

## **Does Exclusivity Always Pay Off? Exclusive Price Promotions and Consumer Response**

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### **ABSTRACT**

Although increasingly common in the marketplace, relatively little is known about how customized price promotions are evaluated by deal recipients. The authors investigate the role of a promotional characteristic that has received little attention in the literature by examining whether consumers' responsiveness to a targeted discount is influenced by their perceptions of the deal's exclusivity (i.e., the degree to which the offer is available only to them or to other consumers as well). The results demonstrate that exclusive promotions may be viewed more, equally, or less favorably than inclusive offers, depending on several factors used in decisions concerning the delivery of targeted offers (e.g., customer demographics, transactional histories). Specifically, the authors find that exclusive deals are favored over inclusive offers (Study 1), a preference that is pronounced for consumers adopting independent self-construals (Study 2) as well as for male consumers with a history of purchasing from the marketer providing the offer (Study 3). These exclusivity effects are mediated by the ability of the promotional offer to allow consumers to engage in self-enhancement (Study 3).

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The notion that targeted deals are more efficient than across-the-board sales promotions that provide unnecessary discounts to price-insensitive consumers has prompted a dramatic growth in customized pricing and sales promotions (Acquisti and Varian 2005). As examples, Marriott rewards members of its eBreaks loyalty program with “exclusive rates” at its hotels, Road Runner Sports emails members of its Run America Club with “exclusive offers” (e.g., double the price discounts available to other consumers), and Guitar Center selectively limits special offers to the top 5% of its 10 million customers. Recently, though, questions have been raised regarding the efficacy of targeted offers in general (Homburg, Droll, and Totzek 2008) and customized price promotions in particular (Acquisti and Varian 2005; Feinberg, Krishna, and Zhang 2002). Thus, whether companies should rely on customized promotions remains an open question, highlighting the need for additional research into how consumers respond to targeted discounts as well as contingencies that impact their response to these offerings (Franke, Keinz, and Steger 2009; Simonson 2005).

In this regard, one variable that has received little attention in the literature concerns the relative exclusivity of targeted price promotions. Because they are offered selectively to some consumers (i.e., deal recipients) and not others (i.e., deal non-recipients), targeted price promotions involve a level of exclusivity that surpasses that associated with more inclusive (i.e., undifferentiated) offers. At their most exclusive, price discounts can be customized to maximize promotional fit with individual consumers (Simonson 2005). For instance, firms often use exclusive deals as a means of rewarding their best patrons, such as Music123’s provision of special discounts only to its most valued individual customers as identified by transactional histories. At more modest levels of exclusivity, targeted promotions can be selectively offered to

entire groups of consumers, as with affinity marketing programs (e.g., Borders' educator savings promotions that limit discounts to current and retired teachers).

An important question is whether exclusivity influences the response of deal recipients to targeted price promotions. To provide insight into this issue, the current research conceptualizes and empirically demonstrates that deal exclusivity can positively impact recipients' evaluations of customized discounts, resulting in a preference for exclusive offers over inclusive promotions (Study 1). We also identify factors used in decisions concerning the delivery of targeted offers (e.g., customer demographics, transactional histories) that shape the specific conditions under which targeted deals may be viewed more, equally, or less favorably than inclusive offers. Specifically, we observe a preference for exclusive deals for consumers adopting independent self-construals (Study 2) as well as for male consumers with a history of purchasing from the marketer (Study 3). In contrast, inclusive offers were favored over exclusive discounts by consumers with interdependent self-construals (Study 2) as well as female consumers who had frequently patronized the marketer in the past (Study 3). Finally, exclusive and inclusive offers were evaluated similarly when consumers had made minimal purchases from the marketer (Study 3). Evidence is also presented indicating that these exclusivity effects arise via a self-enhancement process (Study 3).

In addition to its theoretical import, our research also has considerable pragmatic implications. If exclusivity uniformly enhances consumer response, then firms can improve the efficiency of their marketing efforts by offering targeted promotions, as deal response gains would be achieved without increase in marketing cost. However, if the effectiveness of exclusive deals is circumscribed to specific consumer segments or marketplace conditions, then marketers must be aware of these contingencies to better understand when such approaches will

yield desirable levels of return on investment. We next develop a theoretical framework explicating why exclusivity should influence consumer reactions to price promotions, what contingencies exist regarding this impact, and the process by which such effects might arise.

### **Conceptual Framework**

Research by Feinberg, Krishna, and Zhang (2002) provides evidence of a betrayal effect, whereby loyal consumers of a brand provide less favorable preferences for that brand when they were excluded from a targeted deal offered only to competitors' customers. Equity frameworks (Adams 1965; Bolton and Ockenfels 2000; Greenberg 1986) presume that individuals will engage in inter-personal comparisons that factor not only the outcomes one receives (non-social utility) but also how such outcomes compare to those accrued by others (social utility). When consumers react to marketing offers with the goal of maximizing personal welfare (i.e., they are self-regarding), the receipt of an exclusive deal leads to advantageous inequity that enhances evaluations of the targeted discount among deal recipients (cf. Greenberg 1987; Loewenstein, Thompson, and Bazerman 1989). In contrast, non-recipients (whose exclusion from the offer results in disadvantageous inequity) should evaluate this type of promotion less favorably. Thus, as a result of their respective outcomes, recipients and non-recipients should differ in their evaluations of a targeted deal.

Equity theory further suggests that evaluations of a targeted offer will depend not only on the relative outcomes associated with the offer (i.e., whether the consumer is a recipient or non-recipient) but also on the inputs or costs associated with receipt of the promotion. In the context of targeted deals, these inputs may be represented by the amount of effort customers have invested in their relationship with a marketer, e.g., via their past patronage of the brand (Feinberg, Krishna, and Zhang 2002; Homburg, Droll, and Totzek 2008); these investments

should, in turn, influence how consumers respond to a targeted offer (Verhoef 2003). In this regard, the negative reactions of deal non-recipients in Feinberg, Krishna, and Zhang (2002) likely arose because of disparities in both exchange components. In comparison to deal recipients, these consumers experienced disadvantageous inequity in terms of both the relative outcomes associated with the offer (non-receipt of the targeted promotion) but also in relative inputs (these brand loyal non-recipients had more invested in their relationship with the marketer than did deal recipients, who were users of a competitive offering). Being placed in a situation of disadvantageous inequity presumably prompted negative emotions (Tabibnia, Satpute, and Lieberman 2008) that undermined the preferences of non-recipients for the brand to which they had previously been loyal.

Unexplored to this point, however, is whether, when, and how *recipients'* evaluations of a targeted price promotion may be impacted by the offer's exclusivity, i.e., the extent to which an offer is available to consumers in the marketplace. If exclusion from a targeted offer can trigger disadvantageous inequity for non-recipients (as demonstrated by Feinberg, Krishna, and Zhang 2002), it stands to reason that receipt of an exclusive discount should engender advantageous equity for deal recipients. Continuing with the assumption that consumers are guided by self-rewarding motives, deal recipients should favorably evaluate receiving targeted offers that provide them with a basis for achieving advantageous inequity.

H<sub>1</sub>: A positive relationship will exist between deal exclusivity and deal evaluations.

This hypothesis (examined in Study 1) assumes that consumers will be self-regarding and prefer offers that provide them with an advantage over other consumers. This expectation is consistent with findings from research demonstrating in the context of general (versus targeted) price promotions that obtaining good deals can trigger positive emotions (Schindler 1998) and

improve perceptions of transaction utility that lead to more favorable evaluations (Thaler 1985). However, an emerging literature on inequity aversion (Fehr and Gintis 2007; Fehr and Schmidt 1999) suggests that certain individuals may desire outcomes that balance self-regarding (i.e., selfish) interests with those that are other-regarding. Thus, some consumers may be reluctant to engage in exchanges that provide them with advantageous inequity, with this disinclination growing with the level of inequity characterizing the exchange (Scheer, Kumar, and Steenkamp 2003).

In contrast to  $H_1$ , then, inequity-averse deal recipients should evaluate a deal less favorably as it becomes more exclusive. As a result of their motivation to avoid experiencing the negative affect (e.g., guilt) that may accompany advantageous inequity (Scheer, Kumar, and Steenkamp 2003), inequity-averse recipients should evaluate exclusive deals less favorably than they do more inclusive offers. While variations in inequity aversion have been examined at more macro levels (e.g., across cultures; see Scheer, Kumar, and Steenkamp 2003), little work has explored individual difference factors that characterize inequity-averse individuals. However, such an examination affords a means of identifying theoretically relevant variables that moderate consumers' tendencies towards inequity aversion, information that is useful in developing strategies aimed at more effectively and efficiently delivering targeted deals to the marketplace.

Accordingly, we next conceptualize the potential moderating role played by self-construal and gender, respectively, on consumer response to exclusive promotions. In addition to their relevance to customer segmentation and prioritization strategies (see, e.g., Ahluwalia 2008), both of these factors may impact the tendencies of consumers to employ a deal's

exclusivity as a basis for self-enhancement, with attendant effects on deal evaluations. These possibilities are first explicated with respect to self-construal, followed by gender.

### **The Effects of Self-Construal on Consumer Response to Deal Exclusivity**

Self-construal reflects the potential for individuals to hold varying self-views, (Agrawal and Maheswaran 2005; Markus and Kitayama 1991) and involves the degree to which individuals define themselves in isolation of others (i.e., independent construals) or in relation to a group (i.e., interdependent construals). Though self-construal can be represented as a chronic, relatively stable dimension of one's personality or as a frame of mind that is situationally-primed by contextual factors (Oyserman, Coon, and Kimmelmeier 2002), in either case, it holds implications for the values that individuals strive to achieve in managing their self concepts. As a result, self-construals can influence judgments (Markus and Oyserman 1989) including those made in response to sales promotions tactics (e.g., loyalty programs; see Kivetz and Simonson 2003).

To this end, individuals adopting independent, ego-focused construals tend to manage their self-concepts with respect to considerations that center on their relative uniqueness (Markus and Kitayama 1991; Oyserman, Coon, and Kimmelmeier 2002). This orientation guides information processing in ways that allow an individual to "maintain, affirm, and bolster the construal of the self as an autonomous entity" (Markus and Kitayama 1991, p. 235). Because the selectivity of customized promotions is compatible with these values, recipients with independent self-construals should favorably evaluate exclusive deals. Conversely, because consumers with interdependent self-views define themselves in terms of their connectedness with a group (Markus and Kitayama 1991), their decisions should reflect a desire to maintain harmony with others (Markus and Oyserman 1989). As a result of this relational sensitivity,

these individuals may value collectivism to the point where they sacrifice personal gains in order to avoid discord with others (Oyserman, Coon, and Kimmelmeier 2002). These individuals should therefore strive to achieve marketplace exchanges that lead to outcomes that are more equitable (versus inequitable) in nature. This distaste for inequity should, in turn, negatively affect the evaluations of a targeted deal provided by recipients with interdependent self-construals.

H<sub>2</sub>: Self-construal will moderate exclusivity's influence on evaluations such that a stronger positive relationship will exist between exclusivity and deal evaluations for recipients with independent versus interdependent self-construals.

These predicted effects, which are examined in Study 2, are important theoretically insofar as the influence of self-construal has yet to be examined in the general promotional context of price discounts much less with respect to targeted offers. We next explore how gender, a variable related to self-construal (Melnik, van Osselaer, and Bijmolt 2009), might also influence consumer response to deals that vary in their exclusivity. In doing so, we consider not only the outcomes one receives in comparison to others but also the relative inputs required in order to receive these outcomes. To this point, our discussion of equity considerations with respect to the evaluation of targeted deals has focused on differences in outcomes (i.e., whether consumers receive exclusive or inclusive deals) to the exclusion of variation in the inputs associated with these outcomes. To more fully explore the implications of equity theory for the evaluations of exclusive deals, we next consider how the level of effort consumers make via past patronage in cultivating a relationship with a marketer (i.e., their relationship equity) may impact their evaluations of customized discounts. Considering the potential moderating role of relationship equity is advantageous theoretically because it provides conceptual refinements to

the effects predicted in  $H_1$  and  $H_2$ . Doing so also holds pragmatic utility by delimiting the conditions under which the use of exclusive discounts will be beneficial to firms.

### **The Effects of Gender on Consumer Response to Deal Exclusivity**

Research on self-construal suggests that recipient gender can influence how deal exclusivity impacts the evaluations of customized offers. Specifically, Western males are often characterized as possessing independent self-views, while Western females are thought to more typically adopt interdependent self-construals (Markus and Kitayama 1991). Males' independent self-views should prompt them to value unique (i.e., exclusive) offers that provide them with the basis for self-enhancement to a greater extent than females, whose interdependent self-views should result in less favorable evaluations of targeted deals. Such an outcome is compatible with research on sex roles in judgment (e.g., Meyers-Levy 1988) demonstrating that males will employ agentic, self-focused processing goals (that should lead to a stronger preference for exclusive promotional offers) while females will have communal processing goals emphasizing inter-personal considerations (and that should result in a weaker preference for targeted deals). This expectation is also consistent with research on distributive justice showing that males prefer resource allocations providing gains to themselves while females favor equity-based allocations that result in similar gains to all (e.g., Fehr, Naef, and Schmidt 2006; Major and Adams 1983; O'Malley and Greenberg 1983).

As noted earlier, a basic tenet of equity theory involves not only the outcomes that accrue to individuals (in this case, receipt of the targeted deal) but also the inputs necessary to obtain these benefits, i.e., relationship equity. In this regard, recipients should react more strongly to the distribution of targeted deals when they perceive that they have higher (rather than lower) relationship equity with a firm. This rationale is borne out by Feinberg, Krishna, and Zhang's

(2002) results indicating that customers who were loyal to a brand (and thus had achieved high levels of relationship equity) reacted in a particularly negative manner when they were excluded from a targeted promotion offered by the brand to less meritorious consumers (brand switchers). In a positive vein, Kivetz, Urminsky, and Zheng (2007) demonstrated that consumers responded more favorably to an offer (e.g., by accelerating purchases) when they had more invested in a marketer's rewards program and therefore had developed greater relationship equity with the firm.

Accordingly, the level of effort a consumer invests in building a relationship with a firm should be positively related to the degree to which recipients are sensitive to deal characteristics (including promotional exclusivity) and, as a result, to the extremity of their response to a targeted offer. Consumers who have invested heavily in a relationship with a firm via their transactional history should therefore prove sensitive to receiving a targeted offer; in contrast, those with lower levels of relationship equity may be less responsive to a deal's exclusivity, given that they have little vested in the relationship (Adams 1965; Greenberg 1986). The influence of exclusivity on deal evaluations should therefore be most prominent when consumers have built up (via past patronage) relatively high levels of relationship equity. If so, then the effects set forth above regarding gender and promotional exclusivity should be limited to conditions of high relationship equity. Thus, we predict that males (females) should prefer exclusive (inclusive) offers, but only when relationship equity is high; when such equity is low, deal exclusivity should factor less into their evaluations.

H<sub>3</sub>: Relationship equity and gender will moderate exclusivity's influence on deal evaluations such that a stronger positive relationship will exist between

exclusivity and evaluations for male versus female recipients, but only when relationship equity is high.

Underlying this interaction is the presumption that males and females will differ in their reliance on deal exclusivity for self-enhancement purposes. Consumers with independent self-construals, as males are generally characterized, should value offers compatible with motives (e.g., autonomy and uniqueness) relevant to managing their independent self-views (Oyserman, Coon, and Kimmelmeier 2002). Because exclusive offers offer these deal recipients advantageous inequity relative to other consumers (who are increasingly likely to be non-recipients as the deal becomes more exclusive), these targeted promotions should engender positive emotions for males that drive more favorable deal evaluations (Scheer, Kumar, and Steenkamp 2003; Tabibnia, Satpute, and Lieberman 2008). Conversely, exclusive offers should be less capable of promoting these positive feelings for individuals with interdependent self-views (e.g., females), who strive to achieve goals that relate to fitting in with and promoting harmony with relevant others (Oyserman, Coon, and Kimmelmeier 2002). To the extent that the relative exclusivity of a price promotion is used by recipients in forming their deal evaluations (e.g., when relationship equity is high), exclusive offers should better enable males to self-enhance. Thus, we expect this process of self-enhancement associated with deal receipt to mediate the anticipated interactive effects of relationship equity and gender on deal exclusivity, i.e., mediated moderation will occur (Baron and Kenny 1986).

H<sub>4</sub>: The interactive effects of deal exclusivity, relationship equity, and gender on deal evaluations will be mediated by feelings of self-enhancement.

This last set of hypotheses (H<sub>3</sub> and H<sub>4</sub>) is examined in Study 3.

### Study 1

The primary objective of this study was to provide an initial demonstration of deal exclusivity effects by testing  $H_1$ 's prediction that more favorable evaluations would be associated in general with exclusive versus inclusive deals. Study 1 also employed a methodology to ascertain whether deal recipients are, as presumed, aware of the exclusivity associated with a targeted price promotion. To this end, a cognitive response task was used to assess the thoughts that the targeted deal spontaneously evoked, enabling an assessment as to whether perceptions of promotional exclusivity were salient as participants considered the promotional offer, but before they completed the deal evaluation measures.

## **Method**

Eighty administrative employees of a Midwestern university were recruited to participate in the study in exchange for \$5 and were assigned randomly to one of two conditions (deal exclusivity: exclusive, inclusive).<sup>1</sup> Participants were told that they would be evaluating a price promotion offered by a major consumer electronics retailer from which they were asked to assume that they had previously purchased items. Participants were then presented with a mock-up of a mailing announcing a special one day, invitation-only sale designed by the retailer to reward customers for their past patronage (see Figure 1). The deal exclusivity manipulation was embedded in the offer such that in the exclusive (inclusive) deal condition, the promotion

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<sup>1</sup> Deal exclusivity falls on a continuum ranging from promotions provided to one individual to offers that are available to virtually all consumers in a market. Although our instantiations really represent “more exclusive” and “more inclusive” offers, for expositional ease, we use the term “exclusive” or “inclusive” to refer to our deal manipulations throughout this paper. It should also be noted that, because our instantiations do not occupy the endpoints of this continuum, our studies provide a conservative test of deal exclusivity effects.

informed participants that very few (many other) customers were selected to receive this invitation. All other aspects of the offer, including information directly signaling the value associated with the promotion (e.g., “At this sale, we will have our top-name products with prices at markdowns that are well below our everyday low prices”) were held constant across the two exclusivity conditions.

**[Insert Figure 1 About Here]**

Participants then completed a cognitive response task in which they were asked to list every thought they had while reading the sales promotion. Two judges, blind to the study’s objectives, coded these responses for mentions that the deal was perceived as exclusive (e.g., “this offer is given to a small group of consumers,” “the deal is exclusive, for only selected few people”) or inclusive (e.g., “this deal is for everyone,” “the sale is open to all of the general public”). Inter-judge agreement was 91% with all disagreements reconciled via discussion. Following this task, participants indicated how likely (0=not at all likely, 10=very likely) they were to attend the event and evaluated the deal on three nine-point scales (“My opinion of this sales promotion is:” 1=bad, 9=good; 1=negative, 9=positive; and 1=unfavorable, 9=favorable;  $\alpha = .97$ ). Four items were then completed as a check on the deal exclusivity manipulation (“The sales promotion was:” 1=available to very few customers, 9=available to many customers; 1=exclusive, 9=inclusive; 1=restricted, 9=not at all restricted; and 1=selective, 9=not at all selective). These responses were averaged ( $\alpha = .99$ ) to form an index of deal exclusivity, with lower means reflecting greater exclusivity. Finally, participants revealed how often (1 = not at all, 9 = very frequently) they used consumer electronics as well as how often they shopped for such products, and completed measures identifying their age, household income, and racial status. Participants fell mainly in the 40-49 years age range (35.0%), the \$40,000 - \$59,999

income range (42.5%) and were primarily Caucasian (76.2%); they were also frequent users ( $M = 8.36$ ) and shoppers ( $M = 6.43$ ) of consumer electronics.

## Results

As desired, participants viewed the promotion as more selective ( $F(1, 79) = 1551.37, p < .001$ ) in the exclusive ( $M = 2.92$ ) than inclusive ( $M = 8.77$ ) deal condition. Reflecting the salience of promotional exclusivity during deal consideration, a greater number of thoughts about the offer's selectivity were recorded in the exclusive ( $M = 1.71$ ) than in the inclusive ( $M = 0.00$ ) deal condition ( $F(1, 79) = 149.06, p < .001$ ). Conversely, more thoughts about the offer's widespread availability were found when the deal was inclusive ( $M = 1.29$ ) rather than exclusive ( $M = 0.00$ ) in nature ( $F(1, 79) = 324.47, p < .001$ ). To examine  $H_1$ 's prediction that exclusive offers would induce more favorable responses than inclusive deals, we analyzed participants' deal evaluations and intentions to attend the promotional event using a 2 (deal: exclusive, inclusive)  $\times$  2 (measure: evaluations, intentions) mixed-ANOVA, with deal type representing a between-subjects factor and measure type a within-subjects variable. Given that the type of measure did not qualify the predicted effect of deal exclusivity ( $p > .3$ ), as well as for expositional ease, all subsequent analyses collapse across the two individual measures and involve a composite measure of deal response. Indicative of the exclusivity effect predicted in  $H_1$ , more favorable deal response was associated with the exclusive ( $M = 6.61$ ) rather than inclusive ( $M = 3.55$ ) deal condition ( $F(1, 79) = 212.83, p < .001$ ).

## Discussion

Study 1 provides an initial demonstration of the influence that deal exclusivity has on consumer evaluations of targeted price promotions, with a superiority observed for exclusive offers over inclusive deals. These findings may create the impression that exclusive deals will

always be received more favorably than inclusive offers, a perception consistent with the managerial logic underlying the adoption of customer prioritization strategies. Based on such evidence, managers may therefore be tempted to employ targeted price promotions even under circumstances in which customized offers may not prove effective. To provide a more nuanced understanding of the conditions under which exclusive deals are capable of delivering their presumed benefits, Study 2 considers the moderating role of consumer self-construal on receptivity to a targeted price discount. We anticipated that exclusive discounts would maintain their superiority over inclusive offers (as observed in Study 1), but that this preference would be stronger for deal recipients with independent versus interdependent self-construals ( $H_2$ ).

### **Study 2: The Moderating Effect of Self-Construal**

#### **Method**

Two hundred and thirty-eight business undergraduates at a Midwestern university were assigned randomly to the cells of a 2 (deal exclusivity: exclusive versus inclusive)  $\times$  2 (primed self-construal: independent versus interdependent). In an initial phase, participants encountered information used to manipulate self-construal by priming thoughts of either independence or interdependence (Brewer and Gardner 1996). Specifically, participants were asked to read through a short passage and to circle all pronouns they could find; in the independent (interdependent) condition, the pronouns were self-oriented (other-oriented). Following this task, participants completed the Twenty Statement Test (TST), in which they were asked to compose twenty unique statements in response to the question “*Who am I?*” Each response was coded as either a personal attribute (indicative of an independent self-construal being primed) or as describing a social role or relationship (characteristic of an interdependent self-construal

being primed) and represented a check on the self-construal prime (Agrawal and Maheswaran 2005).

Participants proceeded to a second phase of the study in which they were exposed to either the exclusive or inclusive deal from Study 1. They then completed the intentions, deal attitude ( $\alpha = .98$ ), and deal exclusivity manipulation check measures ( $\alpha = .99$ ) from the earlier studies. After completing a distractor task, participants responded to measures of chronic independent ( $\alpha = .91$ ) and interdependent ( $\alpha = .83$ ) self-construal (Singelis 1994). Following Escalas and Bettman (2008), median splits were utilized to classify participants as “independent” (if they scored above the median on the independent sub-scale and below the median on the interdependent sub-scale) or “interdependent” (if they scored above [below] the median on the interdependent [independent] sub-scale). Using this procedure resulted in one-hundred and fifty participants being retained for analyses relying on chronic (rather than primed) self-construals.

## Results

*Manipulation Checks.* The manipulation checks were assessed using separate 2 (deal exclusivity)  $\times$  2 (primed self-construal) ANOVAs. As desired, a deal exclusivity main effect was observed for the exclusivity manipulation check such that participants viewed the sales promotion as more selective in the exclusive ( $M = 2.72$ ) versus inclusive ( $M = 8.44$ ) deal condition ( $F(1, 237) = 2980.63, p < .001$ ; for all other effects,  $p > .18$ ). Reflecting the success of the self-construal prime, participants in the independent condition ( $M = 12.42$ ) listed more self-related thoughts on the TST than did those in the interdependent condition ( $M = 8.09$ ;  $F(1, 237) = 176.59, p < .001$ ; for all other effects,  $p > .6$ ); conversely, the latter participants provided more other-related thoughts ( $M = 9.08$ ) than did the former ( $M = 5.60$ ;  $F(1, 237) = 113.90, p < .001$ ; for all other effects,  $p > .15$ ). A final analysis revealed that participants classified as

independents (median = 6.58) on the chronic measure of self-construal scored higher on the independent sub-scale ( $M = 7.27$ ) than did those categorized (median = 5.83) as interdependents ( $M = 5.04$ ;  $F(1, 148) = 350.66, p < .001$ ). Likewise, interdependents ( $M = 6.81$ ) scored higher on the interdependent sub-scale than did independents ( $M = 5.13$ ;  $F(1, 148) = 424.03, p < .001$ ).

*Test of  $H_2$ .* To test our prediction of stronger preferences for exclusive promotions among participants with independent versus interdependent self-construals ( $H_2$ ), we submitted responses to the deal evaluation and intention measures to a 2 (deal: exclusive, inclusive)  $\times$  2 (self-construal prime: independent, interdependent)  $\times$  2 (measure: evaluations, intentions) mixed-ANOVA, with the first two variables serving as between-subjects factors and the final variable as a within-subjects variable (cell means are reported in Table 1A). Given that measure type did not qualify the anticipated two-way interaction ( $p > .6$ ), subsequent analyses utilized the same composite measure of deal response as employed in Study 1. A 2  $\times$  2 ANOVA revealed the predicted deal  $\times$  self-construal interaction ( $F(1, 234) = 115.49, p < .001$ ; see Figure 2A). To further examine the nature of this interaction, simple main effect tests were conducted estimating the influence of deal exclusivity within self-construal level.<sup>2</sup> Participants receiving the independent prime, as expected, evaluated the exclusive offer more favorably than they did inclusive deal ( $F(1, 234) = 153.63, p < .001$ ); their response to the exclusive offer was also more favorable than that observed in the interdependent prime condition ( $F(1, 234) = 34.74, p < .001$ ). Interestingly, participants in the latter group actually provided more favorable evaluations in

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<sup>2</sup> Here and in Study 3, simple main effect tests were estimated using the mean square error from the full design. Re-estimating these contrasts using the error term from the design partition including only the cells involved in the contrast produced analogous findings.

response to the inclusive deal than the exclusive offer ( $F(1, 234) = 8.09, p < .01$ ), a pattern of effects opposite that observed for those in the independent prime condition.

**[Insert Table 1 About Here]**

To further establish the robustness of the effects posited in  $H_2$ , we examined whether deal attitudes and intentions associated with the inclusive and exclusive deals also varied by participants' chronic self-construals in the manner predicted in  $H_2$  (see Table 1B for cell means). Because a  $2$  (deal)  $\times$   $2$  (chronic self-construal)  $\times$   $2$  (measure) mixed-ANOVA demonstrated that the predicted deal  $\times$  self-construal interaction was not qualified by type of measure ( $p > .4$ ), intentions and evaluations were averaged to form an index of deal response. Consistent with  $H_2$ , a  $2 \times 2$  ANOVA yielded the anticipated deal  $\times$  self-construal interaction ( $F(1, 146) = 39.74, p < .001$ ; see Figure 2B).<sup>3</sup> Follow-up contrasts indicated that, as observed when self-construal was primed, (1) participants with independent chronic self-construals preferred the exclusive deal ( $F(1, 146) = 45.63, p < .001$ ), (2) they evaluated the exclusive offer more favorably than did those with interdependent chronic self-construals ( $F(1, 146) = 14.88, p < .001$ ), and (3) the latter participants preferred the inclusive offer over the exclusive deal ( $F(1, 146) = 4.26, p < .05$ ).

**[Insert Figure 2 About Here]**

## Discussion

The results from Study 2 demonstrate that, as predicted, exclusive deals were preferred to a greater extent by participants adopting an independent self-construal than by those evaluating

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<sup>3</sup> The critical exclusivity  $\times$  self-construal interaction was also significant ( $p < .001$ ) based on a separate analysis using a continuous measure of chronic self-construal ((independent – interdependent) / (independent + interdependent); see Escalas and Bettman [2008]) that retained responses from all participants.

the targeted offer under an interdependent self-construal. Somewhat unexpectedly, participants with an interdependent self-construal provided a reversal of the effects observed for those with an independent self-construal by exhibiting a preference for inclusive offers over exclusive deals. The next study extends findings from Study 2 by examining how consumer evaluations of exclusive deals are influenced by gender. Another aim of Study 3 is to determine whether exclusivity effects are contingent upon the level of effort (i.e., past patronage) consumers have invested in their developing a relationship with a marketer (H<sub>3</sub>), a factor that firms often use in allocating targeted promotions (Homburg, Droll, and Totzek 2008) and that influences consumer response to such offers (Verhoef 2003). A final goal was to determine whether the influence of promotional exclusivity arises due to the impact that a targeted offer has on the deal recipient's ability to self-enhance (H<sub>4</sub>).

### **Study 3: Interactive Effects of Gender and Relationship Equity**

#### **Method**

Two hundred and eighty-five undergraduate business students were assigned randomly to the cells of a 2 (deal exclusivity: lower, higher) × 2 (relationship equity: lower, higher) × 2 (gender: female, male) between-subjects factorial design. The procedure corresponded to that used earlier insofar as participants were exposed to either the exclusive or inclusive deal from Study 1. Prior to receiving and evaluating this deal, participants were provided with a manipulation of relationship equity that involved varying the level of effort or investment participants were asked to assume they had made with the retailer (via their past patronage) in order to receive the deal. Thus, participants in the high (low) relationship equity condition were asked to assume that this was a store that they had visited very frequently (visited a few times)

and that they had made a number of purchases (only one purchase) from this store involving relatively expensive items (relatively inexpensive items).

After reading this information and processing the promotional offer, participants responded to the same dependent measures from Studies 1 and 2 (for deal attitudes,  $\alpha = .95$ ). To garner evidence germane to the self-enhancement process posited to underlie deal exclusivity effects, participants indicated their agreement with two statements (1 = strongly disagree, 9 = strongly agree) measuring the extent to which being invited to the sales promotion event made them feel special and made them feel good about themselves ( $r = .77$ ). They then completed the deal exclusivity manipulation check ( $\alpha = .91$ ) from the previous studies, a three-item check ( $\alpha = .96$ ) on the equity manipulation (“Compared to this retailer’s other customers, my being invited to this sales promotion event was:” 1=Less Deserved, 9=More Deserved; 1=Less Warranted, 9=More Warranted; 1=Less Justified, 9=More Justified), and a measure of gender.

## Results

*Manipulation Checks.* Responses to the deal exclusivity manipulation check were analyzed using a 2 (deal exclusivity: lower, higher)  $\times$  2 (relationship equity: lower, higher)  $\times$  2 (gender: male, female) ANOVA. As intended, the deal was seen as more restricted in the exclusive ( $M = 3.64$ ) rather than inclusive ( $M = 5.11$ ) condition ( $F(1, 279) = 35.69, p < .001$ ). Additionally, the sales promotion was perceived as more exclusive by participants assigned to the high ( $M = 3.91$ ) versus low ( $M = 4.82$ ) equity condition ( $F(1, 279) = 13.17, p < .001$ ; for all other effects,  $p > .1$ ). To gauge the impact of the equity manipulation, responses to the deal equity measure were submitted to a 2 (exclusivity)  $\times$  2 (relationship equity)  $\times$  2 (gender) ANOVA. This analysis revealed the desired main effect of equity, with higher levels of equity

reported in the high ( $M = 6.59$ ) versus low ( $M = 3.92$ ) equity condition ( $F(1, 279) = 198.16, p < .001$ ; for all other effects,  $p > .2$ ).

*Test of H<sub>3</sub>.* Subsequent analyses examined our prediction that the effects of exclusivity would depend on the level of relationship equity and recipient gender. We anticipated that male participants would exhibit a stronger preference for exclusive deals than would females, although this effect was expected to be limited to conditions involving high relationship equity (H<sub>3</sub>). This expected pattern of effects suggests a three-way interaction involving exclusivity, relationship equity, and gender. To evaluate this hypothesis, intentions and deal evaluations were submitted to a 2 (exclusivity)  $\times$  2 (relationship equity)  $\times$  2 (gender)  $\times$  2 (measure) mixed-ANOVA, with the first three variables serving as between-subjects factors and the final variable as a within-subjects variable (cell means are presented in Table 2A). As in the earlier studies, because type of measure did not qualify the predicted three-way interaction, we collapse across the two measures and employ a composite measure of deal response in the remaining analyses.

**[Insert Table 2 About Here]**

A 2 (exclusivity)  $\times$  2 (relationship equity)  $\times$  2 (gender) ANOVA revealed the predicted three-way interaction ( $F(1, 279) = 6.70, p < .05$ ). Simple main effect tests estimating the impact of exclusivity within gender were conducted to ascertain if this interaction comported with that predicted (see Figure 3 for cell means). One set of contrasts indicated that, as expected, exclusivity did not significantly affect deal response for male participants under low equity conditions ( $F(1, 279) < 1, p > .7$ ). Rather, the effects of exclusivity were limited to the high equity condition ( $F(1, 279) = 3.91, p < .05$ ), as these participants responded more favorably to the deal when it was exclusive than when it was inclusive. Analyses involving female participants revealed that though the deal type manipulation had a negligible impact on their

evaluations under low equity conditions ( $F(1, 279) < 1, p > .5$ ), these participants exhibited a reversal of the exclusivity effect observed for males under high equity conditions ( $F(1, 279) = 4.59, p < .05$ ). Thus, consistent with  $H_3$ , in the high equity condition, male participants exhibited a stronger preference for exclusive offers than did female participants, who actually preferred inclusive deals over those that were more exclusive.

**[Insert Figure 3 About Here]**

*Test of  $H_4$ .* Our conceptual framework further suggests that the influence of exclusivity on the evaluations provided by male and female participants in the high relationship equity condition would be mediated by self-enhancement. Requirements for mediated moderation require establishing a significant exclusivity  $\times$  equity  $\times$  gender interaction for the dependent variable, deal response (as reported earlier) and for the posited mediator, the level of self-enhancement engendered by deal receipt. Results from a  $2 \times 2 \times 2$  ANOVA performed on the self-enhancement variable yielded significant main effects for relationship equity ( $F(1, 279) = 23.17, p < .001$ ) and gender ( $F(1, 279) = 5.35, p < .05$ ), with higher levels of self-enhancement reported when relationship equity was high and by females. More critically, the analysis also substantiated the required three-way interaction on self-enhancement ( $F(1, 279) = 9.08, p < .01$ ; see Table 2A for cell means). To further demonstrate mediation, including self-enhancement as a covariate eliminated the significant three-way interaction observed earlier with respect to deal response (see Table 2B). Moreover, the remaining ANOVAs used to provide support for  $H_3$  were re-executed as ANCOVAs including self-enhancement as a mediator. In every instance, self-enhancement emerged as a significant covariate (all  $p$ 's  $< .001$ ; see Table 2B). Importantly, inclusion of self-enhancement as a covariate in each analysis rendered a previously significant

effect nonsignificant (all  $p$ 's > .15), with the corresponding reduction in effect sizes ranging from approximately 50% to over 80%.

Given that the effect of exclusivity on self-enhancement and, in turn, on deal response was presumed to be operative primarily when relationship equity was high, we conducted similar mediational analyses nested within equity condition. In the high equity condition, including self-enhancement as a covariate reduced the effect size associated with the exclusivity  $\times$  gender interaction from .073 (from the ANOVA) to .029 (from the ANCOVA). Conversely, under conditions of low equity, the effect size associated with exclusivity  $\times$  gender interaction was negligible, regardless of whether (.001) or not (.003) self-enhancement was included as a covariate. Collectively, these results establish the mediated moderation predicted in H<sub>4</sub>.

### **General Discussion**

Targeted promotions and customized pricing are becoming increasingly common in the market. Extant research on these practices (e.g., Feinberg, Krishna, and Zhang 2002) has focused on how *non-recipients* respond to deals provided selectively to other consumers. A complementary but unexplored issue concerns whether the response of *deal recipients* depends on perceptions about the offer's exclusivity, i.e., its availability to other consumers. To this end, our research addresses an important theoretical void in the promotions literature by establishing the presence of deal exclusivity effects. Across three studies, we demonstrate that some consumers (e.g., male participants and those with independent self-views) do indeed favor exclusive deals over inclusive ones. Our findings further show that, under certain conditions (e.g., when the level of relationship equity consumers have built with a marketer via their past patronage is low), both types of offers are evaluated equally favorably. Perhaps most intriguing are results indicating that certain consumers (e.g., female participants and those with

interdependent construals) react negatively to receiving a targeted offer that is exclusive, preferring instead discounts that are more widely available.

In addition to identifying these boundary conditions to the positive effects of deal exclusivity, we also provide evidence of the process mediating such effects. These results indicate that consumers who prefer more exclusive deals do so because receiving these selective offers provides them with a basis for self-enhancement (e.g., by helping them attain values related to autonomy). In contrast, the negative reactions of participants exhibiting an aversion to exclusive promotions were driven by the superiority of inclusive offers to allow them to self-enhance (e.g., by confirming their desires to maintain harmony with others). Thus, while receipt of a targeted deal that is exclusive in nature can engender positive feelings for certain segments of consumers, these same offers can trigger less favorable emotions for other consumers that undermine their evaluations of the deal.

Aside from providing an initial demonstration into when and how deal exclusivity influences consumer response to targeted promotions, the current investigation also contributes to several other literatures. First, in conceptualizing the observed response variability to deal exclusivity, we employed inequity-aversion, a concept from economics that has received minimal empirical consideration in the marketing literature. This inattention is somewhat surprising given that inequity-aversion focuses on exchanges and outcomes, two concepts fundamental to the study of marketing (Bagozzi 1975). Research on inequity-aversion provides a basis for anticipating that some individuals will exhibit self-regarding preferences for options that afford them advantageous inequity while others will prefer more equitable outcomes that reflect a consideration of other-regarding interests. Little empirical attention has been given, however, to identifying factors useful in predicting which individuals will be inequity-averse and

which will not. The current research provides such evidence by documenting that inequity-averse behavior is more likely for certain individuals (e.g., female participants and consumers with interdependent self-construals) and under certain conditions (e.g., when relationship equity is high). Research along these lines is important theoretically given that it delineates moderating variables associated with conditional boundaries to inequity aversion; pragmatically, these findings have value by pinpointing characteristics that marketers can incorporate into the strategies they use to deliver targeted deals to the marketplace.

Second, prior research has focused on examining parameters typically associated with managers' development of promotional calendars, including depth, frequency, and duration (Silva-Risso, Bucklin, and Morrison 1999). By demonstrating that exclusive deals may be evaluated more, less, or equally favorably than inclusive deals, we show that consumer response to discounts are also sensitive to a "non-traditional" deal characteristic, namely, the perceived exclusivity of a price promotion. These results extend the literature on deal restrictions as well. While extant research has focused on promotional limitations such as quantity, time, and minimum purchase requirements (Inman, Peter, and Raghurir 1997), our studies provide insight into an understudied form of deal restriction (exclusivity) that is becoming increasingly important with the growth of targeted offers.

Our findings similarly hold implications for research on transaction utility theory indicating that deal recipients can experience self-enhancement via affective consequences associated with being a "smart shopper" (Schindler 1998). Our results expand upon prior work in this area by demonstrating that receipt of a "good deal" in the form of an exclusive promotion that provides consumers with a financial advantage in the marketplace (relative to consumers who do not receive the discount) does not necessarily engender positive feelings. Rather, the

evidence provided here suggests that the relationship between receiving a deal and experiencing positive affect may be more complex than previously thought and contingent upon characteristics associated with both the consumer (e.g., self-construal, gender) and the offer (e.g., its exclusivity).

### **Implications for Marketing Practice**

A rationale underlying marketers' increasing reliance on targeted price promotions is the ability of these exclusive deals to trigger heightened customer response and, consequently, increased profits (Homburg, Droll, and Totzek 2008). However, recent research has begun to question the general presumption regarding this effectiveness of customer prioritization by considering potential negative consequences associated with the use of targeted offers (e.g., Feinberg, Krishna, and Zhang 2002; Homburg, Droll, and Totzek 2008). Along similar lines, our research also provides some caveats for marketers to consider in deploying customized deals that are exclusively offered to certain customers or customer segments. Although we provide evidence indicating that exclusive offers can heighten consumer response (Study 1), results from Studies 2 and 3 qualify this positive effect of deal exclusivity. Thus, our findings indicate that exclusive offers are sometimes no more effective than inclusive promotions (i.e., when relationship equity is low). Even more counter-intuitive is evidence that consumers may also react negatively to receiving an exclusive deal vis-à-vis one that is more inclusively available to other consumers.

This variation in response to exclusive deals suggests that customized promotions will yield more desirable marketing outcomes when employed with respect to certain customer groups than for others. As such, evidence documenting the moderating effects of self-construal and gender on deal exclusivity underscores the need for marketers to judiciously consider the use

of targeted offers on a segment-by-segment basis. While gender has long been employed as a segmentation variable, it is important to note that self-construal is correlated with several demographic variables that represent market segmentation bases such as country and ethnic group (Ahluwalia 2008). For example, consumers in the U.S. tend to have independent self-views while those in other countries (e.g., Mediterranean nations) typically exhibit interdependent self-construals (Oyserman, Coon, and Kemmelmeier 2002). Accordingly, segmentation by countries with known self-construal tendencies can provide the basis for formulating strategy regarding the delivery of exclusive deals. Similar differences in self-construal can occur with respect to cultural and ethnic differences that arise within a country, such that European Americans are more independent while Asian Americans are more interdependent (see Oyserman, Coon, and Kemmelmeier 2002). Thus, our findings are actionable in the sense that they can be implemented along with customer transaction histories to produce effective promotion programs that account for potential response variability to targeted discounts, such as the differences in evaluations of exclusive deals demonstrated in studies 2 and 3.<sup>4</sup>

Thus, the implications of our findings for the implementation of customer prioritization strategies wherein customers are ranked according to their purchase histories (e.g., recency, frequency, and volume) should not be understated. Prioritization strategies represent, to some

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<sup>4</sup> As in other instances where observable factors (e.g., demographics) are used as proxies for segmentation bases that represent the true variable of interest (e.g., benefits desired), employing countries and regions as indicators of self-construal tendencies represent tentative assumptions that should be validated by market research. We thank two anonymous reviewers for calling this caveat to our attention.

degree, a departure from the use of traditional, demographic-based segmentation variables (e.g., geographic region, ethnic affiliation, gender) by shifting focus to metrics that relate directly to customer lifetime value. At an extreme, targeted deals may be offered solely on the basis of a customer's past exchange relationship with a marketer irrespective of that individual's standing with regard to traditional segmentation demographics. Our results suggest potential problems with such an approach and, in doing so, highlight the value of incorporating a consideration of demographic segmentation bases along with transaction histories to determine who should receive a customized promotion and how the offer should be conveyed (i.e., with or without emphasis on the deal's exclusivity). Evidence from Study 3 most clearly points to the need for doing so given that participants' responsiveness to an exclusive discount was shown to be a function not only of their past patronage but also on their gender. While only consumers whose prior transactional histories merit may receive a targeted deal, how the offer is communicated to these recipients should take into consideration a consumer's likely response to offers being characterized as exclusively or inclusively available as determined by that individual's representation with regards to variables that are related (directly or indirectly) to independent or interdependent self-construals. Thus, while both male and female consumers may warrant receipt of a customized price promotion, a marketer may wish to emphasize the deal's exclusivity to the former group while downplaying this characteristic (or even highlighting the promotion's inclusivity) to the latter segment.

On a related note, our findings are also informative in developing communication strategies that accompany the use of targeted price discounts. As suggested by prior research (e.g., Aaker and Lee [2001]; Hamilton and Biehal [2005]), that self-construal can be primed via the information presented in marketing materials, e.g., whether an ad details benefits to an

individual or a group to which the individual belongs. In this way, the verbiage used to convey an exclusive deal can be strategically derived in order to effectively frame targeted consumers' perceptions of the promotion along the lines of either an independent or an interdependent self-construal.

### **Limitations and Future Research**

As with most, if not all, empirical research efforts, the evidence presented here is subject to the caveats that often accompany investigations conducted in laboratory settings. As such, additional work is needed to determine if the results observed here with regards to the effects of deal exclusivity generalize to consumer groups, deal types, and processing conditions other than those examined in our studies. Also needed are more detailed approaches in examining the role of the self-enhancement that is thought to accompany the receipt of targeted offers. While findings from Study 3 demonstrate that the impact of deal exclusivity on promotional evaluations is mediated by its impact on self-enhancement, the methodology employed in this study precludes making any definitive statements with respect to the particular process(es) by which this self-enhancement occurred, representing an issue to be addressed by future research in this area.

Along similar grounds, while the research presented in this paper examines the independent effects exerted, respectively, by self-construal (Study 2) and gender (Study 3), investigations into potential interactive effects involving these two variables would be informative. In particular, it would be interesting to explore combinations of these factors that result in the presence of contradictory self-construal tendencies (i.e., independent females and interdependent males). Essentially, such research would provide a test of the relative strength associated with a self-construal that is primed (e.g., via the Twenty Statement Test employed in

Study 2) versus a more chronic or trait-based construal tendency related to one's gender, perhaps by considering the role of variables that increase the salience of one construal versus another. Research of this nature would be valuable in providing a more nuanced understanding of the role that self-construal exerts on consumer evaluations of targeted deals.

In addition, given the nascent stage of research on deal exclusivity, a number of other avenues would seem to exist for future inquiry. As an example, one fruitful area for research involves examining how consumer variables may moderate the influence of deal exclusivity. An interesting possibility in this regard involves consumers' need for uniqueness (Tian, Bearden, and Hunter 2001). Exclusive deals would seem more compatible with the goals of consumers possessing a strong preference for uniqueness, while consumers who are less sensitive to uniqueness-related dimensions of product offerings would likely be indifferent between exclusive and inclusive promotions, or even exhibit preferences for inclusive deals. Also, while the current research provides insight into how consumers respond to deals that vary in their exclusivity, further work specifically designed to provide guidance to marketers in their efforts to manage deal exclusivity as a means of maximizing promotional effectiveness is warranted. For example, one of the dilemmas associated with the use of targeted promotions raised earlier in this paper involves whether firms should leverage exclusivity to maximize response rates from a selective group of consumers or rely on inclusive deals in order to maximize sales volume from a larger consumer segment. To this end, future research characterizing targeted promotion strategies optimized with respect to depth of price cut and size of deal recipient group would be informative.

Additionally, recent research indicating that a "demotion" from preferred customer status may make customers less loyal (Wagner, Hennig-Thurau, and Rudolph 2009) suggests the

benefits of examining deal exclusivity from a more dynamic perspective than the one adopted in the present work. In this regard, an intriguing issue involves the relative impacts of gains and losses in exclusivity associated with a targeted deal. Following prospect theory (Kahneman and Tversky 1979), more pronounced shifts in deal evaluations are likely to accompany losses in the exclusivity associated with a targeted offer (e.g., receiving an inclusive promotion following the receipt of highly exclusive discounts) rather than gains in exclusivity. In a somewhat similar vein, it may be useful to explore the specific emotions engendered by the receipt of targeted deals that vary in their exclusivity, including the impact of emotions such as love and gratitude on customer – firm relationships (Gregoire, Tripp, and Legoux 2009; Palmatier, Jarvis, Beckhoff, and Kardes 2009).

**Table 1****CELL MEANS FOR STUDY 2 (DEAL EXCLUSIVITY × SELF-CONSTRUAL)****a. Primed (Manipulated) Self-construal**

| <u>Measure</u> | <i>Independent<br/>Primed Self-construal</i> |                  | <i>Interdependent<br/>Primed Self-construal</i> |                  |
|----------------|----------------------------------------------|------------------|-------------------------------------------------|------------------|
|                | <u>Exclusive</u>                             | <u>Inclusive</u> | <u>Exclusive</u>                                | <u>Inclusive</u> |
| Intentions     | 7.12                                         | 3.48             | 5.42                                            | 6.16             |
| Deal Attitude  | 6.71                                         | 3.16             | 5.29                                            | 6.21             |

**b. Chronic (Measured) Self-construal**

| <u>Measure</u> | <i>Independent<br/>Chronic Self-construal</i> |                  | <i>Interdependent<br/>Chronic Self-construal</i> |                  |
|----------------|-----------------------------------------------|------------------|--------------------------------------------------|------------------|
|                | <u>Exclusive</u>                              | <u>Inclusive</u> | <u>Exclusive</u>                                 | <u>Inclusive</u> |
| Intentions     | 6.87                                          | 3.88             | 5.64                                             | 6.38             |
| Deal Attitude  | 6.48                                          | 3.86             | 5.23                                             | 6.13             |

Table 2

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**RESULTS FOR STUDY 3 (DEAL EXCLUSIVITY × RELATIONSHIP EQUITY × GENDER)**


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**A. Cell Means**

| Measure          | <i>Low Relationship Equity</i> |                  |                  |                  | <i>High Relationship Equity</i> |                  |                  |                  |
|------------------|--------------------------------|------------------|------------------|------------------|---------------------------------|------------------|------------------|------------------|
|                  | <i>Males</i>                   |                  | <i>Females</i>   |                  | <i>Males</i>                    |                  | <i>Females</i>   |                  |
|                  | <u>Exclusive</u>               | <u>Inclusive</u> | <u>Exclusive</u> | <u>Inclusive</u> | <u>Exclusive</u>                | <u>Inclusive</u> | <u>Exclusive</u> | <u>Inclusive</u> |
| Intentions       | 6.47                           | 6.27             | 6.95             | 6.51             | 8.14                            | 7.19             | 7.52             | 8.36             |
| Deal Attitude    | 6.34                           | 6.74             | 6.74             | 6.65             | 7.46                            | 6.66             | 6.78             | 7.63             |
| Self-Enhancement | 4.01                           | 4.64             | 5.48             | 4.98             | 6.25                            | 5.38             | 5.50             | 6.45             |

**B. Mediation Results**

| <u>Group</u>        | <i>Effects Observed on Deal Response</i> | <i>ANOVA Results - Test Variable(s)</i> |                                          | <i>ANCOVA Results</i> |                                          |                         |                                          |                                         |
|---------------------|------------------------------------------|-----------------------------------------|------------------------------------------|-----------------------|------------------------------------------|-------------------------|------------------------------------------|-----------------------------------------|
|                     | <u>Test Variable(s)</u>                  | <u>p-value</u>                          | <u>Effect size (<math>\eta^2</math>)</u> | <i>Covariate</i>      |                                          | <i>Test Variable(s)</i> |                                          |                                         |
|                     |                                          |                                         |                                          | <u>p-value</u>        | <u>Effect size (<math>\eta^2</math>)</u> | <u>p-value</u>          | <u>Effect size (<math>\eta^2</math>)</u> | <u>Reduction in <math>\eta^2</math></u> |
| All Participants    | Exclusivity × Equity × Gender            | < .05                                   | .023                                     | .000                  | .342                                     | .318                    | .004                                     | 82.6%                                   |
| High Equity Males   | Exclusivity                              | < .05                                   | .061                                     | .000                  | .254                                     | .176                    | .028                                     | 54.1%                                   |
| High Equity Females | Exclusivity                              | < .05                                   | .086                                     | .000                  | .352                                     | .154                    | .030                                     | 65.1%                                   |

**FIGURE 1**

**Experimental Stimuli – Study 1**

***A. Exclusive Deal Condition***

***ONE DAY SALE!! BY INVITATION ONLY!!***

*We're inviting you to a one day sales event that is being offered on an invitation-only basis to a very select group of consumers.*

At this sale, we'll have top-name products with prices at markdowns well below our everyday low prices. Sale items will include products from each and every department and from just about every brand we carry, all priced to move at this one-day only sale. We'll also offer special financing options that include no interest for 2 years on all purchases over \$500.

*Remember, you're part of a select group of our customers that have been invited to this one day sale!!*

***HOPE TO SEE YOU THERE!!***

***B. Inclusive Deal Condition***

***ONE DAY SALE!! OPEN TO THE GENERAL PUBLIC!!***

*We're inviting you to a one day sales event that is being offered to the general public.*

At this sale, we'll have top-name products with prices at markdowns well below our everyday low prices. Sale items will include products from each and every department and from just about every brand we carry, all priced to move at this one-day only sale. We'll also offer special financing options that include no interest for 2 years on all purchases over \$500.

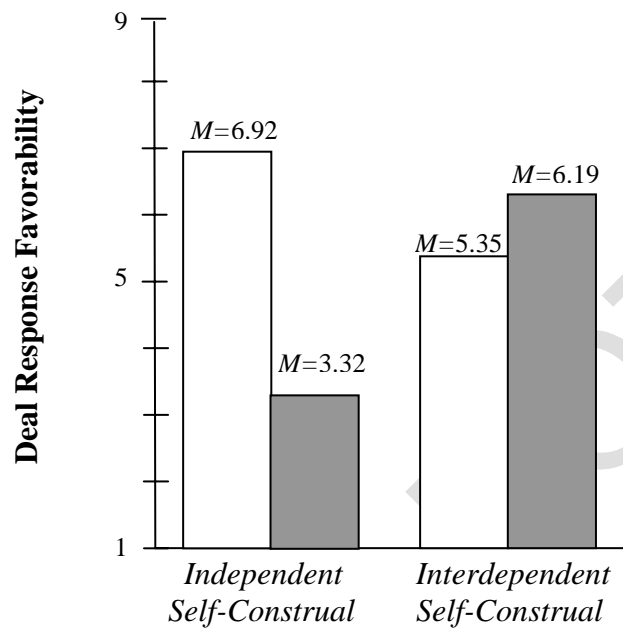
*Remember, this is a one day sale!!*

***HOPE TO SEE YOU THERE!!***

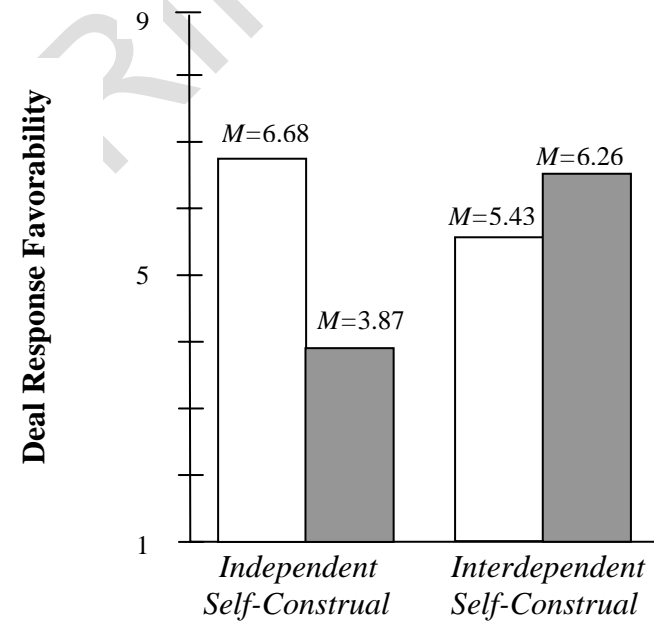
FIGURE 2

## Effects Observed in Study 2 – Deal Exclusivity × Self-Construal Interaction

## A. Observed Effects – Primed Construal



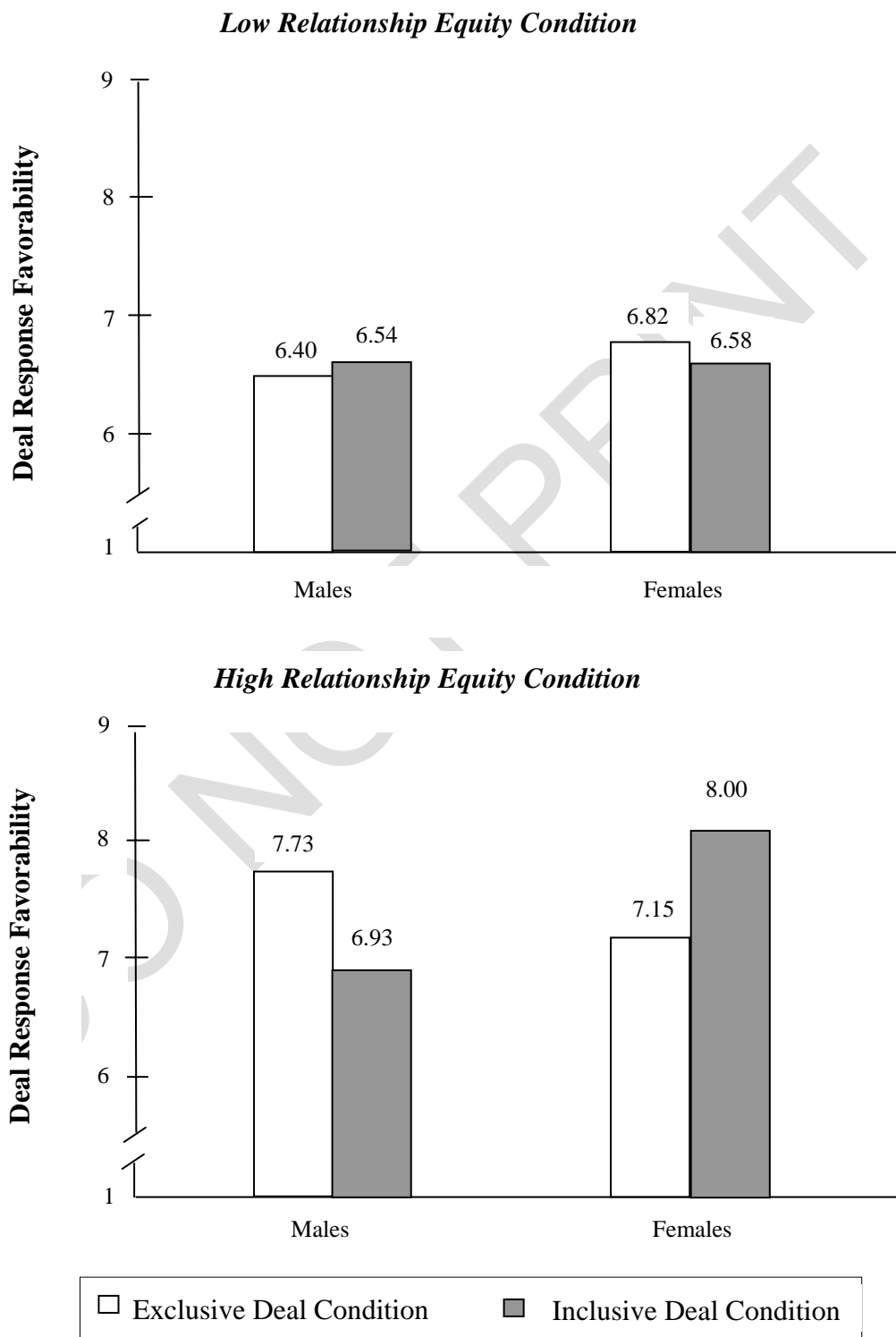
## B. Observed Effects – Chronic Construal



□ Exclusive Deal Condition      ■ Inclusive Deal Condition

FIGURE 3

Effects Observed in Study 3 – Exclusivity × Relationship Equity × Gender Interaction



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