Changes of coffee consumption behaviors in Korea: The effects of image congruity toward brand name coffee shops on customer attitude and repurchase intention

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This study attempts to apply the theory of image congruity to the context of brand coffee shops. The purpose of this study is to examine the effects of self-congruity and functional congruity on customer attitude and repurchase intention. This study also aims to investigate moderator effects of customer experience on attitude toward brand coffee shops to understand customer decision-making. Results confirm that higher degrees of self-image congruity toward a coffee shop directly influence a positive attitude toward the store—thus, affect high intention to repurchase. However, moderator effects of prior experience on customer attitude and behaviors were not found. In the brand coffee shop industry, marketers need to focus on improving store image to meet the image of their target customers.

Keywords: self-congruity, functional congruity, customer attitude, repurchase intention, brand coffee shop

INTRODUCTION

Since coffee brands were imported in 1990, the coffee business in Korea has been dramatically growing in the past two decades. Until 1999, approximately 80 percent of the coffee consumed in Korea was served by vending machines. However, current coffee markets are dominated by brand coffee shops including foreign franchised and domestic coffee brand (Lee & Yeu, 2010). Since 2009, over 2,000 brand coffee shops have been opening across the country (Park & Lee, 2010). Among them, 1,392 brand coffee shops have been run by 11 biggest chains including Starbucks, Coffee Bean, Angel-In-Us, and Holly's (Kim, 2009). This dramatic changes of brand coffee consumption in Korea can be explained based on a collective culture in which
people concern about impression mangement. Korean customers tend to value brand and store name when they purchase experiential products (Lee & Hyman, 2008).

These phenomena can be well explained in relation to image congruity that customers attempt to match the image of a customer and the image of a given store (Sirgy & Samli, 1985). Self-congruity is defined as a comparison between customers’ own image and a product image; whereas, functional congruity is a discrepency between customer perception toward product attributes and their evaluation (Sirgy, Grewal, & Mangleburg, 2000). However, studying both congruity concepts in a coffee shop setting is important since customers are likely to pay the premium cost not only for high quality coffee, but also for other values that the coffee shop provides. For these customers, brand coffee shops may be perceived as a place to socialize with friends and experience an unusual atmosphere that brand coffee shops create for their customers. Thus, the research effort that investigates the impact of customers’ image congruity is important to understand coffee drinkers’ attitude toward brand coffee shops and their purchase behavior.

Due to the impact of image congruity on customer behavior, hospitality studies on this topic have been conducted in relation to customer retention for fine dining restaurants (Kwun & Oh, 2006), store loyalty in the quick service restaurants (Prendergast & Man, 2002), and destination choices (Sirgy & Su, 2000). Although image congruity has been considered as a crucial predictor of customer behaviors in the hospitality sector, most empirical studies applied only one aspect of image congruity, either self congruity (Kwun & Oh, 2006) or functional congruity (Ryu, Han, & Kim, 2008). To the authors’ knowledge, no studies examined both self-congruity and functional congruity in one conceptual model, especially in the hospitality studies. Thus, this study attempts to propose a conceptual model that explains the relationships between self-congruity, functional congruity, customer attitude toward a brand coffee shop, and purchase intention. Specifically, this study aims to examine the effects of self-congruity and functional congruity on customer attitude and repurchase intention. Since prior experience has been found as a predictor of changing customer behavior (Kimchi & Hadad, 2002), this study would expect to see the effect of prior experience on customer evaluation in regards to image congruity. Thus, this study investigated a moderating effect of prior experience on customer attitude toward a brand coffee shop.

This study is the first to apply the theory of image congruity to the context of brand coffee shops. This application in a new context contributes to the body of knowledge on image congruity and further verifies the soundness of the theory. For marketers at brand coffee shops, this study will provide new insights about how customers choose a store and decide to patronize, which, in turn, can survive in a competitive marketplace.

Self-congruity

Store image is a customer’s perception of a particular store (Levy & Weitz, 2004), which indicates stereotypical image of the store patrons. Since customers tend to choose a store that has similar personality of oneself, the store image can be drawn from various adjectives that usually
describes stereotypic personal images such as traditional versus modern, classy versus folksy, friendly versus formal, high status versus low status, etc. (Babin, Chebat, & Robicheaux, 2006). These symbolic images may present typical patrons of the store, which form the stereotypic image of store patrons.

Sirgy (1982) developed a self-image congruity model by matching store image and each self-concept (Sirgy & Samli, 1985). Four types of self-congruity were identified based on the self-concepts, including actual self-congruity, social self-congruity, ideal self-congruity, and ideal social self-congruity. In relation to store image, He and Mukherjee (2007) conceptualized self congruity as a process of matching between symbolic image of a store and customer self image. For instance, a store designed in antique style and illuminated by soft light may create a luxurious image of the store and provide customers with the image of affluence (Sirgy et al., 2000). In other words, customers intend to create meaningful and personal bonds with stores by matching the image of the store and oneself. Thus, self-congruity in this study indicates a match between store image and customer self-image.

Self-congruity was proved to be an antecedent of customer attitude toward products and predict their shopping behavior (Lee & Hyman, 2008). According to functional attitude theory, one of the important motives for customer in their purchase behavior is to solidify and express those values which are important to oneself (Sirgy & Samli, 1985; Sirgy et al., 2000). When customers identify that the store image is congruent with their self-image, they will support the store to represent their identity, and thus, favorable attitudes will be formed (Sirgy, 1982). Based on the discussion above, a hypothesis is proposed as follows:

H1: Self-congruity has positive influence on attitude toward a coffee shop.

Functional congruity and relationship with self-congruity

Functional congruity is significantly related to customers’ overall attitudinal disposition toward the functional attributes of a store such as price, quality, and service (Sirgy & Samli, 1985). It explains how well the store meets customers’ perception on those functional attributes (Weale, 1961; Prendergast & Man, 2002). An operational definition of this concept is a discrepancy between customer perception toward product attributes before the purchase and their evaluation after the purchase (Kressmann, et al, 2006). In a fast-food industry sector, the functional attributes was measured food quality, price, store atmosphere, employee performance a merchandising selection, the waiting time for completing an order, and store location (Prendergast & Man, 2002).

Functional congruity has often been examined together with self-congruity in prior marketing studies. Samli and Sirgy (1981) discovered a significant correlation between self-congruity and functional congruity. Later, Sirgy and Samli (1985) and Sirgy, et al. (1991) also found a causal relationship among self-congruity, functional congruity, and customer behavior.
The results of both the studies indicate that self-congruity and functional congruity have positive influence on customer behavior. However, functional congruity has more impact on customer behavior when it is primarily influenced by self-congruity (i.e., biasing effect). That is, the biasing effect indicates that the effect of functional congruity on customer behavior becomes stronger than the direct effect of self-congruity on customer behavior (Sirgy et al., 1991).

The biasing effect of self-congruity on functional congruity can be explained with cognitive schemes organized in the cognitive hierarchy. Cognitive schemes are divided into either abstract or concrete schemes. Abstract schemes activated at higher-level in the cognitive hierarchy are more accessible and easily processed than concrete schemes lower on the same hierarchy (Andreassen, 2010). Self-congruity is an abstract scheme, whereas, functional congruity is a concrete scheme (Lotz, Shim, Gehrt, 2003). Since the abstract scheme is more generalized and superordinate, self-image is more likely to be processed prior to functional congruity. Accordingly, self-image has biasing effect on functional congruity (Sirgy, et al, 1991).

Customers’ perceptions of restaurant attributes and their prior visit experience have significant impact on their attitudes toward the restaurant, restaurant choices, and further purchase behavior (Eliwa, 2006). In line with functional congruity definition, restaurant customers initiate favorable attitude when their evaluations on functional attributes of the restaurant after purchase are equal to or higher than their perception prior to the visit. In a fast-food industry sector, Prendergast and Man (2002) and Ryu, et al., (2008) found strong influence of functional attributes to predict customer behaviors. It indicates that a positive image toward service attributes results in favorable behavioral intentions (Kandampully & Suhartanto, 2000). As explained above, two hypotheses are proposed as follows:

H2: Self-congruity congruity influences a positive functional congruity toward a coffee shop.
H3: Functional congruity influences a positive brand attitude toward a coffee shop.

Attitude and repurchase intention

Attitude is “a person’s consistently favorable or unfavorable evaluation, feelings, and tendencies toward an object or idea” (Change & Liu, 2009, p. 1,689). Dabholkar & Bagozzi (2002) defined attitude as the evaluation of customers’ experience at a product or store reflecting their feelings, such as favorable or unfavorable, good or bad, as well as pleasant or unplesant. Repurchase intention refers to customers’ willingness to maintain the relationship with a store or a brand and repurchase the products in future (Zeithaml, Berry, & Parasuraman, 1996). Ajzen & Fishbein (2005) found two components of attitude that include attitude toward physical objects (e.g., product) and attitude towards particular behavior. When customers have positive emotions towards the object, they are more likely to have the behavioral intention (Ranjbarian, Fathi, & Kamali, 2010). Many prior marketing studies have proved that attitude is an antecedent on repurchase intention (Bobbitt & Dabholkar, 2001). Based on the discussion in the relationship between attitude and repurchase intention, one hypothesis is proposed as follows:
H4: The greater the brand attitude of a coffee shop, the greater the possibility that customers are likely to repurchase at the coffee shop.

**Moderator effect of prior experience**

Customers’ prior experience has been proved as a moderator in the self-image congruity model (Beerli et al., 2007; Hung & Petrick, 2010). For example, Mangleburg et al. (1988) found that symbolic indicator has greater influence on brand attitude among the group of less experienced customers; whereas, functional attitudes has more impact on brand attitude among the group of more experienced customers. Wood and Kallgren (1988) examined the effect of experience on customers’ evaluations of image congruity. Their results showed that customers engage in different image congruity depending on the level of experience. Less experienced customers focus on self-congruity, whereas experience customers focus on functional congruity (Mangleburg, et al., 1988).

To measure prior experience this study used customers’ frequencies of visiting brand coffee shops per week. A customer becomes highly experienced and knowledgeable about store attributes as he or she increases visiting frequency to the coffee shop. Therefore, this study makes an argument that less experienced customers may rely on either symbolic or simple cues that does not require a complex evaluation process (Sirgy, Grzeskowiak, & Su 2005). These customers are likely to evaluate symbolic cues, related to store image and self concept (i.e., self-congruity) (Sirgy et al., 2005) On the other hand, experienced customers of a coffee shop may evaluate functional attributes since they are knowledgeable enough about the stores’ functional criteria and can use a thorough cognitive process of evaluation (Sirgy & Su, 2000). Based on the argument proposed above, this study proposes customers’ prior experience as a moderator that may affect the relationship between self-congruity, functional congruity, and attitude toward a brand coffee shop (Johar & Sirgy, 1991). Therefore, we developed the two hypotheses as follows:

H5a: Self-congruity shows more influence on attitude in the customer group with low prior experience.
H5b: Functional congruity shows more influence on attitude in the customer group with high prior experience.

**METHODOLOGY**

**Survey instrument**

The questionnaire consisted of four parts and was modified from the image congruity study by Sirgy and Su (2000) to fit the context of coffee shop. First, this study employed a scenario from a tourism context and modified it to a brand coffee shop to measure self-congruity toward the coffee shop. After reading this scenario, respondents were asked to rate the extent of agreement with the four self-image statements (Sirgy & Su, 2000) on a 5-point Likert-type scale.
(1=strongly disagree to 5=strongly agree). The second part asked respondents to rate their experiences and expectations in regard to functional attributes of the coffee shop by using a 5-point Likert-type scale (1=very poor to 5=very good). Eight items were employed from Ryu, et al., (2008) and two items (i.e., Wifi and order) were added as new functional attributes. The third part asked about customers’ attitudes toward the brand coffee shop (Dabholkar & Bagozzi, 2002) and their repurchase intentions (He & Mukherjee, 2007). Attitude was measured with a 7-point semantic differential scale; whereas, repurchase intention was measured with 7-point Likert scale. The last part of the survey included demographic information.

Data collection and analysis

To confirm reliability and validity of scales, a pilot study was conducted at a Midwestern university in the United States. After this pilot study, the questionnaire was translated into Korean under the double translation rule. Four of the biggest brand coffee shops (i.e., Starbucks, Coffee Bean, Angel-In-Us, and Holly’s) were selected for data collection. Data were collected in Seoul, the capital of South Korea in July 2010. After removing the incomplete surveys, a total of 389 surveys were used for further analysis.

SPSS 16.0 and AMOS 16.0 were used for further analysis. Confirmatory factor analysis (CFA) were conducted to assess the overall fit of the measurement model. Four factors were found in accord with the number of contracts in this proposed model. The structural model (SEM) was tested to examine the proposed hypotheses.

RESULTS

Sample Profile

The percentages of female and male respondents were 67.5% and 32.5%, respectively. The majority of customers were between 20-34 (96.1%). The sample was classified into two groups based on the visit frequency, which include customers with high experience (54.5%, n=211) and customers with low experience (45.5%, n=176). Among the respondents with high experience, the majority of customers were between 20-34 (96.7%) and female respondents were 65.4%. For the respondents with low experience, 95.4% of respondents were between the age of 20 and 34. 69.9% of female respondents were in the low group.

Measurement Model

A confirmatory factor analysis was conducted to evaluate the overall fit of the conceptual model. Cronbach’s alpha estimates for the constructs in the study were ranged from .726 to .914. Composite reliability ranged from 0.773 to 0.937. The cutoff values of Cronbach’s alpha and
composite reliability were both 0.70 (Hair, Anderson, Tatham, & Black, 1998; Nunnally, 1978). Therefore, the data showed an acceptable level of inter-item reliability and composite reliability. The average variance extracted (AVE) ranged from 0.668 to 0.922, exceeding the recommended minimum level of 0.5 (Bagozzi & Yi, 1988). Convergent validity was satisfactory because all factor loadings were significant at the 0.001 level (Anderson & Gerbing, 1984). Discriminant validity was evaluated by comparing the AVE value with the squared correlations between constructs (Fornell & Larcker, 1981). The results showed that the squared correlations between pairs of constructs were all less than the AVE, which indicated acceptable discriminant validity. The model fit of CFA were acceptable at $\chi^2=421.194$, df=183, p<.001, GFI=.903, NFI=.870, TLI=.910, CFI=.921, RMSEA=.058.

**Structural model**

Structural equation modeling was tested to assure the validity of the proposed model and the hypotheses. Chi-square ($\chi^2$), GFI, NFI, TLI, CFI, RMSEA were combined together to show the model fit: $\chi^2=317.201$, df=148, p<.001, GFI=.920, NFI=.893, TLI=.930, CFI=.940, RMSEA=.054). Overall model fit indices were acceptable. Figure 2 presented that all the five hypotheses were accepted. The empirical tests of the SEM model showed that both self-store congruity ($\beta = .405$, t = 6.403*** ) and functional congruity have significant effects on attitude toward the coffeeeestore ($\beta = .131$, t = 2.082*). However, self image congruity has more significant impact than functional congruity on attitude toward the coffeeeestore. Self-store congruity is also found to have significant impact on functional congruity ($\beta = 0.161$, t = 2.311*). Consistent with past research, attitude was verified again to be an antecedent of repurchase intention ($\beta = 0.561$, t=10.770***).

*Figure 1.Analysis Results of Structural Model*
The moderating effect of prior experience

The structural model examined the moderating effects of prior experience in the path between self congruity and attitude and the path between functional congruity and attitude, separately. To test the moderating effect in each path, chi-square differences with one degree of freedom were used to compare the constrained model versus unconstrained model. The constrained model imposed that the path coefficients of a specific path are equal between groups, whereas the unconstrained model assumed that the coefficients in each group were not restricted (Namkung & Jang, 2007). Table 1 shows the results of the specific moderating effects of prior experience.

For the path between self image congruity and attitude, the chi-square difference was not significant ($\chi^2 = .043$, $P>.05$), indicating that prior experience has no moderating effect on the relationship between self image congruity and attitude toward a brand coffee shop. On the other hand, prior experience exhibited a moderating effect on the relationship between functional congruity and attitude toward the brand coffee shop ($\Delta\chi^2(\Delta df=1) = 4.281$, $P<.05$). It indicates that functional attributes have more impact on attitude in a customer group with high prior experience ($\beta = .196$) than that in the customer group with low prior experience ($\beta = .139$).

Table 1. Moderating Effects of Prior Experience

<table>
<thead>
<tr>
<th>Hypothesized path</th>
<th>Unconstrained $\chi^2$ (df = 296)</th>
<th>Constrained $\chi^2$ (df = 297)</th>
<th>$\Delta\chi^2$ (df = 1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$H5a$: Store image congruity $\rightarrow$ Attitude</td>
<td>512.064</td>
<td>512.107</td>
<td>.043</td>
</tr>
<tr>
<td>$H5b$: Functional congruity $\rightarrow$ Attitude</td>
<td>512.064</td>
<td>516.345</td>
<td>4.281*</td>
</tr>
</tbody>
</table>

Prior Experience

<table>
<thead>
<tr>
<th>Standardized path coefficient: Functional congruity $\rightarrow$ Attitude</th>
<th>Low</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>.139</td>
<td>.196</td>
</tr>
</tbody>
</table>

Note: *$p<0.05$, **$p<0.01$, ***$p<0.001$

DISCUSSION

Overall, the process of image congruity (functional and self-congruity) affects customer attitude toward brand coffee shop and positively influences repurchase intention. The positive relationship between self- congruity and functional congruity was found and supported from previous studies (Sirgy & Samli, 1985; Sirgy, et al., 2005). This study also found positive paths
from self-congruity to functional congruity as well as functional congruity to attitude. However, this positive paths did not exhibit the biasing effect of self-congruity, which primarily influence functional congruity and thus, lead strong impact on customer attitude. This shows different findings from previous marketing studies (Sirgy & Samli, 1985; Sirgy, et al., 1991). In addition, customer experience found to be a moderator that influence customer attitude of functional attributes of the coffee shop and thus, result in the change of attitude and increase repurchase intention.

The findings of this study provide theoretical and empirical evidences to support the proposed model. Primarily, this study revealed a significant role of self-congruity on a customer’s positive attitude toward a brand coffee shop, which directs higher intention to revisit. This suggests that marketers can expect more positive customer attitude and repurchase intention through an effort to meet the degrees of self-congruity their target customers pursue (Puccinelli, Deshpande, & Isen, 2007). In addition to the self-congruity, functional congruity was found to have a significant relationship with customer attitude. Many previous studies have supported the similar results in regards to the impact of functional attributes on customer behaviors (Kandampully & Suhartanto, 2000; Prendergast, et al., 2002). Customers may have expectations of the coffee shop in regards to the quality of coffee, the employee service, a variety of menu, interior design and decor, location, and price. Marketers can build favorable store image by managing and marketing functional attributes of the coffee shop (Ryu et al., 2008).

The result of this study showed that self-congruity has an indirect influence on customers’ attitude through functional congruity. Various marketing studies have reported the impact of self-congruity on customer behavior through functional congruity (Kressmann, et al., 2006; Sirgy & Samli, 1985; Sirgy, et al., 1991). This was referred to as the biasing effects of self-congruity because self-congruity leads stronger impact of functional congruity on customer behavior (Kressmann, et al., 2006). However, in the coffee shop context, the biasing effect was not found. Coffee shop marketers need to pay attention to this finding that Korean customers seek for value related to the image that is consistent with or enhances their own image.

Customer experience exhibits a moderating effect on the relationship between functional congruity and customer attitude toward a brand coffee shop. It seems that the experience has influence on customer attitude for low and high experience groups. For the high group, the effect of functional congruity on customer attitude is greater than the low group. The explanation for this result could be that customers become knowledgeable about functional attributes of the brand coffee shop. They are more likely focus on functional attributes every time they visit because those customers know what to expect from the coffee shop (Chen & Hu, 2010). These findings contribute for coffee shop marketers to establish marketing strategies for their current customers. Enhancing and managing functional attributes can be more effective ways to encourage customers’ repurchase and retain current customers.
Limitations and future research

This study has some limitations in data collection. Further study requires more diverse sample population, including older generation and high income group as well as various areas for data collection. In addition, the implication from this study may be only applicable to Korean market since the data collection was limited to Korean. Lee & Hyman (2008) indicated that Koreans tend to consider symbolic value in their purchase when they plan to buy experiential products or services. Thus, a replicable study with other ethnic groups would provide different information in regards to how customer processes image congruity and responds their consumption experience at a brand coffee shop. In American or European culture which brand coffee or espresso is oriented, the study may provide different contributions theoretically and imperially. Third, the self-image measures were not able to identify what kind of self-congruity customers consider more valuable. Since this study revealed that self-congruity exerts the most favorable influence on customer attitude, investigating the relationships between different types of self-congruity and customer behavior may provide marketers and researchers with better insights for market segmentation.

REFERENCES


