



## Research paper

## Effect of brand popularity as an advertising cue on tourists' shopping behavior

Ji-Hern Kim

School of Business, Sejong University, 98 Gunja-dong, Gwangjin-gu, Seoul 143-747, Republic of Korea



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## ABSTRACT

This research shows that brand popularity as an advertising cue positively affects purchase intention in the context of tourist shopping. More importantly, it reveals that the effects of two popularity cues (destination-popularity cue vs. tourist-popularity cue) on tourist shoppers' brand choice can be different according to product characteristics and situational factors. When product involvement, preference heterogeneity and time pressure are high, tourist shoppers tend to choose a brand with a tourist-popularity cue rather than one with a destination-popularity cue. Unexpectedly, however, the effects of the two popularity cues on brand choice are not influenced by tourist shoppers' involvement with gift recipients in the context of buying a souvenir as gift for others.

## 1. Introduction

Shopping as a major tourist activity is known to be an important factor that determines tourist satisfaction. Tourist shopping expenditures account for more than 30% of total travel spending, and the amount is sometimes more than expenditures on dining, accommodation, transportation, and entertainment (Oviedo-Garcia, Vega-Vazquez, Castellanos-Verdugo, & Reyes-Guizar, 2016). Moreover, shopping itself is a primary motivation for visiting some destinations, such as Hong Kong, which is referred to as shopping tourism (Turner & Reisinger, 2001). Since tourist shopping can make a significant contribution to the economic growth of a destination by generating job opportunities as well as increasing retailers' incomes, researchers in the tourism industry have tried to understand tourist shoppers' behaviors better (Murphy, Moscardo, Benckendorff, & Pearce, 2011).

Past research regarding tourist shopping has mainly focused on investigating the determinants of shopping satisfaction. Tourist shopping satisfaction is influenced by a variety of factors, such as store atmosphere, service, price, and marketing communication (Wong & Wan, 2013). Unlike regular buyers, tourist shoppers are surrounded by an unfamiliar shopping environment and have little knowledge about local products, which makes them feel they are at a high risk in the purchase decision-making process. Accordingly, tourist shoppers, as compared to regular buyers, tend to consider extrinsic cues, such as brand name, warranty and endorsers, to be more important when evaluating a brand (LeHew & Wesley, 2007). This indicates that marketing communication using an extrinsic cue may reduce tourist shoppers' risk perception,

which leads to an increase of purchase intention (Wong & Wan, 2013; Yuksel & Yuksel, 2007).

Little is known, however, about how to use extrinsic cues for developing an effective advertisement for tourist shoppers. According to recent research in consumer psychology, brand popularity may be employed as an advertising cue in order to affect tourists' shopping behaviors positively. Kim and Min (2014) showed that online consumers exposed to an advertisement using a popularity cue (e.g. No. 1. in sales) are more likely to have high quality and little risk perception with the advertised brand compared to those exposed to an advertisement without a popularity cue. More importantly, the popularity-cue effect can change depending on the type of reference group tied to brand popularity (e.g. Sales No.1 in Japan vs. Sales No.1 in India) (Goldstein, Cialdini, & Griskevicius, 2008; Kim & Min, 2014). In other words, brand popularity can act as an endorsement that positively affects tourist shoppers' evaluation of a brand, and at this time the characteristics of an endorser can be important factors that influence the popularity-cue effect. Based on the findings of past studies on source effects in persuasion, Kim and Min (2016) showed that foreign consumers prefer a brand that is popular among consumers with expertise about a product category and/or those with similarity in product consumption.

How can retailers in the tourism industry use these findings of past research regarding the popularity-cue effect? Suppose that Korean tourists visit a local shop in China to buy traditional Chinese tea. The salesperson may use two different types of popularity cues to induce the tourists' brand choice. The first cue may be 'No.1 Sales in China', which

E-mail address: [jihern@sejong.ac.kr](mailto:jihern@sejong.ac.kr).

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is a type of expert endorsement because Chinese consumers are likely to have a great deal of knowledge about their traditional tea. On the other hand, the other cue is 'No.1 Sales of Korean tourists', which is a sort of similar consumers' endorsement. To the best of the author's knowledge, there is no research that compares the effects of two popularity cues on brand evaluation<sup>1</sup> in the context of tourists shopping. The relative magnitude of the two effects may be moderated by product characteristics and situational factors.

There are some important variables that may affect the popularity-cue effects: consumer involvement, preference heterogeneity, and time pressure. Researchers have paid a great deal of interest in these constructs as leading variables to affect tourist shopping behaviors. Specifically, past research on involvement has focused on its effect on leisure choice (Clements & Josiam, 1995), spending money and time (Josiam, Hobson, Dietrich, & Smeaton, 1998) and shopping satisfaction (Josiam, Kinley, & Kim, 2005). Hu and Yu (2007) have also investigated different profiles of tourist shoppers depending on the level of involvement and suggested an effective targeting strategy. Past research on preference heterogeneity has mainly employed a quantitative choice modelling approaches, and then analyzed idiosyncratic criteria to make a difference in evaluating a product such as accommodation (Albaladejo-Pina & Diaz-Delfa, 2009) or a theater ticket (Baldin & Bille, 2018). Past research on time pressure has mainly focused on its effect on airport shoppers' impulsive shopping behaviors (Lin & Chen, 2013; Omar & Kent, 2001).

It is noteworthy that most of past research has not considered these constructs as moderating variables to determine tourists' shopping behaviors. Exceptionally, Sohn and Lee (2017) analyzed the moderating effect of shopping involvement and time pressure on the relationship between emotion and impulse buying behavior at hotel duty-free shops. In summary, despite the popularity of these constructs in tourism research, it has not examined whether they moderate the effects of two popularity cues on brand evaluation in the context of tourists shopping. Accordingly, research needs to address this gap to provide marketers in the tourism industry with useful information for developing an effective marketing strategy.

Given the above discussion, this research has two objectives. First, it aims to show that brand popularity as an advertising cue can positively affect brand evaluation in the context of tourist shopping. The second objective is to examine the moderating factors to determine the effects of two popularity cues on tourists' shopping behaviors. This manuscript is organized as follows. First, the relevant previous research is briefly reviewed and five hypotheses regarding the effects of brand popularity on purchase intention and brand choice are derived. Then the methods and results of two experiments to test the hypotheses are then presented. Finally, theoretical and managerial implications are discussed, in conjunction with the shortcomings of this research and directions for future studies.

## 2. Literature review

### 2.1. Effect of brand popularity on brand evaluation

Brand popularity is defined as the degree to which a brand is widely purchased by consumers (Magnini, Karande, Singal, & Kim, 2013). Although it has been used as an advertising cue (e.g. No.1 in sales) by many practitioners, its impact on consumer behaviors has not attracted researchers' interest until recently (Kim & Min, 2014). The effect of the popularity cue on brand evaluation can be explained with the social norm theory (Cialdini, 2003). Social norms influencing consumer behaviors are divided into two types: injunctive norm and descriptive

norm. The former is an 'ought norm,' which involves what most people approve or disapprove, whereas the latter is an 'is norm,' referring to what most people do. Past research revealed that descriptive norm has stronger impact on persuasion than injunctive norm, especially when the persuasive message is related to prosocial behaviors, such as 'please reuse your towels in order to help save the environment' as opposed to '75% of the guests participated in the towel reuse campaign' (Goldstein et al., 2008).

Recent research has shown that a popularity cue can be used as a descriptive norm to persuade consumers to buy commercial products in the context of online shopping (Kim & Min, 2014, 2016). Consumers are likely to use brand popularity as a decisional shortcut, which has an information-processing advantage (Goldstein et al., 2008). In other words, consumers can reduce cognitive efforts in decision-making by simply choosing what most people choose. Accordingly, consumers exposed to an advertisement using a popularity cue tend to have a higher intention to buy the advertised brand than those exposed to an advertisement without a popularity cue (Magnini et al., 2013). However, the positive effect of a popularity cue on brand evaluation can be limited to online shoppers. Hellofs and Jacobson (1999) investigated the relationship between brand popularity and offline shoppers' product evaluation for 85 brands across 28 product categories. They then concluded that the direction of the popularity effect is mixed. It is because brand popularity may lead to some problems, such as the loss of exclusivity and a congestion problem (e.g. a crowded restaurant) in the context of offline shopping. Despite the mixed results, a popularity cue is expected to have a positive impact on tourist shoppers' evaluation of a brand. It is because the two problems may not be applied to souvenirs sold at a tourist destination.

Retailers in the tourism industry may use two types of popularity cues to persuade tourists to buy a product: a destination-popularity cue and a tourist-popularity cue. The former refers to how popular a brand is among local consumers in a destination, while the latter concerns how popular a brand is among tourists with a similar social identity (e.g. nationality). The destination-popularity cue relates to expert endorsement because local consumers in a destination seem to have more knowledge about product category than tourist shoppers. According to the source credibility model, consumers tend to consider a persuasive message credible when the source is an expert about a product category (Erdogan, 1999). This indicates that consumers would prefer a brand that is popular among knowledgeable consumers.

The tourist-popularity cue, meanwhile, relates to similar-source endorsement because tourists with the similar social identity seem to be similar in product consumption. According to the source-attractiveness model, consumers tend to evaluate their similarity with a source instantly, which influences the effectiveness of persuasion. Consumers are likely to consider similar sources more attractive and accept their opinion without question (Silvera & Austad, 2004). Aaker, Brumbaugh, and Grier (2000) argued that a similar model in an advertisement can enhance the relevance of a focal product with consumers and thus positively affect brand evaluation. In summary, irrespective of the type of popularity cue, tourist shoppers can be expected to have more intention to buy brands with a popularity cue than those without it. To examine the plausibility of this inference, Hypothesis 1 is derived as follows.

**H1.** Brand popularity as an advertising cue positively affects tourist shoppers' brand evaluation.

The relative magnitude of the two popularity-cue effects may be moderated by product characteristics and situational factors. Recently, Kim and Min (2016) examined the effects of brand popularity in foreign countries (i.e. Japan, China, India, and France) on Korean online shoppers' evaluation of cosmetics brands. Then, they revealed that brand evaluation is enhanced, when foreign consumers referred to a popularity cue are similar in cosmetics consumption and have more expertise about cosmetics. Moreover, the similarity effect was found to

<sup>1</sup> This research used 'brand evaluation' as a term to encompass brand attitude, brand preference, purchase intention, and brand choice. It should be distinguished from 'brand valuation,' referring to measuring brand equity.

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