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Product quality and value from consumer perspective—An application to wooden products

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ABSTRACT

Product quality as perceived by consumers is studied with the use of empirical survey data on wooden flooring/panelling materials and on wooden furniture markets in Finland. The results indicate that consumers' quality perceptions are consistent for the two product categories. Perceived product quality may be understood as a hierarchical structure, which consists of tangible and intangible dimensions, and is fairly consistent for different products. The most abstract dimensions are reflected in more specific sub-dimensions and product attributes. For consumers, the quality of the tangible product is more important than the quality of the product intangibles in the case of wooden products. Perceived product value is determined as customers' judgement of the relationship between perceived product quality and price. It was also observed to be a two-dimensional structure with tangible and intangible dimensions. The observed dimensions of perceived product quality and value were logically linked.

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Introduction

Purpose and background

There is abundant research on product quality but definitions for its measurement still lack uniformity (Lindgreen and Fynstra, 2005; Woodall, 2003). The challenge is that product quality is a complex

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concept, and thus difficult to measure (Shetty, 1987). A product, as seen from a customer perspective, is understood as consisting of components, or dimensions, which include the physical and tangible good, and product intangibles such as services, sales personnel behaviour and other supplier related characteristics. This product concept is referred to as a total product, the quality of which is referred to as product quality. This paper investigates product quality from a customer perspective in the case of wooden products. In particular, it is of interest whether perceived product quality is structured into tangible and intangible dimensions, and whether this construct is uniform for different products. Consumer data on Finnish markets for wood products (wooden flooring/panelling products and wooden furniture) is used in the empirical research.

The practical motivation for this study arises from the continuously intensified competition on international markets and the question as to how the wood products industry can maintain its competitiveness on these markets. Being able to provide high product quality and value for customers has been considered a key element for improving competitiveness (e.g. Lindgreen and Fynstra, 2005; Shetty, 1987; Sweeney and Soutar, 2001). Accordingly, a commonly presented argument is that the wood industry in Finland should put more emphasis on improving product quality, on the assumption that the improved quality attracts customers. Therefore firms need to understand how their customers perceive and value product quality (e.g. Slater, 1997). Thus quality and the value that customers derive from quality should be studied from the customer standpoint (Huber et al., 2001; Woodruff, 1997; Shetty, 1987). The need for investigating customer perceptions on quality is also underlined since producers and consumers tend to emphasise product quality differently (Stone-Romero et al., 1997; Woodall, 2003), which is also the case with wood product markets (Kozak and Maness, 2001; Weinfurter and Hansen, 1999).

The Finnish wood products industry has traditionally concentrated on organizational customers in developing its products and marketing. In both cases private consumers have a major influence on the selection of the products and materials. Since over 40% of the production of the Finnish sawmilling industry is consumed domestically, it is of particular interest to industry that it understands consumers' quality related needs on the domestic market.

A specific quality related issue in the case of wooden products is environmental quality. High environmental quality is believed to be a strength of wood products (Järvinen et al., 2001; Pakarinen 1998; Pakarinen and Asikainen, 2001), or at least to have an important impact on many consumers' preferences for wood products (Roos and Nyrud, 2008). However, environmental quality has not yet been strongly incorporated in marketing or product development by the Finnish wood industry (e.g. Hetemäki et al., 2006). Partly this may be due to the fact that there is still limited knowledge about environmentally sensitive consumers (Roos and Nyrud, 2008), and that the importance of environmental quality may vary between product type (Roos and Hugosson, 2008).

Specific research questions:

1. Is the structure of the perceived quality dimensions consistent over the two wood product categories (wooden flooring, wooden panelling materials and wooden furniture)?
2. Is the importance of product attributes, including environmental quality, consistent over the two product categories from a consumer perspective.
3. How is the perceived value of a product linked with perceived quality? The analysis is limited to wooden furniture only: most consumers are expected to buy furniture at some point of their lives. Thus their evaluation of quality and price is as realistic as possible.

Theoretical framework

The total product

A product has been described as a bundle of attributes providing benefits to a customer and satisfying his/her needs and wants (Kotler and Keller, 2005), and visualised as a molecular structure. The product attributes contributing to the customer perception of the product are related not only to the physical good and the related service, but also to intangible supplier/producer characteristics such as

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