How Do You React When You Know That You Miss the Price Promotion After Purchasing: the Impacts of Purchase Timing and Attribution on Perceived Price Unfairness, Negative Emotions and Behavioral Reactions

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Title: How do you react when you know that you miss the price promotion after purchasing: The impacts of purchase timing and attribution on perceived price unfairness, negative emotions and behavioral reactions

Abstract: While Zeelenberg & Van Putten (2005) have examined consumer’s reaction when they realize the missing of price promotion before purchasing, this study examines how the missing of the price promotion will affect consumers’ perceived price unfairness when they realize such missing after they have purchased the product. First, we examine whether purchase timing (pre-promotion vs. post-promotion) and different attribution (internal vs. external) will influence perceived price unfairness induced by the missing price promotion. In addition, we also investigate how negative emotions (anger, disappointed, and regret) will be generated and how it will influence behavioral reactions (Complain, negative WOM, Switch, Inertia). By analyzing the data collected from a 2 (purchase timing) * 2 (attribution) experiment, the major findings are: (1) Purchase timing does not affect perceived price unfairness but has impact on negative emotion. (2) Consumers who miss price promotion due to external attribution will generate higher perceived price unfairness. (3) When consumers perceive the higher price unfairness, they will feel more anger and disappointed. (4) Consumers with stronger anger and disappointed are more likely to switch to other stores, spread negative WOM, and complain.

[to cite]:
Dungchun Tsai, Hsiao-Ching Lee, Wei-wei Chen, and Han-Chia Chuang (2007), "How Do You React When You Know That You Miss the Price Promotion After Purchasing: the Impacts of Purchase Timing and Attribution on Perceived Price Unfairness, Negative Emotions and Behavioral Reactions", in E - European Advances in Consumer Research Volume 8, eds. Stefania Borghini, Mary Ann McGrath, and Cele Otnes, Duluth, MN : Association for Consumer Research, Pages: 261-263.

[url]:
http://www.acrwebsite.org/volumes/13929/eacr/vol8/E-08

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How Do You React When You Know That You Miss the Price Promotion after Purchasing: The Impacts of Purchase Timing and Attribution on Perceived Price Unfairness, Negative Emotions and Behavioral Reactions

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Although price promotions can attract new customers as well as increase the amount of products bought by old customers, Blattberg, Briesch & Fox (1995) have indicated that there still are negative effects on price promotions. One of them is the sales dip after the price promotions, which has been explained from two perspectives: purchase accelerations and stockpiling (Blattberg, Eppn & Kieberman 1981; Neslin, Henderson & Quelich 1985). Recently, Zeelenberg & van Putten (2005) offered another explanation: switching behavior. They indicated that people who miss the price promotions may switch their purchasing to other brand.

Although Zeelenberg & Van Putten (2005) have examined how consumers will react when they missed price promotion, they just focused on consumers who realize the impact of price promotion before they purchase the product. But, consumers may realize such missing after they have purchased the product. Although such consumers have already purchased the product, the realization of missing price promotion may have impact on their post-purchase behaviors. Furthermore, perceived price unfairness has been identified as one psychological factor that exerts an important influence on consumer’s reaction to prices (Kaheneman, Kenetsch and Thaler 1986; Campbell 1999). Therefore, this study examines how the missing of the price promotion will affect consumers’ perceived price unfairness when they realize such missing after they have purchased the product.
Though this study investigates the negative impact of missing price promotions realized after the purchase, the price promotion missed by the consumers could be occurred either before or after the purchasing. Thus, purchase timing (before or after the price promotion) is one major factor to be discussed in this study. A consumer may make a purchase too early and cannot gain the benefit from a price promotion offered later or he may make a purchase too late and misses a price promotion offered before (Cooke, Meyvis and Schwartz 2001). Therefore, we categorize purchasing timing into two types: (1) pre-promotion purchasing which refers purchasing before the price promotion and (2) post-promotion purchasing which refers purchasing after price promotion. Thus, whether the level of perceived price unfairness affected by the missing price promotion will vary on these two types of purchasing timing is the major question this study wants to address.

Attribution is another important factor included in this study. Heider (1958) categorized the locus of causality into two kinds: internal attribution (personal-related) and external attribution (situational-related). In this study, if consumers miss the price promotion due to self mistake, they will attribute the causality to themselves, which refers to internal attribution. On the contrary, if the responsibility of missing price promotion is firm-related, then consumers will attribute the causality to the firms, which refers to external attribution. Different attribution will influence how consumers react when they miss price promotion. Therefore, we will examine how attribution influences the price unfairness perception in this study.

Finally, this study also attempts to investigate the impact of perceived price unfairness on negative emotion (anger, disappointed, and regret) and behavioral reactions (such as: complaining, negative WOM, switching, inertia). It has been shown that perceived price unfairness will make consumers leave the exchange relationship, spread negative WOM (Campbell 1999). However, the relationship between perceived price unfairness and negative emotions are less discussed and verified empirically (Xia et al. 2004). Therefore, we want to investigate how negative emotions will be generated and how it will influence behavioral reactions toward the firms.

After reviewing the related literatures, we develop the research framework and hypotheses. To collect the empirical data, this study conduct an experiment with 2 (purchase timing: pre-promotion vs. post-promotion) *2 (attribution: external vs. internal) between-subjects design. There are 202 college students participated in this experiment. By analyzing the data through analysis of variance (ANOVA) and structure equation model (SEM), the major findings of this study are as following:

1. Although purchase timing does not affect perceived price unfairness, it has significant impact on negative emotion. That is, consumers who purchase the product before the price promotion generate stronger regret than those who purchase after the price promotion.
2. Attribution has a significant impact on perceived price unfairness. Consumers who miss price promotion due to external attribution will generate higher perceived price unfairness.
3. When consumers perceive the higher price unfairness, they will have the stronger negative emotion in terms of anger and disappointed.
4. Consumers with stronger anger and disappointed are more likely to take negative reactions such as: switching to other stores, spreading negative WOM, and complaining.
5. Consumers with stronger regret are more likely to take no reaction.

References

Regulatory Focus as a Moderator of Persuasion in Message Framing: A Test of Three Accounts
Sunghwan Yi, University of Guelph, Canada
Hans Baumgartner, Pennsylvania State University, USA

A review of previous literature shows that there are at least three ways in which regulatory focus may be related to message framing. Specifically, three opposing accounts propose that persuasion is enhanced when there is a fit between a person’s regulatory focus (a) and the overall valence of the message (i.e., positive vs. negative valence), (b) and the outcome focus of the message (i.e., gain vs. loss anchor), (c) and the type of benefit or harm emphasized (i.e., achievement vs. security), respectively. In order to resolve these inconsistencies, we
used a 2 (overall valence) by 2 (outcome focus) by 2 (type of benefit emphasized) factorial design. Results generally supported the hypothesis that persuasion is increased when chronic regulatory focus fits the overall valence of the message.

The ‘Real’ Value of Fakes: Network-based Subcultures of Brand Appropriations and the Implications for Consumer-Brand Relationships
Renée Ann Richardson, Harvard Business School, USA

My research examines counterfeit markets, where Marketers cannot control consumer-brand relationships. I conducted a longitudinal ethnography in two markets: 1) the socially-embedded “purse party”, and 2) the atomistic “street vendor”. Consumers in an embedded market exhibited a high propensity to later purchase the authentic brand (controlling for prior purchase). I argue that networks and pseudo-access to the brand increase aspiration for the brand. These consumers had never purchased the brand (“too smart to be label-conscious”), and they made negative attributions to those who do (“frivolous”). However, these consumers renegotiate their in-group identity as their aspiration for the brand increases. This research contributes to “pseudo-endowment” research that shows actual possession is not a prerequisite for endowment effects.

Sources

Tell Her She’s Wrong! Triangulation as a Spousal Influence Strategy
Yaarit Bokek-Cohen, The College of Judea and Samaria, Israel

Purchase decisions are often jointly made by couples who share the use of products and consult with each other concerning various aspects of the purchase. The purpose of this study was to evaluate which influence strategies are used during this process, and to introduce the Triangulation strategy, a hitherto unexplored spousal influence strategy in consumer behavior literature.

Theoretical Background
The family is an emotional system, and family members’ emotional functioning is based on reciprocity (Bowen, 1978, Kerr & Bowen, 1988). In order to reach an accurate understanding of human behavior, it is important to look beyond the individual and examine the relationship system within one participates. According to Kerr & Bowen, a dyad, a “two-person” system, is inherently unstable since it is more vulnerable to internal and external stress. Thus, the triangle is the smallest stable relationship unit (Kerr & Bowen, 1988, p. 134). When one partner experiences anxiety or tension on a level they are unable to contain, they will enlist a third individual in order to diffuse this tension. The enlisting of a third person is called triangulation. The triangulated person can be a friend, a relative or one or more of the couple’s children.

Six influence strategies described by Raven et al. (1975): Expert influence is reflected in the spouse’s enumeration of specific information concerning the various alternatives. Legitimate influence deals with one spouse’s attempts to draw upon the other’s feelings of shared values concerning their role expectations. Reward influence is based on the reward that the influencer can give the one being influenced. Identification is the feeling of oneness of one person with another. Coercion is the punishment or unpleasant results and behavior that one spouse can employ. Information Management includes the content of the persuasive attempts and careful and successful explanations or arguments, sometimes by attributing the influence attempt to external pressures beyond the influencer’s control. The use of an Emotional strategy involves displaying some emotion-based reaction (Spiro, 1983). These strategies have already been discussed in consumer behavior literature. Religious strategy involves the use of religious arguments relevant to the product and/or to the circumstances of its consumption. This strategy is a subject of a qualitative study that is currently being conducted by the author. The purpose of this paper is to introduce the Triangulation strategy.

Methodology
192 couples were asked to evaluate their own and their mates’ influence strategies in four purchase decisions. The decisions were a vacation, living room furniture, a TV set and a new residence place. The survey questionnaire was designed to measure the use of the above mentioned nine influence strategies. In order to examine the triangulation strategy, the survey questionnaire included the following five items: ‘ask his/her friend to influence him/her’, ‘ask my friend to influence him/her’, ‘ask our children to influence him/her’, ‘ask his/her relative to influence him/her’ and ‘ask my relative to influence him/her’. Subjects were asked to state their use of each item on a 5 point Likert scale, in which 1 means ‘never’ and 5 means ‘always’. The internal consistency of this strategy was measured by Cronbach’s alpha and the alpha values were 0.88-0.92 for women and 0.94-0.95 for men. As to the item ‘ask our child/ren’, only the answers of couples who have children over the age of 6 were considered.