Perceptions of the Consumer on Product Based Innovation in the Context of Hedonic and Utilitarian Consumption: An Empirical Research

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Introduction

In the current market where severe competition, rapid technological changes and developments take place in a global platform, companies must adapt to the developments and changes to be able to continue their being, not to fall behind time and to increase their profits. Companies which know their customers well, satisfy their expectations, needs and present the best products and services which best fit their wants, will gain competitive advantage. As well as having a need for products and services, also detecting what this need really means to the consumers are among important factors which generate consumers buying behaviour. The concept of “innovation” which is an important factor in consumers buying behaviour, is gradually increasing it’s importance. Companies aim at being innovative in their long term strategies, and being perceived like this by the consumers. Especially, perceived product based innovation by consumers is related with concepts as personal identity, social status, hedonic and utilitarian shopping. In this study, it is aimed to detect the interactions between; product based innovation, hedonic and utilitarian consumption, social identity function of consumption and personal innovation tendencies. For this, a survey was applied to university students. The relations between the variables were defined by the analysis. In this concept, relations were detected between; product based innovation, hedonic and utilitarian consumption, social identity function of consumption and personal innovation tendencies.

Methodology

The relations hypothesized were tested with the data collected from students of Ege University Faculty of Communications, using judgemental sampling. The universe of the research was the bachelor students of Ege University Faculty of Communications. There were 1412 students in the academic year of 2011-2012. After the intelligibility of the research scale was confirmed, 450 questionnaires were handed in to the participants, by personal contact of the researchers. After eliminating the forms which were empty or incorrectly filled, 420 questionnaires were left for statistical evaluations. Following scales were used as the measures of this research; Goldsmith and Hofacker’s (1991)
“product based innovation scale” used in the research of Aydın (2009:196), Grewal, et. al. (2000) “social identity function scale”, Babin, Darden and Griffin’s (1994) “hedonic and utilitarian shopping behaviour scales” used in the research of Erkmen and Yüksel’ (2008: 687). By using these scales, a questionnaire with factor questions related to the subject of the research was developed and applied to a pilot group. In the results of the pilot study, all the factor loadings turned out to be higher than the limit. Afterwards, the questionnaire with the likert scale was developed for the sample of the study.

Managerial Effects, Discussions And Suggestions

In this research, consumer’s product based innovation behaviour and purchase behaviour related to this have been analyzed. For this research, a structured research equation was built and hypothesis were tested. With the obtained data, the relations were detected between; consumer’s product based innovation behaviour, personal tendency for innovation, social identity values attached to consumption and purchase, hedonic and utilitarian shopping behaviour. In the data analysis of 420 participants answers, positive effects were detected especially between product based innovation behaviour and personal innovation tendencies. It may be said within the limitations of this research that, personal understanding of innovation has an important effect of the acceptance of product based innovation. Companies who want to do product based innovation, have to analyze the consumer tendencies about innovation and consider these while deciding on their innovations to be able to guarantee the acceptance of these innovations by the consumers.

In this research, another factor’s relation detected with product based innovation is the effect of consumption and purchase behaviour in means of social identity. Product based innovation and social identity function was coded as the third hypothesis of the research and a high relation was detected between these two. According to the findings, 16% of the product based innovation behaviour is being defined by consumers perceiving purchase behaviour as an element of social identity. Thereby, it may be said within the limitations of this research that, companies which want their target audiences to accept innovation and create communication strategies for this, have to keep in mind that “consumers need to see consumption as a social identity issue”. Currently, while the economic development is increasing, also the consumption made with the aim of ensuring status in the social class and increasing prestige is increasing. Thus, the increase in the social stratification for an individual in a social class is being identified by consumption and purchase behaviour. Therefore, consumption and purchase behaviour are important symbols and indicators of social identity. According to the analysis of the research data, it is seen that most of the sample act emotionally while deciding on purchases. This tendency of the sample has an affect on resulting with hedonic consumption behaviour. According to the findings of the research, the majority of the sample, with the effects of different emotions and thoughts, purchase for reaching other objectives other than their physiological needs. Thereby, it may be said within the limitations of this research that the sample not only purchase for their physiological needs, but also for hedonic reasons. Another result about hedonic consumption behaviour is that, there were meaningful relations detected between hedonic consumption habits and social identity function. Thereby, it may be said that people with hedonic consumption habits, are also inclined to use this for their needs of shaping their social identities.
According to the findings, individuals with hedonic consumption habits within the research sample, are doing these purchases mostly for having adventures during purchase, relaxing, getting ideas about products and services and socializing. Indicating in the promotions of products and services that consumers will live an adventure and at the same time will gain everybody’s like, will affect consumers decisions. Especially, it will be helpfull for companies to create the image of their products and services being approved and liked by reference groups and people. There was also a relation detected between the fourth variable of the research utulitarian consumption and product based innovation. But, this relation was not reviewed as a valid relation while the level of the relation was not within scientific horizons.

It was detected with the research that, individuals with utilitarian consumption habits, have a low interest on product based innovation. Therefore, companies which want to present products and services to consumers with utilitarian consumption habits, have to present their products concrete physical benefits more than their abstract benefits.