

How customers search for hedonic versus utilitarian purchases

March 27 2020, by Matt Weingarden

Researchers from the University of Virginia and Crimson Capital published a new paper in the *Journal of Marketing* that examines information channel usage patterns across customer journeys.

The study, forthcoming in the *Journal of Marketing* is titled "Path to Purpose? How Online Customer Journeys Differ for Hedonic versus Utilitarian Purchases" and is authored by Jingjing Li, Ahmed Abbasi, Amar Cheema, and Linda Abraham.

A recent study published by Google's Zero Moment of Truth says consumer search behaviors are driven by six needs: surprise, help, reassurance, education, thrill, and to be impressed. These needs and purposes are shaped not only by the product category, but also by where consumers are in their journey, namely the "path-to-purpose." In a new study in the *Journal of Marketing*, researches use a hedonic-utilitarian (H/U) perspective—a purpose-oriented categorization of consumption—to explore information channel usage patterns across customer journeys. The study compares pre-purchase information search on search engines, social media, product reviews, deals, and product pages of H/U purchases between converted and unconverted sessions across early, middle, and late stages of customer pre-purchase journeys. The specific research questions are:

1) Do consumers use digital information channels differently for hedonic versus utilitarian (H/U) purchases?



- 2) How does this usage vary over the customer journey?
- 3) Does this usage vary between converted and unconverted sessions?

The study finds that consumers employ social media and on-site product pages as early as two weeks before the final hedonic purchase, utilize third-party reviews up to two weeks before the final utilitarian purchase, and use search engines, deals, and competitors' product pages closer to the time of utilitarian purchase.

These results have several implications for marketing managers. First, there are two actionable insights for retailers selling hedonic products such as toys: embracing social media and monitoring on-site product page views. The study shows that social media is used extensively throughout the customer journey and is increasingly becoming a channel for proactive information search. "Marketing managers should consistently invest in social media marketing to entice more consumers to visit their websites," says Li. Abbasi adds, "We find that there is a potential guilt-justification need for consumers who fail to complete hedonic purchases. Because social media is extensively used at the beginning of the journey, retailers could deploy social coupons with features that serve both the experiential and justification needs of hedonic purchases." Further, the research finds that on-site product pages are leveraged extensively at the beginning of the journey and start to reduce one week before the <u>purchase</u>. Due to the affective nature of hedonic purchases, retailers should constantly improve the experiential features of the product pages on their sites. Moreover, retailers can monitor their page views and reach out to heavy browsers with promotions with a longer redemption time (e.g., two weeks).

Second, for retailers selling utilitarian products such as office supplies, the study offers two prescriptions: benchmarking price and product and prioritizing search engine marketing (SEM). Consumers tend to optimize



their utilitarian purchases by visiting third-party review sites, exploring deal sites, and browsing product pages on competing retailers' sites. Cheema explains that "Retailers should employ price and product benchmark analysis to understand if their prices are above or below market prices and what potential customers see and experience when searching for similar products. Given the rise of competitive intelligence, managers could invest more in automated benchmarking tools to monitor and analyze key competitive metrics, such as price, live deals, and Yelp reviews, in real-time." Consumers making utilitarian purchases tend to use search engines more towards the end of the journey. Because search engine optimization (SEO) is more powerful at driving organic traffic at the top of the funnel, but SEM is more effective at driving conversions at the bottom of the funnel, retailers should prioritize SEM over SEO. "Retailers should also choose paid keywords that are more related to product features and benefits because utilitarian purchases usually involve more product comparisons," says Abraham.

The study offers specific guidelines for a Black Friday (and Cyber Monday) marketing strategy. For retailers selling hedonic products, retailers can market promotional content on social media and send reminder emails inviting on-site traffic two weeks earlier than Black Friday, when customers start to engage in social media and on-site product pages. For retailers selling utilitarian products, they can extend their sales because consumers start to visit deals sites one week before purchases. Additionally, they can optimize their SEM strategies during Black Friday or Cyber Monday to enhance the conversion rate.

More information: Jingjing Li et al, Path to Purpose? How Online Customer Journeys Differ for Hedonic Versus Utilitarian Purchases, *Journal of Marketing* (2020). DOI: 10.1177/0022242920911628



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