Effects of Meritocratic Beliefs on Consumer Expectations For Unearned Preferential Rewards

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This research shows that people who endorse meritocratic beliefs apply the merit principle to unearned preferential rewards upon which outcomes are determined at random. We find that meritocratic people are more likely to expect to win unearned preferential rewards when they spend more (vs. less) money.

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EXTENDED ABSTRACT

These days, companies frequently employ unearned preferential rewards through a variety of ways such as lottery scratch-offs or roulette games to induce customer interest and to attract their attention. The target of earned preferential rewards is determined by customers’ efforts or loyalty. On the contrary, in the case of unearned preferential rewards, how the target is determined is uncertain or has not been justified (Jiang, Hoegg, and Dahl 2013). Prior research on preferential rewards has focused mainly on earned preferential rewards; as a result, there exists little research on unearned preferential rewards, despite its common usage. Thus, we concentrate on the effect of unearned preferential rewards and propose that customers’ reactions to unearned preferential rewards depend on their meritocratic beliefs.

Meritocracy, which is the prevalent principle in Western culture, is a belief that the hierarchical social status is determined by an individual’s merits (Foster, Sloto, and Ruby 2006; Major et al. 2007; McCoy and Major 2007). Individuals who endorse this belief justify inequality in society because they view members of higher status groups as more talented or hardworking than those of lower status groups. Drawing on prior research, we suggest that people who endorse meritocratic beliefs expect to win in unearned preferential reward contexts when they spend more (vs. less) money. In other words, we predict that meritocratic people consider the amount of money they spend as their merit, and that they think they deserve unearned preferential rewards.

Study 1 was designed to test whether meritocratic people were more likely to expect a higher probability of winning an unearned preferential reward when they spent more (vs. less) money. Participants were asked to imagine that they received a lottery scratch-off ticket after purchasing $120 or $1.20. They were also told that the average purchase amount per customer was $20. After reading the scenario, they rated their probability of winning the lottery scratch-off ticket on a seven-point scale (1 = very low; 7 = very high). Finally, we measured participants’ meritocratic beliefs (e.g., I feel that people get what they are entitled to have; Lipkus 1991). Results showed that the interaction between meritocratic beliefs and the purchase amount was significant. Participants with high meritocratic beliefs were more likely to expect a higher (lower) probability of winning the lottery when they were asked to imagine that they had purchased $120 ($1.20). In contrast, in the case of participants with low meritocratic beliefs, the effect of the purchase amount on the expected probabilities disappeared.

In Study 2, we manipulated participants’ meritocratic beliefs by using a scrambled sentence task (McCoy and Major 2006). Thus, Study 2 employed a 2 (Prime: Meritocracy vs. Control) × 2 (Purchase Amount: $120 vs. $1.20) between-subjects design. We asked participants to imagine a situation in which they received a lottery scratch-off ticket, the same as that in Study 1. The results replicated those of Study 1. When participants in the meritocratic condition imagined that they had purchased $120, they expected a higher chance of winning the lottery than when they had purchased only $1.20. In contrast, in the control condition, the purchase amount did not influence participants’ desired probabilities.

The purpose of Study 3 was to investigate whether meritocratic consumers, who paid a high amount, formed negative attitudes toward a shop when they failed to get unearned preferential rewards. We performed a 2 (Meritocracy Manipulation: Meritocracy vs. Control) × 2 (Purchase Amount: $2,500 vs. $25) ANOVA on intentions to revisit the shop. In the losing ticket context, we found that meritocratic people were unwilling to revisit a store when they spent a high amount, whereas revisit intentions of non-meritocratic people were not affected by the amount they spent.

Finally, Study 4 was conducted at a nail care shop to improve our research’s validity. Consumers were invited to fill out a consumer survey, including the amount they paid, the expected probability of winning the lucky event, and their meritocratic beliefs. As expected, the results replicate our previous studies and show that meritocratic people perceive themselves as deserving unearned preferential rewards when they spend high amounts in an actual service purchase context.

Taken together, these results demonstrate that people with meritocratic beliefs tend to apply the merit principle, even when preferential rewards are not based on clear criteria. Our findings contribute to understanding how customers react to unearned preferential rewards.

REFERENCES


