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Impacts of Utilitarian and Hedonistic Values of Online Shopping on Preferences and Intentions of Consumers

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Abstract

Given to the ever-increasing development of human societies and necessity of productivity increase in all daily activities, using electronic systems is unavoidable. This is true about the process of shopping and utilizing electronic methods especially internet is increasing day by day. The present survey was formed through the intentions variable as the dependent variable, utilitarian and hedonistic values as independent variables and preferences as the mediating variable. Students of the Islamic Azad University, Tehran Science and Research branch were the statistical population and three-hundred seventy nine persons were selected using stratified random sampling proportional to the sample volume.

Obtained results of testing hypotheses through structural equations model using SPSS and PLS software (statistical analysis) reveal that judgments about hedonistic and utilitarian values have a significant relationship with preferences. Also preferences have a significant relationship with future shopping intentions. Generally it can be argued that judgments of hedonistic and utilitarian values have a direct impact on preferences in online retailers and thus on future shopping intentions.

Keywords: utilitarian values, hedonistic values, intentions, preferences

Introduction

Nowadays, hedonistic values in shopping have a special importance for consumers. These values have had a considerable impact on consumers' behavior and choosing the products and brands by them. The difference among people while buying the products is considerable given

that consumption values include both hedonistic and utilitarian values. Purpose of marketing is to provide and satisfy the needs of customers.

Few researchers have today dealt with the relationship between consumer shopping value and his/her intentions for buying in online retailing. Therefore, most of the current studies are limited to retailing sectors at off-line level.

Theoretical framework of the survey (previous studies and research hypotheses)
Hedonistic values

The term hedonistic value has been recognized as separation of consumers' behavior based on mental criterions. These criterions illustrate multisensory, fanciful and exciting aspects of a product that has been experienced. In contrast, there are objective criterions related to goods and products which have utilitarian application. Multisensory aspects reflect sensory dimensions (taste, smell, vision, touch and audition) of a perceived experience. Perhaps these experiences can not re-read a series of historical images. As a whole, multi-sensory inputs can be directed towards emotional excitements, i.e. evoking emotions like pleasure, envy, fear and anger. A prominent example of this fact is a person who ate at a restaurant for some time and he/she might not be able to remember objective factors such as price of foods or physical conditions of the restaurant when came back after a while but he/she remembers mental factors such as enjoying a live music (Boter & Wedel, 1999).

Utilitarian values

Babin et al (1994) stated that customers believe utility-driven value is related to reasonable and task-related shopping behavior and informed results of that intended shopping. These customers describe shopping followed by a work-oriented task and evaluate it as conducting a work or failure to finish a shopping task or the joy and pleasure obtained through obtaining the goods and products. They intend to minimize any repetition of the search process in shopping malls (stores) and focus on purchasing a certain product (Babin et al, 1994). These customers take part in online shopping, because such kind of shopping gives them accessible and easy to use information about the products, selection of products and customer services and provides the possibility for them to have a sense of freedom and control regarding the process of their shopping before buying at traditional stores and shopping malls (Childres et al., 2001). Moreover, proper information about the product, existing products in the shelf and competitive prices of products are important for utility-driven customers.

People with stronger utilitarian values have more intention towards a simpler life style and also they pay more attention to consumer necessities in order to continue their life. They consider the products as a tool to reach high-level purposes in their life and pay less attention to pleasure and entertaining aspects of the products. As a result, they have more intention to be aware of the products' value and value money paid for it more (Feinberg et al., 1992, 229).

In contrast, people who focus on hedonistic values are modern consumers who intend to consume their excessive income for enjoyment, satisfaction and achieving new utilities of consumption (Wang et al., 2000). For this reason, consumers having stronger hedonistic values may just be dissatisfied with functional value of products. Rather they are more interested in the emotional value such as brand, design, appearance and packaging than quality and price of the products. Such emotional values are due to the immediate pleasure created through hedonistic shopping experience by them (Fischer & Arnold, 1990).

Helpful and utilitarian reasons

Pleasure is the first dimension that is obtained through consumption experience of a product and utilitarian is the second dimension that is resulted from the product's function (Voss Spangenberg & Grohnmann, 2003).

According to studies conducted by Carrigan and Attalla (2001) attention and apparent concern of consumers to ethics do not necessarily lead to an ethical shopping by them. And emotional relations with the brand are often preferred to ethical concerns. This impact is very important especially for the global brands (Rice & Wongtada, 2007).

Methodology

This survey was conducted using survey-correlational method, since what a group of people know, think or do is investigated and also it seeks relation between two variables and its extent if there is any relation. Correlational studies never specify a cause and effect relationship; they just describe existence of a relation.

Sampling method, volume and the formula to determine sample volume

Statistical population of this survey included students and the spatial domain was Islamic Azad University, Tehran Science and Research branch in which there are 24174 students. Reasons of selection are as below:

Stratified random sampling proportional to volume was used. Volume of the statistical population was equal to 24174 persons. Therefore, minimum sample volume in the Islamic Azad University, Tehran Science and Research branch was selected equal to 379 persons based on Krejcie and Morgan table (1970) with 5% error. Given to formula $I = \frac{N}{n}$ where I is sample distance, N is volume of the statistical population and n is sample volume, distance for the whole population was obtained and then population of each class was divided by distance to determine portion of each group or class. Measurement indexes proposed by the most prominent scholars were used to measure the variables. Questionnaire was the measurement tool in this survey.

Validity and reliability of the questionnaire

CVR coefficient was used to measure content validity. Minimum amount of this coefficient for 15 experts is equal to 0.49 and amount of CVR coefficient for all variables is more than 0.49. Hence, it can be stated that questions have the necessary content validity. Reliability coefficient was used to measure reliability and this quantity usually changes from 0 (lack of relation) to +1 (total relation). Indeed reliability coefficient shows the measurement tool measures testable stable characteristics or variable and transitional characteristics to what extent. Cronbach alpha method was used in this survey to determine reliability of the questionnaire. Alpha was equal to 0.754 and 0.817 in pre-test and post-test questionnaires that were more than 0.7, thus the questionnaire was reliable. Therefore, it is possible to start statistical operations on this questionnaire.

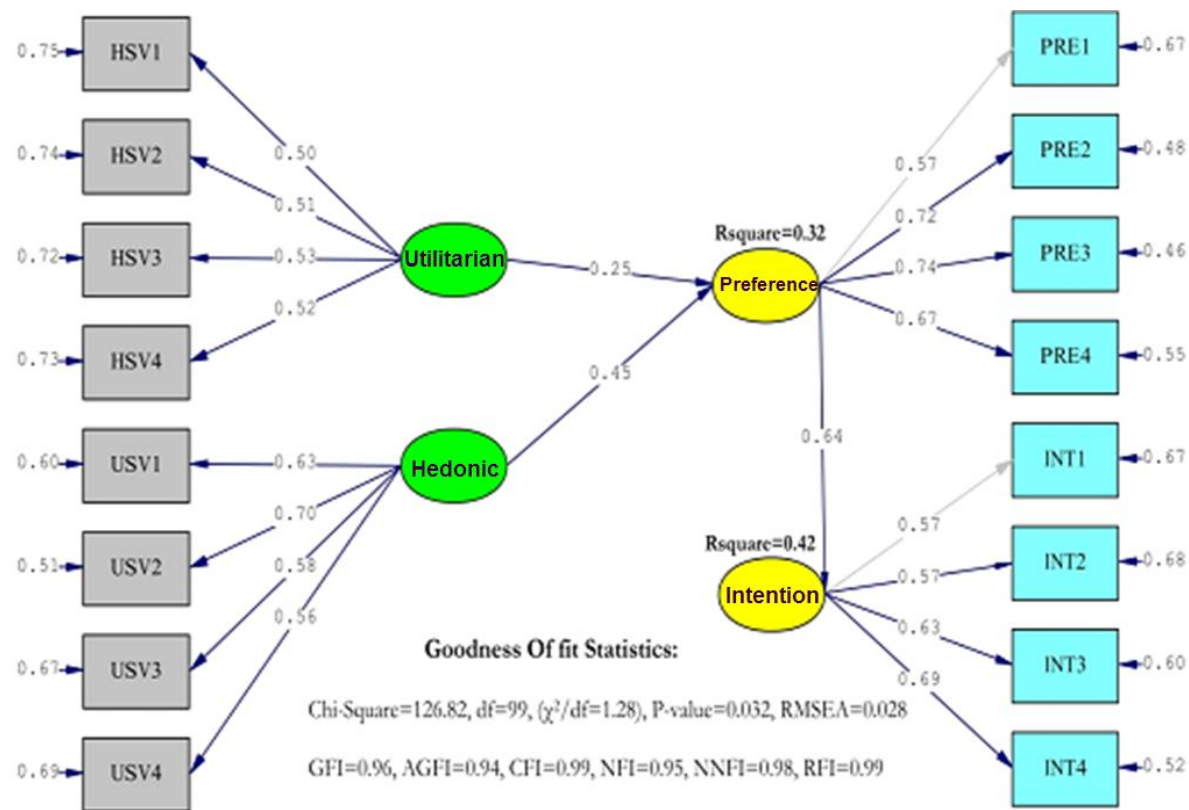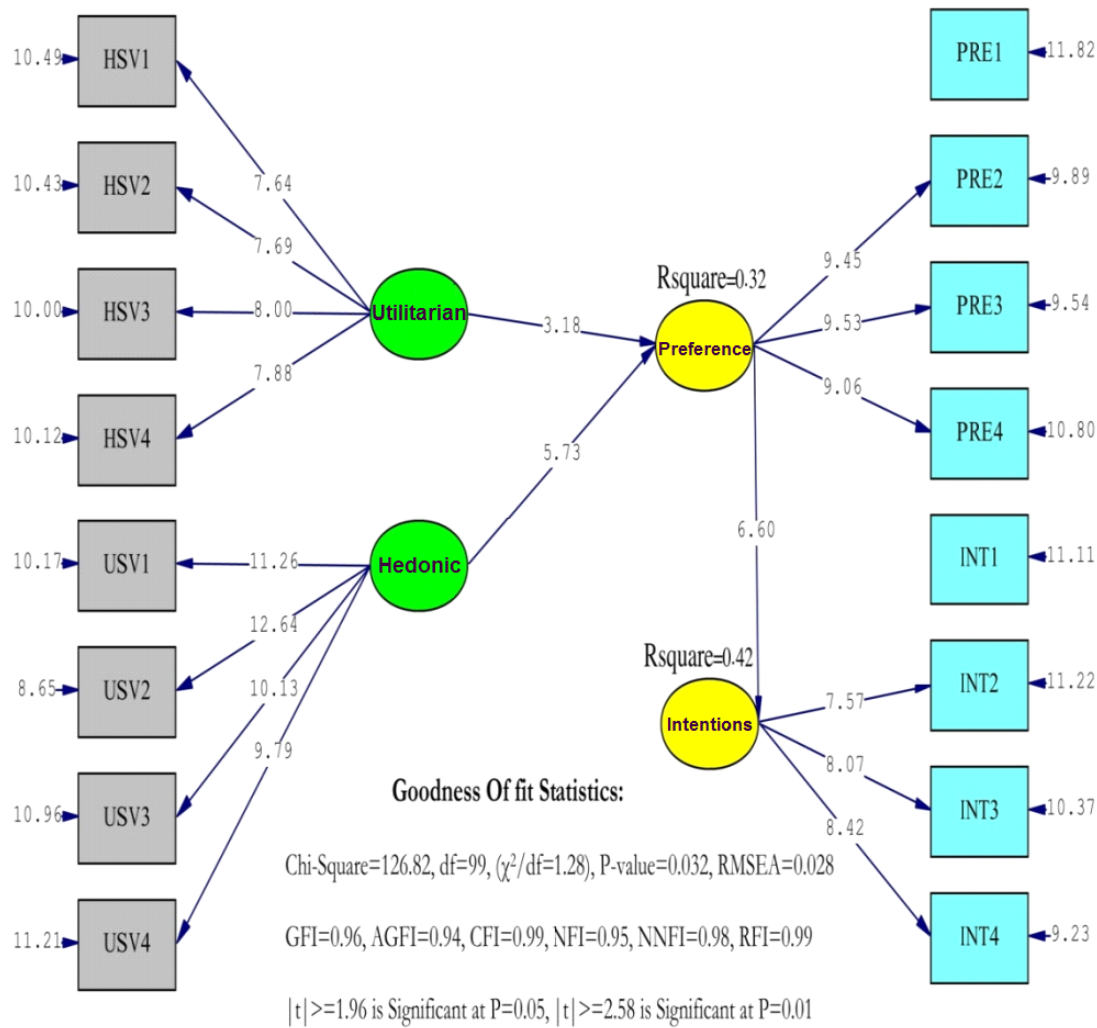Figure 1- Research model in the state of estimating standard coefficients

Figure 2- Research model in the state of coefficients' significance

Responding to research hypotheses using structural equations model (SEM)

Another type of relations among latent variables in structural equations model is direct effect. It is indeed one of the compositions of structural equations model and shows a directional relationship between two variables. These relations are mainly evaluated through ANOVA. This effect indicates the assumed causal linear impact of a variable on another variable. Each direct effect in a model determines a relationship between an independent variable and a dependent variable although a dependent variable in another direct effect can be an independent variable and vice versa. Besides, a dependent variable in a multi-regression model could be related with several dependent variables and also an independent variable in MANOVA could be related to several dependent variables. The fact that the dependent variable can become an independent variable in some cases causes to create a third relation called indirect effect. In fact it is the effect of an independent variable on a dependent variable through one or more mediating variables. The mediating variable in this effect plays the role of an independent variable with

regard to a variable and role of the dependent variable with regard to another variable. Preferences variable in on-line retailers in this survey is the mediating variable.

Table 8- Results of research hypotheses

Research hypotheses	Path coefficient (β)	t-statistic	Result of hypothesis
Utilitarian value → judgments preferences in retailers	0.25	3.18**	It is confirmed
Hedonistic value → preferences in retailers	0.45	5.73**	It is confirmed
Preferences in retailers → future shopping intentions	0.64	6.60**	It is confirmed
Utilitarian value judgments→preferences in retailers → future shopping intentions	0.16	3.05**	It is confirmed
Hedonistic value → preferences in retailers → future shopping intentions	0.28	5.08**	It is confirmed

** Significant at confidence level 99%. * Significant at confidence level 95%.

Research hypotheses

Hypothesis 1: utilitarian value judgments have a direct impact on preferences for online retailers.

H0: utilitarian value judgments do not have a direct impact on preferences for online retailers.
H1: utilitarian value judgments have a direct impact on preferences for online retailers.

According to results obtained through path coefficient and t-statistic, utilitarian value judgments variable has a significant impact on preferences for online retailers at confidence level 99%. (T-statistic is not in the range -2.58 to +2.58.) Considering the positive coefficient of this path it can be stated that this relation is direct.

Hypothesis 2: hedonistic value judgments have a direct impact on preferences for online retailers.

H0: hedonistic value judgments do not have a direct impact on preferences for online retailers.
H1: hedonistic value judgments have a direct impact on preferences for online retailers.

According to results obtained through path coefficient and t-statistic, hedonistic value judgments variable has a significant impact on preferences for online retailers at confidence level 99%. (T-statistic is not in the range -2.58 to +2.58.) Considering the positive coefficient of this path it can be stated that this relation is direct.

Hypothesis 3: preferences in online retailers have a direct impact on future shopping intentions.

H0: preferences in online retailers do not have a direct impact on future shopping intentions.
H1: preferences in online retailers have a direct impact on future shopping intentions.

According to results obtained through path coefficient and t-statistic, preferences in online retailers variable has a significant impact on future shopping intentions at confidence level 99%. (T-statistic is not in the range -2.58 to +2.58.) Considering the positive coefficient of this path it can be stated that this relation is direct.

Conclusion and recommendations

According to results obtained through path coefficient and t-statistic, research variables have a significant impact on preferences for online retailers at confidence level 99%. (T-statistic is not in the range -2.58 to +2.58). Given to the positive coefficient of these paths it can be indicated such relations are direct and thus when research variables become positive, preferences for online retailers are increased and if they are negative, preferences for online retailers are decreased. Thus, research hypotheses are confirmed.

Comparison with previous research results: result of hypotheses is consistent with theoretical bases of the survey. Results of this survey are consistent with findings of J'Orbai et al's research (2006).

Interpretation of test results: it can be argued that Iranian lifestyle or lifestyle of consumers in Tehran has directed them towards the way so that their utilitarian value judgments are affected by their preferences for shopping. Because there is no competitiveness among online retailers in Iran and given that they will become competitive in a near future it is a suitable opportunity for managers to look for strategies to obtain more market share and finally increased profitability of their retailers and stability in the competition market. Rapid development of e-commerce and number of internet users in recent years have created suitable opportunities for online shopping among the consumers. Of course it is noteworthy that online shopping and growth of such shopping have not already developed based on internet development.

Marketing specialists are faced with many challenges to encourage people towards online shopping, since people might be affected more by personal resources like their friends and family given to shopping culture of Iranians. Therefore, online retailers have to consider an appropriate budget for their advertisements in the internet. Indeed retailers can concentrate on special values for consumers like discounts and various auctions or even word of mouth advertising.

In addition, marketing researchers can be aware of the manner of consumers' whims when they do online shopping. They can use sale techniques in this regard such as noticeable

discounts and applying an advertising slogan, since these researchers take the responsibility of market portion increase for consumers. According to results of this survey, online purchasers are interested in adventure and getting over the process of shopping and they behave in this manner even about the products they do not need or want.

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