Consumer Reactance to Promotional Favors

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ABSTRACT

Promotional favors are an increasingly popular but seldom researched form of price promotion where the receipt of the saving by consumers depends on an action on their part that is unrelated to the content of the purchase, such as completing a questionnaire or making a referral. This paper shows that the tactic can backfire, in the sense that consumers choose cheaper or fewer options—they spend less—than they would in response to a standard (unconditional) discount. We document this effect across six experiments. Experiment 1 is a field test. Experiments 2 to 6 replicate the result in more controlled settings, trace it to a process of psychological reactance, contrast promotional favors to traditional purchase requirements, and address plausible alternative explanations. Finally, we review the contributions of our work and propose avenues for future research.

Keywords: Promotional favors, conditional discounts, psychological reactance, price promotion, pricing.

A common ploy among firms that use price promotions is to tie the receipt of the saving by consumers to some behavior on their part other than the act of purchase. Typically, this takes the form of a minimum purchase quantity or expense, which the literature recognizes as a means of price discrimination (Chen, Moorthy, and Zhang 2005; Lu and Moorthy 2007) or an opportunity to exploit the malleable preferences of individuals (Foubert and Gijsbrechts 2007; Inman, Peter, and Raghubir 1997; Lee and Ariely 2006; Wansink, Kent, and Hoch 1998). However, an increasingly popular approach is to condition the saving on a task that is unrelated to the content of the purchase, such as completing a questionnaire or making a referral. The popularity of these "promotional favors" broadly coincides with the rise of digitalization in the practice of marketing (with firms eager to push online surveys and reviews, virtual payments, etc.), but to date there is little formal research to support or challenge the trend.

The current paper aims to bridge this gap. The feature that distinguishes promotional favors from traditional purchase requirements is that the effort demanded of consumers (time, information, social capital, etc.) is not expressed in the same resource currency as is the reward (money). While this may lead firms to conclude that the tactic is somewhat more discreet, prior research shows that incongruity between effort and reward emphasizes external attributions for one's behavior (e.g., "I am referring a friend just to get the discount"), which can threaten the sense of freedom (Kivetz 2005). Individuals who perceive such a threat often experience a state of arousal, or psychological reactance, directed at restoring autonomy (Brehm 1966; Miron and Brehm 2006). The immediate response is to think or act in a contrary way (Brehm and Brehm 1981). But disobedience can be costly to the individual, in which case reactance manifests indirectly as hostility toward the source of the restriction (Clee and Wicklund 1980).

In the same way, we argue that consumers are attracted to promotional favors by the opportunity to save money yet aggravated by the demand imposed on them. The impulse is to reject the offer, but doing so implies sacrificing the discount, which is costly. Accordingly, we predict that consumers engage in the exchange but choose cheaper or fewer options—they spend less—than they would in response to a standard (unconditional) discount.

We document this effect across six experiments. Experiment 1 is a field test. Experiments 2 to 6 replicate the result in more controlled settings and examine the theory. First, in Experiment 2 we report a serial mediation model in which perceived threat-to-freedom and hostile feelings account for the effect of promotional favors on spending. Second, in Experiments 3 and 4 we controlled factors inherent to consumers that, according to the literature, moderate the experience of reactance. Third, in Experiment 5 we pitted a promotional favor against a purchase requirement, confirming that only the former provokes reactance. Finally, in Experiments 6 we varied the framing of the promotional favor but not the demand itself, which allows us to draw a conclusion about the role of reactance independent of the burden placed on consumers.

Our work is only the second after that by Blanchard, Carlson, and Hyodo (2016) to study promotional favors. These authors show that pairing a price concession with a "favor request" (posting a review, making a referral, etc.) helps consumers view a price negotiation as more reciprocal, thereby increasing the likelihood that they accept the deal offered to them. Blanchard et al. (2016) further show that the perception of reciprocity matters only when the interaction is unique and personal, as is the case in negotiations between individuals. We differ in three important respects. First, we focus on the more conventional setting where a firm posts the same price and offers the same discount to any and all consumers—our setting is neither unique nor

personal.[1] Second, our theory leads us to make a prediction about the spending decisions of consumers, not about purchase incidence. Third, we report a negative effect of promotional favors, not a positive one.

More broadly, the idea that marketing actions can provoke reactance and cause backlash is not new. One familiar example is the study by Fitzsimons and Lehmann (2004), in which consumers contradicted the unsolicited advice of experts and intelligent agents. Other instances involve explicit slogans (Laran, Dalton, and Andrade 2011), stockouts (Fitzsimons 2000), and loyalty programs (Kivetz 2005). We extend this logic to the context of a price promotion. Here, our work brings to mind articles by Dholakia (2006), who shows that clients who joined a bank in response to an introductory discount held less accounts and were more likely to churn than others who entered the relationship of their own initiative, and by Kristofferson et al. (2016), who show that scarcity promotions prompt people to perceive others as competitive threats, which prepares them to aggress. However, these studies differ not only in the type of offer examined, but also the underlying psychology.

Finally, from a substantive standpoint we believe that the current understanding of promotional favors among firms is incomplete. Promotional favors make sense to the extent that the benefit of imposing a demand on consumers outweighs the loss experienced from those who decide not to bother. Yet our experiments point to an effect that complicates this calculus. The impact that we see on spending is striking because promotional favors are not the type that a businesses instinctively believes can provoke resistance—indeed, firms often advertise these

[1] Indeed, Blanchard et al. (2016) argue that consumers do not have the potential to interpret the discount as part of a reciprocal interaction when it is available to the general public. Experiment 4 in their article shows that a favor request has no effect on deal acceptance when this is the case.

offers as “rewards” or “bonuses” rather than “conditions.” In addition, to the extent that a purchase comprises several related decisions, it is not straightforward that the restoration of freedom skips purchase incidence to then influence product choices. Against this backdrop, one can think of the implications of our findings keeping in mind the possibility of reactance and the type of design elements that may mitigate backlash.

CONCEPTUAL FRAMEWORK

Conditional Discounts

Designing a price promotion comprises several decisions, including whether the firm makes the saving immediate and automatic upon purchase or contingent on an event taking place. Following the literature, we use the term “conditional discount” when “some condition has to be met for the consumer to avail of the discount” (Grewal et al. 2011, p. 47), and draw a distinction between two types of events.

First, there are firms that tie the receipt of the saving by consumers to an external contingency such as a game of chance, the outcome of a sports fixture, or even the weather. In this context, scholars are curious to understand whether the presence of uncertainty appeals to consumers, even to the point of compensating for the fact that the expected payoff is lower than that of a sure discount (e.g., Ailawadi et al. 2014; Briley, Danziger, and Li 2018; Goldsmith and Amir 2010). In our research, however, any uncertainty about the receipt of the saving is a byproduct of the fact that consumers may accept or reject an offer; it is not an end in itself.

Second, firms condition the saving on an action by consumers. Here, the norm in the literature is to study demands that shape the content of the purchase, such as the quantity of

product purchased (e.g., buy X or more units and get Y% off) or the overall expense (e.g., spend $X or more and get Y% off). These "purchase requirements" help businesses discriminate between those in the market who are encourged by low prices and those who purchase regardless (Chen et al. 2005; Lu and Moorthy 2007). They also help businesses exploit specific heuristics. For example, research shows that quantity demands convey a sense of scarcity when other sources of information are missing or harder to process (Inman et al. 1997), they inflate quantity decisions because consumers anchor on the amount demanded and adjust insufficiently for their preferences (Wansink et al. 1998), and they lure consumers to switch stores irrespective of whether they then meet the requirement (Foubert and Gijsbrechts 2007). Similarly, Lee and Ariely (2006) show that spending demands shape spending decisions early in the purchase process when shopping goals are less concrete.

The current paper deviates from this norm by focusing on situations where the receipt of the saving by consumers depends on an action on their part that is *unrelated* to the content of the purchase, such as completing a questionnaire, making a referral, transacting online, or registering for direct debit. We use the term "promotional favor" to describe this tactic taking inspiration from Blanchard et al. (2016), who define a "favor request" as "an action on the part of the consumer beyond what would be considered usual in the exchange" (p. 987). While promotional favors are increasingly popular in practice, theres is little formal research to support or challenge this trend.

Promotional Favors and Spending Behavior

The feature that distinguishes promotional favors from purchase requirements is that the effort demanded of consumers (time, information, social capital, etc.) is not expressed in the same resource currency as is the reward (money). The asymmetry in the exchange makes the

demand appear unusual or atypical (Blanchard et al. 2016), and prior research shows that this perception shapes the attribution that consumers make for their behaviors (Kivetz 2005).[2] That is, while consumers facing a purchase requirement may conclude that the demand imposed by the firm reinforces their individual tastes and preferences (an internal attribution; e.g., "I am already interested in buying this product; I am going to buy more to get the discount"), consumers facing a promotional favor may conclude instead that they are being pushed into an action they would not otherwise engage in (an external attribution; e.g., "I am referring a friend just to get the discount").

The locus of the attribution matters because external causes threaten one's sense of freedom (Kivetz 2005). Consumers expect a certain measure of independence in their purchase decisions and, importantly, they are motivated to restore autonomy when someone or something challenges this prerogative (Brehm 1966; Miron and Brehm 2006; Clee and Wicklund 1980). The clearest example is when shortages, discontinuations, legislation, or other barriers put a choice option out of reach. In these situations, people tend to pursue whatever course of action is taken from them or, similarly, reject whatever course of action is pushed on them—a *direct* restoration of freedom (Brehm and Brehm 1981).

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[2] To validate this argument, we conducted a survey in which 101 MTurk workers rated five promotional favors (e.g., "a grocer offers a discount if you complete a market survey") and two purchase requirements (e.g., "a grocer offers a discount if you spend a minimum amount") on how (a) congruent and (b) typical is the demand with/of a discount offer. As anticipated, the responses show that, compared to the purchase requirements, the promotional favors are on average less congruent (M_{PF} = 4.71 vs. M_{PR} = 5.75; $t(101) = -7.82$, $p < .001$) and less typical (M_{PF} = 4.44 vs. M_{PR} = 5.90; $t(101) = -11.13$, $p < .001$).

However, the motivation to restore autonomy is not limited to cases where a behavioral freedom is eliminated, and not all expressions of reactance target the same freedoms that are at risk. First, the mere threat of elimination suffices to provoke reactance, as documented for example when consumers encounter assertive salespeople or view persuasive advertisements (Bushman and Stack 1996; Wicklund, Slattum, and Solomon 1970). Second, outright disobedience can be costly to the individual, in which case the restoration of freedom occurs *indirectly* as hostility toward the source of the restriction (Clee and Wicklund 1980).

Given this context, the first challenge is understanding what type of response to a promotional favor is consistent with consumer reactance. The straightforward option is that people simply reject the offer and walk away. However, this is one instance where the direct restoration of freedom is costly, and for many the lure of a good deal may be sufficient to crowd out the urge to disobey. Accordingly, a cleaner and more interesting choice is to focus on the behaviors of consumers who accept the offer. For example, in Kivetz (2005) consumers reaffirmed their freedom threatened by the terms of a loyalty program not by rejecting the program, but by choosing rewards that match the type of effort demanded from them. Similarly, in Briley et al. (2018) consumers experienced reactance in response to deals offered as game outcomes even though they chose to play these games.

Hostility toward the firm can assume various forms (for examples, see Clee and Wicklund 1980), but the very nature of promotional favors (i.e., the fact that the demand of the firm is unrelated to the content of the purchase) raises the possibility that consumers "act out" precisely by choosing cheaper or fewer options—they spend less—than they would in response to a standard discount. We test this first prediction across all but the last experiment.

Consumer Reactance as a Plausible Explanation

The second challenge is demonstrating that reactance is a valid theory. Here, some scholars argue that reactance can be traced directly to the subjective experience of anger and frustration—emotions aroused by a perceived threat to freedom that accompany the urge to restore autonomy (Miron and Brehm 2006). Supporting this idea is the understanding that hostility is an aggression-based response to assessing a relevant threat in one's environment (Rubin 1986); one that then triggers behaviors such as rejecting and attacking (Dillard and Peck 2001). Importantly, we can show that reactance explains an eventual relationship between promotional favors and spending if consumers perceive the firm's action as a greater threat to freedom *and* they experience greater feelings of anger and frustration than do consumers exposed to a standard discount. As Rains and Turner (2007) explained, an apparent threat to freedom is necessary to establish the causal role of reactance, but it is not sufficient: "It should be noted that a perceived threat to freedom is a necessary condition for reactance to occur but is not reactance itself" (p. 244). We test this causal sequence in Experiment 2.

A different approach to test the theory is to control factors that, according to the literature, are related to the experience of reactance. We focus on two such factors. First, some people are simply more likely to experience and act on reactance than others are (Briley et al. 2018; Chartrand, Dalton, and Fitzsimons 2007; Fitzsimons and Lehmann 2004). Second, Brehm (1966) and Brehm and Mann (1975) argue that the manifestation of reactance depends on one's habits, where blocking a behavior that is customary to the individual, or imposing one that is not, is more likely to provoke a response. Accordingly, if promotional favors reduce spending through a process of reactance, then the effect should be stronger the more the consumer is prone

to react, and it should be stronger the more the demand of the firm contradicts the habit of the consumer. We test these predictions in Experiment 3 and 4, respectively.

Finally, it is important to establish meaningful boundary conditions. One concern is that the trigger for the phenomenon is not asymmetry between effort and reward in the exchange, but the demand for effort itself. We tackle this question in Experiment 5, where we pit a standard discount against a promotional favor and a purchase requirement.

Another concern is that promotional favors place a higher burden on consumers than do standard discounts, making them less desirable. Here, any impact on spending stems from selection (consumers who purchase despite the added hassle are likely sensitive to price) or a simple spillover (consumers who dislike the promotional favor carry this perception to the purchase). Our immediate response is that the paper presents reactance as one plausible explanation, not the *only* explanation. In addition, it is not clear to us why desirability should impact product choices but not purchase incidence, which precedes it.[3] All the same, we stress that selection is an issue only in the field test (albeit we report several robustness checks). Similarly, in Experiments 4 we measured purchase incidence and the desirability of the exchange, finding no significant differences across conditions in each instance. Above all, however, in Experiment 6 we varied the presentation of the promotional offer but not the demand itself, which allows us to draw a strong conclusion about the role of reactance independent of the burden placed on consumers.

[3] In fact, one could cite the effort justification literature to make the opposite prediction that the more effort consumers put into a pursuit (in this case, getting the discount), then the more they come to value it and spend more (Festinger 1957).

EXPERIMENT 1: EVIDENCE FROM THE FIELD

We conducted an experiment in collaboration with a supermarket chain from Central and Eastern Europe to provide evidence in the field of the effect of promotional favors on spending. At the time of the experiment, this firm generated revenue of approximately €3 billion from more than 1,000 stores. The objective was to test whether a promotional favor, in this case a discount subject to completing a questionnaire, affected the spending behavior of patrons.

Method

The firm helped us identify two stores in the same urban location that are similar in clientele, footprint, annual turnover, product assortment (approximately 20,000 stock-keeping units), number of staff, and physical layout. The experiment took place on a weekday and counted with the help of eight assistants.

The assistants stationed at the entrance of the two stores intercepted 293 customers (49% female, on average 42 years old) and handed them a flyer offering a 5% instant saving on their purchase. The instructions were to shop as normal and then report to a booth located prior to checkout. At this booth, customers exchanged the flyer for a voucher redeemable at the cash register. The flyer served to manipulate one factor, Price Promotion, across three between-subjects conditions. Specifically, patrons assigned to the standard discount (SD) group saw the offer as described. Patrons assigned to the short questionnaire (SQ) or long questionnaire (LQ) groups read instead that the offer was subject to completing a 10-minute or 20-minute market study at the booth, respectively. We ran two promotional favor conditions because we did not

have consent from the firm to calibrate the magnitude of the restriction in the field prior to the experiment.[4]

In reality, the firm surveyed everyone who returned the flyer. Customers in the SD group received questions related to price sensitivity (the five-item scale in Lichtenstein, Ridgway, and Netemeyer 1993), shopping habits, and demographic information. Those in the SQ and LQ groups saw the same, longer survey that included questions related to price sensitivity, shopping habits, demographic information, and factors that might determine one's choice of supermarket.

The main dependent variable is the amount spent, which we observed from the receipts issued at the cash register. These receipts included the flyer and voucher codes, which we used to trace patrons back to an experimental group. We also observed the basket size (number of items) and estimated the time spent shopping by taking the difference in minutes between receiving and returning the flyer. A concern is that people tend to allocate a fixed amount of time to shopping, and that the prospect of completing a survey therefore prompted a faster journey across the aisles. The data do not support this claim, as we did not observe a significant difference in time elapsed across conditions: $M_{SD} = 15.48$ vs. $M_{SQ} = 13.87$ vs. $M_{LQ} = 16.13$; $F(2, 233) = 1.75$, $p = .176$.

[4] At the same time, an online test where we described the setting of the field experiment, presented (at random) one of the two promotional favors, and then asked 38 participants to rate the statements "I am asked to do a lot in exchange for the 5% discount" and "This supermarket's request in exchange of 5% discount imposes significantly on me" separately using the same 1 ("strongly disagree") to 7 ("strongly agree") scale indicated that filling out the 20-minute survey is more a demanding request than filling out the 10-minute survey: $M_{20} = 5.78$ vs. $M_{10} = 4.04$; $F(1, 36) = 17.05$, $p < .001$, $\eta_p^2 = .321$.

Results

Table 1 reports the split of the sample across stores and conditions, the number of patrons who opted out upon receiving the flyer or later at the booth, and selected mean scores. It also reports the average expenditure and basket size for a random group of 100 patrons who visited the same stores on the same day but did not take part in the experiment.a

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Insert Table 1 about here

A one-way ANOVA with Spend as the dependent variable, Price Promotion as the independent variable, and Shopping Time and Price Sensitivity as covariates indicates a significant effect of Price Promotion: $F(2, 231) = 4.53$, $p = .012$, $\eta_p^2 = .038$.[5] Given the difference in the number of patrons who rejected the offer across the three conditions, adding a measure of price sensitivity alleviates the problem of selection. (However, the same analysis without covariates yields results that are qualitatively similar.) In addition, we used propensity score matching (PSM) to isolate the effect of the experimental manipulation on Spend from that of shopper heterogeneity (Huang et al. 2012; Rubin 2006). Given the design of the experiment, we conducted two sets of PSM, comparing patrons in the SQ and LQ groups separately to sets of patrons in the SD group, each matched via the observed covariates. The average treatment effects

[5] We calculated Spend from regular (undiscounted) prices to avoid the trivial and arbitrary effect of discount percentage on spending: reducing every price by the same proportion impacts (in absolute terms) expensive options more than it does cheap options, thereby making any shift in preference across experimental conditions harder to detect. We also carried out a square root transformation of the values to correct for skewness in the distribution (Hair et al. 2009)—a procedure that we repeated across all the experiments. While we use transformed values in the analyses, for ease of exposition we report means in original values.

resulting from this analysis are consistent with the result of the ANOVA: both the request to fill the short (β = -.51, $p < .001$) and long (β = -.60, $p < .001$) questionnaire had a negative impact on spending.

Next, we conducted several contrasts to explore this finding. First, we compared the mean expenditure in the SD group (M_{SD} = €21.01) to the average expenditure of the two promotional favor groups (M_{AVE} = €18.32). This contrast is the most appropriate given the nature of the experiment, and we found that the presence of a promotional favor reduced spending: F (1, 232) = 7.50, p = .005, η_p^2 = .033. (We conducted the same test using basket size as the dependent variable and found only marginal support: M_{SD} = 11.18 vs. M_{AVE} = 10.04; F (1, 232) = 2.76, p = .098, η_p^2 = .012.) Second, we compared the SD group separately to the SQ (M_{SQ} = €19.28) and LQ (M_{LQ} = €17.36) groups. The contrast is marginally significant in the first case (t(233) = 1.72, p = .087) and significant in the second (t(233) = 2.94, p = 004). Third, we used a polynomial contrast to check for a linear relationship between Spend and Price Promotion. The data reveal a significant linear trend (F(1, 233) = 9.18, p = .003), which is consistent with the argument in the literature that the greater the magnitude of a request, the higher the likelihood of experiencing reactance and, therefore, also the intent to restore agency (Rains and Turner 2007). This last result is early indication that the effect of promotional favors on spending can be traced to reactance.

EXPERIMENT 2: THREAT-TO-FREEDOM AND HOSTILE FEELINGS

Experiment 2 replicates the effect of promotional favors on spending shown in the field and, importantly, provides direct evidence of the causal role of reactance. Specifically, we

measured threat-to-freedom and hostile feelings and then tested a serial mediation model in which these constructs purportedly explain the phenomenon.

Method

The scenario describes the rental of a car. In particular, 124 MTurk workers (56% female, on average 37 years old) read that the rental agency at destination offers a choice of three types of car (compact, regular, and premium) and up to eight accessories. The types of car differ on familiar features (e.g., maximum number of passengers, transmission, and navigation system) and price, and the accessories include differently priced options such as 24-hour roadside assistance and a high-speed multi-charger (see Table 2). Following this information, we manipulated one factor, Price Promotion, such that one group faced a standard discount of 40% and the other a promotional favor of 40% "…subject to clients picking up the vehicle from a different location in the city."

Participants indicated their choice of car and accessories, which we then coverted into an amount of Spend. In addition, participants rated the extent to which the deal made them feel "like their choices were being taken away," "like they didn't have any freedom," and "trapped" on a 0 ("not at all") to 100 ("a lot") sliding scale (Rains and Turner 2007; Cronbach's $\alpha = .918$). Third, they responded to two questions assessing feelings of anger and frustration (1 = "not at all" to 7 = "a lot") ($r = .885$), which we also adapted from Rains and Turner (2007). Finally, participants evaluated the fairness of the offer (1 = "unfair" to 7 = "fair"). The literature claims that people go to great lengths to obtain and reestablish fairness, especially in the context of pricing decisions (Xia, Monroe, and Cox 2004). Albeit the notions of threat to freedom and fairness are related (Buboltz Jr et al. 2003), we wanted to account for possible differences. In the data, participants in the promotional favor (PF) group rated the offer as less fair than participants in the standard

discount (SD) group (M_{PF} = 5.38 vs. M_{SD} = 5.97; F(1, 122) = 5.71, p = .018, η_p^2 = .045), but the results below hold when we controlled for this effect.

Insert Table 2 about here

Results

Table 3 reports summary statistics. Participants in the PF group planned to spend less overall than participants in the SD group: M_{PF} = \$63.86 vs. M_{SD} = \$75.23; F(1, 122) = 3.86, p = .052, η_p^2 = .031. At a more granular level, we observed a marginal effect for the choice of vehicle: $\chi^2(2) = 5.79$, p = .061, V = .213. For example, a multinomial logistic regression shows that the presence of the promotional favor had a marginal positive impact on the choice of the inexpensive compact car (Wald $\chi^2(1) = 3.60$, p = .058), and a significant positive impact on the choice of the middling standard car (Wald $\chi^2(1) = 5.01$, p = .025)—both relative to the expensive premium car. In addition, while participants in the PF group selected cheaper accessories than their counterparts in the SD group (M_{SD} = \$12.28 vs. M_{PF} = \$9.25; F(1, 122) = 4.07, p = .046, η_p^2 = .032), we did not find a significant difference in the number chosen (F(1, 122) = 1.66, p = .200).

Insert Table 3 about here

Next, a one-way ANOVA reveals a significant effect of Price Promotion on Threat-to-Freedom (F(1, 121) = 4.41, p = .038, η_p^2 = .035) and Hostile Feelings (F(1, 122) = 3.93, p = .050, η_p^2 = .031). Specifically, participants exposed to the promotional favor perceived the offer as a greater threat to their freedom (M_{PF} = 18.94) and experienced more anger and frustration (M_{PF} =

1.68) than participants exposed to the standard discount (M_{SD} = 11.80 and M_{SD} = 1.32, respectively).

Accordingly, we used a serial mediation model (Model 6 of the PROCESS macro; Hayes 2013) to test the causal path: Price Promotion → Threat to Freedom → Hostile Feelings → Spend. This specification follows from the structural models developed by Dillard and Shen (2005) and Rains and Turner (2007). A bootstrap analysis with 5,000 samples indicates that the full model is significant (indirect effect = -.044, SE = .03, 95% CI = -.142 to -.007; Figure 1), while the indirect paths involving only threat to freedom or hostile feelings yield confidence intervals that include zero. At the same time, the opposite path Price Promotion → Hostile Feelings → Threat to Freedom→ Spend is not statistically significant (indirect effect = .005, SE = .02, 95% CI = -.030 to .067). These results provide the first direct evidence that reactance explains the effect of promotional favors on spending.

Insert Figure 1 about here

EXPERIMENT 3: TRAIT REACTANCE

Prior research shows that the manifestation of reactance is susceptible to individual differences in the tendency to react. In fact, several scholars claim that exploiting chronic reactance trumps all other means to establish causality (Briley et al. 2018; Chartrand et al. 2007; Fitzsimons and Lehmann 2004). Logically, in our context the expectation is that the effect of promotional favors on spending is stronger (weaker) for consumers with a relatively high (low) propensity to react. This prediction was the focus of Experiment 3.

Method

The scenario describes the decision to join a health club. The sample comprised 73 members (58% female, 87% completed undergraduate education, and on average 26 years old) of a subject pool managed by a business school in the United States. They read that the club offers three memberships (express, lifestyle, and gold) and seven services (e.g., personal training, sauna, and locker rental). The memberships differ in the number of gyms accessible across the network and the blackout periods in a given week. For example, while the express option grants entry only to the home gym and only during off-peak hours and weekends, the gold option is unrestricted. Moreover, each membership can be contracted for one, four, or 12 months at a time. Table 4 summarizes this information and the respective prices.

Insert Table 4 about here

The experimental manipulation involved two conditions: standard discount (SD) and promotional favor (PF). In particular, participants in the first group learned that the club currently advertises new memberships at a 50% discount, while those in the second group learned that the same offer is "…conditional on joining with a second person."

Following this information, participants indicated their preferred membership type and duration, and then selected the services and estimated the quantities consumed in a typical month. Participants also completed the 11-item Hong reactance scale (Hong and Faedda 1996), which uses statements such as "I consider advice from others to be intrusion," "I resist attempts of others to influence me," and "I become frustrated when I am unable to make free and independent decision" to measure the degree to which an individual is likely to experience

reactance (each captured on a five-point "completely disagree" to "completely agree" scale; Cronbach's $\alpha = .872$).

Results

Table 5 reports mean scores for the main dependent measures. We computed Spend by summing the expenditures of participants on membership (determined by type and duration) and services (determined by type, quantity, and duration of the membership). An initial ANOVA shows that participants in the PF group intended to spend less overall than participants in the SD group (M_{PF} = \$648.15 vs. M_{SD} = \$1,474.21; $F(1, 71) = 6.62$, $p = .012$, $\eta_p^2 = .085$).

This result is driven primarily by the (average) duration of the membership, which dropped from 9.05 months among participants in the SD group to 5.74 months among those in the PF group ($F(1, 71) = 11.39$, $p = .001$, $\eta_p^2 = .138$). For example, a multinomial logistic regression shows that tying the demand to the discount had a significant impact on the choice of the single-month contract relative to the yearlong contract, with the corresponding shares shifting from 0.00% and 63.16% in the SD group to 25.71% and 31.43% in the PF group. At the same time, a second regression shows that the promotional favor had a marginally-significant impact on the choice of the inexpensive express membership relative to the expensive gold membership (Wald $\chi^2(1) = 3.10$, $p = .078$), with the corresponding shares shifting from 23.68% and 26.32% in the SD group to 31.43% and 8.57% in the PF group. Finally, we did not observe a significant difference in the average price ($F(1, 71) = .07$, $p = .787$) or number ($F(1, 71) = 2.04$, $p = .157$) of the services chosen in a given month.

Insert Table 5 about here

Next, we predicted that the negative effect of the promotional favor on spending is moderated by chronic reactance. Accordingly, we regressed Spend on Trait Reactance, Price Promotion, and the corresponding interaction term. Spend comprises membership and services, as explained. Trait Reactance is the mean-centered composite scores from the five-item scale. In the data, the variable varies between 1 and 4.20, with higher values indicating a greater propensity to react. The raw mean is 2.98. Finally, Price Promotion is the contrast-coded indicator of promotional favor (-1) or standard discount (1).

The regression shows a negative effect of Price Promotion (β = -.31, p = .008) and a marginally significant interaction (β = -.22, p = .054). The slope of Trait Reactance is significant and negative among participants in the PF group (β = -.41, p = .014), but not significant among participants in the SD group (β = .12, p = .469). Importantly, we conducted a spotlight analysis of the effect of Price Promotion at one standard deviation below and above the mean level of Trait Reactance. While the data show no significant simple effect of Price Promotion among participants with low (one standard deviation below the mean) trait reactance (β = -.09, p = .595), the effect is significant and negative among participants with high (one standard deviation above the mean) trait reactance (β = -.54, p = .002). This is consistent with our prediction. Moreover, we used the Johnson-Neyman technique to identify the range of values of Trait Reactance for which the simple effect of Price Promotion is statistically significant (Spiller et al. 2013). We observed that 2.75 (-.24 mean centered) is the point beyond which the inclusion of the promotional favor reduced spending (Figure 2).

Insert Figure 2 about here

EXPERIMENT 4: HABIT

Experiment 4 tests the role of habit as an additional moderating factor. Recall that expressions of reactance depend on the habits of individuals, such that blocking a behavior that is customary to a person, or imposing one that is not, is more likely to provoke a response (Brehm 1966; Brehm and Mann 1975). Accordingly, in the experiment participants indicated whether they currently use direct debit to pay for several common expenses. We then computed a measure of "novelty of direct debit" and checked whether it moderated the relationship between the promotional favor (a discount subject to registering for direct debit) and spending. We anticipated that this offer had a greater negative effect on participants who seldom use direct debit than on those who use it regularly.

Method

The scenario describes the purchase of a subscription to The Economist, a popular news magazine. We surveyed 52 graduate students at a business school in the United Kingdom (on average, 34 years old and 11 years of work experience). They read that The Economist offers three subscriptions (basic, premium, and prestige), each renewable on a yearly basis but charged in monthly instalments, and six extras (e.g., industry reports, podcasts, and company financials). Table 6 provides the details. They also read that The Economist currently advertises a discount of 30% on new subscriptions. We manipulated one factor, Price Promotion, such that participants in the standard discount (SD) group saw only this information, and participants in the promotional favor (PF) group read the additional text "…conditional on the customer registering for direct debit. To do this, the customer must supply the relevant bank details during checkout."

Insert Table 6 about here

We collected five measures. First, participants reported how likely they are to subscribe to The Economist (1 = "not at all likely" to 7 = "very likely"). Second, they chose a subscription. Third, they selected the extras and estimated the quantities consumed across the year. Fourth, participants indicated whether they currently incur 10 common expenses (council tax, water, electricity, gas, telephone, internet, cable/satellite television, rent/mortgage, credit card expenses, and other charges) and, if so, whether they pay via direct debit. Finally, participants rated the attractiveness of the deal (1 = "extremely unattractive" to 7 = "extremely attractive"), and how appealing it is to purchase a magazine such as The Economist at a reduced price (1 = "extremely unappealing" to 7 = "extremely appealing").

Results

As anticipated, a one-way ANOVA on Likelihood of Subscription revealed no effect of Price Promotion (M_{PF} = 5.42 vs. M_{SD} = 5.65; $F(1, 50) = .33$, $p = .571$). At the same time, we found no effect of Price Promotion on Deal Attractiveness (M_{PF} = 5.04 vs. M_{SD} = 5.12; $F(1, 50) = .05$, $p = .822$) or Purchase Appeal (M_{PF} = 5.58 vs. M_{SD} = 5.69; $F(1, 50) = .12$, $p = .734$). Together, these null results suggest that any effect of the promotional favor on spending cannot be traced to the interest of participants in the offer—one alternative to our theory of reactance.

Next, we calculated Spend based on the choices of subscription and extras (both type and quantity) by participants. A one-way ANOVA showed that participants in the PF group intended to spend less overall than participants in the SD group: M_{PF} = £169.92 vs. M_{SD} = £242.40; $F(1, 50) = 12.58$, $p = .001$, $\eta_p^2 = .201$ (Table 7). Specifically, the experimental manipulation affected the choice of subscription ($\chi^2(2) = 9.64$, $p = .008$, $V = .431$). For example, a multinomial logistic

regression shows that tying the demand to the discount had a significant impact on the choice of the inexpensive basic subscription relative to the expensive prestige subscription (Wald $\chi^2(1) = 7.99$, $p = .005$), with the corresponding shares shifting from 7.70% and 53.80% in the SD group to 38.50% and 19.20% in the PF group. The manipulation also affected the choice and quantity of extras: participants in the PF group chose cheaper (M_{PF}= £10.22) and fewer ($M_{PF} = 9.65$) options than participants in the SD group (M_{SD} = £20.57, $F(1, 50) = 25.02$, $p < .001$, $\eta_p^2 = .334$ and $M_{SD} = 19.38$, $F(1, 50) = 7.59$, $p = .008$, $\eta_p^2 = .132$, respectively).

Insert Table 7 about here

Finally, we regressed Spend on Novelty of Direct Debit (NDD), Price Promotion, and the corresponding interaction term. As explained, Spend comprises the expenditure on subscription and extras. NDD is the mean-centered proportion of the expenses that participants reported paying by any means other than direct debit. This variable ranges from 0 to 1, with higher values indicating greater novelty. The raw mean is .41. We predicted that the promotional favor would have a greater negative impact on participants who do not regularly use direct debit (a high NDD score) than participants who do (a low NDD score). Finally, Price Promotion is the contrast-coded indicator of promotional favor (-1) or standard discount (1).

The regression shows a negative effect of Price Promotion ($\beta = -.48$, $p < .001$) and a significant interaction ($\beta = -.26$, $p = .045$). The slope of NDD is significant and negative among participants in the PF group ($\beta = -.43$, $p = .027$), but not significant among participants in the SD group ($\beta = .14$, $p = .482$). Consistent with our prediction, a spotlight analysis (Spiller et al. 2013) at one standard deviation below and above the mean level of NDD shows a significant simple effect of Price Promotion only in the second case. Participants who seldom use direct debit

manifested the predicted cut in spending (β = -.74, $p < .001$). However, participants who use direct debit regularly were not affected (β = -.21, p = .240). Additionally, the Johnson-Neyman technique shows that the negative effect of introducing the promotional favor on Total Spend reaches statistical significant at the NDD level of .20 (.21 mean centred; Figure 3).[6]

Insert Figure 3 about here

EXPERIMENT 5: PROMOTIONAL FAVORS VS. PURCHASE REQUIREMENTS

The goal of this experiment was to test whether the negative effect of promotional favors on spending is unique to this tactic or generalizes to purchase requirements. Our argument is that the trigger for the effect is the asymmetry between effort (the action by consumers) and reward (the saving) in the exchange, not the demand for effort itself. Accordingly, the prediction is that a promotional favor provokes greater reactance, and consequently a greater response, than does a purchase requirement.

Method

The scenario describes a purchase at the local grocery store. We asked 300 MTurk workers (55% female, on average 38 years old) to consider a specific brand of chips subject to

[6] We conducted two additional analyses to demonstrate that the effect of the promotional favor on spending cannot be traced to the hypothesis that the deal is less desirable than a standard discount. First, we ran an ANCOVA on Spend with Deal Attractiveness and Purchase Appeal as covariates. The effect of Price Promotion remained significant: $F(1, 48) = 11.98$, $p = .001$, $\eta_p^2 = .200$. Second, we regressed Spend on NDD, Price Promotion, the interaction term, and these covariates. Again, the interaction term remained significant: β = -.28, p = .031.

one of three price promotions. Participants assigned to the standard discount (SD) group read that the chips are currently 25% off the regular price. Meanwhile, participants in the purchase requirement (PR) and promotional favor (PF) groups read that the chips are currently 25% off the regular price only if you "buy two or more cans" or "complete a market survey before checkout," respectively.

Following this information, participants indicated their attitude toward the grocery store on four seven-point scales (1 = "dislike/negative/unfavorable/bad" to 7 = "like/positive/favorable/good;" Cronbach's α= .961). We also gauged their intention to visit the store in the future (1 = "not at all" to 7 = "very much"). Note that we collected these measures because they are independent of the promotional favor *and* the purchase requirement. Clearly, this is not the case for spending. Next, participants indicated the extent to which the corresponding demand imposed by the grocer is consistent (congruent) with a discount offer (1 = "not at all" to 7 = "extremely"). Finally, to gauge the underlying effort perceived by consumers with each offer, participants answered the question "Sometimes offers have additional costs, requiring consumers to hand over something of value in order to avail themselves of the discount. How costly is the offer by this grocer?" (1 = "not at all costly" to 7 = "extremely costly").

Results

Consistent with the results of the survey reported in the second section of the paper, we found that the promotional favor appeared less consistent with a discount offer than the purchase requirement: M_{PF} = 4.78 vs. M_{PR} =5.38; $F(1, 199) = 6.98$, $p = .009$, $\eta_p^2 = .034$. At the same time, a one-way ANOVA with Perceived Costliness as the dependent variable and Price Promotion as the independent variable shows a significant effect: $F(2, 297) = 10.55$, $p < .001$, $\eta_p^2 = .066$. As

expected, participants in the SD group perceived the offer less costly (M_{SD} = 2.43) than their counterparts in the PR group (M_{PR} = 3.27; t (297) = -3.71, p < .001) or in the PF group (M_{SD} = 3.39; t (297) = -4.21, p < .001). Importantly, we did not observe a significant difference between the responses of participants in the PR and PF groups (t(297) = -.528, p = .598).

A one-way ANOVA with Store Attitude as the dependent variable and Price Promotion as the independent variable shows a significant effect: F(2, 297) = 5.36, p = .005, η_p^2 = .035. As predicted, participants in the PF group (M_{PF} = 5.19) viewed the store more negatively than their counterparts in the PR group (M_{PR} = 5.57; t (297) = 2.17, p = .031) or in the SD group (M_{SD} = 5.75; t (297) = 3.21, p = .001) (Table 8). However, we did not observe a significant difference between the responses of participants in the PR and SD groups (t(297) = 1.06, p = .290).

Likewise, a one-way ANOVA with Future Visit as the dependent variable shows a significant effect of Price Promotion (F(2, 297) = 6.98, p = .001, η_p^2 = .045) and a similar underlying pattern. Specifically, while participants were less likely to return to the store when faced with a promotional favor (M_{PF} = 5.73) than with a purchase requirement (M_{PR} = 6.12; t (297) = 2.16, p = .031) or a standard discount (M_{SD} = 6.40; t (297) = 3.72, p < .001), there is no significant difference between the last two groups (t (297) =1.59, p = .114).[7]

Insert Table 8 about here

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[7] Similar to Experiment 4, we wanted to provide additional evidence that the relationship between our manipulation and the dependent variables is not casued by differences in the perceived costliness of the offers. Accordingly, we ran separate ANCOVAs on Store Attitude and Future Visit with Perceived Costliness as the covariate and found that the effect of Price Promotion was significant in the first (F(2, 296) = 3.22, p = .041, η_p^2 = .021) and second (F(2, 296) = 4.53, p = .012, η_p^2 = .030) case.

EXPERIMENT 6: ARE PROMOTIONAL FAVORS SIMPLY LESS DESIRABLE?

The last experiment tackles the alternative explanation that promotional favors reduce spending because they are less desirable than standard discounts in a more direct manner. Specifically, in Experiment 6 we leveraged an insight expressed by Brehm (1966), who suggested that a threat to freedom is less aggravating if it is justified or made legitimate. If promotional favors provoke reactance, then framing an offer as more or less legitimate should moderate the downstream effect on spending. Importantly, this manipulation affects the presentation of the promotional offer but not the demand itself, which allowed us to draw conclusions about the role of reactance independent of the burden placed on consumers.

Method

The stimulus describes the purchase of cable TV and internet service. We recruited 97 participants from the same subject pool used in Experiment 4. They were asked to imagine moving to a new apartment and contracting the service from a firm called Homechoice. Participants were then presented with information on two cable TV packages (Base Pack and Max Pack), three possible internet connection speeds (2MB, 4MB, and Max Speed), and several extras. This information is displayed in Table 9.

Insert Table 9 about here

The experimental manipulation comprised a regular prices (RP) group and two promotional favor groups. All the participants exposed to the promotional favor read that Homechoice offered a one-time discount of £15 for subscriptions initiated online. However, while participants in the low-legitimacy (LL) group learned simply that this campaign intended

to “generate traffic to the website,” participants in the high-legitimacy (HL) condition learned that “transactions over the internet are cheaper to process, which allows Homechoice to pass the saving to users.” We reasoned that the second description frames the request as an opportunity to help customers and, therefore, would portray the promotional favor as more justified. Participants selected a package and connection speed bundle. We also asked if they wanted to add telephone service to the contract.

Results

A one-way ANOVA with Spend (the sum of expenditures on cable TV, internet, and telephone) as the dependent variable and Price Promotion as the independent variable shows a significant effect: $F(2, 94) = 4.56$, $p = .013$, $\eta_p^2 = .089$. As expected, spending was significantly lower in the LL group (M_{LL} = £35.55) than in the HL group (M_{HL} = £44.08; $t(94) = 2.97$, $p = .004$) (Table 10). That is, the promotional favor triggered less spending among participants exposed to a generic explanation for the discount (the desire to generate traffic to the website) than those who read that the offer relates to their wellbeing (a cost saving passed on to consumers). In addition, while spending in the LL group was marginally lower than in the baseline RP condition (M_{RP} = £41.24; $t(94) = 1.97$, $p = .052$), there was no difference between this last group and the HL group: $t(94) = -.99$, $p = .325$. These results are reflected in the likelihood of choosing the expensive Max Pack over the inexpensive Base Pack (Wald $\chi2(1) = 4.35$, $p = .037$), with the share of the former increasing from 43.75% among participants in the LL condition to 69.69% among participants in the HL condition. It is also reflected in the likelihood of adding the telephone service (Wald $\chi2(1) = 4.59$, $p = .032$), with adoption increasing from 53.12% in the LL group to 78.78% in the HL group.

Insert Table 10 about here

DISCUSSION

A common ploy among firms that use price promotions is to tie the receipt of the saving by consumers to some behavior on their part that is unrelated to the content of the purchase. While most prior research indicates that any type of conditional discount, including promotional favors, helps businesses *identify* those in the market who are encourged by low prices and those who are not, our message in this paper is different: promotional favors also aggravate consumers and, hence, they can *create* the motivation to spend less.

The basis for this claim is a theory of reactance. Across six experiments, we found consistent evidence that consumers choose cheaper or fewer options in response to a promotional favor than they do in response to a standard discount. We also used different means to demonstrate the causal role of reactance, we drew a comparison between promotional favors and purchase requirements (the other type of conditional discount where the demand implies an effort on the part of consumers), and addressed the alternative that promotional favors are simply less desirable than standard discounts.

Overall, these findings make at least three contributions to marketing research. First, we start to bridge the gap between the frequent use of promotional favors among firms and the limited interest in the topic among academics. To our knowledge, this paper is only the second effort after Blanchard et al. (2016) to discuss promotional favors, and indeed the first to show that the tactic (a) impacts behavior beyond purchase incidence, and (b) does so to the detriment

of the firm. More broadly, our research is only the second after that by Kristofferson et al. (2016) to consider the downside of conditional discounts in general.

Second and third, we add to a growing body of work that studies cases of behavioral backlash and, in particular, to research that promotes reactance as the underlying mechanism. The motivation to study promotional favors from this perspective came from two sources. Inman et al. (1997) suggested that price promotions can curtail the freedom of consumers to attain market offerings, yet pursued a different theoretical approach. At the same time, businesses are turning to promotional favors in response to the rise of digitalization in marketing. They are also turning to promotional favors because they appear more discreet than, say, demanding that consumers purchase a minimum quantity. We found this contrast interesting and worth exploring, in particular given the surprising dearth of research on the topic.

With respect to marketing practice, the first point to stress is that expressions of reactance by nature are not conservative (Clee and Wicklund 1980). The results of our experiments merit attention for this reason and, in particular, if we believe that a business may not sense that promotional favors lead to episodes of reactance or carry consequences beyond a consumer's initial decision to accept or reject the offer. The second point is that a firm is likely to judge promotional favors, or any sales promotion for that matter, by weighing the incremental benefit of imposing a demand on consumers against the loss from those who decide not to bother. It turns out that the tactic is more complicated than figuring out how much to squeeze consumers without losing their interest. The effect that we report may or may not be sufficient to tip the scale against the use of promotional favors. The answer depends on the specific case and context. However, the broader point is that businesses should exercise care.

The third point to stress is that reactance is not an all-or-nothing phenomenon. Our data show that the impact on consumers can vary. That is, there are factors that a business can control that moderate the relationship between promotional favors and spending. This realization broadens the scope for action, and it is worthwhile for firms to think about their options to enjoy the benefit of a given campaign while minimizing the downside.

Consistent with this remark, in our mind a useful starting point for future research is to test other ways in which a firm can manage the subjective experience of reactance. We tested one factor, which is the framing of the offer. Logically, two alternatives are to vary the magnitude of the restriction while holding constant the saving offered to consumers or, conversely, vary the saving but maintain the magnitude of the restriction. In addition, it would be interesting to test whether giving consumers the opportunity to choose between a standard discount and a promotional favor of equal worth alleviates the sensation that freedom is threatened.

A different approach to future research is to explore other meaningful manifestations of reactance. We focused on spending behavior because of the link to firm performance, but in one experiment also saw an effect on store attitude and loyalty. As such, it may well be that promotional favors also sway brand perceptions, recommendations, word of mouth, and other desirable outcomes. Thus, it seems appropriate to gain a richer understanding of the breadth of the phenomenon as well as whether it would persist over time.

Finally, one can build on our work by taking a step back and checking the theoretical principles of reactance. For example, there is disagreement in the literature as to whether reactance relates to conscious awareness that someone or something restricts a personal freedom (Brehm and Brehm 1981; Laurin et al. 2013), or it arises in subtle ways and acts automatically

(Chartrand et al. 2007; Wellman and Geers 2009). When asked, the participants in our experiments acknowledged that their freedom was threatened. However, we are not clear that they were wilfully acting out against the firm. Our view is that these two statements are compatible, especially in a context such as ours where the restoration of freedom is indirect: it is possible for consumers to recognize the presence of a threat but not be mindful that it provokes a response later in the purchase process. Nonetheless, future research could address this debate and clarify whether it actually matters for the relationship between promotional favors and spending behavior.

Second, scholars argue that reactance is possible only if individuals expect a certain freedom to begin with (Miron and Brehm 2006). We have not tackled this question. There are likely to be situations where the reputation of a firm, or the general practice in an industry, sets expectations for a freedom (or lack thereof). First, a business known for competing on price and tight operating margins may elicit less reactance from promotional favors than a business known for its quality and profits. Second, the fact that most firms in a sector already use promotional favors, and perhaps have for some time, may make consumers more tolerant. That is, it is possible that norms establish over time and what appeared restrictive in the past is now entirely acceptable.

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TABLE 1

Experiment 1: Participation and Mean Scores for Selected Measures.

		Price Promotion		
	Regular Prices	Standard Discount	Short Questionnaire	Long Questionnaire
Patrons, Store 1	50	49	47	50
Patrons, Store 2	50	50	48	49
Opted Out, Flyer		2	4	4
Opted Out, Booth		9	15	23
Spend (€)	16.28	21.01	19.28	17.36
Products (Units)	8.95	11.18	10.37	9.71
Time (Minutes)		15.48	13.87	16.13

TABLE 2

Experiment 2: Details on Types of Car and Extras.

	Type of Car		
	Compact	Standard	Premium
Price (Day)	$35.69	$46.18	$53.20
Air Conditioning	Yes	Yes	Yes
Number of Adult Passengers	4	5	5
Transmission	Manual	Manual, Automatic	Manual, Automatic
AM/FM stereo	Yes	Yes	Yes
CD Player		Yes	Yes
Electric Windows		Yes	Yes
Navigation System			Yes
Premium Audio System			Yes
Extras:			
High-Speed Multi-Charger		$4.00	
Radar Detector		$8.00	
GPS Audio Tour		$10.00	
24-Roadside Assistance		$12.50	
Advanced First Aid Kit		$17.00	
7-Inch Portable DVD Player		$34.99	
Mobile Hotspot (5GB)		$59.00	
Roof Rack		$70.00	

TABLE 3

Experiment 2: Mean Scores for Selected Measures.

	Price Promotion	
	Standard Discount	Promotional Favor
Spend ($)	75.23	63.86
Spend on Rental ($)	44.94	43.71
Choice of Compact Car (%)	25.40	27.70
Choice of Standard Car (%)	54.20	66.20
Choice of Premium Car (%)	20.30	6.20
Extras ($/Unit)	12.28	9.25
Extras (Units)	1.90	1.63

TABLE 4

Experiment 3: Details on Health Club Memberships and Services.

	Membership		
	Express	Lifestyle	Gold
Price (Month), Monthly Contract	$37.99	$47.99	$57.99
Price (Month), Four-Month Contract	$32.99	$42.99	$52.99
Price (Month), Yearly Contract	$27.99	$37.99	$47.99
Services:			
Personal Training	$50.00/Session		
Advanced Fitness Class	$10.00/Class		
Massage	$24.99/Half Hour		
Sauna	$9.99/Day		
Indoor Squash	$15.00/Half Hour		
Wireless Internet	$7.00/Day		
Locker Rental	$12.99/Month		

TABLE 5

Experiment 3: Mean Scores for Selected Measures.

	Price Promotion	
	Standard Discount	Promotional Favor
Spend ($)	1,474.21	648.15
Spend on Membership ($)	358.65	219.03
Choice of Express Membership (%)	23.68	31.43
Choice of Lifestyle Membership (%)	50.00	60.00
Choice of Gold Membership (%)	26.32	8.57
Contract Length (Months)	9.05	5.74
Services ($/Unit)	14.83	14.06
Services (Units)	7.84	4.09

TABLE 6

Experiment 4: Details on Magazine Subscriptions and Extras.

	Subscriptions		
	Basic	Premium	Prestige
Price (Year = 52 Issues)	£96.00	£110.00	£137.00
Online Access	Yes	Yes	Yes
Audio Edition	Yes	Yes	Yes
Community Access	Yes	Yes	Yes
Unlimited Access to Article Library		Yes	Yes
Tablet and Smartphone Edition		Yes	Yes
Print Edition			Yes
Technology Quarterly			Yes
The World Today			Yes
Extras:			
Industry and Regional Reports (Digital)		£4.00/Each	
Industry and Regional Reports (Print)		£7.00/Each	
Weekly Podcasts		£3.99/Each	
Complete Company Financials		£9.99/Query	
Tablet and Smartphone Applications		£5.99/Each	
Intelligent Life (Print)		£7.50/Issue	

TABLE 7

Experiment 4: Mean Scores for Selected Measures.

	Price Promotion	
	Standard Discount	Promotional Favor
Spend (£)	242.40	169.92
Spend on Subscription (£)	123.46	109.81
Choice of Basic Subscription (%)	7.70	38.50
Choice of Premium Subscription (%)	38.50	42.30
Choice of Prestige Subscription (%)	53.80	19.20
Extras (£/Unit)	20.57	10.22
Extras (Units)	19.38	9.65

TABLE 8

Experiment 5: Mean Scores for Selected Measures.

	Price Promotion		
	Standard Discount	Purchase Requirement	Promotional Favor
Store Attitudes	5.75	5.57	5.19
Repatronage Intentions	6.40	6.12	5.73
Perceived Costs	2.43	3.27	3.39
Perceived Congruency		5.38	4.78

TABLE 9

Experiment 6: Details on Cable TV and Internet Bundles.

Base Pack						
Internet Connection	TV Channels	Kids TV Pack	Music TV Pack	Video on Demand	Anytime Calls	Price (Month)
Max Speed	35	£6/month	£6/month	-	£5/month	£27.99
4MB	35	£6/month	£6/month	-	£5/month	£22.99
2MB	35	£6/month	£6/month	-	£7/month	£17.99

Max Pack						
Internet Connection	TV Channels	Kids TV Pack	Music TV Pack	Video on Demand	Anytime Calls	Price (Month)
Max Speed	85	Included	Included	Included	£5/month	£47.99
4MB	85	Included	Included	Included	£5/month	£42.99
2MB	85	Included	Included	Included	£7/month	£37.99

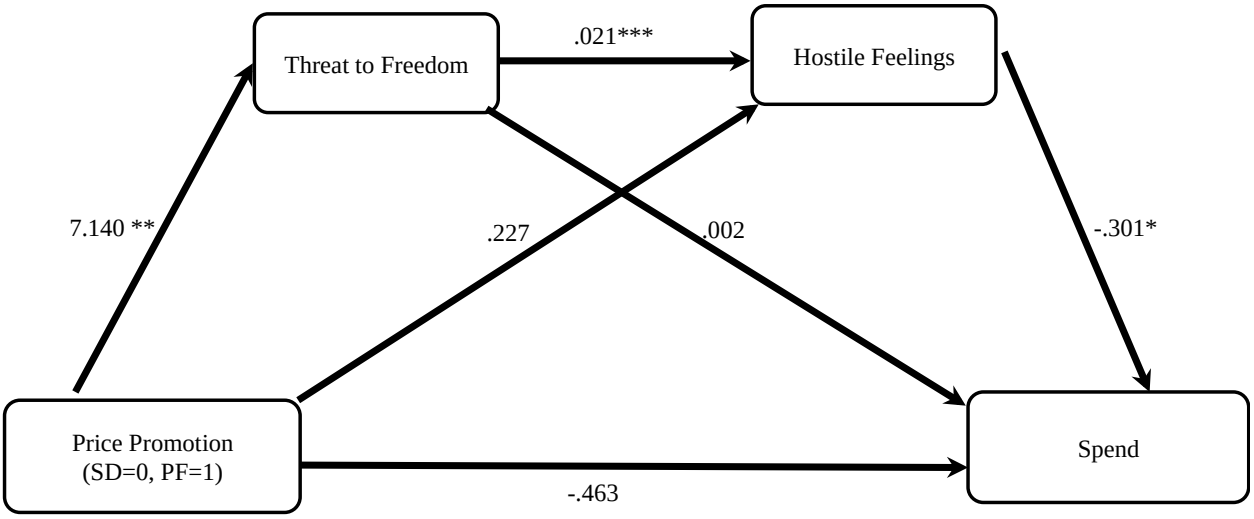
TABLE 10

Experiment 6: Mean Scores for Selected Measures.

	Price Promotion		
	Regular Prices	High-Legitimacy Promotional Favor	Low-Legitimacy Promotional Favor
Spend (£)	41.24	44.08	35.55
Choice of Max Pack (%)	59.37	69.69	43.75
Choice of Base Pack (%)	40.63	30.31	66.25
Choice of 2MB(%)	9.37	9.09	18.75
Choice of 4MB(%)	25.00	21.21	37.50
Choice of Max Speed (%)	65.63	69.70	43.75
Opt In, Telephone Service (%)	68.75	78.78	53.12

FIGURE 1

Experiment 2: The Mediating Effect of Threat-to-Freedom and Hostile Feelings.



***p<.01; **p<.05; *p<.10

FIGURE 2

Experiment 3: The Moderating Effect of Trait Reactance.

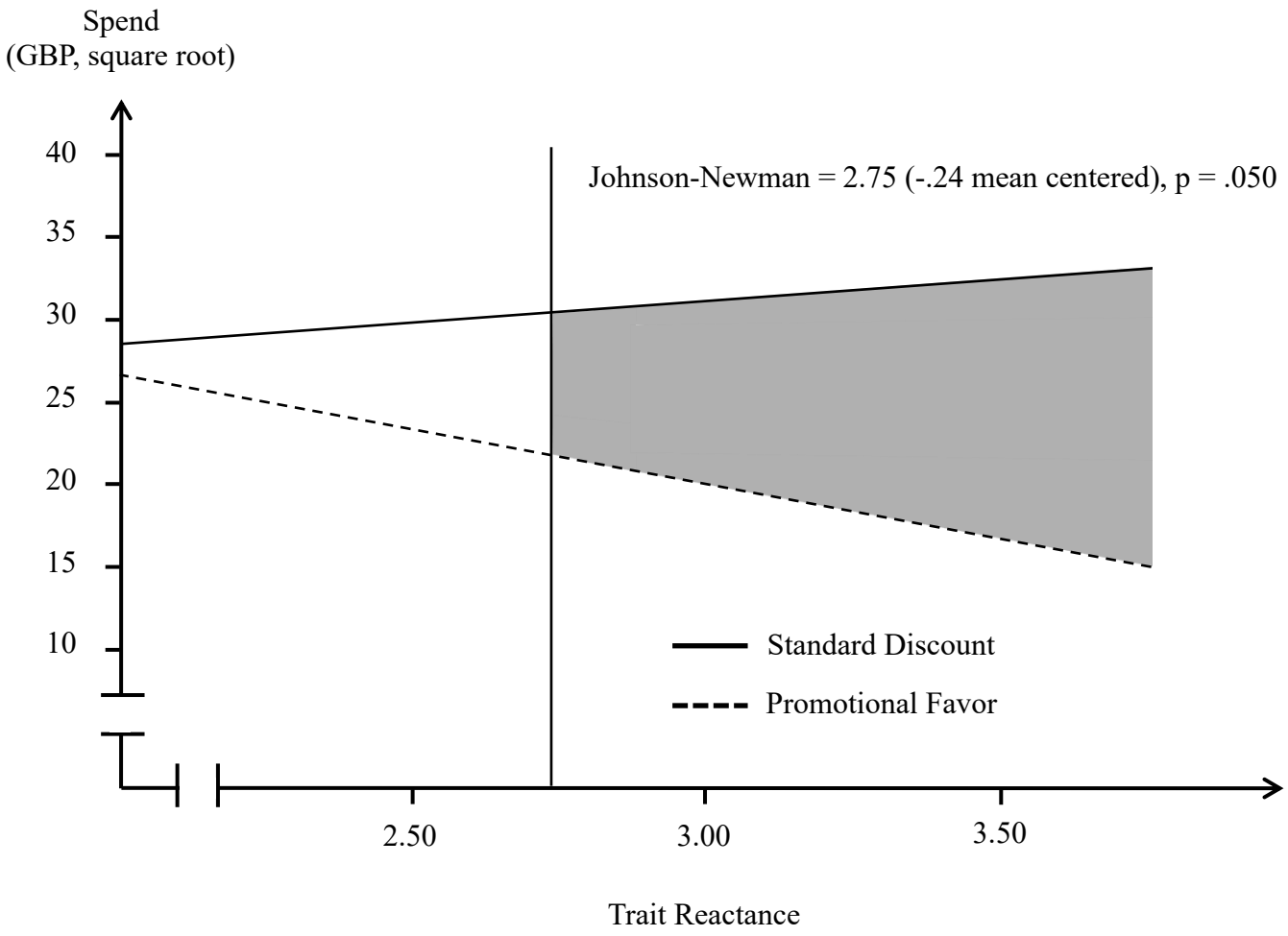


FIGURE 3

Experiment 4: The Moderating Effect of Habit.