

# The Sequential Choice Effect Adjusting the Effects of Promotions on Purchases of Hedonic Products

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# **The Sequential Choice Effect Adjusting the Effects of Promotions on Purchases of Hedonic Products**

## **abstract**

This study showed that the effect of promotions in the choice of hedonic products is attenuated by consumers' consideration of their experience of previous impulsive purchase behavior.

Two scenario-based experiments were conducted. The results indicated (1) that the effect of promotion in the subsequent choice of hedonic items was more attenuated when consumers had previously experienced impulse purchases and (2) that this adjustment effect did not occur in choosing utilitarian items. It was further confirmed (3) that with reference to the psychological mechanism of (1), even if consumers who had previously experienced impulse purchases encountered promotions at the time of a subsequent choice, the degree of justification for this choosing was reduced.

These findings represent an extension of the existing theory about promotional effects on hedonic items. Especially we confirmed the sequential choice effect as an adjusting factor and indicated the justification based mechanism.

## **keywords**

*Promotion; hedonic product; sequential choice effect*

## **track**

*Consumer Behavior*

# **The Sequential Choice Effect Adjusting the Effects of Promotions on Purchases of Hedonic Products**

## **1. Introduction**

Consumers often perceive the justification for purchasing hedonic products by receiving marketing promotions. Thus, the effects of promotions on purchases of hedonic items are indicated in some existing research (e.g. Khan & Dhar, 2010; Kivetz & Zheng, 2017; Strahilevitz & Myers, 1998).

This study examines the factors that adjust the effect of promotions in the purchase of hedonic products. Specific attention is paid to the effect that a certain choice has on the method and result of subsequent choices (sequential choice effect), clarifying the ways in which this effect adjusts the effect of promotions.

Two scenario-based experiments were conducted in Japan. The results indicated (1) that the effect of promotion in the subsequent choice of hedonic products was more attenuated when consumers had previously experienced impulse purchases and (2) that this adjustment effect did not occur when consumers were choosing utilitarian items. It was further confirmed (3) that with reference to the psychological mechanism of (1), even if consumers who had previously experienced impulse purchases encountered promotional material at the time of a subsequent choice, the degree of justification for the choice of that product was reduced.

These findings represent an extension of the existing theory about promotional effects on hedonic items. Especially we confirmed the sequential choice effect as an adjusting factor and indicated the psychological mechanism using the concept of justification identified in extant research.

## **2. Literature Review and Hypothesis Development**

In extant studies on the effect of marketing promotions in the choice of hedonic items, the basic premise is that the choice of hedonic items over utilitarian items is associated with guilt (O'Curry & Strahilevitz 2001; Lascu 1991) because this choice is more difficult to justify (Dhar & Wertenbroch, 2012; Mick & Faure, 1998; Okada, 2005). Thus, in extant research, the

effect of promotions is analyzed as one factor that constructs justification for the choice of hedonic items.

In particular, Khan and Dhar (2010) demonstrated that if one product was discounted as a result of buying a utilitarian product and a hedonic product together as a set, the probability of purchase was higher under conditions where the hedonic product was discounted than it was under conditions where the utilitarian product was discounted. Rewards from loyalty programs (Kivert & Simonson, 2002; Kivetz & Zheng, 2017) and the provision of opportunities for charity contributions (Strahilevitz & Myers, 1998) have also been shown to promote the choice of hedonic products.

In existing research, the effect of promotions is analyzed upon hypothesizing a choice scenario at a certain point in time and decision-making within a specific product category. However, in actual consumer behavior, there are many scenarios where multiple and varied choices are made sequentially. In addition, recent studies of consumer decision-making have confirmed the impact of certain choices on subsequent choices (e.g. Dhar and Simonson, 1999). Using these findings makes it possible to analyze the influence of promotional effect, hypothesizing a more accurate context to the choice that considers the situation in relation to the consumer sequential choices.

Research on consumer sequential choices has shown that restraining impulse purchases in pre-purchase scenarios increases the justification for choosing a hedonic product in the subsequent choice, and as a result, it promotes the choosing hedonic items (Mukhopadhyay & Johar, 2009). Other research has also found that when study participants had previously made an altruistic choice, they perceived that they had license to subsequently choose a hedonic product (Khan & Dhar, 2006). These tendencies were reversed when participants had previously experienced impulse purchases or rejected an altruistic choice, implying that it is more difficult to perceive the justification for the subsequent choice of hedonic products.

Thus, it can be predicted that if consumers have previously experienced impulse purchases, the effect of marketing promotion in the choice of hedonic products will not increase the perceived degree of justification for that choosing, and as a result, an intention to purchase is less likely to be formed.

H1 : The effect of sequential choice adjusting promotional effect:

*The effect of a promotion on the subsequent choice of hedonic products will decrease if consumers have previous experience of impulse purchases.*

H2 : The psychological mechanism by which promotional effect facilitates the purchase of hedonic products:

(H2.1) *When a promotion is implemented in the choice of a hedonic product, the perceived justification of that choice is increased, and as a result, the intention to purchase is further increased.*

(H2.2) *Even if a promotion is implemented in the choice of a hedonic product, if the consumers have previously experienced impulse purchasing, the perceived justification of that choice will be negatively affected.*

### **3. Study 1: Test of the sequential choice effect to adjust the effect of promotions on hedonic and utilitarian products**

#### *3.1 Method*

Using a market research company focus group, a scenario-based experiment was conducted with Japanese participants (n: 532). The experiment employed a between-subjects design with three conditions relating to choice context (promotion with previous experience of purchase; promotion without previous experience of purchase; no promotion and no previous experience of purchase), and two conditions relating to the content of the choice task (hedonic product; utilitarian product).

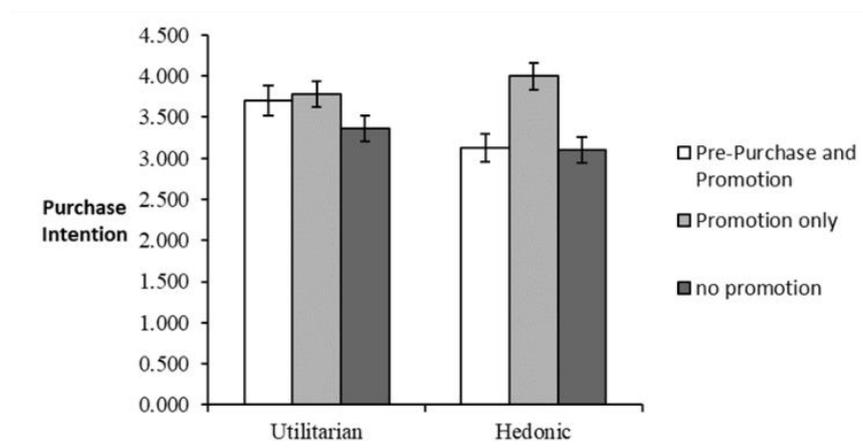
For previous purchase experience, a scenario was presented in which an impulse purchase (a sweater) had been made one week previously. In other conditions, previous purchase scenarios were not presented. For the content of the choice task, the same product (earphones) was set and manipulated to represent a hedonic product or utilitarian product, according to its purpose of use (Kivetz & Zheng, 2017): either as earphones for the enjoyment of music or as earphones for studying English conversation.

For the promotion conditions, participants were told that a price of 2000 yen (approximately \$18) had been discounted to 1400 yen (approximately \$12.5), and for the non-promotion conditions, participants were offered only the price of 1400 yen, without being told that the product had been discounted. After presenting these scenarios to participants, we measured the justification and purchase intent in relation to the earphones being selected.

### 3.2 Results and discussion

The measurement variables are shown in Table 1, and a manipulation check is shown in Table 2. Consequent to an analysis of variance with the purchase intention as a dependent variable (Figure 1), the interaction effect between the choice context conditions and the content of the choice task was shown to be significant. Significant differences were confirmed only between the different choice contexts for hedonic products. In particular, the conditions with promotion and with previous purchase experience ( $M = 3.12$ ,  $t = 3.67$ ,  $p < .01$ ) and the conditions without promotion ( $M = 3.10$ ,  $t = 3.98$ ,  $p < .01$ ) showed a significantly lower intention to purchase when compared with the conditions with promotion ( $M=3.99$ ).

Figure1: The result of ANOVA, Study1



Interaction effect:  $F(2, 526) = 2.91$ ,  $p < .1$

Utilitarian:  $F(2, 526) = 1.90$ ,  $p = .15$

Hedonic:  $F(2, 526) = 9.83$ ,  $p < .01$

On the basis of these results, it was confirmed that the effect of promotion was exhibited only when participants were choosing hedonic products, which is in line with existing research. In addition, even when participants encountered promotion, H1 was confirmed because it was shown that when an impulse purchase had been previously made, purchase intention was reduced to the same extent as that it was under the condition with no promotion. In other words, it became clear that the effect of promotion was adjusted by the sequential choice effect.

Table1: Measurement scale and manipulation check

		measurement scale	M	Cronbach's $\alpha$
Study1	Purchase Intention	I want to buy this item.	3.51	.97
		I want to choose this item.	3.51	
	Justification	In this case, I think that buying this item is very right.	3.58	.93
		In this case, I think that buying this item is very smart.	3.55	
In this case, I think that buying this item is not wrong.		3.9		
Study2	Purchase Intention	I want to buy this item.	4.63	

※ 7-point scale: 1 = strongly disagree, 7= strongly agree.

Table2 Manipulation Check :earphones for fun or study

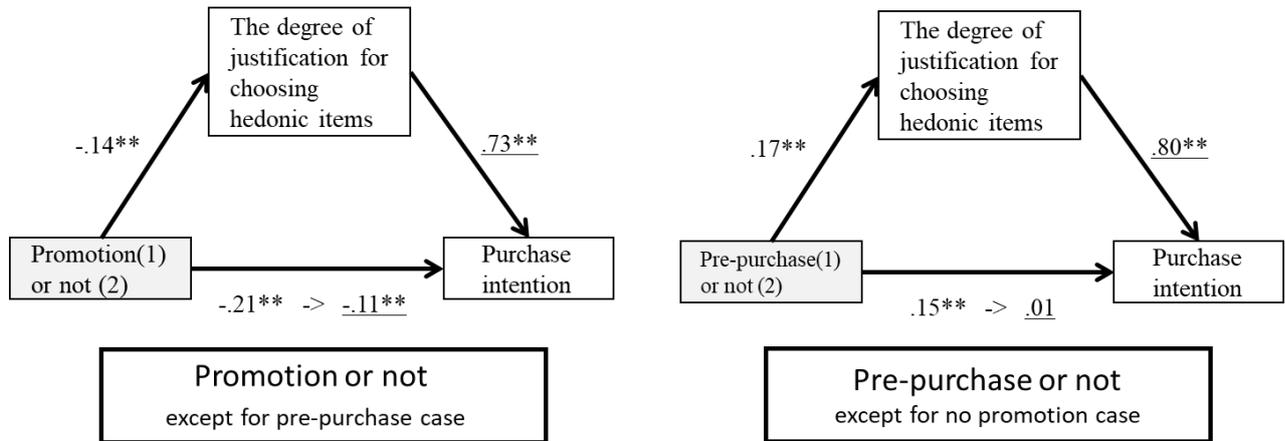
Study1	I think that these earphones are hedonic items.	Mfun= 4.03, Mstudy = 3.63, $t = -3.30, p < .01$
	I think that these earphones are utilitarian items.	Mfun= 4.13, Mstudy = 4.43, $t = 2.48, p < .05$
	I think that these earphones are attractive items.	Mfun= 3.93, Mstudy = 3.87, $t = -.54, p = .59$

※ 7-point scale: 1 = strongly disagree, 7= strongly agree.

Subsequently, a mediation analysis was performed on a sample of participants who had provided answers regarding their choice of hedonic products (Figure 2). The presence or absence of promotion was set as an independent variable; purchase intention was set as a dependent variable; and the degree of perceived justification was set as a mediator variable (Figure 2, left). The results indicated that promotion increased the justification for the choice of hedonic products, and thus, it increased the purchase intention, which was in accordance with trends shown in extant research (H2.1).

However, these results also indicated that even with promotion, the effect on justification differed, depending on whether participants had previous purchase experience (Figure 2, right). It became clear that if participants had previous purchase experience, there was a negative impact on justification even if they encountered promotion (H2.2). Thus, we can conclude that the degree of perceived justification is one of the mechanisms by which promotion effect is adjusted by the sequential choice effect.

Figure2: The result of mediation analysis (hedonic items)



※ Underlined coefficients represent the result of multiple regression analysis.  
 ※ Significant level : 1%(\*\*), 5%(\*), 10%(+)  
 ※ Indirect effect: promotion or not [CI95%:  $-.56, -.09$ ], pre-purchase or not [CI95%:  $.17, .72$ ]

#### 4. Study 2: The Replication of Study 1 with a Different Experiment Design

##### 4.1 Method

The scenario-based experiment was conducted with Japanese participants (n: 302). The experiment employed a between-subjects design with two conditions relating to participants' purchase experience (with or without previous purchase experience), and two conditions relating to promotion (with or without promotion). In Study 2, only hedonic products (books related to participants' interests) were set as choice tasks, and purchase intention was measured. The conditions with the previous purchase experience scenario were that participants had purchased a jacket a week previously. For promotion conditions, participants were told that a price of 2000 yen had been discounted to 1400 yen, while for non-promotion conditions, participants were offered only the price of 1400 yen, without being told that the product had been discounted.

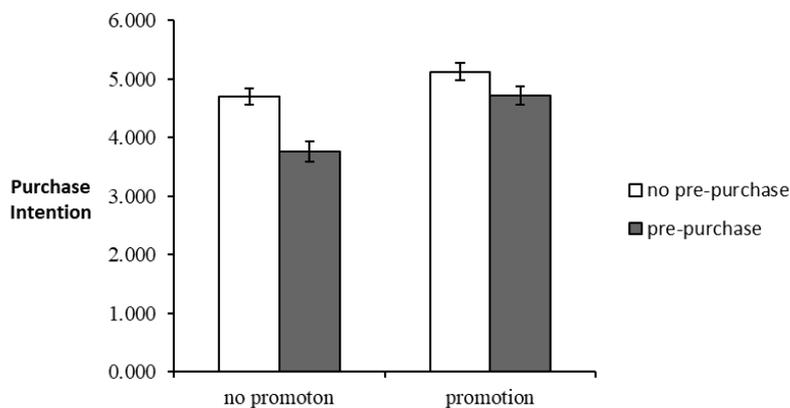
##### 4.2 Results and discussion

From the results of an analysis of variance (Figure 3) with purchase intention as a dependent variable, it was shown that there was a significant interaction effect in relation to whether participants had previous purchase experience and whether promotion was used; a multiple comparison was therefore carried out. The results showed that with promotion,

purchase intention was significantly lower when participants had previous purchase experience than it was otherwise. This shows the same result as Study 1. In addition, without promotion, the difference in purchasing intention was more pronounced, depending on the presence or absence of previous purchase experience.

Furthermore, even if participants did have previous choice experience, there was a difference in purchasing intention with and without promotion ( $M_{promotion} = 4.72$ ,  $M_{no-promotion} = 3.77$ ,  $F(1, 298) = 16.75$ ,  $p < .01$ ). The foregoing discussion indicates that even if participants had previous purchase experience, exposure to promotion in subsequent choice scenarios tended to reduce the sense of guilt and create an intention to purchase.

Figure3: The result of ANOVA, Study2



Interaction effect:  $F(1, 298) = 2.87$ ,  $p < .1$

no promotion:  $F(1, 298) = 17.15$ ,  $p < .01$

promotion:  $F(1, 298) = 3.51$ ,  $p < .1$

## 5. Conclusion and Implications

This study showed that the effect of marketing promotions in the choice of hedonic products is attenuated by consumers' consideration of their experience of previous impulsive purchase behavior. That is to say, this study contributes to the extension of the existing theory by presenting a new adjustment factor for promotional effect. By focusing on the concept of justification, this study was able to make an additional contribution to the theoretical confirmation of the psychological mechanism that adjusts promotional effect.

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