

## No purchase required to win? Devoted customers not so sure

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You've probably seen – or even participated in – promotional contests offered by retailers in which they say "no purchase required to win."

But if you're a loyal customer of that retailer, you don't necessarily believe that, a new study suggests. You figure you must have some secret advantage over other, less-devoted customers.

In fact, the new research finds that loyal customers of a company feel that they are more likely and more deserving than others to win perks from the business – even those that are randomly given out.

"This is driven by people's sense of deservingness," said Rebecca Walker Reczek, co-author of the study and associate professor of marketing at The Ohio State University's Fisher College of Business.

"They think that if they have spent a lot of money with your company in the past, it is only fair that they get good things back – even in a random contest."

It is no surprise that a devoted customer of a particular hotel chain, for example, might judge that she is more likely than other customers to be upgraded to a nicer room when she checks in, Reczek said. That belief is certainly true.

But this study suggests she would also incorrectly believe that she is more likely to win a drawing for a free gift basket from the hotel even

though the drawing is open to all hotel guests, including those who are not regular customers.

"Devoted customers think they are luckier than others when it comes to these contests with random outcomes. It is a 'lucky loyalty' effect," she said.

Reczek conducted the study with Kelly Haws of Vanderbilt University and Christopher Summers, a graduate student in marketing at Ohio State. The results appear online in the *Journal of Consumer Research* and will be published in the December 2014 print edition.

The researchers conducted five separate studies, all which supported the idea of the 'lucky loyalty' effect.

In one study, 197 college students were asked to imagine checking into a 500-room hotel for a two-night stay. Some were told they were frequent customers of this hotel chain and elite members of its loyalty club. Others were told this was the first time they stayed at this hotel chain.

Participants were then told there would be a daily random drawing for a gift basket and that each guest was automatically entered into the drawing for the prize.

The participants were then asked to indicate how likely they thought they were to win the gift on a scale of one (strongly disagree) to seven (strongly agree).

Finally, they were asked to rate on the same seven-point scale how much they agreed with the statement "I have earned special treatment from this hotel."

Results showed that the frequent customers felt they deserved special

treatment from the hotel – and believed they were more likely to win the gift basket than were first-time visitors to the hotel.

The results were confirmed in a real-world test in which the researchers offered a gift card to people who participate in an Amazon program called Mechanical Turk. Mechanical Turk allows people to do small tasks for businesses, such as identifying objects in a photo or video, in exchange for a payment or reward.

This study involved 97 participants in Mechanical Turk, who were told they would be "automatically entered into a random drawing for a \$50 Amazon gift card." Participants were asked to rate how much effort they had put in as a worker at Mechanical Turk compared to others and whether they felt they deserved special treatment from Mechanical Turk.

Findings showed that participants who felt they put in more effort than others were more likely to believe they deserved special treatment from Mechanical Turk – and thought they were more likely to win the [gift card](#) than did others.

"This sense of deserving special treatment seems to make people believe they will be luckier, even in receiving random rewards," Reczek said.

In their other studies, the researchers found that consumers must feel they "earned" their special status before the lucky loyalty effect kicks in. Those who received an elite designation from a company ("Most Valuable Customer") without spending much money at the business didn't feel luckier than others when it came to random promotions.

And loyal customers didn't think they would be any luckier than other equally loyal customers when it came to rewards from a company.

Reczek said that while loyal customers definitely think they are more

likely than others to win random contests with their favorite companies, "they aren't completely unrealistic.

"It is not that they think they will definitely win every contest."

But the results should remind corporate managers that devoted customers have high expectations of special treatment, even in contexts where they shouldn't, she said.

And customers should rein in their expectations of retailers in situations where their devotion to a particular company shouldn't have an effect.

Provided by The Ohio State University

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