

# EFFECT OF UTILITARIAN VALUE AND HEDONIC VALUE ON THE JAMBI BATIK PURCHASE DECISION

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## ABSTRACT

*The purpose of this study is to obtain an overview and analyze the effect of utilitarian value and hedonic value on purchasing decisions of Jambi Batik either simultaneously or partially. The research sample is Batik Jambi consumers. Data collection is done by means of a questionnaire. This study uses a mixed method, which is a combination of qualitative and quantitative research methods. Methods of data analysis used multiple regression tools. Results of the study found that the utilitarian value and hedonic value variables had a significant and partial effect on purchasing decisions of Batik Jambi. The hedonic value variable is the variable that has the dominant influence on the purchase decision of Batik Jambi. The model is significantly able to explain all variables but in the future research needs to be done with variables and other objects to get better results. The hedonic value variable is the more dominant variable. Increases understanding of utilitarian value and hedonic value influence on Batik Jambi purchasing decisions.*

**Keywords:** Utilitarian Value, Hedonic Value, Purchasing Decision.

## INTRODUCTION

In an effort to attract new customers and retain existing customers, there have been many strategies carried out by business people, but not a few of them failed in carrying out the business strategy efforts. These failures can be caused by many business actors who may not understand how to design a value or innovate that has a level of newness and uniqueness that functions to retain existing customers.

The marketing paradigm has now shifted, where initially it focused more on transactions, now it turns into focusing on relationships (Zeithaml & Bitner, 2003). From this concept it can be understood that building long-term relationship marketing and retaining existing customers is far more beneficial than having to find new customers (Barney, 2003). The method that can be done in increasing and retaining customers is to make the products or services consumed more attractive and fun that can cause loyal customers so that customers will make recommendations or deliver to others. One way to design a value that can meet customer desires can be done using utilitarian value and hedonic value (Chaudhuri & Holbrook, 2002).

Consumer's purchasing decision on a product is basically related to two things, namely the utilitarian value and hedonic value, as well as Batik Jambi. Utilitarian value relates to the basic functions and benefits of a product. Consumers who will make purchasing decisions by considering their utilitarian value will be more objective in evaluating a product. Consumer

purchasing decisions are further influenced by hedonic values. Hedonic value is contrary to the desire for pleasure and self-expression that relates to the individual's emotional needs for a pleasant and interesting shopping experience.

An interesting phenomenon regarding utilitarian values and hedonic values that occur in Batik Jambi customers is where these two values are thought to influence customer purchasing decisions and contribute greatly to the continuity of batik business. However, this suspicion is still not necessarily proven true, so that further investigation is needed to prove whether this allegation is true. Research that examines utilitarian value and hedonic value has been done a lot, but what has been studied with Jambi Batik objects has never been done. Therefore researchers are interested in reviewing and raising this theme into research.

### **Formulation of the problem**

1. How does the utilitarian value and hedonic value influence the purchase decisions of Batik Jambi either simultaneously or partially?
2. Which variable between utilitarian value and hedonic value have dominant influences to the purchase decision of Batik Jambi?

## **LITERATURE REVIEW**

### **Hedonic Value**

Solomon, (2009) says that hedonic values emphasize subjectivity and experience. Consumers can depend on a product to meet their needs for happiness, self-confidence, fantasy, and soon. Ailawadi et al. (2001) explained that there are several factors that influence consumers to maximize hedonic values, namely: 1) Entertainment entertainment or entertainment relevant to people who enjoy shopping. Consumers will get pleasure and entertainment due to the purchase and use of a product; 2) Exploration exploration or characteristics provide characteristics such as innovative, new things, and impulsivity. Exploration provides benefits that are able to provide learning to new experiences that consumers enjoy from purchasing and using a product; 3) Self-expression related to the motivation and desire of consumers to adjust to expectations. That self-expression is not just about beauty, but the mood and emotions of the soul that is capable of arousing happiness or even sadness.

### **Utilitarian Value**

Utilitarian value is a more rational and non-emotional shopping behavior that is naturally formed when someone wants to allocate resources efficiently (Jones et al., 2006). The emergence of utilitarian consumption behavior can be characterized by the following: (Ferrand & Vecchiadini, 2002): 1. Cost Savings, namely cost savings is the main factor of the utilitarian concept, where in this case someone will try to reduce the costs incurred to get a particular product; 2. Maximizing utility, namely by maximizing utility value, utilitarian consumers will be more satisfied in determining what products are consumed; this is done by selecting products that provide the highest utility benefits.

### **Buying Decision**

According to Kotler & Armstrong (2008) purchasing decisions are the stages of the

decision process in which consumers actually purchase products. According to Alma (2011) that purchasing decisions are a consumer decision that is influenced by financial economy, technology, politics, culture, products, prices, location, promotion, physical evidence, people, and process, thus forming an attitude for consumers to process all information and draw conclusions in the form of responses that appear what products will be purchased.

Marketers need to make arrangements for the structure of buying decisions to make it easier for consumers to make purchasing decisions. According to Sunyoto (2015) the structure of purchasing decisions consists of seven components, namely: 1) Decisions about the type of product; 2) Decisions about forms; 3) Decisions about brands; 4) Decisions about the seller; 5) Decisions about the number of products; 6) Decisions about the time of purchase; 7) Decisions about how to pay.

## METHODOLOGY

### Types and Data Sources

The data of this study are two types, namely primary data and secondary data. Primary data is data obtained directly from the object of research. The source of primary data is obtained from distributing questionnaires to the respondents, while secondary data is data obtained from literature.

### Population and Samples

Population is a collection of all elements in this case interpreted as the object of research. The population in this study were consumers who had bought Jambi Batik. The population in this study is unknown.

The sample according to Sutrisno (2015) is a part of the population taken in a certain way and the amount is smaller than the population. The sampling method in this study was using purposive sampling technique. Purposive sampling is a technique of determining samples with certain considerations (Sugiyono, 2012).

### Data Analysis Method

Data collection used is through a questionnaire. The valuation model is the statement spread related to the variables and attributes that are examined with reference to the Likert scale 1-5. In overcoming the validity and validity of the questionnaire testing is needed, namely the validity test and reliability test. The secondary data in this study was obtained from the Department of Industry and Trade of Jambi City and Jambi Province and from the literature relating to this study (Ghozali, 2013).

The analytical tool used to test the hypothesis in this study is Multiple Linear Regression. Descriptive analysis to describe respondents' characteristics of variables without testing. The method is to categorize it into five categories based on the average score of each indicator and dimension. In this study the independent variable is the utilization value (X1) and hedonic value (X2), while the dependent variable is the Purchasing Decision (Y). The multiple linear regression equations used in this study are as follows:

Formula: 
$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + e_i$$

**Explanation:** $Y$  = Purchasing Decision $\beta$  = constants $X_1$  = utilitarian value $X_2$  = hedonic value $e$  = error**Hypothesis Testing**

To test whether there is a relationship between variables X and Y variables, a statistical test with a critical value of distribution t is done, at the rate of significance  $\alpha = 0.05$  with degrees in this study; the F test is used to determine significance effect of independent variables simultaneously on the dependent variable. The t test is carried out to see the significance of individual independent influences on the dependent variable by assuming that other variables are constant. The level of significance (Sig t) of each independent variable with the level of sig  $\alpha = 0.05$ .

This coefficient of determination is shown by R Square in the Summary Model produced by the SPSS program. If the  $R^2$  value gets closer to number 1, the regression model is considered to be better because the independent variable used in this study is able to explain the dependent variable. A value close to one means that the independent variables provide almost all the information needed for the variation of the dependent variable.

**RESULTS AND DISCUSSION****Validity Test**

From the results of testing the validity carried out, using the SPSS Version 17.0 program, it was found that the Pearson Correlation was greater than 0.3, so all statement items used in this study were declared valid, and all items showed a positive direction, so they could it was concluded that all items in this research statement are valid.

**Reliability Test**

The reliability test carried out with the Spearman Brown correlation using the SPSS version 17.0 program, results showed that all statement items were declared reliable, because the value of Croanbach's Alpha was above 0.6. So it can be concluded that all item statements in core research can be said to be reliable.

**Multiple Regression Analysis**

To test the effect of Utilitarian value and hedonic value on purchasing decisions of Batik Jambi, multiple regression was used, and also to test the hypothesis. Where  $X_1$ =Utilitarian Value,  $X_2$ =Hedonic Value and  $Y$ =Purchase Decision in Table 1.

Table 1 MODEL SUMMARY				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate

1	0.687 <sup>a</sup>	0.476	0.468	0.37180
a. Predictors: (Constant), X2, X1				

Based on the results of multiple regression analysis it is known that the value of  $R=0.687$ . This means that the relationship between the utilitarian value, hedonic value and the purchase decision of Jambi batik is 68.7%. This means that the relationship is close.

Adjusted R square of 0.476 means that 47.6% of purchase decision variables can be explained by the utilitarian value and hedonic value, while 52.4% can be explained by other variables not examined by this study.

### Simultaneous Test

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	13.764	2	6.876	43.846	0.000 <sup>a</sup>
2	Residual	14.882	96	0.148		
	Total	27.656	97			
a. Predictors: (Constant), X2, X1						
b. Dependent Variable: Y						

The above Table 2 model reveals that  $F_{\text{count}}$  is 43,846 with a significance level of 0,000, while  $F_{\text{table}}$  at 95% confidence ( $\alpha=0,05$ ) is 2,6. Because in both calculations,  $F_{\text{count}} > F_{\text{table}}$  and its significance level are  $0,000 < 0,05$ , indicating that the effect of independent variables ( $X_1$ =utilitarian value and  $X_2$ =hedonic value) simultaneously is significant to Y (purchase decision of Jambi Batik). Therefore simultaneously  $F_{\text{count}} > F_{\text{table}}$ , then  $H_0$  is denied and accepts  $H_a$ , meaning that each independent variable ( $X_1$  and  $X_2$ ) together has a significant effect on the dependent variable (Y), as well as the Significance value  $< \alpha$  then,  $H_0$  is Denied; and  $H_a$  is accepted.

### Partially Test

		Unstandardized Coefficients		Standardized Coefficients		
	Model	B	Std. Error	Beta	t	Sig.
1	(Constant)	0.160	0.334		0.466	0.624
	X1	0.376	0.148	0.304	2.453	0.003
	X2	0.538	0.152	0.403	3.205	0.001
a. Dependent Variable: Y						

From the above model Table 3 it can be explained that:

a The utilitarian value variable ( $X_1$ ) has a positive and significant effect on Batik Jambi purchasing decisions (Y), this can be seen from a significant value of  $0.003 < 0.05$ , and a  $t_{\text{count}}$  of  $2.453 > 1.98$ , which means that if the utilitarian value variable is increased ( $X_1$ ) is increased by one unit, then the purchase decision of Batik Jambi (Y) will increase by 0.376 units (units). Therefore partially  $t_{\text{count}} > t_{\text{table}}$ , then  $H_0$  is Denied and accepts  $H_a$ , meaning that the independent variable ( $X_1$ ) partially has a significant influence on the dependent variable (Y), as well as the significance value  $< \alpha$ , then  $H_0$  is Denied and  $H_a$  is Accepted.

b. The hedonic value variable ( $X_2$ ) has a positive and significant effect on Batik Jambi purchasing decisions ( $Y$ ), this can be seen from the significant value of  $0.001 < 0.05$ , and the value of  $t_{count} 3.205 > 1.98$ , meaning that if the hedonic value variable is increased ( $X_2$ ) amounting to one unit (unit), the purchasing decision ( $Y$ ) will increase by 0.538 units. Therefore partially  $t_{count} > t_{table}$ , then  $H_0$  is denied and accepts  $H_a$ , meaning that the independent variable ( $X_2$ ) partially has a significant influence on the dependent variable ( $Y$ ), as well as the significance value  $< \alpha$ , then  $H_0$  is denied and  $H_a$  is accepted.

c. Based on the results of the output, the regression equation is:

$$Y = \beta_0 + \beta_1 x_1 + \beta_2 X_2 + ei$$

$$Y = 0.160 + 0.376 X_1 + 0.538 X_2 + ei$$

The results of the analysis obtained data that the close R value between the independent variables ( $X_1$  and  $X_2$ ) with the dependent variable ( $Y$ ) of 0.624. The relationship is said to be very tight because the value of R approaches 1, the positive sign of the value R means that the value of the R independent variable has a relationship with the dependent variable. If the independent variable increases, the dependent variable also increases, and vice versa. Adjusted R square of 0.476 means that 47.6% of purchasing decision variables can be explained by utilitarian value and hedonic value, while 52.4% can be explained by other variables not examined by this study.

Utilitarian value and hedonic value variables have a strong influence on the purchase decision variable of Batik Jambi ( $Y$ ). This can be proven by looking at the comparison of the values of  $F_{count} > F_{table}$  ( $43.846 > 2.6$ ) with a significance level of 0,000 which means that simultaneously variables  $X_1$  and  $X_2$  have a significant effect on the  $Y$  variable. Purchase decision of Batik Jambi.

Partial testing with multiple regressions shows a positive number in the utilitarian value and hedonic value variables, these shows that partially the utilitarian value and hedonic value have a significant influence on the purchase decision of Batik Jambi. If the utilitarian value and hedonic value variables is increased partially, then the purchase decision of Batik Jambi will also increase because the two variables have a significant effect.

Variables that have dominant influence on Batik Jambi purchasing decisions from the two variables studied is the hedonic value variable with a regression coefficient ( $\beta$ ) of 0.538 while the utilitarian value with the regression coefficient ( $\beta$ ) is 0.376.

The results of this study support studies that have been conducted previously where the utilitarian value and hedonic value variables significantly influence purchasing decisions, such as research conducted by (Nurmala, 2016; Chen et al., 2017; Vinerean, 2013; Moon et al., 2017).

The more dominant variable influencing purchasing decisions from the two independent variables in this study is hedonic value. The results of this study are different from previous studies which concluded that the dominant variable in influencing purchasing decisions is utilitarian value such as research conducted by (Nurmala, 2016; Nejati & Moghaddam, 2013; Hanzaeel & Rezaeyeh, 2013).

When compared with previous studies it can be seen from several aspects, among others, the location aspect where research that focuses on trade in both goods and services has been carried out both abroad and in Indonesia, but specifically research on utilitarian value and hedonic value on Jambi's distinctive clothing products as far as the researchers know from the literature review have never been done especially regarding the variables in this study.

The equation of this study with previous studies, among others, is in terms of the research variables. Some previous studies both included utilitarian value variables, hedonic values and purchasing decisions such as (Nurmala, 2016; Chen et al., 2017; Vinerean, 2013; Moon, et al., 2017; Wu, 2009; Nejati & Moghaddam, 2013; Hanzaeel & Rezaeyeh, 2013; Basaran & Buyukyilmaz, 2015; Jones et al., 2006.

## CONCLUSION

The study concludes that the utilitarian value variable ( $X_1$ ) and hedonic value ( $X_2$ ) have a significant influence on Batik Jambi purchasing decision variables ( $Y$ ), both simultaneously and partially. The more dominant variable influencing the purchase decision of Batik Jambi is the hedonic value variable.

The researcher recommends that Batik Jambi businesses take steps to improve the utilitarian value and hedonic value that have been implemented in order to further increase consumer interest in buying Batik Jambi. This study only concentrates on utilitarian value and hedonic value variables, researchers recommend further research to examine other variables in marketing management.

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