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The Influence of Purchase Confidence on Information Source Selection: Implications for Hospitality Industry

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Abstract

Whether the product of choice is a restaurant, vacation resort or hotel, it is important for hospitality marketers to understand how consumers treat purchase decisions and the influence purchase confidence and situation play on that decision. This study investigated the role purchase confidence plays with knowledge in the selection of sources of information during purchase decisions. The results indicate sources of information are perceived differently by consumers and depending on the purchase situation, subjective knowledge is influenced by purchase confidence affecting the source of information considered when making a purchase decision. The results also indicated that those with high purchase confidence and subjective knowledge will rely on themselves as a source when making a purchase rather than a retail clerk or published material.

Keywords

purchase, buyers remorse, purchase confidence, Nelson Barber, Tim Dodd, consumer-behavior

The Influence of Purchase Confidence on Information Source Selection: Implications for Hospitality Industry

By Nelson Barber and Tim Dodd

Whether the product of choice is a restaurant, vacation resort or hotel, it is important for hospitality marketers to understand how consumers treat purchase decisions and the influence purchase confidence and situation play on that decision. This study investigated the role purchase confidence plays with knowledge in the selection of sources of information during purchase decisions. The results indicate sources of information are perceived differently by consumers and depending on the purchase situation, subjective knowledge is influenced by purchase confidence affecting the source of information considered when making a purchase decision. The results also indicated that those with high purchase confidence and subjective knowledge will rely on themselves as a source when making a purchase rather than a retail clerk or published material.

INTRODUCTION

Most marketing and consumer-behavior textbooks depict consumer purchase decisions as a series of steps progressing from problem recognition, to information search, to post-purchase behavior. In the information-search stage, consumers actively collect internal or external information to make potentially better decisions (Brucks, 1985; Williams, 2002). Internal searching occurs when consumers use information already stored in memory, whereas external searching involves information sought from the environment because the required information was not previously acquired or is unable to be recalled from memory.

The investigation of consumer external-search behavior has identified a number of individual factors, such as internal knowledge, purchase confidence, and purchase situation, that influence the extent of the information search. Research on purchase confidence in the hospitality industry (Barber, 2005) and in general consumer products (Wells & Prensky, 1996), has sought to understand product-specific uncertainty and its influence on purchase search behavior. Several risk-reduction strategies may be adopted by consumers depending upon their level of purchase confidence and the purchase situation. One strategy is for uncertain consumers to search for additional sources, types, and amounts of information that seem most likely to satisfy their particular needs.

Whether the product of choice is a restaurant, vacation resort, or hotel, it is important for hospitality marketers to understand how consumers treat the purchase decisions they face and how much influence

purchase confidence and situation have on that decision (Barber); Dodd, Laverie, Wilcox, & Duhan, 2005; Olsen, Thompson, & Clarke, 2003). Understanding the tendency to seek varied sources of information will aid in designing promotional plans and staff training programs. Toward those ends this study investigated the role that purchase confidence plays in the selection of information sources during purchase decisions.

LITERATURE REVIEW

Purchase Behavior

Consumers are faced with purchase decisions every day, and not all of these decisions are acted upon equally. Some decisions are more involved and thus entail greater effort by the consumer. Other decisions are fairly routine and involve little or no effort.

Purchase decisions start when the consumer recognizes a need and reflects a set of attitudes toward a product category. When the consumer has a need—whether it be the selection of a vacation resort or a bottle of wine for a special occasion—he or she becomes goal oriented. Unrelated cognitive activities become organized to satisfy the perceived need (Srinivasan & Ratchford, 1991). Next the consumer must decide what to do. Most often this involves searching for information.

Usage Experience

To make decisions, a person has to rely on knowledge acquired about the problem and on information gathered during the decision process. The extent of prior experience with a product is an important determinant of subsequent information searching. Williams suggested that in order for hospitality consumers to resolve their need to purchase or consume something, such as a hotel room or meal at a fine dining restaurant, they must first look to past experience or memory of prior usage or consumption of a particular product. For example, Bieger and Laesser (2004) found that for tourists planning a trip, a number of common denominators regarding information collection were identified. These include the composition of the vacation group, the presence of family and friends at the destination (situational use), and prior visits to the destination (usage experience). Thus, previous experience can influence the decision.

Internal Knowledge Search

Mattila and Wirtz (2001, 2002) and Park and Lessig (1981) identified two major approaches for measuring internal knowledge: how much a person actually knows about the product (*objective knowledge*) and how much a person thinks he/she knows about a product, or self-assessed

knowledge (*subjective knowledge*). Differentiation between objective and subjective knowledge occurs when consumers do not precisely recognize how much or how little they actually know. It is often influenced by the consumers' psychological set, as well as their ability to retrieve the information from memory.

Research has found that when the internal knowledge proves inadequate, consumers may decide to collect information external to their memory (Barber; Engel, Blackwell, & Miniard, 2001; Williams). Sometimes short cuts are taken in this search process that Williams described as heuristic strategies. An example is availability. When the consumer knows that the information can be obtained easily from accessible external sources, there will be less internal searching.

External Knowledge Search

Traditionally, one reason consumers search for information prior to purchase is to reduce their uncertainty (knowledge or choice) to acceptable levels, with greater uncertainty leading to more extensive searching. Thus, the sources of information hospitality consumers choose to assist in a purchase decision will vary (Barber; Cheney, 2000; Dodd et al; Vogt & Fesenmaier, 1998).

For example, Thomas (2000) noted that individual experiences, rather than symbolic influences, seem to have the stronger impact on wine purchase behavior. Therefore, regardless of context, it is likely that the customer will be his/her most important source based on ready availability and salience. External sources are also likely to be important depending upon the situation (Dodd et al.). Bieger and Laesser found that travelers make extensive use of informal information sources that they consider more trustworthy, such as a friends/family members, or travel agents they have known or used before.

External sources of information include friends/family members, travel agents, and retail sales personnel (personal); or point-of-sale material, wine critics, and magazines (impersonal). These various sources have their advantages. One advantage of personal sources of information, according Kinley, Conrad and Brown (2000), is that they are considered credible sources whose opinions consumers respect. The benefit of impersonal sources of information is they likely have greater expertise than personal sources about the product under consideration.

Whatever the source of information, purchase confidence has been mentioned as an important construct in the selection of an information source, particularly if the level of internal knowledge is low

(Bearden, Hardesty, & Rose, 2001; Evans, Moutinho, & Raaij, 1996; Williams).

Purchase Confidence

Self-confidence has been separated into personal confidence and purchase confidence. Personal confidence relates to a person's ability to feel confident in typical social situations, whereas purchase confidence relates to a consumer's product knowledge and the extent to which he/she feels capable and assured with respect to marketplace decisions and behaviors (Bearden et al.; Veale & Quester, 2007).

As such, purchase confidence reflects consumers' subjective evaluations of their ability to generate positive experiences in the marketplace. Bearden et al. proposed that consumer purchase confidence is a collection of prior market experiences that varies across product categories and can be differentiated among individuals within product categories and purchase situations, thus resulting in different risk-reduction strategies.

Wine purchasers are highly risk-sensitive. Their wine purchase behavior is governed by the dynamics of expectation and risk, and modified by risk-reduction strategies. Risks include functional, social, economic, and psychological aspects of a product purchase (Lee, Zhao, & Ko, 2005; Spawton, 1991). An example of functional risk is the taste of the wine; an economic risk is associated with the value, or price, of the wine and whether the perceived risk was higher when an unfamiliar bottle, grape varietal, or brand of wine was purchased (Olsen, Thompson, & Clarke). A psychological risk relates to self-confidence in choosing the correct wine. These same strategies were found to be considered by tourists when selecting a destination (Hudson, 1999).

Thus, depending on the level of internal knowledge, the level of purchase confidence, and the importance of the purchase situation, consumers may use different sources of information as risk-reduction strategies.

Purchase Situation

Theory-based research efforts have advanced marketers' understanding of hospitality consumers' purchase behavior, yet enhancement of these theories and methods is needed for a better understanding of hospitality consumption situations (Oh & Parks, 1997). These situations in which consumers find themselves are not always controllable and can strongly affect their purchase decision. In such cases

consumers may not follow their normal process for making a purchase decision.

Studies have examined the social influence of situational factors in consumer behavior, such as gift-giving or personal usage (Oliver & Bearden, 1985), at home or away from home wine usage (Dodd et al.), and selecting a vacation resort (Bieger & Laesser) . Research has also examined situational influence among various product categories, including apparel (Stoltman, Gentry, Anglin, & Burns, 1990), snacks (Gehrt & Shim, 2003), leisure travelers (Bieger & Laesser,; Fodness & Murray, 1999) and wine (Barber; Dodd et al.).

Very few studies, however, have specifically considered the combined effects of situational and individual factors on consumer behavior. Recently, wine studies by Barber; Dodd et al. ; and Olsen et al. have investigated this relationship. Their research specifically analyzed the importance of hospitality product attributes in consumer choice. The number of brands considered, depth of search, and type and sources of information sought are all likely to vary with the consumption situation, suggesting that consumers' intention to purchase depends upon the degree to which they associate the product attributes with their anticipated consumption situation.

Research Hypotheses and Proposed Model

A considerable amount of effort has been devoted to understanding how consumers arrive at a purchase decision. Although broad generalizations can be made regarding choice processes, the ability to predict and understand a consumer's behavior is still weak.

Previous hospitality research demonstrated that information searching is thought to play a decisive part in the decision-making process regarding wine purchase and consumption (Barber; Dodd et al.), leisure travel (Fodness & Murray), and wine purchase (Barber; Cheney; Olsen et al.).

In the study by Dodd et al. a model was adapted from Raju, Lonial, & Mangold (1995) that mapped the experience with a product, the building of consumer knowledge, and the influence of knowledge on sources of information sought (Baseline model). The following research, however, shows that the relationships among these components can be inconsistent:

- Brucks (1985) suggested there is a positive relationship between knowledge and the use of various sources of information.

- Brucks suggested objective knowledge is related to the kind of impersonal information that is often found in advertising and that subjective knowledge is related to using the self and other personal sources when making a decision.
- Park, Mothersbaugh, and Feick (1994) considered and measured general self-confidence (“global self-esteem”) as it relates to self-assessed knowledge. They found that general self-confidence had a very weak relationship with self-assessed knowledge and did not connect to the specific assessment of knowing a product.
- Park et al. found a stronger connection between prior experience and subjective knowledge than with objective knowledge, suggesting that consumers believe they know more than they actually do.

It has been recognized that consumer knowledge has a significant impact on consumer decision making, and that both are related to purchase confidence. Purchase confidence, in turn, has an important impact on information searching behavior (Dodd et al).

Figure 1
Hypothesized Model: Modified from Dodd et al. (2005).

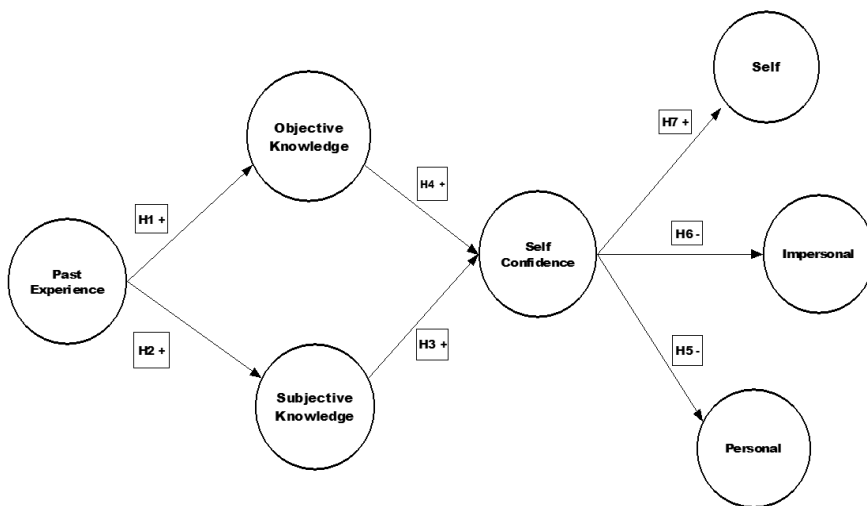


Figure 1 was adapted from the Dodd et al. Baseline model and modified to consider the influence of purchase confidence on the selection of an information source. The following hypotheses were proposed in testing this hypothesized model.

H₁: Prior experience is related positively to objective knowledge.

- H₂: Prior experience is related positively to subjective knowledge.
- H₃: Subjective knowledge is related positively to purchase confidence.
- H₄: Objective knowledge is related positively to purchase confidence.

The study by Dodd et al. also noted several reasons for a negative path between subjective knowledge and personal information sources. First, it is probable that consumers with greater subjective knowledge of a product simply do not feel the need to ask store salespeople or family members for their opinions despite the complexity of the product category. Instead, they feel confident using themselves as sources of existing knowledge. Therefore, the following were proposed:

- H₅: Purchase confidence is related negatively to the use of “Personal” sources of information.
- H₆: Purchase confidence is related negatively to the use of “Impersonal” sources of information.
- H₇: Purchase confidence is related positively to the use of one’s “Self” as a source of information.

METHODOLOGY

The Context of the Study

Studies have investigated the importance of consumer product knowledge and search behavior for general consumer products (Mittal, 1988), leisure travelers (Fodness & Murray), and wine (Barber; Dodd et al.; Flynn & Goldsmith, 1999; Spawton). The purchase of wine has been researched primarily because purchasing wine, and information searching have been found to be associated with purchase confidence.

With the wine market changing at such a fast pace, wine producers, restaurants, and retailers could be at great advantage if they had a tool to market their products and services to consumers. Wine is similar to many other hospitality-related consumer products because it is difficult for consumers to know exactly what they are getting just by looking at the product. For example, when planning a ski holiday to Switzerland, viewing only pictures may not give the consumers enough information to determine the destination’s true quality (Bieger & Laesser). The same is true for selecting a restaurant, where situational use (Auty, 1992) and past dining experience (Joon-Wuk Kwun & Oh, 2006) are important factors in the selection. Mitra & Reiss (1999) found this to be true for hotels. Often access to the quality and functional performance characteristics of the product, such as the color, texture, taste and aroma of a wine, the comfort of a hotel room bed, or the quality of restaurant meal, cannot be judged without purchasing and using the product.

In these situations, consumer behavior is governed by the dynamics of expectation and uncertainty, relying heavily on sources of information as risk-reduction strategies. These strategies can be internal knowledge, as well as external knowledge from friends and family, or descriptions from sales personnel (Barber; Dodd et al.; Lockshin, 2003). Therefore, wine is an appropriate product category because it provides a variety of consumption situations, thus allowing the testing of distinct situational scenarios while allowing for the examination of the influence that knowledge and purchase confidence play in the purchase-decision process.

Design of the study

The sample for this study, a self-selected, non-probability, judgment sample, was drawn from employees in companies known to the researchers across diverse geographic locations in the United States. With the agreement of the companies, 1,200 URL survey links were randomly distributed by the companies in June 2007, and a total of 602 questionnaires were collected. After data screening, 59 surveys were eliminated because the respondents did not consume wine. The 543 remaining surveys resulted in a 45% response rate.

Measures

Usage experience

Usage experience was assessed by the subjects' self-reported experience with the product category. Two consumption measures were developed based upon the study of wine by Dodd et al. and Flynn and Goldsmith. A general consumer-product study by Dahl, Manchanda, and Argo (2001) consisted of free-response questions concerning how much wine the consumers purchased in a given month, and for how long they had been wine consumers.

Objective knowledge

Modifying the wine studies by Dodd et al. and Flynn and Goldsmith, as well as the consumer products studies by Park et al., researchers asked respondents to answer ten questions, each with four multiple-choice answers from which to choose. The questions ranged in content from styles of grapes to locations of wine regions.

Subjective Knowledge

The instrument construction followed subjective wine-knowledge questions developed in previous wine studies by Barber and Dodd et al., and general consumer-products studies by Park et al. Coefficient alphas of .90, .90, and .91 were reported by Dodd et al., Flynn and Goldsmith, and Park et al., respectively. Four 7-point scale questions were used in this

study. Three were anchored at either end with “strongly agree” and “strongly disagree,” and a single item with “not at all knowledgeable” and “very knowledgeable.”

Purchase confidence

The purchase confidence construct followed the Bearden et al. study. Coefficient alpha in that study was reported at .89. The four-item, 7-point statements, each anchored with “strongly disagree” and “strongly agree,” were modified towards wine as a product.

Sources of information

Following the wine purchase study by Dodd et al., this construct measured respondents by asking them five 7-point scale items, anchored with “not very important” and “very important.” The indicator variables to support the sources of information constructs were: two personal sources of information (recommendations from a retail clerk and a friend/family member), two impersonal sources of information (recommendations provided by wine critics, and published material), and information stored in memory.

The purchase-confidence variable was categorized as “high purchase confidence,” “neutral,” or “low purchase confidence,” with 163 (30%) reporting low purchase confidence, 149 (28%) neutral, and 231 (42%) reporting high purchase confidence. The subjective knowledge variable was categorized as “high subjective knowledge,” “some subjective knowledge,” and “low subjective knowledge,” with 133 (24%) reporting low subjective knowledge, 129 (24%) some subjective knowledge, and 281 (52%) high subjective knowledge. These two new variables were based on the mean for the characteristics evaluated and one standard deviation from the mean (Barber; Bearden et al.).

To gain information about the data collection process and identify problems with regard to the questionnaire, the researchers conducted a pilot study during the first week of June, 2007. The primary purposes were to determine whether the instrument could be clearly understood by respondents and to ensure its reliability. For the pilot test, a web link to the instrument was e-mailed to 25 individuals in Lubbock, Texas; Boston, Massachusetts; Charlotte, North Carolina; and West Lafayette, Indiana.

Using Cronbach’s alpha coefficients for the item scales and *Kuder Richardson Formula 20* ($KR - 20$) for the objective questions, all reported above .70, with the exception of objective knowledge ($K - R 20 = .58$). The calculation on objective knowledge was below the minimum

recommendation for reliability. However, the result was similar to work published by Sapp (1991), KR-20= .61. An analysis of the pilot respondents' demographics did not reveal any unusual characteristics that would require modification of the survey.

Data Analysis

Statistical analysis was computed using the Windows versions of *Statistical Package for the Social Sciences* (SPSS 15.0) and *AMOS (Analysis of Moment Structures, release 7.0/SPSS 15.0)*. The underlying structures of the seven constructs, objective and subjective product knowledge, purchase confidence, and sources of information were not separately tested because the measures of these constructs were composed of items from several scales purporting to measure these constructs with reliabilities all in excess of .75 (Dodd et al.; Bearden et al.; Park et al.). Therefore, since these measures had been developed and tested elsewhere, they were examined in a confirmatory factor analysis. This study used purchasing wine as a gift for model testing.

Structural Equation Modeling

The testing centered on two basic concepts: validating the measurement model, then testing, fitting, and modifying the structural model. The first was achieved through confirmatory factor analysis and the latter completed through path analysis (Tabachnick & Fidell, 2001). As suggested by Tabachnick and Fidell, construct items were restricted to their respective factors but allowed to correlate with the other constructs. In the cases where the construct was measured by a summative (objective knowledge) or single items (personal, impersonal, self, and expenditures), no measurement error was assumed.

Three models were tested. First, the model used by Dodd et al. that established the theoretical baseline. This model reflects only the direct effects of objective and subjective knowledge on sources of information.

Second, the Hypothesized model in Figure 1 tested the hypotheses set out in this research study. The Hypothesized model assumed no direct effects of the objective and subjective knowledge constructs to sources of information, but rather presented purchase confidence as a mediating variable. The final model tested was the Nested model that combined the prior two models. This was analyzed to determine whether purchase confidence influenced consumers' selection when making a purchase decision.

RESULTS

Descriptive statistics

Forty-five percent of the respondents were male ($n=242$) and 55% were female ($n=301$). The average age of respondents was 41 years. Respondents had high levels of education, with 80% of the sample having earned graduate college degrees. Fifty-four percent of the respondents had annual household income above \$75,000. Overall, the socio-demographic background of all respondents (middle-aged, educated, higher income) mirrored the profile of wine consumers in general (Motto Kryla Fisher, 2000), and was similar to data collected in surveys conducted by Barber, and Kolyesnikova (2006).

The average number of years the respondents had been consuming wine was 18.9, with the average number of bottles (750 ml) purchased per respondent 6.5 per month. Forty-eight percent of respondents reported they purchased wine at retail stores, followed by restaurants (25%), grocery stores (15%), and wineries (11%).

Respondents reported moderate levels of subjective knowledge ($M=3.9$, $SD = 1.0$), which result was supported by their low score on the objective questions (overall mean 66% correct); this indicated that they considered themselves somewhat knowledgeable about wine. Those respondents with high purchase confidence (81%) answered the objective questions significantly better than those with low purchase confidence (64%), $t(355) = 3.11$, $p = .01$. Those respondents with high purchase confidence ($M = 4.2$, $SD = 1.2$) were significantly more likely $t(355) = 3.17$, $p < .02$ than low purchase confidence respondents ($M = 3.0$, $SD = 1.4$) to feel very knowledgeable about wine. This was expected considering their high score on the objective knowledge questions.

Data Reduction

A confirmatory factor analysis was performed to identify whether the measurement items reliably reflected the a priori latent constructs of past experience, objective and subjective knowledge, purchase confidence, and the three sources of information (Dodd & Gustafson, 1997); Ryu & Jang, 2007).

All the factor loading scores were above .70, indicating acceptable internal consistency. The individual item reliabilities (squared multiple correlations) ranged from .58 to .85, indicating an acceptable level of reliability (Hair, Anderson, Tatham, & Black, 1998).

Cronbach's alpha was used to test internal consistency and ranged from .70 to .90, indicating acceptable internal consistency. In summary, the measurement of the specified model showed good evidence of reliability and validity for the operationalization of the latent constructs.

Baseline Model

Based upon the model-fit-indices ($\chi^2/df = 5.4$, GFI = .89, CFI = .89 and RMSEA = .09), the model provided a reasonable fit to the data.

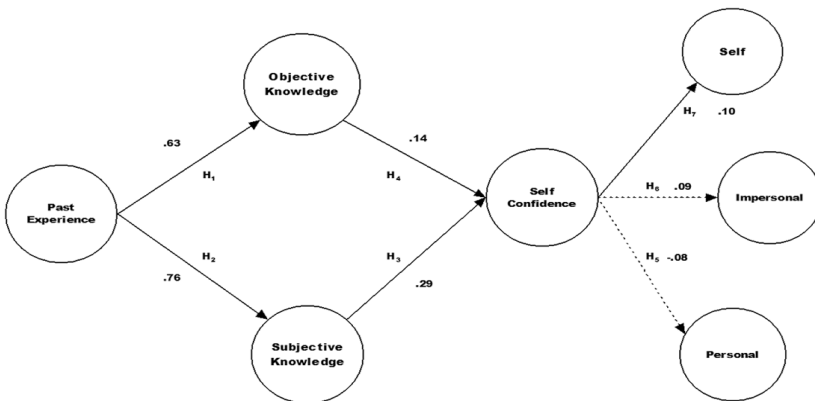
The results revealed causal relations between consumers' past experience with wine and their objective and subjective knowledge, suggesting that more usage experience directly enhances subjective knowledge ($\beta = .76, p < .01$) and objective knowledge ($\beta = .63, p < .01$), with the strongest relationship being subjective knowledge. These findings supported the results of studies by Raju et al. and Dodd et al.

Subjective knowledge related positively with the sources of information "Impersonal" ($\beta = .31, p < .01$) and "Self" ($\beta = .19, p < .01$), and from objective knowledge to "Impersonal" ($\beta = .19, p = .04$). These results supported the previous research study by Dodd et al.; however, the results of this study were much stronger in the causal relations reported.

The Hypothesized Model

Based upon the model-fit-indices ($\chi^2/df = 4.59$, GFI = .91, CFI = .91 and RMSEA = .08), the Hypothesized model fit the data well (Figure 2). Dotted lines indicate non-statistically significant paths, and solid lines show significant paths.

Figure 2
Hypothesized Model Showing Standardized Path Estimates.



As shown in Table 1 and Figure 2, the results revealed causal relations between consumers' past experience with wine and their objective and subjective knowledge; the strongest relationship was with subjective knowledge ($\beta = .76, p < .01$), supporting Hypotheses one and two, and the results in studies by Raju et al. and Dodd et al.

Table 1
Hypothesized model:
standardized coefficients and p-values (n=543)

| Hypothesized Path | Standardized Coefficients Path | P-Value | Hypothesis | | | | | |
|---|--------------------------------|---------|--------------------------------|-----|-----|------|-----|-----|
| Purchase confidence -> Oneself | .10* | .03 | H ₇ : Supported | | | | | |
| Purchase confidence -> Impersonal | .09 | .07 | H ₆ : Not supported | | | | | |
| Purchase confidence -> Personal | -.08 | .16 | H ₅ : Not supported | | | | | |
| Objective -> Purchase confidence | .14** | .00 | H ₄ : Supported | | | | | |
| Subjective-> Purchase confidence | .29** | .01 | H ₃ : Supported | | | | | |
| Past experience -> Subjective knowledge | .76** | .00 | H ₂ : Supported | | | | | |
| Past experience -> Objective knowledge | .63** | .00 | H ₁ : Supported | | | | | |
| Overall Goodness-of-Fit Comparisons for the Specified Model | | | | | | | | |
| Model | χ^2 | df | χ^2 Ratio | p | GFI | AGFI | NFI | CFI |
| Hypothesized Model | 454.023 | 99 | 4.586 | .00 | .91 | .87 | .89 | .91 |

Note: GFI = Goodness-of-fit index; AGFI = Adjusted goodness-of-fit index; NFI = Normed fit index; CFI = Comparative fit index; RMSEA = Root mean square error of approximation. * $p < .05$. ** $p < .01$.

Both objective and subjective knowledge were significant predictors of a customer's purchase confidence. A significant influential coefficient on purchase confidence, albeit more so than objective knowledge, was subjective knowledge ($\beta = .29, p < .01$), supporting Hypothesis three. This result indicated that subjective knowledge is a stronger predictor of purchase confidence than objective knowledge. The results showed that objective knowledge influenced a consumer's level of purchase confidence positively ($\beta = .14, p < .01$), supporting Hypothesis four.

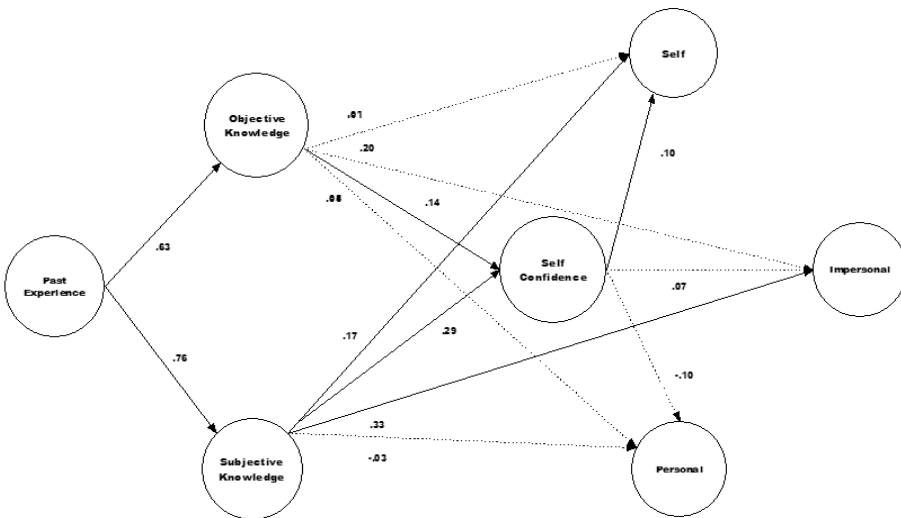
Hypothesis seven was supported ($\beta = .10, p < .03$), indicating that purchase confidence influences the reliance on oneself as a source of

information. In the Hypothesized model, more usage experience has an indirect effect of increasing a consumer’s purchase confidence ($\beta = .31, p < .01$) and an indirect effect on using “Self” as a source of information ($\beta = .41, p < .01$).

Nested Model

The purpose of this research study was to determine the influencing effect, if any, of purchase confidence as a construct, and the resulting strength of predicting the influence of purchase confidence on information sought during purchase situations.

Figure 3
Nested Model Showing Standardized Path Estimates



This model (Figure 3) represents the Nesting of both the Hypothesized and Baseline models and thus is considered a saturated model. The results of the standardized parameter estimates and significance values are shown at the top of Table 2. Based upon the model-fit-indices ($\chi^2/df = 4.27$, GFI = .92, CFI = .93 and RMSEA = .07), the data fit well to the model.

The only direct, significant paths from subjective knowledge to the sources of information were to “Impersonal” ($\beta = .33, p \leq .01$) and to “Self” ($\beta = .17, p < .01$). There were no significant, direct paths from objective knowledge to sources of information, which finding was different than reported in the baseline model, where a significant result was found from objective knowledge to the “Impersonal” source of

information. Interestingly, as in the other two models tested above, there were significant direct paths from subjective knowledge ($\beta = .29, p < .01$) and objective knowledge ($\beta = .14, p < .01$) to the purchase confidence construct; and a significant path from purchase confidence to the “Self” source of information ($\beta = .10, p < .02$).

Table 2
Partial mediating model: standardized coefficients and p-values
(n=543)

| Hypothesized Path | | Standardized Coefficients | | | | | | |
|--|----------|---------------------------|----------------|----------|-----|------|-----|-----|
| | | Path | P-Value | | | | | |
| Objective -> Oneself | | .01 | .81 | | | | | |
| Objective -> Impersonal | | .20 | .72 | | | | | |
| Objective -> Personal | | .05 | .45 | | | | | |
| Subjective -> Oneself | | .17** | .00 | | | | | |
| Subjective -> Impersonal | | .33** | .00 | | | | | |
| Subjective -> Personal | | -.03 | .42 | | | | | |
| Purchase confidence -> Oneself | | .10* | .02 | | | | | |
| Purchase confidence -> Impersonal | | .07 | .33 | | | | | |
| Purchase confidence -> Personal | | -.10 | .14 | | | | | |
| Subjective -> Purchase confidence | | .29** | .00 | | | | | |
| Objective -> Purchase confidence | | .14** | .00 | | | | | |
| Past experience -> Objective knowledge | | .63** | .00 | | | | | |
| Past experience -> Subjective knowledge | | .76** | .00 | | | | | |
| Overall Goodness-of-Fit Comparisons for the Partial Mediated Model | | | | | | | | |
| Model | χ^2 | <i>df</i> | χ^2 Ratio | <i>p</i> | GFI | AGFI | NFI | CFI |
| Partial Mediated Model | 393.67 | 93 | 4.23 | .00 | .92 | .88 | .90 | .93 |

Note: GFI = Goodness-of-fit index; AGFI = Adjusted goodness-of-fit index; NFI = Normed fit index; CFI = Comparative fit index; RMSEA = Root mean square error of approximation. * = $p < .05$. ** = $p < .01$.

There is an indirect effect of subjective knowledge on the source of information “Self” through purchase confidence of .03 (.29 * .10). This indicates that although subjective knowledge has a direct effect on purchase confidence of .29, only part of this effect (.10) is transmitted to the “Self” variable.

The total effect of subjective knowledge on “Self” is .20 (.17 + .03), suggesting that increasing a consumer’s subjective knowledge by one standard deviation increases the selection of “Self” as a source of information by this amount (.20). The situation for objective knowledge is very similar but not as strong as subjective knowledge, with an indirect

effect of .01 (.14 * .10), and a shrinking of the effect from objective knowledge to “Self”, indicating that purchase confidence also mediates objective knowledge, but to a lesser extent.

DISCUSSION

The purpose of the study was to investigate the role that purchase confidence plays with knowledge in the selection of sources of information. Hypotheses one and two were supported with strong positive, causal relationships reported between prior experience and knowledge constructs, particularly subjective knowledge. The implication here is that what wine consumers believe they know about a product is more closely associated with their experiences than with what they actually know about the product. This supports previous research on wine purchasing (Dodd et al.), leisure travelers (Fodness & Murray), and electronic consumer goods (Park et al.) that has shown the relationship between usage experience and objective knowledge is not as strong as the relationship with subjective knowledge

Hypotheses three and four were supported with strong causal relations between objective and subjective knowledge and purchase confidence, with subjective knowledge having a stronger relationship. Interestingly, those respondents with high purchase confidence also reported higher levels of subjective and objective knowledge. Olsen et al. found similar results in their study of wine purchases. However, Park and Lessig, and Raju et al. admitted that both subjective and objective knowledge measures are valid; however, they suggested that subjective measures are better measures of consumer strategies.

Finally, Hypothesis seven reflected the only positive and significant relationship between purchase confidence and “Self” as a source of information. This result was expected, given that higher levels of purchase confidence should lead to consumers using themselves as trusted sources of information when making the wine purchase decision, rather than using an external source, such as a retail clerk, magazine, or newspaper advertisement. This result is similar to the study by Dodd et al. Testing the Nested model resulted in strong, direct, significant paths from subjective knowledge to “Self” and “Impersonal” sources of information, results similar to the research of Dodd et al. Objective knowledge did not report any significant direct paths. Consumers with higher levels of subjective knowledge rely on themselves or on published materials, such as magazines or newspaper articles, to make wine choices. This may be the result of how confident they feel about the purchase decision-process because, in part, of the belief in their self-assessed knowledge.

When considering the direct paths from purchase confidence, only one significant path to “Self” as an information source was reported. There was an indirect, yet small, effect of subjective knowledge on the source of information “Self” through purchase confidence.

This finding suggests that although subjective knowledge has a significant direct effect on purchase confidence, only a portion is transmitted to the “Self” variable. The result of this partial effect suggests that “Self” is expected to increase by only .03 standard deviations for every increase in subjective knowledge of one full, standard deviation via its prior effect on purchase confidence. Therefore, with this result and the shrinking of the effect from subjective knowledge to “Self”, it appears that purchase confidence does in fact influence subjective knowledge on the selection of “Self” as a source of information.

HOSPITALITY IMPLICATIONS

The major contribution of this research is to highlight the role of purchase confidence in decision-making research. The current study provides hospitality marketing professionals with new insights into developing better communication strategies. They need to be aware that customers’ purchasing decisions may be driven not only by product knowledge and product characteristics, but also by less obvious factors, such as purchase confidence and the purchase situation.

For example, does uncertainty about selecting a honeymoon resort impact whether consumers use family/friends or rely on an expert, such as a travel agency, as a source of information when selecting the destination? Or is consumers’ level of purchase confidence high enough to induce them to rely on themselves or published material? This understanding will lead hospitality providers to a more critical look at marketing strategies aimed at establishing relationships and re-think their communication strategies toward hospitality consumers.

It is apparent from this study that respondents avoid interaction with personal sources of information. In fact, with higher levels of purchase confidence, the use of these sources of information declined. This does not bode well for direct sales individuals, such as retail wine store clerks or event planners. One possible method to address this could be through staff engagement of consumers in open discussion, creating an environment wherein it is acceptable to ask questions and exchange ideas and comments about their need for the product.

For example, when purchasing wine, rather than the one answer question of “Do you need any help?” an employee in a winery, retail

store, or restaurant may use a conversation starter such as “What is this wine purchase for?” This approach may allow staff to focus the consumer on new releases and specials while developing a rapport that could lead to long-term relationships and possibly increased sales.

Another example would involve hotel event planners. They could be trained to assess a potential customer’s level of confidence (uncertainty) in scheduling an important business meeting or conference. This assessment could lead to suggesting an alternative source of information, such as a prior event attendee (personal source).

LIMITATIONS AND FUTURE RESEARCH

One limitation is the sampling method. The sample was a non-probabilistic sample from geographically diverse groups known to the researchers. Although the individuals were independently and randomly selected from each group, the results of this research may not be generalized to the entire population.

A suggestion for future research would be to test the hypothesized model when consumers are choosing other hospitality services and products, such as a vacation resort or travel destination. An example of this application would be the source of information a couple would seek for a resort on their honeymoon. The selection of an information source to use for this decision may be affected by the couple’s level of purchase confidence on making the right choice, regardless of their level of past experience or knowledge about the resort or its location. Another possible research topic would be to use this model comparing males to females to determine what influence, if any, purchase confidence plays in the selection of a source of information.

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