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Why do users speak more positively about Mac OS X but are more loyal to Windows 7?

Adarsh Kumar Kakar

Alabama State University, Montgomery, AL 36101, United States

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ABSTRACT

Users seek a more complete experience with software products, an experience that not only achieves well-defined goals, but also involves the senses and generates affective response. There is therefore a need to develop product characteristics that provide both instrumental and hedonic value to users of even utilitarian software products. But software product development organizations will be motivated to provide these features only if enhances business outcomes such as User Loyalty (UL) and positive Word-of-Mouth (WOM). Keeping this context in view, this study investigates how utilitarian product characteristics, as measured by perceived usefulness, and hedonic product characteristics, that generate perceived enjoyment and playfulness, impact UL and WOM. The results of the study show that hedonic and utilitarian product characteristics have distinctive impacts on UL and WOM with hedonic characteristics positively and significantly impacting WOM while utilitarian characteristics positively and significantly impacting UL. The reasons for this rather unexpected findings are discussed.

1. Introduction

Users seek a more complete experience with software products, an experience that not only achieves well-defined goals, but also involves the senses and generates affective response (Bly, Cook, Bickmore, Churchill, & Sullivan, 1998; Venkatesh & Brown, 2001). Thus to provide a holistic experience, it may not only be important to identify those features that serve the basic product function but also those that make the product attractive to the user.

Past research has shown that products are multifaceted and can provide value to users in many ways. While theoretically, one can break down value into many very specific types, a useful value typology has been developed using only two types – the Utilitarian Value (UV) and Hedonic Value (HV) (Holbrook & Hirschman, 1982). There is ample evidence (see Appendix A for a compiled summary) that utilitarian and hedonic dimensions of the product are distinct and together capture the essential facets of a product (Batra & Ahtola, 1990; Block, 1995; Dhar & Wertenbroch, 1999; Mano & Oliver, 1993; Schmitt & Simonson, 1997; Strahilevitz & Myers, 1998; Veryzer, 1995). While the product attributes which provide UV are functional and goal oriented and generate cognitive response from the user, the product attributes which provide HV represent novelty, aesthetics, unexpectedness, pleasure and fun and evoke affective user responses (Strahilevitz & Myers, 1998).

But, what impact does HV and UV provided by product attributes have on critical user outcomes? While TAM (Technology Acceptance Model) has established the positive and significant role of perceived usefulness, or UV, and perceived enjoyment and playfulness, or HV, on users' intention to use the product, it does not investigate the role of UV and HV of a software product in building user commitment that prevent existing users from switching to other similar products. Developers of software product are interested in building User Loyalty (UL) as product usage alone does not assure bottom line benefits unless the product is charged to the users on usage (transaction) basis. Retaining existing customers rather than losing them to competition is critical for product survival. Further, TAM does not investigate the role of UV and HV in attracting new users to use the software product.

While User Loyalty (UL) is an established measure of the ability of a product to retain existing users, Word-of-Mouth (WOM) has for long been widely acknowledged as a critical factor in persuading potential users to use the product (Czeipiel, Rosenberg, & Akerele, 1974; Giese & Spangenberg, 1997). By investigating how UV and HV provided by utilitarian and hedonic attributes of a software product impact UL and WOM, this study hopes to fill an important gap in IS (Information Systems) research. It will provide software development organizations with a basis for shaping product attributes to engender UL and make existing users talk positively about the product to other potential users. Also, given that resources are constrained, software product development organi-

E-mail address: akakar@alasu.edu

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zations often have to make trade-off decisions between investing in utilitarian and hedonic attributes. It is hoped that by investigating and testing the associations between HV, UV, UL and WOM such decisions can be made more analytically.

Therefore, as a first step we develop a model of the expected relationships between UV, HV, UL and WOM by integrating concepts from a multidisciplinary review of IS and product development literatures. This model is tested with users of existing software products. The findings are then discussed along with their implications for future research in the area and their implications for software product development organizations in building software products characteristics that achieve defined product goals.

2. Theory development

2.1. Utilitarian and hedonic product dimensions

Utilitarian product attributes are "useful, practical, functional, something that helps you achieve a goal" (Schmitt & Simonson, 1997), while hedonic product attributes are "Pleasant and fun, something that is enjoyable and appeals to your senses" (Holbrook & Hirschman, 1982). A review of literature shows that there are distinct differences between hedonic and utilitarian attributes (see Appendix A for a consolidated summary). Utilitarian attributes represent "shoulds" while hedonic features represent "wants" (Batra & Ahtola, 1990). Utilitarian Value derived from a utilitarian attribute is associated with pain avoidance goals of the user, while hedonic value is associated with pleasure-seeking goals (Chernev, 2004; Higgins, 1997, 2001). UV and HV were used as independent variables in the study to determine how they impact UL and positive WOM.

2.2. User loyalty and word-of-mouth

UL (User Loyalty) and positive WOM (Word-of-Mouth) are key business outcomes pursued by producers of products and services (Casaló, Flavián, & Guinalíu, 2008). Loyalty is a favorable attitude toward a product, resulting in consistent usage of the product over time (Assael, 1992). It reflects a "deeply held commitment to repurchase or re-patronize a preferred product/service consistently in the future, thereby causing repetitive same-brand purchasing or use, despite situational influences and marketing efforts having the potential to cause switching behavior" (Oliver, 1999).

WOM communication is an interpersonal information exchanges among adopters and potential adopters of a product (Maxham, 2001). It refers to "communication between a receiver and a communicator whom the receiver perceives as noncommercial, regarding a brand, a product or a service" (Arndt, 1967). Users value WOM because it is seen as more reliable and trustworthy than other information sources (Day, 1971) such as advertising. A key advantage of WOM is effective targeting (Dobele, Toleman, & Beverland, 2005). Users are more likely to communicate with those whom they think can benefit from the product or service. This helps to get the message to the right audience i.e. potential users of the product.

Together UL and positive WOM provides key business benefits to producers of software products. While UL is important for retaining existing users, WOM exerts a strong influence on user choice. Companies have a good opportunity to increase their user base by developing UL and positive WOM among customers (Chung & Darke, 2006). UL and WOM were used as dependent variables in the study.

2.3. Self efficacy

Self-efficacy (Bandura, 1986) represents an individual's perception of his or her ability to successfully execute some specific task, in this case, using the software. It has been used in multiple studies to measure computer skill (Harrison & Rainer, 1992; Rainer & Harrison, 1993). TAM literature (Lee, Kozar, & Larsen, 2003) proposes that users with higher SE are able to extract higher UV from software and find it easier to use than users with lower self-efficacy. User Self-Efficacy (SE) was, therefore, used as a control variable in assessing the effects of independent variables UV and HV on dependent variables UL and WOM.

2.4. Hypotheses

Loyalty is the result of the individual's belief that the value received from consuming a product or service is greater than the value of non-consuming (Hallowell, 1996). In response to this greater value obtained, the individual is motivated to remain loyal to the product, and also promote it by, for instance, positive WOM behaviors (Luis, Carlos, & Migue, 2008). The UV that the user derives from the utilitarian attributes of a software product is the degree to which it helps her achieve functional and practical goals. The HV that the user derives from hedonic attributes of a software product is the degree to which it gives her pleasure, enjoyment or fun. Thus both UV and HV are antecedents of UL and WOM. The greater the UV and HV derived by the user of the software product the greater will be their impact on UL and WOM. The value provided by the software product, both UV and HV, will therefore significantly and positively impact UL and WOM, leading us to the following hypotheses:

Hypothesis 1. UV of a software product will significantly and positively impact UL.

Hypothesis 2. UV of a software product will significantly and positively impact user WOM.

Hypothesis 3. HV of a software product will significantly and positively impact UL.

Hypothesis 4. HV of a software product will significantly and positively impact user WOM.

But, does a change in utilitarian and hedonic benefits have only a direct impact on change in Loyalty? Is HV alone likely to influence UL and WOM when the UV derived from the system is low i.e. when the software product does not help the user achieve accomplishment of functional tasks effectively? The work of Higgins (1997, 2001), Chernev (2004) and Chitturi, Raghunathan, and Mahajan (2007), indicate that the goals served by utilitarian benefits are primarily to avoid pain, whereas the goals served by hedonic benefits are primarily to seek pleasure. As Keiningham and Vavra (2001) state, "Creating delight for your customers first requires knowing and eliminating their points of pain, and then listening to their desires". Chitturi et al. (2007) document that consumers attach greater importance to the hedonic (versus utilitarian) dimension, but only after a "necessary" level of functionality is satisfied.

This is consistent with Kivetz and Simonson (2002), who state that, utilitarian and hedonic dimensions are conceptually related to necessities and luxuries respectively. Social scientists generally agree that, compared to necessities, luxuries hold a lower status in terms of importance (e.g., Berry, 1994; Maslow, 1970; Weber, 1998). A predilection towards a hedonic alternative at the cost of functional performance is likely to raise concerns that one is being extravagant or frivolous, resulting in feelings of guilt (Kivetz & Simonson, 2002). Although hedonic features generate pleasure and joy, Kivetz and Simonson (2002) note that consumers attach