Value-in-exchange or expected value-in-use

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2010
Abstract:
Consumers make decisions on a daily basis about what goods and services to purchase. The decisions are made based on certain value considerations. Often consumer values are studied post-purchase and referring to quality and satisfaction. The starting point for investigating consumer values in this study was the pre-purchase phase. Very few studies have explored the pre-purchase phase and none have really looked at the value considerations when making decisions in that situation.

The aim of this study was to investigate consumer decision making in the pre-purchase phase by investigating value consideration - how much the decision is influenced by price and how much by a value-in-use expectation. Value-in-use means value to be gained in the future from a purchase. It seeks an answer to the question of whether people are concerned with value-in-exchange or value-in-use dimensions. The study also contrasts the value consideration for goods and services, and looks into the disparities between age groups, genders and education levels.

The theoretical literature review presents the findings of previous studies which often have focused on the price as the main value and quality aspects. Also, no comparison study about value consideration for goods and services have been conducted. Hypotheses are generated based on the literature. In addition, various value typologies are discussed and a modified framework from Holbrook’s typology is proposed for this study. The five chosen value parameters are discusses in-depth: efficiency, excellence, enjoyment, social value and price.

The study conveyed a scenario approach, describing the five chosen value types for both goods and services with a short paragraph of 40-80 words. The respondents rated the scenarios on a Likert-type scale from 1 to 5. The data was collected with an Internet-mediated questionnaire and a quota sample of 306 respondents was extracted for this specific study from a bigger sample.

The results revealed that enjoyment is the most important value factor in the pre-purchase decision making phase followed by price. In four out of the five values there are significant differences when comparing goods and services. Enjoyment is the main value for services and price is the prevailing value when talking about goods. There are differences between the value perceptions of age groups and groups with different levels of education. Price sensitivity decreases with higher age and higher education. Also, the genders perceive a few value types significantly differently.

Keywords: value expectation, value-in-exchange, value-in-use, pre-purchase perceived value, scenario study
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1 Introduction

People often make decisions without explicitly thinking about their choices or the possible gains that can be achieved. Going shopping or buying services is often a routine and is done on a daily basis. Usually there are certain deliberations, people think of a specific value before making a purchase. Sheth, Newman and Gross (1991) assert that consumption choice is a function of multiple values that are independent from each other. Consumers have expectations that have to be met in a good or a service. While it is desirable to maximize all consumption values, often consumers are willing to accept less of one value in order to obtain more of another (Sheth et al., 1991). Consumer behaviour is a much researched area and it is of great importance to marketers, as understanding people’s decision making processes and the different roles people have as consumers can provide relevant insights. Marketers can use the information for marketing communication and advertising as it allows for higher awareness of what kind of deliberations consumers have and which value considerations prevail when entering a shop and planning to buy a good or a service.

A recent study on shopping for home furnishing revealed that value and quality characteristics are currently critical for three-fourths of consumers shopping for furniture and also that the price aspect (‘best price’ and ‘low price’ variables in the study) had a considerable increase in importance in 2009 compared to 2008 (Anon., 2009). This information reveals the effects of the recent recession and indicates an increase in price sensitivity. It also sheds light on what consumers think about and see as valuable when making buying decisions. Although price often seems to be the main concern, there are of course other value dimensions that consumers think of. Companies work hard to identify those values and address them, as understanding your target market translates into shareholder value and profits. It gives companies a competitive advantage and it is crucial for a firm’s survival. According to Shiv, Carmon and Ariely (2005) it is widely known that marketers can significantly influence variables such as (perceptions of) consumption experiences and purchase behaviour. They even provide evidence that such actions can also influence the actual efficacy of a marketed product. Still, companies often fail to meet customer expectation, probably because managers are
not completely sure of what brings value to the customer, or how it is created (Sandström, Edvardsson, Kristensson and Magnusson, 2008). Mastering those values into marketing and advertising communication is an art, but even more it is an art to figure out what types of values really speak to the consumer.

1.1. Research problem

Customer value and perceived value have been researched for years, and it is still a developing and controversial area. Much of the debate is centred on the conceptual level looking into various theories (e.g. Woodruff, 1997, Holbrook, 1999, Smith and Colgate, 2007, Sanchez-Fernandez and Iniesta-Bonillo, 2007) and empirical studies that have been conducted usually have very different starting points as there are so many frameworks to choose from. Moreover, the studies are focused either on a product (Zeithaml, 1988, Rao and Monroe, 1989, Dodds, Monroe and Grewal, 1991, Sweeney and Soutar, 2001) or a service (Gallarza and Gil, 2008, Sanchez-Fernandez, Iniesta-Bonillo and Holbrook, 2009) and not comparing the value dimensions between products and services on a broader level. Previous studies have researched price, value and quality relationships, often with the use of perceived service quality models, but there has been no research done that has unravelled the value-in-use considerations in relationship to price - value-in-exchange when making a purchase.

Furthermore, there is incomplete knowledge when it comes to understanding the pre-purchase situation. Most studies have focused on quality and satisfaction that can only be determined after use, not before the actual buying decision. What processes are taking place when the customer is looking around in a shopping centre or walking down the street on the way to a store? What is the customer really thinking about and does the intended marketing message reach out to the audience and correspond to the values of the customer. It is very costly for marketer not to know the real value deliberations in the customers mind before the customer takes action. Excellent quality reviews received from users are great advertising for a product or service, but does the consumer remember that information when being in the situation of making a choice?
Another central issue is also the marketing paradigm shift that has been covered by many authors during the last years (e.g. Vargo & Lusch, 2004, Grönroos, 2006 & 2007). No-one has studied whether the idea of value-in-use instigates a thought or association in the consumer’s thinking process. Value-in-use is more abstract and harder to relate to whereas value-in-exchange is a simple transaction. According to the latter view, value for customers is embedded in the products or services delivered to customers (Grönroos, 2007:155). Value-in-use on the other hand emerges for the customer in the customer’s daily activities or processes (Grönroos, 2007:155). The value types differ in nature and how they can be observed: before, during or after purchase. There is no information on how consumers are able to relate to or determine the important value dimensions in a pre-purchase situation when they are dealing with expectations only. The following paragraph introduces the central questions of this study.

1.2. Aim of the study

The thesis focuses on consumers pre-purchase value considerations and defines the following aims:

1) Firstly, when a customer is making a buying decision, how much is the decision influenced by price (value-in-exchange) and how much of there being other, value-in-use expectations related to the product or service. In other words, what drives the customer in the buying process, what types of values people consider as important, are there differences between values. What does the value portfolio for a consumer look like?

2) Secondly, the aim is to study value in the pre-purchase situation which means that it deals with value expectations of consumers. Value-in-use means value to be gained in the future from a purchase and cannot be objectively assessed in the pre-purchase situation; therefore the focus is on expectations.

3) The study contrasts the value-in-exchange and value-in-use paradigms as it deals with different values that the paradigms represent. It seeks an answer to the question of whether people are concerned with value-in-exchange or value-in-use dimensions.
4) Finally, the study aims at identifying how the value perceptions differ for goods and services.

1.3. Delimitations

The study focuses only on parameters of price and those that can be associated with value-in-use expectations. As value is very abstract and it is hard to relate just to the idea of value it is important to include the price dimension as a more tangible point of reference. Value is studied in the sense that does the customer see a future value that can possibly be gained from buying a good or a service. The study is not directly dealing with dimensions of quality or satisfactions, which are usually studied together with price, and mostly in a post-purchase situation. The concepts are of course interrelated with value and it is very hard to strictly draw a line between them. Quality dimension is more important when customers make post-purchase value evaluations as then they have used or experienced what they bought. The focus in this study is on the pre-purchase moment and what kinds of value considerations are taken into account then.

The study concentrates on one cultural environment, namely Estonia. The sample is based on a younger group of consumers and has also socioeconomic delimitations that are introduced later. Access to Internet is a prerequisite for participating in this study, as the questionnaire is distributed via that medium. In the process of data gathering, reference is made to various goods and services, but as it is made on a general level the results are applicable for all kinds of goods and services.

1.4. Structure of the paper

The study consists of six major parts. The introduction gives a short overview of related research and identifies a research gap that this study investigates. The aims of the research are presented followed by speciation of the delimitations.

Theoretical framework is divided into two parts and introduces concepts that are relevant for the thesis. First part introduces the central constructs of the thesis of which an understanding much be created in order to comprehend the issues that are
investigated. A definition of value is presented and more importantly pre-purchase perceived value is defined. That is followed by hypotheses generation. Second theoretical chapter presents an overview of value typologies, focusing on Holbrook value framework and provides motivation for choosing specific value types for this study. Literature review is summarized with a short chapter linking the proposed hypotheses to the value types.

Fourth chapter consists of the discussion on methodology. An overview of the research approach is provided and the topics of sources of data, access, and sample selection are discussed. The chapter finishes with presenting the questionnaire design which in this case consists of ten value related scenarios. The chapter finishes with a discussion on the validity of the scenarios.

Chapter five presents the empirical findings of the quantitative study. The chapter gives an overview of the background information of the sample followed by a discussion on the reliability of the scale. The outcomes of hypotheses testing are presented and in addition, t-test results for comparing the various groups that were specified for the study are demonstrated. The section finishes with a summary on the main findings.

The final chapter provides an in-depth discussion on the findings of the empirical study. An analysis on the prevailing values types is provided and the possible implications are discussed. It is concluded with propositions for managers and suggestions for further research.
2 Central constructs of the thesis

2.1 Consumption and choice heuristics

According to Sheth, Mittal and Newman (1999:516) it is of paramount importance for marketers to understand the decision process the customer goes through. Awareness of customer’s deliberations and understanding of the practice help marketers plan actions that would respond and match the considerations in the customer’s mind. It can be an individual decision maker or a group influencing the purchase decision. The individual decision maker might have the role of the user, payer, or buyer (Sheth et al., 1999:516). Sometimes all the roles are played by one person, at times only one or a pair of them. Sheth et al. (1999:517) notes that often it is thought of an individual making a choice, limiting attention only to the benefits of a product or service; this confines the decision maker to the user roles. This means that focus is only on the benefits of a product or a service, whether performance related or of emotional and social importance. This limits the view on values that influence the decision process. Usually, to the individual decision maker, both the buyer and payer roles are applicable, so that way different types of values become equally important, adding economic, convenience and service value to the previously mentioned (Sheth et al., 1999:517).

In each of the three roles (user, payer, buyer) customers constantly face choices – whether to purchase, what to purchase, from whom to purchase, and how to pay for it (Sheth et al., 1999:518). Figure 1 below illustrates the customer decision making process by Sheth et al. (1999:520).

![Customer Decision Making Process Diagram](image_url)

Figure 1  Customer Decision Making Process
The process starts with the problem recognition. It is a realization by the customer that he or she needs to buy something to get back to the normal state of comfort (Sheth et al., 1999:520f). Information search means looking for alternative to solve the problem through various marketing and non-marketing sources like advertising, salespersons, but also friends and past experiences. The third step of alternative evaluation is a pre-purchase stage where the customer is considering various options before getting to the next step of purchasing a product or a service. This is followed by the act of making a purchase. The final step takes place post-purchase, when the customer experiences what he or she bought. While going through the five steps the customer is processing information and unconsciously building value hierarchies. According to Sheth et al. (1999:81) customer values are instrumental, dynamic and hierarchical. They become increasingly diverse at higher levels of the hierarchy. This means that the emphasis on a certain value can change any time increasing or decreasing in importance and it always depends on the situation in which the judgement is to be made. Customer values are synergistic, role specific and vary among customers. Everyone has their own value hierarchy that they have formed for themselves based on their upbringing, education, work, social status, family, friends, etc. As value is so versatile it is not easy for a customer to make a decision nor is it easy for the marketer to identify the process going on in a customer’s mind.

This study is especially interested in the third step of customer decision making - the pre-purchase alternative evaluation stage. Sheth et al. (1999) makes an important point when saying that “the objective reality of a product matters little; what matters is the customer’s perception” (p.298). Before the purchase customers have all kinds of perceptions. It is the process by which an individual selects, organizes, and interprets the information one receives from the environment (Sheth et al., 1999:298). It consists of three stages: sensation, organization, and interpretation that are presented in Figure 2 (Sheth et al., 1999:298).
Figure 2 Stages of Customer Perception

Perception starts with a sensation – attending to an object or an event in the environment with one or more of the five senses of seeing, hearing, smelling, touching, and tasting. Organization means categorizing by matching the sensed stimulus with similar objects categories in one’s memory. The final stage of interpretation means attaching meaning to the stimulus, whether it is an object you like and of what value it would for the perceiver. (Sheth et al., 1999:298) The study does not go into more detail on the levels of perception, as this is not the main issues to be investigated. The chapter introduced the basic ideas of consumer behaviour and the steps of choice heuristics, as the process is important for studying consumer values. It was presented in order to have an overview of what takes place in the consumers mind when making decisions. Furthermore, it explained what constitutes perception when there is no objective reality, as the consumer has not yet experienced the good or service and has to make a decision just by evaluating various alternatives.

The next section introduces two important concepts in the light of this study. Firstly, the notion of value is explained in more detail. Secondly, a discussion explaining what does pre-purchase perceived value mean in the context of this study is presented.

2.2. Value definition

According to Cambridge Advanced Learner's dictionary (2010) value is defined as “the importance or worth of something for someone.” Sheth, Mittal and Newman (1999) summarize value as “the potential of a product or service to satisfy customer’s needs
and wants” (p.58). The emphasis is on the potential value, the satisfaction that can be gained from the product or service. Zeithaml (1988) concluded in her research about price, quality and value that “value is consumer’s overall assessment of the utility of a product based on perceptions of what is received and what is given” (p.14). Zeithaml focuses on the real perceived value and in that case the evaluation is made post consumption. In addition, Zeithaml (1988) describes value as more individualistic and personal than quality, therefore a higher level abstraction. Oliver (1999:56) went as far to say that “value is what is added to the consumer’s existence.” In the end, it is the consumer who decides what value means for oneself, how to approach it and how to form value judgements accordingly.

Zeithaml (1988) focus is on the sacrifice versus benefit relationship of value. Holbrook (1999:5) defines consumer value as “an interactive relativistic preference experience.” The latter description broadens the field of value characteristics. Holbrook (1999:8) sees the most fundamental characteristic of value being the fact that it is an axiology – it embodies a preference judgment. The concept of preference embraces a wide-variety of value related terms like evaluation, opinion, valence, etc (Holbrook, 1999:8). Value is interactive as it entails an interaction between some subject (a consumer or customer) and some object (a product). It can mean that value depends entirely on the nature of the subject or it resides in the object itself as one of its properties. (Holbrook, 1999:5) By relativistic, it is meant that consumer value is comparative, personal and situational (Holbrook, 1999:6). Those three levels are elaborated on later, but it indicates that value has a different meaning for everyone, people have different associations with it - inherently value is heterogeneous. Finally, by defining consumer value as an experience, it is meant that consumer value resides not in the product purchased, not in the brand chosen, not in the object possessed, but rather in the consumption experience(s) derived there from (Holbrook, 1999:8). Also Prahalad (2004) notes that value is embedded in personalized experiences. This shows the conceptual richness of the customer value definition, and as Parasuraman (1997) commented already a decade ago, the definition’s potential operational deficiency stems from that richness.

This study tackles the issues of multiple contexts (focusing on the pre- not post-purchase situation), multiple cognitive tasks (preference for rather than evaluation of),
and multiple, increasingly abstract levels of assessment criteria (product attributes, possible usage consequences, and customer goals) that are embedded in the definition (Parasuraman, 1997). The specific context for this study is explained in the next paragraph.

### 2.2.1. Pre-purchase Perceived Value

The focus here is on the pre-purchase perceived value and the next paragraph clarifies what kind of influence that has on the study of value. According to Woodruff (1997) purchase means choosing, and that requires customers to distinguish between product offer alternatives and evaluate which is preferred. During the choice task, customers may predict received value, but only during use they are actually able to experience received value (Woodruff, 1997). The evaluation of worth can only occur after purchase (Babin and James, 2010). As noted by Oliver (1999:44) prior to purchase customers may imagine what value they want (i.e. desired value). Badin and James (2010) also comment that research that operationalizes value in studying an impending purchase decision is more accurately focusing on value expectations or the anticipation of value.

In this study the product or service value consideration has to be made before the actual purchase or usage and the decision is presumably based on perceived value or quality expectation. Zeithaml (1988) points out that quality and value are not well differentiated from each other and from other similar constructs such as perceived worth and utility. Even for consumers it is hard to make a distinction between the concepts of price, quality, value, benefit and satisfaction. They tend to be perceived as interrelated. In addition, Woodruff (1997) noted that customers may perceive value differently at the time of purchase than they do during or after use. In the latter case, they have the actual experience of an in-use situation. Same goes for quality, as it is hard to assess quality while making a purchase, only post-purchase judgments are possible. This does not mean that consumers do not think about value at the point of purchase, it means that they are dealing with perceived value or perceived quality, which is different from objective or actual quality (Zeithaml, 1988). It is a higher level abstraction rather than a specific attribute of a product, it is a judgment usually made within a consumer’s evoked set (Zeithaml, 1988) and this is exactly what this paper explores. The aim is to
discover what value dimensions are important in the pre-purchase situation when the perceived value judgment is based on assessments, not experiences. Besides, if value is seen as a personalized experience (Holbrook, 1999:8) as mentioned above, then before making a buying decision, the consumer must have thoughts on the possible future experiences – various expectations and desires. Consequently, the term ‘perceived value’ stands for pre-purchase value expectations.

The next chapter presents a literature review and looks into how different marketing perspectives influence the subject at hand.

2.3. Hypothesis generation

With the notion of value defined and the situational context (pre-purchase) clarified a literature review for hypothesis generation is presented.

The definition of marketing states that “marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large” (American Marketing Association, 2010). Value plays a central role in there, as it aims at communicating and creating value for many audiences. Vargo, Maglio and Akaka (2008) emphasize that two general meanings of value, value-in-exchange and value-in-use, reflect the different ways of thinking about value and value creation.

Value is often viewed in the literature as embedded in a product that is exchanged, the ‘value-in-exchange’ notion (Grönroos, 2006). Exchange, the act of giving or taking one thing in return for another, is the central concept in virtually all human sciences (Anderson et al., 1999 cited in Sheth and Uslay, 2007). Another important thing about value is that it is often seen as a ratio between service quality and cost (Sandström et al., 2008). An extensive body of research has studied the relationship of quality and price (e.g. Zeithaml, 1988, Rao and Monroe, 1989, Dodds et al., 1991) and concluded that price always is a statistically significant factor no matter what other information the consumer receives.
There are companies whose main focus is on communicating price as the centre of exchange, e.g. Walmart. Their current slogan says “Save money. Live better.” (Walmart, 2010). This clearly indicates that their core value proposition to the consumer is cheap price and they are focused on communicating price for product exchange. The second part saying “live better” is a result of saving money, not that there would be some other value deliberations when making the purchase. It means that a consumer goes shopping to Walmart when their main value deliberation is price, as it is cheap to shop there and it indicates that they only think on the value in exchange paradigm, as it is a simple exchange. There are consumers for whom price is the most influential factor and it is impossible to use any other arguments e.g. higher quality, or higher emotional value gained from purchasing a more expensive service as by no means they are willing to pay more. This indicates the superiority of price in the exchange paradigm and the first hypothesis is introduced:

**H1:** When making a purchase the consumer thinks of price as the main value.

According to Vargo and Lusch (2004) marketing has shifted much of its dominant logic from the goods-centred model to a service-centred model during the last decade. This means a shift from exchange value to value-in-use. Sheth and Uslay (2007) also note that the primary focus within the exchange paradigm has been on value-in-exchange at the cost of ignoring and/or deemphasizing other types of value created. They criticize the exchange paradigm because the transfer of ownership and possession is overemphasized. Actually, possession utility has become less important in an increasingly service-based economy, in which customers pay for usage and not for ownership. (Sheth and Uslay, 2007) This indicates that there are actually other value dimensions that the consumer takes into consideration besides just the price. Vargo et al. (2008) concluded that value is fundamentally derived and determined in use – the integration and application of resources in a specific context – rather than in exchange – embedded in firm output and captured by price. A multidimensional value concept allows one to move forward beyond the goods dominant view, toward one that more appropriately focuses on actions and experiences (Babin and James, 2010). This supports the idea of consumers having many more value considerations that occasionally get ignored on the cost of price, but are actually important.
Grönroos (2007:286) depicted the value paradigm shift on a marketing strategy continuum and also argued that price elasticity changes, as with the exchange value view customers tend to be more sensitive to price and that sensitivity decreases with the value-in-use notion (Grönroos, 2007:286). Hinterhuber (2008) pointed out in his overview of value based pricing that effective needs-based market segmentation not only identifies the size and composition of the price-driven market, which is never a 100% of the market. In addition, it also delineates the nature and size of other market segments of customers, for whom product dimensions other than price have value (Hinterhuber, 2008).

Empirical research has repeatedly discovered that buyers often are not able to remember the prices of items they had recently purchased (Monroe and Lee, 1999). A possible conclusion from this discovery can be that buyers often do not attend to price information while making a purchase decision. If they do not look at prices then there must be other considerations for the buyer. This clearly indicates that although price might be the main value dimension for many consumers, there are other dimensions of value that need to be addressed as well. Therefore, an alternative hypothesis (marked with a subscript - $H_1$) for the null hypothesis introduced:

**$H_1$:** In addition to price, consumers have other value considerations when making a purchase.

Products and services are bundles of value (Sheth et al., 1999:77). Hartman and Lindgren (1993) argue that services are fundamentally different from goods. Often products and services have been set apart by certain characteristics. Products are tangibility, homogeneous, separable, and durable (Lovelock and Gummesson, 2004). According to Zeithaml, Parasuraman and Berry (1985) the rational for a separate treatment for services marketing centres on the existence of four characteristics: intangibility, heterogeneity, inseparability or production and consumption, and perishability (IHIP). Although the IHIP differentiation is most often used it also has received a lot of criticism. Edvardsson, Gustafsson and Roos (2005) argue that the IHIP characteristics should not be used in the future as generic service characteristic if one wants to understand economic exchange and value creation through services. Also,
Lovelock and Gummesson (2004) contend based on their research, that the claim of services being uniquely different from goods on the four IHIP characteristics is not supported by evidence. The following discussion looks at the four characteristics more in-depth.

The fundamental difference between products and services is seen to be intangibility (Zeithaml et al., 1985), because services are performances rather than objects and therefore they cannot be seen, felt, tasted, or touched in the same manner in which goods can be sensed. Heterogeneity captures the potential for high variability in the performance of a service, which can vary from producer to producer, from customer to customer, and from day to day. The production and consumption of services are inseparable, whereas goods are first produced and then consumed. Perishability of services means that they cannot be saved or stored. (Zeithaml et al., 1985) The above arguments support the IHIP characteristics for separating services from goods. As shown above, it is a multidimensional concept encompassing productive capacity, the producer’s output, and the experienced performance for the consumer (Lovelock and Gummesson, 2004).

On the other hand, Lovelock and Gummesson (2004) found in their research that some of the IHIP characteristics are also valid for goods. For example, according to them inseparability is an oversimplification and services are partly or largely produced independent of the customer e.g. laundering clothing, and undertaking routine cleaning and maintenance of equipment and facilities. Lovelock and Gummesson (2004) presented numerous exceptions to discredit the claim of universal generalizability. But instead of continuing with the debate in the literature, examples from consumer studies are presented in order to understand the customers’ side of view.

Hartman and Lindgren (1993) asked consumer to rate items in terms of services and goods in their study of consumer evaluations. The subjects made significant distinctions between items which are high in service qualities and items which are high in goods characteristics, and agree with marketing scholars that there are significant differences between them. Although pure goods and pure services lie at the extremities, most other items are presented as containing a mix of tangible and intangible elements (Lovelock
and Gummesson, 2004). The research by Hartman and Lindgren (1993) also revealed that consumers’ distinctions differ from those made in the marketing literature and presented above. Goods were mostly distinguished from services on the ease of evaluation dimension. The next paragraph looks at previous research to see how the issue of goods and services has been approached in consumer value studies.

The discussion in literature on value has often been centred on the value of a certain product. E.g. Zeithaml (1988) explained consumers perceptions based on the example of beverages. Rao and Monroe (1989), and Dodds et al., (1991) focused on the product price and quality relationship when investigating buyer’s evaluations. Sweeney and Soutar (2001) based the development of a multiple item scale of perceived value on durable goods. Based on this and as pointed out by Sanchez-Fernandez et al. (2009) the substantial body of literature has focused on products. Recently Gallarza and Gil (2008) studied value parameters of tourism experiences focusing their study on a service. Sanchez-Fernandez et al. (2009) based their research on vegetarian restaurants when examining the multidimensionality of value.

According to Grönroos (2006) goods are seen as value-supporting resources and services as value-supporting processes, meaning that a good has to be put into an activity of consumption - handled and managed by the customer, whereas with services the provider offers part or all the context of this activity. Although it is debatable whether the traditional separation between goods and services is outdated or not, there still seem to be essential differences as depicted above and those cannot be set aside. Also, with the changing perspective in marketing, which in essence is centred on the two words of either ‘good’ or ‘service’ (e.g. goods dominant logic, service logic or perspective) implies that there are significant disparities. Therefore, the second alternative hypothesis states:

**H2:** The value considerations differ for goods and services.

The final hypothesis delineates the idea of value being situational. As noted earlier by Woodruff (1997) customers perceive value differently at the time of purchase than they do during or after use, as in the latter case they have an actual experience that they can
recall and that influences their re-purchase intentions. When making the choice of buying for the first time, the consumer can only predict value and after acquisition can make a value judgment based on the experience of using that product or service. That information can be taken into account when being faced with buying the same thing again and it should affect consumer decision making. It can also happen that a number of consumer do not value previous experience or do not consider it to be significant. Either way, value is a vibrant notion, also personal as explained beforehand and that brings us to the final alternative hypothesis:

**H3**: The value considerations are different for 1st time purchase and re-purchase.

The generation of the hypotheses summarizes the first part of the literature review. The null hypothesis for the last two alternative hypotheses is that there are no differences between groups or situations. Next chapter starts with a discussion on various value typologies and continues with an introduction of specific values chosen for this study. In the end, a summary of the theoretical part links the hypotheses with the value types.
3 Value typologies: a framework for analysis

The previous paragraph brought forward the three main hypotheses that are studied. This section takes an in-depth look at the various value types and builds a framework for analysis.

Despite the emphasis on delivering customer value, little research has addressed the value construct itself and there is no well-accepted value measure, even in the retail environment in which customers evaluate products before purchase (Sweeney and Soutar, 2001). Olson (as cited in Zeithaml, 1988, and Rao and Monroe, 1989) argues that consumers use a variety of cues to infer product quality. Those are ‘extrinsic’ cues – not directly related to the product performance e.g. price, and ‘intrinsic’ cues – derived directly from the physical product (Rao and Monroe, 1989) e.g. possible future value-in-use. When price is the only cue to be studied it usually is overemphasized and, therefore other independent variables as cues are necessary for valid empirical tests (Rao and Monroe, 1989, Dodds et al., 1991).

Zeithaml (1988) noted that in the initial purchase situation, consumers depend on extrinsic attributes more than intrinsic attributes, because intrinsic cues are not available, especially when it comes to services. Although information on intrinsic cues is lacking, there still are expectations associated with what is bought. Therefore, when studying customer value expectations in a purchase situation it is not just about the price, but as evidence shows there are other aspects of value under consideration. Pricing literature made the discovery years ago when they started to include other intrinsic and extrinsic cues and stopped considering the effect of only price on buyers' perceptions of product quality (Zeithaml, 1988, Rao and Monroe, 1989, Dodds et al., 1991). Where multi-cue studies have manipulated more than one objective property, price effects have sometimes been stronger, sometimes weaker, and sometimes conditional on the level of other variables (Holbrook and Corfman, 1985:39). The evidence shows that what and how customers perceive as important or valuable is controversial. Recently Meng and Nasco (2009) studied value consciousness and conceptualized it as reflecting a consumer’s concern for price paid relative to quality received. Although this would indicate the prevalence of price again, it is for sure that
there are multiple ways for categorizing value and multiple value dimensions explain consumer choice better, both statistically and qualitatively, than does a single ‘value for money’ item (Sweeney and Soutar, 2001).

Anderson, Narus and Rossum (2006) propose that an offering can have many technical, economic, service or social benefits that deliver value to customers. Smith and Colgate (2007) propose four types of value: functional/instrumental, experiential/hedonic, symbolic/expressive, and costs/sacrifice value. Sweeney and Soutar (2001) found four value dimensions that distinctively emerged in their study: emotional, social, quality/performance and price/value for money. It is possible to continue the list with other suggestions, but the multiple value levels proposed in this study are chosen from Holbrook’s (1999) value framework, as it defines more value types than any other study. Motivations for choosing specific value types for this study are presented after introducing the value framework by Holbrook.

Holbrook (1999:10) looks at the types of value in the consumption experience as (1) extrinsic versus intrinsic, (2) self-oriented versus other-oriented, and (3) active versus reactive (see Table 1). With extrinsic value, consumption is prized for its functional or utilitarian instrumentality in serving as a means to accomplishing some further purpose. Intrinsic value occurs when a consumption experience is appreciated as an end in itself – for its own sake. Value is self-oriented when an aspect of consumption is prized selfishly for one’s own sake and other-oriented value looks beyond the self to someone or something else, it is for their sake. Active entails a manipulation of a tangible or intangible object e.g. handling of a product. Conversely, reactive means appreciating consumption experience e.g. things done by a product or service to or with the consumer. The three-dimensional paradigm gives eight types (2 x 2 x 2 matrix) of consumer value. Namely: efficiency, excellence, status, esteem, play, aesthetics, ethics, and spirituality. (Holbrook, 1999:10-12)
Table 1  Typology for Consumer Value

<table>
<thead>
<tr>
<th></th>
<th>Extrinsic</th>
<th>Intrinsic</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Self-oriented</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Active</td>
<td><strong>EFFICIENCY</strong> (convenience)</td>
<td><strong>PLAY</strong> (fun)</td>
</tr>
<tr>
<td>Reactive</td>
<td><strong>EXCELLENCE</strong> (quality)</td>
<td><strong>AESTHETICS</strong> (beauty)</td>
</tr>
<tr>
<td><strong>Other-oriented</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Active</td>
<td><strong>STATUS</strong> (success, impression, management)</td>
<td><strong>ETHICS</strong> (virtue, justice, morality)</td>
</tr>
<tr>
<td>Reactive</td>
<td><strong>ESTEEM</strong> (reputation, materialism, possession)</td>
<td><strong>SPIRITUALITY</strong> (faith, ecstasy, sacredness, magic)</td>
</tr>
</tbody>
</table>

(based on Holbrook, 1999:12)

3.1. Motivations for choosing value types for this study

Holbrook’s framework was taken as a basis for this study as it embodies a very systematic overview of value types. This study has to take into account the pre-purchase stage in the decision making process and make adjustments to the framework accordingly, as it mostly discusses the value types as post-purchase evaluations. In order for the value concept to remain multifaceted it is important that the chosen values would accurately exemplify the variety. Therefore, the decision was made that the chosen values have to represent extrinsic and intrinsic, self-oriented and others-oriented, active and reactive sides of value and not leave any of the categorisations out.

The study takes a closer look at four of the value types which are self-oriented (efficiency, excellence, play and aesthetics). Those were chosen because they are relevant value characteristics for a consumer when in a decision making process of what to buy. Two of the intrinsic value items (play and aesthetics) are combined into one value dimension because for a consumer they are hard to separate and together they fulfil the purpose of one type of a value that every consumer can relate to. In addition, a fourth dimension is proposed based on the other-oriented value types (status, esteem, ethics and spirituality) put forward by Holbrook (1999). That type of value is important because it presents the others-oriented effects to one’s value perceptions. Fifth and final
value dimension is the much talked about price which in this study stands for only the monetary sacrifice.

Those dimensions were chosen as they are considered to be the values that an average consumer can associate with and they are distinctive in the sense that the respondent is able to evaluate them as separately standing values. In addition, five value dimensions is considered to be enough when assessing value in the alternative evaluation phase of the decision making process. The following paragraphs provide a more explicit explanation of the chosen value types.

3.1.1. Efficiency

Efficiency involves extrinsic value that results from the active use of a product or a consumption experience as a means to achieve a self-oriented purpose. It can also be referred to as a ratio of outputs to inputs – O/I ratio. A key example of efficiency that tends to hold greatest interest for consumers can be viewed as convenience, in which case the time factor is also an input in the O/I ratio. In fact, time itself may have no definite value for people, but its value is entirely constructed by the context (Leclerc and Schmitt, 1999:40). Now and then people are wasteful with their time and on other occasions they are very tense and anxious about losing precious minutes.

A real life example that emphasizes the role of time as a key resource or input (also as a value consideration) is convenience food and convenience stores. Food is valued because it is extremely quick and not for its healthy ingredients and delicious taste. Along similar lines the stores carry a narrow selection of goods, they are open longer hours and you can quickly grab what you are looking for without standing in line. (Holbrook, 1999:13) Examples of those in Estonia would be R-Kiosk, where you can quickly grab a coffee, a sandwich, a newspaper, etc. This also exemplifies the active value of time – defined as something that I act upon as opposed to something that acts on me (Leclerc and Schmitt, 1999:39). There are also occasions when the consumer is not in control of the use of time (the reactive side) e.g. delays in traffic and airports. No-one is safe from those occurrences, but in a pre-purchase decision making process, the plans related to time and scheduling are in the hands of the consumer.
Efficiency is chosen as a value dimension for this study as its focus is not solely on the price, as is so often the case, but it captures the values of convenience and time. Both should be relevant considerations in the pre-purchase situation. Sanchez-Fernandez and Iniesta-Bonillo (2007) point about that although price is usually understood as the monetary value of a product, a full appreciation of the concept also includes considerations of the time, effort and search involved in the consumption experience. It clearly indicates that a person has other value considerations when buying than just the prices, and at least in Estonia e.g. a convenience store or a petrol station has higher prices that a regular supermarket. Same goes for services, as a cosmetics salon in the city centre and close to office buildings charges higher prices than one in the outskirts of the town, but it takes at least an hour to get there. With convenience in mind, other factors like price are less important in the process of choosing. One additional example presented by Holbrook (1999:14), which was chosen as it is something we use on a daily basis without giving it much thought, is the refrigerator - it helps us economize on our use of time and therefore confers value based on convenience.

3.1.2. Excellence

Excellence involves a reactive appreciation of an object’s or an experience’s potential ability to serve as an extrinsic means to a personal end. In other words, one admires the capacity to accomplish a goal or perform a function. The emphasis is on the appreciation of instrumentality, but it should not be confused with satisfaction or quality. (Holbrook, 1999:15)

Quality arises as a salient type of consumer value when one admires a product for its capacity to achieve a self-oriented want, but do so without actually using it for that purpose – in other words, reactively rather than actively (Holbrook, 1999:15). Oliver (1999:43) notes that the consumer does not actively operate on the product or service in the pre-purchase period. This definition is essential for this study, as before making a purchase the consumer can only assess the excellence of the good or service reactively. The decision can be based on other information cues like brand name or price, but not on in-use quality assessment.
Oliver (1999:49) describes excellence value as a derivative of the consumer’s goals in purchasing. An example by Holbrook (1999:15) is that one might appreciate a Ferrari knowing that, potentially, this car could accelerate from zero to 60mph (97 km/h; added by the author) in 4.32 seconds, but that does not mean that a person goes out and breaks the traffic laws in order to value that aspect of its quality. The goal is the production of desired consequences (Oliver, 1999:49). This also brings attention to the value-in-use side, as it clearly indicates the consumer having expectations related to the product which is made use of later on.

### 3.1.3. Enjoyment

Play stands for a self-oriented experience, actively sought and enjoyed for its own sake (Holbrook, 1999:18) e.g. playing the piano. Many researchers have found the concept of play as very elusive and often the act of play is best described through using the character of “the Trickster” who appears in different guises (Grayson, 1999:105). E.g. Tom Sawyer (Mark Twain’s Trickster) who made painting the fence seem irresistible to his friends. The challenge with play lies in the fact that the word can be used in so many different ways. (Grayson, 1999:106) As long as there are different people there are diverse opinions on what is seen as playful and what can offer the enjoyment of play. Tom Sawyer did not like to paint the fence and wanted to engage in other activities, but he managed to make painting the fence look desirable to his friends. The essence here is that an activity is not play unless it is pursued for its own sake (Grayson, 1999:106). Also, enjoyment derived from play does not come from helping other, but as a self-oriented reward.

Aesthetics refers to an appreciation of a consumption experience valued intrinsically as a self-oriented end in itself (Perry, 1954 and Hampshire, 1982, cited in Holbrook, 1999:19). Value in general or beauty in particular is enjoyed purely for its own sake without regard to any further practical purpose that is might serve e.g. appreciation for a work of art (Holbrook, 1999:20). Wagner (1999:128) adds that aesthetic value is disinterested, detached and distanced from practical concerns. Enjoying an Impressionist painting or a piano concerto are examples of perceptions derived from beauty (Wagner, 1999:127).
According to Holbrook (1999:12), both play and aesthetics are intrinsic value indicators. Intrinsic value meets terminal needs; consumed only for the pleasure derived from having fun or feeling virtuous (Wagner, 1999:135). As mentioned before, the pre-purchase situation lacks on intrinsic cues. In this case the consumer is going to the store and has to make a decision before having experienced anything. Therefore it does not make sense to have two similar and hard to distinguish value types separately. Excluding them would also not be acceptable, as they both represent hedonic value, which reflects the entertainment and emotional worth (Sanchez-Fernandez and Iniesta-Bonillo, 2007) which is an important dimension. In addition, it is important to study other types of values than only extrinsic ones, as excellence and efficiency. As a result, play and aesthetics are comprised into one value dimension named ‘Enjoyment’ as it should capture best the intrinsic and emotional characteristic of both.

3.1.4. Social

The other-oriented types of value proposed in the framework (status, esteem, ethics, and spirituality) are comprised into one factor called ‘Social’ value. This is done because one others oriented value dimensions is sufficient in this case. Also, as noted by Holbrook (1999:17) and likewise by Gallarza and Gil (2008) in their study on tourism experiences, the distinction between status and esteem is very fuzzy. All the four factors are mostly concerned with what others think: status means manipulating one’s own consumption behaviour toward other-oriented end of achieving a favourable response from someone else (Holbrook, 1999:16), esteem results from a passive ownership of possessions appreciated as a means to building one’s reputation with others (Holbrook, 1999:17), ethics means doing something for the sake of others (Holbrook, 1999:21), and spirituality entails acceptance, appreciation, admiration (Holbrook, 199:23).

The main characteristic to be emphasised from the above presented value types is the others-oriented side as consumers experience social pressure. It would be extremely hard to distinguish between the four different types in a pre-purchase situation which is the focus for this study. Therefore the decision was to have only one value which addresses the most important aspect – the others-related dimension. In addition, the purpose is not to study all those types in depth, but to emphasize the influence of friends.
and family on the decision making. That can clearly be done with just one type – the ‘Social value’.

People use objects to create, shape, and express themselves (Richins, 1999:100). It represents the perceived utility of an alternative resulting from its image and symbolism in association or disassociation with demographic, socioeconomic, and cultural-ethnic referent groups (Smith and Colgate 2007). Sanchez-Fernandez and Iniesta-Bonillo (2007) add that social value refers to the social image that the consumer wishes to project. Some individuals see the cues they receive from others as very important and feel that they need to adapt their behaviour accordingly in order to project the desired image.

Social value is often considered as an important dimension in consumer behaviour and supported by the evidence of Sweeney and Soutar (2001) and Gallarza and Gil (2008) who had it included in their studies on consumer value. Also, it must be noted that social value can be both on the active and reactive side according to the typology of value. Active means manipulating an object for the better image of oneself. It is reactive when one is affected by an object or service in the consumption experience.

3.1.5. Price

The fifth and final value to be considered in this study is the ‘Price’ value. It is studied here as a simple sacrifice for the good or service being purchased. It is just a number on the tag characterizing what is being purchased without any further ado or considerations about the trade-offs it can offer. Price is the very simple exchange value.

Price as a value was already discussed to a great extent when introducing the first hypothesis (chapter 2.3) which also emphasised the importance of price when talking about consumer value. As mentioned before, there is a tendency to treat customer value as a trade-off between price and quality. This study treats price as a single sacrifice, not as what is received to what is given (Holbrook, 1999:187). It does not see excellence or efficiency as a benefit derived directly from price. Social and enjoyment values are not
seen as a trade-offs with price, so for clarity purposes, none of the values in this study are treated as ratios to price. Price is an operationalisation of value-in-exchange.

The literature review indicated the importance of price in consumer studies and this is also central when contrasting the two marketing perspectives and investigating the value considerations of consumers. Price is not new to consumer research and has been used by e.g. Sweeney and Soutar, (2001), Smith and Colgate, (2007), and many others; therefore it is included as the fifth value type completing the selection. As noted earlier by Rao and Monroe (1989) and Dodds et al. (1991) price tends to be overemphasised when studied as the only cue, therefore it is very important to have multiple cues for consumer decision making and put forward a variety of values.

3.2. Value types for analysis

The chosen value types are summarized below in Figure 3. The value dimensions in the figure are depicted in random order, no causal relationship is implied and all five dimensions are expected to play a role in the total perceived value. The first four described value dimensions are more abstract and subjective. The fifth dimension of price is a rather concrete sacrifice for the purchase.

![Figure 3 Types of Value](image-url)
The framework is helpful in provoking people to think more about other hidden value dimensions compared to the very obvious dimension of price. Efficiency is a value that is taken into account in a purchase decision, as it might mean saving precious time and everyone expects to be as efficient as possible. Excellence is also much awaited by consumers as goods and services are expected to have high quality and fulfil certain needs. Enjoyment is greatly anticipated as it is supposed to offer emotional well-being and fulfil self-centred desires. Social value shows how much people really are exposed and influenced by the opinions of other.

The above values help to indentify the real value deliberations when making purchase decision and show how much people are able to see and think about the possible future gains - value-in-use. Price as a simple sacrifice indicates the value-in-exchange side of the decision making. It is a good tool for comparing the value-in-exchange and value-in-use ways of perceiving value.

3.3. Summary of the literature review

This paragraph summarises the hypotheses put forward in chapter 2.3 and clarifies the relationship to the value types.

Hypotheses summary:

**H1₀:** When making a purchase the consumer thinks of price as the main value.

**H1₁:** In addition to price, consumers have other value considerations when making a purchase.

**H2₀:** The value considerations do not differ for goods and services.

**H2₁:** The value considerations differ for goods and services.

**H3₀:** The value considerations are not different for 1st time purchase and re-purchase.

**H3₁:** The value considerations are different for 1st time purchase and re-purchase.
The hypotheses show that there are certain assumptions about what consumers think of as important in a purchase situation. The various value types propose different decision making dimensions. Often, prices is thought of as the main and most important factor, but several studies reveal there being other factors at play as well. The second hypothesis addresses the issue of how people perceive values differently when comparing tangible characteristics to intangible. Even more interesting is it to see how consumers are connecting various values to goods and services in the pre-purchase stage when the only information available for processing is expectations. The final hypothesis looks into the issues of how preferences change and how much are values still dependent on the context. The uniqueness of this study lies in the fact that it looks at the pre-purchase expectations, not post-purchase evaluations of a good or a service.
4 Methodology

This chapter discusses the choice of research method and why it is seen as the best way for studying the price value-in-use relationship in a pre-purchase situation. The aim is to find out what is happening in the consumers’ minds and to seek new insights. The study started with an abductive part presented in the previous chapters with choosing the appropriate value types from previous findings. The study continues with the deductive approach as it used theory for testing a phenomenon (Saunders, Lewis and Thornhill, 2007:117) - derived hypotheses were tested with different value types in a pre-purchase situation. The chapter gives an overview of why the specific research method was chosen, followed by a thorough overview of the research design and finishes with an insight to how the results are analyzed.

4.1. Choice of research method

The chosen method for discovering the value expectations of consumers is a quantitative study combined with scenario study. This approach was chosen in order to discover the complexities that consumer have to face when making value decisions and choosing between value considerations. Scenario is a story about how the future might turn out. It is often used as a strategic planning tool, as with written scenarios it is possible to assess the future environment and outcomes. (O’Brien, 2004)

In this study, scenarios serve the purpose of describing a possible situation to the consumer. The aim is to get people to think of a real situation where they have to make an actual decision about value parameters. Simple rating scales or open-end questions about value would probably lead to biased results. Scenarios allow creating a more realistic scene by giving the respondent a small paragraph of text describing a situation with what the respondent can relate to and consequently agree or not agree with. This method allows for getting a better insight into the critical matter of what consumers value without pointing out the value types explicitly, but rather starting from a real situation and then assessing the importance of value in those circumstances. The construction of scenarios can facilitate strategy evaluation as it develops an understanding of the uncertainty inherent in the external environment (O’Brien, 2004).
With the scenario, the consumers do not express what they think they value, but their real considerations are unravelled. This can stimulate strategic discussion among marketers as the results indicate whether one has focused on the right things communicating value to customers or the plans need adjustments. Anderson et al. (2006) makes the observation that an offering may actually provide superior value, but if the supplier does not demonstrate and document the claim, it may be dismissed. Possible implications drawn from the scenarios are proposed after presenting the results of the empirical study.

Researchers have used scenario studies for studying service validity and service reliability of search, experience and credence services (Galetzka, Verhoeven and Pruyn, 2006), for studying the future of trade shows (Kirchgeorg, Jung and Klante, 2010), and also for language influences in services investigating the perceived importance of native language use in service encounters (Holmqvist, 2009). The classical top-down sequence of a scenario study consists of the following five steps (O’Brien, 2004):

1) Set the scene.
2) Generate and select factors.
3) Choose themes and develop scenario details.
4) Check the consistency of scenarios.
5) Develop and test strategies.

The steps can serve as suggestions, as the scenarios developed in this study differ to some extent from the ones proposed for strategic planning, but nevertheless it is a useful guideline. The first step involves understanding the situation at hand, namely that study looks into pre-purchase value considerations. The second step means introducing the various value typologies and choosing the relevant ones for this study. The next two steps are to a certain extent discussed in the next paragraphs and partly extend to the empirical study. Final step is presented with the marketing implications at the very end.

The scenario study is presented as a questionnaire (from now on referred to as the ‘questionnaire’). More concrete information about the questionnaire design follows in
the next sections, but the main reason for choosing it is that it allows for collecting large amounts of data from a sizeable population in a highly economical way. Obtaining data from a questionnaire administered samples gives standardized data allowing easy comparison. Also, it provides the researcher with comparatively easy to explain and understandable data. (Saunders et al., 2007:138).

4.2. Research design

The next paragraphs give an overview of data sources, access and sampling. Furthermore, the questionnaire design is explained in more detail and a justification for the chosen research scale is presented.

4.2.1. Sources of data

The study was conducted in Estonia with local consumers in their mother tongue (Estonian). This was considered important as otherwise there might be the threat of a language barrier and important information would go missing because of lack of knowledge of a foreign language. It is tricky enough to be sure what a person means when using a common language (Patton, 2002:392); therefore in order to make sure that the respondent feels comfortable with the questionnaire it was presented in their mother tongue. The scenarios were between 40 - 80 words in English (the number of words in Estonian after translation was about the same) as otherwise the reader might get distracted by a too long description. The completed scenarios were translated into Estonian and checked by a language professional in order to make sure that they were comprehensible to the reader and really present a certain type of value making it understandable for the consumer. The scenarios were pilot-tested to make sure that respondents were able to identify with the text. As the subject matter is very subjective and abstract, it was important that the respondent really tried to grasp the meaning of value for him/her and therefore it was important to have it in their mother tongue.
4.2.2. Access and sample selection

Access has a big impact on the ability to select a representative sample of participants in order to attempt to answer the research question, meet the objectives in an unbiased way and to produce reliable and valid data (Saunders et al., 2007:164). In order to be able to gain access to various respondents the scenario study was conducted through an Internet-mediated self-administered questionnaire. The questionnaire was sent via e-mail to various networks - different university and alumni networks and mailing lists. Another aspect taken into consideration when forwarding the link was to send it to people with very different backgrounds. Also, everyone was encouragement to forward it to even more people in order to get a mixture of respondents to submit their answers to the scenarios. Estonia is well known for its achievements in the Internet field, so it was not a problem for the respondents to fill in the scenario study online and probably made the whole process more convenient for an average Estonian. There are possible biases with this approach as when gathering data this way the answers are received from only a certain group of people. However, as the results will show, the sample ended up being quite diverse and one-sidedness should not be a problem.

A non-probability sampling technique was chosen for this study, as no sampling frame is available for the target population. Quota sampling, like probability sampling, tries to represent the total population (Saunders et al., 2007:226) and the objective is for the total sample to have proportional representation of the strata of the target population (Hair, Money, Page and Samouel, 2007:182). This also guarantees the external validity of the study. The population can be divided into groups of male and female according to age and quotas can be drawn from that (Saunders et al., 2007:228). Although it is a non-probability sampling technique, a skilful selection process should lead to a reasonably representative sample (Hair et al., 2007:174). Generalizations cannot be made based on quota sampling as the choice of elements is not done using a probability sampling method (Hair et al., 2007:182). Still, quota sampling has a number of advantages over the probabilistic techniques. In particular, it can be set up very quickly and is normally used for large populations, both issues being critical for this study. The decision on sample size was governed by the need to have sufficient responses in each quota in order to enable subsequent statistical analyses to be undertaken. Calculations for quotas
are relative to the proportions in which they occur in the population in order to avoid the collected data to be biased. (Saunders et al., 2007:229)

Based on the census data (Statistics Estonia, 2010; see Appendix 1) and a 0.2% quota taken from all the groups, a sample of over 300 respondents was identified as necessary. Additional requirements were set for the quota in order to limit the number of respondents. Firstly, a younger age group was chosen. Secondly, education was set as a requirement for the sample. Calculations for the quotas are displayed in Table 2. The first cut to the population was made based on the percentage of people who do not continue with secondary education, which is the first requirement for applying to higher education. Only 78% continue with secondary or vocational education (Estonian Youth Institute, 2010) leaving out the ones who decided not to continue with their studies at the age of 16 on average. The second cut was made based on the percentage of people who finish secondary education and decide to continue with higher education, which is 65% (PRAXIS, 2010). This cut was made in order to focus on higher educated people, who presumably should have higher incomes and as a consequence should be the consumers of today to whom companies are eager to sell goods and services to. The final quota sizes are shown in the last column of Table 2.

**Table 2 Quota calculations and sample size**

<table>
<thead>
<tr>
<th>Age</th>
<th>78% continue with secondary or vocational education</th>
<th>65% continue with higher education</th>
<th>a quota sample of 0.2%</th>
</tr>
</thead>
<tbody>
<tr>
<td>20-24</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>male</td>
<td>54479</td>
<td>42494</td>
<td>27621</td>
</tr>
<tr>
<td>female</td>
<td>52184</td>
<td>40704</td>
<td>26457</td>
</tr>
<tr>
<td>25-29</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>male</td>
<td>51585</td>
<td>40236</td>
<td>26154</td>
</tr>
<tr>
<td>female</td>
<td>50443</td>
<td>39346</td>
<td>25575</td>
</tr>
<tr>
<td>30-34</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>male</td>
<td>46883</td>
<td>36569</td>
<td>23770</td>
</tr>
<tr>
<td>female</td>
<td>46211</td>
<td>36045</td>
<td>23429</td>
</tr>
<tr>
<td>Total Sample</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The study focuses on respondents belonging to the age group of 20-34 years, with different educational backgrounds (also, people who are still studying) and with various
work experiences. The aim was to get a representative variety of answers and therefore it was important to have heterogeneous respondents. The age group was chosen because they are the freshly graduated or about to graduate young working people who are in charge of their own income and are also active consumers. That is also why education was chosen as a parameter, to make sure that the sample belongs to the group of people who have money they can spend, as targeting them is the aim of marketers. Their value considerations should be of most interest to companies as the marketing strategies should address those consumers today and in the future.

4.2.3. Questionnaire design

The five types of values based on what ten scenarios were written are the following: efficiency, excellence, enjoyment, social and price. As noted by O’Brien (2004), after selecting the themes for each scenario, each factor under each of the themes is subjectively projected to produce a descriptive value consistent with the theme and a brief description or narrative is used to present each scenario.

In addition to the 5 types of value there are the hypotheses that consumers put significance on different value parameters when it comes to goods or services. Furthermore, the concept of value being relativistic was shortly touched upon previously and is now explained in more detail. By relativistic Holbrook (1999:6) meant that consumer value is comparative (involving preferences among objects), personal (varying across people), and situational (specific to the context). To bring out the comparative nature of consumer value the scenarios were written both for goods and services. Variables like age, gender, and education, which were seen as common background questions, reveal the personal nature of value. Finally the respondents were asked to indicate whether they would choose differently in case it is not their first time purchase anymore, but a second time purchase. The framework for analysis is depicted below in Figure 4. It displays how many value types are studied and from what perspectives they are considered. In addition, it indicates how many questions the respondents have to reply to.
The horizontal box on top indicates the five value types. The box under the arrow on the left, shows based on what characteristics the value considerations of the groups are compared, e.g. age, gender and education. These background questions capture the personal nature of value. The middle box helps to discover the comparative side of value. The scenarios were written separately for every type of value and that was done both for goods and services. Five value types multiplied by two (goods and services) results in 10 descriptions. The final box represents the situational nature of value. That was asked in order to see whether repeated purchases have an effect on people’s value considerations adding the 11th question to the questionnaire. The final query was a multiple choice question allowing the respondents to choose between the answers that correspond to his or her actions the most (multiple answers allowed).

Respondents rated the scenarios on a Likert-style rating scale as it helped to discover the relative importance of each value type to the consumer (Saunders et al., 2007:372). A 5-point rating scale (1= ‘strongly disagree’ to 5 = ‘strongly agree’) was used in order to get a big enough variation between the different value types which were described in each scenario and also to allow for a neutral answer of ‘neither agree nor disagree’ in the middle. Saunders et al. (2007:372) suggests on not having too many items on the scale as the respondents are not able to differentiate between them; therefore the 7-item scale was dropped. The respondent was able to choose on a linear scale between strongly agree to strongly disagree with the impartial option in the middle. That was
added in order not to force the respondent into agreeing or disagreeing. ‘Strongly agree’ indicates the relative importance of a value parameter and “strongly disagree” at the other end of the scale stands for disagreement. The results indicate whether price is prevailing or the consumers are thinking about other value types that characterize the future value-in-use (efficiency, excellence, enjoyment or social value) when considering a purchase. Concrete numerical means can be associated with each value type.

4.2.3.1. Validity of the scenarios

Validity is the degree to which a measure accurately represents what it is supposed to, how well the concept is defined (Hair et al., 2010:7). There were a total of 10 scenarios: separately for goods and services (one is more tangible and other intangible respectively), five value types per each, plus a multiple choice question describing the situational nature of value. The stories were written to capture the essence of one type of value and explain it to the respondent as vividly as possible. Furthermore, the aim was to avoid a direct comparison with another value type e.g. enjoyment with price. The value dimensions were not to be weighed against each other as such, but serve as a mean for getting a bigger picture of what is important for the consumer on a general level. The aim was to separate the value dimensions and have the consumer rate them as independently as possible. The scenarios did not imply there being a relationship or a causal link existing between the value dimensions.

The scenarios were pilot tested twice with three respondents each time and adjustments were made to a few of them. The initial scenario describing the situational nature was changed to a multiple choice question as the initial scenario received a unanimous totally agreeing vote which aroused suspicion on the validity of the scenario. Otherwise the six respondents gave very different answers to the various value types and the ratings also varied for goods and services demonstrating content validity, as the value dimensions were operationalized by the scenarios. The pilot study did not indicate the specific location (e.g. gym, theatre, etc) or the wording of the scenarios to have an influence on the evaluations, but that remains as a possible bias. On the whole, good feedback was received to the scenarios as people were able to relate with the situation and associate with the described value.
4.2.4. Presentation of the scenarios

The scenarios that were rated on a scale of five are presented below. The scenarios and the questionnaire in Estonian can be found in Appendix 2.

Scenario describing efficiency in a service:

1. *You are thinking of getting a massage later today after a hard day at work. There are a few massage salons close by, requiring little time to get there, but you also know a good one in another part of town a bit further off. In the end you decide for the one closest to you as it requires the least amount of time to get there and that is very important for you.*

Scenario describing excellence in a service:

2. *You are thinking of buying a mobile phone. There is of course plenty to choose from and you cannot even track all the possibilities the various mobile phone series can offer. You decide for a phone that has excellent reviews and you know it is of good quality, although you will probably not even use all the possible options the phone makes available for you.*

Scenario describing enjoyment value in a service:

3. *You are thinking of going to the theatre to see a play. You hope it will be a nice and enjoyable evening. The main thought in your mind when going to the theatre is having some time for your own pleasure and appreciating the experience.*

Scenario describing social value in a service:

4. *You are thinking of going to the gym. Many of your friends go to a really big gym in the city. You are not really a big fan of that specific gym as it is quite crowded and not very relaxing, but you know that your friends are looking forward to seeing you at that gym and there is a good chance of meeting other people to socialize with so you end up going to that big gym.*
Scenario describing price value in a service:

5. You fancy having a nice dinner at a restaurant. You have two restaurants in mind and you need to choose between them. You know that both of them have nice atmospheres and very good food. You remember that the service in one of them was not that good, but then again the prices were also somewhat cheaper. You decide to go for the cheaper one.

Scenario describing efficiency in a good:

6. You feel like grabbing a ready-made salad for lunch, but you do not want to go to the supermarket where it is very crowded during lunch hours. Instead you buy the salad from a small convenience store where the food might not be that fresh but then you can return to the office quicker and have more time for enjoying your lunch.

Scenario describing excellence in a good:

7. You are passing by a pharmacy on your way home. You step inside and remember that you were running out of pain killers at home. You look at the counter with the products and decide to take one which has the strongest effect. Not that you really have that bad headaches usually, but just to be sure, you take the one that is superior to others.

Scenario describing enjoyment value in a good:

8. You are thinking of buying a book, because you feel like buying something nice for yourself and you hope to enjoy reading the book. It does not really matter what the book is about, be it of high cultural value, science fiction or just entertaining, you just feel that you want to enjoy some nice reading and that is it.

Scenario describing social value in a good:
9. You are in the store and thinking about buying juice. You are considering various options as there is of course plenty to choose from. You remember a discussion from a get-together where your friends were talking about one juice brand and although you are not totally convinced your opinion matches theirs you decide to buy that package of juice anyway.

Scenario describing price value in a good:

10. You are in the store and you see a big variety of yogurts. You notice that the prices for various brands are actually quite different. The yoghurt you usually buy is one of the most expensive ones. There is another brand that you remember trying and it is cheaper than your regular one. You choose the cheaper yoghurt and buy that.

For the analysis the levels of agreement or disagreement were allocated a number from 5 to 1 respectively, allowing for calculations of the mean values for all the scenarios. Analysis on the scenarios that depict a specific value consideration reveals whether there are differences when it comes to various value dimensions and what values are really prevailing when it comes to peoples pre-purchase deliberations. It shows the values that are seen more important when buying a product or service and how much do the other value dimensions play a role in that decision

The next paragraph presents the results of the empirical study. It also comments on how the data gathering process went and how the quota sample was comprised from a bigger set of responses.
5  Empirical study

This chapter presents the results of the empirical study. First, comments on the descriptive statistics are provided followed by a presentation of the background information of the quota set. The chapter continues with testing the hypotheses and presents details of the differences between various groups that were included in the sample.

A total of 480 questionnaires were filled in online and submitted for this study. From that it was possible to extract the quota sample of 306 respondents. When there were more responses in one age group than set by the quota, random sampling was applied in order to meet the numeric target of the quota. A graphic illustration of the averages of the whole sample versus the selected quota and the respondents not included in the quota can be found in Appendix 3. It shows that the extraction has no significant differences with the whole data set confirming that basing the analysis on the quota should allow making generalization that can be applied to the population. This gives the study external validity as the sample truly represents the population it is drawn from. Quota sampling is often criticised for selection biases, but this should not be a problem in this case, as the quota is relatively big and even random sampling has been used within the quota sample. Therefore one can make generalisations based on this data on the whole population.

5.1. Descriptive Statistics

The following paragraphs present the results of descriptive statistics. Firstly, background information of the respondents is looked into. Secondly, the distribution of the responses to the various value questions is presented and discussion on scale reliability follows.

5.1.1. Background information

The total sample of respondents was 306 as set by the quota. The sample consisted of 155 (51%) male and 151 (49%) females, who took the time to fill in the online questionnaire. The division between different age groups was already determined by the
quota. As the numbers were extracted based on population statistics they are a fairly good representation of the reality. To remind the reader of the age groups and gender composition, a summary is presented in Table 3.

Table 3  Sample characteristics - gender and age

<table>
<thead>
<tr>
<th>Gender</th>
<th>Male</th>
<th>Female</th>
<th>N</th>
<th>%</th>
<th>Age group</th>
<th>20-24</th>
<th>25-29</th>
<th>30-34</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
<td>N</td>
<td></td>
<td>20-24</td>
<td>25-29</td>
<td>30-34</td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>151</td>
<td>49%</td>
<td>53</td>
<td>51%</td>
<td>47</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>155</td>
<td>51%</td>
<td>55</td>
<td>52%</td>
<td>48</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age group</td>
<td>20-24</td>
<td>35%</td>
<td>55</td>
<td>53</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>25-29</td>
<td>34%</td>
<td>52</td>
<td>51</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>30-34</td>
<td>31%</td>
<td>48</td>
<td>47</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>306</td>
<td>100%</td>
<td>155</td>
<td>151</td>
<td>108</td>
<td>103</td>
<td>95</td>
<td></td>
</tr>
</tbody>
</table>

The table also shows the division of males and females in the various age groups that were applied in the selection. In addition, the respondents were asked to indicate their education level by choosing the closest option from a drop-down list. The data is presented in Table 4.

Table 4  Sample characteristics - education

<table>
<thead>
<tr>
<th>Education</th>
<th>N</th>
<th>%</th>
<th>Male</th>
<th>Female</th>
<th>N = 155</th>
<th>N = 151</th>
<th>20-24</th>
<th>25-29</th>
<th>30-34</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other</td>
<td>12</td>
<td>4%</td>
<td>5</td>
<td>7</td>
<td>7</td>
<td>1</td>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vocational education</td>
<td>24</td>
<td>8%</td>
<td>7</td>
<td>17</td>
<td>7</td>
<td>6</td>
<td>11</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Secondary education</td>
<td>99</td>
<td>32%</td>
<td>65</td>
<td>34</td>
<td>61</td>
<td>21</td>
<td>17</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vocational higher education</td>
<td>40</td>
<td>13%</td>
<td>23</td>
<td>17</td>
<td>16</td>
<td>13</td>
<td>11</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bachelor's degree</td>
<td>86</td>
<td>28%</td>
<td>40</td>
<td>46</td>
<td>16</td>
<td>43</td>
<td>27</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Master's degree</td>
<td>38</td>
<td>12%</td>
<td>13</td>
<td>25</td>
<td>1</td>
<td>18</td>
<td>19</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Higher than Master's degree</td>
<td>7</td>
<td>2%</td>
<td>2</td>
<td>5</td>
<td>0</td>
<td>1</td>
<td>6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>306</td>
<td>100%</td>
<td>155</td>
<td>151</td>
<td>108</td>
<td>103</td>
<td>95</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

As seen from the table, 40% of people in the quota have only vocational (8%) or secondary (32%) education. That is because majority of them belong to the youngest age group so they are not yet finished with higher education. An equally big part of the sample has bachelors (28%) or master’s (12%) degree, indicating a nice balance
between various backgrounds. The education variables are later on comprised into three groups in order to run t-tests and detect possible differences among those groups.

5.1.2. Basic assumptions and scale reliability

The basic assumptions for conducting t-test are discussed in this section. According to Pallant (2010:205) statistical techniques that compare groups assume that the scores are obtained using a random sample from the population. This study used a quota sample that was comprised based on population statistics and random sampling was used within the quota sample (as the obtained data exceeded the quota). The observations in the data are independent and majority of the tests are run with a significance value of p < .01.

The distributions of the answers to the value questions were checked. A normal distribution presumes a bell-shaped curve and can be recognized by the symmetry of scores more concentrated in the middle than in the tails (HyperStat Online, 2010). One can only guess beforehand how the value expectations would be rated and whether it would follow a normal distribution. As the middle value (3 on a scale from 1 - 5) in the scenario questions was “neither agree nor disagree” it is actually excellent to see that most of the answers did not have the highest number of responses in the middle (see summary in Appendix 4). That would not give too much information on the opinions of the respondents if they were rated “neither agree nor disagree”.

It is unknown how many respondents marked the middle value because they were not able to decide between the other options and wanted to respond “they do not know”. The questionnaire required answers to all the scenarios; it was not possible to continue without marking a value on the scale.

In half of the scenarios the middle value got the least responses. This indicates peoples’ willingness to express their value judgements. They were able to relate to the scenarios and did not take a neutral stance. Therefore, it can be concluded that the scale gave reliable responses. The fact that the middle value got least responses can also be caused by the specific type of scenario or what was described with it. A phenomenon can
divide peoples’ opinions and therefore the ratings are more on one of the sides than in the middle.

On the other hand, this non-normality poses a problem, as it is a violation of one of the basic assumptions for running a t-test. According to Pallant (2010:206), non-normal distribution is a common phenomenon in social sciences. Therefore t-tests are still used for the analysis, but the lack of normality is kept in mind when interpreting the data.

The data was not checked for outliers as the quota set was specifically chosen for this study according to pre-determined parameters. In addition, with a scale of 1 to 5 any of the values cannot really be considered as an outlier.

The assumption of homogeneity of variance between groups is looked into when presenting the results for a concrete comparison. Analysis of variance is reasonably robust to violations of this assumption provided that the size of the groups is reasonably similar (Pallant, 2010:206), which is the case for the group comparisons in this study. In addition, t-test provides two sets of results, one for when assumption is not violated and one when it is violated (Pallant, 2010:206).

An overview of the Skewness and Kurtosis values for the scenarios is presented in Table 5. All values in the following tables are presented with two decimal places.

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Good or service</th>
<th>Value</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Skewness</th>
<th>Kurtosis</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Service</td>
<td>Efficiency</td>
<td>2.78</td>
<td>1.37</td>
<td>0.22</td>
<td>-1.21</td>
</tr>
<tr>
<td>2</td>
<td>Service</td>
<td>Excellence</td>
<td>3.04</td>
<td>1.48</td>
<td>-0.07</td>
<td>-1.45</td>
</tr>
<tr>
<td>3</td>
<td>Service</td>
<td>Enjoyment</td>
<td>4.20</td>
<td>1.12</td>
<td>-1.53</td>
<td>1.61</td>
</tr>
<tr>
<td>4</td>
<td>Service</td>
<td>Social</td>
<td>2.70</td>
<td>1.32</td>
<td>0.13</td>
<td>-1.26</td>
</tr>
<tr>
<td>5</td>
<td>Service</td>
<td>Price</td>
<td>2.68</td>
<td>1.41</td>
<td>0.28</td>
<td>-1.32</td>
</tr>
<tr>
<td>6</td>
<td>Goods</td>
<td>Efficiency</td>
<td>2.81</td>
<td>1.48</td>
<td>0.17</td>
<td>-1.42</td>
</tr>
<tr>
<td>7</td>
<td>Goods</td>
<td>Excellence</td>
<td>2.65</td>
<td>1.56</td>
<td>0.30</td>
<td>-1.47</td>
</tr>
<tr>
<td>8</td>
<td>Goods</td>
<td>Enjoyment</td>
<td>2.60</td>
<td>1.58</td>
<td>0.32</td>
<td>-1.52</td>
</tr>
<tr>
<td>9</td>
<td>Goods</td>
<td>Social</td>
<td>2.26</td>
<td>1.32</td>
<td>0.66</td>
<td>-0.88</td>
</tr>
<tr>
<td>10</td>
<td>Goods</td>
<td>Price</td>
<td>3.65</td>
<td>1.29</td>
<td>-0.64</td>
<td>-0.76</td>
</tr>
</tbody>
</table>
Skewness provides information on the symmetry of the distribution (Pallant, 2010:57) and whether the scores are concentrated to the left or right. Skewness values above -1 or above +1 are indications of not symmetrically distributed data. Enjoyment value in services has the highest skewness (-1.53) showing that it is out of the normal distribution range.

Negative kurtosis means that the data is distributed more evenly, the distribution is relatively flat, whereas positive indicates that there are peaks in the distribution and concentration around one value (Pallant, 2010:57). The kurtosis values are negative for 9 of the scenarios and positive for only 1, the above mentioned enjoyment value. This indicates that the scenario might have been biased to positive answers. Although the aim was to avoid direct comparisons in the scenarios, it was not always possible as in some cases it was needed in order to highlight a certain value dimension. The possible biases have to be kept in mind when interpreting the results.

Pallant (2010:57) notes that with reasonably large samples (N > 200) skewness and kurtosis do not make a substantial difference in the analysis. Although, there are problems with fitting into the normality assumption criteria, it is still advised to use normality-based tests when the sample size is big enough (in this case N = 306) (Statsoft, 2010). Nonparametric tests could have been the other option for non-normality, but as the test are suitable for smaller samples and generate less powerful conclusions the idea was not conveyed.

Correlation table in Appendix 5 shows that there are no significant correlations between the answers. Most of the correlation coefficients are centred round zero indicating only weak positive or negative correlation. The respondents’ replies did not affect the replies to other scenarios, indicating that the sample group perceived the value types to be independent from each other. This also implies that the content of the scenarios – description of a specific value type - was clear for the respondents and they were not misunderstood or mixed.

The next paragraph looks into the differences between groups and checks the answers to the hypotheses proposed in the beginning of this paper.
5.2. Differences between groups

This paragraph presents the t-test analysis results in order to compare the means of independent variables and to find out whether there are statistically significant difference between the scenarios and groups. The answers to hypotheses testing are provided in the course of presenting the empirical findings.

5.2.1. Testing Hypothesis 1

The following discussion presents the scenarios based on the type of value they present. The study introduced 5 types of values that were explained in 10 different scenarios. A paired-samples t-test was run on the data, as there is only one group of people and data is collected from them under two different conditions (Pallant, 2010:216). The mean scores and p-values for the various value types are presented in Table 6.

Table 6  Presentation of results per value type

<table>
<thead>
<tr>
<th>Value Type</th>
<th>Mean</th>
<th>N</th>
<th>Std. Deviation</th>
<th>t-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Efficiency</td>
<td>2.80</td>
<td>612</td>
<td>1.42</td>
<td></td>
</tr>
<tr>
<td>Excellence</td>
<td>2.84</td>
<td>612</td>
<td>1.53</td>
<td>-0.55</td>
</tr>
<tr>
<td>Enjoyment</td>
<td>3.40</td>
<td>612</td>
<td>1.59</td>
<td>-7.07*</td>
</tr>
<tr>
<td>Social</td>
<td>2.48</td>
<td>612</td>
<td>1.34</td>
<td>4.40*</td>
</tr>
<tr>
<td>Price</td>
<td>3.17</td>
<td>612</td>
<td>1.44</td>
<td>-4.49*</td>
</tr>
</tbody>
</table>

* Significant difference between groups when p-value < 0.01

The table comprised the services and goods specific scenarios into one value type – representing a specific value no matter whether the evaluation was given for a good or a service; therefore it should be interpreted with caution. The results indicate that the value dimensions of enjoyment (M = 3.40) and price (M = 3.17) stand out with highest mean values and social value stands out with the lowest mean value (M = 2.48). T-values show that the results are significant at p < .01 level. Social value has the lowest mean score indicating that people do not care that much about peer pressure and others-related effects when making a decision. Enjoyment and price on the other hand have the most influential roles in the decision making process. Returning to the hypothesis H10, which claimed that price is the main value when it comes to making purchases, the results clearly display that price is actually not the prevailing value dimension, but
enjoyment is. With that the hypothesis $H_{10}$ is rejected. The alternative hypothesis $H_{11}$, stating that there are other value considerations and expectations of future value to be gained, is accepted. The results demonstrate enjoyment value as the most influential when it comes to making purchase decisions.

5.2.2. Testing Hypothesis 2

The next paragraph looks into the differences between services and goods. As was explained in the literature review, there are certain characteristics based on what goods are told apart from services. Although marketing literature proposes clear criteria for separating goods from services, it is always not that clear for consumers. Often the distinctions are fuzzy. Independent-sample t-tests were conducted for comparing the mean scores. A look at the results in Tables 7 to 9 gives an overview of how consumers see the matter. The alternative hypothesis number two stated that there are differences between consumers’ value perception for goods and services.

<table>
<thead>
<tr>
<th></th>
<th>Service Mean</th>
<th>Goods Mean</th>
<th>N</th>
<th>t-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Efficiency</td>
<td>2.78</td>
<td>2.81</td>
<td>306</td>
<td>-0.28</td>
</tr>
<tr>
<td>Excellence</td>
<td>3.04</td>
<td>2.65</td>
<td>306</td>
<td>3.34*</td>
</tr>
<tr>
<td>Enjoyment</td>
<td>4.20</td>
<td>2.60</td>
<td>306</td>
<td>15.41*</td>
</tr>
<tr>
<td>Social</td>
<td>2.70</td>
<td>2.26</td>
<td>306</td>
<td>4.63*</td>
</tr>
<tr>
<td>Price</td>
<td>2.68</td>
<td>3.65</td>
<td>306</td>
<td>-9.78*</td>
</tr>
</tbody>
</table>

* Significant difference between groups when p-value < 0.01

Table 7 shows the differences for goods and services based on value type. Enjoyment scores the highest mean value ($\text{M} = 4.20$) in services, whereas price ($\text{M} = 3.65$) has the highest mean for goods. T-test results illustrate that excellence, enjoyment, social value and price are important considerations when it comes to making purchase decisions and those are the dimensions that differ for goods and services. Efficiency is not significant at the $p < .01$ level being dismissed by the consumers in the decision making process.

Next, table 8 provides an overview of the expectations for services in relation to the five value types. It displays the values that are significant when talking about services.
Taking only services into account, enjoyment value had the highest mean score (M = 4.20). Price (M = 2.68) and social value (M = 2.70) where considered to be the least important when making a decision about services as people agreed least to the scenarios encouraging those value considerations. Interestingly, efficiency is rated quite low (M = 2.78). T-test results reveal that there are significant differences in the mean scores for the ratings of excellence and enjoyment at the p < .01 level.

Finally, table 9 presents the results for the goods specific values.

When purchasing goods, price is rated as the most important consideration. The mean score for price (M = 3.65) is still lower than the highest mean score for service, which was enjoyment (M = 4.20). The mean scores for efficiency (M = 2.81), excellence (M = 2.65) and enjoyment (M = 2.60) are quite close to each other and social value is considered least important (M = 2.26). T-test reveals that there are significant differences in the mean scores for social value and price at the p < .01 level.
A graphical illustration of the difference in the mean scores for the various value types is presented in Figure 5. It gives a more vivid picture of how consumers really perceive what they are buying; what plays a role in one situation and what is more important in another context. This is the consumer’s value portfolio. It represents the value hierarchy, what has a bigger influence on the decision and what plays a less important role.

Figure 5 Differences between goods and services

The above results with the graphical illustration clearly prove that the second alternative hypothesis H$_{21}$, claiming value considerations to be different for goods and services can be accepted and the null hypothesis H$_{20}$ is rejected.

5.2.3. Age groups, genders and value perceptions

This section takes a deeper look into the age groups included in the quota sample and how that division has affected the results. The considerations of the genders when it comes to giving value judgements are demonstrated. In addition, the influence of education on peoples’ pre-purchase decision making is presented.

Table 10 to 12 illustrate the results of t-tests between the various age groups. The tables present the statistical significances of the differences between various groups that are
being compared. For the sake of a better presentation of the results standard deviation scores were left out from the following tables.

As it can be seen in Table 10, Leven’s test for equality of variance shows that equality of variance cannot be assumed for social value of goods at the p < .05 level between the age groups of 20-24 and 25-29 years. This indicates that there is more variability between the groups than within the groups. Assessing differences between the groups, the t-test results for equality of means reveal that there are significant differences in the mean scores for values of efficiency in services between the groups of 20-24 (M = 2.89) and 25-29 (M = 2.46) years of age. The younger group puts more value on efficiency. Also significant differences exist in the mean scores for price of services between the groups 20-24 (M = 3.21) and 25-29 (M = 2.46) years. The younger group considers price to be more important than the older group.

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Good or Service</th>
<th>20-24</th>
<th>25-29</th>
<th>F-value</th>
<th>p-value</th>
<th>t-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Service Efficiency</td>
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<td>2.89</td>
<td>2.46</td>
<td>1.47</td>
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<tr>
<td>2</td>
<td>Service Excellence</td>
<td>Equal variances assumed</td>
<td>2.99</td>
<td>2.93</td>
<td>3.09</td>
<td>0.080</td>
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<td>3</td>
<td>Service Enjoyment</td>
<td>Equal variances assumed</td>
<td>4.14</td>
<td>4.26</td>
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<td>0.458</td>
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<td>Service Social</td>
<td>Equal variances assumed</td>
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<td>0.30</td>
<td>0.583</td>
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<td>Service Price</td>
<td>Equal variances assumed</td>
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<td>2.46</td>
<td>1.81</td>
<td>0.180</td>
</tr>
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<td>6</td>
<td>Goods Efficiency</td>
<td>Equal variances assumed</td>
<td>2.78</td>
<td>2.71</td>
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<td>0.672</td>
</tr>
<tr>
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<td>Goods Excellence</td>
<td>Equal variances assumed</td>
<td>2.49</td>
<td>2.63</td>
<td>0.20</td>
<td>0.659</td>
</tr>
<tr>
<td>8</td>
<td>Goods Enjoyment</td>
<td>Equal variances assumed</td>
<td>2.57</td>
<td>2.82</td>
<td>0.02</td>
<td>0.894</td>
</tr>
<tr>
<td>9</td>
<td>Goods Social</td>
<td>Equal variances assumed</td>
<td>2.41</td>
<td>2.17</td>
<td>4.07*</td>
<td>0.045</td>
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<td>Goods Price</td>
<td>Equal variances assumed</td>
<td>3.79</td>
<td>3.62</td>
<td>0.25</td>
<td>0.620</td>
</tr>
</tbody>
</table>

* Significant difference between groups when p-value < 0.05
According to Table 11, the Leven’s test for equality of variance shows that the variability for efficiency is higher between the age groups of 20-24 and 30-34 years than within the groups at the p < .05 level. Significant differences between the group means exist in social and price value for services. The group 20-24 (M = 2.93) rates social value higher than the older group of 30-34 (M = 2.47) years. Price value of services is also rated higher by the younger group of 20-24 (M = 3.21) years compared to the oldest groups of 30-34 (M = 2.31) years.
Table 12 illustrates the final comparison which is made between the two older groups. Leven’s test for equality of variance shows that the variability for excellence in both cases (goods and services) is higher between the age groups of 25-29 and 30-34 years than within the groups at the p < .05 level. Significant differences between the group means exist in efficiency for services. The first group of 25-29 (M = 2.46) rates that dimension lower as their older, 30-34 (M = 3.02) year old counterparts.

The dissimilarities in the value perceptions of males and females are discussed next. Table 13 presents the results of the Levene’s test for equality of variance and t-test. The table also shows that females (M = 4.49) have rated the enjoyment factor for services considerably higher than males (M = 3.91). Males on the other hand have rated the social factor both for goods and services noticeably higher than their female counterparts.
For majority of the value dimensions p-value is larger than 0.01 (p > .01) and therefore the t-test results are interpreted in accordance with the assumption of there being equal variance between males and females. Variances are significantly different for the enjoyment value for services (F = 16.70, p = .00) and social value for goods (F = 19.09, p = .00). In social sciences it happens often that normality assumptions are not met, but this does not mean that there is something wrong with the scale, it might just indicate the nature of the underlying construct to be measured (Pallant, 2010:64). The t-test results for comparing the means indicate significant differences also for the enjoyment value in services as males have rated it considerably lower (M = 3.91) than females (M = 4.49). There are significant differences also for social value both in case of services and goods. With equal variances assumed there are significant differences in means scores for social value as males (M = 2.89) rate the value dimension higher than their female (M =2.50) counterparts. Same occurs for social value for goods, where equal variance is not assumed. The mean score for males (M = 2.53) is higher than for females (M = 1.98).
Finally, the value perceptions of the sample are compared based on their level of education. For that purpose, the seven different levels of education presented in Table 4 (see chapter 5.1.1) are comprised into three groups that represent the same level in the education acquiring process. For simplicity reasons and the ease of reading, the names are kept short and the first group is called 'secondary' and is comprised of: other, vocational education and secondary education. The second group contains vocational higher education and bachelor's degree students and is called 'bachelor'. The final and third group is master's degree students and those who are already studying for a higher degree than master. The final group is called 'master’s’.

Tables 14 to 16 present the results of t-tests for value perceptions and how they differ based on the level of education.

### Table 14  T-test results for education - secondary and bachelor level

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Good or Service</th>
<th>N=135 Mean</th>
<th>N=126 Mean</th>
<th>F-value</th>
<th>p-value</th>
<th>t-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Service</td>
<td>Efficiency</td>
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<td>2.87</td>
<td>0.03</td>
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<tr>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 Service</td>
<td>Excellence</td>
<td>3.05</td>
<td>2.91</td>
<td>2.28</td>
<td>0.132</td>
<td>0.76</td>
</tr>
<tr>
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</tr>
<tr>
<td></td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>3 Service</td>
<td>Enjoyment</td>
<td>4.16</td>
<td>4.32</td>
<td>0.58</td>
<td>0.449</td>
<td>-1.20</td>
</tr>
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</tr>
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</tr>
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<td>Social</td>
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<td>2.69</td>
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<td>0.76</td>
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</tr>
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<td>5 Service</td>
<td>Price</td>
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<td>2.59</td>
<td>3.46</td>
<td>0.064</td>
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<tr>
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</tr>
<tr>
<td>6 Goods</td>
<td>Efficiency</td>
<td>2.72</td>
<td>2.83</td>
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<td>0.420</td>
<td>-0.58</td>
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</tr>
<tr>
<td>7 Goods</td>
<td>Excellence</td>
<td>2.60</td>
<td>2.67</td>
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</tr>
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<td>0.760</td>
<td>-0.45</td>
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<td>Equal variances not assumed</td>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>9 Goods</td>
<td>Social</td>
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<td>2.37</td>
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<td>0.825</td>
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</tr>
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<td>10 Goods</td>
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<td>3.75</td>
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<td>Equal variances not assumed</td>
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</tr>
</tbody>
</table>

* Significant difference between groups when p-value < 0.05

Table 14 compares the value perceptions of people with secondary education to bachelor’s level. As shown in the table equal variance cannot be assumed for the value
of price when talking about goods. T-test results reveal that the price of services is perceived differently by those two groups. The ones having a secondary level education (M = 2.94) see price as more important than the ones having a bachelor’s degree (M = 2.59) on the p < .05 significance level. No other significant differences between the mean scores for those two groups were discovered.

Table 15 compares the groups of secondary education and master’s level.

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Good or Service</th>
<th>Equal variances assumed</th>
<th>Equal variances not assumed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Service</td>
<td>Efficiency</td>
<td>2.73</td>
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<tr>
<td></td>
<td></td>
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<td>0.65</td>
</tr>
<tr>
<td>2</td>
<td>Service</td>
<td>Excellence</td>
<td>3.05</td>
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<td></td>
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<td>0.12</td>
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<tr>
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<td>Service</td>
<td>Enjoyment</td>
<td>4.16</td>
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<td>0.93</td>
</tr>
<tr>
<td>4</td>
<td>Service</td>
<td>Social</td>
<td>2.81</td>
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<tr>
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<td>0.09</td>
</tr>
<tr>
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<td>Service</td>
<td>Price</td>
<td>2.94</td>
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<tr>
<td></td>
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</tr>
<tr>
<td>6</td>
<td>Goods</td>
<td>Efficiency</td>
<td>2.72</td>
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<td>Excellence</td>
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<td>Enjoyment</td>
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<td>3.62</td>
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<td>0.85</td>
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</table>

* Significant difference between groups when p-value < 0.05

The table demonstrates that equal variance cannot be assumed for the group means when talking about price of services. The t-test results show that price, both for goods and services, is the significant variable where the group means differ at the p < .05 level. For services, people with secondary education (M = 2.94) consider price as more important than those with a masters degree or more (M = 2.13). In case of goods, the value considerations follow the same pattern: for the group of secondary education (M = 3.74) the mean score is higher than for master’s (M = 3.11). Finally, social value has
significant differences between the means scores at the p < .05 level, secondary education (M = 2.29) stands out with a higher mean score than master’s (M = 1.84).

Table 16 presents the final comparison based on education and that is made between the groups of bachelor’s and master’s level.

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Good or Service</th>
<th>Bachelor Mean</th>
<th>Master's Mean</th>
<th>F-value</th>
<th>p-value</th>
<th>t-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Service</td>
<td>Efficiency</td>
<td>2.87</td>
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</tr>
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<td>2</td>
<td>Service</td>
<td>Excellence</td>
<td>2.91</td>
<td>3.33</td>
<td>0.52</td>
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</tr>
<tr>
<td>3</td>
<td>Service</td>
<td>Enjoyment</td>
<td>4.32</td>
<td>3.98</td>
<td>0.19</td>
<td>0.664</td>
</tr>
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</tr>
<tr>
<td>4</td>
<td>Service</td>
<td>Social</td>
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<td>2.36</td>
<td>0.93</td>
<td>0.337</td>
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</tr>
<tr>
<td>5</td>
<td>Service</td>
<td>Price</td>
<td>2.59</td>
<td>2.13</td>
<td>4.17*</td>
<td>0.043</td>
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<tr>
<td>6</td>
<td>Goods</td>
<td>Efficiency</td>
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<td>3.07</td>
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<td>Excellence</td>
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<td>2.73</td>
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<td>Goods</td>
<td>Enjoyment</td>
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</tr>
</tbody>
</table>

Table 16: T-test results for education - bachelor and master’s level

The table follows the same pattern as Table 15 above. The price variable for services varies more within the groups than between the groups, therefore equal variance cannot be assumed. Still, t-test results reveal that price is the statistically significant variable when comparing group means at the p < .05 level. In case of services, bachelor’s level (M = 2.59) is more alarmed of price than master’s level (M = 2.13). Also, the same pattern appears for price of goods, bachelors level (M = 3.75) is more apprehensive of the price value than master’s level (M = 3.11). Social value for goods emerged as a significant difference between the group means of bachelor’s level (M = 2.37) and master’s level (M = 1.84) with the first group putting more emphasis on it.
The results clearly indicated the dominance of price as the factor setting apart the value perceptions based on education level. Interestingly, there are no significant differences for the mean scores for price of goods for the first two education levels (Table 14). An in-depth discussion on the differences of value perceptions between education levels is presented in the discussion section.

5.3. Testing Hypotheses 3

The multiple choice question (see Appendix 7 for the question in English) gave a variety of answers to the final question of how consumers behave in a first time purchase situation versus a repeated purchase occurrence. The answers that were chosen by a respondent in the questionnaire were marked with ‘1’ when running an analysis on the data. No valuable insights were gained from the open answer field; the options offered in the questionnaire seemed to be covering the topic. The first two replies (“You evaluate the previous experience as positive and buy again” and “You evaluate the previous experience as negative and decide not to buy”) were the most popular with 280 and 210 replies. The other replies were marked by less than 12% per answer. Logically, people claim that positive experiences make them buy again and negative experiences causing the bad emotion drive them away from those goods and services. Logit regressions were run on the answers to question 11, with the replies being the dependent variable and all the 10 values from the scenarios as the independent variables. Every reply to the multiple choice question was checked separately to detect causal relationship. No connection between the replies and values was discovered. None of the regressions had a significant model fit. Occasionally, a few of the value types rated as significant in some of the models, but overall all the models rated low. Due to that none of the regression results are presented in this paper.

The above presented conclusions indicates that value is very situational, depending on the purchase situation, whether it is a good or a services and finally, but most significantly on the person who has to make the decision. Of course there is the threat that when asking consumers to think of their behaviour they claim something they think they do, but in reality they act differently. It might mean that everyday conduct and manners where not discovered. On the other hand, as no causal relationships were
discovered, it should also indicate that people always behave differently and there are no logical patterns in consumption behaviour when it relates to values. With that said the final alternative hypothesis of value being situational is accepted.

5.4. Summary of the empirical study

To sum up the discoveries made in the empirical part the following table with the results of hypothesis testing is presented. Table 17 demonstrates the main hypotheses that were the basis for this study.

Table 17  Hypothesis testing summary

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Description</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>H₁₀</td>
<td>When making a purchase the consumer thinks of price as the main value.</td>
<td>rejected</td>
</tr>
<tr>
<td>H₁₁</td>
<td>In addition to price, consumers have other value considerations when making a purchase.</td>
<td>accepted</td>
</tr>
<tr>
<td>H₂₁</td>
<td>The value considerations differ for goods and services.</td>
<td>accepted</td>
</tr>
<tr>
<td>H₃₁</td>
<td>The value considerations are different for 1st time purchase and re-purchase.</td>
<td>accepted</td>
</tr>
</tbody>
</table>

The first hypothesis H₁₀ is rejected as price was not the main value consideration for people when making purchase decisions. Accordingly, the alternative hypothesis H₁₁ is accepted as there were other important value considerations for consumers when evaluating what to buy. There are significant differences between goods and services; therefore hypothesis H₂₁ is accepted. The Logit analysis presented that value is so relative and situational that the regressions were not able to detect any causal relationships and consequently hypothesis H₃₁ is accepted.

The next chapter presents the possible learnings from the results of this study providing a thorough discussion on the findings that were covered above.
6 Discussion

The outcomes of consumers’ pre-purchase value considerations and evaluations have been presented. This chapter takes an in-depth look at the results discussing what could be the underlying meanings behind the outcomes. It also discusses the managerial implications of this study and how future research can complement to it.

6.1 Prevailing value types

Although the study dealt with a simplification of Holbrook’s (1999) multi-dimensional value typology (see Table 1) and looked at the values before conducting an actual purchase it led to interesting conclusions. Value was seen as an interactive relativistic preference experience as defined by Holbrook (1999:5). Value was evaluated based on consumers’ subjective preference judgements. The above analysis showed that consumer value is very relativistic and decision making patterns are hard to detect. It is also personal and varies for different age groups and genders. Value is definitely a higher level abstraction as proposed by Zeithaml (1988), as it is not a characteristic of a specific product or a good. It is not an attribute. Instead it is in the consumer’s mind, a thought that forms into a judgement and guides consumer behaviour. The scenarios proved that consumers can easily relate to a described situation and understand what kind of fulfilment of needs it proposes. Consumers are not after simple features when looking for a purchase. They are not after the exchange, but also deliberating about the possible value-in-use. The next paragraphs elaborate on the more remarkable findings of this study.

As the results demonstrated, on the overall level enjoyment and price are the prevailing value types. It is very important for this study to note that enjoyment is the number one value type as in the beginning much was discussed about the importance of price. This end result can of course be criticised by saying that the scenario was not capturing the essence of the enjoyment value and was biased causing people to rate the enjoyment related scenario higher than they would have otherwise. The enjoyment value type did encounter a few problems with fitting into the normality assumption when conducting
the t-tests. However, before agreeing to that censure I would like to present another explanation for this phenomenon.

One the most important themes in this study was that the evaluation takes place pre-purchase. The results reveal the perceptions of consumers in the pre-purchase phase. It is the third step in the decision making process presented by Sheth et al. (1999:520) presented in Figure 1 (see chapter 2.1). It includes only the alternative evaluation which has to be made with no reference point in the past e.g. a previous experience. The consumer is deliberating between various expectations that he or she can relate to. The consumer thinks of how the good or service might perform, how convenient it really can be, or what message is sent to the society by using it. Customers are evaluating the possible instrumental gains that the purchase can offer, no value has yet been exchanged nor is there any value-in-use.

It is also possible that enjoyment value received on average higher scores than the other value types because the study was dealing with a rather young sample. It can indicate that the age groups between 20-34 years thinks more about themselves, like doing things for the pure enjoyment of doing something and appreciate it for just the emotional value the good or service can offer. Conducting the same study on an older age group might come to a different conclusion.

Interestingly, the one prevailing value dimension is one of intrinsic type. As noted by Holbrook (1999:11) intrinsic value occurs when a consumption experience is appreciated for its own sake, indicating that it would have to be consumed before really being able to assess it. Zeithaml (1988) pointed out that intrinsic cues are not available in the initial purchase situation, so how does an intrinsic value become the most important value type in the pre-purchase phase. The results reveal that although the cues are not available beforehand, consumers have very high expectations in relation to intrinsic value. Consumers desire the terminal needs an intrinsic value can address – the pleasure and virtuous feelings it can offer (Wagner, 1999:135). If there would be more information available on the intrinsic cues before the purchase it might change the purchase behaviour of consumers.
Excellence and efficiency, representing the extrinsic value types, received scores in the middle exemplifying that those values are seen as relevant, but do not stand out as most vital. Considering what those values offer to a consumer it is out of the ordinary that they did not stand out as the most important nor significant in many cases. Have we reached the era when excellence and efficiency are taken for granted, they have to be there in a good or a service and consumers are not that occupied with worrying about those value dimensions? As noted earlier in the paper, with extrinsic value, consumption is prized for its functional or utilitarian instrumentality. The respondents of this study did not seem to be worried about whether the product is good enough, has all the necessary qualities, or is it convenient to use when they were giving their pre-purchase value evaluations. Excellence and efficiency serve as a mean to accomplish further goals with purchasing as defined by Holbrook (1999:15) and Oliver (1999:49). Instead of being concerned with that, the consumers seemed to be thinking about softer value like the possible self-fulfilling pleasure the enjoyment value can offer them. It can also be that excellence and efficiency are just not important in the pre-purchase phase, as then it is still allowed to deliberate freely. When the deal is signed and the decision is made, maybe then there are other value dimensions that the consumer starts to worry about. Post-purchase evaluations can lead to different conclusions putting other values at the top.

I would also like to draw attention to the fact that social value was rated as the least important. Social values received considerably lower scores than the other value dimensions. This asserts that consumers do not worry that much about their social status and what they project to the community with their purchases. In chapter 6.3 an interesting phenomenon with the social value is discussed, but the next paragraph looks at the results from the goods and services perspective.

6.2. Differences between goods and services

When comparing the value types between goods and services, it became evident that significant differences existed for four out of the five value types. Only efficiency was not perceived as important, but for the other value types it played a role whether the consumer is dealing with something tangible or intangible.
Excellence was rated higher when talking about services illustrating how important it is to communicate what the service is able to offer. The consumer wants to know how it helps to accomplish a goal or how it performs. Enjoyment was also valued higher for services having the biggest difference in mean scores to goods. Social value followed the same pattern, being of more importance when thinking of consuming services rather than goods. Prices was the one value parameter that was rated higher for goods exhibiting that when buying a product the consumer does not think of possible value-in-use as much as the value-in-exchange.

When returning to the discussion on the fundamental differences between goods and services the results of this study indicate that consumers are perfectly able to tell the difference. If consumers perceived four out of the five value types differently, then that demonstrates their ability to also see goods and services differently. Concerning the debate in the literature (presented in chapter 2.3) about the IHIP characteristic - intangibility, heterogeneity, inseparability, and perishability, and whether they are applicable for services only or goods as well, a short comment is made in the light of this study. Much of the discussion was concerned with how (intangibility), when (heterogeneity) and with whom (inseparability) the services are acclaimed to be consumed and whether it is applicable for goods as well. Interestingly, this study identified that consumers are able to evaluate goods and services differently even when they have not even consumed them yet. Already their expectations are different, meaning that although the marketing scholars are debating about the righteousness of the IHIP characteristics, consumers have their own perceptions. This is also supported by the research of Hartman and Lindgren (1993) who claimed that consumers’ distinctions differ from those made in the marketing literature. So based on this study, goods and services are still distinct from each other, whether based on the IHIP characteristics or based on consumers individual divisions has to remain the research topic of another study.

6.3. Differences between groups

The following section provides an in-depth analysis on the differences that were discovered between the various groups studied in this paper.
6.3.1. Differences between age groups

The respondents belonging to different age groups considered three of the value scenarios differently. All scenarios where significant variations appeared concerned services.

Efficiency was considered most important by the oldest (30-34 years) age group when comparing with the two younger groups. It can be seen that the oldest group values convenience the highest. Efficiency also emerged as being more important to the younger group (20-24 years) when compared only to the middle group (25-29 years).

The youngest group (20-24 years) puts more emphasis on social value when compared to the oldest group (30-34 years). This can be explained by the youngsters being more eager to please their friends and school mates and later on people focus more on their own preferences and are not that much influenced by the opinions of others.

Price was another variable that the youngest group had rated the highest, both in comparison to the middle group (25-29 years) and oldest group (30-34 years). The concern over price indicates that they might still be in the process of studying, with not that many financial means, whereas the older you get the more you have worked and the bigger the amount of money you can spend. Therefore the older sample members are less and less worried about price in comparison to the younger members.

The fact that all those differences between age groups appeared when rating service related value dimensions can mean that people are more alert to the possible gains. A good is perceived as a good and there the value judgements are more or less the same. With services, the person behind the evaluation becomes evident. The education, work experience and the monthly income that usually increase with age start to affect the assessment, certain things start to matter more (efficiency) whereas others start to matter less (social value and price). In contrast, the value dimensions of utmost importance for the youngest group of 20-24 year olds are social value and price.
6.3.2. Differences between genders

The differences between males and females were rather interesting. The value dimensions where the two genders were of differing opinions were enjoyment and social value. Females rated enjoyment much higher than their male counterparts indicating that it really is a value that they desire and appreciate.

Captivingly, males rated the social dimension much higher than females. This was rather surprising as females are considered to be the ones discussing everything with their friends, which should also have a result in influencing their decision making. As females rated the social value quite low it might be that they wanted to express their independence with not agreeing to the scenario. On the contrary, males were more close to the neutral area of ‘neither agree nor disagree’ showing that they do not really take a stance when it comes to social value. Overall the results are still interesting, as who would have thought that for males social value is of higher relevance than females.

6.3.3. Differences between education levels

The seven initially presented levels of education were comprised into three groups and tested for significant differences in the mean scores. Interestingly, when comparing the groups based on age, the differences emerged only in service value dimensions. When looking at it from the perspectives of education more variation was found on the goods value side.

Price was a variable that had significantly different mean scores in every comparison. When comparing secondary level education to bachelor’s level, then prices for goods emerged as the one differentiating variable. People with secondary education rated both price variables (goods and services) and social value for goods higher than people on the master’s level. The same patterns emerged when comparing bachelor level with master’s level.

The above results indicate that the price sensitiveness of people with higher level of education decreases, also their worries about social acceptance when it comes to consumption behaviour. When studying on the secondary level the person is probably
financially still dependent from his or her family. On the bachelor’s level many people already find a job or take a student loan allowing them to become a bit less sensitive to prices. The mean scores for social value were not significantly different for the first two groups with lower education (secondary and bachelor’s), but only emerged when compared to the master’s level, indicating that younger people are alarmed of the social dimension and it diminishes when getting older.

6.4. Situational nature of value

As the Logit regressions were not able to indicate any patterns for how consumers make choices when they buy for the first time versus repeated purchases the only conclusion that can be made is that value is very situational. Interestingly, even price was not a value parameter that would indicate a relationship with the first and second time purchase. As when disappointed the first time why would one buy the second time, especially if price is an important value consideration for the consumer. When basing value evaluations on pre-purchase expectations no models for decision-making emerged. Although it would have been interesting to find a relationship indicating there being connection with a value type and specific purchase behaviour the Logit analysis was not able to identify anything like that. This exemplifies that value does depend on the person, the mood, the context and everything else that constitutes to the purchase situation.

6.5. Conclusions

The first aim of the study was to discover the value dimensions that are important for the consumer in the pre-purchase situation. It was revealed that today’s consumers value the enjoyment – playfulness and aesthetics aspects of consumption very highly. People are not worried about efficiency or excellence, but they want to know that the experience has a thing or few to offer for them. Consumers want something desirable and fulfilling.

The study’s focus was on pre-purchase consumer evaluations. It managed to present five value types that are relevant for consumers when thinking of a purchase and the consumers were able to relate to the scenarios describing the values. It was a new
approach to studying consumer behaviour and proved to be quite interesting. It gave insights to what customers consider to be important solely based on expectations, without using or experiencing the good or service. Also, it was discovered that consumers are very good at differentiating between goods and services. Even more, they value different aspects of those consumption experiences. With services the emphasis is on enjoyment, with goods the prominence is on price.

Finally, the study proved that consumers think more than ever of the value-in-use side of the consumption experience and that is a very important expectation when evaluating alternatives. If price is seen and can be assessed straight away, then enjoyment is actively sought and enjoyed for one’s self (Holbrook, 1999:18) and can only be expected, not experienced before actually purchasing a good or a service. As enjoyment was the prevailing factor for services one must admit that, in that case people really are looking for the future value to be gained, the value-in-use. Price as the most important dimension for purchasing goods shows how short-termed the expectations are as with an exchange of value the transaction is over.

6.6. **Managerial implications**

The results of this study should give food for thought for all the marketing managers. The study gave a fresh perspective to consumer value and the presence of those value types in consumer’s decision making processes should be recognized. A number of companies can recognize themselves or their offer in the scenarios. Studying the results with that in mind can provide valuable insights. Grönroos (2007:260) points out that a service or a physical product has to fit a customer’s value creating processes. It is important to realize how the consumer perceives a firm’s offering, what values are important for the consumer and where the common ground is where those values meet.

Furthermore, the study revealed the value expectations of consumers and that they are able to evaluate goods and services based on what they think they could gain. With the most important value dimensions revealed it is quite clear what to communicate to consumers. As Sheth et al. (1999:81) claimed markets are in the business of managing people’s perceptions of the benefits of their product and service offerings. These
offerings, via their benefits, must be linked with customers’ perceptions of their needs and wants. More sophisticated strategies can be developed based on the results in order to speak to the target when they are in the process of deliberating. Quality and satisfaction are thought of later. This is a relevant consideration for the creation of marketing messages, as it is important to understand what to emphasize in the different stages of the decision making process. Value is situational, so a consumer probably does not even remember the quality review while in store and making a decision.

6.7. Limitations and further research

This study had a limited frame of operation; therefore generalisations have to be made with caution. It dealt with value perceptions in the pre-purchase phase of decision making. The value dimensions were chosen in order for people to be able to relate to them in that situation. There could be additional value dimensions, which are of significance before the purchase, which were not included in this study.

In addition, there are other limitations that have to be taken into account when looking at the results. Those are: geographical, cultural, age differences and education level. The study focused on Estonian consumers between the ages of 20-34 years. Respondents had at least secondary education and over half of them had already higher education. The responses were gathered only via an Internet mediated questionnaire and the scenarios were presented in Estonian.

In addition, the study dealt with the end results. The aim was to get an evaluation for a value type, but nothing is really known about the process, how the consumer reached that conclusion rating the scenarios accordingly. According to Sheth et al. (1999:81) customer values become increasingly diverse at higher levels of the hierarchy. This study did not reveal how the information is processed on higher levels of the hierarchy. The study used a simplification of the whole process having people rate their perceptions on a scale. Further research could investigate consumer behaviour and psychology. An in-depth study on the considerations when rating the values and how consumers form their value hierarchies can be conducted.
This study did not allow the respondent to go back to the previous answer, maybe they would have liked to change their evaluation when they saw the next scenario. The aim of this study was to get their first impression; therefore it was decided not to allow going back. New valuable insights can be gained when studying the deliberation and evaluation process, not just focusing on the conclusions. Also, what does the next step (purchase) in the decision making process look like. Are consumers consistent and follow the same patterns concerning value dimensions or the value hierarch changes. Furthermore, a comparison study of post-purchase value deliberations would also be an interesting challenge and provide material for comparison.
7 References


Appendix 1     Estonian Statistics census data 2010

<table>
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<tr>
<th>Vanus/Age</th>
<th>20-24</th>
<th>25-29</th>
<th>30-34</th>
<th>Total</th>
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<td>54479</td>
<td>51585</td>
<td>46883</td>
<td>152947</td>
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<tr>
<td>Naised/Female</td>
<td>52184</td>
<td>50443</td>
<td>46211</td>
<td>148838</td>
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</tbody>
</table>

Source: Eesti Statistika. Population as by 1st January 2010
Appendix 2  Questionnaire in Estonian

Tere! Olen Madli Merila ja öpin Helsingis, koolis nimega Hanken School of Economics, kus kirjutan praegu oma magistritööd, mille jaoks andmete kogumisel vajan hädasti abi. Palun lei va viis minutit aega ja osale uuringus! Küsitlus on anonüümne. Küsimuste korral kirjuta: madli.merila@gmail.com


Vastajate andmed:
Sugu  
Vanus  
Haridustase  
Amet  

1. Plaanid pärast rasket tööpäeva massaaži minna. Töökoha lähedal on mõned massaažisalongid, kuhu jõudmiseks kuluko vähe aega. Siis aga meenub sulle üks väga hea massaažisalong, mis asub äärelinnas ja on seega natuke kaugemal. Lõpuks otsustad esimese salongi kasuks, sest sinna kohalejõudmine nõuab kõige vähem aega ja see on sinu jaoks tähtis.

2. Plaanid mobiiltelefoni osta, aga valik on väga suur ja sa ei jõua ennast isegi köikide pakutavate võimalustega kurssi viia. Valid telefoni, millel on head
arvustused ja oled veendunud, et see on kvaliteetne mobiiltelefon, kuigi samas tead, et sa tõenäoliselt isegi ei kasuta kõiki võimalusi, mida telefon pakub.

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6. Sooviksid lõunaks poest valmis salatit tuua, aga ei taha selleks supermarketisse minna, sest see on lõuna ajal alati ülerahvastatud. Ostad salati hoopis väikesest nurgapealsest poest, kus see ei pruugi küll nii hea olla, kuid jõuad kiiremini kontorisse tagasi ja lõuna nautimiseks jääb rohkem aega.
1. ei nõustu üldse  □  □  □  □  □  nõustun täiesti


2. ei nõustu üldse  □  □  □  □  □  nõustun täiesti

8. Tahaksid endale midagi toredat soetada ja mõtled raamatu ostmise peale ning loodad selle lugemist nautida. Tegelikult pole sul isegi vahet, millest raamat räägib, olgu sellel teaduslik, ilukirjanduslik või meelelahutuslik väärtsus. Sulle lihtsalt tundub, et tahaksid huvitavat raamatu lugeda ja kogu lugu.

3. ei nõustu üldse  □  □  □  □  □  nõustun täiesti


4. ei nõustu üldse  □  □  □  □  □  nõustun täiesti

11. Sul on mõne toote või teenusega varasem kogemus, kuna oled seda eelnevalt ostnud. Kuidas käituksid sama toodet või teenust järgmisel korral ostes? (mitmed võimalikud vastused)

☐ hindan eelmist kogemust positiivselt ja ostan jälle
☐ hindan eelmist kogemust negatiivselt ja otsustan mitte osta
☐ hindan eelmist kogemust positiivselt ja otsustan mitte osta
☐ hindan eelmist kogemust negatiivselt ja otsustan siiski osta
☐ eelmisi ostukogemusi ei meenu
☐ eelmised ostukogemused ei ole olulised
☐ Muu
Appendix 3  Sample versus quota

A graphical illustration of the mean values for the whole sample, quota sample and what was excluded from the quota sample.
Appendix 4   Distribution of answers

Table of distribution:

<table>
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<tr>
<th>Scenario</th>
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Graphical illustration of distribution:
Appendix 5  Correlation table for scenario answers

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Appendix 6  Multiple choice question

11. You have some previous experience with a product or a service, because you have already bought it at some point. How would you behave when considering buying the same product the next time?
- You evaluate the previous experience as positive and buy again
- You evaluate the previous experience as negative and decide not to buy
- You evaluate the previous experience as positive and decide not to buy
- You evaluate the previous experience as negative and still decide to buy
- You cannot recall your previous experience
- You do not consider previous experiences to be important
- Other (please add comment)