

Chapter 64

Hedonic and Utilitarian Values Behind Engagement of Online Consumers

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ABSTRACT

In the hyper-competitive Indian airline industry, the low-cost carriers as well as full-service airlines are in dire need of innovative marketing strategies to engage their customers. To understand the dynamics behind the process of customer engagement, the purpose of this paper is to gain insights into the lived experience of consumers about their online air-ticket bookings experiences. In total, 60 frequent air travellers were approached to participate in the study and the self-completion diary method was incorporated to record their ticket booking experiences. The responses recorded in the diaries were analyzed on the basis of their content from which eight themes were derived. The findings bring forth the importance of hedonic experiential values along with utilitarian experiential values toward the engagement of customers during the online air-ticket booking process. The current study is one of the pioneers in conceptualization of customer engagement as a third-order construct by uncovering the sub-dimensions of the second order factors—utilitarian and hedonic experiential values.

INTRODUCTION

Consumer buying behavior has changed drastically with the advancement of technology. The growth of the internet and e-commerce has brought revolution by connecting more than two billion people worldwide (Buhalis & Law, 2008). The impact of internet on the global economy is immense with its contribution of around three percent to the global GDP as stated in a report by McKinsey Global Institute (Manyika & Roxburgh, 2011). The influence of internet on the developing countries has also been reported, and it has been observed that nearly 50 percent of the internet users thrive beyond the advanced economies such as India, which is developing quickly and is one of the emerging economies. India is characterized by significant economic potential, social, and cultural diversity. Emerging economies have been defined as those economies that comprise of the fast-growing developing markets (Gnanasambandam et al., 2012; Khanna, Palepu & Sinha, 2005). The marketers are still struggling for effective marketing strategies to reap benefits from this market (Ramamurti 2008). The reason behind it is that these markets comprise of prosperous middle-class consumers who are different from the consumers of the developing market with regard to factors like socio-economic demographics (Biswas & Roy, 2015). Therefore, they exhibit different consumption pattern and consequently the motives behind their purchase decision varies. Thus, we want to enrich this body of literature by incorporating unique characteristics of one of the emerging markets, i.e., India, which will provide guidance related to the country-industry-specific research.

Further, it is seen that about 120 million people use internet in India, which is a striking example of the growth potential of internet usage, and thereby making it the third largest internet user base in the world (Dart Consulting, 2014). Interestingly, though India is adopting internet at a significant pace, a mammoth chunk of its population (i.e., 90 percent of its population) is not connected and there is a scope of adopting the internet by the majority of its population (Dart Consulting, 2014; Gnanasambandam et al., 2012).

In this era of technology advancement, e-commerce becomes the new trend and the need of the day, which has motivated scholars to explore and examine factors related to the engagement of the consumers for online purchases (Buhalis & Law, 2008; Pappas, Kourouthanassis, Giannakos, & Lekakos, 2017; Turban et al., 2018). Online purchase behavior is a well-established phenomenon. Consumers are moving to online shopping platform for various reasons such as excitement, enjoyment, time saving, discounts and benefits, wider choice and comparison, and so forth (Anderson, Knight, Pookulangara, & Josiam, 2014; Pappas et al., 2017). The motives behind online purchase behavior may vary and is based on the types of consumer. Past studies have classified consumers on the basis of two types of shopping motivations — utilitarian and hedonic (Anderson et al., 2014; Babin, Darden, & Griffin, 1994; Childers, Carr, Peck, & Carson, 2001). Utilitarian motivation is associated with the benefit that consumer gets from consuming a product or service to accomplish a task, whereas, hedonic motivation is associated with the experience gathered from consuming a product or service (Anderson et al., 2014; Babin et al., 1994; Childers et al., 2001). These utilitarian and hedonic consumers display different shopping patterns. A consumer may be driven by a utilitarian or a hedonic motive or by both. Thakur (2016) conceptualized that customer engagement comprises experiences that arise out of hedonic and utilitarian values sought by the consumers from a product or services. Ultimately, the motives (i.e., hedonic or utilitarian) that engage consumers and influence their choice behavior are important from a marketer's perspective (Anderson et al., 2014; Devedi, Sujatha & Pathak, 2017; Pappas et al., 2017).

The current research will explore the utilitarian and hedonic motivations of online consumers who are engaged in the purchase of airline e-tickets in India. Elias et al. (2015) stated that the airline e-ticketing

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