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INFORMATION SEQUENCE AND PRODUCT EVALUATION IN CONSUMER DECISION-MAKING

Abstract:

Despite its positive impact on short-term sales, price promotion can negatively affect consumer product evaluation, leading to unfavorable behavioral responses in the long-run. Many a time, price promotion information is presented to a consumer together with product information. We aim to examine the impact of sequence of price promotion and product information on consumer product evaluation. In our experiment, we find evidence from China that (1) the sequence of price promotion and product information is likely to affect both perceived product quality and internal reference price, such that both consumer's perceived product quality and internal reference price are likely to be lower in a promotion-first sequence than in a product-first sequence, and that (2) product price moderates the sequence effect on consumer's internal reference price whereas the moderating effect is not significant with respect to perceived product quality, such that the sequence effect on consumer's perception of product quality does not vary with product price levels while the sequence effect on consumer's internal reference price is stronger when product price is high than when product price is low . Research findings are discussed and implications are provided.

Keywords:

Promotion; Sequence; Product evaluation; Perceived product quality; Internal reference price