



The Perfect Fit: The Moderating Role of Selling Cues on Hedonic and Utilitarian Product Types

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Abstract

With the need among retailers to create effective promotional campaigns, scarcity, and popularity cues are increasingly used. Drawing from regulatory focus and popularity versus scarcity cues literature, this research explores the impact of popularity versus scarcity cues and product types on consumer perceptions of risk, product uniqueness, and purchase intentions. Results from three studies provide primary insights: (1) A utilitarian product aligns with prevention goals and hence the popularity cue will enhance consumers' purchase intentions, and (2) a hedonic product aligns with promotion goals and hence the scarcity cue will enhance consumers' purchase intentions. Further, we theorize that perceived risk and perceived product uniqueness will act as psychological mechanisms. We discuss theoretical contributions and strategic insights for retailers and marketers that the findings indicate.

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Imagine you see advertisements for a perfume and a sun-screen lotion. The perfume is a limited edition and the ad copy says, "*Limited edition only for a select few.*" Conversely, the sun-screen is a best seller and the ad copy says, "*Best seller for skin protection.*" How would you react to these two promotions? Will you feel that you are buying the right products? Given intense market competitiveness, firms are increasingly using best seller and limited edition cues throughout the year (Kristofferson et al. 2017). However, can best seller versus limited edition cues be used for both utilitarian and hedonic product categories?

Although a considerable amount of research has been done on the usage of popularity (e.g., Best seller) and scarcity (e.g., Limited edition) cues in promotions, there is little consensus on whether certain product types might elicit different consumer responses (Deval et al. 2013; Steinhart et al. 2014). In addition, microeconomic theory suggests that a limited edition cue will positively influence valuation of a product (Ge, Messinger, and Li 2009). Would customers prefer a hedonic (vs. utilitarian)

product promoted as a limited edition (vs. best seller)? To address these questions, we need to understand the nature of shoppers' consumption goals and how those goals align with the benefits offered by a product. Furthermore, these questions would help managers develop effective promotional campaigns and targeting.

Popularity cues are consumer-driven in nature, whereas scarcity cues are supply-driven in nature (Ku, Kou, and Kou 2012). We define these types of promotional cues as *selling cues* in that they inherently promote sales of products, with retailers using both types of selling cues to influence consumers. Previous studies have checked the effectiveness of one selling cue (i.e., scarcity vs. popularity) over others. For example, Wu and Lee (2016) argued that limited edition is more effective when consumers buy for themselves, whereas best seller is more effective when consumers buy for others. Furthermore, past research has indicated that consumption target moderates the effect of scarcity versus popularity cues for product promotions (Wu and Lee 2016). Although there is extensive research on regulatory focus and consumer decision making (see Table 1), research is sparse on the effectiveness of different selling cues on hedonic versus utilitarian products and fulfillment of consumer goals.

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Table 1
Overview of studies that examined state or trait regulatory focus and consumer responses.

Article	Type of regulatory focus	Moderators	What effect (DV)	Theoretical framework	Main findings
Aaker and Lee (2001), JCR	State (primed)	Situation, culture	Website evaluation, brand affinity index, attitude towards brand	Goal compatibility and persuasion	Regulatory focus influences information processing, which in turn impacts consumption goals.
Arnold and Reynolds (2009), JR	Trait (trait)	Mood (positive/negative)	Positivity rating of the retrieved memory, word-of-mouth	Affect regulation and regulatory focus	Regulatory focus and mood regulation are closely related, both having direct impacts on retail outcomes such as word of mouth.
Arnold and Reynolds (2012), JR	Trait (trait)	Approach and avoidance motivation, gender	Hedonic shopping value	Behavioral activation and inhibition system (BAS/BIS),	Market segmentation based on gender and BAS and BIS.
Chernev (2004), JCP	State (primed)	Product types, features uniqueness	Discreet choice	Goal-attribute compatibility	Promotion (prevention) focus is more likely to prefer hedonic (utilitarian) products.
Kirmani and Zhu (2007), JMR	State (primed)	Manipulative intent, suspicion	Brand attitude, perceived quality, Ad deceptiveness	Regulatory focus and persuasion knowledge	Consumers' regulatory focus impacts advertiser's manipulative intent.
Keller (2006), JCR	State (primed)	Efficacy appeals	Communication effectiveness	Regulatory focus and efficacy appraisals	Promotion (vs. prevention) focus leads to higher intention to engage in advocated behavior.
Zhao and Pechmann (2007), JMR	Trait (trait), state (primed)	Message frames	Intention not to smoke	Message regulatory focus and persuasion	Anti-smoking advertisement is most effective when consumers' regulatory focus, messages' regulatory focus, and message frame function are aligned.

Interestingly, past research has highlighted that hedonic and utilitarian products satisfy fundamentally different consumer goals (Chitturi, Raghunathan, and Mahajan 2008; Halamish et al. 2008; Khajehzadeh, Oppewal, and Tojib 2014). Additionally, popularity versus scarcity selling cues help to satisfy different consumer goals (Ku, Kuo, and Kuo 2012). Therefore, understanding whether product types moderate the effect of selling cues on consumer's goals fulfillment and purchase intentions are particularly relevant from both theoretical and managerial standpoints.

Drawing from previous work on popularity versus scarcity cues and regulatory focus theory, this research addresses the following questions: (1) Does regulatory focus moderate the effect of selling cues on consumer purchase intention? and (2) Do different selling cues elicit different risk and product uniqueness perceptions? Convergent evidence from three experimental studies indicates that consumer regulatory focus orientations act as a salient motivational variable and impact the relative effectiveness of selling cues on product uniqueness and risk perceptions, as well as purchase intention. Thus, we provide a new understanding of the reach of selling cues. This research contributes to popularity and scarcity literature by showing that scarcity-based selling cues may not always have a positive effect on consumers' perceptions, which is contrary to classical microeconomics. The results not only support the causality of the hypothesized effects,

but also provide retailers with an actionable strategy to develop promotions that better align with consumer goals. Overall, our findings have implications for marketing communication strategies that relate to selling cues and customers' consumption goals.

Fig. 1 illustrates the overview of the studies and conceptual model guiding this research. In the remainder of this article, we begin with a more extensive discussion of the theoretical background of regulatory focus, popularity versus scarcity literature, and hedonic versus utilitarian product benefits. Then, we develop the hypotheses and test them across three experimental studies using a mix of a general population sample via Amazon Mechanical Turk (MTurk; Study 1) and student samples in behavioral labs (Studies 2 and 3) to increase the validity of our findings. We conclude with a general discussion including the theoretical contributions and managerial implications of our results.

Background and Conceptual Development

Popularity versus Scarcity Cues and Regulatory Focus

Retailers frequently use popularity and scarcity cues to attract customers and enhance sales (Cialdini 2006; Gitlin 2007). This assumption aligns with classical microeconomics theory in that a scarcity cue, such as limited edition, positively impacts prod-

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