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Determinants of Hedonic Value Perception for Non Food Products in India: A Study of Cellular Phone

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Abstract. This exploratory research tries to identify the determinants affecting attitude of buyers. The study explores the psychographic, socio-economic and demographic dimensions and finds the extent these factors affect the value perception of the product. Study tries to identify whether product is used as functional product or as a status symbol or luxury product. This research attempts to find the differentiator of hedonism of non-food products and evolve a model that helps predict the determinants affecting hedonistic value of a product. Data for the research was collected from different inner and outer cities of India, using quota-sampling technique, and respondents were contacted through the shop stop method. The questions were rated on a 5-point Likert scale. All measures were evaluated on SPPS16. The results show that the hedonic values perception for non-food products of inner city consumers depend mainly on order wise: age, lifestyle, and education of buyers whereas for outer city it depends on education, income and marital status of consumers. Results also showed the influence of ethnicity in consumers' hedonism for the product.

Keywords: Hedonism, Demographic, India, Buying Behavior, Non Food Products, Cellular Phone.

1. Introduction

Consumers often face difficulty in choosing between hedonic and utilitarian alternatives. These alternatives are partly driven by emotional desires and partly by cold cognitive deliberations. Hence, these choices represent an important domain of consumer decision-making. Emotional desires can often dominate functional motives in the choice of products (Maslow 1968). For example, an educated person will find buying a book, as hedonic unlike an uneducated one. Babin *et al* (1994) studied that consumers have different motives for shopping like gratitude, functional, emotional and hedonic. Among them utilitarian motive is of primary importance. But with the evolution of organized retailing luxury shopping is increasing day by day and transforming the shopping behavior of buyers. The consumers' perception is based on the degree to which the products in question satisfy hedonic and utilitarian objectives, here few questions arise: why two people perceive the same product differently? Why one finds it luxury while other finds it utilitarian? Whether perception is effected by products own intrinsic or extrinsic attributes or is it buyer's orientations which changes the perception of a product. The focus of this research is to study the influence of consumers' determinants on hedonic value perception

2. Review of Literature

Cowling and Cubbin (1972) first used the term hedonic for price regulation for quality. Hedonic prices were the understood prices of attributes of different products with some unique characteristics associated with them further studies found that hedonic rather than utilitarian attributes of a product elucidate greater amount of variation in prices hence hedonic term was used in a financially viable sense.

Most of the studies then were directed to making the hedonic price model stronger in a variety of perspectives like household production model, value of pollution, job satisfaction, real estate valuation, digital computer industry, pediatric services demand and computer services demand, demand for cable television, breakfast cereals.

In 1982 Hirschman and Holbrook first used the term hedonic in a consumption sense. Which explains the fantasy and emotive aspects of one's experience with products'? After that many researchers like Spegnberg Voss (2003), Batra, Athola,(1991) Dhar et al (2000) have done their research on hedonic value perception consumption.

Wakefield and Inman (2003) suggest that consumers are generally less price sensitive when buying products and services that have hedonic characteristics rather than when buying products of primarily functional nature. Because hedonic products are consumed for fun and fantasy, savings may not be a big concern when one has finally decided to buy something hedonic. Also, people may be willing to spend more on hedonic items because of the relatively infrequent consumption of such items.

Support for this also comes from O'Curry and Strahilevitz (2001) who show that individuals were more likely to choose a hedonic alternative over a utilitarian one when the probability of receiving the selected item was low and when the probability of receiving the selected item was high they choose utilitarian alternative.

Prior research on purchase decision criteria provides evidence that the relative importance of evaluative criteria may differ based on personal factors such as social class, gender, and relative income level (Williams, 2002). Therefore after identifying the gap in the literature we have decided two goals of our research : first to find the hedonic content of the purchase of the product and the second : to evolve a model that can help predict the determinants affecting hedonic value perception for product.

3. Research Methodology

Given the objectives of the research, an instrument was developed to measure product bought, hedonic value drawn from the product, the demographic profile of the consumers and their lifestyle.

The demographic data collected include gender, age, marital status, education, family, and income, number of earning members, family size, and children, religious affiliation, ethnicity, occupation, mother tongue and state of origin in India. The Psychographic variables analyzed include shopping orientation, values and lifestyle. Psychographic variables were adapted from the various previous studies according to their relevance in the Indian context and while ensuring the reliability of the items through cronbach's alpha coefficient. The hedonic value for the product has been calculated by the scales given by spangenberg, voss et al(1997).

Data was collected in the months of September and October over the period of the business hours of the shop (usually 11.00 am-11.00pm) since studies have indicated that consumer behavior varies depending on the time of the day (Skogster, uotila and ojala, 2008;). Attempt was made to fill approximately a third of the questionnaire during the mid morning hours (11.00 am-3pm) and the next one third in the late afternoons (3pm-7pm) and the last one- third after 7pm.It was considered that the visitors who buy the product during the weekdays and weekends could differ substantially along the variables of interest; therefore data was collected on equal number of weekends and weekdays at every destination.

Data were analyzed with the statistical package for social sciences (spss) version16 .0. Descriptive statistics, bivariate analysis, discriminant analysis and multivariate analysis were adopted. The sampling method was quota sampling.

4. Research Finding

Respondents were from different parts of India though a majority was from Maharashtra and Madhya Pradesh. The sample consisted 20.2% of the age group 18to 24, 28.0 %of the age group 25 to 34 years, 31.6% of the age group 35 to 44 and 20.2% of the age group 45 to 54 years .The male and female ratio was tried to be kept equal with male contributing 50.5% and female 49.5% in the sample ranging from both service and business class and educational qualification from schooling to professionals.

5. Hedonic Value Perception for Cellular Phone

Ha1 - Hedonic value perception for Cellular phone is related to demographic profile of the customers.

From the Anova table it is evident that there is significant difference (at.05 level of confidence) in the hedonic value perception and of Cellular Phone and customers' demographic profile. Mean squares value indicates that age (82.523) and gender (31.649) are strongly associated with hedonism especially for Cell phone in India.

Table 1: Hedonic Value Perception for Cellular Phone (ANOVA)

Variable		df	Mean Square	F	Sig
Age	Between Groups	1	82.523	89.453	0.00
Gender	Between Groups	1	31.649	268.595	0.00
Qualification	Between Groups	1	5.237	6.061	0.014
Marital Status	Between Groups	1	98.6	24.786	0.00
Occupation	Between Groups	1	14.844	74.073	0.00

6. Predictors of Hedonic Value for Cellular Phone

In order to identify which demographic factor is best predictor of hedonism, series of discriminant analysis has been run with Hedonism as the dependent variable.

After doing discriminant analysis for all the variables for cell phone, it is inferred that the discriminant function is able to classify 87.7% of original group cases correctly.

Table 2: Model summary

Function	Eigen value	Wilks' Lambda	Chi-square	Df	Sig (p)
1	-9.528	.096	630.446	9	0.000

Table 3: Model summary

	Wilks' Lambda	F	Sig.
Annual income	1	0.004	0.949
Ethnicity	0.884	35.985	0
Gender	0.42	378.288	0
Occupation	0.831	55.617	0
Family Size	0.799	69.093	0
Qualification	0.438	351.634	0
Age	0.792	71.96	0
Marital Status	0.95	14.49	0
Life style	0.778	78.025	0

Table 4: Model summary (Structure Matrix)

Gender	0.384
Qualification	0.370
Life style	0.174
Age	0.167
Family Size	0.164
Occupation	0.147
Ethnicity	-0.118
Marital Status	0.075
Annual income	-0.001

Table 2&3 shows the value of wilk's lamda and probability value of F-test for statistical significance of the discriminant function which ranges between 0 and1and with lower value (0.420) of gender indicating a better discriminating power of it. From table 2 it can be inferred that (p=0.000) discrimination between the groups is highly significant.

From table 4 of structure matrix it can be said that gender (384) qualification (370) and life style (174) are the better predictor of hedonic value perception of cellular phone in central and western part of India. Probability is that almost (87%) customers in these regions would be hedonic for cellular phone.

7. Model Development

After identifying that gender, qualification and lifestyle are the main predictor for hedonism of cellular phone second set of discriminant analysis was run by taking only these three variables as independent variable and hedonism as dependent variable. Results in table 5 depicts that again qualification come out as strongest predictor (.808) of hedonism.

From table 6 and 7, we prescribe a model taking Unstandardized coefficients discrimination that if the value of discriminant score (Y) for of a customer comes less than -1.453 than he could be considered hedonic for cellular phone. (Model has been successfully tested under similar conditions and predicted 97.7 % cases correctly)

Table 5: Model summary (Structure Matrix)

Qualification	.808
Gender	.550
Life Style	.106

Table 6: Model summary (Canonical Discriminant Function Coefficients) Unstandardized coefficients

Qualification	2.561
Gender	-.161
Life Style	2.605
(Constant)	-11.498

Table 7: Model summary (Functions at Group Centroids)

Hedonism	Function
Less Hedonic	2.818
Hedonic	-1.456

Prescribed Model

Discriminant Score for Cellular Phone

Y= - 11.498 + Qualification (2.561) + Gender (-.161) + life style (2.605)

8. Results

Research shows that gender, qualification and life style are the major determinates for finding hedonism of cell phone graduate males leading the aggressive life style between the age of 18 and 34.preferably service class are more hedonic for cell phone (*Based on structure matrix).*

9. Future Research

In the course of this research, it has been identified that there are various areas where further research is needed to extend this study to look at hedonic and functional value of the product.

In this study major determinants which affect the hedonic value perception came as gender, qualification and life style. Further research can be done by eliminating other variables used in this analysis except these three and adding some different factors to find relationship between them.

This study does not imply on the food products thus there is a scope for future study in this area.

10.Conclusion

The identification of the hedonism in terms of psychographic and behavioral dimensions can assist in designing promotional themes, and socioeconomic and demographic characteristics can facilitate the right marketing mix of the product and developed the better understanding of an emerging consumer market.

With Higher disposable incomes, easy availability of credit and high exposure to media and brands has considerably increased the average propensity to consume over the years. This study can give a platform to companies to position their product correctly in this huge developing market.

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