

The Experimental Analysis of How the Consumer Value Formed

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Abstract

The research of consumer behavior is an essential branch in the marketing field as consumer buying behavior forms the basis of the perceived value formation. Thus, perceived value is the key point of this report.

We study the process of buying through experimental methods carried on the thorough discussion. In the experimental research, we recruited a team of 60 volunteers via campus BBS and Hefei BBS channels, and including two different experiments. Especially, the first experiments verified whether the signal information have a significantly impact on consumer perception value. In the meantime, the second experiment was referring to the formation processes of consumer perceived value.

After the study we summarized the following conclusion: first, the formation of consumer value significantly affected by the product signals. Second, consumers' perceptions of the consumption value formation were based on consumption experience.

Key words: Perceived value; Consumer behavior; Behavioral experiment

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INTRODUCTION

With an increasing number of online consumer behavior. There is a great change have taken place in consumer

buying habits. Due to the online consumption which makes consumers and businesses separated in time and space. Online information transmission becomes more efficient. And product information has more influence on consumers' behavior. Sparked by the online consumption of the consumer is sensitive to signal. Due to this kind of phenomenon, Scholars play more and more attention to how the signal information boosts the buying behavior.

As a bulk high degree of online consumption rising, value forming process of consumer purchase gradually becoming a highly concerned topic. Within the procedure of consumption, consumers not only concern products they desire to buy and other vendors provide less reliable information so that price signals turn into the main online consumption information.

Traditional perception of consumer perceived value judgment is the simple perceived value minus the perceived costs, which fail to find the formation of consumer perceived value stage. No matter what kind of changes have taken place in modern consumer formation, the intrinsic factors of activating consumer's consumption is stable, and the research is also in constant progress. Whether signal in the process of consumer purchase behavior is valued, and how consumer perceived value forms process?

The study of consumer behavior is one of the key research issues in the field of marketing. Understanding of what motivate consumers' purchases is not only the subject of enterprises and businessmen but essential for marketing professors.

1. THEORY OF CUSTOMER PERCEIVED VALUE

Previous studies have fully proved that provided consumer information which attached of goods can affect the feeling of the customer perceived value. These studies use a series of products includes things also include daily necessities,

through the methods of questionnaire and experimental research.

Zenithal customer perceived value theory state that the customer perceived value is the direct factors affecting consumer purchase behavior (Aaron, Mela, & Evans, 1994). Customers would buy a large amount when the customer perceived value exceeds the perceived cost, which shows that consumers' goods experience satisfaction only depends on the characteristics of the commodity itself and the state of the consumer' position (Allison & Uhl, 1964).

For those products with information that will affect consumer spending experience on deciding whether to buy have been extensively verified through a variety of products by predecessors. The representative theories among them are the Delia and Mafia (2004) analysis of fast food (Caporale & Monteleone, 2004), which verified consumer perception experience of advertising information. Allison and Hull (1996) claim the impact on the consumer of the beer product information including raw material origin, which also illustrates the former opinion (Deliza & MacFie, 1996). In addition, Kihlberg, Johansson, Langsrud, and Risvik (2005) using traditional organic flour and flour, Johansson, Haglund, Berglund, Lea, and Risvik (1999) applying origin information of tomato, Caporal and Monte Leone taking beer production process as a sample, Hirokawa and Yamazawa (2008) using green tea products to provide information of position, Angle, Wans ink and Park use soy label information, and Wans ink, Payne, and North liquoring the origin information are all supporting the idea. Consumers' evaluation and purchases of products would be affected by the supplementary information (Levin & Gaeth, 1988), and even these effects are decisive. However, these researches not closely associated signal of certain product with research objective, and did not determine the perceived value formation of the stage as well.

In order to effectively test whether signal significantly affects perceived value in the process of consumers' consumption and determines the formation stage of perceived value, this report would perform two experiments. Meanwhile, to successfully study the influence of the signal of perceived value, the main liquor of Anhui market is taken as signal information to show the relationship between price and related consumers' impression (Petty, Wegener, & Fabrigar, 1997), which is the design of the whole experiments.

2. EXPERIMENT 1

2.1 Methods

2.1.1 Subjects Recruitment

Investigation team worked through the campus BBS of University of science and technology of China (USTC)

and Hefei BBS channels, forming 60 testers by posting recruiting, screening among existing subjects through alcohol addiction scale and filtered table, determining the ones with similar demographic characteristics and certain drinking time experience as targets which will participate in the experiment.

2.1.2 Experiment Site

Test was performed in USTC management research activities building case seminar room 1, 2, 3. Each seminar room had circular discussion table and electronic projection equipment, roughly could accommodated about 20 people.

2.1.3 Irritant

Selecting mainstream from Anhui market, based on price differences, dividing liquors into low price group (the first group) and high prices (the second group). The four liquor for each group are A1, B1, C1, D1 and A2, B2, C2 and D2 respectively.

2.1.4 Subjects Group

According to demographic characteristics and features of the label, participants were separated into two similar groups, each group had 20 to 30 people. Attempting to ensure each group with testers whose age composition, wage income ratio, and nature of work form is consistent. Tasting several kind of liquor products within the first and second group respectively.

2.2 Control Variables

In the first group, given each individual 5 containers with the same kinds of quality, material and size, labeled A, B, C, D, X. Also, discharging a glass container at the same time. A, B, C, D is respectively corresponding to A1, B1, C1, D1, and X is the same as A.

In the second set, the information is the same with the first set of liquor.

Guided by the experimenter, testers tasted A cup, including 7 seconds tasting in the mouth and 2 seconds swallowing, and then 15 seconds after tasting of the liquor. Grading three levels from bouquet, taste and quality, and finally gave A a total score. Drinking water to gargle. Drinking alcohol in B cup after one minute and repeated the process above. After finishing all liquor in two groups, testers need to give the final score for each and overall.

In the process of drinking, guiders provided misleading information that "liquor in X cup is more expensive than the with previous ones" before drinking X cup. Differently, for the group two testers, they were told that liquor's price in X cup was obviously lower than the other four kinds.

2.3 Result Analyses

The following results were characterized by consumers' feeling as soon as they finished the liquor, which was the consumer perceived value of the scores.

The first set of scores is shown below:

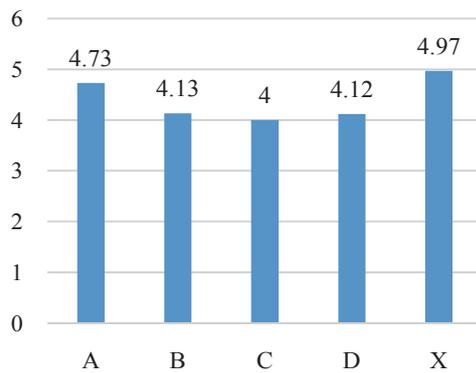


Figure 1
The First Set of Scores

As you can see, after told participants X cup was significantly higher, the scores of X were improved obviously. AS A was the same as X, it showed that the high price signals lifted consumer perception of product value judgment. However, due to the similar price of liquor in A, B, C and D, the scores appeared certain changes, which are not significant compared to X cup with A cup.

In the second group, the signal was after given X price significantly lower than the others, X cup's rate declined rapidly.

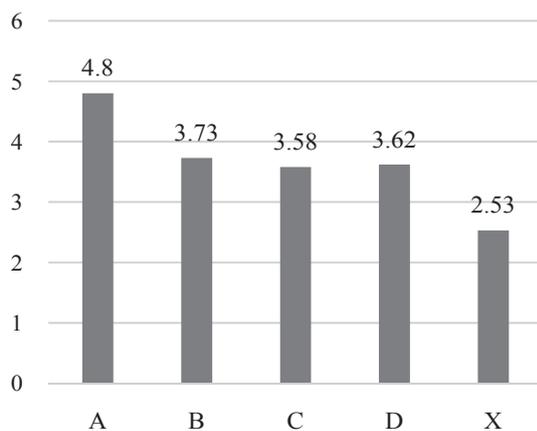


Figure 2
The Second Set of Scores

As the figure shown, the price signals extensively affected consumers' perceived value, the extent of influence was adjusted by product price, and among high price products, the low price signals had more influence.

3. EXPERIMENT 2

3.1 Methods

3.1.1 Subjects Recruitment

Used same method as experiment 1 to recruit 30 participants, but the number was randomly selected. All

testers were divided into three groups (group A, B and C), each group contained 15 to 20 people, and tried to ensure that each group constructed with similar members. Identified each group as: A — provide product publicity information in advance, B—provide product publicity information after drinking, and C—with no product promotion information.

3.1.2 Experiment Preparation

Preparing the same size and material of cups based on numbers of participants, choosing liquor of A in experiment 1 as this experiment testing liquor, and prepared A liquor related spread information, including product pictures, promotional pictures, advertising images and video materials.

3.1.3 Stimulus Control

Put one liquor container (with 4-8 ml liquor) and one glass container (with water) in front of each tester. At the same time, preparing the projector with 3-5 video propaganda materials and 150-200 product relevant publicity pictures in rooms for group one and two.

3.2 Control Variables

3.2.1 Group A

First playing product publicity pictures and information of A liquor, reviewing product information after watching, and then drinking liquor A. Drinking process was also contained 7 seconds tasting in the mouth and 2 seconds swallowing, and then 15 seconds after tasting of the liquor. Grading three levels from bouquet, taste and quality, and finally gave A a total score. After finishing all process, drinking water to gargle.

3.2.2 Group B

Processing drinking process first as following: 7 seconds tasting in mouth, 2 seconds swallowing, and 15 seconds after tasting. Before ratings, playing A liquor information and after watching, memorizing content then for drinking products. Grading three levels from bouquet, taste and quality, and finally drinking water to gargle after giving A a total score.

3.2.3 Group C

For control group, only did inform brand drinking test as the same process: 7 seconds tasting in the mouth, 2 seconds swallowing, and 15 seconds after tasting, and then grading from three levels and giving A a total score. Finally, drinking mineral water gargles.

3.3 Result Analyses

Through this experiment, scores of three groups of consumers after drinking were received. In the first and second group, different sequence information resulted in the difference of consumers perceived consumption value, while the third group did not provide any information consumption.

The experimental groups score is shown as follows:

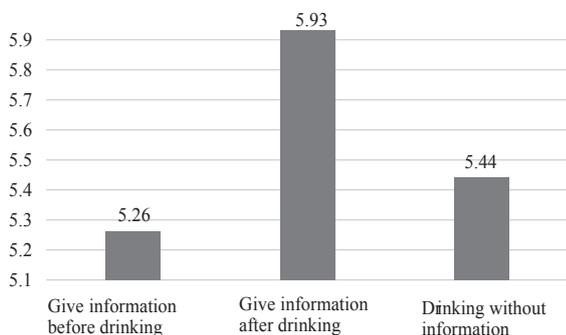


Figure 3
The Experimental Groups Score

Results demonstrated that the consumer gave a higher rating if they accepted information about the product, in other words, based on the experience of product marketing could produce more consumer perceived value.

4. DISCUSSION

The formation of consumers' value significantly affected by the product signals in the first Study. Experiment 1 has fully proved when the signal of products received by the consumer. Consumers will give higher scores to the product. Consumer's attitude toward products has changed obviously when they receive different signal information.

As a result, in providing the necessary consumer product information that signal information can improve the consumers' value perception. At least the signal information can observably affect consumers' value perception of the product.

The consumption value formation of the consumers' perceptions was based on the consumption experience. In Experiment 2, by comparing with the different groups, provided the product information after drinking led to the highest score. Consequently, giving the information before drinking got the lowest score. The score in the reference group is even higher than that got in the group which giving information before drinking. In this study, we find that consumer value perception conformed on the basis of consumption experience and receiving product information contributed more to the formation of its perceived value. Briefly, the formation of consumer value was based on the consumer perception, after the consumption experienced, signal information to its value has more obvious improving function.

4.1 Strength and Limititions

The experimental design fully considered the potential effects of the reliability and controlled the factors of validity, but there were still some limitations. Due to the inadequate of experimental conditions, participants were recruited within Anhui province without effectively avoid regional special influence on the results.

Consumers' habit usually follows a certain group of characteristics, testing the concentration of crowd will eliminat some influence factors. And their lack of some controlled variables is involved in the experiment. However, due to the accuracy of experimental design, errors in processes of the research have been largely reduced to ensure the scientific.

Expanded experimental sample group can be used in future research which may help to create a sufficient general result. Simultaneously, combined with modern biological technology, experiment could research different properties of signal factors of diverse effects among the formation process of consumer value.

As the formation of consumer perceived value is hidden in the inner activity or the brain movement behind consumer behavior, only analyze the reaction of consumer behavior is hard to reflect the true inner activities of consumers. Thus only analyzing the reaction of consumer behavior can't reflect consumer value formation of the real buying situation. But the study of consumer behavior experiments got the basic domain of the influence of signal information to the process of consumer value perception forming. Further study should be on the basis of physiological activity of the human brain. Then we can get more real material of the brain activity in the process of buying behavior.

4.2 Directions for Future Implement

The experimental results provided meaningful ideas in guiding enterprise product promotion and sales.

Firstly, the supplementary information (signal) of product is an important source of forming consumer perceived value. Companies should provide sufficient information with product, in order to enhance consumer perceived value when they purchase products. The attached information can be directly associated with the product, including producing area information, production time, product variety, the main nutritional value, composition and production process. They can also summarize information which implies culture and values. They could naturally prompt consumers different perceived value in providing diverse information. Meanwhile, what kind of information to provide should be associated with what kind of goals the firms that hope to achieve.

Secondly, the source of consumer perceived value is different for different people. Therefore, ancillary information provided should meet the consumer spending habits which are difficult to be determined. And how to recognize the potential demand of consumers is hard. Especially precisely to each customer. However, the services provided by the product can form a number of consumers demand in order to buy the product. The action of buying is due to the attitude to the product which is similar to the score of the product that the consumer gives in the experiment. It obviously forms

certain fixed people with the degree of spending habits, and provides convenience to the design of products consistent with the additional information. It should effectively arouse the concern of the enterprise to work harder on the product side information management than upgrade consumer perceived value and promote consumers to buy.

Thirdly, consumer perceived value is formed before the product information and provide important guidance for enterprise marketing activities after the consumer experience. Enterprises should pay more attention to consumer experience and increase trials on products before launching products. Sample sack at the scene of the activity is able to effectively advance the product experience link to promote the formation of consumption value.

CONCLUSION

In conclusion, with two experiments, this report confirmed that product related signal could drastically affect consumer perceived value judgment, and the formation of consumer perceived value was based on the consumption experience. In experiment one, although consumers drank the same products, when they were provided that two products have increased price difference, their ratings were correspondingly changes, and the higher price products were more sensitive of the price signal. In experiment two, by comparison three groups of consumers, the group who accepted product before information rating the product with a relative higher mark, which fully explained the formation of consumer perceived value was based on the consumption experience and its formation stage followed by the product of experience.

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