



The importance of social product attributes in consumer purchasing decisions: A multi-country comparative study

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ABSTRACT

This paper examines the role that social attributes—environmental and labour conditions—play in product choice across a range of developed and emerging economies. We use a multi-attribute design to force consumers to not only trade-off social attributes with tangible attributes but also make trade-offs with other intangible attributes, namely brand and country of origin. Our results show that: (1) social attributes are generally more influential in developed than in emerging economies, (2) the importance of social attributes holds across high and low involvement products, and (3) social attributes can influence product choice even when other intangible attributes are included in the design. We believe that our results offer a more accurate picture of the role of social attributes since they are based on a multi-cue, multi-product design that forced consumers to make tradeoffs between tangible and intangible attributes.

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1. Introduction

A number of academics and observers believe that a rising social consciousness of consumers across the globe is having a profound impact on the way organisations market their products and services both locally and globally. These changes are partly the result of increased globalisation, the emergence of multinationals, the ubiquity of global media, and the increasing salience of global social issues such as environmental degradation and climate change. Simply put, today's consumers: (1) have more product choices available than at any other time (and these choices tend to be of higher and more uniform quality), (2) are wealthier and better educated, (3) are increasingly brand conscious (Harrison, 2003), and (4) have more opportunities to reveal their social preferences when engaging in purchasing should they choose to do so. It is this latter aspect of this impact—the environmental and social impact of products—and their importance to consumers that is the focus of this paper. In effect, this paper investigates the demand side of sustainable development by focusing on consumer demand for products with social attributes across both developed and emerging country markets.

The ubiquity of global media and the expansion of the distribution of global brands also mean that consumers worldwide are exposed to a growing amount of information about an expanding market of international and local products and services.

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As a result, consumers have the opportunity to become better informed about products and services, placing greater pressure on organisations to improve the range, quality, and innovativeness of the products and services they offer and to take into consideration the environmental and social impact of the products they produce and market (e.g., Devinney, Auger, Eckhardt, & Birtchnell, 2006).

Evidence also suggests that it is not only the volume of information available to consumers that is impacting their behaviour, but also the type of information available to them. For example, the growth in the popularity of fair-trade coffee in the UK strongly suggests that consumers are not only receiving (or seeking) information about the tangible attributes of coffee (e.g., type of coffee bean, whether or not the coffee is decaffeinated, etc.) but also about its other attributes that are not tangible in nature (e.g., the price paid to farmers in emerging country markets). The challenge for business is that these intangible attributes are inherently difficult to describe and characterise compared to tangible attributes. However, as products become more similar and difficult to compare, intangible attributes are expected to play a more important role in consumer purchase decisions (Lefkoff-Hagius & Mason, 1990).

The primary focus of our research is on a group of intangible attributes that we refer to as social attributes. Specifically, we investigate the influence on consumer purchase intentions of two groups of social attributes: environmental and labour conditions. We also include two other intangible attributes, brand and country-of-origin, so that we can study the relative importance of social attributes versus other types of intangible attributes. This is important as most previous research has studied the importance social attributes (as well as other intangible attributes) in isolation, limiting the generalisability of their findings (Lee & Lou, 1995; Ulgado & Lee, 1998). We believe that the inclusion of a broader range of intangible attributes (beyond simply the social attributes) provides a more realistic purchase situation and enables us to better understand the importance of social attributes in the consumer decision making process. Furthermore, previous research has shown that all three groups of intangible attributes (i.e., social, brand, and country-of-origin) have an impact on purchase intentions and that individuals from different countries tend to value these intangible attributes differently (e.g., Auger, Burke, Devinney, & Louviere, 2003; Auger, Devinney, Louviere, & Burke, 2008; Erdem, Swait, & Valenzuela, 2006; Gurhan-Canli & Maheswaran, 2000).

We used choice experiments to investigate the relative importance of the social attributes in a manner that forces consumers to trade off these attributes against the functional attributes, price, and the other two intangible attributes. We conducted the choice experiments in six economies that differ based on socio-economic development and a range of social characteristics to allow for cross-country comparisons.

The primary research question driving this research is:

1. To what extent do social attributes influence the purchase intentions of consumers? If so, how much influence do those social attributes have on the purchase intentions of consumers in comparison to other intangible attributes, namely brand and country-of-origin?

The goal of question 1 is in addressing the matter that giving consumers the chance to reveal their social preferences through purchasing does not immediately or necessarily translate into their intentions to purchase such a product or service. In addition, we are interested in two subsidiary questions:

2. Are there substantive differences between developed and emerging economies with respect to the degree to which these social attributes matter?
3. To what extent do consumers know about the social attributes of the products they purchase? If so, are they better informed about some of the attributes versus others? And are consumers better informed about social attributes than about brand and country-of-origin?

Question 2 focuses on the supposition that consumers in emerging market countries cannot afford to be socially conscious; in other words, a social consciousness at the checkout counter is a luxury. Question 3 raises the oft-banded issue that the better informed will behave “better” and hence a major impetus behind creating more social purchasing is knowledge.

We follow the basic premises of information processing theory and treat the information presented to consumers as an array of cues (Hansen, 2005). That is, pieces of information available to consumers can be regarded as cues, which can be either intrinsic or extrinsic. Intrinsic cues involve the physical composition of a product whereas extrinsic cues are not part of the physical product itself (Ulgado & Lee, 1998). We used this concept to classify attributes into two categories: tangible and intangible. To a certain extent, we treat tangible attributes as intrinsic cues and intangible attributes as extrinsic cues. Our basic thesis is that the social attributes, and more broadly the intangible attributes, will affect consumer purchase intentions differently in different countries (questions 1 and 2).

Our research makes five important contributions to the literature. First, our experiments include a variety of tangible and social attributes (as well as other intangible attributes). Most of the previous research on social attributes (and intangible attributes) has included a single set of attributes as well as a limited set of tangible attributes (e.g., Didier & Lucie, 2008). This potentially biases consumers favourably towards the social attributes since it limits the number of tradeoffs in the decision-making process. That is, these studies have investigated the role of social attributes in isolation, which can lead to an overestimation of their importance. Our experiments allow us to not only investigate the importance of social attributes

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