

# Role of Demographic Variable on Customer Perception of Experiential Value

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## Abstract

**Background:** To increase the efficiency of a business website, the managers should consider both advertisement and other strategy to enrich customer experience. so it is important to understand the customer Experiential Value concept, its perception. **Objective:** The objective of this research is to find out the role of demographic factors on customer perception of experiential value. **Method/Statistical Analysis:** To achieve the aim we conducted a survey, among respondents of online travel website users in Chennai. Anonymous data was collected with the help of self-administered structured questionnaire from one hundred seventy travel website users. We conducted analysis with SPSS 20.0 programme. t-test and ANOVA was used to examine the objective of the study. **Finding:** As a result, we found that men and women react differently to the Web sites as their perception is totally different. In addition to these, findings show that when using the travel website for purchase irrespective of the gender the users want to feel enjoyable, they want to get away from boredom. Perception of experiential value have found different across, sex and age. This study reveals that experiential value is a significant factor in achieving competitive advantage. It initiates comparisons between different objects/services and it differs with different people and situations. **Application and Improvement:** The findings of this study provide knowledge and background to the online travel websites managers to better shape the policies, focus on developing the website strategy which give a positive impression, since many customer preferences are built on the value offered by that website in contrast with other available choices.

**Keywords:** Customer Perception, Demographics, Experiential Value, Extrinsic value, Intrinsic value

## 1. Introduction

Experiential value is considered as the essential result of marketing activity and key antecedent of branding and behavioral intention<sup>1</sup> and an important motivational factor for entering into marketing relationships<sup>2</sup>. For creating and managing such relationships, online providers should develop the websites that are versatile and cover the full range of components that explain experience-based value.

The influence of the web-based experience on customer perceptions of value is vital, because many consumers select whether to shop or not to shop online," based on their perceptions of the value offered by the channel in comparison with other available alternatives<sup>3,4</sup>. Customer goes online and research products and companies before they make a purchase.

Experience is recognized as a main benefit to the hospitality and service industry<sup>5</sup>. So it is important to find out how these values are perceived by the customers and customer perception is directly influencing their intention. Role of demographic factor is always advantageous to focus as it influences the customer preferences. Sivathanu<sup>6,7</sup>. Earlier the Internet was perceived as male dominated environment because they were showing stronger interest in computing than females. Because of privacy and security reason which is still the main challenge in wireless marketing<sup>8</sup>, female was not so inclined to use the web. Now the female was also seen inclined to shop online. That means Gender has an effect on perceived value. Joung et al<sup>9</sup>. It is essential for marketer to understand how female customers differ in their perceived value, apart from gender how the perception differ based on their marital status, age and education qualification.

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To study the customer value is very useful as it is effecting in predicting the customer behavioral intentions and preferences<sup>10</sup>.

## 2. Literature of Review

Holbrook<sup>11</sup> typology has stated consumer value in three dimensions: extrinsic and intrinsic, self-oriented and other-oriented and third one is active and reactive. **Extrinsic value** concerns with the value customer feels when they are owing the service for others use while **intrinsic value** is the value customer get when they are using it for their own sake. **Self-oriented** value is explained as the value gained for its own sake, own enjoyment, while other oriented value is described for the others sake, how it is enjoyed by the others. Active value is when the customers is actively participating and enjoying it while reactive is customer is not participating actively but still it initiates some value.

Eight different types of value are described in Holbrook's typology are mentioned below:

- 1) **Efficiency**–It involves the monetary benefits customers gets from the using the service.
- 2) **Excellence**–Excellence shows the ability to resolve the customer problems and issues during their interaction with the websites.
- 3) **Status**–It involves the images of customers to influence the others or how they are perceived by the others.
- 4) **Esteem**–Consumption is concentrated on a reactive appreciation of one's own consumption, in other words it is a passive version of status and how it influences someone's image in public.
- 5) **Play**–Playfulness involves only fun and enjoyment.
- 6) **Aesthetics**–Aesthetics represent the beauty.
- 7) **Ethics**–A concern how the consumption will affect others person or how they will react to it. Involves doing something for the sake of others
- 8) **Spirituality**–Spiritual value is followed for its own sake. To involve oneself in some heavenly power.

The importance of value in travel website is already mentioned by the authors in influencing the customer behavior (Lexhagen, 2008) (Mathwick et al, 2001) has established the impact of experiential value on customer purchase intention in online environment.

## 3. Objective

To find out the role of demographic variables on customer perception towards Experiential Value.

## 4. Hypothesis

1. There is no significant difference between gender with respect to factors of experiential value
2. There is no significant difference between marital status with respect to factors of experiential value.
3. There is no significant difference between marital Age with respect to factors of experiential value.
4. There is no significant difference between Education/Qualification with respect to factors of experiential value

## 5. Research Methodology

To capture the full typology of Holbrook the appropriate models is used for measuring the research constructs. The research design is descriptive in nature for the study. The sampling technique that is used for the study is simple random sampling. A group of respondent who were using travel websites was selected through simple random then the questionnaire was distributed and response was collected to avoid any bias in the research. Survey method, using questionnaire was adopted for collection of primary data through field survey. Secondary data's collection was done from websites books, journal and newspaper.

A well-structured questionnaire was distributed to the respondents for this research. The 5 point likert scale is applied which is ranging from strongly disagree to strongly agree. The questionnaire consists of two sections, the first section consists of demographic questions and the second consist of the factors to measure the perceived experiential value. The Total one hundred and seventy usable responses were collected which were having no missing data's. This research was analyzed through t-test and ANOVA by using SPSS 20.0 software.

## 6. Data Analysis and Interpretation

### 6.1 t-test for Significant Difference Between Gender with Respect to Factor of Experiential Value

Since P value is less than 0.01, null hypothesis is rejected at 1% level with regard to perception of service excellence; ethics overall Experiential Value trust and purchase intention. Since P value is less than 0.05, with regard to perception

**Table 1.** t-test for difference between gender

Variables	Gender				t value	P value
	Male		Female			
	Mean	SD	Mean	SD		
Visual Appeal	9.77	2.35	9.26	2.72	2.469	0.014*
Entertainment	9.81	2.12	9.54	2.56	1.420	0.156
Overall Aesthetic	19.59	3.90	18.80	4.92	2.169	0.030*
Escapism	8.52	2.38	8.14	2.53	1.914	0.056
Enjoyment	6.14	1.77	5.97	1.89	1.167	0.243
Overall Playfulness	14.66	3.91	14.10	4.13	1.699	0.090
Efficiency	10.40	2.35	10.03	2.76	1.762	0.079
Economic value	9.59	1.78	9.23	2.20	2.183	0.029*
Overall CROI	19.99	3.45	19.27	4.36	2.264	0.024*
Service Excellence	12.45	2.34	11.78	2.59	3.345	0.001**
Ethics	23.11	3.98	22.21	3.68	2.853	0.004**
Spirituality	5.67	1.89	5.40	1.87	1.755	0.080
Status	16.89	3.19	16.39	3.50	1.826	0.068
Esteem	9.80	2.32	9.33	2.19	2.545	0.011*
Overall Experiential Value	122.15	15.49	117.28	17.21	3.648	<0.001**

Source-Field Survey

Note: 1. \*\* denotes significant at 1% level

2. \* denotes significant at 5% level

of visual appeal, overall aesthetics, and economic value, overall customer returns on investment and esteem, the null hypothesis rejected at 5% level. Hence there is significance difference between male and female with regard to perception of visual appeal, overall aesthetics, and economic value, overall customer returns on investment and esteem. Based on mean score male have better perception of factors of Experiential Value than female. The male and female are differing in both their perception of the different factors associated with online shopping.

## 6.2 t-test for Difference between Marital Status with respect to Factors of Experiential Value

Since P value is less than 0.01, null hypothesis is not accepted at 1% level with regard to efficiency, overall CROI and overall Experiential Value. Hence there is significance

**Table 2.** t-test for significant difference between marital status

Variables	Marital Status				t value	P value
	Single		Married			
	Mean	SD	Mean	SD		
Visual Appeal	9.84	2.42	9.31	2.60	2.525	0.012*
Entertainment	9.75	2.18	9.64	2.45	.564	0.573
Overall Aesthetic	19.59	4.00	18.95	4.69	1.745	0.081
Escapism	8.53	2.42	8.20	2.47	1.646	0.100
Enjoyment	6.12	1.76	6.01	1.88	.682	0.496
Overall playfulness	14.65	3.94	14.21	4.07	1.314	0.189
Efficiency	10.65	2.39	9.94	2.63	3.393	0.001**
Economic value	9.57	1.75	9.31	2.15	1.538	0.125
Overall CROI	20.21	3.51	19.25	4.14	2.997	0.003**
Service Excellence	12.43	2.29	11.92	2.59	2.484	0.013*
Ethics	22.96	4.03	22.49	3.74	1.446	0.149
Spirituality	5.69	1.92	5.44	1.85	1.626	0.105
Status	16.96	3.34	16.44	3.34	1.874	0.061
Esteem	9.83	2.33	9.40	2.21	2.312	0.021*
Overall Experiential Value	122.32	15.81	118.10	16.76	3.109	0.002**

Source-Field Survey

Note: 1. \*\* denotes significant at 1% level

2. \* denotes significant at 5% level

difference between marital status regard to efficiency and overall CROI overall Experiential Value. Based on mean score single status respondents have better perception of factors of Experiential Value than married respondents. There is no difference between marital status of respondents with regards to factor of entertainment, overall aesthetics, escapism, Enjoyment, overall playfulness, economic value, ethics, status and spirituality. Since P value is greater than 0.05. Hence the null hypothesis accepted with regard to entertainment, overall aesthetics, escapism, enjoyment, overall playfulness, economic value, ethics, and spirituality.

## 6.3 ANOVA for Significant Difference among Age Group with respect to Factors of Experiential Value

Since P value is less than 0.01, null hypothesis is not accepted at 1% level with regard to factors of efficiency,

**Table 3.** ANOVA for significant difference among age group

Variables	Age Group in years				F value	P value
	Below 25	26-35	36-45	Above 45		
Visual Appeal	9.23 (2.69)	9.33 (2.51)	9.82 (2.31)	9.85 (2.77)	2.332	0.073
Entertainment	9.32 <sup>a</sup> (2.80)	9.70 <sup>ab</sup> (2.40)	10.03 <sup>b</sup> (1.92)	9.50 <sup>b</sup> (2.16)	2.606	0.050*
Overall Aesthetic	18.55 (5.00)	19.03 (4.43)	19.85 (3.83)	19.35 (4.52)	2.430	0.064
Escapism	7.93 <sup>a</sup> (2.73)	8.16 <sup>ab</sup> (2.45)	8.64 <sup>b</sup> (2.27)	8.73 <sup>b</sup> (2.29)	3.236	0.022*
Enjoyment	5.73 (2.14)	6.08 (1.88)	6.27 (1.61)	6.07 (1.54)	2.345	0.072
Overall Playfulness	13.66 <sup>a</sup> (4.69)	14.24 <sup>ab</sup> (4.04)	14.91 <sup>b</sup> (3.58)	14.80 <sup>b</sup> (3.59)	2.925	0.033*
Efficiency	9.73 <sup>a</sup> (2.76)	10.07 <sup>ab</sup> (2.63)	10.52 <sup>bc</sup> (2.24)	10.74 <sup>c</sup> (2.55)	4.008	0.008**
Economic value	9.21 (2.20)	9.35 (2.11)	9.58 (1.79)	9.55 (1.81)	1.097	0.350
Overall CROI	18.94 <sup>a</sup> (4.51)	19.42 <sup>ab</sup> (4.09)	20.10 <sup>b</sup> (3.29)	20.28 <sup>b</sup> (3.59)	3.337	0.019*
Service Excellence	11.74 <sup>a</sup> (2.86)	11.86 <sup>a</sup> (2.42)	12.45 <sup>b</sup> (2.21)	12.69 <sup>b</sup> (2.39)	4.492	0.004**
Ethics	22.32 (3.77)	22.29 (3.79)	23.02 (3.91)	23.41 (3.96)	2.589	0.052
Spirituality	5.21 <sup>a</sup> (1.88)	5.44 <sup>a</sup> (1.91)	5.68 <sup>ab</sup> (1.74)	6.01 <sup>b</sup> (2.00)	3.786	0.010**
Status	15.85 <sup>a</sup> (3.60)	16.53 <sup>ab</sup> (3.44)	17.06 <sup>b</sup> (2.99)	17.32 <sup>b</sup> (3.21)	4.888	0.002**
Esteem	9.35 (1.95)	9.48 (2.13)	9.67 (2.44)	9.93 (2.60)	1.394	0.244
Overall Experiential Value	115.62 <sup>a</sup> (18.92)	118.30 <sup>a</sup> (15.58)	122.74 <sup>b</sup> (14.16)	123.80 <sup>b</sup> (17.19)	7.343	<0.001**

Source-Field Survey

Note: 1. The value within bracket refers to SD.

2. \*\* denotes significant at 1% level

3. \* denotes significant at 5% level

service excellence, spirituality, status and overall Experiential Value. Hence there is a significant difference between the age group with respect to factors of efficiency, service excellence, spirituality, status and overall Experiential Value. Based on Duncan Multiple Range Test (DMRT), below 25 years age group is significantly differed with age group of 36–45 years and above 45 years and also up to 26–35 years age group is significantly differed with age group of above 45 years at 1% level but there is no difference between age group of 36–45 years and above 45 years in overall perception of service excellence. Since P value is less than 0.05, the null hypothesis rejected at 5% level with regards to factors of entertainment, escapism, overall playfulness and overall CROI. Hence there

is significant with regards to factors of entertainment, escapism, overall playfulness and overall CROI. All the age group people while doing transaction online want a secure and safe environment, and all the online users want a competitive price and discounts and enjoyable environment while doing online transactions.

### 6.4 ANOVA for Significant Difference among Education Qualification with respect to Factors of Experiential Value

P value is less than 0.01, null hypothesis hence it is rejected at 1% level with regard to factors of visual appeal, overall aesthetics, efficiency, overall CROI, service excellence,

**Table 4.** ANOVA for significant difference among education qualification.

Variables	Educational Qualification					F-value	P value
	Metric	Graduate	PG	Professional course	Doctorate		
Visual Appeal	8.27 <sup>a</sup> (3.20)	9.17 <sup>b</sup> (2.64)	9.91 <sup>bc</sup> (2.33)	9.42 <sup>b</sup> (2.38)	10.26 <sup>c</sup> (2.41)	6.403	<0.001**
Entertainment	8.78 <sup>a</sup> (3.36)	9.49 <sup>b</sup> (2.56)	9.84 <sup>b</sup> (1.94)	9.77 <sup>b</sup> (2.34)	9.99 <sup>b</sup> (1.95)	2.538	0.039*
Overall Aesthetic	17.04 <sup>a</sup> (6.34)	18.65 <sup>b</sup> (4.76)	19.75 <sup>bc</sup> (3.67)	19.19 <sup>bc</sup> (4.22)	20.25 <sup>c</sup> (4.00)	5.111	<0.001**
Escapism	7.67 (2.97)	8.03 (2.67)	8.53 (2.29)	8.35 (2.35)	8.78 (2.24)	2.287	0.059
Enjoyment	5.67 <sup>a</sup> (2.36)	5.71 <sup>a</sup> (1.95)	6.17 <sup>ab</sup> (1.66)	6.10 <sup>ab</sup> (1.79)	6.52 <sup>c</sup> (1.60)	3.254	0.012*
Overall Playfulness	13.33 <sup>a</sup> (5.17)	13.74 <sup>ab</sup> (4.42)	14.70 <sup>bc</sup> (3.65)	14.45 <sup>abc</sup> (3.88)	15.30 <sup>c</sup> (3.40)	2.979	0.019*
Efficiency	8.69 <sup>a</sup> (3.34)	9.92 <sup>b</sup> (2.63)	10.56 <sup>b</sup> (2.33)	10.33 <sup>b</sup> (2.32)	10.68 <sup>b</sup> (2.57)	6.143	<0.001**
Economic value	8.58 <sup>a</sup> (2.82)	9.23 <sup>b</sup> (2.10)	9.57 <sup>b</sup> (1.83)	9.51 <sup>b</sup> (1.87)	9.67 <sup>b</sup> (1.77)	2.963	0.019*
Overall CROI	17.27 <sup>a</sup> (5.86)	19.16 <sup>b</sup> (4.08)	20.12 <sup>b</sup> (3.33)	19.84 <sup>b</sup> (3.54)	20.35 <sup>b</sup> (3.73)	6.255	<0.001**
Service Excellence	10.18 <sup>a</sup> (3.72)	11.99 <sup>b</sup> (2.50)	12.43 <sup>b</sup> (2.29)	12.35 <sup>b</sup> (2.10)	12.37 <sup>b</sup> (2.32)	8.591	<0.001**
Ethics	22.73 <sup>ab</sup> (3.34)	22.07 <sup>a</sup> (3.84)	23.38 <sup>b</sup> (3.77)	22.60 <sup>ab</sup> (3.77)	22.37 <sup>ab</sup> (4.38)	2.413	0.048*
Spirituality	4.69 <sup>a</sup> (2.02)	5.20 <sup>ab</sup> (1.79)	5.79 <sup>cd</sup> (1.88)	5.52 <sup>bc</sup> (1.74)	6.11 <sup>d</sup> (1.99)	6.261	<0.001**
Status	14.60 <sup>a</sup> (4.19)	16.21 <sup>b</sup> (3.18)	17.13 <sup>bc</sup> (3.18)	16.55 <sup>b</sup> (3.24)	17.70 <sup>c</sup> (3.10)	8.069	<0.001**
Esteem	9.02 (1.69)	9.54 (2.11)	9.73 (2.41)	9.37 (2.20)	10.05 (2.54)	2.146	0.074
Overall Experiential Value	108.87 <sup>a</sup> (27.50)	116.56 <sup>b</sup> (16.42)	123.03 <sup>c</sup> (14.67)	119.87 <sup>bc</sup> (12.64)	124.49 (15.99)	10.076	<0.001**

Source-Field Survey

Note: 1. The value within bracket refers to SD.

2. \*\* denotes significant at 1% level

3. \* denotes significant at 5% level

4. Different alphabet among Age groups denotes significant at 5% level using Duncan Multiple Range Test (DMRT).

spirituality, status and overall Experiential Value. Hence there is a significant difference between the educational/qualification with respect to factors of visual appeal, overall aesthetics, efficiency, overall CROI, service excellence, spirituality, status and overall Experiential Value. Based on Duncan Multiple Range Test (DMRT), up to 1% level but there is no difference between graduate and professional but there is significant difference between metric with graduate,

post graduate and professional in overall perception of Experiential Value at 1% level. There is no significance difference between educational with regard to escapism and esteem. Since P value is greater than 0.05. Hence the null hypothesis accepted with regard to factors of escapism and esteem. Regards less of the education and qualification, all the online users want to get away from the bore drum and hence searching for escapism value on websites.



## 7. Findings

The findings shows that female website users have different perception on factors like Service Excellence, Ethics overall Experiential Value, Trust and Purchase Intention than male but there is no significant difference found between perception of male and female with regards factors of entertainment, escapism, enjoyment, overall Playfulness, efficiency, Spirituality, Status and attitudinal Loyalty, It is also clear from the findings that there is no significance difference between marital Status of respondents with regards to factor of entertainment, overall Aesthetics, escapism, Enjoyment, overall Playfulness, economic value, Ethics, Status, Spirituality and behavioural Loyalty, Competitive price, enjoyment, beauty of the website attracts both single and married person to visit the website. But the single Status respondents have different perception on Esteem, Purchase Intention, visual appeal than unmarried respondents. Analysis of Variance reveals that there is no difference found between age group with regard to factors of visual appeal, overall Aesthetics, enjoyment, economic value, Ethics, Esteem and behavioural Loyalty.

Analysis of Variance results shows that there is a difference between the educational/qualification with respect to factors of visual appeal, overall Aesthetics, efficiency, overall CROI, Service Excellence, Spirituality, Status, overall Experiential Value, attitudinal Loyalty overall customer Loyalty, entertainment, enjoyment, economic value overall Playfulness, Ethics and Trust. But there is no difference between educational/qualification with regard to escapism, Esteem and behavioural Loyalty factors.

## 8. Managerial Implications, Suggestions and Recommendations

A competitive environment where most sellers offer similar products, a seller could enhance its brand equity through creating a strong personality and offering rich experiences. The present work provides managers with a knowledge to understand how experiential marketing leads to improvement in behavioral intentions of the customers. More and more business is focusing on pleasurable customer experience rather than on only on product or service.

The customer's perception about the experiential marketing can benefit the marketing managers to better understand customer's online requirement. This study

shows that experiential marketing is important in achieving the success, it is perceived differently among people and situations, and it also generates comparisons between different objects/services; so it can be used for segmentation, product positioning and differentiation. Perception of experiential value have found different across, sex and age, so the managers can use the experiential value as a segmentation tool. The website should be regularly reviewed and continuously improve the design and content. The websites should always be rich in content and deliver value to its visitor. By providing value to the customer the managers of the websites can maintain its existing customers and convert potential customers into active ones.

## 9. Conclusion

The experiential value factors consist of Aesthetics, Customer return on investment, playfulness, service excellence, esteem, status, ethics and spirituality. Men and women were found to react differently to Web sites and their perception varies with different factors of experiential value. When using the website for purchase irrespective of the gender the users want to feel enjoyable, they want to get away from boredom it is concluded from the study that there is no difference in perception of experiential value with regards to the age of the respondents. But the customer perception varied based on their qualification and education. The service excellence and economic value were the factors of experiential value found in influencing respondent's perception.

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