Conceptual Model of Customer Utility for Information Databases Used in Iran

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ABSTRACT

The purpose of this article is to address the factors that can increase the utility for customers of information databases in Iran. In order to achieve that, summarizing content analysis techniques was used. The study population consists of customers paying to use information databases in Iran. The bibliographical research has been done on utility related publications published in the 5-year period of 2011-2015, indexed on Science Direct, ProQuest and EBSCO information databases. Samples were randomly chosen from information database customers using paid services from two major information centers in Iran - University of Tehran Central library and Documentation Center and Organization for Industrial Management Library, for interviews. Results showed that the main factors affecting customer utility in using paid information databases are information needs, quality, Incentives, additional information and users’ individual and social characteristics, respectively.

KEYWORDS

Customer Utility, Information Commodity, Information Databases, Information Economics

INTRODUCTION

Information databases are one of the most important channels for scientific and research information retrieval, particularly in recent years, and the majority of students and researchers use information databases to fulfill their information needs. On the other hand, most credible information databases are not free and access to their services requires certain costs for the consumers. Although typically universities undertake these payments to provide access for their faculty and students, a large number of researchers and even students and professors, do not have access to these facilities,

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and therefore require using databases provided by other universities and organizations, which will cost them individually. In this paper, we tried to investigate major factors affecting utility among this group using the Utility Theory.

The Utility Theory is mainly used to describe the customers (users) behavior. Based on decision making theory, the priorities of a rational person can be explained by his/her Utility function, the function is calculated for each choice option, and the result is a number that shows the utility of a specific commodity for the customer. Naturally, the commodity or service with the higher utility number will be chosen (Lorkowski & Kreinovich, 2015). So, the utility can be defined as the general satisfaction of customer from a commodity or service (Zeng, 2015).

The Utility Theory provides a methodological framework from people, companies and organizations’ choosing options, which may be used to make decisions on selecting one of the option. Therefore, Utility Theory is based on the assumption that “A person chooses a commodity or service, when the utility of the option is maximized”, in other words, the consumers choose the commodity or service that provides the best utility.

Each consumer decides whether to buy a commodity or service or not, according to the price, the consumer’s income, cost of the similar commodities or services, the consumers taste or preferences. The Consumer behavior theory explains how this factors can be measured in order to determine how changes in one of the factors can affect the quantity demanded (Kingma, 1996).

The major basis of Consumer behavior theory is the concept of utility or customer’s cost-benefits. Originally, the utility theory was introduced by German economist, Gossen, in 1854, and was later developed by Menger and Walras (1874) and Jones (1871). It should be noted that the concept of Utility theory in its common sense was proposed by an English Philosopher, Jeremy Bentham (1748-1831) but its implementation on economics began with Gossen.

There are two major concepts in Gossen’s utility theory: Final utility and Total utility. Total Utility is defined as the utility that a consumer gains by having or using commodities or services. The Final or Marginal Utility proposed in this theory refers to the amount of utility which the consumer gains by consuming any additional unit of commodity or service.

The concept of consumer equilibrium is also especially important in this theory, that is: “In order to maximize overall utility, the consumer will distribute his/her expenses in different commodities or services. In this state, the consumer is considered in equilibrium.

Thus, total utility would be maximized when earned utility does not decrease in repeated purchases. The Ratio of final utility gained to the final cost, represents the amount of utility that the consumer gains from the last cent of the money paid (Mohtasham, 2011, p. 26).
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