The Effects of Innovation in Product on Hedonic Perceived Value and Consumer Purchase Behavior

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Abstract

Nowadays to succeed in markets, understanding the consuming values of customers and their effects on consumer purchase behavior is a crucial matter. Due to the fact that consuming value is changing in nowadays markets and several segments of customer in terms of different consuming values, marketers should be sensitive toward different consuming needs and selecting product behavior in different segments. The present study investigate the effects of new collection product on hedonic value and consumer purchase behavior. A survey was administrated at Tehran, where 288 valid questionnaire collected. The findings of the study reveal that increasing in innovation of product have a positive effect on hedonic value. It also indicate that increasing in innovation of products cause increase the satisfaction of consumer and possible of repurchase.

Keywords: Hedonic Values, Consumer Purchase Behavior, Innovation in Product

1. Introduction

Nowadays we observe changing in values and cultures of the consumers.in the past consumer often loyal to a certain product or brand for their living need and they change that products in case they not feel satisfaction. Also dimensions related to hedonic value, fun, excitement were ignored. But in today competitive market, these values and expectations has changed. Nowadays hedonic value in product purchase for consumers has been crucial.

Good business is based on consumer behavior. A basic concept of marketing is to satisfy consumer behavior. This need can only be performed by marketers understanding of people who wants to buy their products and services (Solomon, 2002).

In the past, the researches on consumer behavior focused that consumers would make rational preferences; it was assumed that consumers have acted upon utilitarian motives and functional objectives. This traditional approach under the influence of the information processing view has been increasingly questioned by subsequent studies. Unregarded aspects in the traditional opinion are fantasies, feelings, and fun as is called the experiential view (Holbrook & Hirschman, 1982). Hence, besides utilitarian aspect of consumption as a work mentality, it has gained importance hedonic dimension of consumer behavior related to the multisensory, fantasy and emotive sights (Hirschman & Holbrook 1982, p. 92; Arisal & Comert, 2016).

Nowadays, customers go to retail stores is not just buying products, but also have pleasure experience of buying goods (Yusof et al., 2012). As a part of strategy selection for a retail, it is crucial for retailers to realize the factors that definitely important for customers and cause to increase customer's perceived shopping value (Permarupan et al., 2014; Mehmood & Hanaysha, 2015).

It is important for managers to consider the features which lead to competitive advantages for product but for consumers who are only interested features of product that satisfy their needs, therefore, presenting new product would be complex. Consumer perceive the new product value based on their attitude toward it. Hence, consumers' evaluation about creativity added to a new product would impress his/her judgment about value of a product which finally lead to impress his/her attitude toward it. (Lee et al., 2015).

To see what a customer wants during shopping, it is not only satisfaction of product features and quality of service, but also the values which obtain during shopping and consumption experience. It is pivotal for marketing management to create precious experience to content consumer needs and enhancing customer satisfaction in the process of offering products or services (Klein, 1998).

2. Theoretical Background and Conceptual Model

2.1 Innovation in Product

Innovation as a process contains different stages, it starts with exploration of new idea which is creating the scheme, and producing of beta versions for using it, and concluding with administrating of that idea (Kyffin & Gardien, 2009). The academic literature explains

innovation as an approach to creating an appropriate, simple, and flexible business model, which can serve the interests of managers or consumers in competitive market (Abernathy & Utterback, 1978; Darroch & McNaughton, 2002; Han, Kim, & Srivastava, 1998).

Raising the degree of creativity in new products is pivotal for growth and survival of a company, Also, creativity include in a new product presents values to customers which can turn to profit for the firm.

Based on Amabile's work (1983, 1988), the concept of new product creativity is the degree of a new product which is considered to be different from competitors' products. Therefore, new product creativity include some dimensions of innovation and meaningfulness (Lee et al., 2015).

The success of new product which contains creativity depends on the managers' ability to adjust some values which customers looking for it during product consumption or service usage experience (Foroudi et al., 2016).

Recently, some marketing scholars have been investigating creativity in the context of new product development (Im & Workman, 2004; Sethi et al., 2001) and marketing programs (Andrews & Smith, 1996).

Despite the general discussion that adding creativity to new product influence positively on profitability (e.g., Andrews & Smith, 1996; Moorman & Miner, 1997). Researchers have shown little interest in consumers' perspective of the creativity of new products and in particular, how consumer creativity and innovation evaluation impress perceived value or attitude toward a new product. However, due to the fact that the destiny of a new products depends on customer choice, assessment of how a consumer perceive creativity drive from a product should be crucial for experts (Lee et al., 2015).

Hence, H1 encapsulate the above discussion:

H1. Increasing innovation of product cause to increase the purchase of customer

2.2 Hedonic Value

The concept of "value" has proved to be an enduring endeavor for a wide range of philosophers and researchers (Babin et al., 1994). Experts and researchers have always been trying to provide a complete conception of value. A comprehensive literature review has specified a concept that perceived value is what a consumers attain for what they give, or the consumer's evaluation of the advantage that provided by a product or services for him/her (Ryu et al., 2010; Hanzaee & Rezaeyeh, 2013).

A wide range of researches has specified that consumption can influenced by hedonic or utilitarian values (e.g., Hirshman, 1986; Hirshman & Holbrook, 1982; Holbrook & Hirschman, 1984). Broadly, products or services which consumers use them could be classified to hedonic or utilitarian. Hedonic products are primarily consumed for sensory gratification and affective purposes (Woods, 1960) or for fun and enjoyment (Holbrook, 1986). Therefore, products or services considered as hedonic would cause emotional

stimulation (Mano & Oliver, 1993) with benefits that are assessed for the most part on aesthetics, taste, symbolic meaning, and sensory experience (Holbrook & Moore, 1981; Lim & Ang, 2008).

Consumers who stimulated by hedonic values, the most important part is experience (Babin et al., 1994). For these consumers, there is not a need to purchase but this experience should be pleasurable, but if purchase happen, this a result of experience. Hedonic values would contains a tendency for fun and evasion of stress (Babin et al., 1994; Childers et al., 2001; To et al., 2007) or a desire to do an appropriate deal and enjoying for bargaining (Babin et al., 1994; Anderson et al., 2014). According to Kesari & Atulka (2016): Shoppers with hedonic value consent with them environments, events and contests, food courts, gaming zone, music, aroma, seating space, and overall store atmospherics that make shopping experience more entertaining and exploring.

For consumer with hedonic value, the intention of immersing in the atmosphere of shopping environment and having pleasure and fun during purchase process or can be called as hunting is crucial (Chaung, 2015). Thus:

H2: there is a significant relation between hedonic value and purchase of consumer

2.3 Consumer Purchase Behavior

Consumer behavior refers to behaviors of consumers to search, purchase, use, evaluation and refuses the goods and services that they needed. Consumer behavior study how people decide to spend resources (Time, money, effort) in the related items of consumption (Schiffman & kanuk, 2014). To help managers in their decision making, offering an available knowledge base to marketing researchers, to analyze consumers, help legislators and regulators to establish rules related to the purchase of goods and services and finally help consumers to make better decisions for their purchase. Moreover, studying consumers can help us to understand those social factors that affect human behavior (Gholami et al., 2016).

2.4 Customer Satisfaction

According to Oliver (1997) satisfaction could be defined as a judgment about characteristics of a product or service which provides enjoyable consumption relevant to accomplishment. Therefore, Satisfaction can be considered as a reaction to perceive and assess the experience of a consumer. Moreover, satisfaction of a consumer can be considered as alternation of his/her attitude which is caused by the experience of consumption (Jiu & Da, 2009). Hunt (1977) defined customer satisfaction as assessment of consumption experience at the minimum level of appropriateness which assumed to be (Ryu et al., 2010; Hanzaee & Rezaeyeh, 2013). thus:

H3: With increasing in innovation of product, customer satisfaction will be increased.

2.5 Customer Repurchase

The concept of repurchase and the factors influencing it has been investigated by many scholars**.** Repurchase can be considered as a consumer purchase behavior to purchase of the

same product or using a similar service which purchase or use before more than one time. Consumers, for the most part, purchases are potential repeat purchases (Ibzan et al., 2016).

Consumers frequently purchase resembling products from similar salesmen, and their buying behavior demonstrate a series of events instead of an event. Retention is another common term for repurchase (Zineldin, 2006), which is considered to be one of the most important variables in relationship with marketing (Fullerton, 2005).

H4: With increasing in innovation of product, the possibility of customer repurchase will increase.

3. Methodology

This paper presents results of the research study monitoring adoption of new product among different age groups and their impact on consumer behavior, specifically on purchasing process. Data, which formed the basis for the analysis, were gathered in 2017. In order to test the hypothesis, researchers visited two most popular shopping malls located in west district of Tehran for data collection. The first one, Tiraje is of largest shopping center in wet of Tehran housing more than 100 international brands under one roof. This shopping mall facilitate 3 restaurants, family entertainment center. The second is Bostan which host more than 120 Iranian brands.

The researcher has distributed the questionnaire near the selected shopping mall exits to collect the primary data. The questionnaires has administrated by applying convenience sampling method (a type of non-probability sampling) to the respondents who are more convenient to answer the questions, Altogether, 500 questionnaire has distributed and 315 of them given back by respondent during February-April 2017, albeit only 290 of the questionnaires were completely and could be evaluated on the basis of structural equation modeling analysis. Questionnaire items were developed based on those used in previous studies. The questionnaire consisted of four section: Innovation of product (four questions), perceived hedonic value (six question), customer satisfaction (six question) and repurchase intention (four questions), and demographic information (five questions) (table 1).All the items in sections were measured on a five-point Likert-type scale ranging from one (strongly disagree) to five (strongly agree).

Table 1. Demograghic breakdown of respondent

category	N	Percentage
Sex		
Male	122	42.06
Female	168	57.94
Age		
15-21	75	25.86
22-28	122	42.06
29-35	46	15.86
36-42	32	11.03
More than 43	15	4.55
Occupation		
Self-employed	56	19.31
Service	122	42.06
Student	75	25.86
Unemployed	20	6.89
Other	17	5.88
Income		
0-1000000(INT)	43	14.53
1000000-200000(INT)	61	21.03
2000000-300000(INT)	122	42.06
3000000-400000(INT)	35	12.06
>4000000(INT	29	10.33

Validity and reliability of this instrument was evaluated. An inventive method for evaluating content validity was invented by C. H. Lawshe. This method measures the degree of agreement between evaluators or referees on the appropriateness or relevance of a particular item.

Table 2. Number of CVR for validity of instruments

Factor	Coefficient of CVR
Innovation of product	0/85
Hedonic value	0/67
Customer satisfaction	0/71
Repurchase intention	0/67

For the number of 15 experts, at least this coefficient is 0/49 and, as shown in Table 2,

For all variables, the CVR value is higher than 0/49. So it can be said that the questions have the necessary content validity.

To ensure the reliability of each factors, a pilot study administered, it was used by sample of 60 customer. A reliability test has administered to evaluate the stability and consistency of all the measurement. This test was applied to evaluate the concordance of the scales in this project. A questionnaire has reliability if Cronbach alpha is more than 0/7. Whatever the

number is closer to 1, the questionnaire has a higher reliability.

Table 3. Cronbach alpha for reliability of factors

Factor	Number of question	Pre-test Cronbach alpha	Final test Cronbach alpha
Innovation of product	4	0/719	0/826
Hedonic value	6	0/771	0/819
Customer satisfaction	6	0/744	0/759
Repurchase intention	4	0/865	0/854

4. Measurement Model

Previously organizing structural equation modeling (SEM), the consideration model has evaluated. The items were subjected to a confirmatory factor analysis (CFA) with a four-factor measurement model using maximum likelihood estimation. The statistics demonstrate that the measurement model fit the data reasonably well. All of the fit indices were acceptable (RMR = 0.15; SRMR = 0.09; GFI = 0.91; NFI = 0.94; NNFI = 0.92; IFI = 0.95; CFI = 0.96; ECVI = 0.60 [for present model, least 0.52); RMSEA = 0.05]. The standardized factor loading were at the appropriate level ($p < 0.01$). All of the correlation coefficients between the constructs were significant at 0.01 level. Hence, the importance of correlations between variables has demonstrated (Tables 4 and 5).

Table 4. Confirmatory factor analysis

Construct	Questions	Standardized factor loading	Standardized Deviation	T-test	P-value
Innovation in product	IP1	0.81	0.05	10.45	0.01
	IP2	0.75	0.05	10.43	0.01
	IP3	0.75	0.05	11.20	0.01
	IP4	0.59	0.046	9.87	0.01
Hedonic value	HV1	0.39	0.054	10.37	0.01
	HV2	0.83	0.045	9.35	0.01
	HV3	0.30	0.051	8.68	0.01
	HV4	0.35	0.05	11.82	0.01
	HV5	0.54	0.049	8.95	0.01
	HV6	0.54	0.049	11.25	0.01
Customer satisfaction	CS1	0.85	0.041	8.90	0.01
	CS2	0.80	0.043	10.86	0.01
	CS3	0.83	0.043	11.86	0.01
	CS4	0.70	0.043	12.2	0.01
	CS5	0.81	0.046	7.98	0.01
	CS6	0.70	0.043	10.49	0.01
Repurchase intention	RI1	0.70	0.046	11.35	0.01
	RI2	0.84	0.02	12.06	0.01
	RI3	0.77	0.045	13.56	0.01
	RI4	0.85	0.041	10.87	0.01

Table 5. Measure correlation

Measure	Innovation of product	Hedonic Value	Customer satisfaction	Repurchase Intention
Innovation of product	1.00 -			
Hedonic Value	0.62 (13.93)	1.00 -		
Customer satisfaction	0.82 (28.10)	0.75 (32.36)	1.00 -	
Repurchase intention	0.74 (18.25)	0.63 (30.3)	0.60 (23.28)	1.00 -

5. Structural Model

Maximum estimation method has administrated for structural analysis. Overall, the indicators demonstrated an adequate model fit (df = 89, p < 0.001; RMR = 0.045; SRMR = 0.033; ECVI = 0.68 [for present model, least 0.61]; RMSEA = 0.038; GFI = 0.91; CFI = 0.96; NFI = 0.94; NNFI 0.92; IFI = 1.00). The relationship between hedonic value and customer purchase was significant (coefficient = 0.42, t = 5.65, p = 0.01), and the linkage between innovation of product and customer purchase was also significant (coefficient = 0.27, t = 3.18, p = 0.01), supporting H1 and H2. Innovation of product was also found to have significant relationships with customer satisfaction, supporting H3 (coefficient = 0.25, t = 3.45, p = 0.01). Finally, innovation of product was has influenced positively with repurchase intentions, supporting H4 (coefficient = 0.189, t = 5.06, p = 0.01). The meaning of this finding is that increasing innovation of product levels is necessary to enhance their intentions to recommend and revisit the store (Table 5 and Figure 2).

Table 6. Structural parameter estimated

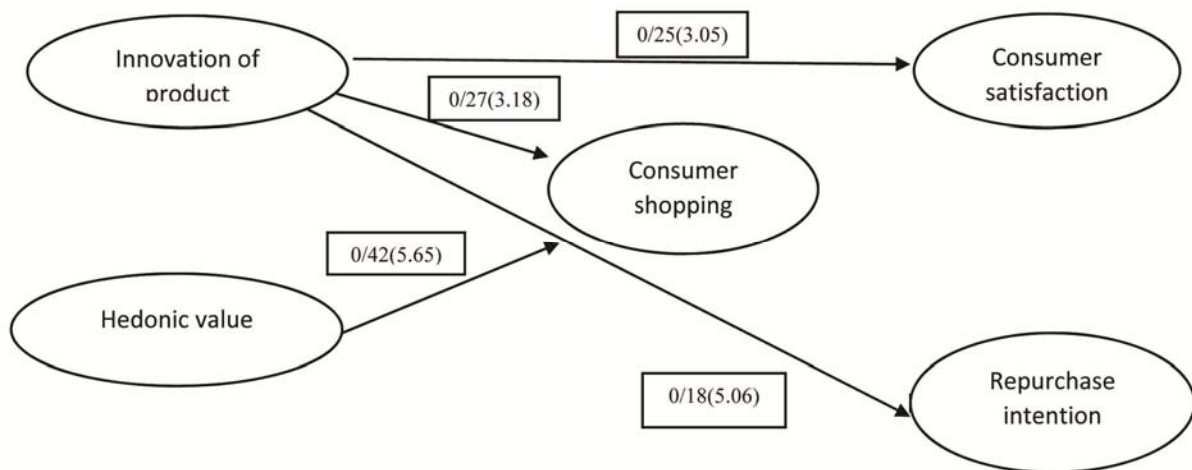| Hypothesis	Coefficient	T-value	Result
Innovation in product ⟶ (+)customer purchase	0.27	3.18	Supported
Hedonic Value ⟶ (+)customer purchase	0.42	5.65	Supported
Innovation in product ⟶ (+)customer satisfaction	0.25	3.05	Supported
Innovation in product ⟶ (+)Repurchase intention	0.18	5.06	Supported

Figure 2. Results of the structural model

6. Discussion

This study examine the relationship between innovation of product and hedonic value on consumer behavior. Although a few study examine these factors exist in Iran, but the results of the study in line with various study in other authors such as Kesari & Atulkar (2016), Im et al. (2015). This research tries put step forward on previous research which have concentrated on consumer shopping value and satisfaction (Babin et al., 1994), hence, this study provide finding which demonstrate the significance relationship between consumer shopping value and satisfaction and repurchase intention . While shopping from malls customer not only get product satisfaction, but also cause the customers enjoy the shopping experiences (Westbrook & Black, 1985). This study shows that the decision of shopping by the customer at shopping mall is influenced by various factors.

The study prove the relationship between customer hedonic value and customer satisfaction as cited in Kesari & Atulkar (2016) study.

As the study investigated the relationship between innovation in product and customer purchase behavior, previous studies has noted the significance of initiative in product in the process of success of new product. Therefore, Im & Workman (2004) novelty dimension in product, influences the success of new products. The research of Im & Workman (2004) present the importance of new product in terms of manager view not the consumers. Their research focus on concept of new product creativity by concentrating on consumer understanding of innovation and due to the fact that consumers are ultimately decide about the new product adoption.

As cited in Im et al. (2015) study, novelty in products novelty in product affect hedonic value, which is similar to the result of present study that innovation in product has positive relationship with hedonic value.

7. Limitations and Suggestion for Future Research

This study focus on influence of innovation of product and hedonic value on consumer purchase and all the factors and the related items are derived from previous studies reorganized by the authors. As with any study, there are some limitations to the generalizability of the findings.

This study focus only on to shopping mall and one city (Tehran) and the results cannot be generalized as we have taken only one city into consideration. On the other hand there are a lot of consumer with utilitarian value who cares factors such as monetary saving, selection, convenience and customized products during shopping which has not been considered in this research.

Future research could focus on a comparison between Iranian consumer and western consumer with regard to influence of hedonic value and innovation of product. On the other hand the factor of pricing could be considered in future study.

The future researchers could focus on these factors on internet shopping store and have a comparative research retail and physical store.

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