

THE EFFECT OF HEDONIC VALUE, UTILITARIAN VALUE, AND CUSTOMER SATISFACTION IN PREDICTING REPURCHASE INTENTION AND WILLINGNESS TO PAY A PRICE PREMIUM FOR SMARTWATCH BRANDS

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Received: 5. 11. 2020

Accepted: 28. 11. 2021

DOI <https://doi.org/10.30924/mjcmi.26.2.10>

Preliminary communication

UDC 366.1:330.163

Abstract

The aim of this study is to examine the role of hedonic value (HV), utilitarian value (UV), and customer satisfaction (CS) in individuals' willingness to pay a price premium (WTP a price premium) and repurchase intention (RI) to smartwatches. This study is unique and important as it only deals with smartwatches, unlike other studies on wearable technology products that often focus on the general situation. The research sample includes smartwatch users aged 18 years and above. An online survey was used to collect research data from 420 people identified using the convenience sampling method. After checking the

missing values, 401 valid surveys were retained for further analysis. Hypotheses were analysed using the Structural Equation Modelling. The research findings revealed strong relationships between HV and UV and CS. HV and UV were found to positively affect the CS. The results showed that CS also had a positive influence on both WTP a price premium and RI.

Keywords: *hedonic value, utilitarian value, customer satisfaction, willingness to pay a price premium, repurchase intention, smartwatch*

1. INTRODUCTION

Many companies that adopt customer-driven marketing try to increase the customer perceived value by making an effort to produce innovative products and services (Zhang & Hou, 2017: 241). Among these innovative products are smart devices, i.e. wireless, mobile electronic devices that can be connected at any time and provide voice

and video calls with features such as internet surfing and geolocation (Shin, 2012: 563). Today, with the development of the internet in a way that can be applied to things, wearable devices have become popular technology products (Hsiao, 2017: 186). In this context, a wearable technology device is a general term used to describe all kinds of clothes and objects that contain wearable

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technology. The wearable technology market includes products such as body sensors, smartwatches, smart glasses, personal video recorders, electronic apparel, and jewellery. These products are used as health and activity monitors, sports performance trackers, wearable web, health assistance, life monitoring, location tracking, fashion, and protective wears (UIB, 2017). Smartwatch, which is a specific product also in this category, can work integrated with smartphones and can host data including time, text messages, programmes, and GPS data (Hsiao, 2017: 186). Considering the end-user expenditure on wearable device types, smartwatch has the largest share among wearable technology devices (Goasduff, 2019). What makes smartwatch technology develop are the health and fitness features that are constantly being integrated with relevant products. The demand for smartwatches is constantly increasing and it is expected to rise by over 85 million by 2023 (Paxton, 2019). IDTechEx estimates for the 2019-2023 period on device sales, market share, and CAGR (compound annual growth rate) indicate that smartwatches will again be popular (Information Technologies and Communication Authority, 2020: 70). Therefore, smartwatches come to the front because they are integrated into smartphones, the most important wearable technologic device. This study, therefore, focuses on smartwatches, an important element of the wearable technology products market. The main goal of this study is to analyse the role of HV, UV, and CS in the development of RI and WTP a price premium, pay a price premium for smartwatches, one of the most preferred products in the wearable technology products category.

There are studies on wearable technology products, but studies focusing on specific product categories are quite limited. As one of these product categories is a smartwatch, this product category was chosen

due to the limited number of studies. It is also considered a niche product group and an interesting research field in Turkey. Based on the purpose of the research, this study consists of six parts. The first section is the introduction part. The following part of the research introduces concepts including satisfaction, HV, UV, RI, and WTP a price premium. Empirical models and hypotheses were put forward in the context of the information obtained as a result of this relevant literature review. The third section involves research methodology. This section presents information on various aspects of the study, such as sampling, measurement, and data collection. The fourth section presents the measurement model, and the fifth section discusses the results of the hypothesis test and model fit indices based on structural equation modelling. Sections four and five also reveal the findings and results obtained in the analyses, which were carried out as a part of this empirical study. Conclusions and implications are presented in the sixth and final section of this paper, which not only includes theoretical contributions and administrative implications but also reveals suggestions for future research.

2. CONCEPTUAL FRAMEWORK AND HYPOTHESES DEVELOPMENT

2.1. Customer satisfaction

Satisfaction reflects the performance perceived by a person from a product in relation to his expectations from the relevant product. In cases where this performance is below expectations, the customer will be disappointed, but if it is at the same level as expectations, then the customer will be *satisfied*. If performance goes beyond

expectations, the customer will be *delighted* (Kotler & Keller, 2016: 30).

“Satisfaction is the consumer’s fulfillment response. It is a judgment that a product/service feature, or the product or service itself, provided (or is providing) a pleasurable level of consumption-related fulfillment, including levels of under- or overfulfillment” (Oliver, 2015:8).

Westbrook and Reilly (1983: 256) suggest that consumer satisfaction is *“an emotional response to the experiences provided by, associated with particular products or services purchased, retail outlets, or even molar patterns of behavior such as shopping and buyer behavior, and the overall marketplace.”*

Kapferer (2008: 3) states that customers are stronger now, and no matter what brands do in terms of price, experience, service, or performance, only those that maximize satisfaction will survive. The accepted idea about satisfaction is that the perceived performance from a product or service by the consumer consists of a comparison of the quality or other outcomes with an evaluation standard (Westbrook & Oliver, 1991: 85). Products should always be of a higher quality. When this perception of quality and satisfaction is met, the customer can decide that the price of a product is fair (Cotes et al., 2012: 814). Consequently, it can be suggested that the difference between customers’ experiences and expectations is the basic factor that determines CS (Kapferer, 2008: 38).

CS represents a significant structure in customer-oriented business practices for businesses operating in various sectors (Szymanski and Henard, 2001). Jones and Suh (2000) take the CS in two ways. The first is the evaluation of the post-purchase experience, which is a real-time evaluation. The second is the transactional satisfaction

or cumulative satisfaction, which is the post-purchase evaluation (Szymanski, 2019). Multiple evaluations of CS have caused researchers to distinguish between current satisfaction, lagged satisfaction, transactional satisfaction, and cumulative satisfaction (Otto et al., 2019). On the other hand, Oliver (2010) suggests that customers’ purchase decisions are affected by both evaluations of the same-period satisfaction and evaluations of the post-purchase satisfaction. Considering the studies on satisfaction, it is taken as post-purchase satisfaction in this study.

2.2. Hedonic value, utilitarian value, and customer satisfaction

Overby and Lee (2006: 1161) define HV as *“an overall assessment (i.e., judgment) of experiential benefits and sacrifices, such as entertainment and escapism.”* From Holbrook and Hirschman’s (1982: 132) experiential view, consumption is subjective and includes various symbolic meanings, hedonic responses, and aesthetic criteria. Unlike the utilitarian function addressing concrete benefits including objective properties, the mentioned experiential view deals with more entertaining abstract meanings such as “cheerfulness, sociability, elegance” thanks to its personal nature. Consumers show an intense emotional response to products with HV (Huber et al., 2015: 570). The perception of UV usually arises after customers compare product or service quality and the money they spend on this product. On the other hand, the perception of HV is a concept related to customers’ pleasure and excitement including emotional factors during consumption (Hsu & Chen, 2018: 123).

HV is defined as the joy or pleasure that customers feel when they use a certain technology and is regarded as the key factor in

the recognition of technologies intended for personal use and the definition of their usage (Belge & Mutlu, 2020). Joy, pleasure, and entertainment of customers when using smartwatches seem to be more significant since the smartwatch usage methods and functions are different from other information technology products (Gao et al., 2015). On the other hand, as the UV particularly focuses on the perceived utility of a product, more utilitarian cognitive experiences of the product contribute to the adoption and usage of smartwatches (Venkatesh et al., 2012).

Jones et al. (2006) investigated the relationships between retailer satisfaction, hedonic and utilitarian shopping values, and important retail outcomes and argued that both hedonic and utilitarian shopping values had a positive impact on customers' general satisfaction, which was supported by the study findings. Liu et al. (2019) suggested that the hedonic satisfaction that the customers feel when using an e-trade site, and the utilitarian satisfaction, are positively correlated with their overall satisfaction with the website. They also concluded that utilitarian and hedonic satisfaction have a significant positive effect on the general satisfaction that the customers feel when using e-trade sites. In his study examining the HV and UV underlying university students' mobile phone usage and the role of these values on students' satisfaction and attitudes, Güven (2018) suggested that HV and UV had a positive effect on satisfaction, supporting this assumption with his findings. In many other studies, it was revealed that HV and UV are associated with CS and have a positive influence on it (Mishra, 2014; Vijay et al., 2017; Hsu & Chen, 2018; Çilingir et al., 2010). Therefore, the study posits the hypotheses listed below.

H1: HV has a positive influence on CS.

H2: UV has a positive influence on CS.

2.3. Customer satisfaction and repurchase intention

Consumers assess a product or service before purchasing it, where they might purchase the highest chosen brand among the alternatives (Kotler & Keller, 2012: 170). RI is defined by Hellier et al. (2003: 1764) as “*the individual's judgement about buying again a designated service from the same company, taking into account his or her current situation and likely circumstances.*”

According to Anderson and Sullivan (1993: 132), it is thought that when satisfaction increases, the RI will also increase. Increased RI increases the probability of repurchase. Thus, the expected future income from current customers rises. Likewise, customers who feel satisfied with the shopping experience are more likely to repurchase from the same company, reducing the cost of customer acquisition for the company (Vijay et al., 2017: 33). In their study on the health insurance market, Fitzgerald and Bias (2015) confirmed the assumption that satisfaction is positively associated with RI. In their study, where the experience was a moderator, Pappas et al. (2014) argued that satisfaction had a positive influence on the RI of low-experienced or high-experienced customers. In addition, many studies reveal that CS has a positive influence on RI (Ha et al., 2010; Chiu & Cho, 2019; Fang et al., 2011). Thus, the hypothesis below was put forward:

H3: CS has a positive influence on RI.

2.4. Customer satisfaction and WTP a price premium

Consumers' emotional attachment to a brand, such as brand loyalty, reveals the possibility that the consumer may WTP a price premium for that brand (Thomson et al., 2005: 77). In line with this view, Cheverton

(2002: 36) stats that true loyalty cannot be achieved through discounts and that the demand for unpurchased high-priced products continues in only price-based product purchases. The basic indicator of loyalty, regarded as the main aspect of brand equity, is the amount the customer will pay for that brand instead of another brand that offers similar advantages. Based on this, the price premium can be set by revealing the price that customers are WTP for a brand (Aaker, 1996: 105-106). In this context, trust and innovativeness are among the determinants of the price that consumers will pay for a product or brand. Considering that smartwatches are also innovative products, Yildirim et al. (2021) state that trustworthiness, novelty-seeking, and consumer innovativeness are among the determinants of WTP. In addition, these structures discussed in the study were determined as important structures that trigger the purchase intention.

In their study examining the consumers' WTP a price premium and the determinants of this willingness, addressed in the context of health services, Dölarıslan and Özer (2014) determined that the patients' satisfaction level

positively affected their WTP. Cotes et al. (2012) examined the influence of customers' satisfaction with high-quality cured pork products on their WTP a price premium. Study findings indicate that the level of consumer satisfaction in the context of the specified products has a nonlinear effect on WTP a price premium. Homburg et al. (2005) investigated whether there is a (positive) relationship between CS and the WTP and the functional structure of this relationship. They revealed that with the increase in CS, the price that customers are WTP also increases. Similarly, claiming that a satisfied customer will be WTP more for a certain product, the following hypothesis was proposed:

H4: CS has a positive influence on WTP a price premium.

A conceptual model, based on the hypotheses above, was developed and displayed in Figure 1. In this model, HV, UV, and customer satisfaction are proposed as antecedents of RI and WTP a premium price towards smartwatches.

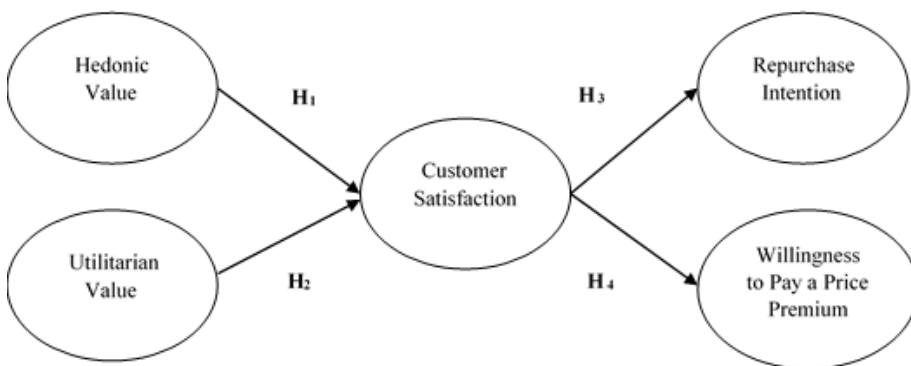


Figure 1. Conceptual model

3. METHODS

3.1. Research design

This study aims to examine the relationship between HV, UV, CS, RI, and WTP a price premium for smartwatches. This study concentrates on changing smartwatches in the wearable technology products category. The fact that this research was conducted specifically on the smartwatch product among the wearable technology products and the product in question was investigated alone makes this study different and important. Another contribution of the study is the evaluation of consumers' WTP and PI, based on the value consumers place on shopping. From this point of view, the study is distinguished from other studies and contributes to the literature.

In this study, a quantitative research technique involving a survey instrument was used. The data for this research were collected from consumers between June and July 2020 using an online survey. The convenience sampling method was used to collect the main data from consumers aged 18 years and above in different provinces in Turkey.

Before answering survey questions, the participants were informed of the aim of this study and were asked whether they had a smartwatch as a pre-screening question. Then, the respondents were asked to evaluate the smartwatch they owned and were requested to answer the HV, CS, RI, and WTP a price premium questions based on this brand and its product.

The survey was administered to 420 participants. After all the obtained answers were checked, 19 incorrect and empty surveys were eliminated. Finally, 401 valid surveys were analysed.

3.2. Measurement

A 5-point Likert-type scale was used to measure each variable in the survey, ranging from "strongly disagree" to "strongly agree." Scale items were adapted from scales with valid and reliable measurements used in previous studies. The eleven items used to measure HV and the four items used to measure UV were adapted from Babin et al.'s (1994) study. Six items used to measure CS were adapted from Taylor et al.'s study (2004), while six items used for measuring the RI were adapted from Putrevu and Lord's (1994) and Lin's (2007) studies. Four items used for measuring WTP a price premium, on the other hand, were adapted from Netemeyer et al.'s (2004) and Giovanis and Athanasopoulou's study (2018).

In this research, a pilot study was carried out on 30 consumers who used smartwatches to check the intelligibility of the questions. As a result of the feedback obtained after the pre-test was applied, some changes were made to increase the intelligibility of the questions, or in other words, to make them more clearly understood. Since statements "I am sure that it was the right thing to do to buy or lease this piece of equipment." and "I am delighted with the high-tech equipment I am evaluating." in the scale used to measure CS were not understood correctly, they were not included in the final scale assuming that they do not provide face validity. The statements used in the measurement of HV, UV, CS, RI, and WTP a price premium variables discussed in the context of the research are revealed in the following section.

3.3. Sample

The demographic characteristics of the 18-year old or older smartwatch consumers, which is one of the products in the wearable technology products category, are as follows. A total of 54.1% of participants were male and 46.9% were female; 61.6% were single and 38.4% were married. In terms of their educational background, 41.4% of them had a bachelor's degree, while 11.2% had an associate degree, 10.2% had completed a postgraduate education, 31.4% had a high-school level education, and 5.7% had a primary school level education. Regarding the age distribution, 70% of the consumers were in the 18-31 age range, while 18.6% were in the 32-39 age range, and 11.4% of them were aged 40 years and above. In terms of their monthly income, 36.1% had an income of 2,500 TL and below, 33.7% of 2,501-4,000 TL, 21.5% of 4,001-6,000 TL, and 8.7% of the participants had an income of 6,001 TL and more. In terms of occupation distribution of the participants, 32.6% were students, 13.9% teachers, 14.8% workers, 8.7% engineers. The rate of academicians in the research was 2.9%, and the rate of self-employed was 9.4%. A total of 3.1% of the participants were tradesmen, 4.2% health professionals, 4.3% housewives, and 6.1% military personnel. The research also included participants who were graphic designers, financiers, executive assistants, sales representatives, programmers, or bankers.

4. ANALYSIS AND RESULTS

In this section, Anderson and Gerbing's (1998) two-step approach was used. Thirty-one items and five factor-covariance structure of the research were first analysed regarding the measurement model, reliability, and construct validity. Then, the structural model using AMOS 24 package program was used to analyse the hypotheses.

4. 1. Measurement model

The structures' convergent and discriminant validity were examined to test the construct validity of the measurement model used in the study.

The fit indices of the measurement model obtained as a result of CFA (Confirmatory Factor Analysis) are as follows: $\chi^2/df=4.412$; GFI=0.764; AGFI=0.718; TLI=0.885; CFI=0.897; RMSEA=0.92. These results show that the model needs to be improved. For this purpose, the model's Modification Indices (MI) were evaluated and statements were removed from the analysis. After this change, the fit indices of the measurement model were reassessed, and the findings are shown in Table 1.

Fit indices of the measurement model are presented in Table 1, belonging to the measurement model after the statements in question were excluded from the analysis.

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Table 1. Revised measurement model

Constructs	Loadings
Hedonic Value	
This shopping trip was really enjoyable.	.828
I went shopping not because I had to but because I wanted to.	.716
This shopping trip truly felt like an escape.	.698
The time that I spent shopping was really enjoyable, compared to what else I could have done.	.772
I enjoyed being immersed in exciting new products.	.795
I enjoyed this shopping trip for its own sake, not just for the items that I could buy.	.889
I had a good time because I was able to act on the “spur of the moment.”	.838
I’m excited to find what I was looking for during shopping.	.745
While shopping, I was able to forget my problems.	.694
While shopping, I felt a sense of adventure.	.720
Utilitarian Value	
I was able to achieve my goal on this shopping trip.	.730
I was able to buy what I really needed.	.640
While shopping, I found just the item(s) I was looking for.	.954
Customer Satisfaction	
I am satisfied with my decision to buy this smartwatch.	.893
My choice to buy this smartwatch was a wise one.	.844
This smartwatch is among the best ones I could have bought.	.838
This smartwatch has exceeded my highest expectations.	.805
Using this smartwatch has been a good experience.	.869
Repurchase Intention: AVE: 0.735 CR: 0.932 Cronbach’s Alpha : 0.908	
If I am going to purchase a product, I would prefer this brand.	.919
When I need another smartwatch, I’ll repurchase this brand.	.926
I am thinking about purchasing this brand in the near future.	.769
I will most likely recommend this brand to people around me (family, friends, etc.).	.844
I think I did the right thing by purchasing this brand.	.818
Willingness to Pay a Price Premium: AVE: 0.779 CR: 0.913 Cronbach’s Alpha : 0.880	
I am WTP a higher price for this brand of a smartwatch than for other brands of smartwatches.	.927
I am WTP a lot more for this brand than other brands of the smartwatch category.	.970
I am WTP 30 % or more for this brand over other brands of smartwatches.	.795
χ^2/df : 784.430/281 = 2.792 CFI: 0.94 GFI: 0.86 AGFI: 0.83 TLI: 0.94 RMSEA: 0.70	

Fix indices were analysed to check the fit between the measurement model and data. The fit indices ($\chi^2/df=2.792$; CFI: 0.94; GFI: 0.86; AGFI: 0.83; TLI: 0.94; RMSEA: 0.70) range between the

suggested values (Arbuckle, 2006). This confirms that the data fit the proposed model well. Measurement model fit indices displayed in Table 1 are reasonable, revealing that the model is appropriate for the study

data (Doll et al., 1994; Mishra & Datta, 2011).

Table 2 shows that each indicator is loaded on corresponding factors significantly and the loadings are above the suggested value, which is 0.50 (Hair et al., 2010). This means that the convergent validity of the constructs in the measurement model is verified. The fact that the Average Variance Extracted (AVE) values of the constructs

were also above 0.50 shows that the convergent validity of the measurement model is satisfactory (Fornell & Larcker, 1981).

We can infer from Table 2 that the squared roots of AVEs, displayed diagonally, are above the correlations between the constructs, which indicates that the discriminant validity of the constructs was demonstrated (Fornell & Larcker, 1981).

Table 2. Interrelationships of variables

	Cronbach α	CR	AVE	HV	UV	CS	RI	RP
HV	.938	.936	.596	.772*				
UV	.801	.825	.618	.453**	.786*			
CS	.933	.929	.723	.589**	.356**	.850*		
PI	.931	.932	.735	.437**	.443**	.750**	.857*	
PP	.910	.913	.779	.468**	.181**	.748**	.709**	.882*

* The diagonal represents the squared root of AVEs for each construct.

** p<0.001

Scale reliability was tested with Cronbach's alpha and composite reliability (CR) statistics. Cronbach's alpha and CR values are all above the suggested level of 0.70, showing that the internal reliability of the constructs is sufficient (Hair et al., 2010).

5. HYPOTHESES TESTING

Having confirmed the measurement model in the context of construct validity and reliability, the proposed hypotheses were tested with the Structural Equation Model (SEM) using the Maximum-Likelihood Estimation. According to Table 4, fit indices of the model were acceptable.

Figure 2 demonstrates the standardized coefficients (regression weights) of the model. Accordingly, H₁ hypothesis in

the study suggests that HV influences CS. The structural model shows that the influence of HV on CS is statistically significant ($\beta=0.538$; $p<0.05$). H₂ hypothesis, on the other hand, asserts that UV influences CS. When the structural model is examined, it is seen that the influence of UV on CS is statistically significant ($\beta=0.125$; $p<0.05$). H₃ hypothesis asserts that CS has a statistically significant influence on RI. The results show that the influence of CS on RI is statistically significant ($\beta=0.779$; $p<0.05$). H₄ hypothesis suggests that CS has a statistically significant influence on the WTP a price premium. When the structural model is examined, it is seen that the influence of CS on the WTP a price premium is statistically significant ($\beta=0.770$; $p<0.05$). Accordingly, when the results of the hypotheses were examined, H₁, H₂, H₃, and H₄ hypotheses were accepted.

Figure 2. Structural equation modelling results



* $p < 0.005$

** $p < 0.001$

Table 3 shows the results of the hypotheses testing.

Table 3. Hypothesis testing results

Hypothesis	Std. Reg. Weights (β)	CR*	p	Results
Hedonic Value \rightarrow Customer Satisfaction	.538	9.598	***	H ₁ Accepted
Utilitarian Value \rightarrow Customer Satisfaction	.125	2.519	.012	H ₂ Accepted
Customer Satisfaction \rightarrow Purchase Intention	.779	16.122	***	H ₃ Accepted
Customer Satisfaction \rightarrow Willingness to Pay a Price Premium	.770	15.777	***	H ₄ Accepted

Table 4 shows the fit indices of the structural equation modelling and R² values. The values of the research model in the table comply with the suggested (optimal)

values of the model fit indices, which are widely available in the literature (Doll et al., 1994; Mishra & Datta, 2011).

Table 4. Structural equation modelling fit indices

χ^2/df	GFI	AGFI	TLI	CFI	RMSEA
865.361= 2.840	0.85	0.81	0.93	0.94	0.071
R ² (Customer Satisfaction) = 0.36 R ² (Purchase Intention) = 0.61 R ² (Willingness to Pay a Price Premium) = 0.59					

R² value in Table 4 shows that the variances such as CS, WTP a price premium, and RI were explained at the level of 0.36, 0.59, and 0.61, respectively.

6. CONCLUSION AND IMPLICATIONS

6.1. Theoretical contribution

Three basic theoretical contributions emerged from this study that analyses the relationship between HV, UV, CS, RI, and WTP a price premium based on smartwatches, which are in the wearable technology products category, on RI and WTP a price premium. The first is that this study focuses on changing smartwatches in the wearable technology products category. The fact that this study was carried out specifically for the smartwatch product among the wearable technology products and the product in question was investigated alone makes this study different and important. The second contribution, on the other hand, is the fact that HV and UV, which is considered as the value attributed to shopping, is the premise of CS and the direct effect between variables was examined. In this regard, this is one of the pioneering studies that deals with CS, RI, WTP a price premium, HV and UV in consumers' smartwatch preferences. In addition, in this study, as the fact that RI and WTP a price premium were considered as consequences of CS emphasizes the role of direct influence between variables, it was presented as a holistic framework.

6.2. Discussion

The results obtained in this research demonstrate that the HV that consumers attribute to shopping in their smartwatch preferences has a statistically significant

influence on CS ($\beta=.538$; $p<0.001$). In addition, in this study, it was also found that UV that consumers attribute to their smartwatch shopping preferences has a statistically significant influence on the passion for the brand ($\beta=.125$; $p<0.05$). These results were similar to the findings by Jones et al. (2006), who suggested that HV and UV value both have a positive impact on consumers' general satisfaction. The fact that Liu et al. (2019) argued that hedonic and utilitarian satisfaction was positively associated with the overall satisfaction supports the results obtained in this study. Güven (2018) found that the HV and UV underlying the usage of mobile phones, an electronic/ technology product, affects CS positively. In the studies conducted by Mishra (2014), Vijay et al. (2017), Hsu and Chen (2018), Çilingir et al. (2010), it was found that HV and UV were associated with CS and HV and UV have a positive influence on CS. The results of this study overlap with the results of the studies in question.

The results of this research show that CS positively affects RI ($\beta=.779$; $p<0.001$). This result supports Anderson and Sullivan's (1993) view that "when satisfaction increases, the WTP again will increase." The fact that Fitzgerald and Bias (2015) revealed that satisfaction is positively associated with RI was consistent with the findings in this research. Besides, in the studies conducted by Ha et al. (2010), Chiu and Cho (2019), and Fang et al. (2011), it was concluded that CS has a positive effect on repurchase intention. The findings in this study were consistent with the findings of the previously mentioned research.

In this research, it was also found that CS has a positive influence on the WTP a price premium ($\beta=.770$; $p<0.001$). Dölerslan and Özer (2014) found that consumers' satisfaction level positively affects

their WTP more. Besides, Cotes et al. (2012) and Homburg et al. (2005) suggest in their studies that an increase in CS means that the price that customers are WTP will also increase, which is a point that our study findings support. The results of this study overlap with those studies.

6.3. Managerial implications

Empirical findings obtained from the study lead to some managerial implications. In this regard, studies on wearable accessories, one of the technological and innovative products that have emerged in the last period, may enable consumers to recognize these products and influence their purchasing decision processes. As this study was applied on smartwatches, which are a specific product among wearable accessories, the outcomes of this study may assist the managers in reaching managerially important information such as CS, the value that the customer ascribed to shopping, purchase intention, and customer's special price payment for these special products.

In addition, it is seen that there is a gap in this market and there is a limited number of producers in the market. In other words, companies planning to enter this market may find a certain potential. Again, companies manufacturing innovative products in this field surely can gain a competitive advantage in reaching new consumers. However, technology products manufacturers selling wearable accessories and smartwatches can create an opportunity to attract tech followers, especially younger consumers.

6.4. Future research

This study makes certain theoretical contributions. However, it has some limitations as well. The study sample consists only of smartwatch users, a wearable

technology product, aged 18 and over in Turkey. Future studies need to examine RI and WTP a price premium for wearable technology products through samples containing different consumer profiles. In this study, the convenience sampling method was adopted to select research participants, which hinders generalization of the results and the results of the study were limited to the sample. Therefore, if the research sample in future studies is selected with a probability-based sampling method, they might contribute to the generalization of the results.

In this study, the HV and UV-based effects of RI and WTP a price premium in mediating CS were discussed in the context of smartwatches. In future studies, research can be carried out by selecting different products from the wearable technology products, such as a smart wristband, virtual reality goggles, health and fitness-tracking devices, smart textile products, etc. As wearable technology products have some features that make life easier and more enjoyable, new studies can be carried out by focusing on the utilitarian and hedonic features of the products in question.

On the other hand, by selecting socio-cultural variables as the baseline in evaluating satisfaction with wearable technology products, studies to be conducted separately for each of the products such as smartwatches, smart wristbands, virtual reality goggles, health and fitness-tracking devices, smart textile products, etc. can be beneficial for both researchers and marketing managers.

Wearable technology is considered to be one of the fastest-growing sectors in the technology industry. The determination of CS, brand loyalty, RI, and WTP a price premium for wearable technology products used everywhere, such as basic

fitness trackers, highly-advanced sports and smartwatches, virtual and augmented reality headsets, can be important factors in building enterprises, particularly marketing mix elements.

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EFEKTI HEDONIČKE I UTILITARISTIČKE VRIJEDNOSTI TE ZADOVOLJSTVA KUPCA U PREDVIĐANJU PONOVNE KUPOVINE I SPREMNOSTI ZA PLAĆANJE PREMIJSKE CIJENE PAMETNIH SATOVA

Sažetak

Cilj ovog rada je utvrditi ulogu hedoničke i utilitarističke vrijednosti te zadovoljstva kupca za spremnost plaćanja premijske cijene i ponovnu kupovinu pametnih satova. Ova je studija značajna s obzirom na svoj obuhvat, koji se odnosi na pametne satove, a za razliku od drugih studija, koje se bave nosivim tehnološkim proizvodima te se uglavnom fokusiraju na opću situaciju. Istraživački uzorak uključuje korisnike pametnih satova, starije od 18 godina. Za prikupljanje istraživačkih podataka korištena je e-anketa, kojom je obuhvaćeno 420 ispitanika, identificiranih metodom prigodnog uzorkovanja. Nakon provjere ispuštenih odgovora, analizirano je 401 validnih odgovora. Radne hipoteze su analizirane korištenjem metode modeliranja strukturnih jednadžbi. Rezultati istraživanja pokazuju postojanje snažne i pozitivne povezanosti između hedoničke i utilitarističke vrijednosti te zadovoljstva kupaca. Rezultati, također, pokazuju i da zadovoljstvo kupca pozitivno djeluje – kako na spremnost za plaćanje premijske cijene, tako i na namjeru ponovne kupovine.

Ključne riječi: *hedonička vrijednost, utilitaristička vrijednost, zadovoljstvo kupca, spremnost za plaćanje premijske cijene, ponovna kupovina, pametni satovi*