



# ICAMA 2020 SEOUL

International Conference of Asian Marketing Associations

"Expanding the boundary of marketing research beyond Asia"

5<sup>th</sup> ICAMA Conference

| Conference Date |

September 19, 2020 9:00 ~ 16:00

| Place |

Sungkyunkwan University,  
Seoul, South Korea



(사)한국마케팅학회  
Korean Marketing Association

**ICAMA 2020 SEOUL: International Conference of Asian Marketing Associations**  
**“Expanding the boundary of marketing research beyond Asia”**

**<Conference Schedule>**

9:00 - 10:20	Opening & Keynote Speech (Dr. Charles R. Taylor) 9:00 - 10:20 <a href="https://us02web.zoom.us/j/86006191413">https://us02web.zoom.us/j/86006191413</a> Meeting Number: 860 0619 1413			
10:30 - 11:50	Session 1			
	ABM	CHQ	IR	KMA
11:50 - 12:30	Lunch (40 mins)			
12:30 - 13:10	Plenary Session: Tips for successful grantsmanship (Dr. KiJoon Back) 12:30 - 13:10 <a href="https://us02web.zoom.us/j/87063176876">https://us02web.zoom.us/j/87063176876</a> Meeting Number: 860 0619 1413			
13:20 - 14:40	Session 2			
	ABM	CHQ	IR	JRCS
14:40 - 14:50	Break			
14:50 - 16:00	Session 3			
	ABM	AMJ	IR	JRCS

## **Opening & Keynote Speech**

**(9:00 -10:20)**

- <https://us02web.zoom.us/j/86006191413>
- Meeting Number: 860 0619 1413

### **I. Welcome Address**

Sangman Han

President of the Korean Marketing Association

### **II. Keynote Speech**

Dr. Charles R. Taylor

John A. Murphy Professor Marketing, Villanova University

Editor-in-Chief, the International Journal of Advertising

Charles R. "Ray" Taylor is the John A. Murphy Professor of Marketing at the Villanova University School of Business and Senior Research Fellow at the Center for Marketing and Consumer Insights. He currently serves as Editor-in-Chief of the *International Journal of Advertising*. He received his Ph.D. from Michigan State University. Taylor's research interests include advertising, branding, and consumer behavior, with a special focus on international issues. Professor Taylor is a Past-President of the President of the American Academy of Advertising. He is also a recipient of the Ivan L. Preston Award for Outstanding Lifetime Contribution to Advertising Research and was rated as being among the top five contributors to top advertising journals in an article appearing in *Journal of Advertising*. He has published more than 100 books, journals, and conference papers in leading outlets. Professor Taylor's research has received best paper awards from *Journal of Advertising* (twice), *Journal of Consumer Affairs*, *Journal of International Marketing*, and *Journal of Macromarketing*.

Dr. Taylor has provided consulting services to several businesses and organizations on a variety of matters related to marketing, advertising, and consumer behavior, including Philip Morris, USA, CBS/Viacom, McCann Erickson, Clear Channel Communications, General Motors, Star Storage, Lamar Outdoor, Magic Media, Inc., Walker Furniture, Eller Media, the Outdoor Advertising Association of America, the International Sign Association, Dechert LLP, Jones Day, LLP, Rossbacher and Associates, Arnold and Porter, LLP, Mattioni and Associates, the Center for Information on Beverage Alcohol (United Kingdom), and several others.

Dr. Taylor has been a keynote featured speaker at meetings of several organizations, including the European Advertising Academy, the American Academy of Advertising, the Korea Advertising Society, the Greek Marketing Association, the Chinese Advertising Association, the World Advertising Resource Center (London), Marketing Science Institute, The U.S. Transportation Research Board, the Outdoor Advertising Association of America, and the International Sign Association, among others. Taylor has served as a Fulbright Senior Specialist and has taught courses in Germany, Korea, Austria, China, and the Czech Republic and has given lectures at many locations throughout the world

Taylor has been quoted in the media on numerous occasions, in outlets including the Associated Press, NBC television, MSNBC television, CNBC television, Fox television, CBS.com, ABC.com, Reuters, Forbes, Business Week, the Wall Street Journal, the New York Times, USA Today, Arirang Television, the Washington Post, the Philadelphia Inquirer, the Los Angeles Times, Forbes.com, Advertising Age, Brandweek, Adweek, the San Francisco Examiner, Yahoo.com, Accesshollywood.com, Sportsillustrated.cnn.com, Espn.com, the Boston Globe, the Dallas Morning News, the Chicago Tribune, the New York Post, Chosun Ilbo Daily (Korea), China Daily.com, and many other outlets.

**Plenary Session: Tips for successful grantsmanship  
(12:30 - 13:10)**

- <https://us02web.zoom.us/j/87063176876>
- Meeting Number: 860 0619 1413

Dr. KiJoon Back

Eric Hilton Distinguished Chair Professor

University of Houston

Associate Editor, Cornell Hospitality Quarterly

**Professor Ki-Joon Back, Ph.D.**

**Associate Dean for Research & Graduate Studies, Eric Hilton Distinguished Chair  
University of Houston**

Professor Ki-Joon Back is Associate Dean for Research and Graduate Studies and Eric Hilton Distinguished Chair Professor of Conrad N. Hilton College of Hotel and Restaurant Management at the University of Houston. In his academic career, Professor Back is a three-time recipient of the ICHRIE's Best Paper Awards and a recipient of 20 other research and teaching awards including the Michael D. Olsen Research Achievement Award. He has published over 100 papers in academic journals and professional papers. Professor Back is currently serves as an associate editor of the Cornell Hospitality Quarterly, a managing editor of the International Journal of Hospitality Management, an editorial board member for numerous academic journals and an advisor for various government agencies and industry partners.



## Paper Session 1 10:30 - 11:50

ABM	<b>Session 1-1: Innovation and new product adoption in Asia</b> <a href="https://us02web.zoom.us/j/87595083631">https://us02web.zoom.us/j/87595083631</a>		<b>Meeting Number</b> <b>875 9508 3631</b>
	<b>Session Chair: Young Jee Han (Sungkyunkwan University)</b>		Presenter
	1	THE IMPACT OF TWO DIFFERENT TYPES OF CUSTOMER PARTICIPATION FOR BREAKTHROUGH INNOVATIONS IN CONSUMERS PERSPECTIVES	Hyeyeon Yuk
	2	The effect of platform-based product bundling on the bundle evaluation and adoption intention at smart home	JoonHyuk Seo
	3	Chronological Changes in New Product Diffusion Pattern: An Evidence from the Korean Movie Market	Youseok Lee
	4	What Explains the Adoption of Smartwatch in Korea and Indonesia?	SEKARDHANI MUFIDA
CHQ	<b>Session 1-2: Luxury hospitality and service marketing - Luxury hospitality industry I</b> <a href="https://zoom.us/j/96107346233">https://zoom.us/j/96107346233</a>		<b>Meeting Number</b> <b>961 0734 6233</b>
	<b>Session Chair: Alex Jiyoung Kim (Sungkyunkwan University)</b>		Presenter
	1	An eWOM adoption process on social media for luxury hotel booking intention: How does social media influencer's negative reviews moderate the effects of eWOM on customers' attitude, trust, image, reputation, and intention?	Lê Trần Phước Mai Hoàng
	2	What to sell and how to sell matter: sales mix differentiation for luxury hotel firms	Jaewook Kim
	3	Looks Clear and Sounds Familiar: Influence of Online Hotel Image and Brand Familiarity on Consumer Perceptions and Judgments about Luxury Hospitality and Service	Sann Ryu
	4	The loyalty program for our self-esteem: The role of collective self-esteem in the development of customer-brand relationship among luxury hotel brands	Minjung Shin
IR	<b>Session 1-3: Customer Online Connection and Message Processing</b> <a href="https://us02web.zoom.us/j/84168999972">https://us02web.zoom.us/j/84168999972</a>		<b>Meeting Number</b> <b>841 6899 9972</b>
	<b>Session Chair: Dong-Mo Koo (Kyungpook National University)</b>		Presenter
	1	Emojis and Assertive Environmental Messages in Social Media Campaigns	Yung Kyun Choi
	2	Consumer Hesitation at Purchase Stage: Collective Cognitive Dissonance and Self-Threat	Jeongbin Whang
	3	The Impact of Online (versus Offline) Shopping Channel on Consumer Decision Process	Chaeho Lee

## **<ABM Session 1-1: Innovation and new product adoption in Asia>**

### **1. THE IMPACT OF TWO DIFFERENT TYPES OF CUSTOMER PARTICIPATION FOR BREAKTHROUGH INNOVATIONS IN CONSUMERS PERSPECTIVES**

Hyeyeon Yuk, Korea University

Jongho Lee, Busan University

#### **Abstract**

#### **Introduction**

Global companies such as Unilever and P&G invite their customers in the new product development process to get consumer needs related knowledge or to involve them as co-developers. Prior research has shown that both product innovation and customer participation have a significant relationship with firms' innovation performance (Chang and Taylor 2016; Cui and Wu 2017; Cui and Wu 2016). Despite the importance of innovation and customer participation for both practitioners and academics, the effect of different customer participation types in the product innovation from the consumer's perspective has rarely been addressed. The consumer's perspective in the product innovation is important because achieving positive outcomes from an innovative new product in the competitive market may depend on the consumer's positive perception and acceptance. Therefore, examining the consumer's perception to the new product innovation including customer participation activities is meaningful to get new theoretical and practical insights.

#### **Theoretical Backgrounds**

Although there are several types of product innovation identified in prior research, little research has investigated how the impact of customer participation conducted in the NPD process is differed depending on the different breakthrough innovation types. Specifically, the authors examine the impact of different types of customer participation types (as information providers (hereinafter CPI) vs. as co-developers (hereinafter CPC)) (Fang 2008) based on the two different breakthrough innovation types (technology-based innovation (hereinafter T-INNO) vs. market-based innovation (hereinafter M-INNO)) (Chandy and Tellis 1998, 2000; Benner and Tushman 2003) on consumers' product evaluations.

#### **Research Questions**

The research questions are: (1) How the perceptions for a new product differ by innovation



type (Technology-based vs. Market-based) and customer participation type (as an information source vs. as a co-developer) by consumers?, (2) If a new product is developed using different customer participation type, which customer participation type is more appropriate for each innovation type for more favorable product evaluation, brand attitude and purchase intention?

## **Method & Data**

Based on the research questions and theoretical background, the 5 hypotheses are developed. The study using manipulated stimuli measures the main effect and interaction effect for the relationship between each independent variable and dependent variable. It uses a 2x2 between subjects design. To be specific, it employs a 2 (breakthrough innovations: T-INNO, M-INNO) x 2 (customer participation: CPI, CPC) between-subjects design for the independent variables. In addition, the dependent variable is a product evaluation for the new innovative product. Also, we measured brand attitude and purchase intention. The hypotheses were tested for a car category (e.g., Technology-based innovation: Self-driving car vs. Market-based innovation: Eco-friendly car). Participants were 241 university students from Seoul, South Korea in Asia. Each respondent read a scenario, which is a randomly selected version of the manipulated news articles for a new product launching, and then answered the questions.

## **Results and Conclusion**

First, the results show that there is no significant different perception for different breakthrough innovation types, T-INNO and M-INNO, meaning that consumers do not differently perceive new innovative product regardless of innovation type. Second, however, there is significantly different product evaluation depending on two different customer participation types, CPI and CPC. To be specific, consumers has higher product evaluation for a new product based on CPC rather than CPI. Finally, there is an interaction effect between customer participation types and different innovations. Specifically, when a new product based on M-INNO is launched with customers as co-developers (CPC), a stronger positive impact on product attitude is observed than when customers are involved as information providers (CPI). However, when a new product based on T-INNO is launched, there is no different product evaluation depending on the customer participation type.

## **Key Contributions**

The results have a number of theoretical contributions. First, prior innovation research has mostly focused on the impact on firms' financial performance. Even though a few researchers have conducted the impact of innovation in terms of consumers' perspectives, they did not consider the specific type of innovation. The present study focuses on comparing the impact of two types of breakthrough innovation based on customers' perspectives. Second, prior customer participation research has not examined the specif

ic type of customer participation which can affect differently product attitude in the consumers' perspectives. In this study, the differential impact of each type of customer participation was explored. Finally, previous studies have not focused on the interaction effect between two types of breakthrough innovation and customer participation. We have found a significant interaction effect between innovation types and customer participation types. Managerial implications and limitations will be discussed at the conference.

**Keywords:** *Breakthrough Innovation, Customer-Participation, Customer Co-creation, Consumer Perception, Product Attitude, Purchase Intention*

## **2. The effect of platform-based product bundling on the bundle evaluation and adoption intention at smart home**

JoonHyuk Seo, Sungkyunkwan University

Sukekyu Lee, Sungkyunkwan University

### **Extended Abstract**

As the 4<sup>th</sup> revolution is emerging, a variety of technologies are coming. Specially, internet of things (IoT) is one such technology that is widely being applied. It is hyper-connecting of physical devices, buildings, vehicles and many other objects embedded with electronics, actuators, sensors, software, and network connectivity that enable objects to collect and exchange data. Especially, smart home system enabled by IoT is one of the trends that are gaining momentum. It is new resident system and will be embodied few years later. Smart home system is defined as home automation equipped with various IoT devices such as AI speaker, smart lens, smartphone, smart light bulb, etc. Even if it is eye-opening technology, there has been little discussion about the smart home system yet. Thus, we will explore the smart home system enabled by IoT. IoT experts expect that bundling will be widely utilized at a smart home system because almost everything is connected to data, so we will use the bundling strategy in this study.

This study seeks to address the following question: when a few product bundling composed of IoT at smart home are suggested, which type of them do consumers have high bundle evaluation and adoption intention? We suggest that the answer be a type of bundling including a platform product. When the platform product which is a gateway and hub of home IoT and data storage is included in a product bundling (we called it as a platform-based product bundling), we expect it has higher bundle evaluation and adoption intention than a product bundling that does not include a platform product. Our hypotheses are following:

H1. When indicating product bundling, the platform-based product bundling has higher bundle evaluation and adoption intention than the product bundling that does not have a platform product in a bundle

H2. When a platform product is a focal product in the platform-based product bundling, it has

higher bundle evaluation and adoption intention than a tie-in product in a platform-based product bundling.

H3. The platform-based product bundling including a familiar platform product will have higher bundle evaluation and adoption intention than the platform-based product bundling including relatively unfamiliar one.

H4. The perceived network embeddedness will be mediating between platform-based product bundling and bundling evaluation and adoption intention.

We try to prove our hypotheses by using 4 studies. For the first, we do pilot study to verify the usefulness and importance of platform product. At first, we show the subjects the platform-based product bundling and evaluate the bundling using 7-likert scale. And then, short video is showed that the platform product at a bundling controls the other home IoT devices at a bundle. Finally, we show them identical bundling and evaluate it again. And we employ a paired t-test. At result, the first bundle evaluation and adoption intention ( $M=4.74$ ) before showing the video is lower than second one ( $M=5.21$ ) after showing video ( $t(107) = -4.74, p < .001$ ).

Secondly, we do the first study to verify H1 and H2. We make three types of product bundling. The first one is that the platform product in a bundle is a focal product. The second one is that the platform product in a bundle is a tie-in product and the final one is no platform product in a bundle. And then, we employ a one-way ANOVA. At result, the first type ( $M=5.47$ ) is the higher than second ( $M=4.97$ ) and third one ( $M=4.70, p < .05$ ), so H1 is partially and H2 is accepted. On the other hand, the second one and third one are almost similar result although second one has the platform product as a tie-in product type, and result of t-test is also denied ( $t(124) = .336, p > .05$ ). It means that although a platform is included at a bundling, bundle evaluation and adoption intention is low like a bundling including no platform product when it is indicated as a tie-in type.

Thirdly, we do the second study to verify H3. We make two types of product bundling. The first one is that the platform product in a bundle is relatively familiar product to consumers and the other one is relatively unfamiliar product. And, we add a product bundling composed no platform and familiar products. We employ a one-way ANOVA. As a result, the platform-based bundling including a familiar platform product ( $M=5.13$ ) is the higher than the platform-based bundling including an unfamiliar platform product ( $M=4.55$ ), and the product bundling including no platform ( $M=3.97, p < .001$ ), so H3 is supportive. It's noteworthy that the bundling

with the unfamiliar platform product is higher than the bundling with no platform and familiar products setting. It means that if there is a platform in a bundle, bundle evaluation and adoption intention is higher than no platform in a bundle although it is unfamiliar one.

Finally, we do the final study to check if the perceived network embeddedness is the mediating role between the platform-based product bundling and bundle evaluation and adoption intention. We conduct the mediator analysis using method of Baron and Kenny. First, the platform-based bundling significantly affects network embeddedness ( $B=.574, t(106)=7.21, p<.001$ ). And then, the platform-based bundling significantly affects bundle evaluation and adoption intention ( $B=.493, t(106)=5.84, p<.001$ ) and network embeddedness also affects bundle evaluation and adoption intention significantly ( $B=.250, t(106)=2.63, p<.05$ ). The former affection is higher than the latter one ( $.493>.250$ ), so H4 is supportive.

This study is concerned with smart home system using product bundling. Our hypotheses are all supportive, so we can find when indicating product bundling, the platform-based product bundling has high bundle evaluation and adoption intention. And when a platform product is a focal and reactively high familiarity, it has more effective to raise the bundle evaluation and adoption intention. Finally, we can find perceived network embeddedness is important role as a mediator. We think it is affected by hyper-connectivity of IoT devices and feature of platform.

According to the American Marketing association, "Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large." Over the past decades, the technological revolution has transformed offerings into a broader combination of artifacts, persons, processes, and interfaces, which, while "having" value in the traditional sense, constitute more "means" for creating value through interaction. In this point of view, IoT and smart home studies are worth because they are also hyper - connected and interactive features. In line with thinking, our work will be helpful to the scholars who have plans to study IoT platform and smart home system. The platform-based product bundling could be a good example to them. In addition, this study is very useful to marketers. The platform-based product bundling which we indicate will be a useful tool to boost their sales of IoT devices and to adopt the potential consumers.

### **3. Chronological Changes in New Product Diffusion Pattern: An Evidence from the Korean Movie Market**

Youseok Lee, Myongji University

Kyoung Cheon Cha, Dong-A University

SangHoon Kim, Seoul National University

#### **Extended Abstract**

##### **1. Research Background**

To develop a marketing strategy for a new product, managers must understand what kind of diffusion pattern the product category shows. A movie has a characteristic of experiential product, whose quality is hard to assess prior to actual consumption, thus guiding moviegoers pursue quality signals for purchase decisions. Some buy tickets owing to movie posters or trailers while others are attracted by online reviews or recommendations of their acquaintances. According to the Bass's (1969) model, a market could be classified into the two group of consumers. One group, labeled as innovators, is influenced by external factors such as advertisements, media reports, and product availability. The other group, labeled as imitators, is affected by internal factors including word-of-mouth. These two motivation types, the innovation effect and the imitation effect, define diffusion pattern of a new product (Lee, Kim, & Cha, 2019). The probability that unconvinced consumers will adopt a new product is a linear function of the two effects. The innovators mainly form the early market while the imitators generally appear when the early market disappears. However, due to the socio-cultural changes over time, the arrangement of a new product diffusion also adjusts in process of time. Thus, by detecting the chronological changes, managers can not only consistently adapt their strategies and practices but also prepare a long-term managerial plan. The current study examines the chronological changes in new product diffusion pattern by applying the Bass diffusion model to the Korean movie market data.

##### **2. Method & Data**

The Bass model was initially designed to forecast diffusion complexion for consumer durable goods (Bass, 2004; Norton & Bass, 1987). However, the model has also been successfully applied to movie-going behavior due to the stringency on movie selection process and resemblance of single-purchase characteristic (Dellarocas, Zhang, & Awad, 2007; Lee, Cha, & Kim, 2017; Lee, Kim, & Cha, 2012). Based on the fact that most movie audiences visit theaters on weekends starting from Friday night, this study employs the generalized Bass model to capture the daily fluctuating demand through a multiplicative form (Bass, Krishnan, & Jain, 1994).



$$REVENUE_t = \left( p + q \frac{\sum_{i=1}^{t-1} REVENUE_i}{m} \right) \left( m - \sum_{i=1}^{t-1} REVENUE_i \right) \\ \times [1 + \delta_1 fri + \delta_2 (sat + sun + hol)]$$

To discover the historical changes in movie diffusion pattern, we utilized the data of the annual top 10 Korean movies and top 10 imported movies from 2005 to 2018 in the Korean domestic market. Each movie has daily audience data for the number of days played on screens or for a maximum of 42 days. The data were obtained from Korea Box Office Information System (kobis.or.kr).

### 3. Results

We fit the number of daily audiences of each movie into the generalized Bass model to obtain the three estimated parameters:  $p$ ,  $q$ , and  $m$ . The average value of the innovation coefficient ( $p$ ) was .042 in the domestic sample and .047 in the imported sample. On the other hand, the average value of the imitation coefficient ( $q$ ) was .051 and .042, respectively. In the imitation effect, the domestic movies showed much larger value than the imported movies. However, the innovation effects were approximately indistinguishable. Table 1 summarizes the descriptive statistics of the Bass model estimation results.

**Table 1. Descriptive Statistics of the Estimated Bass Model Parameters**

Estimated Parameter	Domestic			Imported		
	Avg.	S.D.	N	Avg.	S.D.	N
p: innovation effect	.042	.021	280	.047	.024	280
q: imitation effect	.051	.034	280	.042	.034	280
m: market potential	3,904,480	4,207,776	280	2,823,791	1,985,674	280
q/p	2.677	16.643	280	1.322	2.666	280

Furthermore, to test the chronological changes, we estimated system equations establishing the three parameters as outcome variables. Since the interdependency between the error terms of following equations, we employ seemingly unrelated regression (SUR) for model estimation.

$$p = \beta_1 + \beta_2 \cdot year + \beta_3 \cdot d\_kr + \beta_4 \cdot d\_kr \times year \\ q = \beta_{11} + \beta_{12} \cdot year + \beta_{13} \cdot d\_kr + \beta_{14} \cdot d\_kr \times year \\ M / 1,000,000 = \beta_{21} + \beta_{22} \cdot year + \beta_{23} \cdot d\_kr + \beta_{24} \cdot d\_kr \times year$$

In both the innovation coefficient and market potential coefficient, year had significant and positive effect ( $\beta = .001, p = .011; \beta = .152, p = .002$ ). However, time trend did not have significant effect on the imitation coefficient. Thus, the innovation motivation and the market potential of movies were revealed to increase year by year while imitation motivation was stable. Considering the interaction effect between year and nationality of movies, however, the yearly enhancement of imitation motivation was also captured in Korean movies.

**Table 2. SUR Parameter Estimates for the Bass Model Coefficients**

	$\hat{p}$		$\hat{q}$		$\hat{m}^*$	
	$\beta$	p-value	$\beta$	p-value	$\beta$	p-value
(intercept)	-1.643	.013	-1.426	.155	-302.104	.002
year	.001	.011	.001	.143	.152	.002
d_kr	-.399	.670	-3.312	.020	-38.928	.775
d_kr×year	.000	.675	.002	.019	.020	.769
Adj_R <sup>2</sup>	.039		.055		.060	
Determinant residual covariance					4.99×10 <sup>-6</sup>	
Observations					560	
Total system (balanced) observations					1680	

Note:  $\hat{m}^*$  is the value of  $\hat{m}/1,000,000$ .

#### 4. Conclusion

This research examines how the diffusion pattern of movies varies chronologically. By employing the Bass diffusion model, we find that the level of innovation effect increases gradually during the last 14 years. This chronological change points out that the Korean moviegoers have been showing enhancement of individualism. Recent Korean consumers choose movies based on their own tastes without considering other consumers' choices (Lee, Kim, & Cha, 2019). When making decision for domestic movies, however, Korean moviegoers also take into account what others purchase. This asymmetric behavior might be caused by the uncertainty avoidance tendency due to the relatively lack of sequels or franchise products of domestic movies. By incorporating the Bass model chronological manner, the current study enlarges the diffusion research and provides practical implications for long-term marketing strategy development.

#### 4. What Explains the Adoption of Smartwatch in Korea and Indonesia?

SEKARDHANI MUFIDA, Korea University  
SuJin Song, Korea University

##### **Abstract**

Complementing the existing research examining the underlying factors affecting the intention to adopt smartwatch, this study employs a cross-cultural analysis comparing South Korea and Indonesia respectively. A theoretical model is developed to extend traditional technology acceptance theories by identifying value drivers using the perspective of smartwatch as technology, fashion accessory, and healthcare assistance together in one framework. The results provide smartwatch manufacturers with practical guidance for optimizing competition strategies, both in developed and developing countries.

**Keywords:** cross-cultural analysis, smartwatch adoption, technology, fashion accessory, healthcare assistance

## **CHQ Session 1-2: Luxury hospitality and service marketing - Luxury hospitality industry I**

### **1. An eWOM adoption process on social media for luxury hotel booking intention: How does social media influencer's negative reviews moderate the effects of eWOM on customers' attitude, trust, image, reputation, and intention?**

Lê Trần Phước Mai Hoàng, Hanyang University

Sann Ryu, Hanyang University

#### **Extended Abstract**

Word-of-mouth (WOM) communication has been established as one of the most meaningful sources in affecting customer attitude, adopting information, and forming purchase decisions, especially in the tourism and hospitality industry (Liu and Park, 2015). However, Internet has become more and more advanced in current years and has brought innovative technology systems such as online communities in existence for business. Social media have provided powerful methods to customers engaging in social interaction for sharing and dispersing updated information on the Internet. YouTube, Facebook, Instagram, or Twitter are good instances for the rapid customers' adoption of internet to generate online content and connect with other customers. As a result, the WOM effect on the Internet, so-called eWOM has been augmented exponentially and reach over a worldwide network. Whereas the conventional WOM communication initially is considered as the idea of person-to-person conversation and is confined in a narrow social network, the dissemination of Internet has brought a less personal but more universal form of WOM communication into the global scope. In addition, the rapid growth of online communication platforms and the dissemination of two-way interactions among customers about products and services have made online notifications, reviews, opinions or recommendations become sources of opportunities and challenges (Serra Cantallops & Salvi, 2014). For hospitality managers, social media platforms and web 2.0 applications are the most proper means to attain knowledge about customers, which enable them to develop and sustain effective relationships, and respond to service failure (Escobar-Rodríguez and Carvajal-Trujillo, 2013; Hsu, 2012); but hospitality managers have lost their control over the dispersed information or generated image on these challenging applications and platforms because today customers have more chance and ability to post and disseminate positive or negative experiences and evaluations on products and services for any other customers around the world. (Sparks and Browning, 2011).

In other words, it is uncertain and difficult for customers to distinguish between true and false information on social media which are recently overcrowded with both valuable and doubtful information (Acar & Muraki, 2011). In the absence of indices criterion for the quality identification of the source, eWOM seems less credible than traditional WOM due to the information accessibly and "tracking" of WOM (Ye, Law, & Chen, 2011). Trusting false information could lead customers to wrong decisions and leading upcoming losses later such as time, performance, financial, psychosocial, and physical loss; hence, it is critical to understand how customers form trust of information on social media.

Furthermore, customers who have considered eWOM as lacking of accuracy, credibility, or reliability by their experience of a product or service reasonably distrust that eWOM (Nam, Baker, Ahmad, & Goo, 2018). Therefore, the quality of the review and the credibility of the source are the most essential factors influencing the validity of the available information and even become more important when provided information is negative (Ladhari & Michaud, 2015; Racherla & Friske, 2012). In order to lower the risk and make better decisions associated with booking hotel room, customers tend to seek information from various sources through the recommendations made either by friends and family members or experts associated with the company in the field of customers' concern (Dickinger, 2011). The trust in online comments affects their usefulness and the degree to which they are accepted by travelers, and influences the decision-making process. Moreover, Dickinger (2011) reports that the content generated by other users is seen as intensely informative and gain more trust in comment created by peers than the content written by any company experts (e.g., managers) in the field. O'Connor (2008)'s findings also agree that travelers prefer recommendations generated by their peers with similar interests. However, no research result shows obvious evidences for the direct significant effect of trust in online comment on eWOM dimension. Only one study by Nam, Baker, Ahmad, & Goo (2018) examines what causes consumers to trust or distrust a review on the hotel's website which is one type of eWOM and how value is formed (or destroyed) through online reviews. Nam et. al (2018)'s findings indicate that the positive impact of customers' distrust of the previous eWOM on negative eWOM in the hotel context. In addition, the moderator role of Internet users' trust in comments written by Facebook friends on the relations of eWOM on booking intentions, attitude toward the hotel, trust toward the hotel and quality of the website was found out in the research of Ladhari and Michaud (2015). Thus, we propose to investigate whether customers have more trust in online comments will have the motivation to search more reviews on social media.

There is rich literature researching the eWOM's effects on customers purchase intention: product choice (Senecal & Nantel, 2004), viral marketing (Subramani & Rajagopalan, 2003), book sales (Chevalier & Mayzlin, 2006), hotel booking intention (Ladhari & Michaud, 2015), brand purchase intention (Jalilvand & Samiei, 2012), and so on. For example, Chevalier and Mayzlin (2006) have examined the effects of online product reviews on the relative sales of two online bookshops based on the availability of public data from two leading online booksellers and consistently with the literature, online communications significantly positively affect other consumers' purchase behavior. Especially, the research of Ladhari & Michaud (2015) depicts a deeper understanding of online comments effects on social media on hotel booking intentions and other customers' perspectives consisting of trust in hotel and attitude to the hotel. These two authors confirm that the more positive the comments about a hotel are, the more positive the attitude toward it will be and the higher the trust will be in that hotel. Nonetheless, there is little research paying attention of the effect of eWOM on hotel image and reputation although these two factors play important roles in customer decision making, especially for luxury hotels which is the competitive advantages of upscale hotels compared with normal ones in the market. Furthermore, these two constructs are especially critical in developing and maintaining a loyalty in general and behavioral intention in particular on the part of customers (Dick and Basu, 1994 & Porter, 1985). The study of Jalilvand & Samiei (2012), which is one of very rare researches on this field finds out that eWOM is one of the most effective factors influencing brand image and purchase intention of brands in consumer market. In addition to this, Bambauer-Sachse and Mangold (2011) investigated the effects of negative online product reviews, which is considered as a specific type of word-of-mouth communication, on consumer-based brand equity. Corporate image and reputation are thus the results of an aggregation process which integrates various information used by the consumer

to form a perception of the company. Even for a customer who has not yet had experience with the company, these perceptions may be established from other sources of information such as advertising or word-of-mouth (Nguyen & Leblanc, 2001). However, most of the studies have analyzed corporate image and corporate reputation separately and little empirical findings in favor of the relationship between corporate image and corporate reputation and the relationship between corporate image and corporate reputation in the customer's retention decision in the services industry simultaneously. As a consequence, it is necessary to have a deeper understanding on the effects of eWOM on corporate reputation and image, the effect of these two construct on behavioral intention, and their relationship in the luxury hotel context which is sustainably suffered if these relationships are negatively influenced.

According to a report on Pew Research Center in 2018, Facebook used to be prominent in the social media scenery among America's youth – but today it is no longer the most popular online platform among teens (Teens, Social Media & Technology, 2018). In 2018, three online platforms other than Facebook including YouTube, Instagram and Snapchat are used by sizable majorities of this age group, particularly approximately half (51%) of U.S. teens from 13 to 17 years old confirm that they use Facebook remarkably lower than the shares that they use on YouTube (85%), Instagram (72%) or Snapchat (69%). In addition, 32% of respondents use YouTube the most whereas just 10% confirms with Facebook. Consequently, these three platforms have become the most popular online platforms among teens and YouTube is superior to the rest including Instagram, Snapchat, Facebook, Twitter, Tumblr, and Reddit (Teens, Social Media & Technology 2018). Therefore, interactions on YouTube strongly contributes to form customers' perception about product and service. In addition, YouTubers currently have become a huge phenomenon online. It refers to video bloggers (vloggers) or "YouTube celebrities" who regularly post videos on their personal YouTube channels (Jerslev, 2016). The emergence of the YouTube channel and the success of "YouTube celebrities" have accommodated luxury brands with a marketing tool to connect with customers (Lee & Watkins, 2016). Moreover, the study of Lee and Watkins (2016) finds out that luxury brand perceptions and purchase intentions for the experimental groups, who watched YouTubers' videos which positively review luxury products, were higher than control group, who did not watch vlogger's videos. Similarly, Ladhari and Michaud (2015) designate that the group who watched positive comments on Facebook has a stronger effect of comments created on the Facebook network on brand attitude, trust, and booking intentions toward 4-star hotels than those who watched negative comments. Based on it, this study proposes that a negative post of a YouTuber will negatively moderate the effect of eWOM on customers' attitude toward hotel, trust in hotel, hotel reputation, hotel image, and hotel booking intention in the luxury context.

In summary, this research aims (1) to examine how customers process comments on social media to determine whether or not to trust the comments toward luxury hotels then decide to look for reviews on social media for luxury hotels; (2) to examine the effects of eWOM on trust, attitude, image, reputation, and booking intention for luxury hotels; (3) to explore the mediated effects of eWOM on booking intention for luxury hotels through trust, attitude, image, and reputation; and (4) to what extent the influencers' negative reviewing videos moderate the effects of eWOM on customers' trust, attitude, image, reputation, and booking intention toward luxury hotels. Hennig-Thurau, Gwinner, Walsh, & Gremler (2004) have defined eWOM as any positive or negative statement made by potential, actual, or former consumers about a product or a company and spread out to a large quantity of people through Internet. In this study, eWOM refers to any positive, neutral, or negative online comments on YouTube about luxury hotels. The Hypotheses and conceptual framework are shown in the following



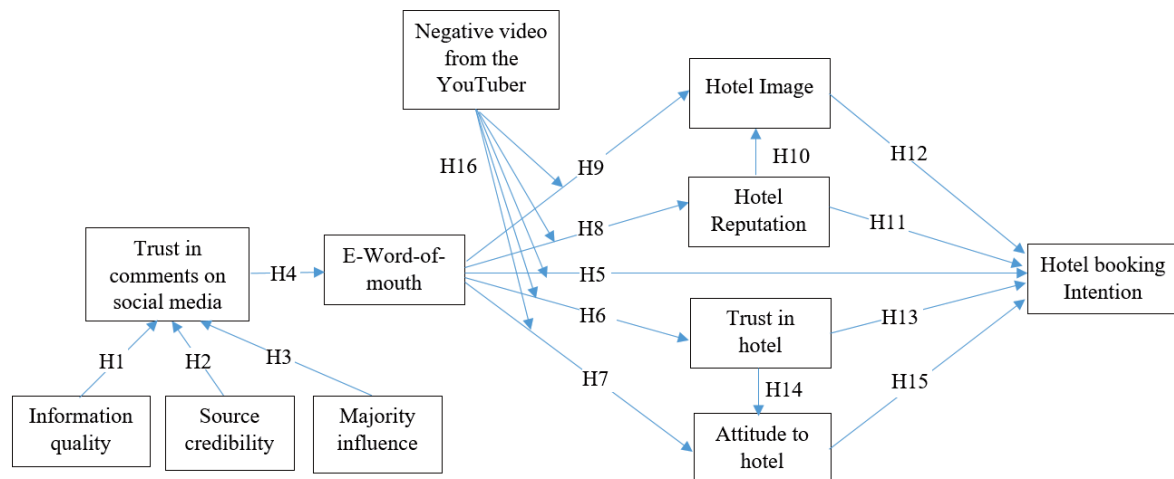


Figure 1: The conceptual framework

H1: Information quality positively related to customers' Trust in comments on social media

H2: Source credibility positively related to customers' Trust in comments on social media

H3: Majority Influence positively related to customers' Trust in comments on social media

H4: Trust in comments on social media positively influences on eWOM to luxury hotels

H5: eWOM positively influences on Customer's booking intention on luxury hotels

H6: eWOM positively influences on Trust in luxury hotels

H7: eWOM positively influences on Attitude to luxury hotels

H8: eWOM positively influences on luxury hotel reputation

H9: eWOM positively influences on luxury hotel image

H10: Hotel reputation positively influences on Hotel image

H11: Hotel reputation positively influences on Customer's booking intention on luxury hotels

H12: Hotel image positively influences on Customer's booking intention on luxury hotels

H13: Trust in hotel positively influences on Customer's booking intention on luxury hotels

H14: Trust in hotel positively influences on Attitude to luxury hotels

H15: Attitude to hotel positively influences on Customer's booking intention on luxury hotels

H16: Negative review from influencers on social media will lower the impact of eWOM on customer perception to luxury hotels

This research mainly used the experimental method to examine proposed Hypotheses in the conceptual framework. The research context is in Vietnam community. Respondents are divided into two groups with the sample size of 200 per group because Hoyle (1995) has suggested that 100 to 200 is usually a good starting point in carrying out path modeling for Structural Equation Modeling (SEM). Undergraduate students will be recruited and randomly assigned to two groups. Both control and experimental groups will be shown both negative and positive comments of a 4-Star resort hotel in Vietnam from various YouTube channels. Then, for the control group, the questionnaires of examining constructs will be delivered to 100 respondents. For the experimental group, respondents are shown a negative video posted in a famous YouTube channel which specializes in tourism. After watching the video, participants will be asked to answer to the same questionnaire administered in the control group.

The measurement scale is developed in the Table 1. SPSS 22.0 will be used for descriptive data, reliability test, correlation test, and Exploratory Factor Analysis (EFA). Then, Smart-PLS 3.0 is used for further analysis such Confirmatory Factor Analysis (CFA) to confirm the convergence and discriminant validity of the model, PLS-SEM for structural model assessment, and Multi-Group Analysis for the moderation effect of YouTuber's negative. In addition, Chi-

square difference test is also applied to check the equivalency of the constrained model. The 7-point Likert scale is applied in this research.

## **2. What to sell and how to sell matter: sales mix differentiation for luxury hotel firms**

Jaewook Kim, University of Houston

### **3. Looks Clear and Sounds Familiar: Influence of Online Hotel Image and Brand Familiarity on Consumer Perceptions and Judgments about Luxury Hospitality and Service**

Sann Ryu, Hanyang University

Yun Na Park

**4. The loyalty program for our self-esteem: The role of collective self-esteem in the development of customer-brand relationship among luxury hotel brands**

Minjung Shin, Hilton University of Houston

Ki-Joon Back, University of Houston

JungKun Park, Hanyang University

<IR Session 1-3 Customer Online Connection and Message Processing>

**1. Emojis and Assertive Environmental Messages in Social Media Campaigns**

Tae Hyun Baek, University of Kentucky

Seeun Kim, Auburn University

Sukki Yoon, Bryant University

Yung Kyun Choi, \*Dongguk University

Dongwon Choi, Kookmin University

Hyejin Bang, Kookmin University

**Abstract**

**Purpose** — The authors aim to examine how emojis interact with assertiveness in social media posts to encourage social media engagement and cooperation in environmental campaigns.

**Design/methodology/approach** — Two experiments were used to test three hypotheses.

**Findings** — Study 1 shows that when assertive Twitter messages include the smiley-face emoji, study participants indicate stronger social media engagement and behavioral intentions to recycle used jeans. In Study 2, participants indicate stronger social media engagement and behavioral intentions to sign a petition for reducing plastic pollution when (non) assertive Facebook messages (do not) include emojis.

**Originality** — The current research advances understandings about how emojis interact with assertive and nonassertive message tonality in environmental social media campaigns. This research also provides new insights showing that positive emotion is the psychological mechanism underlying matching effects of emoji and message assertiveness

**Keywords** — emoji, environmental campaigns, message assertiveness, social media engagement, sustainable behavior



## 2. Consumer Hesitation at Purchase Stage: Collective Cognitive Dissonance and Self-Threat

Jeongbin Whang, Korea University

Jong-Ho Lee

Ji-Hee Song

### Abstract

**Purpose** - This paper aims to examine methods of attenuating purchase hesitation and retaining consumers' original purchase intention based on two theories: collective dissonance theory and self-affirmation theory.

**Design/methodology/approach** - Two experiments were conducted with 185 participants to examine how purchase hesitation caused by negative feedback from peers at the purchase stage may be resolved.

**Findings** - The results indicate that negative feedback from peers at the purchase stage decreases purchase intention. Offering additional supporting information regarding consumer choice mitigates the negative influence of purchase hesitation on purchase intention and information search intention. Moreover, providing cues to enhance self-esteem reduces consumer intention to search for additional information, but does not restore reduced purchase intention.

**Research limitations/implications** - This research provides meaningful implications for the area of research focused on consumer decision making. Moreover, this study empirically examines consumer hesitation based on two theories: collective dissonance theory and self-affirmation theory. This study's findings contribute to the theoretical development of new media and future research on consumer decision making.

**Practical implications** - This study's findings provide marketers with insights on how to manage different types of hesitation at the purchase stage. Marketers must understand the various reasons for hesitation to increase consumers' satisfaction and reduce the cost of attaining consumers.

**Originality/value** - This research is a first attempt at examining the emerging phenomenon of hesitation stimulated by peer consumers in both virtual and brick stores at the purchase stage.

**Keywords** Purchase Hesitation, Collective Cognitive Dissonance, Self-Affirmation, Self-Threat

### **3. The Impact of Online (versus Offline) Shopping Channel on Consumer Decision Process**

Lee KyungTag, Yeungnam University

WANG HUIMIN, Yeungnam University

#### **Abstract**

The present research investigates a novel question of whether and how the specific format of shopping channel (online versus offline) influences consumers' decision-making. We theorized that online and offline channels provide consumers with systematically different experiences, and drawing from construal level theory, we predicted that psychological distance varying across online and offline channels indeed shifts consumers' construal level and affect their decision process. Specifically, we predicted that, in online channel, consumers pay more attention to a product's desirability. In addition, in offline channel, consumers pay more attention to a product's feasibility. Two studies supported our predictions. Study 1 examined the effect of online versus offline channels on consumers' construal level, which, in turn, shifts consumers' attention focus. Study 2 further showed the effect of outcome versus process simulation on consumers' purchase intention in different shopping channels. Given that many firms sell the same products in multiple channels, the findings of this research offer various theoretical and practical implications to marketers.

**Keywords:** Internet, shopping channel, online, offline, decision making, consumers

## Paper Session 2 13:20 - 14:40

ABM	<b>Session 2-1: WOM, sensory experience and emotion</b> <a href="https://us02web.zoom.us/j/81721777812">https://us02web.zoom.us/j/81721777812</a>		<b>Meeting Number</b> <b>817 2177 7812</b>
	<b>Session Chair: Young Jee Han (Sungkyunkwan University)</b>		Presenter
	1	Information Distortion in Retransmission Word of Mouth	Hye Kyung Park
	2	A Study on Consumer Emotional Response by Music, Color, and Synesthesia : Focusing on EEG Comparison between Korean and US Consumers	Yi EunJeong
	3	The Role of Animosity on Purchasing Foreign-made Products: Evidence from the Relationship between Vietnam and China	Nguyen Van Anh
CHQ	<b>Session 2-2: Luxury hospitality and service marketing</b> <b>- Luxury hospitality industry II &amp; Luxury services</b> <a href="https://zoom.us/j/94420867058">https://zoom.us/j/94420867058</a>		<b>Meeting Number</b> <b>944 2086 7058</b>
	<b>Session Chair: Alex Jiyoung Kim (Sungkyunkwan University)</b>		Presenter
	1	Antecedents of Medical Hotel Prestige and Online Word-of-Mouth Intention: Focusing on Medical Tourists to Korea	Jiyoung Yoon
	2	The Effects of Technology and Consumer Readiness on the Adoption of Self Service Technology in the Restaurant Industry: Moderating Effects of Consumer Traits and Situational Factors.	Sang Lin Han
	3	Asymmetric impacts of service attributes on satisfaction in luxury restaurants: Integrating a three-factor theory with machine learning techniques	Wooseok Kwon
IR	<b>Session 2-3: Online Platform and Customer Review</b> <a href="https://us02web.zoom.us/j/85164747827">https://us02web.zoom.us/j/85164747827</a>		<b>Meeting Number</b> <b>851 6474 7827</b>
	<b>Session Chair: Taewan Kim (Sungkyunkwan University)</b>		Presenter
	1	Increasing Review Adoption of Sponsored Blog Posts: The Impact of Influencers, Blog Expertise, and Message Sidedness	Minsun Y.
	2	HotelsOnlineMarketingstrategyduringCOVID-19Period	Hyun Soo, Yoo
	3	The impact of ubiquitous connectivity on continuance intention to use smartphone-based SNSes for sustainable participation	Lee KyungTag
JRCS	<b>Session 2-4: Consumers' Adoption of Technology</b> <a href="https://us02web.zoom.us/j/89800528537">https://us02web.zoom.us/j/89800528537</a>		<b>Meeting Number</b> <b>898 0052 8537</b>
	<b>Session Chair: Seung Hwan Lee (Ajou University)</b>		Presenter
	1	The Effect of Telepresence on Consumer's Flow Experience in the Virtual Reality Shopping Environment	Myoung-a An
	2	Technology Readiness and Technology Paradox of Unmanned Convenience Store Users	Hyun Jung Park
	3	A Study on enhancing the acceptability of Innovative Products by Machine Learning	Sun Nyoung Lee
	4	Innovation adoption and resistance: An empirical Study on customer's reason-for-adoption and reason-against-adoption of new technology	Seonggoo Ji

**<ABM Session 2-1: WOM, sensory experience and emotion>**

**1. Information Distortion in Retransmission Word of Mouth**

Sung Youl Jun, Sogang University Business school

Tae Wook Ju,

Jacob C. Lee, Dongguk University

Hye Kyung Park,

**Abstract**

The strategic importance of WOM has been increasing continuously in recent times, but the question remains whether information conveyed through WOM always reflects the truth. Despite its frequency and importance, the phenomenon of information distortion is relatively underexplored in WOM context, especially in WOM retransmission context in which the person retransmits information received from an original sender to a new receiver. The present research identified and explored the role of three key factors (retransmitter intent, source expertise/distortion, and content distortion) that are especially relevant in information in retransmission WOM process. Our carefully-designed experiment discovered that, (1) persuasive (vs. informative) retransmitter intent increases information distortion, (2) especially when the original information source has relatively low expertise, and (3) retransmitters with persuasive intent exaggerates (rather than minimizes) WOM information contents. This paper expands understanding of WOM communication and provides managerial insights on viral marketing strategies. (143 words)

*Keywords:* information distortion, retransmission WOM, source distortion, content distortion

## **2. A Study on Consumer Emotional Response by Music, Color, and Synesthesia : Focusing on EEG Comparison between Korean and US Consumers**

Yi Eun Jeong, ,

Kim Jooho, Myongji University

Son Jooyoung,

### **Abstract**

#### **(1) Research Question**

Where is the source of power for various sounds, including music, to move human emotions? In order to provide a scientific answer to this question, this study has recently focused on electroencephalography (EEG), which attempts to interpret consumer's psychological, behavioral and unconscious responses through the use of EEG technology.

Hearing, unlike other senses, is the only sensory organ whose stimulus information cannot be avoided by the human will, so that the auditory nerve continues to transmit sound to the brain even when sleeping, in anesthesia, or in a coma. Based on the continuity of hearing, companies are trying to appeal to consumers by informing them of the brand, and it has the effect of giving a positive image of the brand in the mind of consumers in unconsciousness (Herald Economy 2010).

Since music cannot be composed of one element, music is formed through the combination of complex elements, which affect other sensory organs. It creates synesthesia by harmonizing the emotional reactions of listening to music with color and form, and since it unites hearing and vision, it perceives more than the information transmitted to the brain through vision (Seo, 2004).

In addition, music and other sounds have emotions that only the people of the country can feel, which cannot escape the cultural background formed by the way of life and attitude (Elliott, 1989). In order to conduct research based on music, color and synesthesia stimulation for Koreans and Americans, it is necessary to first consider previous studies on comparative culture theory. Among the cultural dimension theory presented by Hofstede (1990), the foundational theory of cultural comparison, it is necessary to reinterpret collectivism and individualism from the socio-cultural perspective of consumers who accept auditory stimuli.

Therefore, the purpose of this study is to examine consumers emotional response to synesthesia of color which is activated simultaneously with music through EEG analysis. In order to interpret the psychological and unconscious hidden in the auditory stimulus by analyzing the consumer's response to the stimulus, we compare and analyze how cultural characteristics affect Koreans and Americans.

#### **(2) Method & Data used**

Consumers' emotional responses to music and color stimuli are measured using electroencephalography (EEG). Based on the results of previous studies confirming that they appear as synesthesia with the visual sense of auditory stimulus, music stimulation(sheet) and

color stimulation (image) of appendix are used. A comparative analysis will be conducted of Korean and American consumers on how cultural characteristics affect the experimental stimulus.

The criteria for the selection were Korean and American college students aged 19 or older living in Seoul. A total of 32 men and women were recruited at an equal rate of eight men and women. Foreign college students are American nationals, and Korean language institute students who are English speakers based on mother tongue participated. The study subjects were conducted in a single group, and this study analyzes EEG by using non-invasive EEG devices for the emotional reactions of listening to music stimuli (Appendix) and staring at color stimuli (Appendix).

Music stimulation is experimental music that completely controls the three elements of music: Rhythm, Melody, and Harmony. The player previously played the piano and listened to the recorded music at the same time and the same volume level. It is to analyze the brain wave response after listening to music (Appendix) that is conducted within 8 words of Harmony Chord, listening to the items and music that are answered to the question, and seeing color (Appendix) displayed on the computer monitor screen.

For EEG measurement, electrodes were attached according to the international standard 10-20 System. 'AF3 / AF4 (frontal lobe left / right)', 'F3 / F4 (frontal lobe left / right)', 'T7 / T8 (frontal lobe left / right)', 'O1 / O2 (frontal lobe left / right)' The data of 8 electrode position points were analyzed.

### (3) Summary of Findings

The purpose of this study is to compare the emotional response of the East and West to music and color in Koreans and Americans. Culture has its own unique way of expression, including music and various sounds.

Sociocultural characteristics are expected to generate differences between consumers in the East and West in the acceptance of auditory stimuli that affect emotional responses. Since there are no studies on the response of auditory stimuli between Korean and American consumers, we reviewed the relationship between sociocultural background and music preference in white and black children in the United States. McCray (1993) noted that black children prefer styles of music played by black performers, while white children show no difference in their preference for particular music. What can be inferred from the sociocultural point of view is that the situation in which you are ethnically, socially and culturally can be a very important factor in music preference. In addition, in the study of multicultural music preferences, the relationship between music and social culture is closely related. Teo, Hargreaves & Lee (2008), who conducted a preference evaluation among various first-time music among British and Singaporean teenagers, showed that Singaporean youth had a higher preference for Chinese music than British teenagers.

This study uses the sound that controls the hearing, which is a sensory organ that cannot be controlled by the individual among the five senses of humans, as a stimulus to draw a new perspective on the effect of external stimuli on the emotions and behaviors of consumers. It is expected to present new milestones in multidisciplinary research.

#### (4) Key Contributions

If the results of this study are interpreted in conjunction with the consumption environment, it is possible to predict the attitude considering the use of auditory stimuli and the emotional response of the consumers of cultures in each country, as well as bring about meaningful results in the educational dimension. Fung (1994) says that people exposed to different sound environments can understand different cultures more deeply, have an open attitude toward themselves and other cultures, and reduce errors in racial discrimination and cultural superiority. Therefore, this study will be required not only to identify a set of mechanisms by which music and color stimuli affect behavior in human psychology and consumption environment, but also as an educational perspective on the role and use of sound environment. Furthermore, it is expected that the direction of research will be expanded not only to build a strong brand by improving music as an auditory stimulus unit but also to enhance welfare and national competitiveness that enhance the quality of life of consumers.

### **3. The Role of Animosity on Purchasing Foreign-made Products: Evidence from the Relationship between Vietnam and China**

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Nguyen Thi Phuong Thao

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Sang-Lin Han, Corresponding author

School of Business, Hanyang University, South Korea



## **<CHQ Session 2-2: Luxury hospitality and service marketing - Luxury hospitality industry II & Luxury services II>**

### **1. Antecedents of Prestige on Medical Hotels and Online Word-of-Mouth Intention : Focusing on Medical Tourists to Korea**

Jiyoung Yoon, Ewha Womans University, Soonhee Joung, Ewha Womans University

#### **Extended Abstract**

As human beings' average life expectancy increases due to the development of medical technology and the improvement of living environment, interest in healthy life is leading to the increase of health-related consumption (Noh, 2009). Therefore, global attention is increasingly paid to the premium luxury service in the medical field.

Medical tourism indicates that tourism combined with medical treatment is conducted for special purposes related to health (Hall, 1992). Recognizing the importance of medical tourism, the Korean government has implemented medical tourism services in earnest since 2009 and established "medical tourism hotel industry" in order to promote the medical tourism industry (Lee, 2016). In these days, medical tourism services of Korea have technological competitiveness in the medical industry, and the number of foreign tourists visiting for the purpose of beauty-related medical services tends to rise due to the Korean wave. "Medical hotels," which emerged from such background, provide medical services, such as procedure and beauty and medical treatments, along with hospitality service (Han & Hwang, 2013). In line with changed needs and lifestyles of consumers, they are expected to continue to increase in the future. In November 2013, the "medical tourism hotel industry" was established as a kind of the hotel industry through the revision of "the Enforcement Decree of the Tourism Promotion Act." This can also suggest that medical hotels are expected to make considerable contributions to the medical tourism industry of Korea (Lee, 2016).

Thus, as the demand for medical hotels increases, empirical and in-depth studies will be needed on so-called high-class services for medical tourism consumers. To date, research related to medical hotels in Korea is quite lacking (Jeon & Shim, 2014), and even the classification of high-class services is confusing.

Therefore, this paper intended to conduct an empirical and academic study on luxury services of medical hotels that medical tourists to Korea perceived. The results of this study are expected to serve as basic data for enhancing marketing competitiveness of medical hotels as well as various companies using prestige service strategies and further, improving service satisfaction and quality.

#### **(1) Research hypotheses**

Based on prior studies, the present study intended to identify the effects that the benefits that medical hotels provided for consumers on the basis of luxury service had on consumers' perception of prestige. To this end, it classified the luxury services experienced by consumers in medical hotels into three sub-factors of relational benefits: informational, psychological, and social benefits. Then, it examined the relationships between these sub-factors and prestige, and set online word-of-mouth (WOM) intention as the final dependent variable. Prestige is a concept that makes positive factors perceived as more positive and offsets negative factors to some extent, and its foundation is consumers' perception of services (Baek et al., 2010). In addition, it is a concept by which consumers perceive their social status or wealth as higher by

using relevant goods or services (Steenkamp, Batra & Alden, 2003). Therefore, this study assumed that consumers were more likely to perceive prestige by being provided with services with luxurious relational benefits. WOM intention refers to the act that consumers positively spread their own experience (Oliver, 1997). Online WOM intention is a phenomenon that takes place when a consumer who experienced a goods or service is satisfied or dissatisfied with the goods or service (Lim, 2013). In this case, WOM intention is based on the consumer's high credibility (Fong & Burton, 2006). This study set online WOM intention as the dependent variable in that recent consumers had a tendency to actively use SNS (social network service) due to the development of mobile technology and the changes in consumers' lifestyles.

Based on these prior studies, the present research set the following hypotheses.

H1 Informational benefits of medical hotel services will be positively related to prestige.

H2 Psychological benefits of medical hotel services will be positively related to prestige.

H3 Social benefits of medical hotel services will be positively related to prestige.

H4 Consumers' perceived prestige on medical hotel services will be positively related to their online word-of-mouth intention.

## **(2) Method & Data**

This study intended to verify and analyze the effect of relational benefits of luxury services provided by medical hotels on prestige. In addition, it aimed to identify the influence of prestige on online WOM intention. For informational, psychological, and social benefits, which were the antecedent variables and sub-factors of relational benefits, this study used five question items each from those of Gwinner et al. (1998). Prestige was operationalized as "satisfaction and value consumers feel by using medical hotels" and measured with three measurement items (Baek et al., 2010). For online WOM intention, this study operationalized as "the degree to which a consumer positively mentions others through the Internet after using a medical hotel" and measured it with three measurement items (Oliver, 1997). All the measurement items used a 5-point Likert scale.

The scope of medical hotels in this study covered hotels in areas with many hospitals and those where medical institutions were located, based on Ziqi's (2013) classification. This study conducted the survey on the streets with many hospitals and clinics in Gangnam-gu and in Gangnam Severance Hospital and Kangbuk Samsung Hospital in Seoul from 3 to 20 November 2019. It distributed the questionnaires after identifying only consumers who had experienced medical hotels. There were three versions of questionnaire: Korean, English, and Chinese. For the final empirical analyses, this study used 260 questionnaires. The respondents were Korean, Chinese, Japanese, Singaporean, and Vietnamese, whose ages ranged from 20s to 60s.

## **(3) Summary & Findings**

This study conducted an exploratory factor analysis and a reliability analysis to derive the factors of relational benefits. According to the exploratory factor analysis, all exceeded the criteria. The reliability analysis results showed that all Cronbach's alphas were greater than 0.8. Hence, the homogeneity of the variables for each factor was identified. Therefore, this study derived three sub-factors (i.e., informational, social, and psychological benefits) of relational benefits of medical hotels. Applying the factors to the research model, it conducted a confirmatory factor analysis and then tested the hypotheses through a structural equation model analysis.

Through the confirmatory factor analysis, this study tested the validity and reliability of the variables and identified that the model fit indexes were acceptable. Factor loadings also exceeded the criterion. According to the test results of the convergent and discriminant validity of the constructs, the average variance extraction (AVE) of each construct was greater than the standard value. In terms of discriminant validity, the AVEs were also found to be higher than the squared correlations.

The analysis results of the structural equation modeling to test the research hypotheses, all the model fit indexes were identified as adequate ( $\chi^2=513.320$ ,  $p<.001$ ,  $\chi^2/df=2.393$ , NFI=.903, IFI=.902, TLI=.917, CFI=.921, RMR=.026, RMSEA=.067). In addition, all the hypotheses of this study were supported.

#### **(4) Contribution**

The purpose of this study was to derive the factors of relational benefits of medical hotels and to identify the factors that affected prestige among them. In addition, this study intended to investigate the relationship between prestige perceived by consumers and online WOM intention. The results demonstrated that as medical tourism consumers perceived the relational benefit services offered from medical hotels as better, the formation of prestige was more positively influenced. In particular, this study identified psychological benefits as the most influential factor. This explains that consumers are seeking safety and comfort in the services provided by medical hotels. This result was consistent with the results of prior studies (Gwinner et al. 1998). Therefore, medical hotels seeking luxury services need to provide medical tourists with accurate, reliable, and good-quality medical information services and to pursue marketing strategies that can enhance psychological stability and trust and be socially differentiated. Furthermore, this study identified that prestige perceived by medical tourists who used medical hotels also had a positive effect on online WOM intention. Considering that, in terms of prestige, people express their social status through specific objects, prestige can be inferred to have a great influence on online WOM intention. Accordingly, it is necessary to introduce a differentiated concept of prestige, which considers the changed eye levels and lifestyles of contemporary people, and also to discuss the strategic marketing direction which uses factors of relational benefits. In particular, because consumers using medical hotels have a definite purpose of focusing on medical treatment and procedure, it is required to provide more accurate and professional information, and to actually devise strategies that improve psychological and social benefits through medical professionals. In addition, this study has academic and practical significance in that it was able to identify that relational benefits also exerted a strong effect on the perceived prestige on medical hotels and that luxury marketing was important for medical tourism consumers.

**Keywords :** medical hotel, relational benefits, prestige, online WOM, medical tourist, Korea

## **2. The Effects of Technology and Consumer Readiness on the Adoption of Self Service Technology in the Restaurant Industry: Moderating Effects of Consumer Traits and Situational Factors**

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Sang-Lin Han, Hanyang University  
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Joseph C. Ha, Hawaii Pacific University

### **Abstract**

Self Service Technology (SST) refers to technological interfaces that enable customers to produce a service independently, without service employees' direct involvement. Because of the recent technological evolution and rising labor cost, most companies in the retail and service industries tend to use more technology-based SST options. This study tried to investigate the effects of technology readiness and consumer readiness on SST service quality, attitude toward using SST, and intention to use SST in the high-end, premium restaurants.

Research hypotheses and the proposed research model were developed. Survey questionnaire was designed based on Technology Acceptance Model (TAM), technology readiness, perceived ease of use, perceived usefulness, attitude toward innovative product, and intention to use innovative product. 501 usable data were analyzed by using structural equation modeling analysis.

This study found that consumer readiness has a stronger and statistically more significant influence on all of SST service quality's six dimensions than technology readiness. The result also showed all six dimensions of SST service quality have a significant and positive influence on consumers' intention to use SST. Moderating effects of consumer traits and situational factors in the relationship between SST service quality and attitudes and intentions toward using SST were also confirmed.

This study verified consumer readiness as well as technology readiness is a significant leading variable which influences on perceived SST service quality that previous studies have not dealt with. From the managerial point of view, this study can give us an understanding of how attitude and intent change according to each of perceived service quality factors. The results of this study can provide various suggestions regarding the recent technology-based customer services in practical point of view. Moreover, the study results can be applied to any other service industries in which self service technology is used to attract more customers.

**Key Words:** Self Service Technology, Consumer Readiness, Technology Readiness, SST Service Quality, Innovation

**3. Asymmetric impacts of service attributes on satisfaction in luxury restaurants:  
Integrating a three-factor theory with machine learning techniques**

Wooseok Kwon, University of Houston

Minwoo Lee,

John T. Bowen,

#### **4. How Looking Forward over the Short Period To -Go Affects Consumer Enjoyment: Role of Temporal Scarcity in Access-Based Services**

Shinhyoung Lee, Sookmyung Women's University

Kiwan Park, Seoul National University

##### **Abstract**

Access-based services (ABS), which allow customers to enjoy temporary use of goods without ownership, have shown tremendous growth in recent years. This research sheds light on the relationship between service period framing and consumers' anticipated enjoyment of ABS. The findings suggest that focusing on the remaining (vs. consumed) service period enhances anticipated enjoyment of upcoming experiences. Moreover, the focus-frame effect emerges when the remaining period is comparably short (vs. long) relative to the entire period because consumers tend to perceive more temporal scarcity when looking forward over the short period to-go. This research also examines the moderating role of perceived product benefits (hedonic vs. utilitarian) and reveals that the focus-frame effect via perceived temporal scarcity is amplified among consumers who tend to infer hedonic, rather than utilitarian, benefits from the borrowed goods.

## **<IR Session 2-3: Online Platform and Customer Review>**

### **1. Increasing Review Adoption of Sponsored Blog Posts: The Impact of Influencers, Blog Expertise, and Message Sidedness**

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Jae Eun Jeong, Korea University, Business School

#### **Abstract**

Keywords: Sponsored posts, Blog, Influencer, Review adoption

#### **Introduction**

Consumers are more likely to trust information about products or services when they are provided by online reviewers. These consumer-reviewers' posts, based on their own experience, highly influence their readers' purchasing decisions. (De Veirman, and Hudders, 2019; Lee and Koo 2012; Lee and Youn 2009; Sen and Lerman 2007). With the growing value and persuasive power of online consumer reviews, utilizing regular consumers' posts has become an important marketing strategy among advertisers (Goldsmith and Clark, 2008). In particular, marketers have begun to use "sponsored reviews" published via social media as a way of marketing their own brands (Lu, Chang, and Chang 2014). Social media influencers who have many followers are asked to write a sponsored review and post it on their social media websites while the sponsoring corporation compensates them with either free products (i.e. material compensation) or money (i.e. financial compensation).

In order to guarantee transparent and ethical reviews, influencers have to clarify that they have received sponsorship (De Veirman, and Hudders, 2019). Existing studies, though, discovered that the consumer tends to distrust sponsored reviews. However, whether a sponsored blog review negatively impacts a consumer's purchasing decision has not been fully investigated or confirmed in current academic research.

Thus, the key research question in this study is:

RQ. To what extent does a sponsored blog post increase review adoption?

This study tries to answer this research question by exploring two aspects that can enhance

review adoption: the kind of products or services under review as well as the perspective of a written review. With that premise, this paper aims at investigating how the agreement between the blogger's expertise and the object of review, the influence level of a reviewer, and message sidedness affect the review adoption of blog reviews.

#### **Literature review and hypothesis development**



Blogs are one of the fast-growing social media platforms and allow their users to communicate their opinions to a wide range of audiences in an inexpensive way (Yang, 2011; Zhu and Tan, 2007). There is no doubt that blogs are an important and useful tool for marketing communication. Despite the importance of this platform, research on blog reviews is still very limited (Chu and Roh 2014). Existing studies do not take into consideration the distinctive characteristics of blogs, which are different from other social media platforms. For example, many retail and media based sites offer star-rating systems for consumers to provide quick and simple reviews of products or services. The blogging platform, however, is structured around unlimited composition space for longer in-depth reviews as well as the inclusion of multimedia such as images or video. Due to the different capacity for review simplicity or complexity, each platform needs to be assessed in its own context. In turn, this study focuses on the distinctive features and contexts of the blogging platform (Van Reijmersdal et al., 2016.)

Using social media influencers to establish a positive image of their brand is the most commonly used practice among marketers (De Veirman et al., 2017). Previous studies have shown, however, that sponsored reviews have a negative effect on not only brand attitudes but also the reputation of the influencer. These studies argue that sponsored reviews negatively impact the consumer's attitudes towards the brand as well as the credibility of the influencer especially when the sponsorship is revealed in the post because the consumer recognizes the review as an advertisement (De Veirman, and Hudders, 2019; Evans et al., 2017). In addition, it has been claimed that the disclosure of sponsorship discourages readers' willingness to share the post (Evans et al, 2017; Wojdyski and Evans, 2016). This research on sponsored reviews on social media sites has been adopted to understand the impact of blog reviews (Van Reijmersdal, 2016).

Nevertheless, many brands want to sponsor social media influencers. This group is now so powerful that they even affect the rise and fall of companies. In general, there will be differences between the everyday consumer reviews and the reviews of influencers. However, according to previous research, sponsorship information has a negative impact on the credibility of influencers (De Veirman, and Hudders, 2019; Evans et al., 2017), so it is necessary to consider the power of a review to impact changes in consumer opinion when the review is written by an influencer versus when it is written by an everyday consumer. Specifically, we examine how the influence of different sources on reviewers interacts with the agreement between the blogger's expertise and the object of review, as well as message sidedness.

According to the match-up hypothesis, the effect on the consumer's purchasing decision is greater when the fit is high between the endorsement (blogger with reviews of products or services in this study) and the reviewed product (Kamins and Gupta 1994). But when consumers make decisions, they don't necessarily rely more on experts (Dean and Biswas 2001). Therefore, for the sponsored post, it is expected that the results will be different from the non-sponsored post. The fact that they received sponsorships can elicit a negative response from consumers. So, we expect that:

H1. When written by an influencer, the review adoption of the post is not affected by the agreement between the blogger's expertise and the object of review.



H2. When written by a regular consumer, the review adoption of the post becomes higher if the blogger's expertise corresponds to the object of review (café expertise – café review) than if the blogger's expertise does not correspond to the object of review (cosmetic expertise – café review).

Blog reviews, at least theoretically, allow blog readers to recognize that they receive unbiased information because of the reliability of information sources. However, sponsored posts generally contain more positive information about a product or service. Compensation may also motivate the reviewer to provide more positive information. Therefore, disclosing the fact that it is a sponsored post can dissuade consumers to purchase the product or service under review (Lu et al., 2014).

A review including only positive content can lead consumers to evaluate it as distorted information and to form a defensive attitude toward the message, resulting in a less receptive or unreliable information (Gibbons 2004; Levin and Cross 2004; McAllister 1995). This trend will be more pronounced in the sponsored review. When it contains only positive comments about the product, the review can be perceived as brand advertising and unreliable information. In light of these ideas, we hypothesize that:

H3. In terms of positive reviews, review adoption is higher for the influencer's posts than the regular consumer's posts.

H4. In terms of two-sided reviews that contain both positive and negative comments, there is no significant difference in review adoption between regular consumers and influencers.

## **Study 1**

Thus, the present study examines the interaction effect of the agreement between the blogger's expertise and the object of review (agreement or disagreement) and the influence level of a reviewer (high: influencer or low: regular consumer) on consumer review adoption of blog posts (To test hypotheses 1 and 2).

This study used actually sponsored posts as the stimuli. Our experiment was designed with 107 undergraduate students from a university in Seoul, South Korea. Participants were exposed to sponsored blog posts that review a café in written form with images. Participants were randomly assigned to one of the four prepared blog posts.

Using scenario techniques, respondents were asked to imagine situations in which they are looking for a quiet cafe in Myeong-dong for conversation. Afterwards, the participants were asked to enter the search term 'Myeong-dong Silent Cafe' in an Internet portal site and to read a blog review from one of the results. The participants read one of the prepared stimuli. After reviewing the blog post, the participants were asked to answer questions.

The review adoption was measured with two questions on a 7-point scale: 'I'm willing to choose a product based on the blogger's opinion' and 'I'm willing to make a purchasing decision based on the blogger's review.'

## **Study 2**

To test hypotheses 3 and 4, we investigate how message sidedness of sponsored reviews (positive or two-sided) and the influence level of a reviewer affect review adoption.

The review target of the stimuli is a restaurant. The positive review contains three positive points written in the body and conclusion. The two-sided review includes three positive and three negative points in the body and the conclusion.

Study 2 also used the scenario technique, and the procedure was the same as Study 1. 101 university students from Seoul, South Korea participated in the Study 2 experiment.

## **Results**

The first experiment examined whether and how the influence level of a blogger and the agreement between the blogger's expertise and the object of review affect review adoption when sponsorship is disclosed. The study found out that the influence level as well as the agreement between the blogger's expertise and the object of review does not affect review adoption. If influencers reviewed a cafe, the agreement between the blogger's expertise and the object of review does not affect review adoption (supported H1). If it is a regular consumer's post, review adoption is higher when the blogger's expertise corresponds to the object of review (café expertise – café review) than when the blogger's expertise does not correspond to the object of review (cosmetic expertise – café review) (supported H2).

The result of Study 2 showed that the influencers impact review adoption most when they write a positive review (supported H3). If written as a two-sided review, the review adoption of sponsored post is the same regardless of whether it was written by an influencer or a regular consumer (supported H4).

## **Implications**

Given that sponsored reviews are ubiquitous in social media, the results of our study will be of interest to advertisers who use social media as a marketing tool as well as to influencers. Academically empirical research has proved that general common sense is not always in use. Finally, it was shown that while studies have focused on quick and simple reviews of products or services, longer in-depth reviews that contain both written evaluations and multimedia can be carried out within their own context.

## **2. Hotels Online Marketing strategy during COVID-19 Period**

Hyun Soo, Yoo, KAIST

### **3. The impact of ubiquitous connectivity on continuance intention to use smartphone-based SNSes for sustainable participation**

Lee KyungTag, Yeungnam University

WANG HUIMIN, Kyungpook National University

#### **4. The Effects of Negative Reviews on Consumer's Webrooming Intention**

Hyojeong Kim, Sungkyunkwan University

Sangman Han, Sungkyunkwan University

##### **Abstract**

##### **Research Questions**

As the e-commerce market has grown up and become a vital role in consumer purchase process, consumer can make purchase decision through various channels such as offline store, online store and mobile shopping. Due to the advancement of the digital technology, consumers can navigate the multi-channels by switching channels easily. For example, some consumers may browse or search some product on websites before purchasing on the offline store, which we call 'webrooming'. Other consumers can browse or search some product, read reviews about the product on online and obtain enough confidence to make purchase decision in online shopping. Flovian et al. (2016) showed that positive online reviews can increase webrooming behavior since consumers who read the positive online reviews need more tactile information of products. Martin and Camarero (2008) also showed that consumers tend to adopt webrooming behavior because of the perceived risk of online shopping.

Even though it is common that consumers read online reviews in search process and then switch to offline store for purchase, there are very few studies that have investigated the effects of negative reviews on webrooming behavior. Previous study showed that positive reviews can increase the intention of webrooming. However, there exist no study on the effects of negative reviews on the intention of webrooming.

In this study, we want to explore how consumers multi-channel shopping behavior are affected when they are exposed to negative reviews. Obviously, negative reviews may decrease the purchase intention itself (Tybout et al., 1981, Wyatt and Badger, 1984). This is more common for intangible products. Due to the intangible product quality, consumer can't make fair evaluation. For example, negative movie reviews are playing an essential part in determining the box office sales (Basuroy et al., 2003).

The research question of this paper is as follows:

1. Do negative reviews affect consumer's distrust of online shopping which in turn leads to webrooming intention?
2. Does webrooming intention depend on the quality of negative review?
3. Does the type of reviews (product-descriptive reviews or delivery-descriptive reviews) influence the effects of negative reviews on distrust of online shopping?

## Method

Webrooming intention can be influenced by the type of product. To control this, pretest was conducted to test the NFT (Needs for Touch) scale of 6 product items (Clothes, Shoes, Accessories, USB memory, mouse and keyboard). The results show that those 6 product items are ranged from low to high on NFT scale. We chose T-shirt (high NFT) and Keyboard (low NFT) for the study. Then, we collected 1,000 online reviews of both positive and negative reviews from Coupang.com about the 2 product items—T-shirt and Keyboard. We also test the quality of reviews in the pretest. The quality of a review is determined by three elements of a review which are claim, backing, and specific data (Toulmin 1958).

The experimental design of the study is 2(type of review) X 2(quality of review) X 2(NFT high vs. low). We used between-subject design for the type of Review and the quality of review and used within-subject design for the product type (high NFT vs. low NFT). The operational definition of variables is shown in the table below.

	Variable	Operation definition
Independent	Type of Review	Product-descriptive reviews and Delivery of refund policy-descriptive reviews
Moderators	Quality of Review	High-quality and Low-quality reviews
	Need for touch	2 product items (T-shirt; High NFT and Keyboard; Low NFT)
Mediator	Distrust of online shopping	Scale by Lee and Turban (2001)
Dependent	Webrooming intention	Scale by Lu et al. (2011)

## Summary of Findings

This study has studied how the negative online reviews affect the webrooming intention. The results show that both product-descriptive negative reviews and delivery-descriptive negative reviews lead to the increased level of Distrust of Online Shopping (DOS). In general, delivery-descriptive reviews affect DOS more than product-descriptive reviews. However, the quality of reviews matters. If the quality of the review is low and it is about product-related reviews, its influence on the webrooming intention becomes very high. This implies that the quality of reviews and the type of reviews are interacting each other.

The negative reviews itself do not affect the distrust of online shopping nor increase the webrooming intention. However, interesting results came from the interaction between the quality of reviews and the product type (high vs low NFT: Need for Touch). When the high NFT product(T-shirt) is exposed to low quality of the product-descriptive reviews, the negative reviews strongly increase the distrust of online shopping which leads to high webrooming intention. On the contrary, when the low NFT product(keyboard) is exposed to low quality of the delivery-descriptive reviews, the negative reviews strongly increase the

distrust of online shopping and leads to high webrooming intention.

As consumers become more dependent on online reviews to minimize any potential failures in purchasing online, this study has shown that the quality of negative reviews plays a more crucial role in the intention of consumer's webrooming behavior.

## <JRCS Session 2-4: Consumers' Adoption of Technology>

### 1. The Effect of Telepresence on Consumer's Flow Experience in the Virtual Reality Shopping Environment

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Myoung-a An, Hyupsung University

#### Abstract

#### I. Introduction

The Fourth Industrial Revolution is bringing a lot of changes to the marketing environment. For example, the Alibaba group in China newly opened *Buyplus* which is a shopping mall based on virtual reality (VR) environment. Since the Alibaba group has the biggest market share in the Chinese online market, this news has attracted worldwide attention. Compared with the traditional offline or online shopping experience, VR-based retailing strategy provides a very different shopping environment to consumers.

This purpose of study is to investigate the effect of telepresence on the consumer's flow experience in virtual reality shopping environment. To achieve this primary goal, first, we investigated the relation between the multi-dimensions of VR shopping mall (vividness, interactivity, and control) and telepresence. Second, we examined the relation between telepresence and the degree of playfulness. Also, we confirmed the effect of playfulness on the intention of VR shopping. Finally, this study suggests conclusion by offering academic and practical insights for marketing strategy of retail companies.

#### II. Literature Review and Research Model

##### 2.1 Telepresence and Flow Experience

Many scholars have considered the concept of 'telepresence' to be a key variable for flow experience (e.g., Pace, 2004; Shin, 2006; Skadberg & Kimmel, 2004). The notion of telepresence focuses on a virtual environment, in which the medium feels like a part of the wonderful environment, and the user feels like the mediating environment physically exists (Kim & Biocca, 1997). In other words, it is the feeling of being present in the mediated environment rather than in the immediate physical environment (Steuer, 1992).

Flow refers to the overall sense of absorption when users perform an activity with deep engagement. It is the optimal state of user experience when they are fully immersed in the activity (Csikszentmihalyi, 1975). Flow is a useful concept applied to study the interactions between humans and computers (Han & Park, 2000). Recent studies have focused on flow based on the interactions with technologies in a virtual environment (Huang & Liu, 2017; Jung & Pawlowski, 2014a). Csikszentmihalyi (1990) primarily attempted to study flow and insisted that flow represented an internally optimal enjoyment experience.

##### 2.2 Vividness, Interactivity, and Control

Vividness means how deeply the various senses of the message convey the message content



and how deep they are (Steuer, 1992). The vividness represents the quality of the product information and contention (Wu et al., 2008). Also, Interaction refers to the type and degree of reality that a user encounters in a virtual reality environment (Steuer, 1992). It means media interaction as a part of user-machine communication perspective (Coyle & Thorson, 2001). Vividness and interactivity are major determinants of telepresence in virtual environment (Steuer, 1992)

Control as perceived ability, refers to a degree of successful body usage or body control in the virtual environment (Nova, Hoffman, & Young 2000). Control is tended to create user curiosity and expectation when the experience of interaction itself is interesting (Park & Kim, 2006). Control is closely related to telepresence and telepresence is based on the degree of control in a virtual reality environment (Spada, Cognetti, & De Luca, 2019; Herzog, Whitney, Wang, Jordan, & Pinter, 2019).

The purpose of our research is to investigate the effects of telepresence on consumer's flow experience in the VR shopping environment. Based on the literature review and our research hypotheses, we developed a research model and tried to test the model.

### **III. Data Analysis and Conclusion**

For the model testing, we used a VR shopping center in Seoul, Korea. It is similar to a real shopping center so that users could experience VR shopping by themselves. The survey questionnaire was distributed during face-to-face interactions with experienced users for two weeks of time period. Telepresence, Interactivity, Control, Playfulness, and VR shopping intention were major constructs in the study. Structural model analysis showed that most research hypotheses are supported (chi-square=190.04,  $p=.000$ , CFI=0.92, GFI=0.81, RMSEA=0.07). The results suggest that vividness and control are positively related with telepresence, however, the effect of interactivity was not supported (H1  $\gamma=0.45$ ,  $p<0.05$ ; H2  $\gamma=-0.25$ ,  $p=0.29$ ; H3  $\gamma=0.46$ ,  $p<0.05$ ).

Compare with the traditional offline or online shopping, VR technology provides consumers with totally new shopping experiences and therefore, VR can be a new way of attracting more customers from the perspective of retailers. It will be very important to investigate what kind of factors make consumers use VR shopping (Barnes, 2016). In this study, we identified telepresence is a key variable which influences on consumer's VR shopping intention. Managerial implications and limitations of the results of the study were also discussed.

## **2. Technology Readiness and Technology Paradox of Unmanned Convenience Store Users**

Hyun Jung Park, Chungbuk National University

Zhang, Yining.

### **Abstract**

#### **1. Research Question**

Retail stores are increasingly incorporating smart technologies to enhance both their profitability and consumer shopping experience. Companies have attempted to run unmanned stores making use of cutting-edge technology. These self-service stores save costs by removing the need for workers or much area. In stores opened by Alibaba, for example, consumers check in by having their face read and scanning a QR code with their Alipay, Taobao or Tmall app. They may browse freely, pick up items and simply leave without waiting in queues for checking out. Consumers do not need to get in touch with cashiers, although some people still prefer to communicate and have interactions with workers in shops.

The consumer attitude or user experience in the context of unmanned shops remains understudied. Wu et al. (2019) investigated the relationships among experiential quality of consumers, experiential psychological states (experiential confidence, desire and motivation) and experiential outcomes (experiential satisfaction, loyalty and switching intention) related to unmanned convenience stores. Yet, the relevant literature is scarce.

This study focuses on both positive and negative perceptions of users. Consumers recognize technology paradoxes, the conflicting emotional reactions they experience as they respond to innovations (Mick and Fournier, 1998). While shoppers may benefit from convenience, unmanned store technologies also elicit challenges including potential risks or uncertainties and changes in consumption practices. Thus, this study explored whether and how paradox dimensions (efficiency/inefficiency, control/chaos, private/public) affect the user attitude toward the unmanned stores. The impacts of technology readiness (optimism, innovativeness, discomfort and insecurity), the consumer propensity to embrace and use this new technology (Parasuraman, 2000), on the various paradoxes were also examined.

Key hypotheses are as follows.

H1: Technology readiness has a positive relation with positive technology paradox dimensions (efficiency, control, private).

- H1-1: Optimism has a positive effect on positive technology paradox dimensions.
- H1-2: Innovativeness has a positive effect on positive technology paradox dimensions.
- H1-3: Discomfort has a negative effect on positive technology paradox dimensions.
- H1-4: Insecurity has a negative effect on positive technology paradox dimensions.
- H2: Technology readiness have a positive relation with negative technology paradox dimensions(inefficiency, chaos, public).
- H2-1: Optimism has a positive effect on negative technology paradox dimensions.
- H2-2: Innovativeness has negative effects on negative technology paradox dimensions.
- H2-3: Discomfort has a positive effect on negative technology paradox dimensions.
- H2-4: Insecurity has a positive effect on negative technology paradox dimensions.
- H3: The positive technology paradox dimensions have positive relations with the consumer attitude toward unmanned stores.
- H4: The negative technology paradox dimensions have negative relations with the consumer attitude toward unmanned stores.
- H5: Consumer attitude has a positive relation with the continuous usage of unmanned stores.

## **2. Method & Data used**

A survey methodology was used to test the proposed hypotheses. The subjects of this research are Chinese who have experienced unmanned convenient stores offering snacks and daily necessities. These automated retail stores have been growing for a couple of years changing the convenient store landscape in China. Out of 380 collected questionnaires, 70 were incomplete or invalid and were eliminated, thus yielding a final sample size of 310. Most of the respondents were female(54.2%), in the 20s (42.9%), and with either some college or a college graduate (62.2%). The respondents came from Beijing (44.8%) and Hangzhou (38.9%).

## **3. Summary of Findings**

Firstly, positive technology paradox dimensions came with higher degree of personal technology readiness. Results indicate that optimism and innovativeness had positive effects on the efficiency, control, and private paradox. Optimism decreased chaos and public paradox, while innovativeness decreased inefficiency paradox.

Secondly, negative technology paradox dimensions came with lower degree of personal technology readiness. Discomfort decreased efficiency and control paradox and increased inefficiency and chaos paradox.

Lastly, positive technology paradox dimensions enhanced the consumer attitude toward unmanned supermarket, while negative technology paradox dimensions except for inefficiency

had negative effects on the attitude, thereby affecting continuous usage intention.

#### **4. Key Contributions**

This study is the first to investigate the role of technology readiness as well as paradoxical mechanisms that influence user attitude and continuous usage intention of unmanned stores. Previous research of unmanned store focused on technology aspects and only a few were about user satisfaction or technology paradox of self-service technology. Consumers may enjoy the convenient and private shopping experience innovative technologies of unmanned stores provide nowadays. On the other hand, if technical mistakes or personal information problems occur, some might be depressed or hesitated to visit the shops. It seems one of the reasons why the automated retail industry started seeing a series of closures in 2018. Thus, it is necessary to understand the mixed reactions to this new technology according to the different psychological readiness of consumers. This study is expected to help retail management recognize differences among consumer groups, develop differentiated self-service strategies, implement other smart retail technologies and improve user experience, satisfaction and continuous usage.

### **3. A Study on enhancing the acceptability of Innovative Products by Machine Learning**

Jong Chan Lee, Sungkyunkwan University

Sangman Han, Sungkyunkwan University

Sunnyoung Lee, Sungkyunkwan University

#### **Abstract**

##### **1) Research Question**

Despite the fact that the VR industry is a remarkable industry of the future, one of the reasons that growth has slowed down is that consumer receptiveness is hard to acquire. With the advancement of internet, user reviews that are constantly being generated on the internet will be a driving force for the use of consumers. Existing studies have been conducted mainly to focus on product purchases based on consumers' own experiences, however, only a few studies have analyzed product consumers' responses to user reviews in innovative products. In the case of VR, as innovative product, consumers who purchased the product from online distribution channel Amazon, were free and active to make a review of the product.

The purpose of this study is to analyse empirically from an innovation acceptance perspective through actual product review data, and to produce a classification model that identifies the acceptance of innovation by consumers in a digital environment.

##### **2) Method & Data used**

The method of this study extracted reviews from Amazon of VR products, which are considered representative among VR related companies, and the facilitation and inhibitor of users for VR acceptance from the perspective of the acceptor. The data in this study was approached in depth through analysis through text mining and machine learning and topical modeling by building review data.

##### **3) Summary of Findings**

The results of this study showed that the Random Forest method was a model that actually predicted the most “Helpful” reviews, and in the case of logistic regression, over-sampling and under-sampling allowed the learning of machine learning to be performed more uniformly. When analysed each variable, the impact of the number of letters in the review was found to be minimal, but the number of comments was found to have a positive effect on the acceptance of the product spread by consumers. In addition, Topic modeling was conducted to analyze each review in detail, and the analysis of the “Helpful Review” confirmed that the reviews describing the relative benefits of the new product were highly accommodative, and that the reviews with experience of using the actual product, such as advice for those considering purchasing in the future, how to install the product, and overall assessment of the pros and cons,

were found to be highly acceptable.

#### 4)Key Contribution

The contribution of this study was that the existing topic modeling method was to identify the overall trend and flow by performing topic modeling for full text data, but in this study, the topic modeling was performed based on pre-mapped and pre-mapped data through machine learning. The managerial contributions will help identify important facilitators in the proliferation of product receptors by users of innovative products, and enhance the spread and acceptability of new product development.

#### **4. Innovation adoption and resistance: An empirical Study on customer's reason-for-adoption and reason-against-adoption of new technology**

Ihsan Ullah Jan, Hanbat National University

Seonggoo Ji, Hanbat National University

##### **Extended Abstract**

The emergence of Fourth Industrial Revolution- or 'Industry 4.0' is significantly changing each and every industry. Because of its ubiquitous nature, technologies such as internet of things (IoT), artificial intelligence (AI), big data, augmented and virtual realities (AR-VR), blockchain and internet 5G have being started to be incorporated in education, health, agriculture, and businesses. Specifically, in marketing- which is one of most dynamic disciplines- the practitioners give extensive attention to transforms the traditional marketing practices by leveraging technologies in order to improve the customer journey. Thus, new technologies are frequently incorporated in the operation of marketing activities such as retailing and distribution.

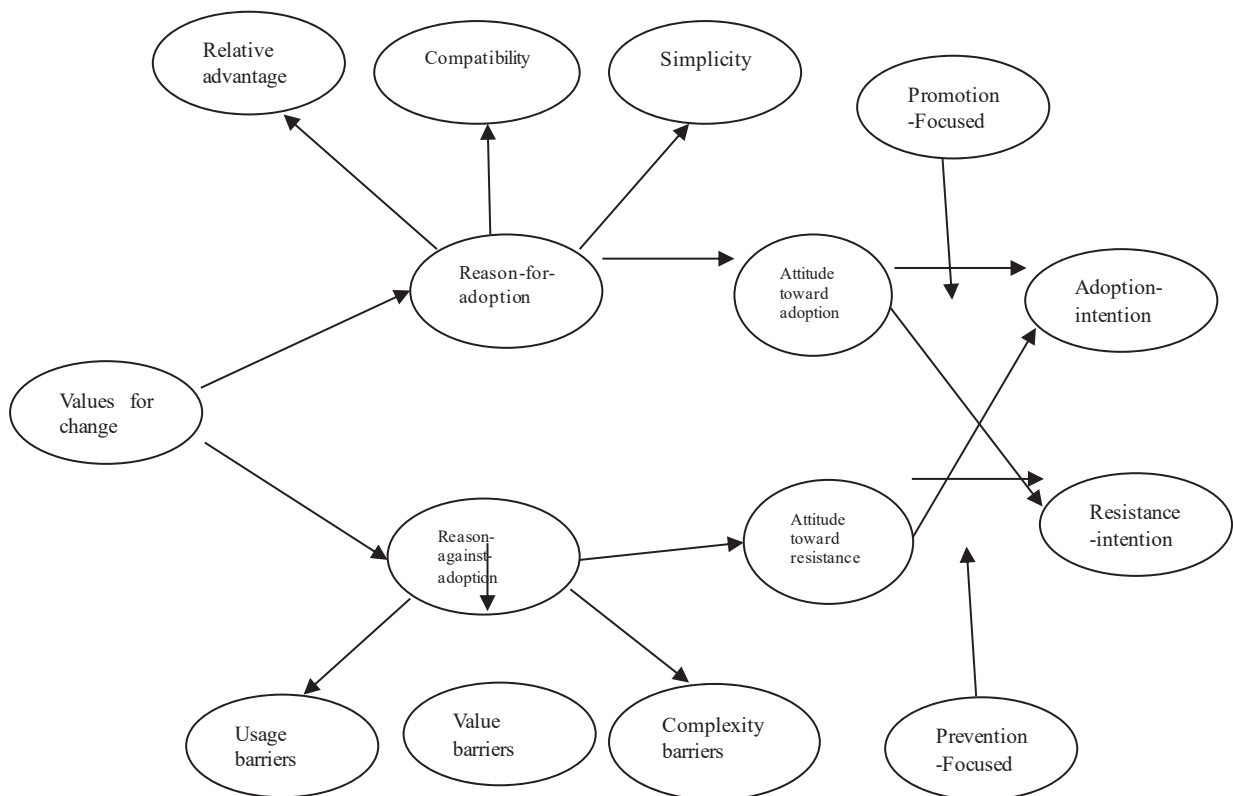
In the prior literature, several innovation diffusion models have been used to examine the customer adoption and resistance behaviors of such innovative technologies. In this regard, the researchers have used the intention-based models which are originated in cognitive psychology such as theory of reasoned action (TRA) and theory of planned behavior (TPB) (Ajzen, 1985; Fishbein and Ajzen, 1975). Specifically, in the context of new technological products and services, the researchers have used both of the models with the addition of TAM, TAM2 and UTAUT (Davis, 1989; Venkatesh, and Davis, 2000; Venkatesh, Morris, and Davis, 2003). However, researchers have found that generally these above-mentioned models have investigated factors which are responsible for customer's new technology adoption and have rarely discussed those factors which predict customer's resistance behaviors (Roy, Balaji, Quazi and Quaddus, 2018; Ha and Stoel, 2009). Therefore, studies were asked to explore factors which resist to the process of new technology diffusion. Accordingly, studies have attempted to investigate barriers to innovation adoption (Chouk and Mani, 2019; Joachim, Spieth and Heidenreich, 2019) but studies which examine the factors of adoption and factors of resistance in a single framework are still underdeveloped.

In order to address this limitation of the previous models, the new model of behavioral reasoning theory (BRT) has been proposed and validated (Claudy, Garcia, and O'Driscoll, 2014). Primarily, BRT is a dichotomous model which examines both factors which predict adoption as well as resistance (reason-against-adoption) in a single framework. Specifically, this model has discussed the reason-for-adoption and reason-against-adoption and their consequences such as attitude toward adoption and adoption intention.

However, the model has overlooked to examine the effects of reason-against-adoption on attitude toward resistance and resistance-intention as outcomes. Therefore, there is a need of framework which investigate the both the factors of adoptions and factors of resistance as well as their respective effects on adoption and resistance in single framework. In order to address

this limitation the current study has attempted to propose an extended version of BRT. Specifically, the current study has incorporated reason-for-adoption, attitude toward adoption and adoption-intention for the adoption-intention whereas reason-against-adoption, attitude toward resistance and resistance-intention for the resistance. Moreover, drawing on the regulatory focus theory, the current study has investigated the moderating effect of promotion on the relationship between attitude towards adoption and adoption-intention and prevention on the relationship between attitude toward resistance and resistance-intention.

In order to test the proposed framework (Fig. 1), the authors have collected data from 285 samples in Republic of Korea and applied covariance-based structural equation modeling.



**Fig.1. Research Model**

The results indicate that value for change has a significant positive relationship with reason for adoption and a significant negative relationship with reason against adoption. Similarly, reason for adoption has a significant positive relationship on attitude towards adoption whereas reason against adoption has a significant positive relationship on attitude towards resistance. Furthermore, the attitude towards adoption has a significant positive effect on adoption-intention and a negative effect on the resistance-intention. Similarly, the attitude toward resistance has a significant positive effect on resistance-intention and negative effect on the adoption intention. In addition, the results of the moderation effects show that promotion and prevention do not influence the relationships.

The findings of this study have both theoretical and managerial contributions. Theoretically, this study is one of those pioneer studies which have extended the existing BRT theory by



incorporating outcomes of reason-against-adoption as attitude toward resistance and resistance-intention in a single framework. Second, this study has contributed to the literature of chatbots which is one of the emerging technologies in marketing by empirically discussing user's reason-for-adoption and reason-against-adoption for chatbots in a single framework. More specifically, this study has discussed the role of reason-for-adoption for attitude toward adoption and reason-against-adoption for attitude toward resistance. Similarly, this study has also discussed the reason-for-adoption and reason-against-adoption in detail by specifically discussing the underlying factors. For instance, relative advantage, compatibility and simplicity are the factors of reason-for-adoption and usage barriers, value barriers and complexity barriers as reason-against-adoption. Finally, the current study has also attempted to discuss the moderation effects of regulatory focus variables in the relationships.

Managerially, the current study offers insights to practitioners to leverage factors which play pivotal role in determining the adoption attitude such as relative advantage, compatibility and simplicity of chatbots. In this regard, the practitioners are advised to design the chatbot by meticulously considering these aforementioned attributes. Second, the findings of the study also equipped managers to find some of the factors which lead to customer chatbots resistance intentions such as usage barriers, value barriers and complexity barriers.

Along with the theoretical and managerial implication, our study has several limitations. First, this study is a cross-sectional study which is conducted by using the self-reported survey. Therefore, in order to increase the generalizability of the findings of this study, alternate methods such as experimental design and longitudinal studies are highly recommended. Second, the current study has asked respondents about the adoption and resistance intention for chatbots which is an emerging area in marketing; however to generalize the findings of the study, study in other context are needed which provide another avenue for future study.

**Keywords:** New technology; Reason-for-adoption; Reason-against-adoption; Chatbots

## Paper Session 3 14:50 - 16:10

ABM	<b>Session 3-1: Aging society and consumer perception</b> <a href="https://us02web.zoom.us/j/85495211989">https://us02web.zoom.us/j/85495211989</a>		<b>Meeting Number</b> <b>854 9521 1989</b>
	<b>Session Chair: Jin Kyung Han (Singapore Management University)</b>		Presenter
	1	Understanding credit card usage behavior of elderly Korean consumers for sustainable growth: Implications for Korean credit card companies	Moon Young Kang
	2	Predicting intentions to participate in crowdfunding using the Theory of Planned Behavior and Religiosity in India	HASNAN BABER
	3	Effects of Consumer Perception of CSR Activities and Technology Acceptance on Intention to Adopt Mobile Banking: Evidence in Vietnam	Nguyen Thi Phuong Thao
	4	The Influence of Perceived Values on the Attitude and Purchasing Intention for Luxury Goods – Comparing South Korean and Dutch Millennials –	Seong-Yeon Park, Ka-yan joey Wang
AMJ	<b>Session 3-2: Experiential Marketing and Brand Management</b> <a href="https://zoom.us/j/96462739433">https://zoom.us/j/96462739433</a>		<b>Meeting Number</b> <b>964 6273 9433</b>
	<b>Session Chair: Jae Hwan Kim (Korea University)</b>		Presenter
	1	How can customer experience on CDJ be shaped? : Can rose be tamed?	Sangmi Lee
	2	Constructing brand personality and competitive structure using hashtag	Keeyeon Park
	3	Effects of Topic Variety on the Helpfulness of Online Consumer Reviews: Big Data Analysis Using Latent Dirichlet Allocation	Jisu Yi, Yun Kyung Oh
IR	<b>Session 3-3: Marketing Intelligence for Customer Mind-set</b> <a href="https://us02web.zoom.us/j/85604664004">https://us02web.zoom.us/j/85604664004</a>		<b>Meeting Number</b> <b>856 0466 4004</b>
	<b>Session Chair: Hye-jin Kim (KAIST)</b>		Presenter
	1	From Intuition to Intelligence: A Text Mining Based Approach For the Movie's Green-lighting Process	Jongdae Kim
	2	The Effects of Product Feature Level Customer Sentiment on the eWOM Valence: An Application of Bigram NLP Analysis	Yun Kyung Oh
	3	The Impact of Online Platforms' Revenue Model on Consumers' Ethical Inferences	Yi Su
JRCS	<b>Session 3-4: Consumers' Experience of Technology</b> <a href="https://us02web.zoom.us/j/89022454959">https://us02web.zoom.us/j/89022454959</a>		<b>Meeting Number</b> <b>890 2245 4959</b>
	<b>Session Chair: Jacob Chaeho Lee (Dongguk University)</b>		Presenter
	1	Is a Gift on Sale "Heart-Discounted"? : Givers' Misprediction on the Value of Discounted Gifts and the Influence of Technology-Driven Retail Experiences	Youjae Yi
	2	Does general trust spill over to trust in sharing services?: A cross cultural study of Indian and U.S. consumers.	Moon-Kyung Cha
	3	A study on expanding the effect of retail store communication through social media indirect experience	Hyunhee Shin
	4	Importance of Empathy and Tangibility in Building Brand Loyalty Omni-channel Service	Renee B. Kim

## <ABM Session 3-1: Aging society and consumer perception>

### 1. Understanding credit card usage behavior of elderly Korean consumers for sustainable growth: Implications for Korean credit card companies

Moon Young Kang, Soongsil University

Kwon Jung

#### EXTENDED ABSTRACT

Republic of Korea (hereafter Korea) is the fastest aging country in the world. The population estimate in Korea reveals that the senior population over the age of 65 is increasing, while the younger population under the age of 14 is shrinking to more than half of that in the 1960s. The number of elderly persons has already doubled over the last 15 years, and is forecast to double again over the next 15 years (Korea National Statistics Office 2019). According to the United Nations, a country is classified as an “aging society” when more than 7% of its population is older than 65 years old. When the percentage reaches over 14%, it is classified as an “aged society.” When more than 21% of the population is older than 65, the country is referred to as a “super or hyper aged society” (United Nations ESCAP 2017). According to Korea National Statistics Office, Korea became an aging country in 2000 by having 7.2% of its population with older than 65 years old and became an aged society in 2017 (14.3% of its population with older than 65 years old), and it is expected to become a super aged country by 2026 (21.4% of its population with older than 65 years old). No other country in the world has aged as quickly. It took France 115 years, the United States 69 years, and the United Kingdom 45 years to progress from an aging society to an aged society (United Nations 2015). Korea made this shift in less than 20 years. Therefore, unlike other developed countries, which had much more time to deal with their aged populations, Korea has to prepare for issues involved with its aging population (e.g., leading to a smaller consumer base and talent shortage, employment, and income) within a much shorter timeframe (Chiavacci 2007; Nakata and Miyazaki 2007; Sekiguchi et al. 2016).

From the marketer’s perspective, this population shift means a shift in market power; a bigger piece of the total market indicates higher demand (Dychtwald 1997; Natarajan and Bagozzi 1999). Shifts in the age structure of a society can open new market opportunities due to a rising demand for the so-called “silver market,” which targets the mature demographic market (Kohlbacher and Herstatt 2011). According to industry estimates, the silver market in Korea began to emerge in 2008 as Korean baby boomers started to retire. It is estimated that this demographic group will become 148 trillion KRW (about 125 billion USD) market by 2020. The expected growth rate of this market is 12.9%, which significantly exceeds the overall consumer market growth rate of 4.7% while the proportion of this silver market took only 47.7% of total market while the proportion in Japan reaches to 85.2% and that in Germany takes 59.1% (Korea Chamber of Commerce and Industry 2006, 2015).

While this growing senior segment has been long ignored by marketers (Bartos 1983), support for the high growth rate for the silver market is evidenced by the amount of assets held by the mature population. In the United States, people aged 55 and over control more than 70 % of the nation’s assets, and more than half of the discretionary income (Linden 1986; SheerID 2019). In Korea, the net assets of households headed by individuals

over 55 years old are higher than those of younger generations (The Korea Chamber of Commerce and Industry 2015) while their average annual income is not relatively high. In the meantime, the average propensity to consume (APC) excluding education expenditure of seniors has been significantly increased (Kwon and Oh 2014). What is more is that people are living longer; thus, when considering the lifetime value of consumers, senior consumers spend money for the longest duration at this later life stage than at any other traditional marketing stage (Nielson and Curry 1997). That means that in terms of sheer size, economic power and longevity of demands, the elderly consumer market is increasingly important.

Among various industries, the financial sector will face abundant market opportunities because of the wealth possessed by this elderly consumer group. Therefore, understanding these elderly consumers' credit card usage behavior has become vital to financial institutions. In doing so, it is expected that meaningful patterns of their consumption behavior can be identified in order to provide practical implications to marketers of financial institutions for their sustainable growth preparing for an upcoming era of a super aged country.

A survey was conducted across four major cities in Korea, using a quota sampling approach. Quotas were set first for gender and age categories, based on population statistics. Then, they were adjusted to ensure a certain minimum number of respondents for each subcategory. A total of 750 valid responses were collected by a professional marketing research company. Age quotas were set for five age groups with 150 samples for each age quota: (1) 60-64; (2) 65-69; (3) 70-74; (4) 75-79; and (5) 80+. Credit card usage behavior were measured in terms of the number of credit cards owned and the average monthly amount charged using credit cards. A total of 24.1% (n=181) of the sample owned at least one credit card. Among those who owned credit cards, the average monthly amount charged using credit cards turned out to be about KRW260,000 (about 220 USD).

In order to test the predicted differences in credit card usage among the elderly, chi-square tests were conducted first because the number of credit cards owned and average amount charged using credit cards were measured on a categorical scale. Although they were measured using a categorical scale, the response categories were arranged in a continuous manner: ANOVA and t-tests were conducted together by converting them into a continuous scale.

This study examined credit card usage behavior among elderly consumers in Korea. Credit card usage is predicted to vary according to age, income and retirement status. The results show that the number of cards owned was negatively related to age and positively related to income level. Those who were not retired owned more credit cards than those who were. Although the average monthly expenditure by credit cards was positively related to income, as predicted, it was not significantly different in terms of age or retirement status.

As silver marketing that referred to marketing's role in addressing the needs of older adults plays greater importance role than ever before (Nataraajan & Bagozzi 1999), the findings from this research provide significant implications to marketers of credit card companies when they are searching for key target groups, particularly elderly consumers. In general, revenues from credit cards come from two main sources: membership and transaction fees. If a credit card company intends to increase its revenues from membership fees, or if it intends to increase its market share in the number of credit cards owned by elderly consumers, it also must target relatively younger, higher income, and non-retired groups of elderly consumers. Once the company reaches its target market share in the number of credit cards owned, it has to focus on high-income groups to generate its revenue from transaction fees because expenditures by credit cards among elderly consumers are influenced by their income level.

In order to have a more complete understating of elderly consumers' credit card usage behavior, comparisons with younger consumer groups will be necessary in future research. Also, an examination and comparison across usage behavior on other financial products, non-financial products and services will be required in future research.

**Keywords:** Credit card usage behavior, Elderly consumer, Korean consumer, Aging society, Silver economy, Sustainable growth, Marketing

## **2. Predicting intentions to participate in crowdfunding using the Theory of Planned Behavior and Religiosity in India**

HASNAN BABER, Woosong University

### **Abstract**

**Purpose** – The aim of the study was to know about the influence of religiosity on the intention to participate in donation-based crowdfunding campaigns. The study assessed the religiosity on the bases of intra-religiosity and inter-religiosity parameters of the respondents. The study investigated the influence of religiosity on the attitude of respondents towards giving donation and crowdfunding, and then its impact on determining the intention of people towards donation-based crowdfunding campaigns.

**Design/methodology/approach** – The data was collected from around 304 respondents in India through an online questionnaire. The rationale behind choosing India was that it has a diverse set of religions and a large segment of young population who are engaged with the use of technology. The data is collected through simple random sampling. The questionnaire has 6 sections: (a) Demographics (b) Intrapersonal religiosity (c) Interpersonal religiosity (d) Attitude towards crowdfunding (e) Attitude towards giving donations (f) Intention to participate in crowdfunding. Structural Equation Modeling technique was used to assess the relationship between religiosity, attitude, and intention.

**Findings/ Results:** The study found that Intrapersonal religiosity and Interpersonal religiosity have both influences on the attitude towards crowdfunding and donation and also impact the intention to participate in the crowdfunding. Attitude towards crowdfunding has no role to play in shaping the intention of people towards donation-based crowdfunding.

**Keywords:** Religiosity; Intention; Attitude; Crowdfunding

### **3. Effects of Consumer Perception of CSR Activities and Technology Acceptance on Intention to Adopt Mobile Banking: Evidence in Vietnam**

Nguyen Thi Phuong Thao, Dalat University

Nguyen Van Anh, Dalat University

Sang-Lin Han, Hanyang University

#### 4. The Influence of Perceived Values on the Attitude and Purchasing Intention for Luxury Goods – Comparing South Korean and Dutch Millennials

Wong Ka-Yan Joey, Ewha Womans University

Seong-Yeon Park, Ewha Womans University

##### Abstract

In recent years, much has changed in the luxury landscape. Not only have brands changed, their consumers have as well. Nowadays, luxury brands are increasingly focussing on a younger consumer segment. They are called the millennial generation and they are born between 1980 and 2000. They are set in the spotlight by researchers and marketers, because they show a high purchasing power for luxury goods in comparison to previous generations.

Millennials show an increasing interest in the consumption of luxury goods. In particular, South Korean and Dutch millennials are increasingly displaying a high interest in the consumption of luxury goods. As a result, the luxury market in both countries are continuously growing. However, even though millennials are showing an increasing interest in the consumption of luxury goods, there is still a lack of research on the consumption behaviour of South Korean and Dutch millennials.

Following the changing landscape of the luxury market, it is crucial to get a better understanding on why millennial consumers are increasingly purchasing luxury goods. This research aimed to empirically explore the influences of perceived values of luxury goods and the moderating effect of self-construal. Also, the goal of this study is to obtain a deeper understanding on what values mainly influence South Korean and Dutch millennial consumers' purchasing intention for luxury goods.

This study identified four perceived values of luxury goods: financial value, functional value, individual value, and social value. Previous literature explained that *perceived value* refers to the benefits consumers see in a brand and how consumers define a brand from their own point of view. Based on the perceived values of luxury goods and the characteristics of millennials, the moderating effect of self-construal was explored and compared between the two cultures.

Self-construal explains how individuals see themselves and how they see their relationship with other people. According to previous literature, culture influences the individual's self-construal. In addition, following the characteristics of millennials, the moderating effect of self-construal on the interaction between the perceived values and attitude towards luxury goods have been explored.

In this study, demographic characteristics and the luxury goods consumption behaviour of South Korean and Dutch respondents have been measured. This study was conducted through an online survey in South Korea and the Netherlands. The questionnaire has been conducted in Korean for South Korea and in English for the Netherlands. The final sample size consisted 440 South Korean respondents and 423 Dutch respondents. This study included three segments of respondents: 1. Interested in luxury goods and purchases luxury goods, 2. Interested in luxury goods, but does not have any purchasing experience, 3. Is not interested in luxury goods, but does purchase luxury goods.

This study used an exploratory factor analysis, structural equation modelling, regression analysis, and a t-test to compare the two cultures. For the analysis, SPSS Statistics v. 25 and AMOS v. 24 have been used. According to the results, perceived individual values, followed



by social values are the most important perceived values that influence the attitude and purchasing intention for luxury goods of South Korean and Dutch millennials. In addition, the research results reveal that the perceived financial value did positively influence the attitude towards luxury goods among South Korean respondents but did not significantly influence the attitude towards luxury goods among Dutch respondents. Furthermore, the perceived functional value revealed to have a positive influence on the attitude towards luxury goods among Dutch respondents but did not reveal to have a significant influence on the attitude towards luxury goods among South Korean respondents.

Independent self-construal positively moderates the influence of luxury goods' functional value among South Korean and Dutch respondents. Among South Korean respondents, independent self-construal also positively moderates the perceived financial value. However, it did not have significant moderating effects on the other perceived values.

On the other hand, interdependent self-construal did not have a significant influence on the effect of perceived values among Dutch respondents. However, results show that interdependent self-construal revealed to have a significant negative influence on the effect of perceived functional value among South Korean respondents. This means that interdependent self-construal decreases the interaction between perceived functional value and attitude towards luxury goods. In addition, interdependent self-construal had a weaker positive influence than the effect of independent self-construal on the interaction between the individual value and attitude towards luxury goods among South Korean millennials. Finally, in the comparison of the two cultures, the results explain that South Korean millennials and Dutch millennials are both possessing horizontal individualistic cultural values.

The findings of this study will contribute to the fields of luxury goods consumption, luxury consumer behaviour, luxury brand marketing, and millennial consumer behaviour. In addition, scholars and practitioners could use the findings on the cultural differences of South Korea and the Netherlands when advertising and communicating in the Netherlands and South Korea, targeted to millennial consumers.

### <AMJ Session 3-1: Aging society and consumer perception>

#### 1. How can customer experience on CDJ be shaped? : Can rose be tamed?

Sangmi Lee, Sungkyunkwan University

Sangman Han, Sungkyunkwan University

#### Abstract

With the development of intelligent information technology, the customer journey becomes more complicated through innumerable touch points in various channels, and today's leading companies are aiming to create a strong digital customer experience. According to David C. Edelman., (2010), the metaphor of the funnel for the contact point was encouraged to 'push' to consumers in each process of decision-making, but now, with a more circular journey, consumer-driven marketing through 'pull' becomes important. This paper examines path of the customer decision-making process leading to the purchase intention of existing studies when a company provides customized service on one point of pre-purchase on the Consumer Decision Journey (CDJ), and focuses on future experiences. In the case of providing customized services, the fluctuations of the customer's experience level on satisfaction, future experience and purchase intention were analyzed and compared.

And we study whether the Consumer Decision Journey (CDJ) can be shaped and created by the company by looking at whether satisfaction and future experiences in each model serve as parameters, and whether each parameter increases when customized service is applied.

The results of this study were influenced by the factors of personalization (customization of customers), emotional and cognitive experiences, and the resulting satisfaction and future experiences. This study does not mean that the company will end the customer experience at the purchasing stage, but rather that the customer's decision-making journey is made up of circles, and it is important that it can affect the future as well. Although this study focused on the experience of using the music streaming service app called Spotify before purchasing, this fact highlights the importance of the customer experience, so companies operating in other areas are also remarkable.

Keywords: CDJ(Consumer Decision Journey), Personalization (Customization), Customer experience, Future experience

## **2. Constructing brand personality and competitive structure using hashtag**

Keeyeon Park, KAIST

Hye-jin Kim, KAIST

### **Abstract**

The social media is an engagement powerhouse between brands and consumers, where user-generated content plays a powerful means that encourages communication between two sides. However, it is very complicated to handle the unstructuredness and enormous amount of the user-generated content. This study focuses on hashtag, a tag that becomes fundamental in promoting brands on social media. Online users share their knowledge and impression with hashtags on a wide variety. We investigate co-occurred hashtags with particular branded hashtags in Instagram to derive insights about brand perceptions. We apply the text mining technology and network analysis to find brand images consumers perceive on social media. As a result, we can distinguish diverse brand personalities for each brand. This study contributes to highlight the value of hashtags in constructing brand personality in online market.

**Keywords:** hashtag, text-mining, brand structure, marketing research

### **3. Effects of Topic Variety on the Helpfulness of Online Consumer Reviews: Big Data Analysis Using Latent Dirichlet Allocation**

Jisu Yi, Sejong University  
Yun Kyung Oh, Dongduk Women's University

#### **Abstract**

In the digital age, consumers want to minimize the risks associated with purchasing a product through online reviews and search for the product that is right for them. Using 21,298 product reviews generated across 14 newly launched wireless earbud brands, we assess the impact of topic variety on the perception of helpfulness of a review. Unsupervised latent Dirichlet allocation was used to measure the distribution of topics contained in the reviews. Considering the distributional nature of helpfulness votes, we apply the Zero-inflated Poisson model. We find that as more aspects are discussed within a review, the more the review can earn helpfulness votes from other consumers. Further, the positive association between topic diversity and helpfulness is enhanced among negative reviews. Our findings provide empirical evidence that that online reviews covering various dimensions of a product can have a greater informative value for other consumers.

#### **Keywords**

Topic Variety, Online Reviews Helpfulness, Latent Dirichlet Allocation, Big Data Analysis

## <IR Session 3-3: Marketing Intelligence for Customer Mind-set>

### 1. From Intuition to Intelligence: A Text Mining Based Approach for the Movie's Green-lighting Process Using Latent Dirichlet Allocation

Jongdae Kim, Seoul National University

#### Abstract

- **Purpose:** The purpose of this paper is to examine the predictive power of textual information in movie scripts on box office performance in the green-lighting process.

- **Design/methodology/approach:** We use latent Dirichlet allocation (LDA) to find out the hidden textual structure from scripts by extracting topic probabilities as predictors for classification. We perform a variety of classification models such as logistic classification, decision tree, random forests, k-nearest neighbors algorithm, support vector machine, and artificial neural networks to predict the market performance.

- **Findings:** We find that our proposed approach has the significant predictive power to predict the profitability of movie scripts. Given the optimal number of topics, our prediction results exceed the previous benchmark such as Eliashberg et al. (2007).

- **Research limitations/implications:** Given the small data size, the predictive performance seems to be not impressive in an absolute sense. However, we propose an approach to integrate text mining models and machine learning algorithms into movie experts' intuition.

- **Practical implications:** Our approach can reduce the financial risk of decision-making before the pre-production stage. Furthermore, we propose the online-based movie scenario database system that can help movie studios to make more systematic and profitable decisions in the green-lighting process.

- **Originality/Value:** This study is one of a very few literature about forecasting the market performance in the green-lighting process.

- **Keywords:** New Product Development, Machine Learning, Classification, Predictive Models, Text Mining, Latent Dirichlet Allocation, Entertainment Industry

- **Paper type:** Research paper

## **2. The Effects of Product Feature Level Customer Sentiment on the eWOM Valence: An Application of Bigram NLP Analysis**

Yun Kyung Oh, Dongduk Women's University  
Jisu Yi, Sejong University

### **Abstract**

Consumers make a purchase decision after evaluating the advantages and disadvantages of the key attributes of a new product. Overall consumer satisfaction is determined by how consumers evaluate each feature of the product. Online reviews contain rich information on key quality dimensions and dynamics of their importance and valence. Using bigram natural language processing (NLP) analysis, the authors identify the major quality dimensions in the U.S. wireless earbuds market (e.g., sound quality, battery life, noise cancellation). The sample includes 21,248 product reviews generated for seven products over 104 weeks. The authors find that customer sentiment for the product features and the customer satisfaction of the corresponding feature contributes to improving the goodness-of-fit in explaining the eWOM valence of the product. They discuss how brand managers in a new product category monitor customer feedbacks and draw useful implications using big data analytics.

*Keywords:* online word of mouth(eWOM), product feature, bigram NLP analysis, big data analytics

### **1. Research Question**

As customers opinion for a product is easily accessible online, the analysis of online reviews earns growing attention from both academia and practice. Most online review sites provide an overall rating(eWOM valence), which reflects the overall satisfaction level. Consumers determine overall scores based on the evaluation of the individual features that consist of a product. Such feature level evaluation is reflected in the online review text as an unstructured format. Therefore, proper text-mining analysis is required to understand how customers evaluate each feature. Prior studies have examined the effect of online word mouth on product sales (Chevalier and Mayzlin 2006) and the financial market (Tirunillai and Tellis 2012). Although prior studies have focused on the importance of eWOM on future financial performance, few studies have examined what determines eWOM valence.

In this study, we investigate how customer sentiment for the major features of a new product may affect the overall rating of the product. Both the relative importance of a product feature and satisfaction for the quality of the feature can change over time after a new product launch. For example, when wireless earbuds were first launched, customers may consider the noise cancellation feature more important than battery life. However, as wireless earbuds usage time increases, customers may concern about battery life more than earphone fit. Marketers can monitor such a shift in customer preferences and feedbacks and make strategic decisions in product improvement and sequel product development. Traditionally, after a new product launch, a consumer survey is used to identify what features are important and how consumers evaluate each feature. However, this method has a limitation in that it is time-consuming and expensive, and it is difficult to respond to customer complaints immediately. In this study, we analyze eWOM big data with bigram natural language processing (NLP).

Our primary research questions are as follows:

RQ1: Does feature level sentiment affect eWOM valence?

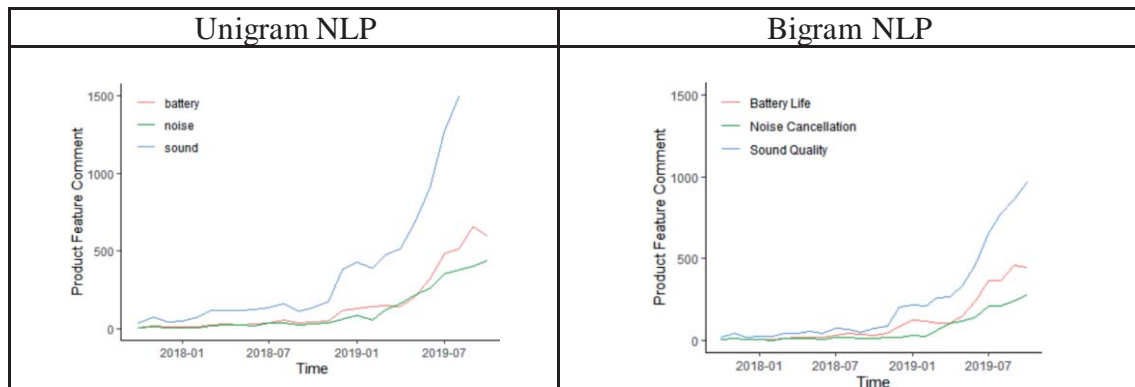
RQ2: Does positive and negative feature level sentiment has an asymmetric effect on eWOM valence?

RQ3: Does the impact of consumer ratings for the feature on eWOM valence vary according to the importance of the feature?

## 2. Data and Methodology

We selected the wireless earbuds category because it is one of the growing markets in the high technology product. Our sample includes the top seven wireless earbud product online reviews at Amazon.com. Data includes products made by Apple, Bose, Samsung, Tozo, Jabra, Ofusho, 21,248 product reviews generated from October 2017 to October 2019 (104 weeks). To identify the key feature dimensions reflected in the online review, we apply the bigram NLP approach. It has been widely adopted for product feature scoring in other academic domains (e.g., Computer Science- Braga et al. 2009, Medical - Wakamiya et al. 2019). Bigram NLP analysis allows us to detect the frequently appeared two-word combinations. As a result, it helps us understand the context in which specific keywords are used. By applying bigram NLP, we find “Battery Life”, “Noise Cancellation”, and “Sound Quality” mostly appears. Figure 1 shows that single keyword (unigram) and bigram results show similar trend over time.

**Figure 1 Measuring Feature Importance using NLP- Unigram vs. Bigram Approach**



Next, we calculate feature score using two widely adopted sentiment lexicons-AFINN (Nielsen 2011) and BING (Liu 2012). AFINN lexicon categorizes words through negative to positive from -5 to +5. BING opinion lexicon categorizes a subjective word into either positive or negative. Table 1 illustrates how each lexicon categorizes the sentiment of feature related bigram.

**Table 1 Illustration of sentiment analysis results for feature related bigram in the wireless earbud category**

	<i>Sound Quality</i>		<i>Battery Life</i>		<i>Noise Cancellation</i>	
BING	bigram	AFIN N	bigram	AFIN N	bigram	AFIN N

positive	awesome sound	4	outstanding battery	5	noise loved	2
	excellent sound	3	superb battery	5	noise satisfied	2
	love sound	3	impressive battery	3	comfort noise	2
	satisfied sound	2	fine battery	2	noise clean	2
	sweet sound	2	stable battery	2	noise free	1
negative	worst sounding	-3	ridiculous battery	-3	awful noise	-3
	poor sound	-2	terrible battery	-3	terrible noise	-3
	bad sound	-2	battery died	-3	obnoxious noise	-3
	uncomfortable sound	-2	battery failure	-2	disturbing noise	-2
	disappointed sounds	-2	awkward battery	-2	annoying noise	-2

For model estimation, we assume  $N$  products have launched in a new product category, each of which has a brand name and a set of features. Out of the features, a brand name is time-invariant, whereas price and customer sentiment for each feature varies overtime after a new product launch. We model the overall eWOM valence of a product  $i$  ( $i=1, \dots, N$ ) at time  $t$  ( $t=1, \dots, T$ ),  $y_{i,t}$ , as a function of features characteristics as follows:

$$y_{i,t} = \alpha + \sum_{k=1}^K \beta_k^f fs_{ik,t} + \sum_{j=1}^L \beta_j^b I(b(j)_i) + \gamma \ln(price_{i,t}) + \varepsilon_{i,t}$$

where  $\beta_k^f$  captures the extent to which the customer sentiment for the  $k$ th feature of product  $i$  at time  $t$  ( $fs_{ik,t}$ ) affect eWOM valence;  $\beta_j^b$  represents the preference of branded products in the category (e.g., Apple, Samsung, Bose).  $I(b(j)_i)$  is the indicator of whether product  $i$  has a leading brand name  $j$  ( $j=1, \dots, L$ ) in the new product category;  $\gamma$  captures the effect of log-transformed price;  $\varepsilon_{i,t}$  captures unobserved factors affecting product  $i$ 's eWOM valence at  $t$ , which is assumed to follow i.i.d. normal distribution with mean 0 and standard deviation  $\sigma_{\varepsilon}^2$ .

### 3. Summary of Findings

Table 2 shows parameter estimation results for four types of models. Model 1 provides benchmark model results without feature sentiment variables. Model 2 and Model 3 show estimation results including feature-level sentiment measures based on AFINN and BING respectively. Model 4 shows the estimation results using the average star ratings for each feature mentioned reviews at time  $t$ . Overall, our proposed models (Model 2, Model 3, Model 4) show improved explanatory power than the benchmark model (Model 1) which only contain brand and price covariates.



**Table 2 Effects of feature-level sentiment on eWOM valence**

	Model 1	Model 2		Model 3	Model 4
	(Benchmark)	(AFINN)		(BING)	(Star Rating)
<i>Feature-level Sentiment Variables</i>					
Sound Quality		.095(.085)	positive	.227(.307)	<b>.419(.042)</b>
			negative	<b>-.975(.429)</b>	
Battery Life		<b>.148(.086)</b>	positive	<b>.650(.297)</b>	<b>.105(030)</b>
			negative	-.063(.275)	
Noise Cancellation		.115(.117)	positive	.485(.335)	<b>.058(.030)</b>
			negative	.064(.198)	
<i>Brand</i>					
Apple	<b>.772(.074)</b>	<b>.772(.078)</b>		<b>.748(.079)</b>	<b>.271(.070)</b>
Samsung	<b>.232(.063)</b>	<b>.260(.058)</b>		<b>.249(.058)</b>	<b>-.001 (.055)</b>
Bose	<b>.181(.058)</b>	<b>.023(.074)</b>		<b>.199(.076)</b>	<b>-.122 (.043)</b>
ln(price)	<b>-.904(.048)</b>	<b>-.871(.046)</b>		<b>-.831(.051)</b>	<b>-.440(.048)</b>
<i>Goodness of Fit</i>					
R-squared	.665	.699		.714	.836
Adj R-squared	.661	.688		.700	.830

#### 4. Key Contributions

This study provides a novel approach using big data analytics to measure customer's valuations for product features and estimates how they affect the overall eWOM valence of the product. Using 21,248 customer reviews generated in wireless earbuds category, we find three major product features- "Sound Quality", "Battery Life", and "Noise Cancellation". Bigram NLP approach provides meaningful insights to understand important features with customer's wordings. Further, bigram NLP allows us to measure feature level positive and negative sentiments. Our empirical results suggest feature level customer sentiments significantly affect customers' overall star ratings.

Understanding the changing customer mind is important to plan a better marketing strategy. Using a bigram NLP based on natural language processing, this study suggests the value of customer-created bigdata to understand their needs and wants. Sentiment analysis provides insights into how much consumers are evaluating the brand's feature quality. After

incorporating their valuation, the explanatory power of eWOM valence model is significantly improved. In summary, we suggest how to mine useful information reflected in big data sources more cost-effectively. Our approach can be extended to other product categories. Marketers can keep track of the changing customer tastes and evaluations bypassing expensive and time-consuming market surveys. By leveraging big data analytics with online customer review, we suggest a new approach which can be incorporated in the marketing intelligence system.

### 3. The Impact of Online Platform's Revenue Model on Consumer's Ethical Inferences

Yi Su, Fudan University

#### EXTENDED ABSTRACT

Most of the prior research deems the process of consumer ethical inference toward company as a process of explicit reasoning which builds certain causal relationships between ethical behaviors of companies and corresponding ethical perceptions. However, consumers infer the company's ethicality not only from explicit ethicality-related activities but also from implicit and subtle ethicality-unrelated cues through a “peripheral route” that relies heavily on heuristic and implicit cues (Brunk, 2010a; Sundar and Kellaris, 2015). This branch of research has identified various factors including the organization size (Green and Peloza, 2014), ownership type (Panwar et al. 2014; Lude and Prügler 2018) and the shape and color of brand logo (Van Quaquebeke and Giessner 2010; Marsden and Thomas 2011; Sundar and Kellaris, 2015).

In the present research, we go along with the principle of peripheral route in consumer ethical inference and explore how company's revenue is generated (i.e., the revenue model) might shape consumers' spontaneous ethical inferences toward the company. If different revenue models indeed induce consumers to associate them with different levels of ethicality, we further explore an important question: how could the companies that employ the revenue models that induce unethical inferences eliminate such negative ethical perception?

Specifically, we focus on the service-fee-based and the advertising-based revenue model, two of the most prevalent revenue models, in the context of online content platforms (e.g., online video platforms, news, and information service platforms) because the revenue models of online platforms are now more explicitly known and inspected by their consumers. It is expected that compared with earning revenue by charging customers a fee, earning revenue from advertisers implies that the companies are likely to give the priority to the advertiser's interests (e.g., high click rate and conversion rate) and their own benefits (e.g., high ad revenue) over users'. Therefore, we propose that consumers are more likely to associate the online platforms that employ the advertising-based revenue model (vs. service-fee-based revenue model) with unethicality, and this effect is mediated by perceived consumer-serving motive.

**Study 1** examined the effect of the advertising-based revenue model on consumers' ethical inferences of the company, as well as the mediation role of perceived consumer-serving motive. This study also adopted a two-cells (revenue model: advertising-based vs. service-based) between-subjects design. Participants in the advertising-based revenue model condition deemed the company generally less ethical than did participants in service-fee-based revenue model condition ( $M_{ad} = 4.52$  vs.  $M_{fee} = 5.20$ ,  $t(161.10) = -4.24$ ,  $p < .001$ ). As expected, participants in the advertising-based revenue model condition perceived the company as less consumer-serving-motivated ( $M_{ad} = 4.75$  vs.  $M_{fee} = 5.12$ ,  $t(169) = -2.50$ ,  $p = .014$ ) than participants in service-fee revenue model condition. Besides, the perceived consumer-serving motive was supported to be a significant mediator ( $b = -.20$ , 95% CI:  $-.39$  to  $-.04$ ).

**Study 2** tested whether allowing consumers to skip advertisements as they wish (instead of forced advertising) would help companies extricating themselves from negative ethical associations. This study used a three-cells (service fee-based revenue model vs. advertising-based revenue model vs. advertising-based revenue model with advertising-skipping) between-subjects design. An ANOVA of perceived ethicality revealed a significant effect of manipulation ( $F(2,148) = 7.31, p = .001$ ). Specifically, participants in the advertising-based revenue model condition reported lower perceived ethicality than those in the service-fee based revenue model condition ( $M_{ad} = 4.17$  vs.  $M_{fee} = 4.98, t(148) = 3.74, p < .001$ ). In addition, there was no significant difference between advertising-based revenue model condition and advertising-skipping condition ( $M_{ad} = 4.17$  vs.  $M_{ad-skip} = 4.41, t(148) = 1.176, p = .241$ ). These findings suggested that merely allowing users to skip commercial advertisement as they wish seems too trivial to alleviate consumers' negative ethical perception on company.

**Study 3** further tested whether justifying advertising revenue as another kind of membership fee would address consumer' ethical concerns on company's advertising-based revenue model. Consistent with Study 2, this study used a three-cells (service fee-based revenue model vs. advertising-based revenue model vs. advertising-based revenue model with justification) between-subjects design. An ANOVA of perceived ethicality revealed a moderately significant effect of manipulation ( $F(2,170) = 2.836, p = .061$ ). Participants in the advertising-based revenue model condition reported lower perceived ethicality than those in the service-fee condition ( $M_{ad} = 4.17$  vs.  $M_{fee} = 4.72, t(170) = 2.06, p = .041$ ). Moreover, participants in the advertising-based revenue model with ad-justifying condition reported a lower level of perceived ethicality with those in the service-fee-based revenue model condition ( $M_{ad-justify} = 4.19$  vs.  $M_{fee} = 4.72, t(170) = 2.10, p = .037$ ). The advertising-based revenue model condition and ad-justifying condition shared the similar level of reported perceived ethicality ( $M_{ad} = 4.17$  vs.  $M_{ad-justify} = 4.19, t(170) = 0.083, p = .934$ ). These findings supported that merely claiming that ad revenue is just another kind of "membership fee" that consumers need to pay is ineffective in mitigating the negative ethical inferences induced by advertising-based revenue model.

**Study 4** aims to investigate whether the existence of more explicit ethical evidences, specifically sparing commercial advertising time for public service advertisements, would alleviate the negative ethical perception induced by the advertising profit model. We were also interested in whether the percentage of time spared for public-service advertisements matters in influencing the magnitude of effect. This study used a four-cells between-subjects design (service fee-based revenue model vs. advertising-based revenue model vs. advertising-based revenue model and sparing 5% of advertising time for public service ad vs. advertising-based revenue model and sparing 10% of advertising time for public service ad).

An ANOVA of perceived ethicality revealed a significant effect of manipulations ( $F(3,285) = 4.303, p = .005$ ). Consistent with the findings in previous studies, participants in the advertising-based revenue model condition reported less perceived ethicality of the company than those in service-fee-based revenue model condition ( $M_{ad} = 4.25$  vs.  $M_{fee} = 4.74, t(285) = 2.64, p = .009$ ). As predicted, participants in both two advertising-based revenue model with time sparing for public-service advertisements conditions reported significantly higher levels

of perceived ethicality of the company than those in the advertising-based revenue model ( $M_{5\%-public-ad} = 4.75$  vs.  $M_{ad} = 4.25$ ,  $t(285) = 2.810$ ,  $p = .005$ ;  $M_{10\%-public-ad} = 4.859$  vs.  $M_{ad} = 4.250$ ,  $t(285) = 3.375$ ,  $p = .001$ ). However, there was no significant difference between two advertising-based revenue model with time sparing for public-service advertisements conditions ( $M_{5\%-public-ad} = 4.754$  vs.  $M_{10\%-public-ad} = 4.859$ ,  $t(285) = .627$ ,  $p > .5$ ), suggesting that participants' perceived ethicality was not further improved by increasing the time spared for public-service advertisement.

In terms of perceived consumer-serving motive, An ANOVA revealed a significant effect of manipulations ( $F(3,285) = 3.497$ ,  $p = .016$ ). Specifically, participants in the advertising-based revenue model condition were less likely to believe that the real intention of collecting users' information is to better serve consumers (i.e., lower consumer-serving motive) than those in service-fee-based revenue model condition ( $M_{ad} = 3.53$  vs.  $M_{fee} = 4.23$ ,  $t(285) = 2.75$ ,  $p = .006$ ). Consistent with the pattern of perceived ethicality, participants in both two advertising-based revenue model with time sparing for public-service advertisements conditions reported significantly higher levels of consumer-serving motive than those in the advertising-based revenue model ( $M_{5\%-public-ad} = 4.00$  vs.  $M_{ad} = 3.53$ ,  $t(285) = 1.905$ ,  $p = .058$ ;  $M_{10\%-public-ad} = 4.26$  vs.  $M_{ad} = 3.53$ ,  $t(285) = 2.936$ ,  $p = .004$ ). There was no significant difference between two advertising-based revenue model with time sparing for public-service advertisements conditions ( $M_{5\%-public-ad} = 4.00$  vs.  $M_{10\%-public-ad} = 4.26$ ,  $t(285) = 1.124$ ,  $p = .262$ ).

These findings indicated that sparing commercial advertising time for public service ads, helps to reduce the negative ethical inferences of advertising-based revenue model. When both explicit ethicality-related information and ethicality-unrelated cues are available, the negative ethical associations induce by advertising-based revenue model can be inhibited by more explicit ethicality-related information such as company's social responsibility activities. Further, Study 4 found that the mere fact that sparing resource for public-service advertisements was sufficient to alleviate the negative ethical perception toward the company, no matter how much time was spared.

## Contribution

The current research advanced our understanding of consumer ethical perception. Specifically, we identify the revenue model of an online platform as an important factor that can influence consumer ethical inferences toward the platform. Go beyond the research on the ethical consequences of explicit ethicality-related activities such as CSR and advertising activities, we suggest that how an online platform generates revenue can result in different ethical inferences: adopting a business model that generates revenue by offering free content or services to attract users, and selling advertising to companies that want to reach those users can be perceived as less ethical by consumers because this revenue model tend to prioritize the benefits of advertisers (optimizing the advertising effectiveness, increasing advertising clicks and exposure, etc.) rather than the benefits of consumers.

Moreover, the findings of this research also shed light on consumer inference literature by suggesting that the process of consumer ethical perception can also be implicit and unconscious. Consumer's ethical inferences toward the company are not only influenced by the explicit ethical behaviors such CSR activities, product crisis, and misleading advertising, but also the implicit cues such as the shape of brand logo, the size of firm, and the revenue model

demonstrated in the current research. It is thus important for managers to re-inspect the strategy for managing the company's ethical image.

The present research highlights the ethical risk of earning main revenue by offering free content or services to attract users and selling advertising to companies that want to reach those users. It is suggested that companies with the advertising-based revenue model should pay attention to potential negative ethical inferences rooted in the revenue model itself. Moreover, the negative ethical associations induced by advertising-based revenue model cannot be alleviated through ad-skipping policy or claims that justify advertising income as another kind of service fee or offering consumers' autonomy to skip advertising. Instead, disclosing explicit ethical behaviors actively, for example, as shown in Study 4, allocating some advertising resource to display public service advertisements, is found to be more effective in mitigating negative ethical inferences of advertising-based revenue model.

## <JRCS Session 3-4: Consumers' Experience of Technology>

### 1. Is a Gift on Sale “Heart-Discounted”? : Givers’ Misprediction on the Value of Discounted Gifts and the Influence of Technology-Driven Retail Experiences

Youjae Yi, Seoul National University

#### EXTENDED ABSTRACT

Gift-giving is a routine activity for most people around the globe. Consumers cherish milestone events such as birthday, anniversary, and graduation of their loved ones, and express support for various occasions (e.g., gratitude, sympathy, and apology). Such symbolic exchanges of gifts have contributed in integrating the society (Sherry, 1983), and the culture of giving has made economic impact with consumers’ growing expenditure on gifts (Cavanaugh et al., 2015). Retailers have also been keen on assisting consumers’ gift purchases. Frontline sales employees would ask consumers for whom they are buying, make suggestions for a suitable gift, and provide convenience such as gift wrap services and exchange vouchers. Above all, as consumers’ gift purchase comes with major sales opportunity for retailers, promotions such as price discounts, bonus packs, and premiums are frequently offered. Deals are prevalent in stores for consumers searching for gifts, and special offers are designed to target gift givers during the gifting seasons such as in massive holiday gift promotions. Amazon arranges a gift finder page, not only classifying occasions and recipients, but also providing “deals on gifts”.<sup>1</sup> Consumers also report that sales promotions with discounts are appealing when shopping holiday gifts (Deloitte, 2018). That said, considering that the gift serves as a means of symbolic communication in relationships (Belk, 1979; Ward and Broniarczyk, 2011), would givers be favorable about giving discounted gifts in celebrating recipients’ precious moments? Would recipients appreciate discounted gifts? What would be the underlying mechanism for consumers’ evaluation of discounted gifts? Finally, how would technology-driven retail experiences that are emerging nowadays affect consumers’ evaluation of discounted gifts? The present research addresses these seemingly intuitive questions which have not yet been addressed in the literature.

Prior research revealed giver-recipient discrepancies on what makes a valuable gift. Although givers have good intentions to satisfy recipients, they often make errors in predicting the best gift, resulting in “deadweight loss” of resources (Waldfogel, 1993). Givers possess an overarching goal to signal commitment toward the recipient and enhance relationship through gift giving (Belk, 1976; Gino and Flynn, 2011). Thus, givers seek ways to signal intimacy and care by dedicating resources in purchasing a gift, which in fact may be a miscalibration. Givers put effort to purchase an unsolicited gift rather than passively choosing from the gift registry, whereas recipients regard diverging from their explicit request as less considerate (Gino and

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<sup>1</sup> Amazon Gift Finder <https://www.amazon.com/gcx/Gifts-for-Everyone/gfhz/>



Flynn, 2011; Ward and Broniarczyk, 2016). Givers are also sensitive about signaling monetary devotion. They avoid buying a gift with price lower than the budget they have cognitively committed because spending less seems like stealing mentally (Denton and Rucker, 2013). Givers misjudge that an expensive gift is more thoughtful and appreciated by recipients, whereas recipients do not hold this association (Flynn and Adams, 2009). Givers also overestimate recipients' preference for gifts completely paid by givers over partially paid gifts (Kupor et al., 2017).

In this paper, we investigate giver-recipient discrepancy for discounted gifts. To be specific, we reveal that givers perceive discounted (vs. regular priced) gifts as less valuable whereas recipients do not necessarily underestimate their value. We also demonstrate that givers' resistance on discounted gifts is due to the concern that discounted gifts are insufficient in signaling thoughtfulness. Furthermore, we identify when givers' concern on discounted gifts may be mitigated in the context of in-store technology infusions. Companies are embracing futuristic technologies as important touch points, and are changing consumers' retail experience via contactless technologies such as mobile devices, kiosks, and self-service checkouts (Grewal et al., 2019; Pantano and Priporas., 2016; Suiden et al., 2019). Humanoid service robots are emerging in stores assisting consumers by providing further information, helping payment, packaging gifts, and dispensing coupons (Bertacchini et al., 2017; Mende et al., 2019; Shiomi et al., 2013). We examine two plausible situations when consumers obtain the discount information 1) via mobile scanning of QR code on the product tag and 2) from an in-store service robot. We demonstrate that givers' negative attitude toward a discounted gift is mitigated in these retail experiences. A preliminary and five studies are presented to support our hypotheses.

A preliminary study aimed to verify consumers' actual experiences of gifts on a discount for an ordinary gift-giving (receiving) occasion. Participants were asked to recall giving (receiving) a gift for someone's (one's own) birthday. Results showed that 91.60% of givers and 80.00% of recipients had experiences of discounted gifts, demonstrating that consumers do give and receive them mundanely. Gift items such as clothing, wallet, books, watch, and shoes were mentioned. Givers and recipients did not hold different views on discounts with no significant difference in terms of deal-proneness ( $p = .82$ ) and naïve theories about discounts ( $p = .76$ ).

Study 1 revealed asymmetric responses toward discounted gifts between givers and recipients. Participants randomly assigned to a 2(role: giver vs. recipient) x 2(discount: yes vs. no) between-subjects design imagined that they (a colleague at work) prepared a colleague's (their) birthday gift. Participants in the discounted gift condition were informed that in fact they were told from a salesperson that the gift was on a 50% discount. Subsequently, all subjects were asked how they would evaluate the gift (e.g., "negative/positive," "bad/good," and "unfavorable/favorable"). Results supported the predicted interaction effect of role and discount on gift evaluation ( $F(1, 213) = 5.84, p = .02$ ). Givers held the view that the discounted (vs. regular priced) gift is lower in value ( $M_s = 5.14$  vs.  $5.66; p = .04$ ) whereas recipients evaluated both gifts equally ( $p > .05$ ).

Study 2 examined why discounts influence the evaluation of the gift. Participants imagined that they (a significant other) prepared a significant other's (their) birthday gift on a



discount (vs. regular price). As in study 1, participants in the discounted gift condition were notified that the salesperson told them that the gift item was sold at 50% discount. Further, the symbolic value of gift (thoughtfulness) was measured as the hypothesized underlying mechanism (e.g., “This is a thoughtful gift,” “This is a considerate gift”). Gift’s economic value (gift quality) was also measured to rule out an alternative account that the devaluation of a discounted gift is due to consumers’ price-quality inference (e.g., “I think this gift would have low/high quality”). Again, a significant interaction on gift evaluation occurred ( $F(1, 157) = 8.04, p = .01$ ) with givers being more negative toward the discounted gift ( $M_s = 5.30$  vs.  $6.00; p = .03$ ) and recipients reporting no significant difference ( $p > .05$ ). Givers also perceived the discounted gift as less thoughtful ( $M_s = 5.49$  vs.  $6.00; p = .04$ ), whereas recipients did not differ ( $p > .05$ ). Further, a moderated mediation analysis using PROCESS macro (Hayes, 2018; model 7) revealed a significant indirect effect of thoughtfulness ( $CI = [-1.30, -.16]$ ) and an insignificant indirect effect of gift quality ( $CI = [-.57, .03]$ ) on gift evaluation. Thus, evidence supported our prediction that the givers are reluctant about a discounted gift because they fear it may discount their heartfelt dedication toward the relationship.

The purpose of study 3 was to make a more rigorous test of the causal effect revealed in study 2. We employed a moderation-of-process design (Spencer et al., 2005), which manipulated the psychological process of thoughtfulness. Participants in the thoughtful (thoughtless) condition imagined preparing a friend’s birthday gift thoughtfully (randomly) at a discounted (regular) price. As predicted, the result revealed a significant effect of thoughtfulness ( $F(1, 234) = 80.07, p < .000$ ) and no significant interaction effect of thoughtfulness and discount ( $F(1, 234) = .55, p > .05$ ) on gift evaluation. When givers put a lot of thought and care into choosing a gift, the discounted gift was evaluated as equivalent to the regular-priced gift ( $M_s = 5.76$  vs.  $5.78; p > .05$ ).

Study 4 investigated whether givers’ negative evaluation of discounted gift is relieved when they obtain the promotion information through a technology-driven retail experience of utilizing a QR code. This prediction was based on the fact that human-to-human and human-to-technology retail situations have a different impact on consumers in terms of relationships and service outcomes (Keeling et al., 2013; Van Doorn et al., 2017). In particular, we postulated that the absence of consumers’ interaction with the salesperson, substituted by technology, would imply a lower social presence cue. This may result in alleviating givers’ concern on the normative value that a good gift entails more resources. Participants imagined that they (a friend) looked over a birthday gift item in a shopping mall, and found out the discount (regular price) by scanning the QR code on the product tag with the mobile phone. As in previous studies, thoughtfulness of the gift and its evaluation were measured (order counter-balanced). The results showed a significant interaction on gift evaluation ( $F(1, 248) = 9.82, p = .002$ ), and as expected, givers’ attitudes toward discounted and regular-priced gifts were not significantly different ( $M_s = 5.80$  vs.  $5.70; p > .05$ ). Recipients were more positive toward the discounted gift ( $M_s = 6.47$  vs.  $5.40; p < .000$ ). Moreover, a moderated mediation analysis revealed a significant indirect effect of thoughtfulness ( $CI = [-1.08, -.20]$ ) on gift evaluation. This result supports the hypothesis that givers would not be unfavorable toward the discounted gift because they are not concerned about its thoughtfulness in a retail environment with less social presence.

Study 5 aimed to examine a different technology infusion of in-store service robots.

Humanoid service robots are in the initial stage, yet are expected to execute numerous frontline services before long. Particularly, unlike other contactless technologies, service robots may entail social encounters and engagement with consumers (Heerink et al., 2010). That is, service robots with human-like features have increasing levels of automated social presence which refers to the “extent to which machines (e.g., robots) make consumers feel that they are in the company of another social entity” (Van Doorn et al., 2017, p.44). Thus, we investigated whether giver-recipient discrepancy would hold for discounted gifts in the face of service robots. This investigation was to reveal whether or not service robots would function as social agents reminding consumers of the normative value concerning gifts, even though robots are non-human and technology-driven. Participants imagined that they (a friend) looked over a birthday gift item in a shopping mall, and ran into a service robot which informed them (the friend) of the discount (regular price). The service robot was depicted as human-like with a facial expression. Questions on gift thoughtfulness and evaluation followed. The results revealed a non-significant interaction effect of role and promotion on gift evaluation ( $F(1, 260) = .03, p > .05$ ). Givers regarded discounted and regular-priced gifts as equivalent in value ( $M_s = 6.13$  vs.  $5.86; p > .05$ ), consistent with the results in study 4. Recipients also reported no significant difference ( $p > .05$ ). Although the moderated mediation analysis revealed a non-significant indirect effect of thoughtfulness ( $CI = [-.47, .34]$ ) on gift evaluation, givers perceived discounted and regular-priced gifts as equivalent in thoughtfulness ( $M_s = 5.77$  vs.  $5.74; p > .05$ ). These results imply that although consumers may experience a presence of social entity via service robots, givers are free from the concern that a discounted gift is less thoughtful and lower in value.

Our research contributes to gift giving and retail service literature by investigating a widely utilized practice of giving and receiving discounted gifts. We suggest that consumers may be less enthusiastic about deals when it comes to purchasing a gift for others. Although sales promotions may be economical, convenient, and exciting (Chandon et al., 2000), consumers may not always benefit from purchasing gifts on a promotion. Givers seem to fear that a price-discounted gift may come across as “heart-discounted” to recipients. We also examine how consumers interpret the meaning and value of a gift not only within the dyadic relationship between givers and recipients, but also amongst a relatively indirect and wider audience at the point of purchase (e.g., salesperson, service robot). Considering the fact that gift giving is a shared ritual within the society, the presence of seemingly irrelevant spectators in the shopping situation may influence givers’ judgment on what makes a good gift. Furthermore, we demonstrate that technology-mediated retail experiences (i.e., QR codes and service robots) could alleviate consumers’ reluctance toward discounted gifts. The results not only extend theoretical insights into the influence of in-store technology in retail experience but also provide actionable implications for managers: communicating promotional offers for gifting occasions would be better off when implemented through technologies.

## **2. Does general trust spill over to trust in sharing services? : A cross cultural study of Indian and U.S. consumers.**

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Moon-Kyung Cha

### **Abstract**

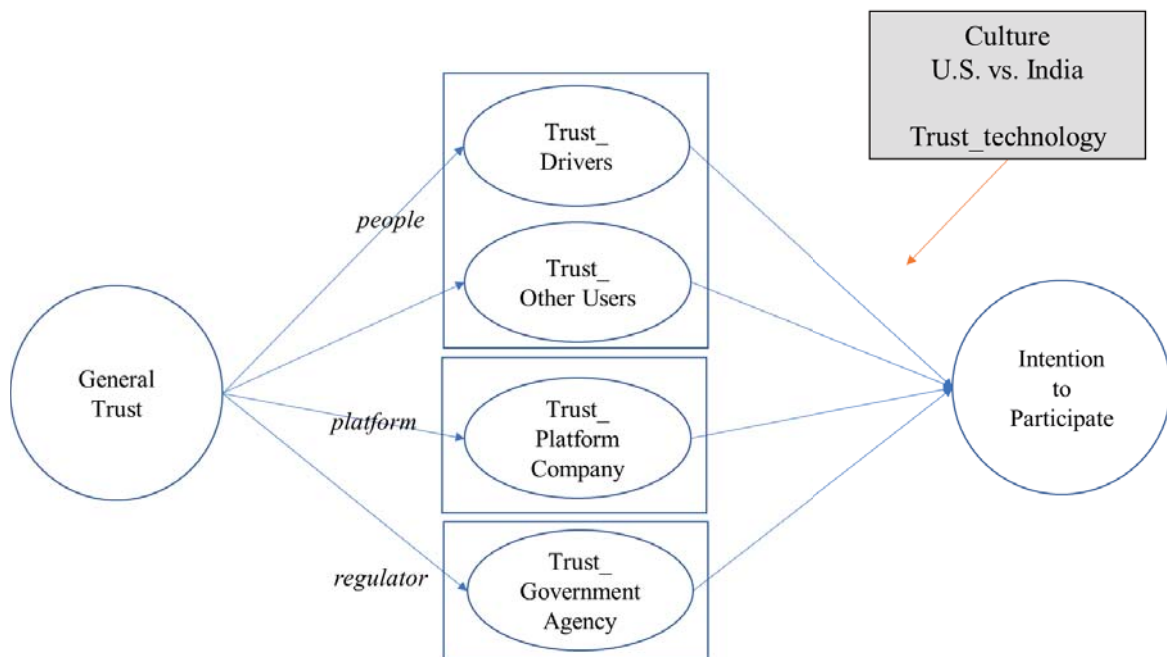
Suppose you want to pay for a bowl of noodles in a very small shop in an Asian country. If you are going to pay in cash, the owner might look in the sun to see if it is a counterfeit. But what if you pay with a QR code? The restaurant owner may not trust you, but he or she may trust Alipay. If you are in another country in Asia, small businesses might welcome cash use, because they are reluctant to pay the fee to the card company. How will consumers in these countries react when new innovative services, such as sharing platform service, are introduced?

A new economic model, known as the sharing economy, have begun to meet consumers' desire to be more efficient with products and services (Botsman and Rogers 2010). The rise of this new system has attracted huge attention among researchers and practitioners as to why sharing programs are increasingly being adopted by consumers. Previous research examining influencing factors of participation in the sharing economy has shown that monetary motivations, environmental and social concerns, flexibility, and political motives are among several factors that enhance participation in the sharing economy (Bardhi and Eckhardt 2012; Caprariello and Reis 2013; Lamberton and Rose 2012). However, empirical research has not been conducted on the trust that is fundamental to maintaining and participating in the sharing economy.

A society's trust is based on its social capital, which encompasses its economy and culture. And trust, in turn, social trust has a global impact on how members of society trade and communicate, as well as on how consumers accept new industries. Lamberton and Rose (2012) suggested that the trust in the counterparty of exchange is the key determinant of participation in collaborative consumption. In this regard, this study attempts to investigate whether the general trust of society affects the intention to participate as it is carried over to the various levels of trust surrounding the sharing service. The trust toward sharing service can be classified into multiple entities; trust in people (other users, providers), trust in platform companies' management, and trust in regulators of sharing system (Möhlmann and Geissinger 2018).

In addition, there is limited cross cultural research on the sharing services (Davidson, Habibi, and Laroche 2018). As of 2019, Uber is estimated to have operations in over 785 metropolitan areas worldwide and have 110 million worldwide users (Uber 2019). Airbnb are operating over 7 million accommodations and accessible in 62 languages across 191 countries

and regions (Airbnb 2019). Understanding cultural differences in a fast-growing market, such as sharing service in India, is now a strategic requirement for success. This research aims to answer these questions; whether and how general trust does influence participation in the sharing programs? Whether this effect exists/differs across culture?



[Figure 1. Conceptual Model of Trust-Sharing Participation]

To achieve research purpose, we conducted 3 studies. U.S. and Indian participants from a paid online panel of a market-research firm completed the study. In the pilot study, we tested the relationship between general trust-sharing participation. Both in U.S. and India, general trust will lead to greater participation in the ride sharing service ( $B = .20$ ,  $t(87) = 2.58$ ,  $p < .05$ ). One thing to note was that India showed higher participation intention ( $M = 4.01$ ,  $SD = 1.76$ ) relative to U.S. consumers ( $M = 5.12$ ,  $SD = 1.37$ ), while general trust was not ( $M_{India} = 3.14$ ,  $SD = 2.26$ ,  $M_{U.S.} = 3.96$ ,  $SD = 1.92$ ,  $F(1, 87) = 2.89$ ,  $p = .093$ ).

In study 2, we firstly tested whether general trust spill over to trust in multiple entities of sharing system. We recruited 519 participants (261 women;  $M_{age} = 35.15$ ,  $SD = 8.04$ ) from diverse resident area with the intention to increase generalizability. Gender, prior experience of sharing service were also controlled for analysis. Results are as follows. General trust of society affects consumers' intention to use sharing service and this relationship is mediated by trust in people (other users, drivers), trust in platform firm management (Hayes 2013; model 4). General trust spilt over trust in regulator (government agency), but this has not predicted the participation intention. The relative impact of each mediator was different across countries. The mediating effect of trust toward platform company was greater compared to trusts in the other areas in India, while trust of other users was most influential in United States. Trust

toward drivers was equally important factor both in U.S. and India. We will address these issues in more detail. Additionally, for women, general trust does not predict the trust in drivers of ride sharing. Secondly, study 2 aims to explain low general trust-high participation intention relationship in India. We found that trust in technology, an area where general trust does not transfer, acts as a key role only in India. Trust toward technology (related sharing service) moderates the general trust-participation intention relation.

Indians scoring higher on familiarity to sharing can be alternative explanation that they are more culturally used to sharing (Davidson et al., 2018). In study3, we address this issue of possible influence of perceived familiarity to sharing products by controlling for it. Results remained significant. Study 3 asked 208 respondents to choose what type of sharing service they prefer. As a result, Indian consumers were significantly more likely to prefer B2C-type sharing programs than P2P-type programs relative to U.S. consumers. This can be interpreted that the platform function is more important for Indian consumers. In order to confirm whether Indian consumers shows greater intention only in ride sharing as shown in study 2, we also asked respondents about their intention to use other types of programs (armchair, fashion items, cars) using hypothetical scenarios. As expected, Indian consumers reported higher intentions for all types of sharing service.

This paper makes several contributions. First, this is the first paper to investigate general trust-participation in the sharing economy relation cross-culturally. The extant research on the sharing system still have focused on the U.S. consumer, while the sharing economy is already global phenomenon. Second, most importantly, this paper shows that there are different impacts of general trust in different cultures to participate in the sharing-based programs. However, we invite researchers to dig deeper in why Indians showed higher willingness to participate in sharing service relative to U.S. consumers. We suggested that the trust in technology can be an answer. Considering that sharing is more common in a collectivist culture with low access to resources, people in this culture are used to sharing for the sake of gaining more access or more efficient use of the scarce resources. Another possible explanation for this might be the power distance difference between India and the United States. Hofstede Insights (2019) suggested that there is a significant difference in power distance scores from India, 77 to US, 40. In India, technology is based on more authority and trust in the sharing services provided by companies. There is also a need for research that considers trust and cultural dimensions together.

**3. A study on expanding the effect of retail store communication through social media indirect experience**

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#### 4. Importance of Empathy and Tangibility in Building Brand Loyalty Omni-channel Service

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##### Abstract

Omni-channel is synergistic management of the numerous available channels and customer touchpoints, that the customer experience across channels and the performance over channels is optimized (Verhoef et al., 2015). The transition to omni-channel has further increased the interactivities through such an application, in which organizational silos are diminished in favor of synergies that enhance customer engagement a unified brand experience (Hansen and Sia, 2015). In omni-channel retailing, the concepts and applications are still relatively new to customers (Ailawadi and Farris, 2017), thus customers' familiarity with the name and brand influences their understanding of the channel (Wang and Hazen, 2016). Omni-channel follows a customer-centered focus featuring a holistic shopping experience, irrespective of the channels used (Manser et al., 2017). In this regard, in omni-channel environment the most critical interaction is not with the channel but with the brand (Piotrowicz and Cuthbertson, 2014). Firms need to make a unification of the total collection of available tools and platforms into a single-choice environment (Cummins et al., 2016). In order to effectively communicate to consumers, companies take tangible evidence and brand of integrated channel strategy. The purpose of this study is to determine the significance of tangibility of OC service and customer empathy with the OC brand and to assess who these two constructs contributes to building customer satisfaction and brand loyalty. In our research, we tested the effects of the service quality related to tangibility and empathy on satisfaction, attitudes toward the brand, and loyalty. Thus, the framework of this study works out the transitive relationship between service quality, customer satisfaction, and loyalties.

This empirical study is based on information collected from omni shoppers of a Korea omni-channel retailer. These omni shoppers are consumers who have purchased goods through omni-channel SSG. We selected only clients who had purchased in the SSG. We chose this retailer for several reasons. First, the retailer successfully operated physical stores for about 28 years and cultivated a large number of consumers and had a good reputation. Second, the retailer was one of the earliest companies to have introduced an omni-channel retailing platform. Last, the retailer had been developing an omni-channel integration strategy for several years. Now, one unified brand operates to coordinate across different channels in the firm. Survey of 173 respondents was collected and Partial Least Squares- Structural Equation Modelling (PLS-SEM) was used to test the proposed research model.

Findings also show that customer satisfaction was found to be the most important construct in developing positive attitude of customers and also forming brand loyalty. Two identified determinants: tangibility and empathy were found to have statistically significant impact on customer satisfaction of branded omni-channel service, and the effect of empathy construct was slightly higher than that of tangibility construct. This suggests that the selected two

dimensions of the OC customer service needs to be addressed more strategically in order to enhance customer satisfaction of OC service, which may lead to greater brand loyalty of the OC brand.

Prior studies investigated the effects on customer behavioral intentions to adopt omni-channel service. That were the relevance of quality of channel integration (Shen et al., 2018), personal experience (Hossain et al., 2017), individual tendency (Park & Kim, 2019), type of product (Yurova et al., 2017; Park & Lee, 2017), and the role of offline channel (Semeijn et al., 2005; Huré et al., 2017). However, research that focuses specifically on the effects of customer's evaluation (service quality) of the retail channels and the perception of omni-channel brand on customer loyalty is relatively sparse. As this topic is tremendous importance in retail, this study aims to fill this gap in the literature.

In the omni-channel environment, service managers face many demands to maintain customer loyalty. In an OC retail environment, the relationship between the service functions and loyalty may be different between a single channel and a multichannel environment. For example, a single-channel business uses selective service features (such as loyalty cards or termination fees and contracts) to increase customer retention. However, in a multi-channel environment, companies may need to use different service strategies in order to retain customers. The strategic goal of channel integration in the OC retail platform is to ensure customers to adhere to the retailer by allowing them to have unique experience and greater flexibility in the channel usage. Investigating the issue of enhancing customer loyalty in the OC environment is an important issue for academics and practitioner.

*Keywords: Omni-channel, Brand extension, Service quality, Loyalty*