

Free perks and upgrades: Could they actually embarrass consumers?

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Consumers may not enjoy receiving free perks or upgrades in public, according to a new study in the *Journal of Consumer Research*.

"Preferential treatment is often conferred in public settings. When preferential treatment is unearned rather than earned, the presence of other consumers who do not receive the same treatment can diminish satisfaction for the consumer receiving preferential treatment," write authors Lan Jiang (University of Oregon), JoAndrea Hoegg, and Darren W. Dahl (both University of British Columbia).

Preferential treatment (where only some consumers are given extra benefits) is common when traveling, shopping, or dining out. For example, a consumer might bypass airport check-in due to her frequent flyer status, win free groceries as the one-millionth customer at a supermarket, or receive a nicer room when checking into a hotel just because one happens to be available.

In one study, the authors set up a booth offering three free samples of [personal care products](#). Some consumers were given extra samples and told this happened because they were loyal customers, while others received extra samples with no explanation. Other consumers were present when samples were distributed. Due to social discomfort, consumers were less satisfied with extra samples and also left the booth more quickly when there was no explanation and [observers](#) were present.

Companies should try to reach consumers privately when giving away

rewards that aren't earned through effort or [loyalty](#).

"[Social influence](#) is a critical issue that must be considered by companies considering a preferential treatment program. If companies want to employ preferential treatment practices in public settings for publicity purposes, they should ensure that this special treatment is earned through effort or loyalty and that the rationale is understood by all of their customers," the authors conclude.

More information: Lan Jiang, JoAndrea Hoegg, and Darren W. Dahl. "Consumer Reaction to Unearned Preferential Treatment." *Journal of Consumer Research*: October 2013.

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