

## EXPLORING UTILITARIAN AND HEDONIC ASPECTS OF CONSUMPTION AT THE BOTTOM OF PYRAMID

### ABSTRACT

The number of researches about the Bottom of Pyramid has increased over the last decades; however, a discussion about its consumer habits is still necessary. Thus, this paper aims to investigate the behavior of consumers in informal markets, inherent to this segment. Specifically, this study explores the meanings attributed by consumers to attend a trade fair, through the lenses of hedonic and utilitarian buying values. Through the triangulation of two research methods, Birds' Fair and its consumers (Brazil) were analyzed. The results highlight the fact that the Fair is constituted by the syncretism of non-homogenous groups of consumers, who have different reasons to visit it. Along with the central economic-utilitarian concept of low-prices, a hedonic-festive element arises as an essential attribute of the consumer's behavior. In this sense, individuals make their purchases guided by a need for usefulness, but there is also pleasure in the activity of shopping itself.

**Keywords:** Trade Fairs; Low-Income Consumption; Hedonic Consumption; Utilitarian Consumption.

Felipe Gerhard<sup>1</sup>  
Lucas Lopes Ferreira de Souza<sup>2</sup>  
Verónica Peñaloza<sup>3</sup>  
Marianela Denegri<sup>4</sup>

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<sup>1</sup> Doutorando do Programa de Pós-Graduação em Administração da Universidade Estadual do Ceará - UECE. Brasil. E-mail: [gerhard.sousa@aluno.uece.br](mailto:gerhard.sousa@aluno.uece.br)

<sup>2</sup> Doutorando do Programa de Pós-Graduação em Administração da Universidade Estadual do Ceará - UECE. Brasil. E-mail: [lucaslfsouza@hotmail.com](mailto:lucaslfsouza@hotmail.com)

<sup>3</sup> Doutora em Economia pela Universidade de São Paulo - USP. Professora da Universidade Estadual do Ceará - UECE. Brasil. E-mail: [veronica.penaloza@uece.br](mailto:veronica.penaloza@uece.br)

<sup>4</sup> Doutora em Psicologia pela Universidade Autónoma de Madri, Espanha. Directora Núcleo Científico Tecnológico en Ci do Universidad de La Frontera, Chile. Chile. E-mail: [marianela.denegri@ufroterra.cl](mailto:marianela.denegri@ufroterra.cl)

## 1 INTRODUCTION

Over the past few years, there has been an increase in the number of researches on informal markets at the Bottom of Pyramid (BoP). Traditional areas such as economics, sociology and anthropology have divided academic space with more recent fields, as marketing. Through the lenses of marketing approach those markets are analyzed both from the perspective of the impact on economic activity and from the perspective of the nature and cultural aspects of its participants (Chikweche, Stanton, & Fletcher, 2012; Follman, 2012; Mason, Chakrabarti, & Singh, 2013). Due their relevance for low-income population, some researchers debate the urgent importance of their dissemination (Follman, 2012; Araújo, 2013; Mason, Chakrabarti, & Singh, 2013; Piacentini & Hamilton, 2013).

Informal markets exist all around the world, taking different forms depending on the region where they are located. The heterogeneity permeates the daily life as well as the evolutionary process of these markets (Salazar, 2003; Chikweche, Stanton, & Fletcher, 2012; Araujo, Kjellberg, & Spencer, 2008). In general, they have clear differences with well-established markets: The former are highly heterogeneous with unbranded competition, receive great influence from geopolitical institutions, and have chronic shortage of resources and inadequate infrastructure (Seth, 2011). These differences have an impact both in theory and in the strategy, in policies and marketing practices. Many beliefs that are critical in marketing, such as market segmentation, market orientation and brand value, are at odds with the reality of emerging markets.

Informal markets are more than spaces of procurement and trade; they are also an opportunity for social interaction, meetings and socializing. Other reasons besides the utilitarian economic rationality, such as cheaper products, quality, freshness, and accessibility (Zinkhan, Fontenelle, & Balaz, 1999; Rajagopal, 2010b), are pointed as responsible for motivating people to visit it. The symbolic consumption, entertainment, ethnic and social aspects, human contact etc., are also important reasons to choose farmers' markets as a purchase place (Belk, Sherry, & Wallendorf, 1988; Sherry, 1990a, 1990b; Rajagopal, 2010a, 2010b). Thus, the confluence of utilitarian and hedonic purchase values is inextricably present on the behavior of farmers' markets consumers.

The number of researches about the Bottom of Pyramid and informal markets has increased, but a discussion about its consumer habits is still necessary (Kolk, Riveira-Santos, & Rufin, 2014). Some authors (*e.g.*, Karnani, 2007, 2010; Varman, Skälén, & Belk, 2012) defend that consumers could only purchase itens related to their own subsistence,

in a utilitarian way. Others authors, however, have a different opinion. According to them, BoP consumers should have access to their consumption desires, expressing their hedonic features and buying things beyond the merely necessary (Pralhad & Hart, 2002; Prahalad, 2005). This debate demonstrates the importance to study the BoP consumers in purchase places beyond the formal market, since only in informal places they can show their real behavior (Kolk, Riveira-Santos, & Rufin, 2014).

The purpose of this paper is to investigate the behavior of consumers in informal markets, which are inherent to the BoP sector, evidencing characteristics of emergent markets (pointed out by Izberk-Bilgin (2010) as suggestive research fields to analyze consumer resistance against mass forms of consumption). Specifically, this study explores the meanings attributed by these consumers to their own frequency of attendance to a trade fair, analyzing through the lenses of hedonic and utilitarian buying values the similarities and divergences raised by heterogeneous consumers groups. The object of this study is the Birds' Fair, in the city of Fortaleza, Northeastern Brazil. It is important to highlight that trade fairs are distinct examples of informal markets.

The paper has as theoretical contribution a broadening of comprehension about the consumer behavior in BoP segment. Furthermore, it is important to know how these people act in informal places in emergent markets, recognizing what makes these places to resist until now and which features of them are important to consumers. Finally, little information is known about the utilitarian and hedonic characteristics of BoP and their behavior in informal places. For managers, to know the reasons that make BoP individuals choose a specific purchase place can help them to deal with consumers' choices and outline strategies to attend these people. Furthermore, this paper brings information about the BoP consumers evidencing the dichotomy of utilitarian and hedonic features. The results show how organizations can focus on that consumer, recognizing the importance of both utilitarian and hedonic purchase values.

A research technique that enables the study of non-homogeneous senses is required to access this plurality of meanings responsible for creating the link between the farmers' markets and their visitors. Therefore, the Natural Semantic Networks Method intends to reach the core of the social representations analysis, *i.e.*, unravel the association of ideas underlying a particular group of individuals, and it was chosen for this study due to its capacity to deal with both homogeneity and contrasting meanings (Moscovici, 1984; Valdez, 1998).

## 2 TRADE FAIRS

Trade fairs, also called alternative markets (Sherry, 1990a), are part of the daily life of the low-income population and they become the only way to access a number of products at an affordable price (Zinkhan, Fontenelle, & Balaz, 1999; Rajagopal, 2010b). The reasons commonly cited for visiting alternative markets are low prices, product variety, proximity or accessibility and sometimes the quality of foodstuffs (Trinka, 1980; Sherman, McCrohan & Smith, 1985; Sherry, 1990a; Zinkhan, Fontenelle, & Balaz, 1999). As such, alternative markets are seen as markets that serve predominantly to BoP consumers, because of the trading conditions and social interaction with the vendors, who may be closer to the status of the clients, but mainly because they offer lower prices than supermarkets (Rajagopal, 2010b; Petrescu & Bhatli 2013).

However, although trade fairs are historically linked to provision of basic foodstuffs (Zinkhan, Fontenelle, & Balaz, 1999; Rajagopal, 2010b), several studies have shown that these do not only respond to the consumers' commercial factors, but also symbolic ones (Sherry, 1990a, 1990b; Belk, Sherry, & Wallendorf, 1988; Rajagopal, 2010a). Frequently, buyers in these markets think it is fun to look for deals; they perceive the service as friendly and enjoy the variety of products available (Belk, Sherry, & Wallendorf, 1988; Sherry, 1990a, 1990b). Although the nature of these markets is eminently commercial, they also function as cultural and leisure centers, where the consumption displays both its hedonic and utilitarian sides. Table 1 shows some of the motivations for choosing informal markets found in literature and the methodological approaches used for obtaining these data.

**Table 1** - Reasons for choosing informal markets

REASONS/AUTHORS	Belk, Sherry and Wallendorf (1988)	Maisel (1974)	Ozuduru, Varol and Ercoskun (2014)	Petrescu and Bhatli (2013)	Pyle (1971)	Rajagopal (2010a)	Rajagopal (2010b)	Sherman, McCrohan and Smith (1985)	Sherry (1990a)	Sherry (1990b)	Trinka (1980)	Zinkhan, Fontenelle and Balaz (1999)
Environment						X						
Personal attention, human contact				X		X		X				X
Accessibility			X			X						
Product quality					X	X						X
Symbolic consumption	X								X			
Festive nature, recreational purchases	X							X	X	X		
Fun/Entertainment	X		X					X				
Excitement/Enthusiasm							X			X		
Vendors' flexibility												X
Negotiation, haggle	X							X	X	X		
Low prices				X		X			X		X	X
Necessary products or services					X							
Feeling of freedom	X									X		
Socialization, social values		X		X	X		X					X
Showmanship									X			
Informal exchange of goods		X										
Ethnic-cultural values and meanings			X	X		X	X		X			X
Variety								X	X			
<b>RESEARCH METHOD</b>												
Ethnographic approach	X	X							X	X		X
Semi-structured questionnaire						X	X					
Focus group						X	X					
Interview				X				X				

Questionnaire			X									
Historical					X							
Observation/Participant observation											X	

The heterogeneity of trade fairs is evidenced by the existence of numerous social groups and their reasons to visit them (Menezes, 2005). Socialization, human contact, personal relationships, ethnic meanings and preservation of the historical roots of their regular customers, given the presence of typical regional items such as food, drinks and even music, are identified by several authors as reasons for visiting informal markets (Sherry, 1990a; Rajagopal, 2010a, 2010b; Petrescu & Bhatli, 2013; Ozuduru Varol, & Ercoskun, 2014).

Unlike works from sociology or anthropology, or the traditional focus on processes that link individuals in a totalizing way across all dimensions, this paper highlights mercadological agents as creative co-creators of street fair environments (Cova & Cova, 2012). It is intended to focus on interactions and economic practices, contributing to the knowledge on the marketing processes that occur in these emergent environments, which consequently may assist in their development (Araujo, Kjellberg, & Spencer, 2008). This paper uses the hedonic and utility consumption values as a way to classify the motivations to attend a street fair.

In addition to the features traditionally seen, such as low prices, subsistence items and variety of products, the fairs also have a marked festive dimension. Such attribute is characterized, from the standpoint of the consumers themselves, by a sense of enthusiasm for the presence of hundreds of people and the experience of excitement in an open environment, with the opportunity to browse and negotiate various items for sale (Sherry, 1990a; 1990b).

In line with these standpoints, it is possible to observe how the resistance practices of consumption perseverate in the quotidian of trade fairs – realms of market resistance in emerging and post-colonized countries (see Izberk-Bilgin, 2010). Bounded with deep socio-historical roots, these practices resist to the novel ways of consumption, related to mass-market forms of acquisition, manipulation, and using the symbolic meanings and concrete attributes of products (Certeau, 1998; Bourdieu, 1984).

### 3 HEDONIC AND UTILITARIAN CONSUMPTION

There is the assumption that lower income segments consume only in terms of low prices.

Given the context of material and emotional limitations allegedly found in these sectors, a high degree of rationality would direct their consumption decisions, and so the price, product type and proximity would be key factors in their decision-making (Hill & Stephens, 1997; Williams & Windebank, 2001; Hill, 2008). This line of reasoning would be consistent with traditional economic theory that advocates the idea that consumption is carried out in a rational, objective and efficient manner, avoiding and minimizing unnecessary costs (Earl, 1990).

According to Babin, Darden and Griffin (1994), this manner of buying is guided by a utilitarian purchase value, characterized by the search for the best option in terms of price, quality, and time. In this case, the purchase depends on the utility value for the consumer, whether these goods or services meet she/he needs, and whether this value reflects an efficient task-oriented purchase. The utilitarian consumption attitude is relevant for those consumers who search for accomplishing objectives with lower risks (Batra & Ahtola, 1991). The utilitarian buying values arise when the purchase performance is developed within rational terms, seeking to complete it with financial efficiency. In this sense, the utilitarian attitude is closely related to tangible, or measurable, experiences at the time of purchase (Bardhi & Arnould, 2005). The utilitarian discourse, therefore, is essentially rational and functional, representing a well-done purchase exercise (Earl, 1990).

However, consumption attitudes of BoP segments are not restricted to a specific purchase value. Due a series of cognitive reasons, initially reported by Simon (1957) in the concept of bounded rationality, the purchasing decision processes of wealthy or poor people are not expected to be based only on efficiency. On the contrary, non-rational attitudes can consistently affect the behaviour of any economic agent (Tversky & Kahneman, 1985); leading them to take decisions often inconsistent with instrumental-based attitudes oriented to objectives (Shefrin, 2000).

Although since early in the last century Veblen ([1899] 2009) spoke of conspicuous consumption, it is only since the 1980s, with research published by Holbrook and Hirschman (1982), that the emotional characteristics behind consumption are explored. For these authors, multisensory aspects, consumer motives, and fantasies drive hedonic and utilitarian consumption.

The products – objects of consumption desire – are perceived as subjective symbols, and the hedonic purchase does not carry the negative meaning of a difficult action to perform (Hausman, 2000). This type of consumption is related to this perceived value through the consumer's shopping experience, in which subjective factors may vary depending on the individual idiosyncrasies.

Although they embody different values – the utilitarian approach based on the rational, objective and economic aspects, and the hedonistic approach focused on the psychological, symbolic and emotional characteristics of consumption – recently many authors agree that utilitarian and hedonic consumption are not mutually exclusive and can coexist in a shopping experience (Bardhi & Arnould, 2005; Botti & McGill, 2011). In Brazil, authors as Chauvel and Mattos (2008) corroborate with the idea of such co-existence by analyzing a series of investigations with lower income groups.

Hedonic and utilitarian purchase values foment an important discussion about BoP consumption attitudes. According to Prahalad and Hart (2002) and Prahalad (2005), multinational enterprises could invest in BoP segments in order to provide market access to their consumers. They believe in the existence of a fortune in BoP, once this segment is composed of more than 4 billion people that together represent a huge purchase power. For them, promoting access to products that escape from the mere spectrum of subsistence is the best way to fight against inequality and promote socioeconomic development. However, other researchers advocate that BoP consumers do not have capacity to choose the most important items for them due the interference of market stimuli (Karnani, 2007, 2010). The incentive to consume, therefore, could bring more damage than benefit for them (Karnani, 2007, 2010; Varman, Skälén, & Belk, 2012). Despite this debate, trade fairs are visited for BoP consumers for a long time, providing them both utilitarian and hedonic reasons to attend them.

#### 4 RESEARCH DESIGN AND METHOD

##### *Research Environment*

The Birds' Fair is one of the main traditional trades in the city and one of the most popular in the region. The Fair began in the colonial era by selling livestock and has remained alive for decades, transforming and reinventing itself. In the present, all kinds of products are sold there, from food to hardware and from clothing to electronic devices, and animals, including illegal trade of birds, from which it derives its name. The Fair is open on Sundays and is frequented mostly by men.

##### *Design*

This research is descriptive, using a qualitative methodological approach. To collect the data two methodologies were used. First, participant observation was conducted. The technique aims to capture the meanings and subjective experiences of the participants in the process of social interaction. Immersion in research environment, longitudinal compromise, and detailed accumulation of information are the main principles that led Becker and Geer (1957) to consider participant observation the most complete technique of social sciences. The method is in keeping with previous methodological approaches used in trade fairs (e.g., Trinkaus, 1980; Belk, Sherry, & Wallendorf, 1988; Sherry, 1990a, 1990b). As the space is public and we did not have access problems, two co-authors frequented the Fair from February 2014 to January 2016. To capture the emerged consumption values from the environment and its everyday life construction, the trade fair was visited more than 60 times, representing about 180 hours *in loco* and more than 50 pages of field notes.

Second, structured interviews were carried out and the data collected were analyzed through the Natural Semantic Networks Method (Valdez, 1998). The technique provides a means of access to empirical cognitive organization of knowledge, examining the internal organization, interpretation and meanings that individuals attribute to an idea. In order to collect qualitative data on what this market means for the consumer, structured interviews were carried out. The research instrument consisted of two sections. The first collected identification and demographic data, and following the semantic networks technique, subjects had to "state five reasons why you come to the Birds' Fair". Then they were then asked to rank the defining words (the reasons) by assigning the numbers 1 to 5 according to personal importance. The second section was a brief structured interview in which respondents were asked to elaborate on the reasons why they visit the Fair. In general, respondents explained in depth their perceptions and opinions about the Fair, which prolonged the interviews from eight to ten minutes. The total time of the interviews exceeded 20 hours. Thus, while coming up with five words or expressions to create the semantic framework, it was possible to assess the impressions of consumers about the Fair. The sample consisted of 200 adults, intentionally chosen by non-probability sampling.

##### *Procedure and data analysis*

Natural semantic networks are used to explore the social representations shared by people regarding an object. The technique constitutes a set of concepts, statements and explanations originating

in daily life, through the form of graphical representations (Pericás, 2005). It is, therefore, a common sense approach, raising it to a legitimate knowledge category and building it into a web of meanings, capable of carrying enough conceptual material to capture certain aspects of social reality (Moscovici, 1984; Geertz, 1985). Thus, the central idea of the semantic networks technique is part of the core of the analysis of social representations: to uncover the association of the ideas sustained by a particular group of individuals.

Access to social representations from a collective perspective allows searching for consistency and homogeneity as well as diversity and inconsistency of what is common and shared (Geertz, 1985). The social representation structure is, in this case, the resulting association of ideas from several individuals to one or more questions (Spink, 1993). Thus, since its contents are essentially heterogeneous, not only the consistency and logic of social representations must be handled, but also their contradictions.

Regarding the semantic distance calculation, which represents the relationship between the evoked word and the stimulus or guiding question, Valdez (1998) developed the method of calculation of the FMG value. The technique involves, initially, the calculation of the J value, achieved through obtaining the total of the defining words generated by the subjects. This represents the semantic richness of the conceptual network. Subsequently, the M value is obtained by multiplying the appearance frequency of a defining word by its given hierarchy (1 to 5). This is an indicator of the semantic weight for each defining word. The SAM set is created afterwards, which is the set of defining words that have higher M values. Finally, the FMG calculation is conducted, following the rule of three, taking as its starting point the word with the highest M value.

After FMG values have been calculated for each defining word or concept, these are divided into quintiles to identify attributes. The word with an assigned 100% corresponds to the core attribute, the first quintile corresponds to the essential attributes, the second highest quintile to secondary attributes, the third quintile to peripheral attributes, and finally the last two quintiles correspond to individual meanings. Once the semantic network for the concept of the Birds' Fair was developed, defining words that constituted the SAM set were

qualitatively classified by their approach to utilitarian or hedonic reasons, following the categorization of the functional dimension by Sherry (1990a).

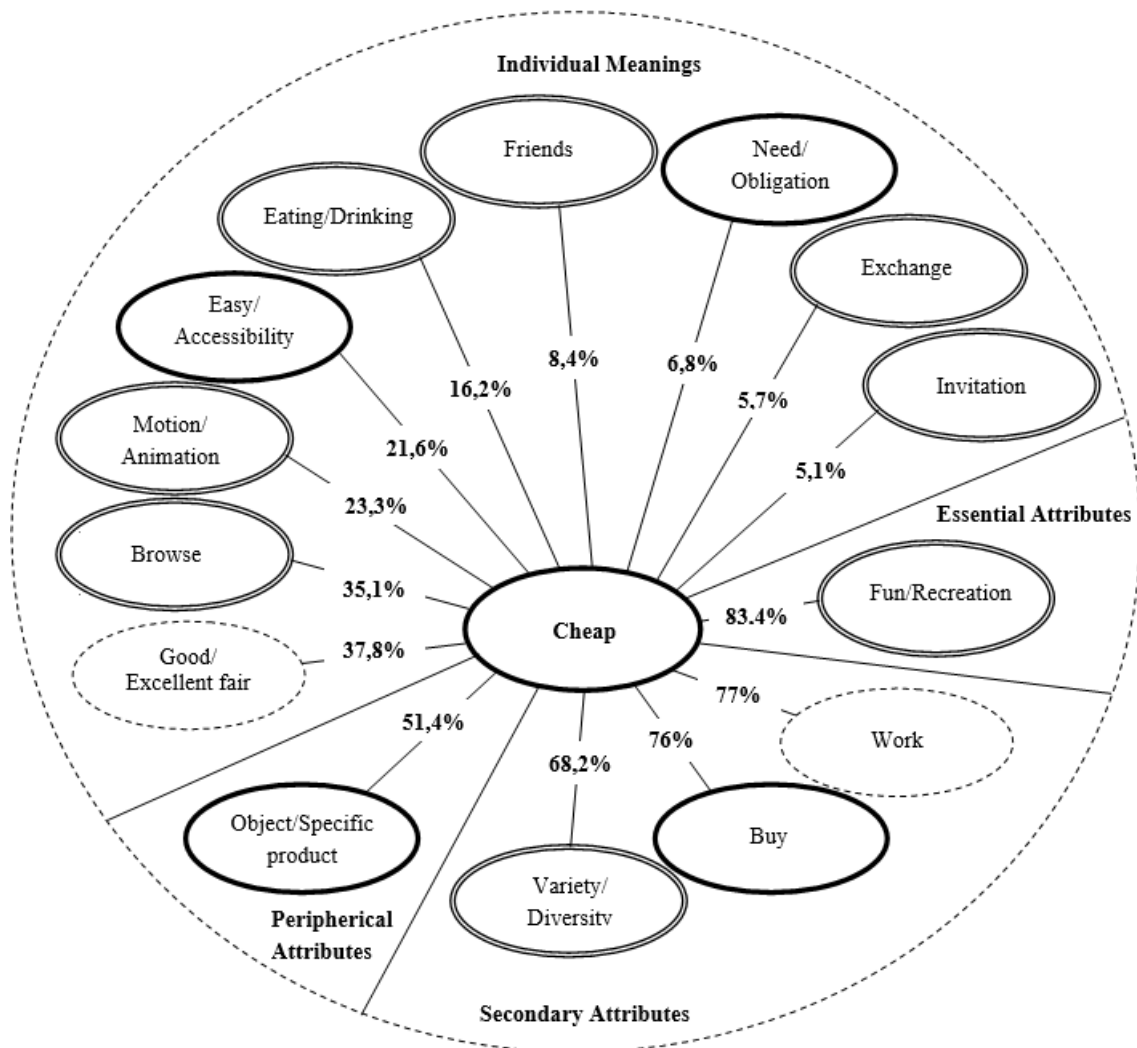
## 5 ANALYSIS OF RESULTS

The first step in order to analyze the consumers' behaviour at the Birds' Fair was exploring the sociodemographic characteristics of the respondents. The sample was made up of 167 men (83.5%) and 33 women (16.5%), with ages between 16 and 75 (ME = 36, MD = 37). Their education level is distributed as follows: 40 people (20.0%) completed primary school, 43 (21.5%) reported having incomplete secondary education, 95 (47.5%) had completed secondary education and 22 (11.0%) had complete higher education. Family income ranged between 1 and 30 times the minimum wage (BRL\$880.00 equivalent to US\$220) at the time of data collection (ME = 4, MD = 3).

Consequently, the construction of the semantic network of the Fair was initiated. 143 different words or expressions were considered defining from a total of 589 mentioned; they were classified into 15 groups according to the semantic similarity of words. 15 words or phrases were not grouped, since they presented semantic similarity to other groups and did not represent a substantial contribution to the analysis.

The semantic core is organized around the central concept *cheap*, relative to low prices at the Fair. This has a semantic weight (M) of 296 and a closeness of 100% with respect to the central concept (FMG). Then, an essential attribute is the concept *fun/recreation*, with a semantic weight of 247 and a semantic distance of 83.4% from the core concept. As secondary attributes, the concept *work* has a semantic distance of 77.0%, followed by the concept *buy* at a distance of 76.0%, and the concept *variety/diversity* at a semantic distance of 68.2%. As peripheral attribute, there is *object/specific product* at a distance of 51.4% from the core concepts. The remaining concepts, with a lower frequency of occurrence and lower hierarchy, correspond to individual meanings: *browse*, *motion/animation*, *easy/accessibility*, *eating/drinking*, *friends*, *need/obligation*, *truck*, *invitation*. The semantic networks are presented in Figure 1.

Figure 1 - Natural Semantic Network of the Concepts



Tags:

- Utilitarian/Economic dimension.
- ==== Hedonic/Festive dimension.
- ..... Other.

Figure 1 shows the configuration of the Birds' Fair natural semantic network, formulated from concepts obtained in this study. Together, they provide a deeper comprehension of the phenomenon. The following analysis present a qualitative description of each semantic category as well as their dimensional classification, if utilitarian, hedonic or other. Thereafter, BoP groups, segmented by sociodemographic variables, are described and compared based on these utilitarian and hedonic dimensions.

As Figure 1 reveals, the core concept is followed hierarchically by the essential attribute, the secondary attributes, a peripheral attribute, and individual meanings. As seen, the motivations that bring people to the Fair vary. Among them, the defining set *cheap* stands out as a central attribute

given its frequency. Terms such as "cheap", "price", "low", "economy", constitute the conceptual core of this category. As pointed out by most authors that research low-income consumers and farmers' markets, this factor is fundamental when choosing the place of purchase (Sherry, 1990a; Zinkhan, Fontenelle, & Balaz, 1999; Williams & Windebank, 2001; Hill, 2008; Rajagopal, 2010a) and a link to the intrinsic utilitary consumption factor.

In addition, there is the importance of the festive dimension among the reasons highlighted. Following theoretical concepts proposed by Sherry (1990a, 1990b), terms such as "rest", "relax", "fun", "leisure" and "outing" were mentioned repeatedly, which allowed the category *fun/recreation* to stand out as essential attribute, with a large explanatory power in the general scheme (83.4%). "The Fair, to

me, is a leisure option and I attend just to relax a little", says a frequent visitor, 62-year-old José Messias, retired. The fact that this category has a great representation among the defining sets indicates the importance of recognizing the hedonic characteristics of the place of purchase. They are also well received and valued by less affluent customers, demonstrating that the Fair has a strong characteristic related to hedonic consumption (Belk, Sherry, & Wallendorf, 1988; Sherry, 1990a, 1990b; Rajagopal, 2010a; Ozuduru, Varol, & Ercoskun, 2014).

It should be noted, likewise, the economic and social importance of the Fair, given that it is a source of employment and income and, consequently, of subsistence of a large number of workers excluded from the formal labor market. Expressions such as "work", "working", "daily bread", "make money", reveal the recurrence of the Fair as an employment opportunity and build the scheme of meanings of the *work* category, a defining core set among secondary attributes (77%). However, it should be noted that the category does not fit precisely in the utility and hedonic shopping values, since it does not represent a consumption tendency. On the other hand, the semantic strength of the category *buy* (76%), formed by the words "buy", "buying", and "purchase", can be framed within the utilitarian-economic dimension of the fair.

The category *variety/diversity* (68.2%) expresses the notable array of products sold at the fair, as well as the plurality of elements that clash with the simple marketing logic present in these locations (Sherry, 1990a). The diversity of products available at the Fair is highlighted by Mrs. Julia, a 67-year-old baker: "they have everything, every kind of product you think you need. It is very difficult for someone to go to the Fair looking for something and not finding it". The category consists of expressions like "has everything", "novelties", "many options", as well as the most mentioned words, "diversity" and "variety". Thus, it is observed that among the secondary attributes, i.e., less frequently mentioned but still with great explanatory value in the global semantic framework, there is a balance between the two purchase values. This result suggests the relevance of increasing both the functional and hedonic characteristics of shopping.

The following category *object/specific product*, complements and confirms the importance of the set *variety/diversity*. However, the schematic difference between the two groups should be emphasized. The category *variety/diversity* should be circumscribed in the perimeter of hedonic reasons, because it is not about making an objective purchase, but entering a rich, diverse and multicolored world of options, not necessarily leading to a purchase. The category *object/specific*

*product* (51.4%) constitutes peripheral attributes, those with reasonable power of representation. The auxiliary function in the efficiency of purchase is assigned to this category since it demonstrates the relevance of the array of products offered for the decision making process of the consumers (Pyle, 1971; Zinkhan, Fontenelle, & Balaz, 1999). Words and phrases such as "CD/DVD", "tools", "games", "vegetables", "animals", "specific products", "radio", "clothes" build a conceptual image of the category, suggesting the large quantity of items arranged in numerous stalls. Several respondents commented that, given the need to buy very specific items that can hardly be found in conventional stores, they turn to the Fair to find them. There is always the possibility of finding second hand items at rather affordable prices.

The remaining attributes, although containing moderate explanatory power, are characterized as individual meanings because they do not seem to represent generalized opinions but specific ones to particular groups among consumers. The category *good/excellent fair* (37.8%), composed primarily by the terms "good", "because it is good", "excellent", "I like it", "the best fair", reveals, in a way, the affective representation that consumers have in relation to the fair. The category *browse* (35.1%) consists primarily of "know", "curiosity", "watch", "look", "seek things", "walk", "look relaxed," "search", and this factor is properly within the dimension of hedonic-festive motivations to attend the Fair, since it is related to the execution of a playful buying activity, unconcerned with efficiency or finances (Sherman, McCrohan, & Smith, 1985; Sherry, 1990a, 1990b). Trade fairs are street malls that invite visitors to walk in an outdoors environment. In addition, there they can meet friends, learn and, above all, have different life experiences. These simple practices certainly depict the resistance against standardized ways of consumption in modern markets (Certeau, 1998).

Likewise, the search for *motion/animation* (23.3%), category composed of terms such as "animation", "uplifting", "attraction", "busy", "a lot of people", "folks", confirms the hedonic-festive dimension of the Fair. The category *easy/accessibility* (21.6%), on the other hand, highlights the utilitarian-economic dimension of the Fair. This factor consists of the words: "convenience", "ease", "localization", "place", "close" and "proximity", demonstrating the homogeneity of the conceptual scheme built. *Eating/drinking* (16.2%) was another category to stand out among the semantic groups obtained from the interviews: "I'd go every Sunday to help my neighbor set up the stall and after that, we'd have a beer right there," says Mr. Juan, 65, retired. His only regret is the inability to currently attend the Fair due



to health problems. Similarly, 50-year old carpenter Mr. Nonato observes: "It is sacred! We [my brother-in-law and I] always stopped by to have brochettes and beer". The category, built in general by expressions such as "have a beer", "eat", "typical foods" makes it clear how this hedonic values guide consumer choices at the Fair (Rajagopal, 2010b).

The category *friends* (8.4%), composed by the words "friends" and "friendship", adds to the hedonic reasons. Beyond friendship with other clients, consumers at the Fair develop, due to the relaxed and attentive service, solid and lasting relationships with the vendors (Zinkhan, Fontenelle, & Balaz, 1999; Rajagopal, 2010a; Petrescu & Bhatli, 2013). On the other hand, the defining set *need/obligation* (6.8%), formed by the expressions "coerced", "must", "need", "no choice" and "obligation", denotes utilitarian reasons to attend the Fair. The *exchange* category (5.7%) is also noteworthy. It consists primarily by "exchange", "exchanging" and "bargain". The category represents an expansion of the simple concept of buying, because the business relationship between merchants and consumers is enlarged to the point of allowing practices that are inappropriate in formal markets but are customary in street fairs and farmers' markets (Belk et al., 1988; Sherry, 1990a, 1990b). Lastly, the semantic set *invitation* (5.1%), formed by the words "go with", "invitation" and "invited", highlight the hedonic-festive dimension of the Fair, understood by their visitors as an environment to meet with friends, to keep up with relationships and to strengthen friendships.

#### *Utilitarian and hedonic purchase values*

The results show that, at the same time and place, BoP consumers can present both utilitarian and hedonic purchase values. This finding emphasizes the idea that these attributes are not antagonistic, once they may happen together and change from person to person depending on the purchase place (Babin, Darden, & Griffin, 1994; Chauvel & Mattos, 2008). The main reason that guide the choice of a BoP individual to go to the Birds' Fair is the low cost of its products – what reinforces the subsistence feature of this segment. However, consumers also wish for leisure moments, and one of them is when they are shopping. It is important to recognize that there are eight hedonic reasons and five utilitarian reasons that make a BoP consumer go to the Fair. This shows that, although the main reason is an utilitarian one, there are hedonic reasons intimately involved in the whole purchase process, *i.e.*, walking through its alleys, talking to friends and vendors, bargaining, etc. (Sherry, 1990a, 1990b; Belk, Sherry, & Wallendorf, 1988; Rajagopal, 2010a); what reveals the high

influence of hedonic values over the frame of motivations to go to the trade fair.

Since Prahalad (2005) noticed the importance of BoP for the market, an intense discussion over this theme has been formed. However, both Prahalad perspective and Karnani's (2007, 2010) theoretical approach, which defend that BoP groups should not gain access to the formal market due the power imbalance between consumers and enterprises, neglect a third alternative, represented by informal markets as trade fairs. Therefore, the study findings go beyond this discussion, once the ethic problem related to encourage BoP consumers to reach the formal market, and consequently be subject to marketing stimuli, is already solved by informal markets for a long time. It is not fair to relegate only sustenance products and services to BoP consumers. They want things beyond the mere spectrum of subsistence items. They want goods that also extortiozise their hedonic consumption value.

#### *Sociodemographic variables and defining sets*

In terms of gender, it is observed that, although the category *cheap* has emerged as the key defining group for men and women, the playful and recreational dimension of the Fair is not presented as effusive among female respondents. While it is an essential attribute for men, the hedonic set *Fun/Recreation* was reduced to a single meaning for women. The same happened with all other hedonic categories. The fact that women are not motivated by entertainment and recreational attributes of the Fair would remove them from this environment.

When analyzing individuals according to age, there is one curious fact. Among the respondents up to 35 years, the category *cheap* stands out for about 50% of this group. These consumers also attend the Fair in search for product diversity, as confirmed by the importance given to the semantic category *variety/diversity*. On the other hand, the defining set *fun/recreation* has central importance by respondents over 35 years. Thus, while older consumers consider the Fair as a source of leisure, for younger clients it is attractive to browse the aisles of the Fair and catch a glimpse of the abundance of cheap products offered.

Regarding income differences, it was observed that the semantic set *fun/recreation* reached the highest importance among respondents of the wealthiest quartile (greater than five times the minimum wage), reducing the semantic power of the *cheap* category to secondary attributes. This suggest that this socio-economic group is also turning to the Fair for fun and recreation.

From the analysis of the educational level, it is observed that the defining sets submitted by

respondents who had not completed high school lay the foundation to reproduce the structure exposed by the general semantic framework, since the order of attributes have not changed. These results, however, are at odds with those produced by respondents who have completed high school, as these individuals have shown more austerity regarding the reasons to attend the Fair. For them, in general, the hedonic attributes showed less representation power.

Unlike what happened with the lower educational strata, individuals with a higher educational level showed a considerably more hedonic semantic scheme. The category *fun/recreation* reached central importance, while the set *variety/diversity* became a dimension of essential attributes along with the set *cheap*. Other hedonic categories such as *eating/drinking* and *browse* also obtained a higher importance.

## 6 CONCLUSIONS

The objective of this study was to investigate the behavior of consumers in informal markets, specifically through the lenses of hedonic and utilitarian buying values. From the results, it is clear that there are certain defining concepts that are common to the groups of consumers interviewed in relation to the meanings of attending the fair. The central concept of semantic network that defines shopping at the Fair is the low price, that is, consumers go to the fair mainly because it is cheap. However, together with this central concept of economic-utilitarian nature, the hedonic-festive concepts of *fun/recreation* and *variety/diversity* appear as essential attributes.

The public who frequents informal markets is not guided by a mere utilitarian value. Although price is characterized as an important attribute to visit the trade fair, they are also seeking fun and entertainment to fulfill social aspects in a more playful and relaxing environment. Trade fairs also provide a unique freedom of action. Consumers can behave as both buyers and traders; there are no limits of interaction among passersby. Likewise, for many, it becomes like a second home, where it is possible meet friends, enjoy the liveliness, eat and drink, and to have everything at hand.

The results reinforce the discussion about the dichotomy between utilitarian and hedonic consumption values, evidencing that they are not mutually exclusive. Those purchase values are important components of consumer behavior and they can be present both in the same buying opportunity and in the same shopping behavior. In addition, this paper contributes to emphasize the discussion about the consumer behavior of BoP. The findings reveal that BoP consumers exhibit hedonic

consumption features and look for places that can offer access to this purchase value. Although utilitarian features represent the major influence on BoP consumption (*i.e.* price), they present a noticeable hedonic behavior that guide them to informal places, as trade fairs. Therefore, besides the searching for low-price products, having fun and maintaining social interactions are essential attributes to choose a purchase place.

Companies may put this concept of syncretism to use when working with heterogeneous groups of BoP consumers. For that, the example of this Fair is appropriate. The daily commercial practices developed by the interactions between Fair, vendors and buyers reveal the presence of higher dimensions of involvement. Being at the Fair means interacting with several vendors, meeting with friends, having fun, haggling and negotiating products of all sorts. The trade model presented by the Birds' Fair, therefore, is an interesting platform for searching, purchasing and exchanging products for consumers in the BoP.

Thus, marketing strategies of traders should be reconsidered, going from relationship marketing, since the client is already loyal – is a regular visitor –, to institutional marketing. The image of the Fair must be improved by focusing on its strengths, those valued by consumers (products and traditional foods, regional music). The Fair, besides being well known by local visitors, is also a touristic destination for foreigners. Therefore, it is important to invest on institutional marketing, by branding the Birds' Fair as a fun place connected with regional tradition.

Moreover, this study aimed to provide a better understanding of consumption in BoP sectors. It is also expected to incite interest in the informal markets and generate new studies that enable policy makers to identify ways to support the retail trade, in order to revitalize these markets and provide a favorable business environment, contributing to the viability and improvement of these markets that function as residual spaces of citizen sovereignty. With the help of the local government and non-governmental institutions, marketing strategies must be implemented in order to contribute to market development. By encouraging policies to improve the conditions of supply, offer business training courses and opportunities to legalize undocumented traders, and strengthen control of illicit practices, the Fair can become a part of the touristic routes of Fortaleza, a city with a tourism-based economy.

This paper brings new information about the hedonic and utilitarian consumption values of BoP consumers in informal place. The results contribute to a more deep comprehension about the main reasons that guide BoP consumer groups to choose a specific place to buy. Although, it is important to recognize that there are other theories to approach

consumption values. For instance, new researchers can use the five dimensions purchase values (Sheth, Newman, & Gross, 1991) to reach other reasons why these people frequent informal places.

The BoP is a group composed by many people who have many different behaviors. Thus, researchs in other informal places, including different sociocultural contexts, could provide interesting comparative results and show more features of these groups, helping the reseachers and the managers to understand and make strategies to attend these people. Finally, it is important to highlight that the Birds' Fair only happens on Sundays. This can have a relevant impact on its "festival" feature, giving it a more hedonic characteristic; so a research in a trade fair that takes place everyday can offer other insights.

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