour.

Most of the research in relation to attitudinal theories has focused on the social function and ignored the knowledge function. For example, the work of Grewal *et al.,* (2004), and Han *et al.,* (2010), focused on motivation and the social function in relation to a luxury market; and the work of Lee and Trim (2019), was in the context of how millennials trade-off, justify and legitimise their purchase behaviour. In this research, we build on previous work by drawing on functional theories of attitudes, but focus especially on the knowledge function and link with customer service and establish how millennials in Vietnam repurchase a smartphone, from an existing retailer. Hence, studying the use of the knowledge function and decision-making process is unique as it provides a deeper understanding of motivation and repurchase behaviour. We focus on how the knowledge function (eg., customer's experience of a retailer's service and affordable products) is used to moderate interactions between the social function (social-adjustive/value expressive) and the ego-defensive function (avoid anxiety and maintain self-esteem). This is important to understand because retailers need to be aware of the underlying conditions that give rise to repurchase behaviour due to the uniqueness of the buying situation and consumer characteristics.

By relating functional theories of attitudes to the concept of repurchase intention, we offer insights into how and why retailers utilise the knowledge function to devise a retail strategy vis-à-vis the implementation of customer service in a specific cultural context – especially, how young, educated millennials in an urban area utilise their knowledge when they consider repurchasing a smartphone. Also, why accurate information acts as a stimulus in the purchase of a high involvement product. In doing so, we extend our understanding of how and why consumers, especially, millennials in a collectivist culture in an emerging market use their knowledge function and vindicate their purchase behaviour.

International Journal of Retail & Distribution Management

2. Literature review

2.1 The knowledge function and customer service

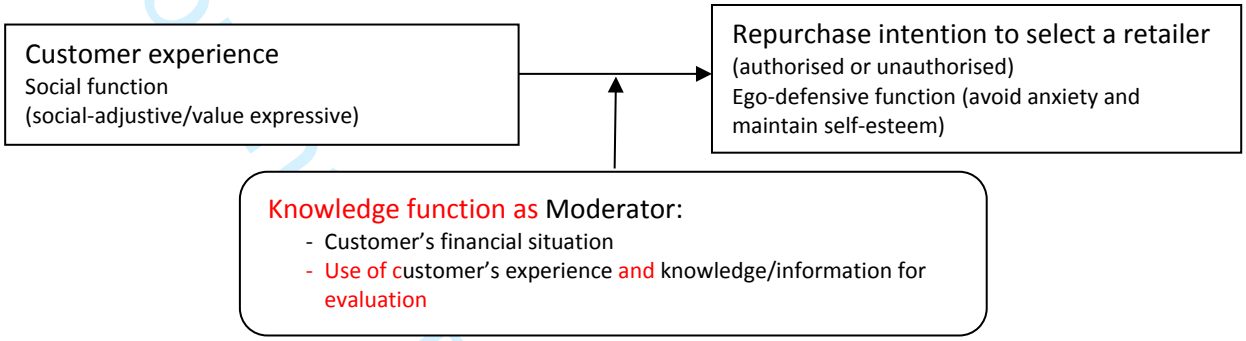
According to Katz (1960), functional theories of attitudes contain different functions such as knowledge; social; ego-defensive; and utilitarian. The social function is used to help an individual either identify and conform with a social group (social-adjustive) or help an individual to express their central values and beliefs to other people (value–expressive). Researchers suggest that the social function encourages individuals to purchase a luxury product to fulfil their inner needs and be admitted to the social group they aspire to join. If individuals have financial limitations they tend to purchase counterfeits, even if there is social risk involved (e.g. Han *et al.,* 2010). The knowledge function helps individuals to organise information and form their attitude and express the consistency of behaviour. Knowledge relating to service experience and product price, as well as information relating to a product such as a smartphone, helps an individual to define their purchase criteria, especially in terms of a repurchase (Betterman *et al.,* 1998). The ego-defensive function relates to how an individual adjusts/avoids anxiety (due to external pressure and internal, emotional conflict) and to defend their 'self-image' and maintain 'self-esteem'. In the context of an individual repurchasing a smartphone, of key importance is how they use information/knowledge to corroborate their repurchase decision, maintain their self-image and reduce internal conflict.

As regards customer satisfaction, extensive research has been carried out that focuses on the expectancy/disconfirmation paradigm, which relates to the discrepancy between service performance and service expectation. According to Zeithaml *et al.,* (2012) there are two different sets of factors to take into account: (i) the service quality, product quality and price, which are controllable; and (ii) the situational factors and personal factors, which are uncontrollable and which relate to the experience of individuals and their emotional state that influences their decision to purchase and repurchase. The authors argue that the uncontrollable set of factors are utilised as a strategic tool for differentiation vis-à-vis perception of value (Slack *et al.,* 2020; Babakus *et al.,* 2004). This is, we feel, interesting and challenging in terms of establishing what leads millennials in an emerging market (where authorised and unauthorised dealers exist side by side) to either retain or change the retailer when they repurchase a smartphone. Millennials are considered to be different from previous generations as they are known to embrace and utilise new technology (Eastman *et al.,* 2014) such as the smartphone.

International Journal of Retail & Distribution Management

Figure 1 outlines the conceptual framework for the research. It is drawn from the extant literature and provides the context within which marketers in retail can understand how and why young educated consumers in a collectivist emerging market make the trade-offs that they do, when repurchasing a smartphone.

Figure 1: Conceptual framework



2.2 Customer satisfaction and repurchase intention

Customer satisfaction can be viewed from various perspectives including the performance of the product and fulfilment in terms of service provision (Ashworth and Bourassa, 2020; Cam Le *et al*., 2021). In this paper, we focus on a retailer that buys for resale and service provision, and customer repurchase intention. To fulfil needs, consumers search for information and obtain knowledge through various interactions (e.g., prodct/service experience, (e)WOM), which is known as socialisation (Reeve, 2009). Burnham and Leary (2018) argue that customer service is positively associated with customer empowerment and this strengthens their sense of association with the group they aspire to identify with. Retailers need to be aware that consumers from a collectivist culture form social bonds through customer-sales staff interaction, which influences purchase intention. This is because in a collectivist culture, there is a strong dependence on groups and group interaction, and the way in which in-group behaviour manifests and is influenced by events. It can be suggested, therefore, that customer satisfaction in a collectivist cultural context takes into account the customer's experience in relation to the way staff interact with them, respond to requests (customer support), provide accurate information, their own interpretation in terms of convenience and store layout (Dabholkar *et al*., 1996); and also, the reputation of the retailer's brand and the influence of other customer reviews (Echchakoui, 2016). Hence, cultural value systems are considered important as regards repurchase intention. This view is supported by Samaha *et al.,* (2014) who point out that as regards the influence of cultural value systems, customers in a collectivist culture tend to be influenced by prevailing group norms because of the high interdependence

of people in society. Satisfying customers is important in terms of relationship building and face-to-face interaction allows sales staff to engage fully with customers. It also helps the retailer to establish customer loyalty as it results in customer retention and referrals through positive word of mouth (Ibzan *et al*., 2016). Communication and the exchange of information are viewed as reinforcing a relationship and increasing trust between buyer and seller as uncertainty is reduced (Voldnes *et al.,* 2012). We propose that:

H1*: If customer satisfaction with sales staff is positive, then it is more likely to positively influence their repurchase intention from the same retailer.*

2.3 Customer – staff interaction

The interaction between staff and customers can be decisive as regards generating customer satisfaction (Arora *et al.,* 2020) and is influential in terms of customer service expectation. Indeed, the higher the level of customer satisfaction, the greater is the repurchase intention (Gorji and Siami, 2020; Balaji *et al.,* 2017). It can be argued, therefore, that customer service expectation is dependent on the customer's background because people in different cultures perceive services differently (Ladhari *et al.,* 2011). Customers with a high self-reflection have a higher expectation, pay more attention to such issues as service efficiency and the individual attention they receive. Customers in a high context collectivist culture are highly influenced by interpersonal relationships and social norms and place emphasis on a customised service (Park and Jeon, 2018). By acknowledging this, retailers can view relationship building from a social bonding perspective, the objective of which is to sell a product/service to a defined customer group and build greater self-confidence that manifests in a self-identity that resonates with a particular group. We propose that:

H2*: If sales staff deliver a higher level of personalised customer service by paying attention to individual needs, then it is more likely to positively influence customer satisfaction.*

2.4 Customer support *and expectation*

In the retailing sector, after sales service is traditionally considered as a maintenance activity, however, in a rapidly emerging market where there are limited numbers of consumers that use a smartphone, installing equipment is an essential component of the after sales service as electronic appliances are known to be complex (Rigopoulou *et al.,* 2008). In such markets, customers expect staff to be available to answer their questions because there is a wide range of smartphone brands on the market and prices vary, which complicates the buying process. Retail staff in a collectivist emerging market (Vietnam) set-up a new phone (including transferring the contact list) for the customer after the purchase has been completed as this is known to be good customer service practice. Customers in a developing market are viewed as

International Journal of Retail & Distribution Management

having a higher social position than sales staff, and demand respect and a flawless on-time customer service (Karami *et al.,* 2016; Diallo and Seck, 2018). Customer satisfaction also takes into account a company's return policy, which helps to reduce pre-purchase uncertainty (Jeng, 2017). Bearing this in mind, we propose that:

H3*: If sales staff are able to provide a comprehensive and flawless customer support service, then it is more likely to positively influence customer satisfaction.*

2.5 Information responsiveness

The Internet allows customers to search the websites of retailers and compare products in terms of price, promotion and after sales benefits (McColea *et al.,* 2010; Maggioni *et al.,* 2020). Several studies highlight the importance of the quality of information and support made available on company websites to maintain long-term relationships with customers (Caruana and Ewing, 2010). Also, the traditional face-to-face communication process plays a crucial role in the service experience of the customer. The information received from technical and service staff is known to have an impact on and influence the buying decision process. We suggest:

H4*: If staff provide accurate and timely information about a product, then it is more likely to positively influence customer satisfaction.*

2.6 Convenience and store layout

Convenience is an important aspect of retailing and includes payment methods and processes, and store design and accessibility (Dabholkar *et al.,* 1996; Diallo and Seck, 2018). As regards store design, the layout of the store, its ambience and its image, are considered influential in terms of customer satisfaction (Diallo and Cliquet, 2016; Vinish *et al*., 2020; Cunningham and De Meyer-Heydenrych, 2021). Normally, customers with high uncertainty avoidance tend to stick with the product/brand they are familiar with. Vietnamese consumers accept new products and services when offered as they have a relatively low uncertainty avoidance (Hofstede Insights, 2016). Customers in collectivist developing/emerging markets are known to consume flagship products and product options can be reinforced by flexible payment methods (e.g., installments). In other words, having a wide range of product options and payment methods for customers is essential for smartphone retailers. We propose that:

H5*: If store layout, the range of products and payment methods provide convenience, then it is more likely to positively influence customer satisfaction.*

2.7 Retailer's brand reputation

Brand familiarity can be expressed through the degree of direct and indirect experience a customer has of a brand (Benedicktus *et al.,* 2010). If customers are familiar with a brand, it reduces pre-purchase uncertainty as well as affects customer satisfaction (Echchakoui, 2016).

International Journal of Retail & Distribution Management

In the context of a developing country, customers are known to have a higher behavioural intention towards reputable brands than less renowned ones, and the competence of the organisation providing the service is a key factor (Malhotra *et al.,* 2005).

In the context of this study, reference is made to the retailer's brand because there are no local manufacturers of smartphones in the market and all the products are distributed through third-party enterprises. Hence, a retail company's image reflects the organisation's competency and reputation. Retailers can, therefore, utilise the brand name to underpin the product's quality and a reasonable return policy as this affects perception and the purchasing intention of consumers (Jeng, 2017). We suggest that:

H6*: If a retailer's brand is well established, then it is more likely to positively influence customer satisfaction.*

2.8 Other customer reviews

Consumers are known to use customer reviews as a reference point vis-à-vis counteracting pre-purchase uncertainty before making a purchase. Chen *et al.,* (2016) also point out that online product-related information (e.g., different cell phone brands) has an influence on the pre-purchase attitude of customers. As regards the effectivenss of online/off-line WOM, retailers should not just rely on the company's online review system but should engage with existing customers so that they provide comments on third-party or independent review platforms (Tang, 2017). Customers that participate in an online brand community share and endorse buying behaviour using their knowledge and experience (Sweeney *et al.,* 2012; Lucero-Romero and Arias-Bolzmann, 2019). Thus, information from other customers (both online and offline), has a possible impact on the formation of a customer's perception towards a product/brand. We suggest that:

H7*: If positive word-of-mouth is prevalent, then it is more likely to positivly influence customer satisfaction.*

2.9 Switching factors

When considering customer repurchase intention, switching intention arises because customers are dissatisfied with the existing product and/or service or social experience or they experience psychological pressure in the form of a new, trendy product (Fornell, 1992), as well as numerous appealing promotions. Although switching retailer may be relatively easy for customers, there are still a number of barriers to be overcome. The barriers include the attractiveness of alternatives and the type of interpersonal relationship that exists between the customer and the retailer.

International Journal of Retail & Distribution Management

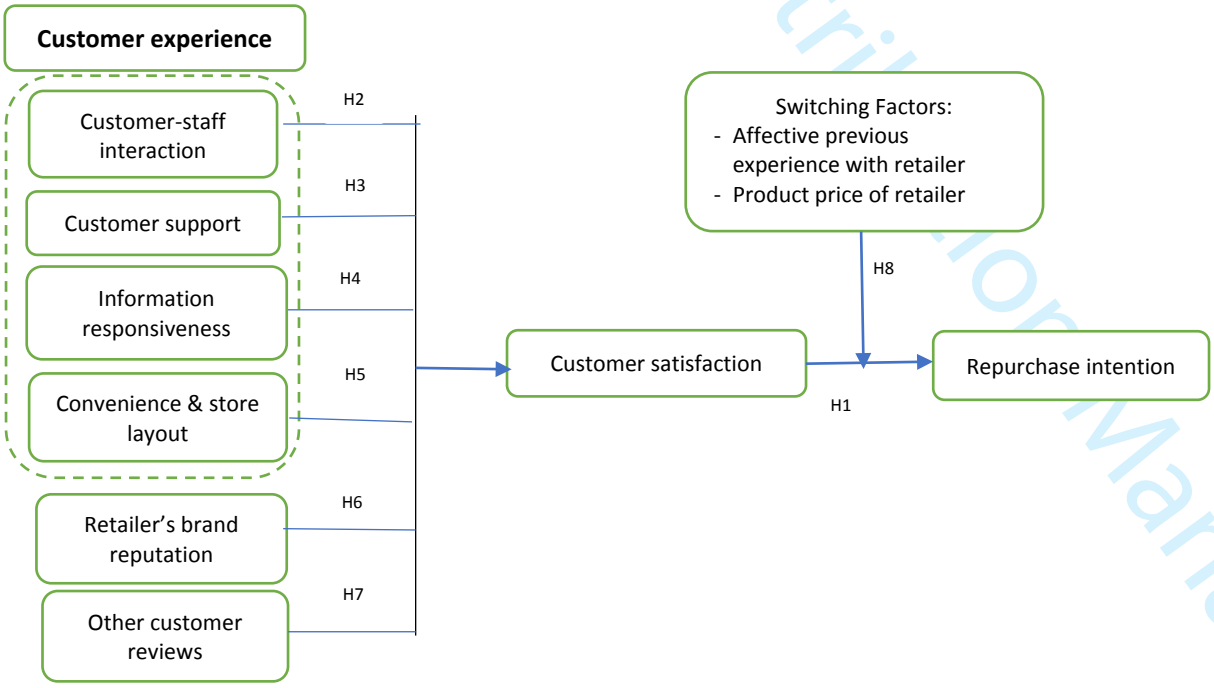
Purchasing a new device/alternative brand can result in different accessories/apps being needed and this can result in high switching costs for customers (Kim *et al.,* 2016) and a higher price being paid. If customers possess specialised knowledge regarding different software progames as well as operating systems (e.g., Android or iOS) they will more likey utilise their knowledge when choosing a retailer versus the price charged. Normally, customers from a collectivist cultural background draw on the recommendations of their relatives when choosing a suitable supplier (Tang, 2017). In addition, they also tend to reduce their pre-purchase risk by looking at the conditions outlined in the return policy as well as how popular the retailer's brand is. Furthermore, the type and degree of interpersonal relationship that exists between a retail company and a customer affects repurchase intention (Chun *et al.,* 2017). Hence, buying memories can influence the link between customer satisfaction and repurchase intention. We suggest:

H8a: *Price differences among retailers moderates the relationship between customer satisfaction and repurchase intention.*

H8b: *The strength of the relationship between a customer and a retailer moderates the relationship between customer satisfaction and repurchase intention.*

With reference to the above, the theoretical framework appears in Figure 2. In this study, we examine how an affective customer service experience and an individual's financial situation act as moderating factors when educated millennials choose a retailer for repurchasing a smartphone in a collectivist emerging market.

Figure 2: Theoretical framework- Customer repurchase intention



3. Research Methodology

3.1 Research strategy, questionnaire development and data collection

Due to the nature and focus of the study, we adopted a quantitative research strategy and deployed structural equation modelling (SEM), and AMOS for the regression analysis. This allowed the researchers to test the measurement model, as there was an involvement of the moderating variable – "switching factor" between customer satisfaction and repurchase intention from the same retailer.

As regards customer satisfaction, we measure customer experience as well as the retailer's brand reputation and other customer reviews. The scale constructs of retailing service quality for the customer experience, included 17 items under four dimensions: customer-staff interaction, customer support, information responsiveness and store convenience. These items were derived and adapted from Dabholkar *et al.,* (1996), while, another 10 items of two dimensions –"Retailer's brand reputation" and "Other customer reviews" were derived and/or adapted from Echchakoui (2016) and the result of the pilot test. The switching factor dimension was measured using the scales developed by Kim *et al.,* (2016) and Chun *et al.,* (2017). The measures for customer loyalty comprise both attitudinal and behavioural aspects (Zeithaml *et al.,* 2012). In this research, we placed repurchase intention in the context of a customer's previous experience with a retailer (e.g., the repurchase of a smartphone from the same retailer, the recommendation of the same retailer to friends, relatives and others) and the product policy and price charged by the retailer (e.g., a customer repurchases a smartphone from the same retailer even if other retailers provide a better product policy and price). This allowed us to understand if a previous positive customer service experience was more important than product policy and price in a collectivist emerging market.

The questionnaire was piloted in two separate phases: the pilot testing phase and then the initial data collection feedback phase. The pilot test was implemented through interviews with 20 customers who had experience of buying and reviewing smartphones. The pilot test was also used to determine the scale constructs and validate the questions. This was to reduce the possibility of common method bias (Podsakoff *et al.,* 2003). Based on the pilot test feedback, we adopted a five-point Likert scale for the actual data collection, and a paper-based questionnaire was distributed to shoppers at 10 large retail stores in Hanoi. The questionnaire was also distributed at 9 other retail stores - nearly 50 questionnaires were distributed at each

International Journal of Retail & Distribution Management

site and then collected. In total, almost 420 paper-based questionnaires were distributed to individual customers; however, only 356 responses (86%) were valid for the in-depth analysis.

3.2 Data analysis and results

3.2.1 Demographic characteristics of respondents

Regarding the demographic characteristics of the 356 respondents, 238 respondents were male and 118 were female. The average age of the respondents was between 18 and 30 (63%) with a major educational background from an undergraduate degree and above (educated millennials). The monthly income of the 262 respondents was between US$220 and US$650. Fifty-two respondents (14.6%) had an income under US$220 and only 42 respondents (11.8%) had an income of over US$650. Notably, despite a limited budget, most of the respondents owned smartphones produced by Apple or Samsung (mostly flagship products). The usage time of the smartphone reported by the respondents was almost 1.6 years on average and the majority of the respondents had already changed their smartphone at least twice.

3.2.2 Reliability and validity

As regards validity and reliability, according to Hair *et al.,* (2010), the threshold for these values are as follows: Reliability**:** CR > 0.7; Convergent Validity**:** AVE > 0.5; Discriminant Validity**:** MSV < AVE, and Square Root of AVE greater than inter-construct correlations. As can be noted from Table I, the Composite Reliability (CR) was above .8 (range from .820 to .871) and Average Variance Extracted (AVE) was above .50 (range from .502 to .636). In addition, the factor loadings between latent variables and the observed items also range from 0.71 to 0.879 (greater than 0.5); hence, this indicates that there was a sufficient convergent level for the data set. The discriminant test result showed that all of the constructs are accepted since the MSV and ASV values are below the AVE score. This indicates that the condition regarding the comparison between the square root of AVE and inter-construct correlations was also met. Thus, the conditions for discriminant validity were confirmed and the data set was good enough for SEM.

International Journal of Retail & Distribution Management

Table I: Result of convergent and discriminant validity analysis

	CR	AVE	MSV	ASV	custo	review	pric	support	con	repurch	info	brand	ineract	sat
custo	0.837	0.636	0.139	0.027	0.798									
review	0.858	0.502	0.408	0.193	-0.098	0.708								
pric	0.871	0.639	0.139	0.019	0.373	-0.030	0.799							
support	0.866	0.618	0.107	0.036	0.290	0.128	0.158	0.786						
con	0.836	0.563	0.440	0.209	0.034	0.534	0.018	0.170	0.751					
repurch	0.846	0.580	0.335	0.176	0.013	0.357	0.003	0.142	0.444	0.761				
info	0.820	0.534	0.309	0.106	0.050	0.308	-0.023	0.142	0.309	0.556	0.730			
brand	0.834	0.558	0.536	0.247	-0.064	0.639	-0.022	0.104	0.642	0.548	0.318	0.747		
ineract	0.865	0.617	0.536	0.255	-0.059	0.633	-0.015	0.113	0.663	0.579	0.331	0.732	0.786	
sat	0.858	0.603	0.454	0.260	-0.055	0.629	-0.016	0.327	0.646	0.540	0.468	0.670	0.674	0.776

***Note 1**: The shared numbers in the diagonal row are squared roots of the average variance extracted, which is the square root of the variance shared between the constructs and their measure. Off diagonals are the correlations between constructs. The diagonal should be larger than any other corresponding row or column entry in order to support discriminant validity.*
***Note 2**: "custo"=customer-staff interaction; "review"=other customer review;"price"=price differences; "support"=customer support; "con"=convenience & store layout; "repurch"=repurchase intention; "info"=information responsiveness; "brand"=brand familiarity; "ineract"=customer-retailer relationship; and "sat"=customer satisfaction evaluation*

3.3 Evaluating model fit

To examine the model fit, we used the following indices: Chi-square (X^2); degree of freedom (df); CMIN/df < 3; TLI ≥ 0.9 (Kline, 2005); CFI ≥ 0.9 and RMSEA ≤ 0.05 (MacCallum *et al.,* 1996); and the results were: Chi-square (X^2) is 966.178; degree of freedom (df) is 734 (p=.000); Chi-square/df = 1.316; GFI = .888; CFI = .969; TLI =.965 and RMSEA = .030, which shows the proposed model is good and satisfied all the standards. Thus, these outcomes indicated that the observed structure has the required acceptable fit with the practical situation. Having said this, it is interesting to note that the moderating factors – "Price difference" and "Customer-retailer relationship" are considered not to have an impact on the dependent variable as the P-values are above .05 (0.783 and 0.358 respectively). This feature can be explained by the fact that there is not a big difference in the price charged for a smartphone among the authorised retailers; and customers have already anticipated the inferior service provided by unauthorised retailers in return for a low price.

3.4. Testing the hypotheses without the existence of the moderator variable

The focus of the study was to understand how young consumers in a collectivist, emerging market utilise the knowledge function to prioritise matters vis-à-vis their future intention to purchase a smartphone - especially the choice between price and maintaining a relationship with the retailer they had previously purchased from. This would allow us to understand how

International Journal of Retail & Distribution Management

educated millennials utilise the knowledge function in decision making in a market specific environmental context. We decided to separate the process into two phases, as this explained more rationally the regression (Shieh, 2011; Dawson, 2014). Initially, the proposed service perception - customer satisfaction model was analysed separately from the moderating variable. After that, the relationship between customer satisfaction and repurchase intention was focused on.

For the first phase, the values of indices (Table II) for model validity prove that the proposed model represents a good fit to the data set Chi-square=749.029; df=505 (p=.000); Chi-square/df=1.483, CFI = .959; TLI = .955; GFI = .894 (>.80) and RMSEA = .037 (<.80). Although the p-value of Chi-Square is 0.000, the Chi-square/df still meets the standard of lower than 2; and the Chi-square is very sensitive to the sample size; hence, it may not be statistically useful as a basis for acceptance or rejection (Schermelleh-Engel *et al.,* 2003; Vandenberg, 2006). Therefore, we can conclude that the model has a good fit with the data set. All the correlations in the theoretical framework were examined through the SEM model. The standardized beta of main factors is represented in Table II; and all the correlations in the framework are statistically significant (p-value < .05).

As regards prioritisation of important components of customer service vis-à-vis satisfaction, the standardised regression weights are listed in Table II. The order of importance is: 1st, the consistency in information available online and offline; 2nd, two components tie - the interaction with staff and retail brand reputation; 4th, flawless and comprehensive customer support; 5th, convinces in terms of store layout, product assortments, payment options and the location of the store; and 6th, other customer reviews (word-of-mouth). The emergence of the importance of information consistency and credibility as an influential factor in customer satisfaction is consistent with the findings of previous research (Caruana and Ewing, 2010; Canhoto and Clark, 2013).

International Journal of Retail & Distribution Management

Table II: The results of analysing relationships among variables in the theoretical framework

Hypotheses	Regression Weights	p-value	Standardized Regression Weights	
H1	0.623	0.000	0.598	Supported
H2	0.178	0.004	0.219	Supported
H3	0.163	0.000	0.191	Supported
H4	0.233	0.000	0.228	Supported
H5	0.125	0.005	0.181	Supported
H6	0.18	0.005	0.219	Supported
H7	0.137	0.008	0.164	Supported

3.4.1 Testing the connection between customer satisfaction and repurchase intention under moderation

In the analysis with the involvement of the moderating factor, independent variables need to be modified with the Mean Centering method (Robinson and Schumacker, 2009). This method is utilised to avoid multi-collinearity among the original variables and moderating factors. Based on Table III, the "Price difference" and "Customer-retailer relationship degree" are used as independent variables to test whether they have influence on repurchase intention from the same retailer, however, the p-value of both variables are .705 and .947 respectively. These outputs indicate that there is no direct correlation between the moderating factors - "Price difference" and "Customer-retailer relationship degree", and repurchase intention from the same retailer. However, although the "Price difference" and "Customer-retailer relationship degree" have no direct impact on repurchase intention, it can alter the relationship between customer satisfaction and repurchase intention. Notably, only "Price difference" may moderate the relationship between customer satisfaction and repurchase intention while the "Customer-retailer relationship degree" does not influence the relationship (p-value = .000 against p-value = .619). This is an interesting outcome, which highlights the fact that young educated millennials in Vietnam are more sensitive to "price difference" when considering their repurchasing decision rather than their relationship with retailers. This can be interpreted as either young educated millennials relying on their learning capability to utilise existing experience and knowledge in relation to product use and its performance, hence they do not require any further assistance from the retailer; or they know that the technology is changing quickly and they decide to purchase a smartphone from an alternative retailer who provides a lower level of service as they are prepared to learn through trial and error. Or, it could be a combination of both. The outcome of the research is similar to the outcome of that of Anderson *et al.,* (1994) who posit that if customers are sensitive to price then they may switch and purchase an alternative product even

if the associated service is poorer. Therefore, H8a is supported but H8b is not supported (see Table IV).

Table III: Testing the influence of "Price difference" and "Customer – retailer relationship degree" on the relationship between customer satisfaction and repurchase intention

			Estimate	S.E.	C.R.	P	Label
c.repurch	<---	c.SAT	0.517	0.049	10.553	0.00	par_1
c.repurch	<---	SAT.PRICE	0.321	0.072	4.436	0.00	par_2
c.repurch	<---	SAT.CUST	0.035	0.069	0.497	0.619	par_3
c.repurch	<---	c.CUST	0.017	0.044	0.378	0.705	par_4
c.repurch	<---	c.PRICE	0.003	0.041	0.066	0.947	par_5

Table IV: The results of analysing moderating variables in the theoretical framework

Hypotheses	Regression Weights	p-value	Standardized Regression Weights	
H8a	0.321	0.000	0.213	Supported
H8b	0.035	0.619	0.024	Not supported

4. Discussion and interpretation

The study placed emphasis on a high involvement product, the knowledge function and how millennials make a trade-off between a satisfactory customer service experience versus the price charged when choosing a retailer vis-à-vis repurchasing a smartphone. The findings showed that educated millennials in a collectivist emerging market use customer service as a means of socialising and an opportunity for building and improving their knowledge about products, which is used to reduce internal conflict and vindicate their repurchase behaviour. By establishing how educated millennials in a collectivist emerging market utilize their knowledge and experience when repurchasing a smartphone, authorised dealers of smartphones are able to formulate and implement a retail strategy to better serve this market.

A number of observations emerged from the research. First, the study pointed out that customers from an emerging market, Vietnam, are highly appreciative of how they are treated by sales staff. This phenomenon is consistent with the findings of previous studies that argue that consumers from a collectivist culture pay more attention to personal communication and the service that is customised for them (Ladhari *et al.,* 2011; Gupta *et al.,* 2018). Notably, the impact of staff interaction significantly outweighs that of customer support. It can be noted that consumers in Vietnam value highly the fact that staff demonstrate a positive attitude towards them and are willing to help them and this is valued above flawless, comprehensive customer

International Journal of Retail & Distribution Management

support (0.219 as opposed to 0.191). The fact that staff explain matters in the way that is helpful to the customer, can be interpreted from the stance that they are accepted into the social group that they aspire to join. This makes them feel that they have achieved a certain status and they engage in self-actualisation, which gives them confidence to assert their view. Thus, customers from a collectivist culture tend to be influenced by emotional aspects as opposed to factual aspects when purchasing a product. This indicates why customers from a collectivist culture may have a higher tolerance of customer support than their counterparts from an individualist culture. However, Famiyeh *et al.,* (2018) concur with the view that customers that are not given respect/made to feel important are likely not to repurchase the same service for example.

Second, consistent with previous research (Yang and Peterson, 2004; Canhoto and Clark, 2013), the outcome of this study suggests that the information available from both online and offline sources has a significant influence on customer satisfaction. This may be because the availablity of information can act as a precursor in eliminating pre-purchase uncertainty. However, the outcome does not support the view that information response can be used to create loyalty and long-term relationships with customers (Caruana and Ewing, 2010). Apart from that, the result of the brand familiarity variable also is confirmed as having a considerable impact as regards creating customer satisfaction (Echchakoui, 2016), however, the degree of the relationship between customers and the retailer's brand does not help to maintain a customer's loyalty through repurchase. This suggests that as regards brand familiarity, both the product and the retailer are important factors in determing how customers access and evaluate information relating to a product.

Third, although the result confirms the connection between customer satisfaction and repurchase intention, it is not always a linear correlation as other studies have confirmed such as Munusamy and Chelliah (2011). As regards the relationship between customer satisfaction and repurchase intention, the estimated beta is 0.598 without the moderating factor and 0.517 with the moderating factor, and this suggests that the attitude of millennials is changing in terms of their price sensitivity. Interestingly, although Vietnamese millennials have a long-term orientation and brand familiarity has a considerable impact on their satisfaction, they are not always loyal to their chosen retailer when they receive a better price offer from another retailer.

International Journal of Retail & Distribution Management

Another threat that manufacturers/producers need to be aware of in the Vietnamese market (and this stems from the fact that there are two types of retailer - authorised and unauthorised), is the emergence of a grey market. Should unauthorised suppliers start to consolidate and become influential, it could be argued that the brand available from authorised retailers will suffer as a consequence of reputational damage. This is possible if local consumers misunderstand or misinterpret the different products in the market and/or gain false intelligence in the form of word-of-mouth.

The penetration of smartphones in Vietnam in 2016 was 72% in urban areas and 53% in rural areas (Google Vietnam and Appota, 2017) and the demand is expected to increase as a result of product innovation and consumer demand (General Statistics Office of Vietnam, 2017). In order to understand further the influence that the level of income has and how it affects repurchase intention, a further post-hoc test, one-way ANOVA analysis, was undertaken. The result showed that there is a different perception pattern as regards repurchase intention. The p-value of F-test is 0.047<0.05; hence, there are differences among income groups. The analysis showed that repurchase intention in terms of the low middle income group (US$220 to US$430) is different from the other two groups – under US$220 and US$430 to US$660 (p-value at .030 and .016 respectively). It is notable that the low middle income group (monthly income US$220 and US$430 (mostly comprised of young customers from 18 to 30 years of age)) tends to have a lower repurchase intention from the same retailer than the other income groups (under US$220 or between US$430 and $660). This can be explained through the negative mean difference with the other groups (-.219 and -.191). Moreover, the income earners US$220 and US$430 recorded the highest number of smartphones used/owned. Please see Table V.

Table V: Income and number of smartphones cross tabulation

		Number of smartphone		
		1-2 products	3-4 products	over 5 products
income	under US$220	23	18	11
	US$220 - US430	79	42	36
	US$ 431- US$660	56	29	20
	Over US$660	17	16	9
Total		175	105	76

As regards the age group of the ANOVA test, it is clear that there are differences among different age groups (p-value at .023): the p-value of the relationship between the group 31 to 35 and the other groups – 18 to 24 and 25 to 30 are .009 and .004 respectively. The average repurchase intention index of the group 31 to 35 is higher than the two younger groups – 18 to 24 (.244) and 25 to 30 (.308). Therefore, it is possible to say that the customer group aged between 31 to 35 appears intent on repurchasing from the same retailer compared with the young customers aged from 18 to 30. Table VI shows that the age group 31-35 and the over 35 age group own less smartphones than the 18-30 age group. Furthermore, the young group members between 18 to 24 have a tendency to quickly change their smartphone and only use them for a short period of time.

Table VI: Age and number of smartphone purchases cross tabulation

		Number of smartphones		
		1-2 products	3-4 products	over 5 products
age	18-24	85	35	31
	25-30	23	44	11
	31-35	33	15	17
	over 35	34	11	17
Total		175	105	76

The findings of the study provide valuable insights into the behaviour of young Vietnamese consumers and shows that the attitudes of millennials towards group norms and expected group behaviour is changing from the view put forward by authors such as Hofstede (1991) vis-à-vis the purchase of a high involvement product. The results show that information consistency and credibility emerge as the most important factors compared with "other customer reviews (word-of-mouth)". This suggests that young consumers in Vietnam tend to search for information using various methods and evaluate the information themselves as opposed to simply be influenced by family members or friends as was the case with previous generations. This trend in society demonstrates that millennials in Vietnam are developing an independent stance and utilise their knowledge capability gained through higher education. Interestingly, the findings match those of Lucero-Romero and Arias-Bolzmann (2019) who discovered that millennials in Ecuador are also independent thinkers and make their own judgment as opposed to being influenced by social group/pressure. Based on this, it can be suggested that educated millennials value highly the accuracy and trustworthiness of information ('of what') as opposed to the source ('of who') that provided the information. This can be interpreted from the perspective

of emotional needs and an individual increasing their self-confidence and self-actualisation. Therefore, it can be suggested that millennials in Vietnam consider customer service to be a means for obtaining accurate information about a product that allows them to make an independent assessment of it, which makes them feel confident. By owning the product and showing knowledge of such products in the same product category, they feel a sense of achievement and this gives rise to self-actualisation through them projecting their self-image, which is in line with evolving norms and trends in a social context.

Educated millennials in Vietnam pay careful attention to the retailer's capability and delivery record, and are aware that economic success is linked with the quality of life. Indeed, they are self-oriented and are moving away from group-centered decision-making behaviour. The use of the knowledge function is evident in the case of purchasing technological products, therefore, retailers need to be aware of how young consumers in Vietnam intend to exhibit or express their wealth and demonstrate their self-identity (Nguyen *et al.,* 2018).

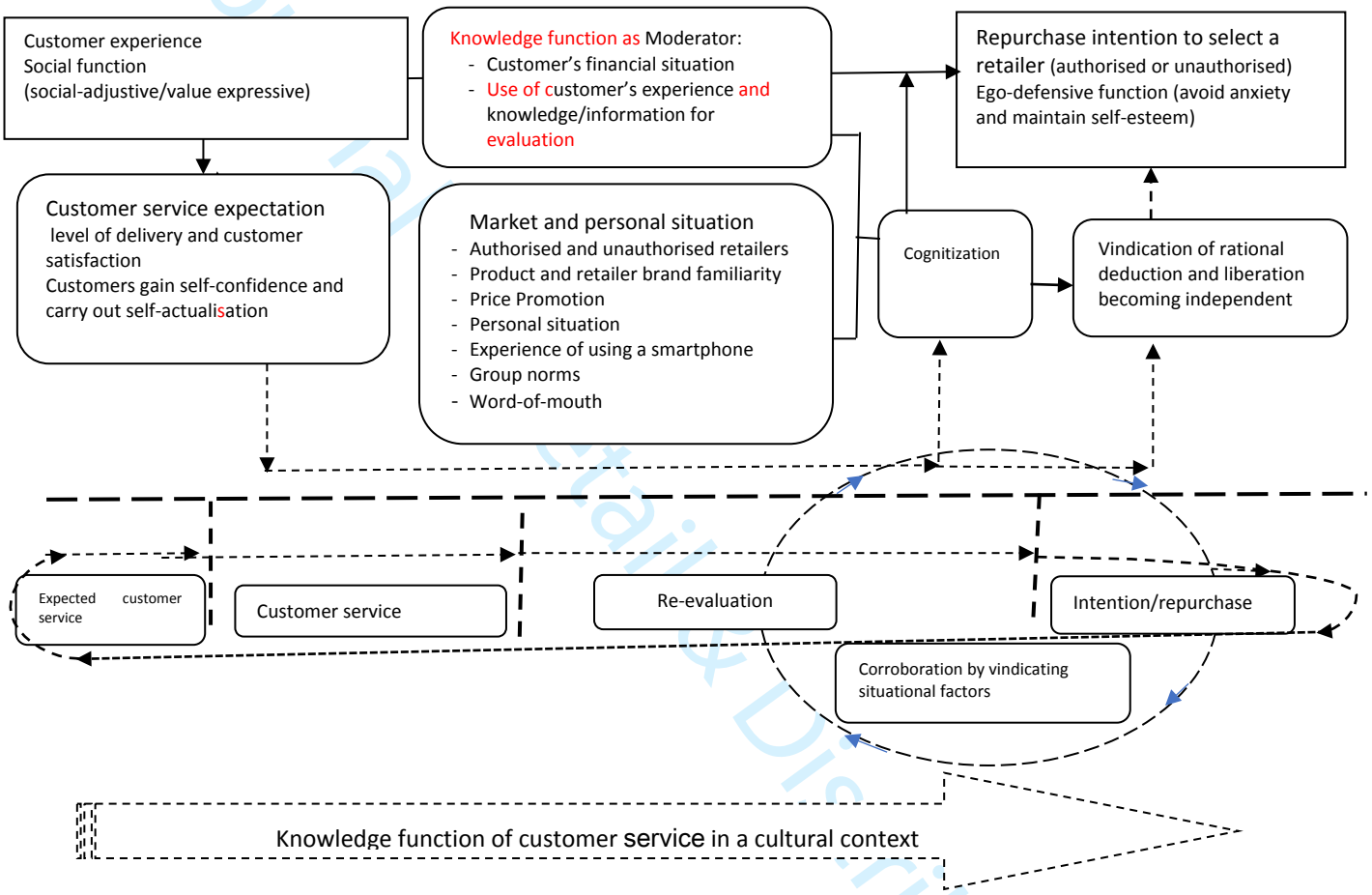
By reflecting on the outcome of the study, it is clear that customer service experience is accumulated through time as a form of knowledge, and is shared among peers/friends and utilised during the repurchase decision making process in a socially oriented situational context. As can be deduced from Figure 3, the "corroboration by vindicating situational factors" happens during the process of "re-evaluation" and "intention/repurchase", which is cognitized through reevaluation and identifying gaps between what an individual expects and what actually they receive as a service; what is actually achieved in the way of benefits both from a utilitarian and hedonistic perspective as well as what new experience, knowledge and skills are gained by using the product.

Self-assurance and self-confidence are enhanced during interaction with retail staff when staff respond confidently, politely and in a timely manner. During this process, individuals not only obtain new information from staff but also exhibit and cross-check their knowledge, as well as assert their power over individual retail staff (Karami *et al.,* 2016). The objective of such interaction from a marketer's perspective is to build social bonds with (potential) customers by making them feel that they are empowered, which leads to a satisfactory business exchange (Balaji *et al.,* 2017). From this, we can deduce that individual customers exhibit a social-

International Journal of Retail & Distribution Management

adjustive attitude and have a good knowledge of the various types of smartphone in existence. Furthermore, individuals with a self-expressive (value-adjustive) attitude assert themselves by demanding accurate, flawless and on time services.

Figure 3: Placing customer service in context: How the social adjustive attitude affects repurchase intention and is influenced by the knowledge function



5. Theoretical contribution

As regards the link between customer satisfaction and repurchase intention, the study shows that educated millennials in emerging markets, search for information and socialise, exhibit individual characteristics, and are keen to maintain or start a relationship with staff in a retail company. The ego-defensive function in conjunction with the knowledge function helps individuals to reduce internal conflict and carry out reasoned action. It appears that millennials in emerging markets value factual information, which in turn manifests in an increased level of self-confidence. This interpretation can be linked with the work of Paparoidamis *et al.,* (2019) who point out the importance of staff having cultural intelligence that facilitates their understanding of the emotional and motivational needs of customers.

6. Managerial implications and recommendations

In order to strengthen the positive attitude toward the retail brand, retailers need to reflect on three different issues. First, millennials in Vietnam tend to value accurate information about the product and this means that the information provided by sales staff needs to be trustworthy. This point also relates to the fact that buyers are expected to become more empowered and use social media to provide online reviews - either positive or negative. In order to ensure that retail staff provide appropriate product information to (potential) customers, they need to be well versed about the product and retail policy. Hence, regular training and refresher courses are needed to ensure that staff are kept up-to-date about the product. Second, because customers could appear price sensitive at times, authorised retailers need to position their products against those of unauthorised retailers and provide incentives (eg., potential customers) and special offers (eg., existing customers). As regards existing customers, trade in policies can be promoted when necessary. Third, authorised retailers will in the years ahead need to be more vigilant as regards the activities of unauthorised retailers and work closely with staff in local companies and utilise cultural intelligence more. This means that the producers/retailers of smartphones should be proactively involved with local partners in devising sales pitches as they have "expert" technical knowledge. Retailers can use social media to make information available to a wide public (e.g., profiles can be developed on Facebook and/or potential customers can be targeted via their Linked-in network), and use sales promotions that enhance social image and establish self-identity.

7. Limitations and future research

As regards future research, the data collected in relation to the study was only carried out in the capital of the country, Hanoi, and it would be useful to undertake comparative research that includes consumers in other emerging markets in terms of how they make repurchase decisions vis-a-vis lifestyle and the socio-cultural environment. People living in rural communities may be subject to different influences and have a firmer association with extended family members that have more influence over the purchasing decision-making process and this is a also worthy of attention. Research can also be undertaken into customer-retailer relations and a distinction made between incentives offered by authorised retailers versus those offered by unauthorised retaliers, and how this directly influences repurchase behaviour.

International Journal of Retail & Distribution Management

Acknowledgement

The authors would like to express their gratitude to the reviewers for the advise and guidance provided.

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Figure 1: Conceptual framework

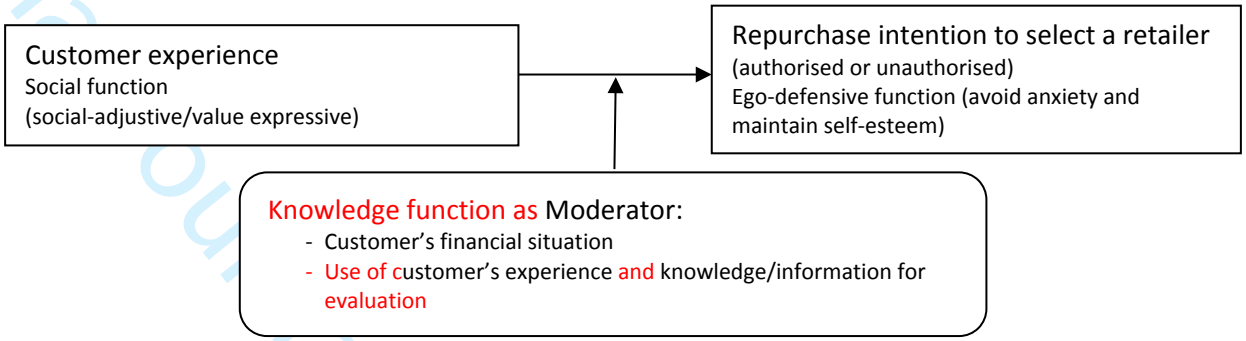

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Figure 2: Theoretical framework- Customer repurchase intention

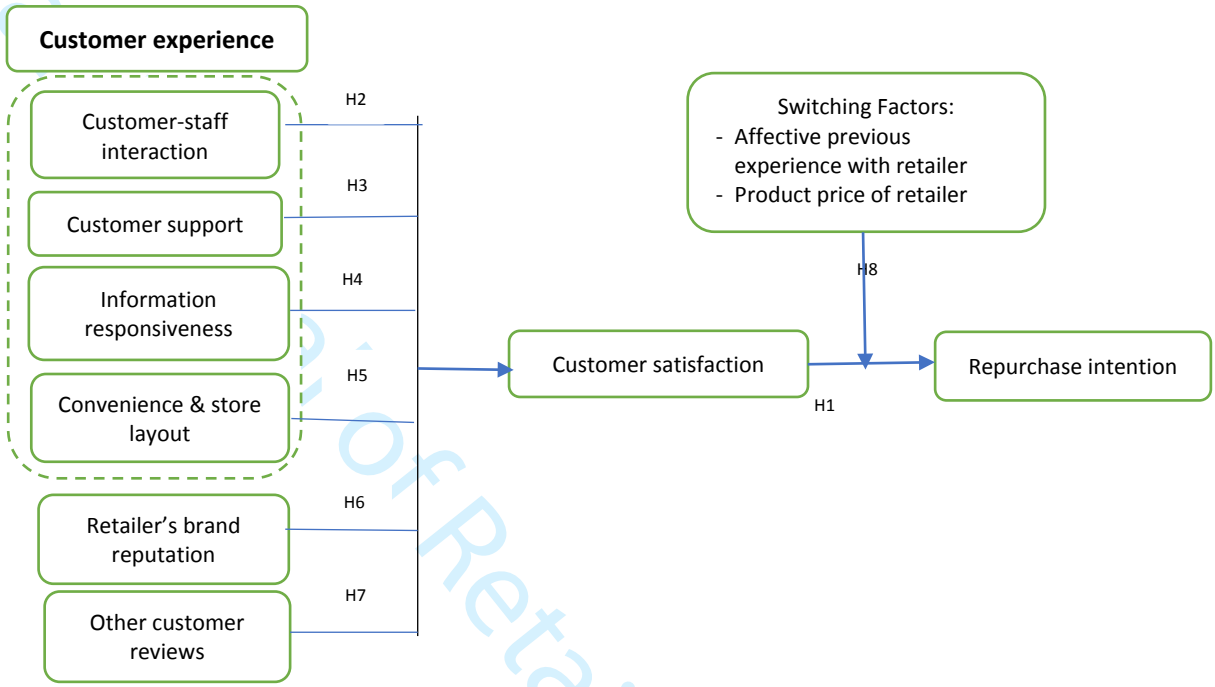

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Table I: Result of convergent and discriminant validity analysis

	CR	AVE	MSV	ASV	custo	review	pric	support	con	repurch	info	brand	ineract	sat
custo	0.837	0.636	0.139	0.027	0.798									
review	0.858	0.502	0.408	0.193	-0.098	0.708								
pric	0.871	0.639	0.139	0.019	0.373	-0.030	0.799							
support	0.866	0.618	0.107	0.036	0.290	0.128	0.158	0.786						
con	0.836	0.563	0.440	0.209	0.034	0.534	0.018	0.170	0.751					
repurch	0.846	0.580	0.335	0.176	0.013	0.357	0.003	0.142	0.444	0.761				
info	0.820	0.534	0.309	0.106	0.050	0.308	-0.023	0.142	0.309	0.556	0.730			
brand	0.834	0.558	0.536	0.247	-0.064	0.639	-0.022	0.104	0.642	0.548	0.318	0.747		
ineract	0.865	0.617	0.536	0.255	-0.059	0.633	-0.015	0.113	0.663	0.579	0.331	0.732	0.786	
sat	0.858	0.603	0.454	0.260	-0.055	0.629	-0.016	0.327	0.646	0.540	0.468	0.670	0.674	0.776

***Note 1**: The shared numbers in the diagonal row are squared roots of the average variance extracted, which is the square root of the variance shared between the constructs and their measure. Off diagonals are the correlations between constructs. The diagonal should be larger than any other corresponding row or column entry in order to support discriminant validity.*

***Note 2**: "custo"=customer-staff interaction; "review"=other customer review;"price"=price differences; "support"=customer support; "con"=convenience & store layout; "repurch"=repurchase intention; "info"=information responsiveness; "brand"=brand familiarity; "ineract"=customer-retailer relationship; and "sat"=customer satisfaction evaluation*

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Table II: The results of analysing relationships among variables in the theoretical framework

Hypotheses	Regression Weights	p-value	Standardized Regression Weights	
H1	0.623	0.000	0.598	Supported
H2	0.178	0.004	0.219	Supported
H3	0.163	0.000	0.191	Supported
H4	0.233	0.000	0.228	Supported
H5	0.125	0.005	0.181	Supported
H6	0.18	0.005	0.219	Supported
H7	0.137	0.008	0.164	Supported

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Table III: Testing the influence of "Price difference" and "Customer – retailer relationship degree" on the relationship between customer satisfaction and repurchase intention

			Estimate	S.E.	C.R.	P	Label
c.repurch	<---	c.SAT	0.517	0.049	10.553	0.00	par_1
c.repurch	<---	SAT.PRICE	0.321	0.072	4.436	0.00	par_2
c.repurch	<---	SAT.CUST	0.035	0.069	0.497	0.619	par_3
c.repurch	<---	c.CUST	0.017	0.044	0.378	0.705	par_4
c.repurch	<---	c.PRICE	0.003	0.041	0.066	0.947	par_5

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Table IV: The results of analysing moderating variables in the theoretical framework

Hypotheses	Regression Weights	p-value	Standardized Regression Weights	
H8a	0.321	0.000	0.213	Supported
H8b	0.035	0.619	0.024	Not supported

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Table V: Income and number of smartphones cross tabulation

		Number of smartphone		
		1-2 products	3-4 products	over 5 products
income	under US$220	23	18	11
	US$220 - US430	79	42	36
	US$ 431- US$660	56	29	20
	Over US$660	17	16	9
Total		175	105	76

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Table VI: Age and number of smartphone purchases cross tabulation

		Number of smartphones		
		1-2 products	3-4 products	over 5 products
age	18-24	85	35	31
	25-30	23	44	11
	31-35	33	15	17
	over 35	34	11	17
Total		175	105	76

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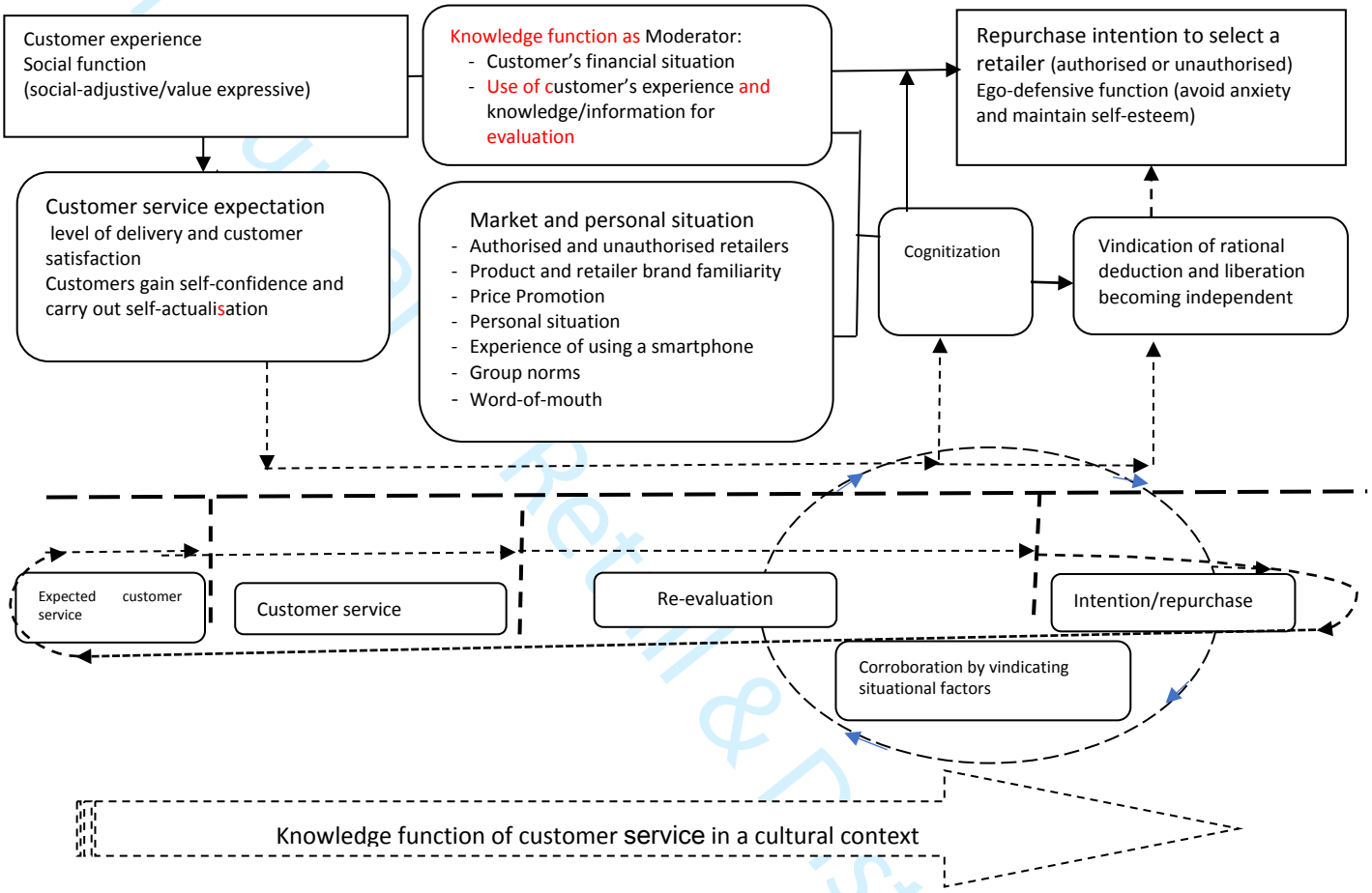
Figure 3: Placing customer service in context: How the social adjustive attitude affects repurchase intention and is influenced by the knowledge function