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Study of Relationship Between Utilitarian and Hedonic Motives and Temporal Perspective at Retail Malls

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Abstract: *The paper examines the relationship between youth shopping motives and timing of shopping for home furniture. The age group selected is 18 to 29 years. The shopping motives considered for study are utilitarian motives and hedonic motives. The utilitarian motives include variety, saving of money, convenience and quality products. The hedonic motives include service experience, store environment, status seeking and recreational shopping. The study was carried out in Pune and Mumbai. The results of the study using Kendall's W test indicated that utilitarian motives were considered more important than hedonic motives. However, using Kruskal's Wallis test, the results showed that shopping motives were independent of timing of shopping (morning, afternoon, evening) ie, the shopping motives did not differ with timing of shopping. The paper has important implications for retailers in terms of focusing on the predominant shopping motives to increase sales.*

Keywords : retail, hedonic, utilitarian, shopping motives

INTRODUCTION

India is ranked as the fifth most emerging destination for retail in the world (A.T. Kearney's annual Global Retail Development Index, 2012). The country is ranked behind Brazil, Chile, China and Uruguay. AT Kearney further mentions that the Indian retail market is expected to grow between 15 % to 20 % in the next five years. The Indian retail market is estimated at Rs 19,48,916 crore (Indian Retail Report, 2011). The retail and Logistics industry together employ 40 million Indians (CCI, India, 2012). The Indian retail market has maintained a share of 30 % of the GDP (Indian Retail Report, 2011). The retail market in India is divided into organized and unorganized retail. The share of organized retail market as a percentage of the total market is estimated to be 6.5 % ie Rs 1,26,680 crore of the total retail market (Indian Retail Report, 2011) and is growing at a CAGR of 27.69 % contributing 2.1 % to the GDP (Indian Retail Report, 2011). In India, organized retail exists in various formats such as shopping malls and multi-storied shopping complexes offering one stop solution for all

shopping needs in addition to, entertainment and eateries (Indian Retail Report, 2011). The urban consumer shopping behavior is inclined towards organized retail it offers more product variety and different product categories under one roof (Indian Retail Report, 2011). In 2012, The Government of India permitted 100 % FDI in "single brand retail" and 51 % FDI in "multi brand retail" thus paving the way for global competition. (DIPP, FC-Section-1, Jan 10, 2012 & D/o IPP File No.: 5/12//2010-FC-I dated: 20th September, 2012 , Government of India). Hence organized retail market has been chosen for study.

Approximately 60 % of the Indian population is below 30 years of age (Deloitte Report on Retail, 2011). Age group has become a critical factor to understand the shopping motives of consumers. A study by Yin-Fah et al (2011) mentions that the youth segment is more faster in acceptance of new products than other groups and hence considered to be less tradition restricted. The young Indians are brand conscious (Deloitte report on Retail, 2011), have access to more money and are spending money in malls (PWC, 2011).

INTERNATIONAL JOURNAL FOR RESEARCH IN APPLIED SCIENCE AND ENGINEERING TECHNOLOGY (IJRASET)

According to the Constitution of India's 74th Constitutional Amendment, 1992, a metropolitan city is defined in clause (c) of Article 243P as follows: "Metropolitan area means an area having a population of ten lakhs or more, comprised in one or more districts and consisting of two or more Municipalities or Panchayats or other contiguous area, specified by the Governor by public notification to be Metropolitan area for the purposes of this Part". According to the Census of 2011, there are 53 metropolitan cities in India. The metropolitan cities of India account for 68 % of organized retail and are expected to show significant growth in next 10 years (Economic Intelligence Unit, 2006). Cities with population of more than 1 million are on the "watch list" of pioneering retailers and mall developers (Jones Lang Lasalle Meghraj, 2007).

It is important for retailers to examine consumer shopping motives before finalizing their marketing strategy. Several researchers have studied shopping motives, resulting in a broad range of literature. Researchers (Berne, et,al, 2001) have said that consumers seek product variety as a shopping motive. Researchers (Lingenfelder and Loevenich, 2001) have said that the motives of buying include convenience, price consciousness, offer of personal service, brand orientation.

Within the context of a buying process, the customer compares the characteristics of a retail outlet with his/her shopping motives and chooses the retail outlet that best matches his/her needs (Sheth, 1983). Motives also range from utilitarian motivation to hedonic or experiential motivation. (Dawson et al., 1990) Motive of utilitarian shoppers involves satisfying functional or economic needs and often been characterized as task related and rational (Batra & Ahtola, 1991).

On the other hand, hedonic motivation may relate to hedonic goods which are defined as those whose consumption is primarily characterized by an affective and sensory experience of aesthetic or sensual pleasure, fantasy, and fun (Hirschman and Holbrook 1982). Researchers (Loudon and Bitta, 1993) have classified motives as physiological and psychogenic motives, conscious and unconscious motives and positive and negative motives. Customers also seek entertainment while shopping (Sit and Merrilees, 2002). Customers link motives to various product attributes. A combination of various motives called "motive bundling" enables customers to take decisions (Loudon and Bitta, 1993). Customers also shop to improve moods and relieve stress (Paden, Stell, 2010).

REVIEW OF LITERATURE

According to Jin and Kim (2003), "Shopping motives can be defined as the drivers of behavior that bring consumers to the marketplace to satisfy their needs" Buttle (1992) has mentioned that shopping is a "contextualized act" i.e. consumer trips for shopping is related to a context. He has given the example that shopping motives for a gift is different from those of groceries.

Shopping motives can also be understood on the basis of lifestyle of shoppers. The lifestyles include activities, interests and opinions (Farrag, El Sayed, and Belk, 2010) motive models. The shopping motives play an important role in shaping a consumer's decision with respect to the products and services purchased and forms the basis of purchase patterns of shoppers. It also explains why consumers purchase certain products over others (Yavas, 2001). Shopping motives also determine why consumers prefer certain stores over others.

The shopping motives are also important to study the heterogeneity or homogeneity in shopping behaviour (Sheth, 1983). The shopping motives also decide the channel of purchase ie visiting a shopping mall, purchasing from a local store or buying online and they also form the predictors of consumer preferences (Schramm-Klein, Swoboda, Morschett, 2007). Hence, it is important for retailers to examine consumer shopping motives before finalizing their marketing strategy.

Kim et al (2005) classified shopping motives as utilitarian and hedonic motives. The product oriented motives relate to consumers buying products for utilitarian purposes. Utilitarian shopping motives involve satisfying functional or economic needs and can be viewed as task related and rational (Batra & Ahtola, 1991 ; Ferrag, Al Sayed, Belk, 2010). Utilitarian motives can also be related to shopping for necessity (Ferrag, Al Sayed, Belk, 2010). Hedonic motives are related to affective and sensory experience of aesthetic or sensual pleasure, fantasy, and fun (Hirschman and Holbrook 1982). Researcher (Lotz et al.,1999) has explained that utilitarian motives are intrinsic motives which are associated with recreational shopping while hedonic motives are extrinsic motives associated with purposive shopping. Research done by Ghosh, Tripathy and Kumar (2010) has indicated that the store image can be linked to purchase motives. Store ambience, service quality and merchandize influence consumer perception about the store. Hence the consumers would visit those stores where they perceive that their motives will be satisfied (Lindquist, 1974). A study by Ferrag, El

INTERNATIONAL JOURNAL FOR RESEARCH IN APPLIED SCIENCE AND ENGINEERING TECHNOLOGY (IJRASET)

Sayed, Belk, (2010) recognized malls as a destination catering to the hedonic and utilitarian motives of customers.

Researchers (Hassay and Smith, 1996), applied a projective technique, called Apperceptive Analogue Test (AAT). This test helped to find out shopping styles based on motives. This can further help in forming clusters by grouping consumers of similar motives (Ferrag, El Sayed, Belk, 2010). They are of the view that AAT can be applied for examining the shopping motives because it offers insights into latent as well as manifest motives.

Guido (2006) in his paper showed the correlation between human personality factors and shopping motives. The shopping motives were borrowed from shopping motives suggested by Tauber (1972). These factors were re-classified as utilitarian and hedonic motives. The five personality dimensions were Agreeableness (the orientation toward compassion and caring about others); Openness to Experience (the tolerance of new ideas and new ways of doing things); Conscientiousness (the preference for goal-oriented activity); Extroversion/Introversion (the preference/or not for social interaction); and Emotional Stability/Neuroticism (the ability/or not to cope effectively with negative emotions). The research was done over 700 customers in two prominent retailers ie Carrefour and Ipercoop of southern Italy. A factor analysis test using principal component method and varimax solution and 12-factor solution, 5-factor solution and 2-factor solutions were considered. Correlation analysis was carried out between 12-factor solution and 5 factor solution and between 5-factor solution and 2-factor solution. The results showed that openness to experience, agreeableness and extroversion are positively correlated with hedonic shopping motives while emotional stability and conscientiousness are positively correlated with utilitarian shopping motive.

A study by Sinha (2003) concluded that there are distinct differences in orientation of Indian shoppers and shoppers in developed countries. His study on 300 shoppers in India showed that shoppers can be classified in two distinct categories : (1) Fun shopper who considered shopping as a form of entertainment and made unplanned visit to stores to gather information on new trends and (2) Work shopper who considers shopping as an activity which should be finished with least efforts. The orientation is influenced by type of store, frequency of buying and socio economic classification. The study also revealed that males are more oriented towards work shopping. Cluster analysis was used to classify the shoppers in different categories based on shopping motives. The paper emphasizes that retailers catering to fun shoppers

should have greater product variety and pleasing ambience so that shoppers are influenced to spend larger time in a store.

A similar study conducted by Venkateswarulu and Uniyal (2007) in Mumbai identified ambience, convenience, parking and service personnel as predominant factors for shopping in a mall. Hence we can infer that a combination of both, hedonic and utilitarian factors may play an important role while shopping. The utilitarian and hedonic motives also vary with nationalities. Haanpa (2005) carried out a study of Finnish shoppers and found that they preferred functional benefit over non functional benefits and preferred convenience over other shopping factors. A study by Kim et al (2002) revealed that consumers in China rated utilitarian factors higher than hedonic factors. A study on Korean consumers revealed that they gave equal rating to utilitarian and hedonic factors. The study was conducted for apparel / textile products where hedonic appeal plays a greater role (Miranda, 2009). However the motives would also depend on the product being purchased.

MOTIVES AND PRODUCT CATEGORIES

Products having a visibility in public or its consumption outcome having a manifestation in public has greater chance of being bought on hedonic appeal. For example, products such as furniture, clothes and cosmetics. The hedonic appeal varies for different product categories (Miranda, 2009). Yuvas (2001) studied the relation between store patronage motives and product purchase patterns in malls. The study included 24 patronage motives and 21 products related to clothing (men and women clothing), sports goods, toys, appliances, garden supplies, eyewear and home furnishings, furniture, gift items, ladies accessories, specialty foods, beauty salon and shoes. Correspondence analysis was administered to establish the link between motives and products. The results indicate that clothing for men, women and children (taken as three different products), ladies accessories and gift items were the most frequently purchased while furniture and garden supplies were the least purchased. Price competitiveness, courtesy of service personnel, cleanliness, merchandize quality, store variety, store atmosphere, security, presence of new fashion trends, ease of accessibility and parking facilities were given higher rating. However, this was a generalized survey across various age groups and no attempt was made to classify the motives into hedonic and utilitarian category

TIMING OF SHOPPING

Temporal perspective relates to timing of shopping. Timing of shopping plays a vital role in shopping behaviour. Anic and

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Radas (2006) have emphasized the importance of time in shopping and purchase outcomes. The study was carried out with a hypermarket retailer of Croatia using a sample size of 300 respondents in the age group of 35 to 45 years out of which 58 % were females and 42 % were males. The survey was carried out for six day period at different times of the day. The results of one way ANOVA indicated that there was no significant difference amongst early shoppers (those who shopped before 2 pm) and late shoppers (those who shopped after 2 pm) with respect to in the number of items purchased and money spent on shopping.

This was in contrast to the study by Nicholls, Roslow and Dublisch (1997) whose study indicated that early shoppers spent more money than late shoppers. Their study was carried out on a sample of 100 Hispanics, who are the residents of South Florida, USA and consistently shop in malls. 62 % of the respondents were females and 38 % were males. The median age of the respondents was 42 years. Travel time to the malls was taken as another perspective. They found that consumers who travelled for half an hour or more to visit a mall exhibited purchase behaviour.

Hence shopping time was taken into consideration to determine the shopping behaviour.

Based on the review of literature, the hypothesis was framed.

Significant research has been done on the shopping motives by various researchers. Apparel is a product which is bought for both, hedonic and utilitarian motives, hence it is selected for study. Based on evidence of research on shopping malls, the utilitarian motives chosen are

1. Variety - product and brand variety,
2. saving of money – reasonable price, promotional offers, membership offers
3. convenience – nearby location, one stop shop for all products
4. product quality - .durability, features, reliability.

The hedonic motives chosen are

1. service experience – helpful salesmen, fast billing,
2. status seeking - shopping for brands that fit status, shopping at stores that fit status

3. store environment – cleanliness, lighting, music, fragrance, merchandize presentation
4. shopping for recreation – shopping with friends, shopping combined with movie /eatery/other entertainment, to gather, relieve stress, information on new trends, diversion from routine work

These motives were found to be relevant with respect to apparel and hence they were chosen for study.

HYPOTHESIS

Ho : There is no significant difference in mean ranks of motives with respect to timing of shopping

H1 : There is significant difference in the mean ranks of atleast one shopping motive with respect to timing of shopping

RESEARCH METHODOLOGY

Secondary data was collected through research reports of McKinsey, NCAER (National Council for Applied Economic Research) reports, AT Kearney reports on retail, ICRIER (Indian Council for Research on International Economic Relations) report, newspaper articles, research journals and websites related to retailing associations. Mall intercept technique was used to collect the primary data from Pune and Mumbai. Among the metropolitan cities of Maharashtra, Pune and Mumbai have the largest number of malls (Cushman and Wakefield, 2009). These two cities also rank amongst the top eight metropolitan cities of India (Census of India, 2011). Malls having space of more than 1,00,000 square feet of space and footfalls of more than 15,000 on the weekends and more than 10,000 on the weekdays were identified for study. These malls house all the prominent stores and brands of the product categories under study.

The data was collected on weekends because the highest footfalls are on weekends. The respondents were intercepted at the reception / outside the mall and after ascertaining their age group, a structured questionnaire was administered to them. Questionnaires were also mailed to respondents who preferred to fill an online survey. Non probability purposive sampling was used. A total of 240 questionnaires were administered out of which 180 were found to be relevant. The sample age group selected was 18 to 29 years as 100 million people are in this age group (Census of India,2011) and account for largest group of the population spending in malls (McKinsey, 2008).

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Consumer responses were collected using an 8 point ranking scale, where 1 = most preferred and 8 = least preferred . Reliability of the data was tested using Kendall's W test. The hypothesis was tested using Kruskal Wallis test in SPSS 21. Both the tests are non parametric tests administered to ordinal data.

| | | |
|-------------------------|------|---|
| status seeking | 6.57 | 7 |
| shopping for recreation | 7.01 | 8 |

Exhibit 1

Kendall's W test

| Motives | Mean Rank | Rank order |
|---------------------------|-----------|------------|
| saving of money | 1.76 | 1 |
| product and store variety | 2.4 | 2 |
| Convenience | 2.69 | 3 |
| good quality products | 4.09 | 4 |
| good service experience | 5.56 | 5 |
| good store environment | 5.92 | 6 |

Kendall's W Test

Test Statistics

| | |
|--------------------------|---------|
| N | 181 |
| Kendall's W ^a | .694 |
| Chi-Square | 879.050 |
| Df | 7 |
| Asymp. Sig. | .000 |

a. Kendall's Coefficient of Concordance

TESTING OF RELIABILITY AND VALIDITY

The Kendall's W ie coefficient of concordance is 0.694 which indicates the reliability of the instrument ie questionnaire. The Chi square value obtained for Friedman's test was 879.050 at probability $p < 0.05$. Hence the data is suitable for testing divergent validity of the instrument.

Hypothesis testing

Exhibit 2

Kruskal-Wallis Test

| | Time_of_day | N | Mean Rank |
|---------------------------|-------------|-----|-----------|
| product and store variety | morning | 58 | 91.09 |
| | afternoon | 63 | 87.63 |
| | evening | 59 | 92.98 |
| | Total | 180 | |
| saving of money | morning | 58 | 90.02 |
| | afternoon | 63 | 91.06 |
| | evening | 59 | 90.38 |
| | Total | 180 | |
| convenience | morning | 58 | 91.57 |
| | afternoon | 63 | 90.19 |
| | evening | 59 | 89.78 |
| | Total | 180 | |
| good quality products | morning | 58 | 89.78 |
| | afternoon | 63 | 93.06 |
| | evening | 59 | 88.48 |
| | Total | 180 | |
| good store environment | morning | 58 | 87.39 |
| | afternoon | 63 | 95.14 |
| | evening | 59 | 88.60 |
| | Total | 180 | |
| good service experience | morning | 58 | 91.53 |
| | afternoon | 63 | 87.29 |
| | evening | 59 | 92.92 |
| | Total | 180 | |

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| | | | |
|-------------------------|-----------|-----|-------|
| status seeking | morning | 58 | 92.95 |
| | afternoon | 63 | 87.34 |
| | evening | 59 | 91.47 |
| | Total | 180 | |
| shopping for recreation | morning | 58 | 90.19 |
| | afternoon | 63 | 93.39 |
| | evening | 59 | 87.72 |
| | Total | 180 | |

Test Statistics^{a,b}

| | product and store variety | saving of money | convenience | good quality products | good store environment | good service experience | status seeking | shopping for recreation |
|-------------|---------------------------|-----------------|-------------|-----------------------|------------------------|-------------------------|----------------|-------------------------|
| Chi-Square | .369 | .016 | .055 | .496 | .908 | .517 | .435 | .453 |
| df | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Asymp. Sig. | .832 | .992 | .973 | .780 | .635 | .772 | .805 | .797 |

a. Kruskal Wallis Test

b. Grouping Variable: Time_of_day

Morning = 11.00 am to 2.00 pm, Afternoon = 2.01 pm to 5.00 pm, Evening = 5.01 pm to 9.00 pm

Kruskal Wallis test for independent samples shows that there is no significance difference in the mean ranks with respect to timing of the day for shopping at probability value $p < 0.05$. Hence the null hypothesis is accepted. It can be inferred from the analysis that inspite of aesthetic appeal and store ambience, the utilitarian motives are more important for product buying than the hedonic motives and these motives do not vary with timing of the day.

IMPLICATIONS FOR PRACTITIONERS

The introduction of FDI in retail will create intense competition amongst the domestic and global retailers. Hence it is important to understand the predominant shopping motives of consumers. The purpose of shopping is no longer confined to product buying alone as consumers want a good shopping experience coupled with recreation. The research will help retailers to understand the predominant shopping motives of consumers and design strategy around these motives in order to increase sales and profits for the retailers.

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