Self-Customisation and Attribute Alignability: Role of Utilitarian versus Hedonic Consumption

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ABSTRACT:

High degree of customisation prevalent in various industries calls for a richer understanding of customers' evaluations of different attributes during the task of choosing some options and forgoing others. To that end, the research reported in this paper examines consumers' preference for alignable versus nonalignable attributes during self-customisation of products. Specifically, we propose that utilitarian versus hedonic consumption goals will explain consumer's preference of alignable versus nonalignable attributes. Consistent with our theorizing, results from two studies suggest that when customising a utilitarian product, consumers rely more on alignable product components. Conversely, when customising hedonic products, nonalignable components draw more attention. The proposed correspondence between consumption motivation and structural alignment approach of comparison deepens our understanding of consumers' choice difficulty and provides insights into downstream impact of customisation strategy on consumer well-being. Furthermore, the findings will aid firms in co-creating better value with customers through formulating better self-customisation options.

KEYWORDS:
Self-customisation, Alignable versus Nonalignable attributes, Building up versus Scaling down, Utilitarian versus Hedonic consumption

Customisation refers to a firm's ability to design, produce, and deliver products that meet specific customer needs at near mass-production efficiency. To illustrate, a consumer self-selects features from a given menu, and thereby, configures an offering best suited to his or her requirements. Self-customisation strategy has grown rapidly in prominence as firms are seeking to closely match consumers' ideal internally held preferences. Indeed, self-customisation allows consumers to have tailor-made products that fully embody their tastes and preferences and consequently, maximise their well-being. Companies such as BMW, Dell, Nestle, and Nike are using web based user toolkits to create retail environments with various self-customisation options. Not surprisingly, the widespread commercial appeal mirrors theoretical developments in marketing literature. Research indicates that customised products can provide differentiation through extended identity, pronounced personalization, and emotional involvement thereby building a foundation for customer relationship on a one-to-one basis.

A fundamental aspect of self-customization involves comparison among different attributes that form the various options. For that matter, predicting customer preferences remains a perennial challenge in the context of customisation where extensive customer participation is warranted. Consumer choice fundamentally depends on the ability to distinguish between different options during the decision-making process. As such, making comparisons from a set of alternatives is a fundamental psychological process. Yet, very

little research has examined the psychological mechanism underlying the process of consumer evaluation of different sets of attributes.

In the present article, drawing upon structural alignment theory, we examine consumer preferences for alignable versus nonalignable attributes during self-customisation decisions. An alignable attribute is one that is directly related to the functionality of the base product. A nonalignable attribute, conversely, does not directly enhance the capabilities of the base product, but rather, offers benefits unrelated to functionality. To illustrate, computer memory is an alignable attribute since it is directly related to the base good (computer) and a camera carrying-case will serve as an example of a nonalignable attribute as it does not enhance the base good's (camera) primary function, but rather offers protection and better appearance. Our key thesis is that the choice of alignable versus nonalignable attributes systematically varies with the nature of the product being customised. We rely on the distinction between utilitarian and hedonic consumption contexts, which have been shown to evoke rational and emotional decision routes to decision-making, respectively. Utilitarian and hedonic alternatives deliver positive payoffs, but of different types: the former in the form of necessity and practical functionality and the latter in the form of symbolic and experiential enjoyment. In this regard, utilitarian motive is based on normative cost-benefit analysis and represents consumers' desire to satisfy their functional needs and hedonic motive is experiential in nature and reflects consumers' desire to reward the self through fun and excitement. We contend that the difference between

utilitarian versus hedonic consumption motivation provides a more nuanced understanding of consumers' responses to alignable versus nonalignable attributes during customisation. Specifically, we postulate that consumers assign more weight to alignable attributes when they are self-customising a utilitarian product. Conversely, we expect consumers to shift their attention to nonalignable attributes when they engage in self-customising hedonic products. The results obtained from two experimental studies provide support for our thesis. Consumers self-customise either by adding desired attributes to a base model (building-up) or by removing the undesired attributes from a fully loaded model (scaling-down), and notably, our findings are robust across both building-up and scaling-down customisation contexts.

We believe this research adds a new dimension to research on customisation, which has, to date, primarily focused on relatively narrow behavioural outcome. As customers are increasingly seeking unique and personalised products, an enhanced understanding of self-customisation process can help them to make better decisions and gain greater satisfaction. While prior research in the customisation domain has emphasized the quantity of attributes, this research draw attention on the type of attributes.

On a general level, this research sheds considerable light into the purpose of educating consumers whereas the vast quantity of customisation research currently published veers more towards the interests of marketers. This research is especially relevant given the criticism that the field of consumer research has underprioritised

scholarship on consumer well-being and better quality of life. Overall, this research makes three key contributions to extant knowledge. First, by focusing on consumer co-creation of ideal products, this study contributes to a nuanced understanding of how self-customisation may help to better protect and expand consumer well-being and welfare. By documenting an interplay between consumption context (utilitarian versus hedonic) and relative weighting of alignable versus nonalignable attributes, this study adds important clarity to the conflict between short-run consumer wants and long-run consumer welfare thereby enriching the longstanding theoretical development of utilitarian versus hedonic consumption in marketing. Second, our focus is in line with the calls for more investigations into the customisation process from consumers' perspective, while this realm of research has restricted itself to the supply side of customisation strategy. Behind this focus lies the recognition that consumers tend to place a premium on the opportunity to build their own products and enhance their overall quality of life. Finally, the findings of this investigation offer public policy implications. With the evolution of traditional marketing thoughts and practices towards well-being marketing, and with the advanced information technology, self-customisation has become an indispensable tool for the marketers to engage in well-being marketing and prosper in the long-run. Based on our findings, while customising hedonic products, consumers tend to ignore alignable attributes that are usually cognitively superior option and thus, could have substantially improved the decision quality. Hedonic (i.e., nonalignable) attributes are tempting to focus on, but to do so at the expense of functional and useful (i.e., alignable) attributes may ultimately result in choices that do not

maximise consumer well-being. In light of this, consumers should be made aware of the natural tendency, when they are customising hedonic products. Supporting this notion, we speculate that marketers will do well to offer an inclusive list of alignable attributes, while marketing hedonic products. Broadly speaking, our findings offer specific prescriptions about encouraging customers to choose utilitarian and relatively more healthful and practical options, which in turn will improve the general welfare of the society.