

# The Influence of Advertising and E-WOM on Intention to Purchase Bundled Travel Product Through Travel Websites: The Moderating Effect of Website Brand Awareness and Bundled Travel Product Involvement

Jiatong Wu<sup>1\*</sup>, Jun Zhang<sup>2</sup>, Yazhi Mo<sup>3</sup>, Yang Xu<sup>4</sup>

<sup>1</sup>*Department of International Trade and Business, Konkuk University, Seoul05029, Republic of Korea*

<sup>2</sup>*Department of Global Business, Konkuk University, Seoul 05029, Republic of Korea*

<sup>3</sup>*Department of International Trade and Business, Konkuk University, Seoul05029, Republic of Korea*

<sup>4</sup>*Department of Sport Management, Florida State University, Tallahassee, FL 32306, United States of America*

*\*Corresponding author. Email: nashwjt1101@naver.com*

## ABSTRACT

With the rapid development of the world economy, the popularization of e-commerce and tourism, and the booming of the travel website market, many researchers are interested in emerging websites, and have conducted multiple studies in the areas of attribute selection, trust formation, relationship quality, and services. However, research on tourism website promotion strategies is very rare. Therefore, the purpose of this study is to investigate the impact of advertising and e-WOM on consumers' intention to purchase bundled travel product via travel websites. This study explores the impact of advertising and e-WOM on consumers' purchase intention, as well as the impact of brand awareness and bundled travel product involvement on consumer purchase intention. The data were collected from consumer questionnaires and was analyzed by using SPSS 23.0 for Frequency Analysis, Reliability Analysis, Exploratory Factor Analysis, Multiple Regression Analysis, and Hierarchical Analysis. The results indicate that advertising and e-WOM have a significant impact on the purchase intention of bundled travel product. Secondly, the website brand awareness has a significant moderating effect. Finally, the relationship between advertising and e-WOM is less pronounced when bundled travel product involvement is high. Considering the nature of travel product, it can be shown that the degree of involvement has no moderating effect on the purchase intention of bundled travel product.

**Keywords:** *Advertising, electronic word of mouth, brand awareness, bundled travel product involvement, purchase intention*

## 1. INTRODUCTION

With the increasing advancement of technologies, consumers are relying less on traditional information outlets, such as travel agencies, when looking for tourist services. At the same time, the Internet has gradually become the main source of information for consumers. According to the 2019 iResearch China Online Travel and Vacation Industry Research Report, the proportion of vacations in the online travel market structure continued to rise in 2018, and the overall market transaction size reached 15.1224 billion yuan, with an increase of 29%. By 2020, the market size of travel booking products between travel websites will reach 2046.26 billion yuan [1]. With the rapid development of online tourism, competition among online travel companies has become more intense. Compared with the initial stage of the online travel

company's debut, this kind of competition has generated a lot of marketing expenses, which ultimately leads to the deterioration of the profitability of the company (Lee, Park, 2013) [2]. In an increasingly diverse environment, in order to meet the individual needs of consumers, online travel companies have introduced new supporting tourism products that are differentiated from traditional tourism companies. Both businesses and consumers can monetize promotional advertisements for kits. Enterprises can provide supporting tourism products to reduce sales costs and increase profits. From the perspective of consumers, the profits obtained through promotional advertising are mainly the reduction of economic costs and the reduction of exploration costs. Therefore, e-WOM based on consumers' own experience plays an important role in consumer decision-making. More and more companies recognize the influence of e-WOM, use e-WOM for marketing, and grasp their own products and services through the feedback of net citizens. Consumers' brand

awareness can be positioned as the consumer's understanding, awareness, and grasp of the brand, which can directly or indirectly reflect the concept of consumers' deeper needs and values, thereby affecting purchase intentions (Aaker, 1991) [3]. This study explores the impact of advertising and e-WOM on online consumers' purchase intentions of bundling travel product, and to understand whether website brand awareness and consumers' involvement have a moderating effect on purchase intentions of bundling travel product.

## **2. LITERATURE REVIEW AND HYPOTHESIS**

### ***2.1. The Purchase Intention Of Bundling Travel Product (PI)***

Adams and Yellen (1976) defined "Bundled" as "selling goods in package" [4]. "Social bundling," as a novel method that alleviates the quantity requirement while satisfying the bundling benefits for consumers and retailers. Social bundling outperforms traditional bundling in driving intention to purchase in bundles (Doha, Ghasemaghaei & Hassane, 2017) [5]. As mentioned above, the concept of purchase intention has received considerable attention within the field of psychology. Whereas in consumer research, purchase intention is recognized as a crucial cognitive outcome that precedes the actual purchase behavior. Therefore, this study is designed to examine the effects of advertising and e-WOM on the purchase intention of bundled travel product, as well as the moderating effect of website brand awareness and degree of involvement of bundled travel goods on purchase intention.

### ***2.2. Advertising (Ads)***

Before 1890, a definition generally accepted by Western society for advertising was that advertising is news about goods or services. In 1894, Lasker, known as "the father of modern American advertising," believed that advertising was a means of promotion in the form of printing. In 1948, the Definition Committee of the American Marketing Association issued a definition of advertising that still has a major impact today: advertising is a non-personal statement of any form of payment made by a identifiable funder for its ideas, goods or services And promotion. (Alexander, 1948) [6]. Advertising value explain purchase intention that allow marketers and advertisers to understand how smartphone advertisements contribute to consumer purchase intention. (Martinsa, Costab & Oliveira et al. 2019) [7]. According to Jeong (2012), if the positive information about the bundled travel product is sensitive to the consumers, it will directly affect their intention to purchase the corresponding product [8]. Based on these previous studies, the assumptions about the relationship

between bundled advertising and purchase intention are as follows:

H1: Advertising will have a positive effect on the purchase intention of bundled travel product.

### ***2.3. Electronic Word of Mouth (e-WOM)***

Word of mouth in the traditional sense means face-to-face communication among people. However, with the popularization of the Internet today, consumers obtain word of mouth information about products and services through the Internet and discuss the experience of products or services. There are many definitions of word-of-mouth on the Internet. As online word-of-mouth has received attention, many online word-of-mouth definitions and regulations have also been formed along the time. With the rapid development of the Internet, consumers can get a variety of communication opportunities on the Internet, and what happens to this kind of word of mouth via the Internet is called "Electronic Word of Mouth" (e-WOM) (Chatterjee, 2001) [9]. Electronic word of mouth (e-WOM) advertising are greatly associated with consumers' knowledge and involvement in products, and it can thus affect consumers' purchase intention by provision of a large volume of information in a short time (Ghate & Sheikhalizadeh, 2020) [10]. Based on previous studies, the following assumption has been made on the relationship between e-WOM and consumers' purchase intent of bundled travel product.

H2: e-WOM will have a positive effect on the purchase intention of bundled travel product.

### ***2.4. Moderating Effect of Website Brand Awareness (WBA)***

Brand Awareness refers to the degree to which consumers are able to recall a brand from memory and recognize it when given a brand-related cue, such as a logo. Keller (1993) defined brand awareness as "inadequate brands connected to multiple associations in consumer memory" [11]. According to Milgrom and Roberts (1986), low brand awareness means that consumers are unfamiliar with the brand, being unable to recognize the brand when exposed to the brandmark. High brand awareness generally means that consumers with a high degree of familiarity with the brand that will set up a high evaluation [12]. In their study, Reza and Sameii (2012) found that brand awareness strengthens relationship between brand credibility and brand purchase intentions [13]. The study of Huang and Cheng (2013) revealed significant main effects for promotion and brand awareness on consumers' perceived quality, well-known brand has successfully played a moderating role in the relationship between promotions and consumer responses. [14]. In the current study, the focus is to look at consumers' brand awareness toward the tourist service website. Based on the previous research, to explore the effect of website brand awareness

on the relationship between advertising and e-WOM and purchase intention, assumptions are set as follows:

H3: Website brand awareness has a moderating effect in the influence of advertising on the purchase intention of bundled travel product.

H4: Website brand awareness has a moderating effect in the influence of e-WOM on purchase intentions of bundled travel goods.

### **2.5. Moderating Effect Of Bundled Travel Product Involvement (BTPI)**

Many scholars define "involvement" as the product's personal relevance to the product. The term "commitment" is used instead of "involvement" and is defined as "an individual's belief system for a product or trademark" (Robertson, 1976). [15]. Han & Kim(2017) showed the results indicate that product risk and social/psychological risk were negatively associated with consumers' trust and purchase intention, regardless of their product involvement[16]. In Nijssen's (1995) research, the degree of product inflow is the personal orientation of consumers, and it points out the degree of perception of product associations in various aspects such as values and internal needs. The higher the level of product involvement, the higher the perceived risk of purchase. Compared with products with lower levels of involvement, consumers' value and quality are more necessary for the extensive information collection of consumer groups. It reflects the inherent importance of the information that consumers are engaged in stimulated by external product information and their own judgments and feedback on their relationships. Consumers can make different behaviors in different categories of their participation [17].Based on those previous studies, the relationship between the consumer involvement in bundled travel product in advertising and the purchase intention of bundled travel product, the following assumptions are set:

H5: The bundled travel product involvement will have a moderating effect on the influence of advertising on the purchase intention of bundled travel product.

H6: The bundled travel product involvement will have a moderating effect on the influence of e-WOM on purchase intentions of bundled travel product.

## **3. RESEARCH METHODS**

### **3.1. Data Collection and Questionnaire Composition**

In this study, the questionnaire was sent out to 600 Chinese consumers on March 10th, 2020, and a preliminary survey was completed. The questionnaire was modified and adjusted based on the results of the preliminary survey. From March 15th to March 25th, 2020, a total of 552 Chinese consumer questionnaires were

collected, in which 148 were invalid questionnaires due to that consumers never purchased bundled travel product. Data analysis was conducted based on 404 valid questionnaires. The questionnaire design, uploading and data recovery were completed using the questionnaire star website. This research questionnaire includes 7 components. The measurement of advertising is based on the literature of Martinsa et al. (2019), Jeong(2012), five items were listed. The measurement of e-WOM is based on the literature of Chatterjee (2001), Ghate and Sheikhalizadeh (2020), four items were listed. The measurement of website brand awareness is based on the literature of Keller (1993), Roberts (1986) and Reza et al. (2012), three items were listed. The measurement of bundled travel product is based on the literature of Robertson (1976), Han et al.(2017) and Nijssen (1995), five items were listed. The measurement of bundled travel product purchase intention is based on the literature of Adams et al. (1976) and Doha et al. (2017), six items were listed. The above items are measured with Likert 7 point scale.

### **3.2. Data Analysis**

Based on the survey results, the statistical project was analyzed using IBM SPSS Statistics. A Frequency Analysis was implemented to test the demographic characteristics of the respondents. In order to find out the reliability and feasibility of collected data, Reliability Analysis and Exploratory Factor Analysis were implemented. Multiple Regression Analysis was used to find out how independent variable advertising and e-WOM can determine the degree of purchase of bundled travel product. Hierarchical Regression Analysis was implemented to verify the moderating effect of website brand awareness and consumer involvement in bundled travel products. The research hypothesis proposed in this study was verified by statistical analysis methods. The regression model tested is indicated below:

$$PI = \beta_0 + \beta_1 Ads + \beta_2 e\text{-WOM} + \beta_3 WBA \times Ads + \beta_4 WBA \times e\text{-WOM} + \beta_5 BTPI \times Ads + \beta_6 BTPI \times e\text{-WOM} + e$$

In this model, *PI* stands for the purchase intention of bundled travel products, which is the dependent variable.  $\beta_1$  and  $\beta_2$  are the slopes of the two independent variable advertising and e-word-of-mouth respectively.  $\beta_3$  and  $\beta_4$  indicate the slopes of the interaction terms between website brand awareness, a moderator, and the two independent variables.  $\beta_5$  and  $\beta_6$  stands for the slopes of the interaction terms between bundled travel product involvement, another moderator, and the two independent variables.

## 4. RESULTS

### 4.1. General Characteristics of The Respondents

The demographic characteristics of the respondents consisted of gender, age, education, occupation, average monthly income, marriage situation. The results show that the percentage of male and female are 45.3% and 54.7%, the single and marriage ratio are 59.9% and 40.1%; ages are among 18 to 39 years old, which accounts for 81.7%, and most of them are bachelor and master degree education level that accounts for 74.8%. Students and civil servants occupation accounts for 23.8% and 24.3%. Respondents with monthly income around 2,000RMB to 10,000RMB accounts for 58.7%.

### 4.2. Feasibility and Credibility Analysis

Exploratory Factor analysis and Reliability Analysis were performed on advertising, e-WOM, website brand awareness, degree of intervention on bundled travel product, and consumer purchase intention of bundled travel product. The results indicate that KMO is 0.963, and the significance of Barlett's test is 0.000, so the Factor Analysis is suitable for use. The factor loading of each variable is greater than 0.6. Communality values are all greater than 0.8, eigen values are all greater than 2, the cumulative variance contribution rate is 77.012, and Cronbach's  $\alpha$  is all greater than 0.9.

### 4.3. Analysis of Influence Between Independent and Dependent Variables

The variables that have an influence on the purchase intention of bundled travel product are advertising ( $\beta = 0.806, p < 0.01$ ) and e-WOM ( $\beta = 0.343, p < 0.01$ ). That is, the higher the advertisement and e-WOM, the higher the willingness to purchase bundled travel product. Therefore, Hypothesis 1 and Hypothesis 2 are supported.

### 4.4. Analysis of Moderating Effect of Website Brand Awareness and Degree of Bundled Travel Product Involvement.

In the relationship between advertising ( $\beta = 0.751, p < 0.01$ ), e-WOM ( $\beta = 0.294, p < 0.01$ ), and purchase intention of bundled travel product, website brand awareness has a statistically moderation effect ( $WBA \times Ads: \beta = 0.173, p < 0.01$ ) ( $WBA \times e-WOM: \beta = 0.099, p < 0.01$ ). Therefore, Hypothesis 3 and Hypothesis 4 are supported.

In the relationship between advertising ( $\beta = 0.289, p < 0.01$ ), e-WOM ( $\beta = 0.090, p < 0.01$ ) and bundled travel product purchase intentions, the bundled travel product involvement has not statistically moderation effect ( $BTPI \times Ads: \beta = -0.040, p > 0.05$ ) ( $BTPI \times e-WOM: \beta = -0.017, p > 0.05$ ). Therefore, hypothesis 5 and 6 are rejected.

## 5. CONCLUSIONS AND RECOMMENDATIONS

Advertising and e-WOM have a positive impact on the bundled tourism products. Compared with e-WOM, advertising has a greater impact on the purchase intention of bundled travel product. Although many previous studies have advocated "the impact of e-WOM", many post-mortem evaluations of false information produced by uploaders have recently appeared. Consumers' distrust of evaluation directly leads to greater influence of advertising. Therefore, businesses should also focus on developing the effectiveness of advertising. In the relationship between advertising and purchase intention of bundled travel product, website brand awareness has a certain moderating effect. In order to determine the moderating effect of website brand awareness, Hierarchical Regression Analysis was implemented. The results show that in the relationship between e-WOM and purchase intentions of bundled travel product, website brand awareness has a certain moderating effect. In the influence of advertising and e-WOM on the purchase intention of bundled travel product, the moderating effect of website brand awareness is analyzed. With the increase of website brand awareness, the influence of advertising on the purchase intention of bundled travel product has further enhanced. The influence on e-WOM on purchase intention of bundled travel product has increased with the improvement of website brand awareness. Therefore, in the process of improving the purchase intention of bundled travel product, it is necessary for travel website companies to increase their brand awareness. The website host companies can also increase their brand awareness through SNS marketing. In order to determine the moderating effect of the consumer involvement in bundled travel product, a Hierarchical Regression Analysis was implemented. The results prove that the relationship between advertising, e-WOM and the purchase intention of bundled travel product does not have the moderating effect on the intervention degree of bundled travel product.

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