

Lucky loyalty? Devoted consumers believe they have earned the right to win random rewards

September 16 2014

Loyal consumers can earn benefits such as frequent flyer miles or free nights at hotels when they participate in rewards programs. Loyalty, of course, doesn't increase the odds of winning random prizes or receiving random discounts. According to a new study in the *Journal of Consumer Research*, consumers who have shown loyalty to a company giving a random reward mistakenly believe they are more likely to receive the reward because they deserve it.

"Even though prior effort or patronage does not increase the actual likelihood of a consumer receiving promotional discounts or winning sweepstakes and prize giveaways, higher levels of [loyalty](#) affect how likely consumers think they are to receive random rewards," write authors Rebecca Walker Reczek (Ohio State University), Kelly L. Haws (Vanderbilt University), and Christopher A. Summers (Ohio State University).

The authors conducted five studies to examine what they term the "lucky loyalty" effect. In one study, consumers were paid to complete small tasks online and told they would be entered into a random drawing for a \$50 [gift card](#) as a special reward for their efforts. Consumers who felt they had invested more effort in completing the tasks believed they were more likely to win the gift card.

Consumers who have shown exceptional loyalty may find random prizes

especially appealing and believe their chances of winning are greater. For example, consumers who have been buying lottery tickets for years may think they have a higher chance of winning than the occasional lottery ticket buyer. Loyal HGTV watchers may think they are more likely to win the HGTV Dream House Giveaway promotion because they are more deserving. Companies should be aware that reminding [consumers](#) of their loyalty could increase expectations of special treatment, even random special treatment.

"Although it is not surprising that loyal customers expect special treatment, our research shows that these expectations carry over to outcomes that are not influenced by one's past purchases because they are truly random. Consumers appear to believe they can earn 'unearnable' outcomes through effort even when the effort and outcome are unrelated," the authors conclude.

More information: Rebecca Walker Reczek, Kelly L. Haws, and Christopher A. Summers. "Lucky Loyalty: The Effect of Consumer Effort on Predictions of Randomly Determined Marketing Outcomes." *Journal of Consumer Research*: December 2014.

Provided by University of Chicago

Citation: Lucky loyalty? Devoted consumers believe they have earned the right to win random rewards (2014, September 16) retrieved 11 July 2024 from <https://phys.org/news/2014-09-lucky-loyalty-devoted-consumers-random.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--