A Relationship Account of Marketing Rewards: the Effect of Conditional Vs. Unconditional Rewards on Self-Brand Connection

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In this research we explore how rewards can be used to foster brand-self connection. Data from a field study and two laboratory experiments provide systematic evidence for how conditional versus unconditional rewards affect brand-self connection, and shed light on the underlying psychological process.

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Connections: The Social Nature of Consumption
Chair: Sarah Lim, Cornell University, USA

Paper #1: Reducing Consumer Alienation: The Effect of Making Product Producers Personal
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Paper #2: Made for You: The Effect of Consumer Identification on Consumer Preference
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Paper #3: A Relationship Account of Marketing Rewards: The Effect of Conditional vs. Unconditional Rewards on Self-Brand Connection
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Paper #4: Partner or Servant? When Relationship Type Affects Trait Expectations and Evaluations of the Brand
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SESSION OVERVIEW
Understanding interactions between customers and firm has received growing attention from both marketing scholars and marketing practitioners. This special session aims to examine the interpersonal aspects of consumer experience by focusing on consumers’ relationships with producers or brands. In this session, four papers address the important question of how to create a sense of connectedness between consumers and the companies that produce the products they buy.

The first two papers in this session study consumers’ alienation from producers and ways to reduce this alienation. In the first paper, Fuchs and colleagues examine the effect of providing personal information about producers. Six studies demonstrate that “personizing” producers increases consumers’ preferences for products by inducing feelings of closeness with the producers. In the second paper, Lim and colleagues investigate how providing personal information about consumers to producers can affect consumers’ preferences. They show that consumers expect that identifying them by their names would lead producers to treat them in a less objectifying manner, which in turn leads to a greater preference for a product. Together, these two papers shed light on how personal identification, of either producers or consumers, create a meaningful connection between the two entities.

The next two papers focus on the specific relationships that form between consumers and brands/firms. Bonezzi, Lisjak, and Neslin explore how conditional versus unconditional rewards can have a different impact on consumer-brand connectedness. Across two lab experiments and a field study, they demonstrate that unconditional rewards (vs. conditional rewards) are more effective to strengthen consumer-brand connection, but only when these rewards signal communal relationship norms. Finally, Dong and Aggarwal examine the role of hierarchy in consumer-brand relationships by examining the effect of positioning the brand as a servant versus a partner. They find that people expect servant brands to be high on competence, and partner brands to be high on warmth. In addition, they show that the brands are evaluated more extremely – more negatively and more positively – when these expectations of competence for servant brands and warmth for partner brands are respectively violated or upheld.

In summary, this session provides a window into consumer behavior by illuminating research that investigates consumers’ relationships with producers/brands. By bringing together the papers that examine the issue of consumer relationships from diverse perspectives, this session will enrich and sharpen our understanding of psychological mechanisms that affect perceptions of connectedness between consumers and firms.

Reducing Consumer Alienation: The Effect of Making Product Producers Personal

EXTENDED ABSTRACT
Since the time of the industrial revolution, technology has improved the well-being of both producers, whose incomes could rise through greater productivity, and consumers, who benefit from greater availability and lower prices of consumer goods. This, however, has come at the cost of separation and alienation between consumers and producers. Accordingly, in an era of mass production, consumers rarely know anything about the persons who have created the products they use on a daily basis. New developments in the marketplace have led some firms – deliberately or not – to reduce the separation between consumers and producers of products. In particular, firms have started to introduce the persons behind their products to their customers. Information about producers is now featured on firms’ websites, or even included on or with the products. Commercial platforms such as Etsy even enable consumers to directly get in touch with a product’s producer.

This study is a first attempt to shed light on this emerging phenomenon by examining the psychological consequences of providing consumers with personal information about product producers – a practice that we refer to as “personizing”. Drawing on analogies from Karl Marx’s theory of alienation of the worker (1844), we introduce a theory of alienation of the consumer and posit that consumers feel less alienated from the producer if they see the person behind the product. We thus theorize that providing personal information about the producer – personizing the producer – should facilitate the creation of a psychological connection between consumers and the producer. This feeling of connection to the producer should have positive effects on consumer wellbeing and on the way consumers perceive both the producers and their products. A series of six studies documents the existence of this personizing effect on product preference, provides process evidence, and rules out alternative accounts.

Study 1A provides initial experimental evidence that making product creators personal has positive effects on product preference. The study deployed a choice-based experiment in which information on the product producer was manipulated (personal information on the producer present vs. not present). We find that consumers have a significantly higher preference for the same product if non-diagnostic personal information about the product producer is provided.
Previous research has documented that identifying a person causes others to perceive that person more as a tangible and relatable being and to readily feel emotional and social connectedness toward him or her. For instance, people tend to donate more money for an identified victim than for a non-identified one (Jenni and Loewenstein 1997; Small and Loewenstein 2003). Similarly, allocators in a dictator game were likely to split the money more generously when their partner’s name was provided to them (Charness and Gneezy 2008). Together, these results suggest that identifying a person induces positive responses from others.

This research examines the effect of identifying consumers’ names to producers on consumers’ evaluation of products by introducing the concept of consumer objectification. Building on Nussbaum’s conceptualization of objectification (1995), we define consumer objectification as consumers’ perception of being treated by a producer or seller as an interchangeable object rather than an individual person. We argue that consumers would believe that identifying their names leads producers to perceive them in a less objectifying way, which in turn would increase preference for those producers’ products.

Study 1 tested whether consumers evaluate a product more positively when the product producer knows their names. Two hundred undergraduate students read descriptions of two similar coffee shops, differing in whether a barista saw customers’ names or order numbers on their coffee cups. We counterbalanced which coffee shop was described as identifying consumers across participants. Results showed a “Starbucks effect”, that is, participants significantly preferred to go to the coffee shop where customers were identified to the barista ($n=198$) = 9.23, $p < .01$, Cohen’s $d = 1.30$.

Study 2 was designed to achieve two objectives. The first objective was to replicate the effect of consumer identification across various products. The second objective was to provide evidence on the underlying mechanism of de-objectification. Five hundred and forty-six Mturkers were randomly assigned to one of eight conditions in a 2 (counterbalancing of which producer identifies its customer by name) x 4 (product replicate: cake, desk, fountain pen, dress shoes) between-subjects design. The procedure of this study was identical to that of Study 1, except for the fact that sense of objectification and perceived product quality were measured in addition to the preference measure.

Consistent with Study 1, participants indicated a greater preference for the company when the producer was given the customers’ names ($F(1, 538) = 50.14, p < .01, \eta^2_p = .09$). This effect was significantly mediated by perceived objectification [5,000 samples; 95% CI: 0.87, 1.42] even after controlling for perceived product quality.

Study 3 sought to examine whether more identification induces a greater impact on consumer preference by manipulating the amount of personalizing information given to a producer. Three hundred and fifty-six Mturkers were randomly assigned to one of four conditions in a 2 (counterbalancing of identification) x 2 (amount of identifying information: low vs. high) between-subjects design. Similar to studies 1 and 2, participants read descriptions of two pâtisseries. In the low identification condition, one of the pâtisseries was described as identifying customers’ names to the baker, whereas in the high identification condition it was described as identifying consumers’ name and additional personalizing information that customers wanted the baker to know. Again, we found that participants exhibited a greater preference for the product when the producer was given their name ($F(1, 352) = 4.08, p < .05, \eta^2_p = .01$). This effect, however, did not become stronger with additional personalizing information ($F < 1$). Further analyses revealed that the additional information leads participants to feel not only a lower sense of objectification but also a greater risk of privacy violation, resulting in the null effect of iden-

Made for You: The Effect of Consumer Identification on Consumer Preference

EXTENDED ABSTRACT

How can we make consumers’ experiences more personal and meaningful? This research suggests that one effective way to do this is to allow consumers to give their name to product producers, that is, by making producers know who they are making their products for.
tification level. Together, these results suggest that adding more personifying information beyond a first name would not always be better and it can cause greater concerns for privacy violation.

In conclusion, this research demonstrates that identifying consumers to producers increases product preferences by making consumers feel less objectified (i.e., more like a person). By doing so, this research suggests a novel way to make consumers’ experiences more meaningful.

A Relationship Account of Marketing Rewards: The Effect of Conditional vs. Unconditional Rewards on Self-Brand Connection

EXTENDED ABSTRACT

Developing and nurturing a connection between a brand and consumers is one of the most important goals bestowed upon marketing managers. Indeed, a strong consumer-brand connection ultimately translates into increased profitability for the company (Kalwani and Narayandas 1995; Pine II et al. 1995; Price and Arnould 1999). As a result, marketers employ various tactics to develop strong connections with consumers. In particular, a commonly used tactic involves awarding customers with rewards for engaging with the brand. To illustrate, consumers might be promised a reward after a certain number of purchases. Importantly, these rewards are typically given conditional on consumers engaging in behaviors that meet terms and conditions specified by brands, and thus are referred to as *conditional rewards*.

In this research we argue that the widely adopted practice of using conditional rewards may be unsuited to foster consumer-brand connections. Instead, we propose that *unconditional rewards* may be more effective at fostering consumer-brand connection. We use the term unconditional rewards to refer to rewards that are perceived not to be contingent on consumers performing certain behaviors that meet terms and conditions specified by a brand, but given out of the company’s benevolence.

We postulate that conditional and unconditional rewards might be differentially effective in fostering brand-self connection, because they signal different relationship norms (Clark and Mills 1979, 1993; Aggarwal 2004; Aggarwal and Law 2005). In particular, we suggest that unconditional rewards heighten the salience of communal norms, compared to conditional rewards. Importantly, the salience of communal norms influences how psychologically connected consumers will feel towards the brand (Aron et al. 1991; Liu and Gal 2011). Three studies support this hypothesis and provide evidence for the proposed theorizing.

Study 1 demonstrates that unconditional rewards are more effective than conditional rewards at fostering brand-self connection. Participants were given the opportunity to complete a survey for the chocolate brand Milka. In the conditional reward condition, participants were told that if they chose to fill out the survey, they would receive a Milka chocolate bar for their input. In the unconditional reward condition, participants were not told anything, but still received a Milka chocolate bar upon completing the survey. Furthermore, to compare how receiving a conditional or unconditional reward affects self-brand connection relative to receiving no reward, we asked a third group of participants to simply report brand-self connection towards Milka. Consistent with our predictions, the results revealed that participants who received an unconditional reward felt more connected to Milka compared to participants who received a conditional reward ($t(154) = 1.96, p = .05$), and to participants in the baseline condition ($t(154) = 2.29, p = .02$). Furthermore, brand-self connection did not differ significantly between the conditional reward and baseline conditions ($t(154) = .34, p = .73$).

Study 2 served two main goals. First, we wanted to rule out the possibility that the effect observed in study 1 was merely driven by unconditional rewards eliciting higher levels of surprise relative to conditional rewards. To do that, we kept surprise constant across conditions, by inducing all participants to expect to receive a reward. Second, we wanted to test whether the effect observed in study 1 operates via salience of communal relationship norms, as per our proposed theoretical account. To do that, participants were randomly assigned to conditions in a 2 (reward: conditional vs. unconditional) × 2 (persuasion knowledge: salient vs. not salient) between-subjects experimental design. We reasoned that, to signal communal relationship norms, an unconditional reward needs to be attributed to the benevolence of the company, rather than to self-interest. Thus, by making persuasion knowledge accessible, the attribution of the unconditional reward to the company’s benevolence should be undermined, and as a consequence an unconditional reward should lose its effectiveness as a signal of communal norms. The results revealed a significant reward type × persuasion knowledge interaction ($F(1, 162) = 6.1, p = .03$). Participants for whom persuasion knowledge was not salient felt more connected to the brand when the reward was unconditional than when it was conditional ($t(162) = 3.42, p = .001$). However, for participants for whom persuasion knowledge was salient there was no difference between receiving an unconditional and conditional reward ($t(162) = .28, p = .78$). A moderated mediation analysis further revealed that communal norms mediated the effect of type of reward on behavioral intentions, only when persuasion knowledge was not salient.

Study 3 aimed to probe the external validity of our findings, by showing the effect of conditional vs. unconditional rewards in a consequential setting. This study was a field experiment, conducted in a grocery store. Shoppers were approached by a research assistant who posed as a Coca Cola representative and asked shoppers to participate in a short survey. In the conditional reward condition participants were told that they would receive a free can of Coca Cola for their input. In the unconditional reward condition participants were not informed they would be receiving a reward for their input. After participants completed the survey, they were rewarded with a can of Coca Cola. Participants then continued with their grocery shopping. At the cash register, we collected each participant’s shopping receipt. The results revealed a significant main effect of reward type on purchase behavior ($χ^2(1) = 23.39, p < .001$), such that 61% of participants who received an unconditional reward subsequently bought Coca Cola, compared to only 21% of participants who received a conditional reward.

In sum, this research provides a first systematic examination of the effects of rewards on self-brand connection. Across three studies we show that rewards might indeed foster brand-self connection, but the way they are awarded influences their effectiveness at doing so. In particular, we compared and contrasted conditional to unconditional rewards and found that unconditional rewards are more effective than conditional rewards at fostering brand-self connection, because they increase the salience of communal relationship norms. These findings contribute to the literature on relationship management and self-brand connection and provide practical suggestions for how to design rewards that are effective at nurturing a connection between a brand and its customers.

Partner or Servant? When Relationship Type Affects Trait Expectations and Evaluations of the Brand

EXTENDED ABSTRACT

Marketers often position their brands around distinct social roles (Aaker, Fournier, and Brasel 2004; Aggarwal 2004; Fournier 1998). For instance, Allianz (one of the world’s leading financial or-
ganizations) emphasizes its core mission of being a trusted partner to its customers whereas Scrubbing Bubbles stresses its role of being a dependable servant, as reflected in its advertising tagline “We work hard so you don’t have to”.

Essentially, these two positioning strategies emphasize equality (“brand-as-partner”) and hierarchy (“brand-as-servant”) respectively — two distinct and fundamental social relationships (Fiske 1992) and moral motives (Rai and Fiske 2011). Despite the practical prevalence of these two brand positioning strategies, there is little empirical research investigating the theoretical underpinnings of pursuing these relationship types, and if they might result in different responses from consumers facing positive and negative outcomes. The only prior research that we are aware of that looked at the distinction between partner and servant brands used it as a moderator to test an unrelated hypothesis (Aggarwal and McGill 2012). Drawing on the stereotype content model (Fiske et al. 2002), we posit that much like human relationships, brands’ social roles – partner versus servant – may lead to differential expectations toward the perceived warmth and competence of the brand, which would impact consumers’ brand evaluations.

Research in social relationships suggests that people expect their partners to be warm and caring and be “someone who were always ‘there for you’ when you needed a favor” (Walker 1995). Thus, much like the warmth traits they expect from their close relationship partners in a social context, consumers may expect similarly higher warmth traits from their partner brands relative to servant brands. In contrast, as hierarchies emphasize rank in social groups and consist of roles that imply division of labor, people higher up in the hierarchy expect those below them to follow directions and complete assigned jobs competently (Yukl and Fu 1999). Analogously, in consumer-brand relationships too, we argue that servant brands would be expected to do the job proficiently and hence exhibit more competence than partner brands.

Based on the reasoning above, we propose that relative to servant brands, partner brands are expected to be higher on warmth compared to competence. Drawing on the role congruity theory which suggests that the (mis)fit between the perceived target’s performance and the presumed beliefs or expectations about the social role to which the target belonged could lead to (un)favorable inferences (Eagly and Diekman 2005), we further propose that consumers would express more favorable attitude for partner (servant) brands that exhibit high level of warmth (competence) – the domain in which the brand is expected to excel. Moreover, they would also express more unfavorable attitude for partner (servant) brands that perform poorly on warmth (competence) traits. Five studies were conducted to test these propositions and underlying mechanisms.

Before commencing a full test of our hypotheses, a pilot study (N=200) was conducted with 20 real brands. The results confirmed a significant relationship between brand role and trait expectations such that consumers tend to associate warmth traits more with partner brands (r = .41 vs. r = .28; Z = 9.08, p < .001), but associate competent traits more with servant brands (r = .33 vs. r = .38; Z = 3.50, p < .05).

In Experiment 1 (N=96), participants rated a fictitious brand ascribed a partner role as possessing more warm traits (M_partner = 6.96, SD = 1.42; M_serving = 6.29, SD = 1.62; F(1, 94) = 4.68, p < .05), while they rated the same brand ascribed a servant role as more competent (M_partner = 6.55, SD = 1.42; M_serving = 7.10, SD = 1.25; F(1, 94) = 4.01, p < .05). Together with the pilot study, results from Experiment 1 suggest that warmth and competence are respectively associated with a partner and servant role that is assigned to brands.

Having demonstrated the association between brand trait and brand role, Experiment 2A (N=210) tested whether consumers polarized their evaluation for partner brand in warmth judgment domain while Experiment 2B (N=176) examined the polarizing effect for servant brands in competence domain. In Experiment 2A, we first presented an advertisement of a fictitious fitness club ascribing either a partner or a servant role. Subsequently, participants read a scenario describing either positive or negative staff service (rated as the most typical warmth feature through a pre-test) encountered at the fitness center. Finally, participants reported their evaluations of the fitness club. As expected, when the brand warmth was high, participants evaluated the brand more positively if it was positioned as a partner compared to a servant brand (M_partner = 5.88, SD = 1.55; M_serving = 5.27, SD = 1.59; F(1, 204) = 4.30, p < .05). However, when the brand warmth was low, participants evaluated the brand more negatively when it was positioned as a partner than as a servant brand (M_partner = 3.76, SD = 1.12; M_serving = 4.34, SD = 1.67; F(1, 204) = 3.93, p < .05). Together, this suggests that consumers’ evaluation toward the partner (vs. servant) brand was more extreme both when exhibiting high and when exhibiting low warmth.

In Experiment 2B we first described a laptop brand as either a partner or a servant to the consumer. Participants then manipulated high and low competence by describing the laptop’s positive or negative functional performance, which resulted in them completing an onerous assignment much faster or slower than expected. As predicted, when the brand competence was high, participants evaluated the brand more favorably if it was positioned as a servant than as a partner (M_partner = 7.30, SD = 1.60; M_serving = 8.13, SD = 1.63; F(1, 172) = 4.29, p < .05). However, the reverse was true when the brand competence was low (M_partner = 6.07, SD = 2.08; M_serving = 5.29, SD = 2.07; F(1, 172) = 3.89, p < .05).

Finally, Experiment 3 (N=299) replicated the findings of Experiments 2A and 2B within the same 2 (brand role: partner vs. servant) × 2 (brand trait: warmth vs. competence) × 2 (brand performance: positive vs. negative) between-subjects study in a different context (i.e., hotel service evaluation). Furthermore, expectancy violations in “perceived warmth” [95% CI: 1.404, .5679] and “perceived competence” [95% CI: -.4931, -.0200] mediated the outcome × trait interaction effect on evaluation for partner and servant brands respectively.

Taken together, this research reveals the theoretically meaningful role of consumers’ expectation from partner versus servant brands in shaping their brand evaluations, and offers new insights for marketers to manage their brands and its relationship role more effectively.

REFERENCES


