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## Love at first sight: The effect of presentation order on evaluation of experiential options in luxury tour packages<sup>☆</sup>

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## ABSTRACT

This study examined how serial order and information format jointly determine consumers' preferences of tour packages. The results showed that the option viewed first in a sequence was preferred (vs. not preferred) when the information format facilitated (vs. inhibited) narrative processing. Preference shifts to the first viewed option due to narrative processing was prominent among consumers with defensive attitudes to self-threats and in circumstances where the first option was challenged by an attractive alternative. Three experiments were conducted and showed that narrative processing enhanced attachments to the first option if consumers simulated the experience, which in turn motivated them to be consistent in subsequent evaluations. Managerially, these findings suggest that in addition to emphasizing the importance of occupying the first position in a series of advertisements and products, marketers should also facilitate experience simulations rather than focusing solely on the attributes of luxury tours.

## 1. Introduction

Global consumers' increasing affluence is stimulating the rapidly growing luxury travel industry. From 2011 to 2015, the Compound Annual Growth Rate (CAGR) for luxury travel was 4.5%, a figure that exceeded the GACR of 4.2% for overall travel (Dykins, 2015). The continuing growth in luxury travel highlights two emerging trends. First, consumers in the luxury tourism segment are increasingly seeking a relevant, personal, and exclusive experience rather than material possessions (American Express, 2015). Consequently, marketers need to stimulate consumers' imaginations when communicating the experiential value of leisure activities (Lonsway, 2013; Schmitt, 1999). Second, consumers are increasingly turning to online platforms (e.g., hotel websites and Online Travel Agencies (OTAs)) to search, plan, and book their travel packages (Google, 2014; Xiang, Wang, O'Leary, & Fesenmaier, 2015). The marketing communication process has gradually moved from offline to online. In the United States (US), 53% of travel bookings are being completed online (King, 2014). These shifts pose challenges for practitioners and academics; thus, it is imperative that the factors shaping consumers' decision-making processes for experiential services be analyzed.

One ubiquitous element in the online environment is the serial order

of marketing stimuli. For example, after a consumer books airline tickets online with Emirates, a few recommended tours are presented sequentially. The presentation order of the tours provides visual cues that guide individuals to view these options in order. Eye tracking studies have shown that consumers scan thumbnails (i.e., miniature product images) on commercial websites in an order that reflects their dominant reading direction (e.g., left-to-right and top-to-down) (Shun, Chau, & Tsunhin, 2007). Further, most existing click-through models for advertisement positions follow the sequential search framework under which users browse information from top to bottom in a linear fashion (Chan & Park, 2015). The top-most advertisement, typically viewed first by consumers, is the most likely to be clicked, preferred, and purchased (Agarwal, Hosanagar, & Smith, 2011).

Previous research has suggested that marketers can use the serial order effect to strategically promote featured experiential services. However, before this can be achieved, two uncertainties need to be resolved. First, the impact of the serial order effect on preference judgments has been examined extensively in the context of non-experiential products (Houston, Sherman, & Baker, 1989, 1991; Mantel & Kardes, 1999), and has well-documented moderators (Hogarth & Einhorn, 1992; Jones & Goethals, 1987). However, little research has been conducted on the impact of the order effect on the

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evaluation of experiential options. One relevant work on experiential products by Biswas, Grewal, and Roggeveen (2010) showed a recency effect in product sampling. They argued that the sensory input from and affective responses to a last option have a stronger impact than earlier options. Specifically, they contended that due to memory salience, viewers prefer the last option viewed when all options offer a positive experience. They further suggested that the sensory input from the earlier viewed options, including the first option, might decay in memory, lessening the impact on choice. However, references to direct experiences are not available when people choose to travel to new destinations. Thus, it is not yet known how serial order effects the evaluation of experiential options when individuals have no sensory input from a direct experience.

The second uncertainty arises because service providers may choose to present information differently. For example, service providers may choose to communicate the experiential values of their services, and thus present information in a way that facilitates experience simulation. Alternatively, other service providers may encourage consumers to be analytical, and thus present information in a way that facilitates comparisons across attributes. However, if consumers have no direct experiences to which they can refer, the serial order effect may depend on the way in which marketers present the information.

This study sought to examine the connection between serial order and information format for experiential services when direct experiences were not available at the time of decision making. Drawing on narrative transportation theory (Green, 2008) and option attachment (Carmon, Wertenbroch, & Zeelenberg, 2003), this study proposed that the serial order effect would depend on the way in which the tour information was described. Further, it was anticipated that individuals would favor the first tour package they viewed over later viewed counterparts, if the description fostered narrative processing, or encouraged incoming information to be thought of in a story-like manner (Ardelet, Slavich, & de Kerviler, 2015; Escalas, 2004a, 2004b, 2007). Narrative processing predisposes individuals to experience the self as the protagonist, navigating through described episodes (Kerby, 1991; Polkinghorne, 1991), and thus entails vivid sensory experiences (Taylor, Pham, Rivkin, & Armor, 1998), strong affective responses (Green & Brock, 2000; Kim, Lloyd, & Cervellon, 2016), and a sense of relation to self (Escalas, 2004a, 2004b). This sense of relation to self (also referred to as self-product attachment) (Carmon et al., 2003) should motivate consistent evaluations in support of the option to which the individual attaches, resulting in greater preference toward the attached option (in this case, the first viewed tour package).

Three experiments were conducted to test this proposition. Collectively, the results of the experiments showed that individuals' preferences shift toward the first option (rather than the last option) viewed when the information predisposes (vs. inhibit) them to simulate an experience in a narrative format. This preference shift occurred because the narrative processing elicited a greater sense of attachment to the first option. Such a shift becomes prominent when individuals hold defensive attitudes toward self-threats, or when competition arises that challenges the attached option. Overall, these studies showed that narrative processing entailed the primacy effect, as a greater option attachment was formed to the first option in the sequence of experiential options.

This study contributed to theoretical understandings of the serial order effect, option attachment, and narrative processing. It examined the serial order effect on indirect (rather than direct) experiences. The study also extended the literature on affective-based process based on attachment. Further, it expanded understandings of option attachment that has been shown to evolve when individuals' elaborate options closely (Carmon et al., 2003). It also showed that the intensity of an attachment is subject to the nature of the elaboration (e.g., a narrative process or other type of process) and the context of the elaboration (e.g., the order in which an individual encounters an option). Finally,

narrative persuasion was extended to evaluate more than a single object. Narrative persuasion has mostly been shown in relation to a single attitudinal target (see the meta-analysis by van Laer, de Ruyter, Visconti, & Wetzels, 2014), ignoring the information from competitors. This study suggests that in a joint evaluation mode, narrative persuasion might strengthen or weaken depending on the order in which a consumer received marketing stimuli.

Managerially, this study suggests that companies that wish to use the serial order effect strategically should consider correspondence with information format, as a match between these two elements is likely to translate website visits into sales. A website with design elements that stimulate experiences can obtain further benefits by bidding for the top-most position in sponsored advertisements. Further, in relation to experiential goods, the order effect depends not only on a firm's creative strategy, but also the strategies of its competitors. For example, Kim et al. (2016) identified persuasion based on narrative transportation in the global advertising of luxury brands, including Hermes, Chanel, Louis Vuitton, and Gucci. Further, the study's findings also showed that marketers should be aware of an advertisement's serial order when placing media advertisements (e.g., in fashion magazines, or on YouTube) in the presence of competing brands.

The remainder of the paper is organized as follows. First, order effect is reviewed in relation to the evaluation of experiential options. Then, the reasons that narrative processing is likely to lead to a primacy effect in the evaluation of simulated experience are discussed. Next, it is argued that motivated reasons should be selected as the mechanism rather than the attached option, and moderators are proposed accordingly. Following this, the results of the three experiments are reported. Finally, the theoretical contributions and managerial implications of the study are expanded upon in a general discussion.

## 2. Theoretical background

### 2.1. Serial order in the evaluation of experiential options

Experiential products that entail somatosensory experiences have been shown to comprise sensory, affective, and informational components (Ladhari, 2007; Nagata, Dalton, Doolittle, & Breslin, 2005; Shiv & Nowlis, 2004). When consumers encounter a sequence of experiential options, they encode the sensory experience and attribute information to memory, and then retrieve them to make judgments on the options. As additional information enters working memory, the memory traces for the earlier options decay in working memory (Estes, 1997; Klein, Wesson, & Hollenbeck, 1999). The sensory input from, and affective responses to, the last option remain salient and may interfere with the recall of the preceding options (Cowley, 2007). In addition, the attribute information of the last option remains salient in working memory, and is given more weight than that of the preceding options (Mantel & Kardes, 1999; Neath, 1993). Consequently, the sensory, affective, and information components of the last option in a sequence have a greater impact than the components of the earlier options (Biswas et al., 2010).

Indirect experiences differ from direct experiences in mental construal and evaluative thoughts (Hamilton & Thompson, 2007; Millar & Millar, 1996). A direct experience is characterized by concrete sensory input, and automatic affective responses. Conversely, an indirect experience tends to form abstract mental imagery, and invite evaluative thoughts. Despite these differences, there are reasons to believe that a recency effect might occur in the evaluations of simulated experiences. Consumers use imagery salience as a heuristic when evaluating experiential options with multiple attributes (Keller & McGill, 1994). Easy-to-image attributes have a great impact on evaluations because their imagery appears vivid and entails strong affective responses (Brakus, Schmitt, & Zhang, 2014). Based on imagery heuristics, serial order should also influence

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