Emotional Intelligence, Consumer-Perceived Values, and E-Shopping Satisfaction: A Mediation Analysis

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ABSTRACT

Filipinos' interest in online shopping is growing, and businesses should adapt to this new marketing landscape. To win, business managers should strategize how to compete to satisfy their online customers. This paper explored the effects of emotional intelligence (EI) on consumers' online shopping satisfaction (SS). Further, it studied the role of consumers' perceived values, namely utilitarian values (UV) and hedonic values (HV) on EI-SS relationship. The respondents were the regular faculty of the Romblon State University-main campus who have engaged in online shopping. The researchers used descriptive statistics (i.e., mean, standard deviation) and linear and mediated regression analysis. The results showed that EI affects HD, UV, and SS, while HD and UV affect SS. Moreover, the results revealed that UV fully mediates and HD partially mediates the relationship between EI and SS.

Keywords: *consumer satisfaction, emotional intelligence, hedonic values, online shopping, utilitarian values*

INTRODUCTION

Filipinos are becoming more involved in the internet. The Philippines ranked first in the world regarding social media usage and time spent online (Zialcita, 2019). Furthermore, from 2 million internet users in 2000 Q4, the country has 79 million internet users in 2020 Q1, representing a 3,950 percent increase in internet usage (Internet World Stats, 2019). Furthermore, as of 2019 Q3, 91 percent of internet users in the Philippines stated that they visited an online retail store, searched for, and purchased a product or service online (Internet World Stats, 2020). E-commerce has proliferated, and online shopping is now a standard method of purchasing goods (Yan et al., 2016).

As defined by Turban et al. (2018), e-commerce refers to buying and selling products and services and transporting and trading data over the internet and intranet. Online shopping has become a way of life. Businesses are capitalizing on this new norm, and e-commerce sites benefit significantly. To name a few, Amazon's online store segment alone increased 14 percent from the second quarter of 2018 to the second quarter of 2019 (Internet World Stats, 2019). Furthermore, Lazada Philippines, an online department store and marketplace for retailers to sell their products, reported 25 million visits to its e-commerce website in 2019 (Internet World Stats, 2020).

E-commerce has made a significant contribution to the economy of some countries. According to a joint study conducted by Google, Temasek, and Bain & Co, Southeast Asia's internet economy, primarily driven by e-commerce and ride-hailing, reached $100 billion in 2019, tripling in size over the previous four years (Saxena, 2020). Given these facts, it is clear that e-commerce offers numerous benefits to both businesses and the country's economy. Turban et al. (2018) classified e-commerce based on the nature of the transactions and the relationships between the participants as follows: business-to-business (B2B), business-to-consumer (B2C), consumer-to-business (C2B), business-to-employees (B2E), drop shipping, consumer-consumer (C2C), collaborative commerce (c-commerce), and e-government. The researcher concentrated on the B2C classification in this study.

Filipinos' interest in online shopping is growing, and businesses recognize the importance of adapting to this new marketing landscape. Companies must strategize on how to compete online to win. However, one of the biggest challenges for online shopping is providing and maintaining customer satisfaction (Rita et al., 2019). Electronic satisfaction (e-Satisfaction) is critical for online retailers to attract and retain online shoppers in the virtual environment (Ting et al., 2016). As a result, to survive in a fiercely competitive e-

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environment, businesses must understand how to satisfy online consumers. Customer satisfaction is the customer's overall assessment of a product or service after purchasing it (Choi et al., 2013, as cited by Pham & Ahammad, 2017).

Several studies have been conducted on the various factors that influence e-commerce satisfaction. Meanwhile, few studies focus on a person's psychological characteristics, specifically emotional intelligence, as a determinant. Mayer and Salovey (1997) define emotional intelligence (EI) as an individual's ability to process dynamic information: perceiving emotion, integrating emotion to facilitate thought, and understanding and regulating emotion to promote personal growth (as cited in Extremera et al., 2011). EI has been linked to higher levels of customer satisfaction (Rajput & Talan, 2017; Lim & Kim, 2020). Bhalerao and Sharma's (2018) research, on the other hand, found that EI has no direct impact on consumer satisfaction. Furthermore, Lim and Kim's (2020) study demonstrated that EI influences consumer value perceptions, divided into two categories: hedonic and utilitarian values. These two values have been highly relevant factors influencing customer satisfaction (Avcilar & Ozsoy, 2015; Lee & Kim, 2016; Kesari & Atulkar, 2016; Samudro et al., 2020). However, according to Vijay et al. (2019), hedonic shopping value has no significant impact on e-satisfaction. Given that emotional intelligence influences shopping satisfaction and that emotional intelligence influences consumer perceived values, which results in shopping satisfaction, the researchers investigated whether utilitarian and hedonic values mediate emotional intelligence and shopping satisfaction.

This research will assist e-commerce businesses in remaining competitive in the online environment. The findings of this study will assist them in conceptualizing marketing strategies related to emotions. The researchers investigated the effects of EI on consumer perceived values, shopping satisfaction, and e-shopping satisfaction. Further, they looked into the role of hedonic and utilitarian values in mediating the relationship between emotional intelligence and online shopping satisfaction.
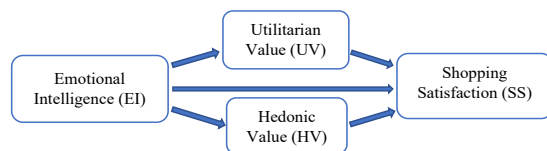
METHODOLOGY

Figure 1. The Conceptual Framework

The researchers used the cognition-affection-conation framework to investigate the relationship between emotional Intelligence and E-shopping Satisfaction. Under this framework, Lim and Kim (2020) mention four characteristics: Cognition has two characteristics, namely psychological capital characteristics (e.g., emotional intelligence) and cognitive characteristics (e.g., utilitarian, hedonic values), Affection has emotional aspects (e.g., satisfaction), and Conation has an intentional element (e.g., intention, loyalty). In this study, three characteristics were considered: psychological characteristics, cognitive characteristics, and emotional characteristics (Figure 1).

Consumers have two types of perceptions of value. The first is the hedonic value (HV), which is more affective because it is associated with pleasure, entertainment, and interest. In contrast, the second is the utilitarian value (UV), which is more cognitive because it is associated with utility and usability (Kim & Eastin, 2011, as cited by Lim & Kim, 2020). Moreover, customers are satisfied based on how a product's performance meets their expectations (Kotler & Armstrong, 2012). Choi et al. (2013) defined *consumer satisfaction* as the overall evaluation of the products and services after purchase (Pham & Ahammad, 2017). Similarly, online shopping satisfaction fulfills a buyer's perceived value of a product after buying it.

Study Samples

The samples of the study were the 83 regular faculty members at the main campus of Romblon State University. Of these, 41% were men, 58% were women, and one percent were gay. Regarding the employment status, 77% were permanent, and 23% were temporary permanent faculty. A total of 23% had a Bachelor's degree, 64% had a Master's degree, and 13% had a Doctorate. Regarding academic positions, 71% were Instructors, 14.5% were Assistant Professors, and 14.5% were Associate Professors.

Data Gathering Method

The researchers gathered primary data by distributing a closed-ended questionnaire to the respondents who were engaged in online shopping. The questionnaire was adapted from Lim & Kim (2020). The researchers conducted a pre-test to ensure its reliability. Based on the Cronbach's Alpha values, all of the items qualified for inclusion in the questionnaire.

Data Analysis Method

Jamovi, a powerful statistical tool designed for academic researchers (Bunn & Korpela, 2019), was used to analyze the data. Descriptive statistics (i.e., mean and standard deviation) and linear and mediated regression analysis were also used.

RESULTS AND DISCUSSION

As to the e-commerce engagement of the respondents, findings show that 43% buy from Lazada, and 30% buy from Shopee, while the rest buy from other platforms. In addition, clothing and accessories (29.6%) and consumer technology and electronics (19.3%) are the top two products they buy online.

The following regression analyses were examined based on an alpha of 0.05. First, the regression with Emotional Intelligence predicting Shopping Satisfaction was conducted. The regression of Shopping Satisfaction on Emotional Intelligence was significant, $F(1,81)=$ 19.5, $p <0.001$. The results showed that Emotional Intelligence was a significant predictor of Shopping Satisfaction, $B = 0.58$, indicating that the first criterion for mediation was satisfied. Second, the regression with Emotional Intelligence predicting Utilitarian Value was conducted. The regression of Utilitarian Value on Emotional Intelligence was significant, $F(1,81)=120$, $p <0.001$. The results showed that Emotional Intelligence was a significant predictor of Utilitarian Value, $B = 0.88$, indicating that the second criterion for mediation was satisfied. Third, the regression with Utilitarian Value predicting Shopping Satisfaction was conducted. The regression of Shopping Satisfaction on Utilitarian Value was significant, $F(1,81)=40.2$, $p <0.001$. The results showed that Utilitarian Value was a significant predictor of shopping Satisfaction, $B = 0.67$, indicating that the third criterion for mediation was satisfied. Next, the regression with Emotional Intelligence and Utilitarian Value predicting Shopping Satisfaction was conducted. The regression of Shopping Satisfaction on Emotional Intelligence and Utilitarian Value was significant, $F(2,80)=19.90$, $p <0.001$, suggesting that Emotional Intelligence and Utilitarian Value accounted for significant variance in Shopping Satisfaction. The individual predictors were examined further. The results showed that Utilitarian Value was a significant predictor of Shopping Satisfaction when Emotional Intelligence was included in the model, $B = 0.67$, indicating that the fourth criterion for mediation was satisfied. The results showed that Emotional Intelligence was not a significant predictor of Shopping Satisfaction when Utilitarian Value was included in the model, $B = -0.014$, indicating that the fifth criterion for mediation was satisfied. Full mediation is supported since items 1, 2, 3, 4, and 5 were met.

Furthermore, the regression with Emotional Intelligence predicting Shopping Satisfaction was conducted. The regression of Shopping Satisfaction on Emotional Intelligence was significant, $F(1,81) =$ 19.5, $p <0.001$. The results showed that Emotional Intelligence was a significant predictor of Shopping Satisfaction, $B = 0.58$, indicating that the first criterion for mediation was satisfied. Second, the regression with Emotional Intelligence predicting Hedonic Value was conducted. The regression of Hedonic Value on Emotional Intelligence was significant, $F(1, 81)=122$, $p = 0.001$. The results showed that Emotional Intelligence was a

significant predictor of Hedonic Value, $B = 0.48$, indicating that the second criterion for mediation was satisfied. Third, the regression with Hedonic Value predicting Shopping Satisfaction was conducted. The regression of Shopping Satisfaction on Hedonic Value was significant, $F(1,81) =52.1$, $p < 0.001$. The results showed that Hedonic Value was a significant predictor of Shopping Satisfaction, $B = 0.60$, indicating that the third criterion for mediation was satisfied. Next, the regression with Emotional Intelligence and Hedonic Value predicting Shopping Satisfaction was conducted. The regression of Shopping Satisfaction on Emotional Intelligence and Utilitarian Value was significant, $F(2,80)=32.4$, $p <0.001$, suggesting that Emotional Intelligence and Hedonic Value accounted for a significant amount of variance in Shopping Satisfaction. The individual predictors were examined further. The results showed that Hedonic Value was a significant predictor of Shopping Satisfaction when Emotional Intelligence was included in the model, $B = 0.51$, indicating that the fourth criterion for mediation was satisfied. The results showed that Emotional Intelligence was a significant predictor of Shopping Satisfaction when Hedonic Value was included in the model, $B =0.33$, indicating that the fifth criterion for mediation was not satisfied. Since items 1, 2, 3, and 4 were met, while item 5 was not, partial mediation is supported.

The study's findings support Lim and Kim's (2020) finding that emotional intelligence influences utilitarian value. It also supports H_1 that emotional intelligence is essential in explaining utilitarian value. The findings are consistent with Lim and Kim's (2020) findings that emotional intelligence influences hedonic value, rejecting H_2 that emotional intelligence is negatively related to hedonic value. Furthermore, emotional intelligence was a significant predictor of shopping satisfaction. The findings are consistent with previous research findings that emotional intelligence influences shopping satisfaction (Lim & Kim, 2020; Rajput & Talan, 2017). However, contrary to Bhalerao and Sharma (2018)'s findings, emotional intelligence has no direct impact on customer satisfaction.

Furthermore, the findings support H_3 that emotional intelligence positively influences shopping satisfaction. The study also found that utilitarian and hedonic values significantly predicted shopping satisfaction. These findings are consistent with previous research findings that hedonic and utilitarian values had a significant influence on customer satisfaction (Kim et al., 2012; Avcilar & Ozsoy, 2015; Hsu et al., 2015; Lee & Kim, 2016; Kesari & Atulkar, 2016; Atulkar & Kesari, 2017; Samudro et al., 2020). Furthermore, the findings support H_4 and H_5, stating that consumers' utilitarian and hedonic values significantly influence their shopping satisfaction. Moreover, the findings revealed that utilitarian value fully mediated the relationship between emotional intelligence and shopping satisfaction, whereas hedonic value only partially mediated the relationship. The findings support H_6 and H_7, which state that consumers' perceived, utilitarian, and hedonic

values mediate the relationship between emotional intelligence and shopping satisfaction.

The positive effect of EI on CS suggests that emotionally intelligent people are easily satisfied with the products and services they acquire online. The findings indicate that consumers with low emotional intelligence are harder to satisfy. As a result, businesses must go above and beyond their typical practices to fulfill and satisfy their customers' expectations. Furthermore, businesses should always solicit and consider customer feedback to ensure customer satisfaction. The significant effect of EI on consumer perceived values suggests that highly emotionally intelligent customers have greater perceived values for products and services. Furthermore, the positive link between Consumers' Perceived Values and Consumer Satisfaction means that as consumers' value perceptions increase, so does their satisfaction when their expectations are satisfied.

Finally, since Utilitarian Value fully mediates the relationship between Emotional Intelligence and Shopping Satisfaction, a consumer's emotional intelligence will only affect shopping satisfaction if it first affects utilitarian value. However, since hedonic value was only a partial mediator in the relationship between emotional intelligence and shopping satisfaction, it confirms Lim and Kim's (2020) claim. According to them, consumers with high levels of emotional intelligence seek utilitarian value rather than hedonic value, which influences e-commerce satisfaction more than hedonic value. Previous research also discovered that while utilitarian value influenced shopping satisfaction, hedonic value did not (Vijay et al., 2017; Vijay et al., 2019).

CONCLUSIONS AND RECOMMENDATIONS

The study looked into the role of emotional intelligence in predicting consumers' perceived values and shopping satisfaction. Previous research has demonstrated a relationship between the factors under investigation. Consumers' emotional intelligence influences their value perceptions. Furthermore, EI improves customer satisfaction. Moreover, consumers' perceived values improve their shopping satisfaction. As a result, this study investigated the indirect effect of EI on CS through consumers' perceived values, such as hedonic and utilitarian values. Although utilitarian value fully mediates the EI-CS relationship, hedonic value only partially mediates it.

The study's findings can be used as a guideline for online vendors, particularly those on the Lazada and Shopee platforms. Online business managers must ensure that their products are well-performing to meet the consumers' high-perceived value, mainly utilitarian value. Emotionally intelligent consumers make decisions based on emotion and logic. Thus, they must develop emotional strategies emphasizing the utility and usability of the products and services rather than highlighting entertainment, pleasure, and interests. For instance, they

can promote their products and services to high-EI consumers by emphasizing their usability and utility. Furthermore, they must ensure that their products are constantly innovated, and their services continuously improve.

Moreover, the website should be visually appealing, interactive, and easy to navigate to meet customers' hedonic value pursuit. Promotional activities such as "one-day-only sale" or "year-end sale" will pique their interest and entice low-EI consumers to buy their products. E-commerce managers may also invest in aesthetics, digital marketing, user interface, and user experience. Likewise, the target market's emotional intelligence and consumer perceived values should be assessed before developing marketing management strategies. Different types of customers necessitate different customer-relationship management strategies.

The findings of this study will apply to the academic institution being studied. Future researchers may wish to replicate this study in other organizations or educational institutions to compare the results. Other contextual factors were not taken into account in this study. This pandemic, for example, may have an impact on people's emotional intelligence and shopping satisfaction. As a result, future studies may consider other factors influencing a person's emotional intelligence and shopping satisfaction.

Furthermore, because of the significant differences in employment status and educational attainment, the values for the hedonic value may be affected. Thus, the results for the hedonic value may be subject to further review. Future researchers may consider employment status and educational attainment factors influencing the pursuit of hedonic values. Moreover, the significant differences between academic ranks may affect the utilitarian values, so the results may be subject to further scrutiny. Future researchers may want to consider academic rank influencing utilitarian value pursuit.

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AUTHORS' CONTRIBUTION

All authors have contributed equally.

CONFLICTS OF INTEREST

The authors have no conflicts of interest concerning this study.

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