# 'Get versus give': Understanding Consumer Perceived Value for Durables Purchase

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**Abstract- Consumers have diversified need and desire towards products purchase. Consumer perceived value has recently become a significant aspect needed to be understood well by retailers. It is considered as a key element to sustain business in extensive competition. Perceived value is imperative prerequisite for business sustainability and marketer's key to success. Perceived value found to be key motivator for consumer purchasing durables. The research try to focus on four distinct, value dimensions (determinants) termed functional, emotional, social and monetary. Through this study an effort is made to find significance of value dimension on consumer purchase decision. Responses of 230 respondents were collected through structured questionnaire; validity and reliability tests and multiple regression analysis had been conducted. The result reveals that the considered value dimensions have significant impact on durable purchase. The research assists marketers in framing strategies and business plans. Future researchers can focus on considered and other directions to improve academic and professional knowledge around the complexity of attributing value towards durable purchase.**

*Keywords:  Consumer, Durable, Multiple Regression, Perceived Value, Purchase Decision & Retailer*

## I. INTRODUCTION

Durables are the goods which generally have a lifespan of five or more years thus customers considers all the marketing and non-marketing factors while making decision for purchase. The increasing disposable income, easy finance option, upgrading technologies exaggerated demand for durables in the market making competition stiffer for the companies selling durables goods. In India the key players for durable goods includes Godrej, Voltas, Hitachi, Samsung, LG, Videocon, Blue Star, Whirlpool, Carrier and many more. When consumers get multiple brands in the market they compare them on the bases of value associated with the product. Value which the consumers perceive is one of the key motivator towards purchase. But it is difficult to know the value criteria for the product; the better the perspective the more satisfied is the consumer. Thus the concept of consumer's perceived value does not only result in creating more satisfied customer but also repeat purchase.[2] The study focuses on four significant dimensions of perceived value which includes functional, economic, monetary and social and their influence on purchase decision of consumers.[1]

### A. Objectives of the Study

The following objectives have been designed for the study:-

1) To understand perceived value and its determinants.
2) To know relationship between determinants of perceived value and durable purchase.
3) To identify significant determinant of perceived value and its influence on durable purchase.

### B. Development of Hypothesis Research Hypothesis

Following hypothesis has been framed in the study:

**$H_1$: Functional value has significant influence on durable purchase**

**$H_2$: Emotional value has significant influence on durable purchase**

**$H_3$: Monetary values has significant influence on durable purchase**

**$H_4$: Social value has significant influence on durable purchase**
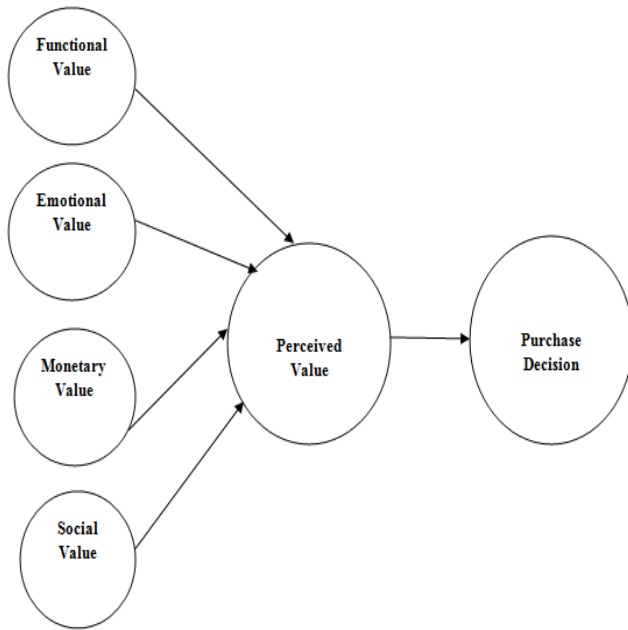
### C. Conceptual Framework

**Fig.1. Conceptual Model**

## II. REVIEW OF LITERATURE

According Engel, Blackwell and Miniard (2002) Consumers Decision Process (CDP) expressed through their model which describes that decision making is a roadmap of consumer's mind that marketers and managers can use for product mix, communication and strategies.

The studies on perceived value gave valuable insights towards purchase decision. Consistently researchers are trying to explore more as perceived values is one of the parameter for buying as it provides benefit in terms of cost. The term value has been expressed in various context. Rokeach (1973) [3] expressed value as long term beliefs that particular end states of existence are personally or socially preferable to other states. Gale, Klavans and Richard (1985) [4] described value in marketing perspective that it is expressed in terms of relationship between price and quality. Sheth, Newman and Gross (1991) [5] and later supported by Clift (1997) [6] who gave diversified definitions of value which included functional value, social value, emotional value, epistemic value and conditional value dimensions in it. Lindgreen, A., & Wynstra, F. (2005) [7] Grönroos & Voima, (2013) [8] these researchers stated that there are differential approaches as what value means in theoretical and in applied studies for the consumers.

Zeithaml, (1988) [9] Perceived value described in terms of four attributes, it includes value is low price, value is whatever I want in the product, value is quality I get from the product and value is what I get when I give. Summarizing these attributes eventually gives the concept of perceived value which is defined as the consumer's overall assessment of utility of product on the bases of what is given and what is received. However these factors vary among each consumers.

Zeithaml (1988), Ravald and Grönroos (1996) [10] and Woodruff (1997) [11] stated that value perceived are comprehensive and high construct procedure developed in many researches associated with customer desires. Zeithaml (1988),explained that perceived value is an complete analysis made by consumers thinking the product utility, on the bases of their view of what they get (benefits) and what they give (sacrifices) for gaining benefits. Ravald and Grönroos (1996) extended the study of Zeithaml (1988) by connecting benefits gained from the product with the sacrifices made by the consumer. For the authors, it is the frequency of these act and the effects of maintaining a relationship which creates a value episode. The researchers also stated that the value of the relationships is very important as value dimensions play a significant role in buying decision. He also analyzed and distinguished between various attributes of value as accordingly customer perception will be framed thus leading to product purchase.

Sweeney and Soutar (2001) [12] adopted multidimensional model of four dimensions to determine customers' perceived values for products or services. Emotional values are the utility derivative from feelings or affective states associated with product/service. Social value is the utility resultant from the product's or service's ability to stimulate social self-concept. Basically there were 19 items that revealed a stable structure of the four dimensions: emotional, social, functional (value-for-money), functional (performance/quality).

Lim, H. J., Widdows, R. and Park, F. (2006) [13] suggested a framework for evaluating customers' perceived values for products or services which was given by Sweeney and Soutar (2001) in context with purchase of mobile services. According to their study, three value dimensions – economic, emotional, and social values were found to be most relevant towards mobile services. Economic value is related to perceived economic benefits received by users of mobile phone services in comparison to the monetary cost of the services. McDougall and Levesque (2000) [14] and Chen (2003) [15] and many other researchers identified significant role of consumers' perceived monetary value towards customer satisfaction and their post decisions.

## III. DATA AND METHODOLOGY

The purpose of the study is to access the determinants of perceived value affecting purchase decision of consumers residing in chhattisgarh state. This objective has been followed by examining the effect of functional value, economic value, monetary value and social value on purchase decision towards durables.

### A. Research Approach and Design
Quantitative research approach which is based on existing knowledge and theories has been adopted to explain the phenomena and test the concept in the study. Descriptive research design has been adopted which is concerned with

describing the characteristics of a particular individual or group as the research examines the impact of determinants of perceived values on consumer purchase decision for durable thus found to most appropriate. Through Descriptive research design effect of independent variables (determinants of perceived variable) towards dependent variable (purchase decision) was studied.

## B. Sampling and Data Collection

For the study, the target population constitutes the consumers residing in state of chhattisgarh who possesses durable goods. All the consumers of durable who purchase the products considering the value (perceived value) associated with it, are sampling element for the research. Non- probability sampling technique was adopted, further among its various types, purposive sampling design was considered, as the consumers who purchase durable taking into account perceived value were approached for the study. A Sample of 230 respondents were approached to fill the questionnaire, out of which 209 were received back and found to be complete in all aspects. For the purpose of research both primary and secondary sources of data was considered. Primary data was collected through structured questionnaire from the respondents of chhattisgarh state. The secondary data was collected from the past published literature from books, magazines, reports and websites.

## C. Instrument Development

As the study was conducted at chhattisgarh state of India thus the sample includes consumers who purchase durables considering perceived value associated with the product. The Research Instrument was designed to collect data from respondents. The respondents were categorized as among both male and female to avoid gender biasness. The questionnaire consists of various sections concerning questions related to dependent variable, independent variable and demographics details. 5-Point Likert Scale, where, 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree and 5 = Strongly Agree was used for measurement. Descriptive research design was adopted to find the effect of independent variables (determinants of perceived variable) towards dependent variable (purchase decision).

## D. Demographic Profile

The demographic profile describes that the respondents of age group 26 to 40 years were 55.5%. The male respondents were 86.6% and 13.4% as females. The respondents were mainly belonging to service class 48.8% .It was found that the income level of respondents were between 2.0 lakhs to 4.0 lakhs (49.3%).

| Demographic Profile of Respondents | | | | |
|---|---|---|---|---|
| Item | Description | Frequency | Per Cent (%) | Cumulative Percent (%) |
| Age (in years) | Below 25 | 12 | 5.7 | 5.7 |
| | 26 to 40 | 116 | 55.5 | 61.2 |
| | 41 to 55 | 69 | 33 | 94.3 |
| | 55 and above | 12 | 5.7 | 100 |
| | Total | 209 | 100.0 | |
| Gender | Male | 181 | 86.6 | 86.6 |
| | Female | 28 | 13.4 | 100 |
| | Total | 209 | 100.0 | |
| Occupation | Business Man | 69 | 33 | 33 |
| | Service Class | 102 | 48.8 | 81.8 |
| | Professional | 28 | 13.4 | 95.2 |
| | Household | 12 | 4.8 | 100 |
| | Total | 209 | 100.0 | |
| Annual Income (in lakhs) | below 2 Lakhs | 0 | 0.0 | 0 |
| | 2.0 to 4.0 | 103 | 49.3 | 49.3 |
| | 4.0 to 6.0 | 84 | 40.2 | 89.5 |
| | 6.0 and above | 22 | 10.5 | 100.0 |
| | Total | 209 | 100.0 | |

**Table1. DEMOGRAPHIC PROFILE**

### D. Reliability and Validity

**Factor Analysis**

The reliability and validity of the data tested through Factor analysis using Principal Component Method. The outcomes on the rotated component matrix show that (Table 2) all the components are valid, as they have been properly loaded on identified factors and thus, reflect that all the factors and their components are valid and can be tested further.

| S.No | Factor/Item | Factor Loading |
|---|---|---|
| 1. | Purchase Decision | |
| i) | For me, it is important to make right choice of the product | 0.927 |
| ii) | It is the part of my value system to shop around for the best buy | 0.913 |
| iii) | While purchasing products available in the market I care which product to buy | 0.941 |
| 2. | Functional Value | |
| i) | It is reliable to buy durables | 0.449 |
| ii) | Durable purchase fulfils my needs well | 0.712 |
| iii) | Durable purchase performs good functions | 0.755 |
| 3. | Emotional Value | |
| i) | It makes me feel good when I buy durables. | 0.723 |
| ii) | Durable buying gives me pleasure | 0.877 |
| iii) | Buying durables is enjoyable | 0.872 |
| 4. | Monetary Value | |
| i) | Durables are reasonably priced | 0.868 |
| ii) | Buying durables offers value for the money | 0.882 |
| iii) | The price of durables is economic | 0.883 |
| 5. | Social Value | |
| i) | Durable buying makes good impression on other people | 0.749 |
| ii) | Buying durables gives me a social approval | 0.608 |
| iii) | Durable buying improves the way I am perceived by others. | 0.826 |

**Table 2. FACTOR ANALYSIS**

**Cronbach's Alpa Coefficient**

Hair et al. (2010) [16] considered the values given by Flynn et al. (1994) that the Cronbach's Alpha value of 0.6 and above shows effective reliability for judging the scale. For the instrument adopted in the study, Cronbach's Alpha Coefficient was found to be 0.776 (Table 3), which states that the constructs of the research instrument are reliable.

| Reliability Statistics | | |
|---|---|---|
| **Cronbach's Alpha** | **Cronbach's Alpha Based on Standardized Items** | **N of Items** |
| .774 | .776 | 15 |

**Table 3. CRONBACH'S ALPA COEFFICIENT**

**F.   Correlation and Regression Analysis**

The correlation analysis was conducted to check the association between determinant of perceived value and purchase decision. The result obtained shows the positive significant relationship among each other.

| Correlations | | Y | X1 | X2 | X3 | X4 |
|---|---|---|---|---|---|---|
| Pearson Correlation | Y | 1.000 | .217 | .164 | -.093 | .250 |
| | X1 | .217 | 1.000 | .230 | .120 | .183 |
| | X2 | .164 | .230 | 1.000 | -.145 | .285 |
| | X3 | -.093 | .120 | -.145 | 1.000 | -.029 |
| | X4 | .250 | .183 | .285 | -.029 | 1.000 |
| Sig. (1-tailed) | Y | . | .001 | .009 | .091 | .000 |
| | X1 | .001 | . | .000 | .042 | .004 |
| | X2 | .009 | .000 | . | .018 | .000 |
| | X3 | .091 | .042 | .018 | . | .338 |
| | X4 | .000 | .004 | .000 | .338 | . |

**Table 4. CORRELATION ANALYSIS**

The regression analysis was conducted stepwise to study the most contributory explanatory determinant among the perceived value that best predict consumer's purchase decision. All the obtained models are statistically significant at 5% level of significance, out of which the model containing the factors $X_1$ (Functional Value) and $X_4$ (Social Value) found to be the best fit (Table 7) in the study. The determinants successfully established statistical relationship with purchase decision.

| Model Summary[b] | | | | | |
|---|---|---|---|---|---|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
| 1 | .327[a] | .107 | .089 | 1.205898394613351 | 1.926 |
| a. Predictors: (Constant), X4, X3, X1, X2 | | | | | |
| b. Dependent Variable: Y | | | | | |

**Table 5. MODEL SUMMARY**

| ANOVA[a] | | | | | | |
|---|---|---|---|---|---|---|
| Model | | Sum of Squares | df | Mean Square | F | Sig. |
| 1 | Regression | 35.327 | 4 | 8.832 | 6.073 | .000[b] |
| | Residual | 295.201 | 203 | 1.454 | | |
| | Total | 330.528 | 207 | | | |
| a. Dependent Variable: Y | | | | | | |
| b. Predictors: (Constant), X4, X3, X1, X2 | | | | | | |

**Table 6. ANOVA**

| Linear Regression Analysis | | | | | | |
|---|---|---|---|---|---|---|
| Coefficients[a] | | | | | | |
| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 1.413 | .447 | | 3.162 | .002 |
| | X1 | .322 | .124 | .181 | 2.606 | .010 |
| | X2 | .065 | .091 | .051 | .714 | .476 |
| | X3 | -.132 | .089 | -.101 | -1.492 | .137 |
| | X4 | .327 | .115 | .199 | 2.854 | .005 |
| a. Dependent Variable: Y | | | | | | |

**TABLE 7. LINEAR REGRESSION ANALYSIS**

## IV. RESULT AND DISCUSSION

| Hypothesis Testing | | |
|---|---|---|
| Hypothesis | Statements | Outcome |
| $H_1$ | Functional value has significant influence on durable purchase | Accepted |
| $H_2$ | Emotional value has significant influence on durable purchase | Rejected |
| $H_3$ | Monetary values has significant influence on durable purchase | Rejected |
| $H_4$ | Social value has significant influence on durable purchase | Accepted |

**Table 8. HYPOTHESIS TESTING**

The study tried to investigate the relationship between determinants of perceived value and purchase decision towards durables. After undergoing statistical tests it was found that there is significant relationship between predictor and criterion variable. Further the relationship between predictor and criterion variables was studied through multiple regression analysis technique (SPSS Ver. 21). The reliability and validity proved the adequacy of the measurements. To test the reliability and validity of the data, factor analysis and cronbach alpha coefficient techniques were adopted. Considering the determinants of perceived value hypothesis were framed which further analyzed statistically thus resulted in acceptance of hypothesis $X_1$ and $X_4$ and rejection of $X_2$ and $X_3$ hypothesis (Table 8). Thus it can be interpreted that among the various determinants of perceived value, emotional and monetary values were identified as negatively associated while functional and social values were positively associated. Thus the consumers highly considers functional and social values while purchasing durables.

## V. LIMITATIONS AND SCOPE FOR FUTURE STUDY

As the research was restricted to Chhattisgarh region (a central state of India) thus the finding restricted to a particular area which can be further extended to other areas in future studies. The study investigated influence of determinants of perceived values with respect to durables goods which can further extended for other categories of goods. The outcome of the present study can be useful for conducting future research with same or other demographic variations and differential segments and product categories. The research can assist the business precisions, entrepreneur, retailers and other related marketing personnel in designing strategies which can increase the footfalls and purchase intentions. Efforts should be made by marketers in making clear demarcation of value dimensions. Retailers may take corrective actions based on the findings of the study for providing added benefits for their products. This will serve as a platform that will lead to the sustained confidence of the consumers and will lead to further purchasing.

## VI. CONCLUSION

Perceived value is one of the important marketing factors which need to be considered by the retailers in the present era. The present study attempted to determine the effect of perceived value determinants (functional value, economic value, monetary value and social value) on durable purchase decision among consumers of chhattisgarh state of India. The determinants of perceived value had varying effect on purchase decision. After applying statistical test (Multiple Regression) it was revealed that only two dimensions (determinants) were significant for durable purchase and the other two were insignificant. The result proves that functional and social value had significant influence on durable purchase while emotional and monetary values were insignificant. Thus the value dimensions may stimulate the sales of durables.

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