Hedonic Consumption Mediating the Relationship between Consumer Psycho-Demographic Characteristics and Consumer Adoption of Innovation

Azza El Borsaly
Emirates College of Technology
Abu Dhabi, United Arab Emirates
azza.borsaly@ect.ac.ae

Abstract--**The study explores how consumers react differently when companies introduce new products. The study focus on the hedonic consumption as an approach for consumer behavior. It examines the demographic and psychographic characteristics that illustrate consumer hedonic consumption. The study employs VALS framework to understand consumer reaction and propensity to innovation and adopts Rogers' five steps framework (1) to clarify consumer adoption to innovation. The statistical sample consists of 420 UAE consumers drawn randomly from the market and universities and colleges. The results indicate that some demographic and psychographic characteristics have significant relationship with consumer hedonic consumption and new product adoption.**

Index Term: Consumer innovativeness, Consumer adoption of innovation, Hedonic consumption, Consumer characteristics.

I. INTRODUCTION

With the tremendous increase of brands and the dissemination of new products, services and technology, innovativeness has become an important research issue within the consumer behavior literature. Innovativeness is defined as "The degree to which an individual is relatively earlier in adopting new ideas than the average number of his social system (2). The success of innovation depends on consumer innovativeness because innovativeness introduces the innovation to the social system (3). Previous research handled consumer innovativeness from variety of perspectives. Innate innovativeness consider the concept as a personality trait (4).

Domain -specific innovativeness relates the concept to a specific domain of interest (5). Vicarious innovativeness which focus on the adoption of the product concept (6). This study will handle innovativeness from the previous perspectives and puts more emphasis on the behavioral perspective of innovativeness using VALS framework (Values and Lifestyle framework) that deals with the act of adoption (7).

This study tries to find out the relationship between consumer characteristics and consumer innovativeness and adoption to innovation. When companies launch their innovations, they hit a consumer latent need. For effective marketing message, identifying innovators is essential for appropriate segmentation and market analysis. Innovators play a major role in the adoption process, as well as, they accelerate the diffusion and penetration of innovation in the society (8). Hedonic consumption has been an important field of research that reflects consumer-product relationship (9), (10). Due to the tremendous increase in brands, products and services, and the changing characteristics of consumers, hedonic dimension of consumption has been progressively growing its importance (11). Hedonic innovativeness is defined as "the drive to adopt innovations for hedonic reasons, i.e, to enjoy the newness of the product (12).

II. HEDONIC CONSUMPTION (HC)

Hedonic consumption is described as " those facets of consumer behavior that relate to the multisensory, fantasy, and emotion aspects of one's experience with products (13).Hedonism is a philosophy considering pleasure reflects the meaning of life. It is really important for marketers to understand what motivate consumers towards making their decisions to buy the different products and services. Hedonic behavior represents an approach of how consumers go through the adoption process.

Many consumption activities produce both hedonic and utilitarian outcomes (14).The hedonic perspective assumes that shopping is an entertainment, fun, fantasy, and enjoyment acquired from the shopping process itself (15) Hedonic shopping value is viewed as a positive experience where consumers enjoy an emotionally satisfying experience related to the shopping activity, regardless of whether or not a purchase is made(16). An essential component of hedonic consumption is pleasure (17). Hedonic consumption behaviors have positive effects on the desire to purchase (18). The level of the hedonic behavior varies according to consumers characteristics (19).

One study has reflected the importance of entertainment in retailing strategies (20). The study determined six factors of hedonic shopping motivation: adventure shopping motivation

IJBAMR

gratification shopping motivation, role shopping motivation, value shopping motivation, social shopping motivation and idea shopping motivation (21). As in (22) the authors find out a relationship between consumer innovativeness and hedonic consumption. The authors further add that consumers with hedonic consumption values can adopt to innovations in a shorter period of time. Hedonic consumption which is based on the consumer's feelings, emotions, and fantasies is completely different from the rational or utilitarian way of making buying decisions (11).

III. CONSUMER CHARACTERISTICS(CC)

Research demonstrates that the adoption of innovation depends on both the innovation itself and on consumers who adopt or reject such an innovation (23), (24), (1). This study describes the consumer characteristics related to the adoption of new products and services. The study will examine consumers lifestyles as a psychographic dimension and some demographic dimensions such as education, income, age, gender, and marital status related to the tendency to buy new products. The VALS framework presents eight segments of consumer based on consumers values and lifestyles:

1) Innovators(Inn),
2) Thinkers(Thi),
3) Believers(Bel),
4) Achievers (Ach),
5) Experiencers(Exp),
6) Strivers(Str),
7) Makers(Mak), and
8) Survivors (Sur).

Because the study focuses on the hedonic consumption, it will exclude the thinkers and believers segments of VALS framework who focus on rationality and functionality when making their buying decisions.

IV. CONSUMER INNOVATIVENESS (CI)

Innovativeness is defined as a willingness to try new things (25).According to (26) the authors illustrate that "the concept of consumer innovativeness refers to inter individual differences that characterize people's responses to new things". Four approaches related to the concept of innovativeness are employed. Innate innovativeness, domain specific innovativeness, vicarious innovativeness, and behavioral innovativeness.

Based on the definition that sees that personality traits are considered as prerequisites of innovation, Innovativeness is defined as "the degree to which an individual makes innovation decisions independently of the communicated experience of others"(4). Many empirical researchers consider this perspective of innovativeness as consumer innate innovativeness (CII) (27),(28). Other researchers found that innovativeness has to be considered in a certain product category (29). According to (5)the authors defined domain specific innovativeness (DSI) as " the tendency to learn about and adopt innovativeness(new products) within a specific domain of interest". Authors provided the literature of innovativeness with another concept that refers to vicarious innovativeness (VI) (6). It refers to the acquisition of information related to innovation which reflects to the adoption of the product concept not to the adoption of the product itself. Consumer may gather information through different ways: first, by gathering information through advertising which refers to the extent the consumer is exposed to advertising and articles about new products before making his decision to buy. Second, by word of mouth which refers to the extent to which the consumer talks about new products with people who buy and consume new products.

Third, by modeling which refers to the extent the consumer observes others who own these new products (30). Regarding the behavioral view of innovativeness authors aver that it is characterized with the act of adoption(27). They further explained that consumers are described as innovators or not depending on their adoption to the innovation. Consumer decision to buy new products is the focal interest for this perspective. The authors added that the degree of innovativeness buyers possess is related to how quickly they adopt the new product after being exposed to it. The author's state that the time-based approach emphasizes the external rewards (utilitarian and symbolic) offered to consumers at each successive stage of the product-market life cycle. Consumer behavioral innovativeness BI reflects consumers' patterns of acting and interacting to the world regarding his AIO (Activities, Interests, Opinions). From the perspective that shopping represents a psychological phenomenon more than an economic one, consumers are following the hedonic way of consumption when making their buying decisions.

V. CONSUMER ADOPTION OF INNOVATION(CAI)

Buyers may pass quickly or slowly through the stages of the adoption process(31) There are two research approaches related to market penetration, the first refers to the diffusion process as a macroeconomic concept and the second refers to the adoption process as a microeconomic concept (32). The diffusion process as a communication process transmits innovation and its benefits to consumers in the social system (33). This study focuses on the second approach of research that deals with the adoption process. The adoption process is defined as" the mental process through which an individual passes from first learning about an innovation to final adoption"(31).The adoption is the decision by an individual to become a regular user of the product(1).

According to Rogers five stages of the decision-innovation process (1) consumers go through the five following steps: 1) Knowledge that explains to what extent a person is aware of a new product and to what extent he has information of how it works. 2) Persuasion that reflects if a person shape a favorable or unfavorable attitudes towards the new product. 3) Decision that indicates the activities a person may engage in and lead to

IJBAMR

accept or reject the new product. 4) Implementation which refers to the action a person take to buy the new product.5) Confirmation that clarify a person evaluation of results of trying a new product and decide to become a regular consumer of it. Moreover the author has identified five characteristics of an innovation and how they may influence the adoption of innovation.

These five characteristics are:

1) Relative advantage,
2) Compatibility,
3) Complexity,
4) Trialibility,
5) Observability.

VI. LIMITATION AND SCOPE

The study is considering fashion innovation. It will focus on shopping as an activity and fashion as an interest. Research differentiates between two different approaches to explain how consumers go shopping: an experiential and task-focused shopping orientation (34). The study focus on the experiential shopping orientation that aligns with the hedonic consumption.

VII. RESEARCH PROBLEM

Marketers need to identify the potential adopters of innovation. They need to better understand how consumers actually react when companies introduce new products. They have to identify the segments that present the potential for adopting innovation. Consumers lifestyles as a psychographic characteristic reflects consumers behaviors and the whole pattern of acting and interacting in the market along with the demographic characteristics that have great influence on consumer innovativeness and the adoption of innovation.

VIII. METHODOLOGY

This study measures five constructs:

1) Consumer demographic characteristics,
2) Lifestyle as a consumer psychographic characteristics,
3) consumer hedonic consumption,
4) consumer innovativeness,
5) Consumer adoption of innovation.

All items were operationalized using a five-point-Likert-type scale. Two tools were used to gather the information. An internet survey from 26/11/2016 to 31/1/2017 to allow visitors to fill out the survey. A written survey was distributed among Male and Female students for colleges and universities.

As in (35) the author states that "In general, the larger the item pool, the better ". Taking into consideration this concept, the study posits a pool of possible items (n=65) for the MCI scale. These items a pool of possible items (n=65) for the MCI scale. These items are distributed as follows: (1-12) to measure consumer innovativeness and (13-18) to measure consumer adoption of innovation as dependent variables. Items (19-30) measure consumer hedonic consumption as a mediating variable. Items (31-60) measure consumer psychographic characteristics.. The items that measure consumer psychographic characteristics are distributed as follows: (31-35) for innovators, (36-39) for achievers (40-44) for experiencers,(45-48) for strivers (49-52) for makers (53-56) for survivors. These items represent the Independent variables.. Items (45, 57, 58). For thinkers, and items (53, 56 59, 60) for believers which are not included in the study hypotheses and are not related to hedonic consumption. In addition to five more items that measure the demographic characteristics (age, gender, income, education, marital status). Considering the calculated sample size and the problem of non-response, 450 questionnaires were randomly distributed among population members. The researcher receives responses from 420 respondents and questionnaire return rate was about 93.3%.

IX. DATA ANALYSIS AND CONCLUSION

Based on VALS framework that explains consumers' tendency to innovation and Roger's five steps of consumer adoption of innovation, the study was conducted. Coefficient of reliability (Cronbach's alpha) was used to measure the internal consistency of the items used in the questionnaire.

Table (1) shows the results of reliability that range from 0.68 to 0.88. By reviewing the values of reliability coefficients of internal consistency; it shows that all the values are statistically acceptable and reflect consistency in a good degree which reflects the stability of the study.

Table I. Results of reliability analysis

Variables	**CI**	**CAI**	**HC**	**Consumer Psychographic Characteristics**							
Cronbach's alpha				**Inn**	**Thi**	**Ach**	**Exp**	**Bel**	**Str**	**Mak**	**Sur**
	0.846	**0818**	**0.883**	**0.791**	**0.693**	**0.679**	**0.825**	**0.705**	**0.805**	**0.724**	**0.715**

The Coefficient of determination R square is used to explain how much variation in each variable of the demographic and psychographic variables are directly related to or accounted for the variation in the hedonic consumption. Results show that demographic characteristic seems to be unrelated to hedonic consumption. This indicates that demographic characteristic is not an important factor in predicting hedonic consumption.

The results of R square for the psychographic characteristics show that some segments of consumer lifestyle are related to hedonic consumption while others are not.

The study adopts Roger's five stages of adoption of innovation (Knowledge, Persuasion, Decision, Implementation, Confirmation). The following table represents the results of Roger's five step of consumer adoption to innovation as follows:

The study is ongoing and more statistical and analytical analysis are still taking place.

Table II. Results of Descriptive Factor Analysis for Roger's Five stages of consumer adoption of innovation

Stage	Knowledge	Persuasion	Decision	Implementation	Confirmation
Mean	3.40	3.65	2.93	3.27	3.46
Std Deviation	0.872	0.649	1.055	0.812	1.069

REFERENCES

[1] Rogers, E. M. (2003). Diffusion of Innovations. (5th ed.): Free Press, New York.

[2] Rogers E.M., Shoemaker, F.F. (1971), Communication of Innovations, the Free Press

[3] Grewal, D., Monroe, K.B., and Krishnan, R. (1998). The effects of price-comparison advertising on buyers' perceptions of acquisition value, transaction value, and behavioral intentions. Journal of Marketing, 62 (April), 46-59.

[4] Midgley, D.F., Dowling, G.R. (1998), Innovativeness: The Concept and Its Measurement, European Journal of Marketing, 32, pp. 340-353

[5] Goldsmith, R. E. & Hofacker, C., (1991). Measuring Consumer Innovativeness, Journal of the Academy of Marketing Science, No. 19:1004-1016

[6] Hirschman, E.C. (1980), Innnovativeness, Novelty Seeking and Consumer Creativity, Journal of Consumer Research, 7, p. 288

[7] Schiffman G. L & Kanuk L. Leslie (2007) "*Consumer Behaviour*": 9th Edition, Pearson Education: Inc, Upper Saddle Rivers, New Jersey U.S.A.

[8] Hussain S, Rashidi M.Z, Bukhari , F(2014): Consumer Innovativeness Leading to Innovation Adoption, European Journal of Business and Management Vol.6, No.27, 2014 229.

[9] Vandecasteele, B. and Geuens, M. (2008). „Motivated Consumer Innovativeness: Concept and Measurement", Working Paper Series, Universiteit Gent.

[10] Hagtvedt, Henrik and Vanessa M. Patrick (2008), "Art Infusion: The Influence of Visual Art on the Perception and Evaluation of Consumer Products," *Journal of Marketing Research*, 45 (3), 379-89.

[11] Maden, D., Koker,N.E. (2013): *An Empirical Research on Consumer Innovativeness* in Relation with. Hedonic Consumption, Social Identity and Self

[12] Esteem. Journal of Educational and Social Research Vol. 3 No. 7.

[13] Roehrich, G. (1994). Innovativités Hédoniste et Sociale: Proposition d'une Échelle de Mesure [Hedonic and Social Innovativeness: a Measurement Scale (in French)]. Recherche et Applications en Marketing, 9(2), 19-42.

[14] Hirschman, E.C. & Holbrook, M.B. (1982). Hedonic consumption: emerging concepts, methods and Propositions. The Journal of Marketing, Vol. 46 No. 3: 92-101.

[15] Babin, B.J., Darden, W.R., & Griffin, M. (1994). Work and/or fun? Measuring hedonic and utilitarian shopping value. Journal of Consumer Research, 26(4): 644-656.

[16] Ozen, H. & Kodaz, N. 2012. Utilitarian or hedonic? A cross cultural study in online shopping. Organisations and markets in emerging economies, 3(2):80-90.

[17] Kim, H.S.(2006): Using hedonic and utilitarian shopping motivation to profile inner city consumer . Journal of shopping center research 13(1).57-79.

[18] Alba, J.W., & Williams, E.F., Pleasure principles: A review of research on hedonic consumption, Journal of Consumer Psychology (2012), http://dx.doi.org/10.1016/j.jcps.2012.07.003

[19] Cinjarevie, M., K. Tatic and S. Petric, 2011. See it, like it, buy it! Hedonic shopping motivations and impulse buying, economic review. Journal of Economics and Business, 9(1): 3-13.

[20] Hülya Bakırtaş, Sevilay Uslu Divanoğlu (2013):The effect of hedonic shopping motivation on consumer satisfaction and consumer loyalty International Journal of Asian Social Science, 3(7):1522-1534.

[21] Arnolds, M.J. and K.E. Reynolds, 2003. Hedonic shopping motivations. Journal of Retailing, 79(2): 77-95.

[22] Kusuma, G.W., Idrus , S., Djazuli, A.(2013): The Influence of Hedonic Shopping Motivations on Buying Decision with Gender as Dummy Variable: (A Study on Consumers at the Hardy's Mall Singaraja, Buleleng Regency, Indonesia) . European Journal of Business and Management, Vol.5, No.31, 241-246.

[23] Daghfous, N., Petrof, J. V. ve Pons, F. (1999). Values and Adoption of Innovations: Accross Cultural Study. Journal of Consumer Marketing, 16(14): 314-331.

[24] Arts, J. W., Frambach, R. T., & Bijmolt, T. H. (2011). Generalizations on consumer innovation adoption: a metaanalysis on drivers of intention and behavior. International Journal of Research in Marketing, 28(2),134-144.

[25] Holak, Susan L. (1988), "Determinants of Innovative Durables Adoption, An Empirical Study with Implication for Early Product Screening," *Journal of Production Innovation Management, 5,* 50-69.

IJBAMR

[26] Hurt, H. T., Joseph, K. & Cook, C. D. (1977). Scales for the measurement of innovativeness. *Human Communications Research*, **4** (1), 58–65.
[27] Goldsmith, R. E., & Foxall, G. R. (2003). The Measurement of Innovativeness. In L. V. Shavinina (Ed.), The International Handbook on Innovation (pp. 321-330): Elsevier Science Ltd.
[28] Clark, R. A. and Goldsmith, R. E. (2006a) Interpersonal Influence and Consumer Innovativeness. International Journal of Consumer Studies, 30(1), 34-43.
[29] Hurt, H. T., Joseph, K. & Cook, C. D. (1977). Scales for the measurement of innovativeness. *Human Communications Research*, **4** (1), 58–65.
[30] Gatignon, H., Robertson, T.S. (1985), A Propositional Inventory for New Diffusion Research, Journal of Consumer Research, 11, March, p. 849
[31] Im, S., Mason, C. H. and Houston, M. B. (2007) Does Innate Consumer Innovativeness Related to New Product/Service Adoption Behavior? The Intervening Role of Social Learning via Vicarious
[32] Kotler, Ph., Armstrong, G.,(2012):Principles of marketing, Prentice Hall New Jersey, USA 14 edition.
[33] Dobre, C., Dragomir, A., Preda,G.(2009): Consumer innovativeness: A marketing approach, Management and Marketing Vol (4) No 2 pp 19-34.
[34] Rogers, E. M. (1995). Diffusion of innovations (4th ed.). The Free Pres, New York.
[35] Büttner, O. B., Florack, A., & Göritz, A. S. (2014) How Shopping Orientation Influences the Effectiveness of Monetary and Nonmonetary Promotions. European journal of marketing Vol 49 iss 1/2 . 170-189.
[36] DeVellis, R. F. (2003). Scale development: theory and applications (2nd ed. Vol. 26). Thousand Oaks, CA: Sage Publication.

IJBAMR