The Souvenir Purchase Decision: Effects From Online Availability

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Souvenir purchases are typically limited to a specific destination, but the increasing presence of retail websites extends the purchase opportunity almost indefinitely. How does this affect decision-making? Findings in two scenario-based experiments suggest that limiting the opportunity to in-store only increases purchase likelihood both at the destination and after returning home. On location, it was the item’s reminder value, not monetary value, that mediated the effect of limitation on purchase. Once home, regret and reactance drove purchase intent. These results have implications for research on scarcity, regret, and souvenirs, as well as sales tactics used by destination retailers.

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EXTENDED ABSTRACT
The growing presence of Internet commerce is changing the retail landscape in more ways than one. Shopping in one’s home region, consumers typically have plenty of opportunities to frequent both physical and online stores. However, when shopping in a distant location, consumers face a different situation. Typically, the purchase opportunity is limited to the time spent at the destination, and during that time consumers only frequent physical stores. However, retailers in tourist destinations are increasingly developing websites that extend the purchase opportunity to well beyond the trip’s end. While this may be perceived as providing convenience to travelers, retailers also hope that it will increase sales, as tourists may make additional purchases after they’ve returned home. However, it is not clear that adding a website is always beneficial. The goal of this research is to examine how changing the nature of the purchase opportunity by mentioning a website affects decision-making while on vacation and again after returning home.

Research on souvenirs has found that tourists are more likely to purchase items that are evaluated highly on unique or aesthetic properties (Kim and Littrell 2001). Research also finds that tourists are motivated not to go home empty handed (Tumbat 2003). But perhaps there is also something inherently different about the purchase situation at vacation destinations. Specifically, if souvenirs are only available at the destination, that limitation might affect the way tourists process information when making a purchase decision.

Limiting a purchase opportunity to one’s time at a destination can be viewed as a type of scarcity, and as such can be expected to increase the perceived value of an item (Cialdini 1993). However, in addition to monetary value, souvenirs also have reminder value (Love and Sheldon 1998; Tumbat 2003). Because making an item available anywhere at anytime should weaken the association between the item and the destination, I predict that reminder value should be greater when an item can only be purchased at the destination. I further expect this increase in reminder value to heighten purchase intentions just as monetary value does in other scarcity contexts.

Tourists may also perceive a forfeiture situation when the purchase opportunity is limited to a specific time and place. As a result, nonpurchase may lead to feelings of loss and regret (Abendroth and Diehl 2006). While loss aversion may play a role in the initial purchase decision, nonpurchases tend to be regretted more than purchases after the opportunity has passed, reversing the omission bias. If and when a later purchase opportunity arises, I predict that the intensity of long-term regret associated with nonpurchase should lead to greater purchase intentions. I also expect that reactance caused by the earlier limitation may lead consumers to pursue limited items with greater determination.

Two experiments were conducted using scenarios to simulate a souvenir purchase decision on a trip to Hawaii. I manipulated item type (Hawaiian-styled coral or classic-styled pearl necklace) and website availability (presence or absence of a website for later purchase), and then measured purchase intent, attitudes toward the souvenir, and regret. The findings indicate that purchase limitation increased initial purchase intent by increasing the souvenir’s reminder value, regardless of item type, while the item’s monetary value was unaffected by the temporal limitation. This finding is significant for two reasons. Within the scarcity literature, it suggests that a new and qualitatively different type of valuation exists and is affected by scarcity. Within the souvenir literature, it identifies a mechanism – limiting purchase to the location – for increasing an item’s reminder value.

The findings also replicate previous research (Abendroth and Diehl 2006) that limiting a purchase situation acts to reverse the omission bias (Kahneman and Tversky 1982), as here nonpurchases (inaction) were regretted more than purchases (action). However, I also find that post-purchase, inaction regret increases later purchase intentions, especially if the later purchase opportunity represents a release from a previous limitation. This finding is interesting in that it is behaviorally opposite to inaction inertia (Tykocinski, Pittman, and Tuttle 1995), but is driven by the same underlying mechanism, that is regret minimization.

In addition to the above theoretical contributions, this research also has managerial implications for retailers in tourist destinations. While I found that attitude toward the retailer and salesperson decreased when the purchase was limited to in-store only, I found no correlation between these attitudes and purchase intentions. Further, because tourists by their very nature are less likely to become repeat customers, destination retailers should focus more on increasing sales rather than improving attitudes. While I am not advocating that destination retailers abandon or forego developing websites, the results do suggest that retailers with websites may want to be more subtle in the way they promote them. One approach would be to inform tourists about their website only after the purchase decision has been made. In this way, the retailer can attract future business without deterring purchases on location.

REFERENCES


