Customer Value Analysis of Online and Offline lifestyle innovation product buyers

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Abstract

Customer/Consumer value is well-defined as, difference between perceived benefit and perceived cost. Lifestyle innovation products are new or improved goods and services designed to enhance various aspects of daily life, often incorporating technology and design to improve functionality and user experience. This research aims to assess the level of value delivered to customer buying lifestyle innovation products online and offline. It is a comparative study between online and offline buyers. Study has analyzed whether value delivered is high in online buyers than offline buyers. Findings depicted that, online buyers have received perceived value higher than offline buyers in purchasing lifestyle innovation products, for the study we have focused respondents buying digital wrist watches to monitor their health every day. For testing hypothesis we have used one sample t-test and simple descriptive analysis for briefing the demographic profile of respondents. To measure the customer value we have used value mapping model.

Keywords; Customer Value, Lifestyle Innovations, Value Mapping, Online Buyers and Offline Buyers.

INTRODUCTION

American Marketing Association in the year 2007 defined Marketing Management that describes the importance of value to customers, stakeholders and society at the large. The definition focuses on the customer value and its importance in organizational success.

For better understanding, customer value is a difference between perceived benefit and perceived cost. If benefits are greater than cost then it is understood as, the organization has created and delivered value to the customer. In simple words, if value is a difference between benefit and cost, then what types of benefits are to be considered? What type of costs has to be considered? Is there any mathematical formula been formulated to measure the customer value? How can a company measure the customer value and analyze the level of value that a company has delivered?

"What is value to the customer?" It might be the most essential question. Despite its importance, this question is rarely asked. Value is what their company defines as quality. However, this is often an incorrect definition. Customer buys satisfaction of wants, customer buys value." Peter Drucker, Management: Tasks, Responsibilities, Practices, 1993

"The value decade is upon us. If u cannot sell a top quality product at the world's lowest price, you are going to be out of the game". Jack Welch, CEO General Electric

The provider places a high priority on customer value from a business perspective. The goal is to evaluate the worth of each individual customer (customer lifetime value) and customer groups (customer equity) to the company.

Customer value refers to the perceived value of a company's product or service in meeting the needs of its customers. To increase earnings, operators must prioritize the worth of each client in their present base, rather than just market share. Market share but on the value of each and every customer in their current base.

Understanding customer value is crucial for building customer satisfaction, loyalty, and long-term relationships. It enables organizations to align their offerings with customer expectations, differentiate themselves from competitors, and achieve sustained profitability. Various models, including the Value Hierarchy (Woodruff, 1997), PERVAL Scale (Sweeney & Soutar, 2001), and Means-End Theory, provide frameworks for analyzing how customers evaluate and derive value. As a dynamic and multifaceted concept, customer value continues to evolve, influenced by digital innovation, personalization, and changes in consumer behavior.

Table 1 Definitions of Customer Value

Definitions of Customer Value	
Contribution of Zeithaml, published in year (1988)	"Perceived value is a customer's overall assessment of the utility of a product based on perceptions of what is received and what is given."
Research of Gale published in year (1994)	"Customer value is market perceived quality adjusted for the relative price of your product. [It is] your customer's opinion of your products (or services) as compared to that of your competitors."
Holbrook depicted in his work in year (1994)	Customer value is "a relativistic (comparative, personal, situational) preference characterizing a subject's [consumer's] experience of interacting with some object … i.e., any good, service, person, place, thing, event, or idea."
Woodruff contributed his work in year (1997)	Customer value is a "customer's perceived preference for and evaluation of those product attributes, attribute performance, and consequences arising from use that facilitate (or block) achieving the customer's goals and purposes in use situations."

Source: Secondary Data

What is lifestyle innovation product?
Lifestyle innovation products are new or improved goods and services designed to enhance various aspects of daily life, often incorporating technology and design to improve functionality and user experience. Examples include foldable smartphones, smart glasses, and voice-activated wearable translators, which offer new ways to interact with technology and each other. Other innovations include AI computers with features like Recall and live language captions, and wireless charging surfaces that simplify charging devices.

Examples of Lifestyle Innovation Products

- **Foldable Smartphones:** Devices like the Samsung Galaxy Z Fold 6 combine the portability of a smartphone with the screen size of a tablet.
- **Smart Glasses:** Products like Ray-Ban's lightweight frames integrate cameras, speakers, and voice assistance.
- **Voice-Activated Wearable Translators:** Devices like the Pocketalk offer real-time translation of spoken languages, breaking down communication barriers.
- **AI Computers:** Microsoft's Copilot+ PCs introduce features like Recall (a timeline search of on-screen activity) and live language captions.
- **Wireless Charging Surfaces:** Technologies like those developed by WiTricity enable devices to charge without cables.
- **Multi-purpose Laptops:** The Lenovo Think Book Plus Gen 5 Hybrid allows for separate or combined use of the screen and keyboard as a tablet or standalone PC.
- **Smart Wearable Technology:** Wearables are evolving beyond fitness tracking to offer continuous health monitoring and lifestyle enhancements.
- **Dyson's Airwrap multi-styler:** This product utilizes the Coanda airflow effect to curl and smooth hair with less heat.
- **Bags that slow cook food:** This innovation provides a convenient way to cook meals.
- **Bottle light bulbs:** This provides a sustainable and portable lighting solution.
- **Solar rechargeable hearing aids:** This innovation addresses accessibility for individuals with hearing loss.

REVIEW OF LITERATURE
Woodruff in the year (1997) conceptualizes customer value as a perceived preference and evaluation of product attributes and consequences. He presents a value hierarchy model and emphasizes the importance of understanding value from the customer's perspective.

Zeithaml (1988) defines consumer perceived value as a overall assessment of product utility based on wt he or she

has perceived and received through product/service. She highlights four different consumer definitions of value.

Holbrook (1999) depicted a classification of consumer value according to factors like self-oriented versus other-oriented and intrinsic versus extrinsic. He emphasizes experiential and contextual elements of value. Parasuraman (1997) discusses how firms can competitive advantage to sustain their business by delivering value to their potential targeted customers and highlights the role of service quality. Sweeney & Soutar (2001) this paper develops and validates a scale (PERVAL) to measure consumer perceived value along four dimensions: emotional, social, quality/performance, and price/value for money. Flint et al. (1997) Investigates how customer value changes over time in business-to-business (B2B) relationships and the importance of understanding evolving customer needs. Khalifa (2004) this paper provides a comprehensive review of customer value literature and proposes an integrative framework that connects different value constructs—means-end theory, equity theory, and consumption value theory.

In B2B settings, Eggert & Ulaga (2002) investigate the connection between customer loyalty, satisfaction, and perceived value. Argues that value rather than satisfaction may be a stronger indicator of loyalty. A value framework that incorporates relationship marketing, customer value, and strategic management is proposed by Payne & Holt (2001). Suggests three different kinds of value: social, emotional, and functional. In their comprehensive assessment of the literature on perceived value, Sánchez-Fernández & Iniesta-Bonillo (2007) provide a taxonomy that differentiates between uni-dimensional and multi-dimensional value constructs.

Objectives of the Study

To assess the customer value through value mapping model for online and offline lifestyle innovation product buyers.

Scope of the Study

The study intends to develop a mathematical model by using various constructs to better define the perceived customer value through value mapping model. A proposed model will analyse the inferior and superior customer value of online and offline buyers buying lifestyle innovations.

RESEARCH METHODOLOGY

Nature of Research

This is a Descriptive research.

Data Collection Source

As this study is focused on the analysis of perceived customer value of customer purchased lifestyle innovation products, so Secondary and Primary data both are preferred. Secondary data will be used to make relevant analysis and to draw conclusions on concepts. Further, primary data will be collected on customers to know major attributes and benefits that customer value. Appropriate interview schedule will also be used to collect the necessary data.

Sampling Design

The sampling unit considered for the study would be customers of lifestyle products. Focused group interview method will be used for collecting primary data. Statistical methods such as descriptive tools like, mean, standard deviation and one sample t-test will be used for hypothesis analysis. To measure perceived customer value, a value mapping model will be used.

Sample size used for the study is 120 respondents comprising online and offline buyers equally.

DATA ANALYSIS AND INTERPRETATION

Table 2 Demographic profile of respondents

Category		Frequency	Percent	Mean	Std
Gender	Male	62	52%	1.48	0.50
	Female	58	48%		
	Total	120	100%		
Marital Status	Married	61	51%	1.49	0.50
	Unmarried	59	49%		
	Total	120	100%		
Age (In years)	Up to 20	41	34%	2.00	0.86
	21-30	40	33%		
	31-40	38	32%		
	Above 51	1	1%		
	Total	120	100%		

Educational Qualification	Illiterate	18	15%	3.18	1.45
	Primary	25	21%		
	Secondary	27	23%		
	Graduation	24	20%		
	PG	20	17%		
	Professional/ Technical	6	5%		
	Total	120	100%		

Source: Primary data

Inference: The demographic profile of the respondents reveals the distribution of data among male and female with 52% and 48 % respectively.

HYPOTHESIS ANALYSIS

H0: Customers do not perceive superior value after purchasing a lifestyle product online compared to offline.

H1: Customers perceive superior value after purchasing lifestyle prodSuct online compared to offline.

Table 3 Shows the One-Sample Test

One-Sample Test						
	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Customer perceived value	49.321	119	.000	31.0233	28.3256	30.1256

Inferences

Table 03 outlines the results of a one-sample t-test matching the level of perceived value between online buyers and offline buyers A one-sample t-test was performed to assess whether the mean score of customer perceiving value significantly differs from the hypothesized value of 3. The test yielded a t-value of 49.321 with 119 degrees of freedom, and the result was highly significant (p < .001). The mean score was 31.0233, which is considerably higher than the test value. The 95% confidence interval for the mean difference ranged from 28.3256 to 30.1256, indicating a strong deviation from the hypothesized mean. These results suggest that customers perceive a significantly higher value than the expected baseline, reflecting a strong positive perception of value among the participants.

Table 4 Online and Offline buyers Value Measurement and Mapping

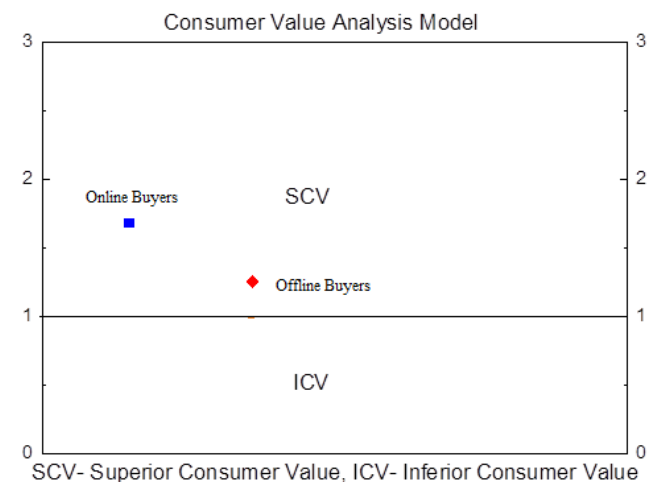| Values generated through the above PV formula				
Online Buyers	$\sum_{bi}$	13.21		Value
			PV_onb	1.52
	$\sum_{ci}$	8.65		
Offline buyers	$\sum_{bi}$	10.66		Value
			PV_ofb	1.15
	$\sum_{ci}$	9.25		

Source: Primary data

Figure 1 Value mapping model

Source: Primary data

Inference

From the above mapping it is depicted that, both online buyers and offline buyers are having perceived superior value in buying lifestyle innovation products. Online buyers' value is more comparatively to offline buyers. Online buyers' value is 1.52 and offline buyers' value is 1.15.

CONCLUSION

"The value decade is upon us. If u cannot sell a top quality product at the world's lowest price, you are going to be out

of the game".Jack Welch, CEO General Electric. Study has depicted various facts, that customer buying online or offline are satisfied in buying lifestyle innovation products. Comparatively online buyers received higher perceived value than the offline buyers. Companies can formulate strategies accordingly to attract more customers and retain their targeted customers for long range by delivering superior value.

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