We Don’t Think You’re Important: Exploring the Effects of Loyalty Programs on Those Excluded From Benefits

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We explore how exclusion from loyalty programs impacts consumers. We find that when the loyalty benefits have a social component, an effort requirement of “opting-in” is more motivating (i.e., increases intended commitment) than an effort requirement of earning points. When the loyalty benefit is financial, we find the opposite pattern.

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**Hit Me, Baby, One More Time: The Ups and Downs of Social Exclusion on Consumer Motivation**

Chair: Katherine E. Loveland, Xavier University, USA

**Paper #1: “Becoming More Sensitive to the Source of Social Exclusion”: When Self-Affirmation and Type of Social Exclusion Influences Excluded Consumers’ Preferences**
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**Paper #2: You Broke Our Contract!: Social Exclusion Differentially Influences Independent and Interdependent Consumers’ Impression Management Goal Pursuit**
Jessie J. Wang, Indiana University, USA
Ashok K. Lalwani, Indiana University, USA

**Paper #3: Can Broken Hearts Lead to an Endangered Planet? Social Exclusion Reduces Willingness to “Go Green”**
Iman Naderi, Fairfield University, USA
Nicole L. Mead, Erasmus University, the Netherlands

**Paper #4: “We Don’t Think You’re Important”: Exploring the Effects of Loyalty Programs on Those Excluded from Benefits**
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**SESSION OVERVIEW**

Every day, consumers cope with the unpleasant experience of social exclusion. They don’t get that important call, wait in line while others are bumped to the front, or learn through social-media they were not invited to the big party. Understanding social exclusion and its consequences for consumer behavior is an emerging area of interest that this session advances to the next level by showcasing the most recent work on the topic. All the papers in the proposed session seek to provide answers to the important yet understudied question: when do socially excluded people look past the sting of rejection and continue to pursue social bonds, and when does exclusion cut too deep, causing demotivation and withdrawal? The first two papers focus on personal and situational factors that determine when exclusion leads to reconnection versus withdrawal. The second set of papers tackles that question in relatively novel contexts: pro-environmental consumption and consumer-loyalty programs.

The first paper demonstrates that the reason for rejection plays a powerful role in shaping willingness to forgive and forget. When the reason for rejection is ambiguous, consumers are not hostile toward a rejecter’s recommendations, so long as they have previously bolstered self-perceptions. However, if consumers know they have been rejected for personal reasons, then any recommendation made by the rejecter will be negatively viewed, regardless of prior self-affirmation. These findings suggest that, while consumers’ need to connect with others generally allows them to “forgive and forget,” at least when they are already in a positive state of mind, they are not so willing to overlook exclusion when it is personal.

The second paper examines how interpersonal orientation shapes consumers’ reactions to social exclusion. Individuals with a relatively more independent orientation to social relationships are fairly insensitive to social exclusion. However, among individuals with a relatively more interdependent orientation, social exclusion is a serious breach of their social contract, thereby reducing their willingness to engage in impression management for the sake of social connection. These results suggest that those with the strongest desire to be accepted are the most likely to become demotivated and withdraw after exclusion.

The third paper demonstrates that exclusion reduces people’s inclination to engage in pro-environmental behavior, because it makes them reluctant to incur personal costs for the benefit of others. However, when pro-environmental behavior confers direct social benefits for excluded individuals, negative effect is mitigated, suggesting that social exclusion elicits a, “What’s in it for me,” response, wherein consumers focus on their own needs at the expense of others.

The final paper explores loyalty programs, which while designed to build lasting bonds with consumers, inevitably exclude consumers who do not qualify for program benefits. Results demonstrate that if managers carefully match program benefits with the efforts required to achieve benefits, that excluded consumers are actually willing to exert greater effort on behalf of the excluding organization. These findings suggest that consumers can find exclusion motivating, providing the exclusion does not pose a breach of the social contract.

**EXTENDED ABSTRACT**

This research examines how product recommendations by excluders (vs. non-excluders) influence excluded consumers’ preferences toward a recommended product. Previous work on social exclusion has shown that excluded individuals want to avoid and be disconnected from perpetrators of exclusion (Buckley et al. 2004; Maner et al. 2007). According to this finding, we can simply predict that excluders’ recommendations will negatively impact excluded consumers’ preference. However, we suggest that excluders’ recommendations do not always reduce preferences toward products. Rather, the effect of excluders’ recommendation depends on consumers’ sense of self and the type of exclusion.

We propose that self-affirmation (e.g. reflecting on one’s long-held values) can increase sensitivity toward the type of social exclusion by reducing the focus on self-evaluative aspects of social exclusion and broadening a perspective about social cues. We examined two types of exclusion. One is intentional exclusion (e.g., excluded did not like the person), and the other is situational exclusion (e.g., the excluider had to leave early for personal reasons). Although recent studies have examined the role of self-affirmation on excluded consumers’ product choice (Wan, Xu, and Ding 2014), their choice context was not related to the prior social exclusion. In contrast, the current research investigates the influence of product recommendation by excluders versus non-excluders on consumers’ preferences. Moreover, in Wan et al. (2014) when the study manipulated self-affirmation, it did not inform participants about why they were excluded.

We hypothesize that when the reason for exclusion is ambiguous, non-affirmed consumers tend to focus more on self-evaluative aspects of the situation; in turn, they will be more likely to attribute social exclusion to intentional factors (e.g., “they must dislike me”). As a result, non-affirmed consumers will display a less favorable attitude toward a product when excluders (vs. non-excluders) recommend the product. However, self-affirmation will increase the
You Broke Our Contract!: Social Exclusion Differentially Influences Independent and Interdependent Consumers’ Impression Management Goal Pursuit

EXTENDED ABSTRACT

The present work examines how social exclusion (vs. inclusion) influences the relation between self-construal and consumers’ impression management goals. Previous research suggests that interdependents value relationships and belongingness, and dislike being isolated from their groups (e.g., Markus and Kitayama 1991; Kim and Markman 2006). Other research suggests that excluded individuals sometimes engage in more impression management to reconnect with others (Maner et al. 2007; Mead et al. 2011). If so, interdependents would be expected to intensify the pursuit of impression management following social exclusion (vs. inclusion).

Contrary to this intuitive hypothesis, we propose that social exclusion (vs. inclusion) leads interdependents to pause in pursuing impression management goals. As a result, they are less motivated to expend time, money, and effort in search of publicly (but not privately) consumed products. This pattern is not expected among independents. We base these predictions on consumers’ belief in a social contract, due to which they comply with societal norms with the expectation of rewards in return.

Social contract theory delineates the relation between citizens and society (Mayer and Beltz, 1998). The theory postulates that people who behave according to the rules specified in the social contract (e.g., being socially appropriate) are provided certain benefits in exchange by society (Mayer and Beltz, 1998). Research suggests that interdependent people have a greater expectation to be included by close others than independent people (Miller et al. 1990; Triandis 1998). Hence, we propose that interdependent (vs. independent) consumers will more readily view being excluded by close others as a breach of the social contract. Conversely, when excluded (vs. included), interdependent consumers are less motivated to continue upholding their side of the social contract such as managing their impression in front of others.

Four studies using a variety of operationalizations of all key variables (cultural self-construal, social exclusion, impression management) provide robust support for our hypotheses. Specifically, in the inclusion (but not exclusion) condition, interdependence was associated with the tendency to engage in impression management and the amount participants were willing to pay, the distance they were willing to travel, and the time they were willing to spend searching for publicly consumed products. In contrast, independence was not associated with these tendencies in both the inclusion and exclusion conditions (Studies 1 to 4). Hence, our findings suggest that social exclusion profoundly influences interdependent consumers’ pursuit of impression management goals. Specifically, interdependent con-
sumers are less motivated to pursue their impression management goals when excluded (vs. included) by close others. In contrast, independent consumers’ impression management goal pursuit is not affected by social exclusion.

In addition, we found support for the mediating role of social contract in the interactive effect of social exclusion and self-construal on impression management goal pursuit, both by measuring social contract (Study 2) and by manipulating it (Study 3). Finally, because a social contract is an implicit agreement between a person and others in society, we theorized and found that it will affect interdependents’ behavior when it has implications for how they are viewed by others (i.e., in public settings). However, when the behavior cannot be viewed by others, we did not expect and did not find social contract to influence interdependents’ tendency to pursue impression management goals (Study 4).

This paper makes a number of contributions. First, we offer important qualifications to previous research which has robustly demonstrated self-construal differences in impression management goal pursuit. We conceptually replicate the general findings of Lalwani, Shavitt, and Johnson (2006) and Lalwani (2009) that interdependents are more likely to pursue impression management goals than are independents, but only when they perceive that others adhere to the social contract. When interdependents perceive that the social contract is violated (e.g., when they are socially excluded by close friends and others), they discard the pursuit of impression management goals. Second, our results dispel the notion that, when excluded, interdependent consumers more vigorously pursue impression management goals to reconnect with others. Instead, we find that exclusion causes interdependents to abandon their desire to be socially appropriate. In so doing, we shed unique insights on the mindset of the interdependent consumer, and on the extent to which they are willing to pursue their social goals. Third, we introduce social contract theory to consumer research, and contribute to that theory by unveiling how social exclusion can cause consumers to view a social contract to be breached. Fourth, while some previous research shows that excluded individuals may engage in withdrawal and avoidance behaviors (Predmore and Williams 1983; Tice et al. 2002; Williams et al. 2000), the downstream consequences of such behaviors are less clear. We identify an important consequence of exclusion, namely decreased impression management goal pursuit, and shed light on the mechanisms underlying the behavior, as well as on its implications.

Can Broken Hearts Lead to an Endangered Planet? Social Exclusion Reduces Willingness to “Go Green”

EXTENDED ABSTRACT

Consumers are lonelier than ever before. At the same time, it is becoming more pertinent than ever before to stimulate environmentally-friendly consumption. Given the prevalence of social exclusion, and given the increasing necessity of pro-environmental behavior, understanding the relationship between the two is a critical endeavor for consumer researchers.

Previous research suggests that consumers buy pro-environmental products to signal their status to others (Griskevicius, Tybur, and Van den Bergh 2010). While this costly signaling may impel some consumers toward “green” purchases, that very same process may repel yet others. A sizeable body of literature suggests that social exclusion reduces engagement in prosocial and interpersonally beneficial behaviors, in part because it reduces empathic responding (e.g., Baumeister, Brewer, Tice, and Twenge 2007). This line of research suggests, then, that social exclusion may reduce consumers’ willingness to engage in pro-environmental consumption because it reduces their empathic concern for others. However, when excluded consumers are given a viable chance for reconnection, socially excluded individuals engage in more prosocial than antisocial behavior (Maner et al. 2007; Mead et al. 2011). We therefore expected that the negative effect of exclusion on pro-environmental consumption would be attenuated in cases where green purchases confer direct social benefits for the consumer. Four experiments tested and provided support for these hypotheses.

Experiment 1 tested our basic hypothesis; it also investigated empathic responding as a potential mechanism. To manipulate social exclusion, participants were given bogus feedback about the future implications of their personality-test results (Twenge et al. 2001). Participants were told that their future would be full of social relationships (social acceptance), devoid of social relationships (social exclusion), or full of mishaps and misfortune (misfortune control). The latter group was included as a control for negative feedback that was not social in nature.

To measure the putative mediator – empathic concern – participants read and responded to an essay that was ostensibly written by another student and which described a recent romantic-relationship breakup; participants indicated their feelings toward the peer using 6 adjectives (e.g., sympathetic, compassionate; Batson et al. 1995). To measure green-consumption preferences, participants indicated their preference between two backpacks that were of the same brand and price: a regular backpack, which was superior on performance, and a “green” backpack, which was environmentally superior. Willingness to sacrifice to protect the environment (WTPS) and the society (WTPS) were also measured (Stern et al. 1999).

Results supported predictions. Socially excluded participants reported a lower preference for the “green” product relative to the acceptance and control conditions; the latter groups did not differ. The same pattern emerged for measures capturing participants’ willingness to make self-sacrifices for the sake of the environment and society. Additionally, empathic concern mediated the effect of exclusion on those measures. Mood was examined and could not account for obtained effects.

Results from Experiment 1 supported the hypothesis that social exclusion reduces pro-environmental concern through empathic responding. To provide convergent evidence for this possibility, Experiment 2 tested the hypothesis that social exclusion reduces green-consumption preferences among individuals low (but not high) in empathic concern. Experiment 2 therefore measured emotional empathy (Caruso and Mayer 1998) and manipulated social exclusion using a recall task (Maner et al. 2007); participants wrote about a time they were either rejected or accepted. Preference for a “green” versus a regular car was the dependent measure.

Hypotheses were tested using a series of planned simple slope tests. As predicted, social exclusion (versus acceptance) decreased preference for the “green” car, but only among low-empathy individuals. Also consistent with predictions, exclusion (versus acceptance) did not decrease pro-environmental preferences among those high in empathic concern for others.

Experiment 3 presented participants with “green” products that could or could not be used while interacting with peers and therefore could (or could not) be used as an affiliation tool. Because socially excluded individuals are particularly keen to forge bonds with others, purchase intentions for pro-environmental products that facilitate interpersonal interactions should not be eroded by social exclusion. To test this hypothesis, participants were excluded or accepted using the feedback procedure described in Experiment 1. Participants then viewed either an environmentally friendly desktop computer (for
personal use at home) or a green laptop (for doing group projects with classmates at school), the products were identical on quality and performance.

Results indicated that excluded individuals were less willing to purchase the green desktop as compared to accepted individuals. However, the detrimental effect of exclusion was not apparent in the laptop condition. Looked at a different way, excluded participants reported higher purchase intentions for the publicly visible laptop than the private desktop. Among accepted participants, however, purchase intentions did not differ as a function of the product’s public visibility.

In Experiment 4, we framed the same “green” product in terms of its social or utilitarian benefits, expecting that excluded consumers would be particularly interested in a “green” product when the social benefits were made salient. To test this hypothesis, we presented a green car as a fuel-efficient model whose owners were nice, caring, and altruistic (social benefits) or economical, money-wise, and value-shopper (utilitarian benefits). The social exclusion manipulation was the recall task used in Experiment 2 (Maner et al., 2007).

Results supported predictions. Participants who recalled a time they felt excluded reported higher intentions to purchase the car when the benefits were social than utilitarian. In contrast, the opposite pattern was found among participants who recalled a time of acceptance. These results emerged when controlling for individual differences in pro-environmental attitudes (Haws et al. 2010).

In summary, four experiments provide novel evidence that social exclusion has profound consequences for consumers’ pro-environmental consumption. When green consumption incurred costs to the self for the benefit of others, exclusion reduced people’s willingness to shoulder those costs. However, when green consumption promised the chance of social rewards, socially excluded individuals were enticed. Overall, the current work provides new insight into the complex interplay between social motivations and green consumption and suggests novel avenues for future research.

“We Don’t Think You’re Important”: Exploring the Effects of Loyalty Programs on Those Excluded from Benefits

EXTENDED ABSTRACT

Consumer loyalty programs have been seen as an important tool for reinforcing desirable behaviors such as repeat purchase and increased brand loyalty among most valuable consumers. While previous research has explored both the benefits and pitfalls of offering loyalty programs, the focus has been on consumers who receive benefits while ignoring the impact of these programs on consumers who are excluded from receiving rewards (Henderson, Beck, and Palmatier 2011).

We focus on the impact of loyalty programs on those ineligible for reward benefits. By rewarding one group of consumers, loyalty programs, by definition, exclude another group of consumers. Social exclusion has profound, and often contradictory (Lee and Shrum 2012), effects on behavior and research on social exclusion has attempted to gain a better understanding of when exclusion results in pro-versus anti-social behaviors (Williams 2007). Managers, therefore, could benefit from knowing how to structure loyalty programs in a way to increase patronage among excluded consumers.

While there are many different facets of loyalty programs that organizations have control over, we focus on two aspects that are relevant to theory related to both social exclusion and loyalty programs: type of benefit (social vs. financial) and type of effort required to receive the reward (opting-in vs. accumulating “points”).

Requiring consumers to actively opt in to a loyalty program indicates a clear desire on the part of the consumer to forge a stronger bond with the organization. At the same time, exclusion from benefits after active relational effort on the part of the consumer is likely to be perceived as rejection, which is associated with a decrease in pro-social behaviors (Twenge et al. 2007). Using effort-reward congruity (Kivetz 2005), we expect that social benefits will lead to increased motivation on the part of consumers excluded from opt-in loyalty programs because the social benefits are congruent with the social commitment made by the consumer. Exclusion from financial benefits in an opt-in system, however, will be particularly negative from the consumer’s point of view, as not only has their relational effort been seemingly rejected but there is a mismatch between the effort (social) and the offered reward (financial).

In contrast, when points are accumulated automatically, with no formal opt in required, consumers may perceive inclusion or exclusion as an indication of “fit” with the company because the accumulation of “points” is a clear indication of the economic utility the consumer provides to the organization. Consequently, we expect a better fit (Kivetz 2005) between points based systems and financial rewards in which consumers see a clear relationship between their effort and potential reward. In sum, when the reward has financial benefits, we expect an accumulated points effort requirement to be more motivating than an “opt-in” effort requirement. When the reward has social benefits, we expect the opposite pattern.

Study 1 was a field experiment conducted using MTurk. MTurk has an existing reward program in which workers (those who respond to surveys or piece work requests) can earn eligibility for the “Master Workers” program based on both the frequency and quality of their work. We used this existing Master Workers program as the basis for our manipulation. After screening out potential participants who either currently are or have been Master Workers, thus ensuring that all participants were “excluded,” we presented them with one of four versions of the program using a 2 (effort requirement: opt-in vs. earn points) x 2 (benefit: purely financial vs. social and financial) between-subjects design.

Participants read one of the four versions of the program and then responded to a variety of measures, including how many HITs (work requests) they anticipated completing in the next 24 hours, which served as our measure of motivation. The interaction of benefit with effort requirement significantly predicted completion ($F(1, 203) = 4.96, p < .03$). When the benefits included social aspects, an opt-in effort was more motivating than earning points ($M_\text{opt-in} = 81.33$ vs. $M_\text{points} = 44.48$; $F(1, 203) = 3.47, p < .04$, one-tailed test). When the benefits only included financial elements, however, we observed the reverse pattern ($M_\text{opt-in} = 33.73$ vs. $M_\text{points} = 59.14$; $F(1, 203) = 1.66, p < .10$, one-tailed test). While these results are in line with our predictions, there were two limitations to the study. First, we only looked at excluded consumers. Including included consumers as well will provide a more complete picture of how loyalty programs affect motivation. Second, the social benefit condition included a financial benefit as well. This was due to the fact that we used an established loyalty program for which the financial benefit could not be removed without arousing suspicion. Study 2 addresses these limitations.

Study 2 was conducted with undergraduate students who were randomly presented with one of four descriptions of a basketball ticket distribution method (social benefit) from a 2 (effort requirement: opt-in vs. earn points) x 2 (exclusion: yes vs. no) between-subjects design. Those in the points condition were told students must earn entries into the lottery by attending non-basketball sporting events on campus (e.g., women’s softball game). Those in the
opt-in condition were told students must opt-in to the lottery before a specific date. We asked participants in the included (excluded) condition to imagine they had (not) been able to enter the lottery. Participants then completed a variety of measures, including the number of non-basketball sporting events they anticipated attending on campus next year, which served as our measure of motivation. We found a significant interaction of exclusion with effort requirement ($F(1, 129) = 6.95, p < .01$). In line with our predictions, exclusion resulted in greater motivation for the social benefit when the effort required was opting-in compared to earning points ($M_{\text{opt-in}} = 3.02$ vs. $M_{\text{points}} = 2.65$; $F(1, 129) = 2.62, p = .05$, one-tailed test). When the benefit was social and the program was structured as opt-in, exclusion led to greater motivation than inclusion ($M_{\text{exclusion}} = 3.02$ vs. $M_{\text{inclusion}} = 2.54$; $F(1, 129) = 4.79, p < .04$).

**REFERENCES**


