Inferential and Perceptual Influences of Affective Expectations on Judgments of Experienced Affect

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Two experiments investigated novel predictions about inferential and perceptual processes in the domain of affective expectations and experiences with a product. Inferential processes occur when individuals have a naive theory on which to base their inferences, whereas perceptual processes occur without this theory. Both processes yielded an “ironic” effect such that instilling a negative affective expectation resulted in more positive judgments of affect than instilling a positive one. As predicted, this effect occurred when individuals attended to their experienced affect, a condition more readily met in inferential processes. Implications for consumer affect, attitudes, and intentions are discussed.

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Inferential and Perceptual Influences of Affective Expectations on Judgments of Experienced Affect

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Extended Abstract

Marketers often instill either positive or negative expectations for how an experience with a product will make consumers feel (i.e., affective expectations). After all, doing so will often congruently influence attitudes toward, and intentions to purchase, a product. However, one limitation of focusing on expectations is that the actual experience with the product is a fundamental attitude determinant (e.g., Regan and Fazio 1977). That is, the consumer attitudes created from implanting an affective expectation for a product are likely weaker and less predictive of behavior than are the attitudes formed following a direct experience with a product. Thus, the present research is an attempt to fill gaps in our knowledge about the interface between affective expectations, affective experiences, and the actual judgments of those affective experiences as well as resultant attitudes and intentions among consumers.

We propose that both inferential (conscious; Clore and Schnall 2005; Wyer, Clore, and Isbell 1999) and perceptual (nonconscious; Sherif and Howland 1961) processes can govern the effects of affective expectations on judgments of affect. Further, we suggest that both processes often lead to an “ironic effect” by which negative, relative to positive, affective expectations produce more positive affective reactions following an encounter with a product. Critical for the manifestation of this ironic effect is that the consumer is able to sufficiently identify, or focus on, their feelings (Albarracin and Kumkale 2003).

Whether an inferential or a perceptual process predominates depends on whether people endorse a naïve theory that affective expectations congruently influence affective experiences. Individuals who hold this belief may arrive at judgments of experienced affect in a predominantly inferential or reasoned manner. This naïve theory can lead consumers to believe that their affect resulting from an encounter with a product is a fundamental attitude determinant. Thus, they likely conclude following a negative (positive) affective expectation that the affect they currently experience is actually more (less) positive, producing the ironic effect. Further, individuals holding this naïve theory should spontaneously identify their feeling because they attempt to determine the influence of their expectations on their feelings. Thus, ironic effects should be commonly observed for these individuals unless they are artificially distracted from identifying their feelings.

Alternatively, individuals without this naïve theory may arrive at judgments of experienced affect only in a perceptual or nonconscious manner because they do not consider the influence of their expectations on their experiences, nor should they spontaneously focus on their feelings. Thus, these individuals will not demonstrate ironic effects as readily as will endorsers of the naïve theory. Rather, their judgments of affective experiences should be assimilated to their expectations. This prediction is consistent with research (e.g., Stapel, Koomen, and Ruys 2002) which suggests that judgments of an object (product) tend to be assimilated toward a context (or expectation) when the object and context are not seen as being distinct. However, if these individuals are experimentally induced to focus on the affect induced by the product, this affect will be seen as discrepant from an inconsistent expectation. In this case, contrast effects should be observed, producing perceptual ironic effects.

In two reported studies, participants received information instilling a positive or negative affective expectation for a “mood-altering” simulated-alcohol product, and then, a short time later, sampled the beverage. This beverage was associated with pleasant or unpleasant affect because it was immediately preceded by a mood induction in which participants wrote a letter about a happy or angering event to a friend. This mood induction (positive for Experiment 1, and positive or negative in Experiment 2) was presented to assure that participants had some affect identifiable since the beverage did not actually alter mood. Finally, participants reported judgments of their affective state,
beverage attitudes, and intentions to use the beverage. As well, we measured participants’ endorsement of the naïve theory and conducted a median split to isolate high and low endorsers of this theory.

Importantly, in Experiment 1, some participants were distracted by an audio-taped conversation from identifying their affect while they completed the main dependent measures, whereas others were not. For high endorsers of the naïve theory, we predicted that an inferential ironic effect would emerge under normal affect-identification conditions, but that no effect would be observed when a distraction was present. By contrast, under normal affect-identification conditions, low endorsers should perceive their experienced affect as being consistent with their expectation, but this effect should disappear when a distraction was present. The results of an analysis in which affect, product attitudes, and intentions to drink the product were combined confirmed these predictions.

In Experiment 2 we tested our prediction that consumers without a naïve theory may demonstrate perceptual ironic effects, but only when they are led to focus on their feelings. To do this, some participants were prompted to focus on their feeling just prior to completing the main dependent measures, whereas others were not. In these conditions, we expected low endorsers, and all high endorsers, to manifest the ironic effect. Otherwise, low endorsers were expected to demonstrate expectation-consistent effects. The results of an analysis in which affect, product attitudes, and intentions to drink the product were combined confirmed these predictions.

The proposed model is unique in positing two processes by which judgments of affect, and resultant consumer attitudes and intentions, are influenced by affective expectations. Importantly, this model predicts an ironic effect, which is related to other effects observed in the consumer behavior and social psychological literature (e.g., Oliver 1980; Mellers, Schwartz, Ho, and Ritov 1997; Wegener and Petty 1997) but also predicts an expectation-consistent effect under some conditions. Thus, the present model accounts specifically accounts for a variety of effects following affective expectations. Therefore, this model can prove useful in predicting when, and with whom, marketers will find most advantageous the creation of consumers’ positive or negative expectations for how a product will make them feel. Notably, careful advertisements may alter individuals’ naïve theories, and marketers can vary the extent to which consumers are likely to identify their feelings, thus controlling what effects are observed.

References

Consumer Evaluation of Brand Deletion and Feedback Effect: A Motivational Approach
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EXTENDED ABSTRACT

Introduction
Companies are increasingly deleting brands to rationalize their portfolios. This is usually a financial decision with little to no consideration for the consumer who actually bought the brands. An important question is to identify the repercussions of deletion decision on the existing consumers. This gap in the academic literature and management practice on brand deletion is addressed in this research, with the studies focusing on brand extension deletion.

Most new products, typically 80-90% in any year, are extensions. Many researchers studying consumer evaluation of brand extensions have followed a categorization perspective (e.g. Broniarczyk & Alba, 1994), much of which is driven by using the consumer learning approach. For example, a successful brand extension contributes to parent brand image by improving the strength, favorability, or uniqueness of its associations (Aaker & Keller, 1990.) Parent brand dilution has been shown to occur as a result of the introduction of an extension that has attributes inconsistent with consumer beliefs about the parent brand, but the flagship products have been shown as less vulnerable to dilution (John, Loken, & Joiner, 1998; Loken & John, 1993.)

This current research utilizes a motivational approach to study consumer evaluation of brand deletion and feedback effects. It is hypothesized that deletion of a brand extension, if it is the most preferred brand in the extension category, generates psychological
reactance (Brehm, 1966) in consumers. This reactance can be conceived as goal-directed motivational state (Brehm & Brehm, 1981; Wicklund, 1974.) It is proposed that liking towards the parent brand and the brand extension would be adversely affected by the brand extension deletion. One key variable moderating consumers’ evaluation of parent brand and its brand extension is consumers’ attribution of the responsibility of the extension deletion. If consumers believe that the transgression, i.e., deletion decision is made by the manufacturer, it is proposed that liking towards the manufacturer and the parent brand would be lower (as compared to no deletion controls). However liking towards the deleted brand extension would be higher as compared to no deletion controls, as the reactance generated leads to increased liking for the lost freedom (e.g. deleted brand extension).

Method
A lab based, primary experimental setup was utilized. The studies used a ‘before–after with control group’ design. In Study 1, mouthwash as the extension category was used, whereas in Study 2, ketchup as the extension category was used. All participants were exposed to credible information conveying that their preferred brand extension in a category had been deleted. A no-deletion group served as control. Pre-tests were conducted to identify participants’ involvement with multiple product categories. For a conservative test, categories with relatively low involvement were used. Pre-tests also confirmed that availability of most preferred extension was perceived as offering greatest freedom, and that Consumer Reports was perceived as the expert source to communicate deletion news. Additional data (e.g. close substitutes, usage etc.) was also collected.

In both the studies, all participants initially rated their preference for brands and extensions in multiple categories. Only relevant category information (mouthwash and ketchup respectively) was then used to manipulate deletion. Participants read a scenario informing them that their favorite extension had been deleted by the manufacturer due to financial performance. Finally the participants re-rated their liking towards the manufacture, parent brand and the deleted extensions.

Major Findings
The findings from Study 1 (mouthwash extension category) are reported here. These were replicated in Study 2 (ketchup category). The initial and final attitudes towards manufacture (e.g. P&G, Pfizer), the parent brand (e.g. Crest, Listerine) and the brand extension (e.g. Crest mouthwash, Cool Mint Listerine mouthwash) were measured using either three 11-item measures or points allocation from 1-100. Paired-sample t-tests were conducted on the pre-manipulation and post-manipulation scores. There were no differences in the no-deletion pre-post control group scores.

For the deleted extension, this difference was significant, $t(64)=2.27, p<.05$ for Cool Mint Listerine, indicating that the preference for Cool Mint Listerine mouthwash post deletion was significantly higher as compared to their initial preference for Cool Mint Listerine mouthwash ($M=88.63$ & $91.80$, pre-post deletion.) Similar findings were observed for the deleted Crest mouthwash. This indicates that consumers liking of their favorite brand extension increases after they become aware of the deletion, irrespective of it being line or category extension.

For the manufacturer, this difference was significant, $t(64)=11.36, p<.001$ for Pfizer, indicating that the subjects attitude towards Pfizer post deletion was significantly lower than their attitude towards Pfizer pre deletion ($M=8.36$ & $5.24$, pre-post deletion.) Similar findings were observed towards P & G, manufacturer of Crest mouthwash. This indicates that consumers’ attitude towards the manufacturer of their favorite brand extension decreases strongly after they become aware of the decision of the manufacturer to delete the mouthwash brand.

For the parent brand, this difference was significant, $t(64)=4.04, p<.001$ for Listerine, which indicates that the subjects attitude towards Listerine brand post deletion was significantly lower than their attitude towards Listerine brand pre deletion ($M=8.41$ & $7.32$, pre-post deletion.) Similar findings were observed for Crest brand. This indicates that consumers’ attitude towards the parent brand, whose extension is deleted, decreases strongly after they become aware of the decision of the manufacturer to delete the mouthwash extension.

Discussion
Evidence from initial experiments suggests that awareness of brand extension deletion leads consumers to develop negative attitude towards the manufacturer and its core brand. On the other hand, the liking towards the deleted brand extension increases significantly after awareness of deletion, if the deletion decision does not lead to quality questions. However, the attributions towards the company are only generated when the company is held responsible for the deletion.

This research implies that companies with multiple brands require a systematic consumer-focused brand deletion process in place. This would control the adverse impact of brand deletion on parent brand, as well as limit damage on corporate reputation.

The initial studies have focused on brand extensions to study brand deletion. Brand extensions are unique in their associations and future research would delineate extension specific effects from consumer evaluation based on the loss of a choice option.

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Motivational Reasons for Misremembering Past Negative Events
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Extended Abstract

In recent years, a significant amount of research attention has been focused on documenting the relationship among experienced, predicted and remembered utilities of negative experiences. Much of this work points to discrepancies between how much an event is actually enjoyed and how much it is predicted to be enjoyed (Gilbert, Pinel, Wilson, Blumberg, & Wheatley, 1998; Redelmeier & Kahneman, 1996; Wilson, Meyers, & Gilbert, 2003). Across these papers, findings indicate that people expect future negative events to be even more negative that they actually are. Two conceptually distinct sets of mechanisms have been proposed to explain these findings. One set of theories (Trope and Liberman 2000) suggests that a perceptual mechanism underlies these findings. Specifically, these authors propose that people have a tendency to focus on the "central" aspects when events are far in the future and on more peripheral aspects when events are closer. Since a central aspect of negative events is, by definition, their negativity, these events appear more negative in the future than in real-time.

The work by Gilbert et al. (1998) hints at a motivational mechanism underlying the discrepancy between actual and predicted utilities. These authors offer a "psychological immune system" perspective to suggest that once a negative event has occurred, a series of mechanisms are triggered with the objective of ameliorating the negative feelings. These mechanisms work to protect the individual from harmful effects of negative feelings. Because people do not have an intuition about the functioning of the immune system, they expect future negative events to be even more negative than they actually are.

In this research, we advance the past research by examining the relationship between actual and remembered (rather than predicted) utilities of negative events. In doing so, we document the moderating role of the self-relevance of the negative event (events are high in self-relevance when they are diagnostic for assessing a relevant aspect of the self, such as one’s ability in math for a math student). Specifically, we find that past negative events portrayed as being more (vs. less) self-relevant are remembered as being less negative than they actually were. Because the functioning of the immune system should be especially appropriate in situations where the negative experience is more (vs. less) self-relevant, this pattern of findings suggests that a motivational mechanism biases memory for past events in a more palatable direction. Results from a second study provided further directional support for the idea that a motivational mechanism underlies the discrepancy between remembered and actual utilities for negative events.

Experiment 1

In order to test this effect of self-relevance on the recollection of negative experiences, we conducted a pilot study (Study 1) with 158 undergraduate students. Each student was randomly assigned to two experimental conditions—low self-relevance and high self-relevance. In both conditions, participants were asked to hold a plastic bag full of ice cubes for 120 seconds. This activity was chosen as a manipulation for two reasons. First it is a non-invasive pain-induction procedure (Chapman, 1976). Second, it is an unambiguously negative experience.

In the high self-relevance condition, participants read a mock article from a medicine journal, right after the ice cube task. This mock article reported high correlations between immune system strength and cognitive performance. The article also reported that the longer an individual can hold a plastic bag full of ice cubes, the stronger the individual’s immune system. In the low self-relevance condition, participants read a mock medicine article, from the same journal, with the exact same story. However, no link was made between the ability to hold ice cubes and the strength of the immune system in this condition. Consistent with these manipulations, the article was thought to be more relevant in the high vs. low relevance conditions (M_high self-relevance=5.02 and M_low self-relevance=4.20, on a 7-point scale, F(1,156)=11.33, p=0.001).

After the relevance manipulation, participants proceeded with an unrelated filler task for about 7 minutes. Finally, participants were asked to rate how painful the ice cube manipulation was. They did so by marking a point on a straight line, with no markers, anchored by not at all painful and very painful, with somehow painful as the midpoint on this scale. The intensity of remembered pain (our dependent variable) was calculated by measuring the distance to the point that the participant marked on the line-scale from the (left) point of origin of the line.

The ice cube task was remembered as being less painful in the high self-relevance condition than in the low self-relevance condition (M_high self-relevance=7.74 and M_low self-relevance=8.89, on a 15.2 cm scale, F(1,130)=3.89, p=0.05). These results are consistent with our initial predictions. However, they also impose a series of further questions. First, one may argue that holding a plastic bag full of ice cubes is an unusual task, and one that involves physical, rather than emotional distress. As such, one may wonder whether the effects would be obtained in more cognitive tasks. Experiment 2 was designed with this aspect in mind. We also wished to provide additional evidence that people’s memories of negative events are revised through a motivational mechanism by using the tenets of the mood-as-a-resource (cf. Raghunathan & Trope 2002) hypothesis.

Experiment 2

According to the mood-as-a-resource hypothesis, positive moods act as a buffer against the affective costs of negative (but useful) information, enabling individuals to better cope with such negative information. On the flip side, the theory holds that negative mood decreases the ability to cope with negative information (Raghunathan & Trope, 2002). As such, we predict that, under positive mood, individuals in the high self-relevance condition will not remember the experience as having been less unpleasant than those in the low-self relevance condition. This is because the positive mood would have provided the buffer necessary to cope with the negative event, and, as such, allowed these participants to accurately remember the intensity of the past negative event. By contrast, we expect that individuals in the negative mood condition would continue to revise their memory of the intensity of the past negative event downwards. In this study, 347 undergraduate students were assigned to one of the 2 (low self-relevance, high self-relevance) x 3 (negative mood, neutral mood, positive mood) between-subjects condition.
The negative task consisted of a problem solving exercise, which was borrowed from Raghunathan and Trope (2002). The task consisted of responding to six multiple choice questions that purportedly measured the participants’ “Lateral Thinking Ability”. After responding to each of the six questions, participants received the same negative feedback (a “below average” score). Subsequent to this, participants in the high self-relevance condition read a paragraph in which they were informed that people with greater lateral thinking ability were better placed in better jobs, perform better at work and earn higher salaries. Participants in the low self-relevance condition were not exposed to this information. Confirming that the manipulation worked, the LTAT was rated more relevant (M\text{high self-relevance}=3.71 and M\text{low self-relevance}=3.05, on a 7-point scale, F(1,345)=16.56, p<0.01) in the high self-relevance condition.

Following this task, participants’ mood was manipulated using a procedure adapted from Trope and Neter (1994). More specifically, participants described, in details, a situation where they had performed either well (positive mood) or bad (negative mood) in an exam. Participants in the neutral mood condition were asked to describe, in details, their daily routine. Confirming that the mood manipulations worked as intended, participants in the positive mood condition reported significantly less negative (M\text{positive condition}=2.61, M\text{neutral condition}=3.02) and M\text{negative condition}=4.44, on a 7-point scale, F(1,1345)=65.10, p<0.001) and more positive moods (M\text{positive condition}=5.13, M\text{neutral condition}=4.52 and M\text{negative condition}=2.70, F(1,1326)=152.16, p<0.001). After the mood manipulation, participants proceeded with a filler task and, finally, reported their memory for the overall unpleasantness of the LTAT experience, using a 12-point scale, anchored in “not unpleasant at all” and “very unpleasant”.

Consistent with our predictions, initial analyses point to a two-way interaction between relevance and mood (linear) (F(1,321)=4.21, p=0.04). Under negative mood, individuals in the high self-relevance condition remembered the experience as being less unpleasant than individuals in the low self-relevance condition. However, consistent with our predictions, the results were reversed under positive mood.

Concluding Remarks

This paper sheds light on the accuracy of remembered utility and its antecedents. More specifically, it clarifies the importance and pervasiveness of motivational mechanisms influencing the memory for negative events. More important, the results of our first study contradict the predictions made by the literature focusing on perceptual mechanisms. This literature predicts that individuals would remember negative, self-relevant, events as being more unpleasant than they actually were.

This relationship between self-relevance and remembered utility is further qualified by an interaction. Specifically, the effect of self-relevance on remembered is moderated by mood valence.

References


Marketing Leisure Services to Sensation Seekers: The Relationship between Personality and Emotional Response in Novices Using an Artificial Climbing Wall

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Abstract

The market related to so-called extreme sports, such as rock climbing and sky diving, has burgeoned since the 1990s. Consumer behavior research has linked the personality trait of sensation seeking (SS) with involvement in the above sports. However, work on participation in risky sports has not thoroughly examined the influence of personality and subsequent emotional response, on behavioral intentions in this context.

The current study investigated the effects of the SS personality trait, along with demographics, on novice artificial wall climbers’ (n=241) emotional responses (PAD scale: pleasure-arousal-dominance) and related behavioral intentions to climb again. Results suggest participants’ emotions (e.g., arousal) and future intentions to climb are both a significant function of personality and gender.

Theoretical Background

The consumption of risky sports has dramatically increased over the past few years (Shoham, Rose, & Kahle, 1998). For instance, participation in artificial climbing walls has grown by roughly 60% in the three-year period from 1999 to 2001, while participation in some classic team sports, such as baseball, dropped by 6% (Flagg, 2005).

Arousal theory suggests that every individual has a characteristic optimum stimulation level (OSL) and this is the foundation of personality (Raju, 1980; Zuckerman, 1988). Based upon the OSL paradigm, Zuckerman (1979) defined sensation seeking as a trait.
characterized by “the seeking of varied, novel, complex, and intense situations and experiences and the willingness to take physical, social and financial risks” (1979, p. 10). Furthermore, research findings have indicated high sensation seekers are more likely to participate in risky sports, such as hang-gliding, and rock climbing (e.g., Jack & Ronan, 1999; Zuckerman, 1983).

Hirschman and Holbrook (1982) suggested that consumers’ multi-sensory and emotive aspects of consumption experiences are crucial motivation for leisure and sport activity. Arnold and Price (1993) also argued that seeking emotional arousal drives sport consumers to participation in risky sports. Further, there have been evidences that enduring personality traits play a significant role in organizing transient emotional states (Eysenck & Eysenck, 1985). Although Shoham, Rose, and Kahle (1998) provided support for the notion that the sensation-seeking trait is related to intentions to participate in risky sports, it is important to note that their study did not include the potential additive effects of emotions on behavioral intentions. Moreover, little empirical research has examined emotional experiences provided by risky sport (e.g., post-consumption emotions) and their relationship to OSL traits and behavioral intentions.

The advent of artificial climbing walls has created the possibilities for extreme sports to be marketed to consumers in urban settings. Moreover, it provides a relatively controlled setting, in which to study this form of hedonic consumption. To date, consumer psychology research on extreme sports has not thoroughly examined the potential additive effects of personality and emotion on participation. Therefore, the focus of the present research is to explore the influence of sensation seeking and consumption-related emotions (Pleasure-Arousal-Dominance) on novice (artificial wall) climbers’ behavioral intentions for using the facility again.

The following hypotheses were created, based on the literature dealing with consumption-related emotions and personality in this context:

H1: Respondents’ climb-related arousal level is a function of age, gender and ImpSS ($\alpha<.05$).

H2: Respondents’ climb-related level of pleasure is a function of age, gender, ImpSS, arousal and dominance ($\alpha<.05$).

H3: Respondents’ behavioral intentions for using the artificial climbing wall again are associated with their age, gender, ImpSS, and PAD, after controlling for prior level of climbing experience ($\alpha<.05$).

Research Methods

Data for this study were collected at the artificial climbing wall facility of a large university in the eastern United States, over a several week period, during “Beginner’s Night.” Novice climbers (n=241) 18 years of age and older were chosen for this study, in an effort to examine how their initial experiences with this activity, along with their OSL, might influence their future usage of the facility (cf., Shoham et al., 1998). In an effort to gauge their experience and expertise (cf. Shoham et al., 1998; Holbrook, Chestnut & Oliva, 1984), respondents were asked to rate their level of climbing experience on a scale from one (inexperienced) to five (experienced). Based on responses to this question, 55 of the 296 climbers queried were excluded from the final analyses as they rated their experience levels higher than two.

Respondents’ Impulsive Sensation Seeking (Zuckerman, 1991) and demographics (e.g., age, gender) were also reported before they ascended the artificial climbing wall. Immediately upon completing their climbs, participants filled out self-reports of their emotional response to their consumption experience, by responding to an abbreviated version of the PAD (Holbrook et al., 1984) and multi-item scaled estimates of their future intentions to use the wall again (at both similar and more difficult grades).

Results

The sample was comprised of 55.6% males (n=131) and 44.4% females (n=110), with a mean age of 26.2 years old (S.D.=10.19). Reliabilities for ImpSS, PAD, and behavioral intentions were .82, .73, and .89 respectively. To check the construct validity of ImpSS, a two-way (age x gender) analysis of variance (ANOVA) procedure was used. The results showed significance differences by both age ($F=7.36$, $p<0.05$) and gender ($F=4.64$, $p<0.05$), which is in line with research on the above psychobiological trait (Zuckerman, 1994).

The results of multivariate linear regression analysis provided partial support for $H_1$, as gender and ImpSS significantly predicted post-climb levels of arousal ($df=3/238$, $F=7.45$, $p<.001$, $R^2=.10$). The directionality of the beta coefficient for gender indicated that females reported higher levels of the above emotion.

The second hypothesis also received partial support. Regression results indicated that respondents’ gender (being female), post-climb levels of arousal and dominance were significant predictors of post-climb levels of pleasure ($df=5/236$, $F=14.99$, $p<.001$). The model explained 25% of the adjusted variance in the dependent variable.

Multivariate linear regression results for intentions to use the wall again at a similar degree of difficulty ($H_3$) showed that and post-climb levels of Arousal and Pleasure were significant ($df=7/234$, $F=10.76$, $p<.001$). The model accounted for 25% of the adjusted variance explained. Results for predicting intentions to climb at steeper angles showed that age, gender, ImpSS, climbing experience, and post-climb levels of Pleasure and Dominance were significant ($df=7/234$, $F=17.32$, $p<.001$). This model explained 35% of the variance in behavioral intentions.

Discussion

Findings suggest that climb-related emotions and future intentions are significant functions of personality (i.e., sensation seeking) and demographic factors. Furthermore, the more participants experience post-climb arousal and pleasure, the more they are likely to use the wall again. The results of the empirical research support the notion that personality and consumption-related emotions are significant predictors of hedonic consumption (e.g., participation in risky sport) (Holbrook et al., 1984). In addition, this is the first known work to examine the relationship between personality and emotional responses in participation in so-called extreme sports. The research also contributes to the literature for sport marketers in that the use of personality variables might prove useful as a segmentation tool in marketing facilities, like climbing walls, to sensation seekers (Shoham et al., 1998).

References
Lost in Translation: Consumers Difficulty in Estimating Expiration Time with Redemption Caps

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Extended Abstract

More and more, firms are using redemption caps as a form of promotional restriction. For example, GM ran a promotion tied in with a television show (the Apprentice) for their new vehicle, the Solstice. The offer was available for the first 1000 callers. The promotion cap was reached within hours of the show ending, yet a large number of consumers called for days after the promotion expired. In another example, a regional health club franchise ran a promotion for membership upgrade good for the first 100 responses. The promotion cap ran out on the second day, yet many members were still trying to redeem the offer weeks later. In this research, we examine how consumers process promotions that have redemption caps.

Prior research on promotional restrictions has focused on concrete and well-defined time limits (e.g., Raghubir, Inman, and Grande 2004). The findings have been mixed. Some studies find that consumers perceive short promotion durations as inconvenient, thus lowering their purchase intentions (Sinha, Chandran, and Srinivasan 1999), while other studies find that shorter durations can increase purchase intentions by increasing perceptions of deal scarcity (Inman, Peter, and Raghubir 1997) or by heightening the anticipated regret associated with not acting (Inman and McAlistor 1994; Simonson 1992).

We propose that consumers evaluate redemption cap promotions, in part, by estimating the reach, response rate, and duration of the promotion. The reach of the promotion refers to the number of other consumers exposed to the promotion and the response rate refers to the percentage of exposed consumers who will act on the promotion. We argue that consumers’ estimates of these quantities are anchored off of the redemption cap itself. Thus, the larger the redemption capsize, the larger the estimates of reach, response rate, and duration. However, since the actual promotion duration will be negatively related to the reach and response rate of the promotion, consumers may tend to overestimate how much time they have to redeem. If this reasoning holds, we would expect that providing consumers with the actual reach of a promotion should diminish the anchoring effect.

We conducted an exploratory study using a 3 x 2 between-subjects design with redemption cap size (40, 400, and 4000) and promotion reach (known vs. unknown) as between-subjects factors. Participants were 145 undergraduate business students and were randomly assigned to one of the six experimental conditions. Prior to receiving the stimulus promotions, the participants were provided with a brief scenario asking them to imagine that they had just received a coupon via email from MostlyPosters.com. The stimulus promotions were for a 30% discount off any poster, and contained one of the three redemption cap size treatments. Participants in the known market size conditions were told that the promotion was only sent to the 9000 undergraduate students of their university. Those in the unknown market size condition were not provided with any information regarding the reach of the promotion. Participants evaluated the coupon and were asked a series of questions regarding purchase intent, deal evaluation, promotion reach, and redemption timing.

When the promotional reach was unknown, participants’ estimates of promotional reach (9500, 114000, 128000), response rate (.147, .248, .300), and duration (51.7 hours, 84.3 hours, 161.5 hours) all increased with redemption cap size, respectively. We also scaled the participants’ self-reported redemption timing estimates (e.g., the percent that said they would redeem in 1 minute, the percent that said they would redeem in 1 hour, etc.) to their estimates of promotional reach and response rates. This allowed us to determine actual expiration times in each condition by cumulating the number of responses. We found that in all three redemption cap size conditions, the actual coupon would expire in less than five minutes. Given that the participants’ estimates of response rates may be overestimated, we ran the same