

Social and psychological product value perceptions

An exploratory study

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Extended abstract

The distributed value is perceived by the customer as the difference between the total value and the total cost of the product (good, service, idea, information, experience), also corresponding to the perceived value of use of the product, which includes experiences, sensations and mental states. Note that the total cost to the customer comprises all types of costs, financial (price, ability to pay, opportunity cost) and non-financial costs (physical, psychological and social aspects related to the use of the product, such as accessibility, embarrassment, usability, etc.), in which he expects to incur to evaluate, obtain and use the product.

The tetrad-value theory (Carvalho & Sousa, 2015, 2018) enhance the traditional approach of the Triple Bottom Line (Elkington, 1997) and includes economic, social, ecological and psychological values.

The economic value exists in all type of product, being the basis for its existence in the market. For the organization, this type of value consists of revenue and profit, which may not only be of a financial nature. For example, for an organization with social purposes, non-financial profit goes through the effective fulfillment of its specific mission. The economic value for the customer has to do

with the satisfaction of their need through the product acquired. There may also be economic value for society, through job creation and wealth growth, as well as economic externalities, which are shared by various stakeholders.

Social value may or may not exist in a product. It is closely linked to other types of values, manifesting itself in better processes of socialization, increased social inclusion, equal opportunities, increased health and/or safety in the community, or by increasing the quality of life of the society. Thus, this type of value is more common in social products linked to the activity of the third sector, although it also exists in many for-profit financial products. Thus, when the product has social value, then it will have an added value for the customers.

Other important value is ecological, which is related to the environment, sustainability and protection of the planet. The concern with this type of value has become general, since our quality of life depends on how we produce the products and consume them, avoiding as much as possible a negative ecological footprint for life on the planet. Not all products have an ecological value, but it is an important asset when it is created.

The fourth value - psychological or transformational value - is often confused with social value, probably because it has a special impact on it, being integrated into that type of value in all models so far. It should also be noted that Schumpeter (1909) said that the founders of the subjective concept of value (Jevons, Walras, Menger) never spoke of social, but only of individual value, because we only can measure product utility (value of use) individually. When a product promotes a change in attitude and behaviors (e.g., additive behaviors, healthier or ecological lifestyle, awareness of various types of discrimination, change of mentality, openness to new ideas, more knowledge or new acquired competences, self-realization, sense of self-efficacy), then we are faced with an intrinsic psychological value to that person, and that may or may not have a social impact.

On the basis of this theory, we develop a study to assess the perception of value in relation to the main groups of products. We used a questionnaire with a table where the respondents mark the types of value they considered to exist in each type of product. These groups follow the Portuguese distribution of goods and services (National Classification of Goods and Services – National Institute of Statistics), and we choose 20 types of products, being some of them made explicit: (1) food products, (2) tobacco, (3) clothing and footwear, (4) social reintegration services for ex-prisoners, (5) housing, (6) household appliances, (7) antibiotics, (8)

anti-depressants and anxiolytics, (9) public transports, (10) mobile phone, (11) internet, (12) amusement park, (13) libraries and museums, (14) hotels, (15) schools, (16) cosmetic products, (17) foster care service for children at risk, (18) domiciliary support services for elderly, (19) disability support services, and (20) social cantina.

They were used the following definitions to help the participants to assess the products:

As economic value: *"The ability of the product (good, service, idea, information, experience) to meet the human needs of the consumer for which it was designed, as well as to create financial or non-financial income for its producer or supplier."*

As ecological value: *"The ability of the product to contribute to the preservation of natural capital (environment, planet or biodiversity)".*

As social value: *"The ability of the product to have a positive impact on the community (social welfare, nutrition, shelter, health, social equity or quality of life)".*

As psychological value: *"The ability of the product to influence or transform the lives, mentalities, knowledge, skills or behaviors of some consumers".*

We have used a sample of 194 persons (52% female; aged between 18 and 54 years old) to do this first exploratory research.

The results show that different types of products are perceived to present different types of values depending on the subjective evaluation of the respondents as expected. It was clear that there are products with more impact on social level and other on psychological level with statistically significant differences. This exploratory study confirms that people are mainly concerned with the product value for themselves, based essentially in their own interest, showing that social value is not their fundamental criteria. Thus, scholars' generalization about the way people assess product's value, considering that the personal impact is a social issue, should be rethought at the light of tetrad-value theory. This approach presents a new taxonomy to classify the types of product value perceived by consumers based on four main pillars: economic, ecological, social and psychological. There are in the literature other taxonomies that somehow consider psychological aspects, such as emotions, affective, personal

and holistic aspects (e.g., Babin, Darden, & Griffin, 1994; Hirschman & Holbrook, 1982; Holbrook, 1994; Sheth, Newman, & Gross, 1991; Zeithaml, 1988). However, our approach considers that psychological value is related to the impacts on people's life, transforming their behaviors in particular. Thus, our theoretical and practical contribution is related to the importance of considering psychological aspects as we have defined in products' marketing processes (creation, distribution and communication), as well as in the creation of new sustainable business models.

Keywords

Tetrad-value theory, perception of value, psychological value, social value, distributed value.

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