

The Pennsylvania State University

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**WHEN SMART LOYALTY PROGRAM MEMBERS GIVE A BUZZ ABOUT  
THEIR EXPERIENCES**

A Dissertation in

Hospitality Management

by

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## ABSTRACT

Recent studies show that US consumers are enrolled in multiple loyalty programs, and approximately 70 percent of credit card users in the US have redeemed their loyalty points. In the hospitality and travel industries, loyalty programs are also adopted as a relationship marketing tool such as United's MileagePlus and Marriott's Bonvoy. However, little is known about how consumers feel about their redeemed consumption objects/experiences. This dissertation fills this important void by investigating a key consumer characteristic driving emotional attachment to redeemed consumption objects/experiences. Specifically, this research examines the impact of smart shopper self-perceptions on emotional attachment to the redeemed product. Furthermore, the moderating effect of redemption type (material vs. experiential) and downstream consequences of emotional attachment in word-of-mouth behaviors are examined.

Results from Study 1 show that smart shopper self-perceptions are positively related to emotional attachment to the redeemed product. Findings from Study 2 show that an internal attribution of redemption experiences to time and effort mediates the impact of smart shopper self-perceptions on emotional attachment to the redeemed product. Study 2 further shows that such a mediating effect is not observed with deal proneness. Findings from Study 3 show that the positive relationship between smart shopper self-perceptions and emotional attachment to the redeemed product is more pronounced with experiential (vs. material) products. Lastly, findings from Study 4 demonstrate that emotional attachment to the redeemed product is positively related to word-of-mouth behaviors in online and offline environments and that the mediating effect of emotional attachment is more pronounced with experiential (vs. material) products.

This dissertation adds to the loyalty reward program literature by examining consequences of redemption experiences in word-of-mouth behaviors. This research adds our understanding of product attachment by demonstrating antecedents (i.e., smart shopper self-

perceptions and redemption type) and outcomes (i.e., word-of-mouth behaviors) of product attachment in the loyalty reward redemption context. Furthermore, this dissertation adds to the literature on word-of-mouth behaviors by showing that the impact of smart shopper self-perceptions on word-of-mouth behaviors is more pronounced with experiential (vs. material) products. Some frequent flyer programs (e.g., United's MileagePlus) and hotel loyalty programs (e.g., Hilton Honors and Marriott's Bonvoy) offer consumers the opportunity to redeem their miles or reward points for both material and experiential products. Since offerings in the hospitality industry are often experiential in nature, it is imperative to understand consumers' attachment to redeemed products as a driver of word-of-mouth behaviors.

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Two summers ago, my dad and I hiked the Sobaek Mountains in South Korea. There were several mountain tops along our eight-hour path. When I thought I reached the highest peak, I flopped down. I was exhausted. But, my dad said, “This is not the highest peak. Do you see that peak right there?” That’s the one. Take a short break for now and let me carry your backpack. Just follow me.”

Earning a doctoral degree to me was much like hiking. Along this academic journey, I have been lucky to have Anna as my advisor, guidance, supporter, and dear friend. Just like my dad, she allowed me to take a break when I was exhausted. She then helped me to stand back up. We shared agony and joy in communicating our knowledge to the academic community. It was the quest for knowledge and my true self. She made sure that I grow as an independent scholar and as a warm human being. She means much more than just an advisor to me. Also, who would have ever imagined that I enjoy her company as much as JP’s? I cannot thank you enough, Anna.

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## Chapter 1

### Introduction

Loyalty reward programs are an integrated system of relationship marketing initiatives that provide customers with incentives to increase their consumption spending and frequency (Henderson, Beck, & Palmatier, 2011; Kang, Alejandro, & Groza, 2015). Loyalty reward programs are omnipresent across various industry sectors (Henderson et al., 2011), including hospitality and tourism (e.g., airlines; United's MileagePlus, hotels; Marriott's Bonvoy, and restaurants; My Panera). A recent survey conducted by bankrate.com shows that approximately 70 percent of credit card users in the US have redeemed their credit card rewards (Spector, 2017). Given the prevalence of loyalty reward programs and reward redemption behaviors, prior research has examined the impact of redemption behaviors on behavioral loyalty (Dorotic, Bijmolt, & Verhoef, 2012; Dorotic et al., 2014) and the impact of perceived convenience in redemption experiences on program loyalty (Kwong, Soman, & Ho, 2011; Wang, Krishnamurthi, & Malthouse, 2018). For instance, Wang et al. (2018) show that perceived convenience via mobile applications increases redemption behaviors, particularly among below-average users.

Consumer motivations for stockpiling loyalty rewards (Stourm, Bradlow, & Fader, 2015) and motivations for redeeming rewards (Hwang et al., 2016; Smith & Sparks, 2009) have also been examined. Specifically, Hwang et al. (2016) examine the impact of transaction channels (online vs. offline) on consumers' decisions to redeem or to accrue loyalty rewards. Kivetz and Simonson (2002) investigate the impact of effort on consumers' decisions as to what to redeem. Specifically, they show that the greater the level of effort required in accruing rewards, the more likely consumers are to redeem luxury (vs. necessary) products. Other studies examine consumer

preferences for various reward types (Hu, Huang, & Chen, 2010; Hwang & Mattila, 2018; Jang & Mattila, 2015; Keh & Lee, 2006; Kivetz, 2003).

However, there is scant research examining consumers' emotional attachment to redeemed products and individual characteristics that drive such an attachment. The concept of attachment has been dominantly examined in interpersonal contexts (Park et al., 2010). However, there is evidence to suggest that individuals can build attachment to marketplace entities such as brands (Fournier, 1998; Pedeliento et al., 2016) and objects (Ball & Tasaki, 1992; Kleine & Baker, 2004). In this dissertation, I propose that smart shopper self-perceptions positively influence emotional attachment to redeemed products. Smart shopper self-perceptions are characterized by perceived responsibility of obtaining and redeeming reward points and a sense of joy, accomplishment, and pride during redemption experiences (Chandon, Wansink, & Laurent, 2000; Darke & Dahl, 2003; Garretson, Fisher, & Burton, 2002; Leenheer et al., 2007; Schindler, 1998). Emotional attachment to a product reflects an affective bond between the consumer and the product and it may stem from an individual's investment of personal resources (Kleine & Baker, 2004; Mugge, Schifferstein, & Schoormans, 2010). I thus posit that an internal attribution of redemption experiences to personal resources such as time and effort mediates the impact of smart shopper self-perceptions on emotional attachment to the redeemed product.

Using a recall method, Study 1 establishes a positive relationship between smart shopper self-perceptions and emotional attachment to the redeemed product. Study 2 shows the underlying mechanism, an internal attribution of the redeemed consumption object to personal resources such as time and effort. Furthermore, Study 2 demonstrates that this mediating effect is less likely to arise among deal prone consumers. Study 3 investigates the joint effect of smart shopper self-perceptions and redemption type (material vs. experiential) on emotional attachment to the redeemed product. Lastly, Study 4 investigates the positive relationship between emotional attachment to the redeemed product and word-of-mouth behaviors in online and offline

environments and shows that the mediating role of attachment is more pronounced with experiential (vs. material) products.

This dissertation contributes to several streams of literature. First, this research adds to the loyalty reward program literature by demonstrating the consequences of redemption experiences in word-of-mouth behaviors. Prior research has examined the impact of redemption behaviors on repurchase intention (Dorotic et al., 2012, 2014; Smith & Sparks, 2009) and loyalty toward a reward program (Hu et al., 2010; Kwong et al., 2011; Wang et al., 2018). This research extends the implications of redemption behaviors to consumers' word-of-mouth behaviors in online and offline channels. Moreover, this research contributes to the product attachment literature (e.g., Kamleitner & Erki, 2013; Normark & Mankila, 2013; Schroll et al., 2018; Shah et al., 2016). Prior research demonstrates that product features (e.g., handwritten typefaces; Schroll et al., 2018, customization; Truong, 2017) and payment method (cash vs. credit card; Kamleitner & Erki, 2013; Shah et al., 2016) can influence product attachment. Findings of this research show that smart shopper self-perceptions are a key consumer characteristic influencing attachment to the redeemed product in the loyalty reward program context. This dissertation further adds to our understanding of product attachment by examining a boundary condition, namely, redemption type (material vs. experiential). Lastly, this research contributes to the word-of-mouth literature by demonstrating that product attachment is positively associated with online and offline word-of-mouth behaviors.

This research addresses important practical implications for loyalty reward program managers. Some frequent flyer programs (e.g., United's MileagePlus) and hotel loyalty programs (e.g., Hilton Honors and Marriott's Bonvoy) allow consumers to redeem their reward points for both material and experiential products. Moreover, consumers can write online reviews about their redemption experiences on various web platforms. The Points Guy, for instance, is a travel website that shares news and reviews about different loyalty programs. Users can post comments

reflecting their redemption experiences. In addition to third-party review websites such as Yelp and TripAdvisor, social media managers might want to monitor other web platforms where loyalty reward program members write reviews about their redemption experiences (e.g., the Points Guy). As offerings in the hospitality industry are often experiential in nature, it is imperative for practitioners to understand consumers' attachment to redeemed products as a driver of word-of-mouth behaviors in offline and online environments.

## Chapter 2

### Theoretical Framework

#### Smart shopper self-perceptions and emotional attachment to redeemed products

Mano and Elliott (1997, p. 504) define smart shopping as “a tendency for consumers to invest considerable time and effort in seeking and utilizing promotion-related information to achieve price savings.” Specifically, smart shopping activities involve garnering information about price promotions, creating shopping lists prior to shopping, organizing coupons by usage date or product category, redeeming coupons to purchase merchandise at reduced prices, or waiting until merchandise is on sale before purchasing it (Atkins & Kim, 2012; Mano & Elliott, 1997). Earlier studies examined smart shopper self-perceptions in the grocery shopping context with coupon usage (Garretson & Burton, 2003; Mano & Elliott, 1997; Mittal, 1994; Price, Feick, & Guskey-Federouch, 1988). More recent studies extended the concept of smart shopper self-perceptions to other industry sectors (e.g., clothing, electronics; Atkins & Kim, 2012; Bicen & Madhavaram, 2013) and loyalty reward redemptions (Darke & Dahl, 2003; Honea & Dahl, 2005; Leenheer et al., 2007; Smith & Sparks, 2009).

Consumers may derive economic benefits from price promotions or reward redemption. As such, the amount of savings from price promotions or reward redemption is positively related to perceived economic benefits (Lichtenstein, Netemeyer, & Burton, 1990). Prior research further shows that consumers derive psychological benefits, independent of the amount of savings (Mano & Elliott, 1997; Schindler, 1998). This stream of literature shows that such emotional benefits result from perceived responsibility of obtaining promotions and accruing rewards (Mano & Elliott, 1997; Leenheer et al., 2007; Schindler, 1998). Relying on the attribution theory (Weiner, 1985), previous research demonstrates that an internal attribution of obtaining price promotions to

time, effort, or skills is the key element of smart shopper self-perceptions (Bicen & Madhavaram, 2013; Chandon et al., 2000; de Pechpeyrou, 2013; Schindler, 1998). Smart shoppers give themselves credit for finding deals and redeeming rewards. Smart shopper feelings thus involve an ego-expressive aspect of excitement, joy, and pride. As noted in prior research, smart shopper self-perceptions can be extended to the loyalty reward program context (Darke & Dahl, 2003; Honea & Dahl, 2005; Leenheer et al., 2007; Smith & Sparks, 2009). Leenheer et al. (2007) posit that redemption experiences may induce pride of being economical and efficient. In a similar vein, Darke and Dahl (2003) show that loyal (vs. new) customers are more likely to utilize targeted price promotions through loyalty reward programs and that they tend to attribute such promotions to their effort or skills.

In this dissertation, I propose that smart shopper self-perceptions are likely to increase consumers' emotional attachment to the redeemed product. Product attachment indicates an emotional bond between the consumer and the product, and it is a multi-dimensional construct capturing the consumer's passion, connection, and affection (Malar et al., 2011; Mugge et al., 2010; Schifferstein & Zwartkruis-Pelgrim, 2008; Schroll et al., 2018; Thomson, MacInnis, & Park, 2005). Prior research posits that product attachment reflects consumers' investment of resources such as time and money (Kleine & Baker, 2004). Consumers exhibiting high levels of smart shopper self-perceptions attribute redemption behaviors to their personal resources (Leenheer et al., 2007). They often accrue rewards by expending effort into finding a promotional offer to maximize rewards and making deliberate, multiple visits to a single store (Kivetz & Simonson, 2002). As such, I posit that personal resources such as effort, time, and skills are highly salient among smart shoppers, thereby increasing emotional attachment to the redeemed product.

It is noteworthy that perceived responsibility of accruing and redeeming loyalty rewards is unique to smart shopper self-perceptions and it is not as applicable to deal proneness (Honea &



Dahl, 2005; Mano & Elliott, 1997; de Pechpeyrou, 2013). Deal proneness can be defined as “an increased propensity to respond to a purchase offer because the form of the purchase offer positively influences purchase evaluations” (Lichtenstein et al., 1990, p. 56). Transaction utility stems from the feeling of “getting a good deal” (Thaler, 1985). As such, for deal prone consumers, transaction utility should be positively related to satisfaction with purchase decisions.

The key distinction between deal prone consumers and smart shoppers is that deal prone consumers tend to perceive a price discount as an end in itself. Smart shoppers, on the other hand, construe a discount as a means of efficient shopping (Schinder, 1998). In other words, for smart shoppers, both transaction utility and acquisition utility are important in purchase decisions. Acquisition utility is assessed based on perceived benefits given sacrifices (e.g., time, convenience, search, and psychological costs) (Thaler, 1985). When there is a good deal for a certain product, deal prone consumers evaluate the price they pay given the reference price. In addition to such price-related evaluations, smart shoppers assess the usefulness of the product and other nonmonetary costs such as time and convenience. In the loyalty reward redemption context, deal prone consumers are likely to purchase a product/service if redeemable with rewards. Smart shoppers, on the other hand, may not only redeem the product but also attribute such a redemption experience to their effort and time, feeling proud of their accomplishments (Leenheer et al., 2007). Thus, I argue that an internal attribution of redemption experiences to personal resources such as time and effort mediates the relationship between smart shopper self-perceptions and emotional attachment to the redeemed product. Conversely, such an internal attribution should not mediate the relationship between deal proneness and emotional attachment to the redeemed product. Based on the discussion above, I put forth the following hypotheses:

**Hypothesis 1.** Smart shopper self-perceptions will be positively related to emotional attachment to the redeemed product.

**Hypothesis 2.** Internal attribution of redemption experiences to personal resources will mediate the impact of smart shopper self-perceptions on emotional attachment to the redeemed product.

**Hypothesis 3.** Internal attribution of redemption experiences to personal resources will not mediate the impact of deal proneness on emotional attachment to the redeemed product.

### **The moderating effect of redemption type: material vs. experiential**

In this dissertation, I further examine the joint effect of smart shopper self-perceptions and redemption type (material vs. experiential) on emotional attachment to the redeemed product. Material products are possessions that individuals own for an extended time period. Material products are physical and tangible such as electronic gadgets, clothes, household furniture, and cars (Carter & Gilovich, 2012). On the contrary, experiential products are intangible, impermanent and not intended for possession; instead, individuals live with the consumption of experiential products (Carter & Gilovich, 2012; Van Boven & Gilovich, 2003). Prior research posits that the consumption of experiential products endures in one's memory for an extended time period (Carter & Gilovich, 2012). Experiential products are prevalent in the hospitality and tourism industries, as exemplified with hotel stays, dining experiences, and cruises. Prior research further posits that the material-experiential nature lies in a continuum, so some products may fall into the middle point, encompassing both material and experiential aspects (e.g., video games) (Carter & Gilovich, 2012). Nonetheless, prior research demonstrates that the material-experiential distinction is a useful theoretical framework (Carter & Gilovich, 2012).

Importantly, prior research posits that the key distinction between material and experiential products stems from their closeness to one's self-concept (Carter & Gilovich, 2012).

Memories of past experiences constitute an important part of the self, as they are autobiographical in nature (Kihlstrom, Beer, & Klein, 2003). Experiential products are likely to persist in an individual's memory, whereas material goods often reside outside of his/her memory (Carter & Gilovich, 2012). As such, experiential products are more integrated into the self-concept than material products. Carter and Gilovich (2012) show that individuals tend to perceive that experiential (vs. material) products highly overlap with the sense of who they are. They further show that, in an interpersonal context, an individual's experiential (vs. material) purchases are more helpful in getting to know his/her true self. In a similar vein, Lin, van de Ven, and Utz (2018) show that people are more likely to feel envy about others' posts about experiential (vs. material) purchases on social networking sites because such purchases are more relevant to the self-concept.

In this dissertation, I suggest that the nature of the redeemed product – whether it is material or experiential – moderates the positive relationship between smart shopper self-perceptions and emotional attachment to the redeemed product. Prior research posits that self-expression and memories are the main determinants of product or brand attachment (Ball & Tasaki, 1992; Kleine & Baker, 2004; Mugge et al., 2010; Park et al., 2010; Schifferstein & Zwartkuis-Pelgrim, 2008; Wang & John, 2019). Park et al. (2010) posit that brand attachment is a bond between the customer and the brand and this bond is comprised of memories based on thoughts and feelings about the relationship between the customer and the brand. When the brand represents the customer's identity, self-brand connection increases, thereby leading to attachment (Park et al., 2010).

As experiential (vs. material) products are more integrated into consumers' memories and self-concept, perceived responsibility of redeeming experiential (vs. material) products should increase emotional attachment to the redeemed product to a greater extent. In other words, an internal attribution should increase emotional attachment to a greater extent with experiential (vs.

material) products. Supporting such a notion, Ball and Tasaki (1992) posit that an attachment to an object is positively related to the degree to which an individual uses the object to maintain and strengthen his or her self-concept. Thus, I posit that the impact of smart shopper self-perceptions on emotional attachment to the redeemed product should be more pronounced when such a product is experiential (vs. material) in nature. Formally, I put forth the following hypothesis:

**Hypothesis 4.** There will be a significant interaction between smart shopper self-perceptions and redemption type on emotional attachment to the redeemed product. Specifically, the positive relationship between smart shopper self-perceptions and emotional attachment to the redeemed product will be more pronounced when such a product is experiential (vs. material) in nature.

### **Emotional attachment and word-of-mouth behaviors**

Furthermore, I suggest that emotional attachment to the redeemed product has a positive impact on consumers' word-of-mouth behaviors. In the context of music festivals, Hudson et al. (2015) show that emotional attachment to the brand is positively related to consumers' willingness to recommend the festival to a friend or a colleague. Park et al. (2010) demonstrate that consumers attached to the brand are likely to engage in brand relationship-sustaining behaviors and increase brand purchase share (the share of a brand among directly competing brands). In a similar vein, consumers' attachment to the retailer is positively related to word-of-mouth behaviors (Vlachos et al., 2010). I thus posit that emotional attachment to the redeemed product should increase consumers' willingness to spread positive word-of-mouth about their reward redemption experiences.

I further suggest that such behaviors should occur across online and offline channels. Prior research documents consumer motivations for face-to-face word-of-mouth (Berger, 2014;

Dichter, 1966; Engel, Blackwell, & Miniard, 1993; Sundaram, Mitra, & Webster, 1998) and electronic word-of-mouth (Hennig-Thurau et al., 2004; Zeithaml et al., 2017). Electronic word-of-mouth is defined as “any positive or negative statement made by potential, actual, or former customers about a product or company, which is made available to a multitude of people and institutions via the Internet” (Hennig-Thurau et al., 2004, p. 39). Hennig-Thurau et al. (2004) posit that desire for social approval, desire for monetary incentives, altruistic concern to help other consumers’ decision-making, and self-enhancement are the primary motivations for word-of-mouth behaviors on Web-based consumer opinion platforms. Eisingerich et al. (2015) show that self-enhancement, the need to present oneself in a favorable light to others, increases positive word-of-mouth about his/her favorite brand on social networking sites. Hennig-Thurau et al. (2004) posit that motivations deemed relevant for traditional word-of-mouth behaviors are also relevant for electronic word-of-mouth behaviors. For instance, Berger (2014) posits that impression management, emotion regulation, social bonding, persuasion, and information acquisition are common motivations for both face-to-face and online word-of-mouth behaviors. Relying on this stream of literature, I argue that a positive relationship between emotional attachment to the redeemed product and word-of-mouth behaviors should also arise in an online environment.

Lastly, we suggest that the mediating effect of emotional attachment to the redeemed product is moderated by redemption type (material vs. experiential). Prior research demonstrates that self-concept relevance is one of the primary motivators of positive word-of-mouth (Berger, 2014; Chung & Darke, 2006; Dichter, 1966; Engel et al., 1993; Sundaram et al., 1998). Experiential (vs. material) products are characterized by their relevance to one’s self-concept (Carter & Gilovich, 2012), thereby enhancing the propensity to share redemption experiences with others to a greater extent. As a result, we predict that the mediating effect of emotional attachment in the relationship between smart shopper self-perceptions and positive word-of-

mouth behaviors is more pronounced with experiential (vs. material) products. The conceptual model is depicted in Figure 1. Formally, we put forth the following hypotheses:

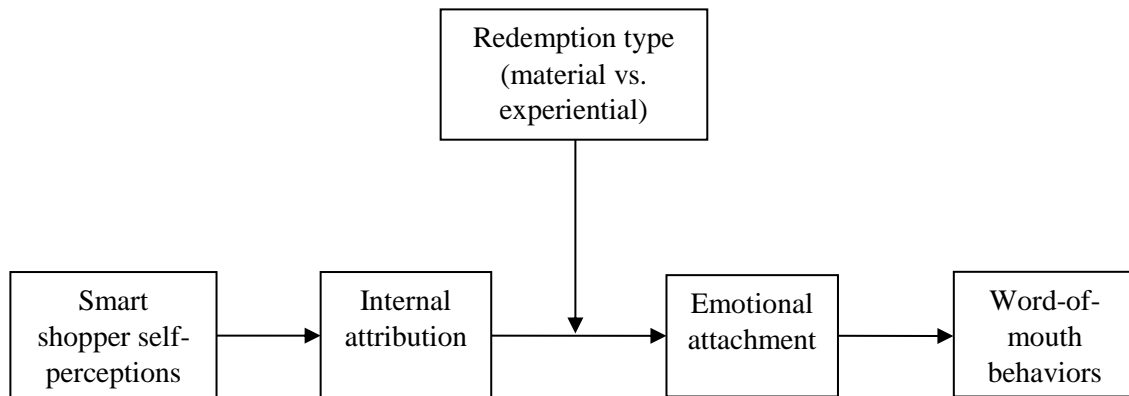
**Hypothesis 5a.** Emotional attachment to the redeemed product will mediate the interaction between smart shopper self-perceptions and redemption type on face-to-face word-of-mouth behaviors.

Specifically, the mediating effect of emotional attachment will be magnified with experiential (vs. material) products.

**Hypothesis 5b.** Emotional attachment to the redeemed product will mediate the interaction between smart shopper self-perceptions and redemption type on electronic word-of-mouth behaviors.

Specifically, the mediating effect of emotional attachment will be magnified with experiential (vs. material) products.

Study 1 was conducted to test H1, Study 2 was conducted to test H2-3, Study 3 was conducted to test H4, and Study 4 was conducted to test H4-5. The overview of studies is in Table 1.



**Figure 1:** Conceptual model

**Table 1:** Overview of studies

	Variable relationships	Hypotheses	Supported?
Study 1	Smart shopper self-perceptions → attachment	H1	Yes
Study 2	Smart shopper self-perceptions → internal attribution → attachment	H2-3	Yes
Study 3	Smart shopper self-perceptions × redemption type → attachment	H4	Yes
Study 4	Smart shopper self-perceptions × redemption type → attachment → positive word-of-mouth behaviors	H4-5	Yes

## Chapters 3 & 4

### Methodology & Results

#### Study 1. Smart shopper self-perceptions and attachment to redeemed products

##### Design and sampling

The purpose of Study 1 is to test Hypothesis 1. Participants ( $n=209$ ) were recruited via Amazon Mechanical Turk (MTurk) in May 2018. MTurk is a crowd-sourced online participant pool, and research indicates that data from MTurk show demographic diversity (Buhrmester, Talaifar, & Gosling, 2018). Participants were US residents who had used loyalty reward points to redeem a product in the past 12 months. They were asked to recall and relive their most recent redemption experience and write down a few sentences about it. This writing task was to enhance participants' involvement in the survey. Next, they completed questions about the loyalty reward program (e.g., company-based loyalty reward program vs. credit card reward program) and the length of time (in months) it took them to accrue necessary reward points to redeem the product. They also indicated perceived quality of the redeemed product, emotional attachment to the redeemed product, monetary value of the redeemed product (in dollars), and hedonic and utilitarian nature of the redeemed product. Reward accumulation time, perceived quality, monetary value, hedonic, and utilitarian nature of the redeemed product were used as control variables. Reward accumulation time, perceived quality, value, and hedonic nature of the redeemed product are likely to be positively linked to emotional attachment. On the other hand, utilitarian nature of the redeemed product is likely to be in a negative relationship with emotional attachment. The survey ended with demographic questions and the smart shopper self-perceptions scale. On average, participants spent 5.71 minutes ( $SD=3.20$ ) on the survey.



## **Measures**

Perceived quality of the redeemed product was measured with one item (“Please assess the quality of the redeemed product”; 1=low quality, 7=high quality; Schroll et al., 2018). The hedonic and utilitarian nature of the redeemed product were measured with one item, respectively (e.g., To what extent do you agree or disagree with the following? “My recent purchase using loyalty reward points was for a purely hedonic (utilitarian) purpose”). Participants were given an explanation that hedonic purchase is motivated mainly by the desire for sensory pleasure and utilitarian purchase is motivated mainly by the desire to fill a basic need or accomplish a functional task; 1=strongly disagree, 7=strongly agree; Ratner & Hamilton, 2015). Emotional attachment to the redeemed product was captured with six items adapted from Mugge et al. (2010) (e.g., To what extent do you agree/disagree with the following statements? “This purchase has no special meaning to me (Reverse-coded),” “This purchase is very dear to me.”; 1=strongly disagree, 7=strongly agree;  $\alpha = .91$ ). For a full list of the six items, please see Appendix A. Smart shopper self-perceptions were measured with four items adapted from Burton et al. (1998) and Garretson et al. (2002) (e.g., To what extent do you agree/disagree with the following statements? “When I buy things, I take a lot of pride in using loyalty rewards/points,” “When I use loyalty rewards/points, I feel like a winner”; 1=strongly disagree, 7=strongly agree;  $\alpha = .92$ ; see Appendix A).

## **Results**

### ***Demographics***

Participants’ age ranged from 20 to 70 (Mean = 34.34, SD = 10.08). Fifty-seven percent were male, 76 percent were Caucasian, 57 percent had a college degree, and 26 percent had an annual household income of \$40,000 to \$59,999. Forty-seven percent of the participants were enrolled in 1-2 loyalty reward programs at the time of survey. Sixty-six percent of the participants

used company reward points, and 33 percent used credit card reward points. Demographic profile of the participants is presented in Table 2.

**Table 2:** Demographic profile of the participants in Study 1

	Categories	n (%)
Gender	Male	120 (57.4)
	Female	89 (42.6)
Income	Less than \$20,000	17 (8.1)
	\$20,000-\$39,999	45 (21.5)
	\$40,000-\$59,999	54 (25.8)
	\$60,000-\$79,999	40 (19.1)
	\$80,000-\$99,999	19 (9.1)
	\$100,000-\$119,999	12 (5.7)
	\$120,000-\$149,999	7 (3.3)
	\$150,000 or above	15 (7.2)
Education	High school or equivalent	20 (9.6)
	Some college education	36 (17.2)
	College degree	118 (56.5)
	Graduate school/ professional degree	34 (16.3)
	Other	1 (0.5)
Ethnicity	Hispanic/Latino	12 (5.7)
	Caucasian	158 (75.6)
	Asian American	17 (8.1)
	African American	16 (7.7)
	American Indian	2 (1.0)
	Alaskan, Hawaiian, or Pacific Islander	1 (0.5)
	Other	3 (1.4)
Loyalty reward program membership	None	6 (2.9)
	1-2	98 (46.9)
	3-5	70 (33.5)
	6-9	28 (13.4)

10 or more	7 (3.3)
Total	209 (100.0)

### *Descriptive analysis*

Reward accumulation time ranged from 0 to 60 months, with a mean of 7.98 (SD = 10.30). One participant indicated zero as s/he immediately received bonus points upon enrollment in the loyalty reward program. Monetary value of the redeemed product ranged from \$2 to \$4,000 with the mean of \$185.16 (SD = 449.68). As both reward accumulation time and monetary value of the redeemed product were severely skewed to the left, log transformation was used. After log-transformed reward accumulation time, the mean value was 1.73 (SD = .94). After log-transformation, the mean monetary value was 3.92 (SD = 1.57). Log-transformed accumulation time and value were used in the regression model. Descriptive statistics are shown in Table 3.

**Table 3:** Descriptive statistics for Study 1

Variable	Minimum	Maximum	Mean	Std. Deviation	Skewness	Kurtosis
Accumulation time (in months)	0	60	7.98	10.30	2.78	9.54
Monetary value (in dollars)	2.00	4000.00	185.16	449.68	5.98	45.32
Perceived quality	1.00	7.00	5.84	1.12	-1.16	2.07
Hedonic nature	1.00	7.00	4.52	1.85	-.43	-.94
Utilitarian nature	1.00	7.00	4.05	1.86	-.20	-1.08
Smart shopper self-perceptions	1.00	7.00	5.24	1.20	-.87	.94
Product attachment	1.00	7.00	4.22	1.48	-.38	-.47
ln(time)	.03	4.11	1.73	.94	.28	-.49
ln(value)	.00	8.29	3.92	1.57	.38	-.30

### *Hypotheses testing*

To test H1, emotional attachment was regressed on perceived quality, hedonic nature, utilitarian nature, log-transformed reward accumulation time, log-transformed value, and smart shopper self-perceptions. All continuous, independent variables were mean-centered. The regression model was significant ( $F(6, 202) = 13.770, p < .01$ ; see Table 4) and an adjusted  $R$ -square was .29. That is, 29 percent of the total variance of emotional attachment to the redeemed product was explained by a set of independent variables in the regression model. Multicollinearity was not of concern as tolerance values ranged from .563 (utilitarian nature) to .837 (smart shopper self-perceptions) and variance inflation factor (VIF) values ranged from 1.195 (smart shopper self-perceptions) to 1.777 (utilitarian nature) (VIF close to 10 and tolerance close to 0 are problematic; Hair et al., 2010).

Utilitarian nature (Unstandardized coefficient (B) = .000, standard error (SE) = .064,  $t$ -value = -.006,  $p$ -value = .995) and  $\ln(\text{accumulation time})$  (B = -.118, SE = .109,  $t$  = -1.082,  $p$  = .281) were nonsignificant. Hedonic nature (B = .151, SE = .063,  $t$  = 2.380,  $p$  = .018),  $\ln(\text{value})$  (B = .154, SE = .066,  $t$  = 2.337,  $p$  = .020), and perceived quality (B = .209, SE = .092,  $t$  = 2.272,  $p$  = .024) were positively related to emotional attachment. More importantly, smart shopper self-perceptions (B = .431, SE = .083,  $t$  = 5.220,  $p < .01$ ) were positively related to emotional attachment to the redeemed product. In conclusion, after holding constant the key control variables, smart shopper self-perceptions are positively related to emotional attachment to the redeemed product.

**Table 4:** Regression results from Study 1

	Unstandardized coefficient	SE	t-val	p-val	Tolerance	VIF
Constant	-3.52	.718	-.490	.625		
Hedonic nature	.151	.063	2.380	.018	.566	1.768
Utilitarian nature	.000	.064	-.006	.995	.563	1.777
Perceived quality	.209	.092	2.272	.024	.781	1.280
ln(value)	.154	.066	2.337	.020	.692	1.444
ln(accumulation time)	-.118	.109	-1.082	.281	.714	1.400
Smart shopper	.431	.083	5.220	< .01	.837	1.195

*Note.* SE = standard error; VIF = variance inflation factor.

I ran a multiple linear regression after dropping nonsignificant variables (i.e., utilitarian nature and ln(accumulation time)). Smart shopper self-perceptions remained significant in a predicted direction ( $B = .419$ ,  $SE = .077$ ,  $t = 5.432$ ,  $p < .01$ ). Moreover, I ran another multiple linear regression model after dropping invalid responses ( $n=16$ ). The responses from participants who wrote down his/her college exam in the short essay question, who failed to answer correctly all attention check questions, and who did the survey more than once were considered invalid. As a result, the overall model was significant ( $F(6, 186) = 16.240$ ,  $p < .01$ , adjusted  $R$ -square = .323). Smart shopper self-perceptions were positively related to emotional attachment ( $B = .498$ ,  $SE = .085$ ,  $t = 5.840$ ,  $p < .01$ ), supporting H1.

## Discussion

Findings of Study 1 showed support for H1. Specifically, smart shopper self-perceptions were positively associated with emotional attachment to the redeemed product. This finding is based on the premise that personal resources such as time and effort are highly salient among

smart shoppers (Bicen & Madhavaram, 2013; Chandon et al., 2000; de Pechpeyrou, 2013; Kivetz & Simonson, 2002, 2003; Leenheer et al., 2007; Schindler, 1998) and that investment of personal resources is a key antecedent of product attachment (Kleine & Baker, 2004). This main effect occurred with several control variables in the regression model (e.g., reward accumulation time, monetary value, hedonic nature, and perceived quality of the redeemed product). Thus, findings of Study 1 showed that the effect of smart shopper self-perceptions on emotional attachment to the redeemed product is robust. In the next study, I used a scenario-based survey to examine the underlying process of the effect of smart shopper self-perceptions on emotional attachment to the redeemed product.

## **Study 2. The mediating role of internal attribution**

The purpose of Study 2 is to test Hypotheses 2-3. The underlying mechanism of findings from Study 1 is an internal attribution of the redeemed product to personal resources such as effort, time, or skills (H2). Furthermore, Study 2 is proposed to show that such a mechanism does not play a role among deal prone consumers (H3). Consumers may exhibit joy of not paying the full price via reward redemption and such positive emotions with arousal (e.g., excitement) may lead to emotional attachment to the redeemed product. Prior research, however, posits that an internal attribution doesn't characterize deal prone consumers (Lichtenstein et al., 1990). Hence, I predict that an internal attribution of redemption experiences to personal resources will not mediate the relationship between deal proneness and emotional attachment to the redeemed product.

### **Design and sampling**

As in Study 1, participants were recruited from MTurk (n=148) in October 2018. They were asked to imagine a scenario where they have been a member of a hypothetical credit card company for three months and wanted to redeem some of their credit card reward points for a pair of wireless earphones (see Appendix B). As in S1, participants were US residents and screened out based on their previous experience in using loyalty reward points to redeem a product in the past 12 months. After reading the scenario, they answered a battery of survey questions (i.e., emotional attachment to the earphones, attribution, and scenario realism). The survey ended with some demographic questions and smart shopper self-perceptions and deal proneness scales. The order of smart shopper self-perceptions and deal proneness scales was counter-balanced.

## Measures

Participants indicated emotional attachment to the earphones as in Study 1 ( $\alpha = .89$ ). Attribution of the redeemed product was measured with two items (e.g., “is the reason you got these earphones something outside-inside of yourself?”; bipolar; 7-point;  $r = .62, p < .01$ ; adapted from Russell, 1982). Scenario realism was measured with two items (“The scenario was realistic,” “It was easy to project myself in the scenario”;  $r = .62, p < .01$ ; 7-point; Wu, Mattila, & Hanks, 2015). Smart shopper self-perceptions were captured with the four items as used in Study 1 ( $\alpha = .90$ ) and deal proneness was captured with six items (“Coupons and promotional deals have caused me to buy products and/or services I normally would not buy”; 1=strongly disagree, 7=strongly agree;  $\alpha = .73$ ; Lichtenstein et al., 1990; see Appendix B).

## Results

### *Demographics*

Participants' age ranged from 21 to 72 (Mean = 35.57, SD = 11.20). Fifty-five percent were male, 78 percent were Caucasian, 46 percent had a college degree, and 32 percent had an annual household income of \$40,000 to \$59,999. Forty-eight percent of the participants were enrolled in 1-2 loyalty reward programs at the time of their survey completion. Demographic profile of the participants is presented in Table 5. On average, participants spent 5.17 minutes (SD = 3.06) on the survey.



**Table 5:** Demographic profile of the participants in Study 2

	Categories	n (%)
Gender	Male	82 (55.4)
	Female	65 (43.9)
	Other	1 (0.7)
Income	Less than \$20,000	17 (11.5)
	\$20,000-\$39,999	26 (17.6)
	\$40,000-\$59,999	48 (32.4)
	\$60,000-\$79,999	27 (18.2)
	\$80,000-\$99,999	14 (9.5)
	\$100,000-\$119,999	5 (3.4)
	\$120,000-\$149,999	4 (2.7)
	\$150,000 or above	7 (4.7)
Education	High school or equivalent	21 (14.2)
	Some college education	27 (18.2)
	College degree	68 (45.9)
	Graduate school/ professional degree	32 (21.6)
Ethnicity	Hispanic/Latino	8 (5.4)
	Caucasian	115 (77.7)
	Asian American	10 (6.8)
	African American	11 (7.4)
	American Indian	2 (1.4)
	Other	2 (1.4)
Loyalty reward program membership	None	16 (10.8)
	1-2	71 (48.0)
	3-5	53 (35.8)
	6-9	5 (3.4)
	10 or more	3 (2.0)
	Total	148 (100.0)

### ***Factor analysis***

Exploratory factor analysis with varimax rotation was conducted using smart shopper self-perceptions and deal proneness scales. Initial analyses showed that two items of the deal proneness scale had cross-loadings (“Beyond the money I save, redeeming coupons and taking advantage of promotional deals give me a sense of joy,” “Redeeming coupons and/or taking advantage of promotional deals make me feel good.”). Thus, these two items were deleted. As a result, the KMO Measure of Sampling Adequacy was .87, and Bartlett’s Test of Sphericity was  $\chi^2 = 579.97$ ,  $df = 28$ ,  $p < .01$ . This indicated that the correlation matrix as a whole was adequate to conduct factor analysis (Hair et al., 2010). Sixty-eight percent of the total variance was explained by the two factors (39 percent of the total variance from the smart shopper self-perceptions scale). All factor loadings exceeded 0.6 (see Table 6 for the two-factor model) and the two factors were moderately correlated ( $r = .54$ ,  $p < .01$ ).

**Table 6:** Factor model from Study 2

Item	Component	
	1	2
When I buy things, I take a lot of pride in using loyalty rewards/points	.80	.28
When I use loyalty rewards/points, I feel like a winner	.86	.18
Using loyalty rewards/points makes me feel good about myself	.87	.21
I get a real sense of joy when I use loyalty rewards/points	.86	.28
When I use coupons and/or take advantage of promotional deals, I feel that I am getting a good deal	.36	.70
I enjoy using coupons and/or take advantage of promotional deals, regardless of the amount I can save from doing so	.23	.74
I am more likely to buy brands or patronize service firms that have promotional deals	.25	.79
Coupons and promotional deals have caused me to buy products and/or services I normally would not buy	.08	.66

*Note.* Component 1 indicates smart shopper self-perceptions, and component 2 indicates deal proneness.

### ***Hypotheses testing***

Participants rated scenario realism as high ( $M = 6.02$ ,  $SD = .87$ ). To test H2, a series of regression models was run via PROCESS (Model 4; bias-corrected 10,000 bootstraps; IV: smart shopper self-perceptions, Mediator: attribution, DV: emotional attachment; Hayes, 2017). As a result, the indirect effect was significant ( $B = .085$ ,  $SE = .037$ , 95% C.I. excluding zero from .022 to .165; see Table 7), supporting H2. The direct effect was significant ( $B = .541$ ,  $SE = .088$ , 95% C.I. excluding zero from .366 to .715). To test H3, another regression model was run via PROCESS (Model 4; bias-corrected 10,000 bootstraps; IV: deal proneness, Mediator: attribution, DV: emotional attachment). As a result, the indirect effect of attribution was nonsignificant ( $B = .064$ ,  $SE = .045$ , 95% C.I. including zero from -.022 to .159; see Table 8), supporting H3. The direct effect was significant ( $B = .448$ ,  $SE = .122$ , 95% C.I. excluding zero from .208 to .689). In sum, H2-3 are supported.

**Table 7:** Regression results from Study 2 (smart shopper)

Antecedent	Consequent					
	M (attribution)			Y (attachment)		
	Coeff.	SE	<i>p</i>	Coeff.	SE	<i>p</i>
X (smart shopper)	.327	.106	< .01	.541	.088	< .001
M (attribution)	-	-	-	.259	.067	< .001
Constant	2.825	.596	< .001	.054	.514	.917
	$R^2 = .061$			$R^2 = .322$		
	$F(1, 146) = 9.468, p < .01$			$F(2, 145) = 34.390, p < .001$		

*Note.* X = independent variable; M = mediator; Y = dependent variable.

**Table 8:** Regression results from Study 2 (deal proneness)

Antecedent	Consequent					
	M (attribution)			Y (attachment)		
	Coeff.	SE	<i>p</i>	Coeff.	SE	<i>p</i>
X (deal proneness)	.207	.118	.081	.448	.122	< .001
M (attribution)	-	-	-	.310	.085	< .001
Constant	3.261	.652	<.001	.398	.723	.583
	$R^2 = .021$			$R^2 = .178$		
	$F(1, 146) = 3.090, p < .1$			$F(2, 145) = 15.737, p < .001$		

*Note.* X = independent variable; M = mediator; Y = dependent variable.

## Discussion

Findings from Study 2 support H2-3. Specifically, an internal attribution of redemption experiences to personal resources such as time and effort mediated the relationship between smart shopper self-perceptions and emotional attachment to the redeemed product. Conversely, the mediating role of an internal attribution was not evident in the relationship between deal proneness and emotional attachment to the redeemed product. Such findings are congruent with the extant literature suggesting that perceived responsibility of obtaining promotional offers and redeeming loyalty rewards is specific to smart shopper self-perceptions (Honea & Dahl, 2005; Mano & Elliott, 1997; de Pechpeyrou, 2013). Note that the direct effect of smart shopper self-

perceptions on emotional attachment to the redeemed product was significant. That is, in addition to an internal attribution, other mechanisms may play a role in the relationship between smart shopper self-perceptions and emotional attachment. In the next study, redemption type (material vs. experiential) is proposed to moderate the relationship between smart shopper self-perceptions and emotional attachment. To establish the robustness of findings across countries, I recruited South Korean participants, as well as US participants.

### **Study 3. The moderating role of redemption type**

#### **Design and sampling**

The purpose of Study 3 is to test Hypothesis 4. To enhance generalizability of findings, cross-cultural data collection was implemented. Prior research demonstrates that consumers' smart shopping behaviors are observed in both collectivistic and individualistic cultures (Lalwani & Wang, 2018). Thus, South Korean participants representing collectivistic cultures (n=98) were recruited in March 2019 via Embrain, an online survey panel company which has over 3 million panelists throughout Northeast Asia. Simultaneously, US participants representing individualistic cultures (n=106) were recruited via MTurk. Participants were screened out based on their previous experience in using loyalty reward points to redeem a product in the past 12 months. The back-translation method was adopted to ensure construct validity (Brislin, 1970).

This study adopted a between-subjects design where participants were randomly assigned to either a material or experiential redemption condition (see Appendix C). Participants imagined that they have enough points in their credit card rewards program account and decide to redeem some points for either a pair of earphones (material) or a dining experience (experiential). Both options were equally priced at \$30. Then, they indicated emotional attachment to the redeemed consumption object/experience, hedonic nature of the redeemed consumption object/experience, familiarity with Italian cuisine (for participants in the experiential redemption condition only), and scenario realism. Lastly, they indicated smart shopper self-perceptions and answered demographic questions.

## Measures

Emotional attachment to the redeemed product ( $\alpha_{\text{South Korean}} = .80$ ,  $\alpha_{\text{US}} = .80$ ), smart shopper self-perceptions ( $\alpha_{\text{South Korean}} = .82$ ,  $\alpha_{\text{US}} = .89$ ), and scenario realism ( $r_{\text{South Korean}} = .56$ ,  $p < .01$ ,  $r_{\text{US}} = .63$ ,  $p < .01$ ) were measured as in Studies 1-2. Hedonic nature of the redeemed product was measured with one item (1=purely utilitarian, 7=purely hedonic; Ratner & Hamilton, 2015). Familiarity with Italian cuisine was measured with one item (“How familiar are you with Italian cuisine in general?”; 1=not familiar at all, 7=very familiar).

## Results

### Demographics

Participants’ age ranged from 20 to 67 ( $M = 33.81$ ,  $SD = 8.11$ ). Half of them were male, 37 percent of them earned \$40,000 to \$79,999 per year. Sixty-three had a college degree, and 51 percent were enrolled in 3-5 loyalty reward programs. Demographic profile of the participants is presented in Table 9.

**Table 9:** Demographic profile of the participants in Study 3

	Categories	US n (%)	South Korea n (%)
Gender	Male	66 (62.3)	35 (35.7)
	Female	40 (37.7)	63 (64.3)
Income	Less than \$20,000	13 (12.3)	3 (3.1)
	\$20,000-\$39,999	20 (18.9)	7 (7.1)
	\$40,000-\$59,999	28 (26.4)	8 (8.2)
	\$60,000-\$79,999	23 (21.7)	17 (17.3)
	\$80,000-\$99,999	11 (10.4)	13 (13.3)
	\$100,000-\$119,999	6 (5.7)	13 (13.3)
	\$120,000-\$149,999	3 (2.8)	18 (18.4)
	\$150,000 or above	2 (1.9)	19 (19.4)
Education	High school or equivalent	9 (8.5)	9 (9.2)
	Some college education	19 (17.9)	14 (14.3)
	College degree	63 (59.4)	66 (67.3)
	Graduate school/ professional degree	15 (14.2)	9 (9.2)

Loyalty reward program membership	1-2	39 (36.8)	25 (25.5)
	3-5	53 (50.0)	51 (52.0)
	6-9	13 (12.3)	19 (19.4)
	10 or more	1 (1.0)	3 (3.1)
	Total	106 (100.0)	98 (100.0)

### *Descriptive analysis*

Italian cuisine was equally familiar to both South Korean and US consumers ( $M_{\text{South Korean}} = 5.23$ ,  $M_{\text{US}} = 5.10$ ,  $t = .51$ ,  $p > .1$ ). Hedonic nature of the redeemed product was significantly different between material and experiential redemption conditions. Specifically, participants perceived the experiential (vs. material) product more hedonic ( $M_{\text{experiential}} = 4.66$ ,  $M_{\text{material}} = 3.81$ ,  $t = 3.80$ ,  $p < .01$ ). As such, hedonic nature of the redeemed product was used as a control variable in the regression model. Participants rated the scenario as realistic ( $M = 5.37$ ,  $SD = 1.17$ ). Scenario realism did not differ across material and experiential conditions ( $F(1, 200) = 3.62$ ,  $p > .05$ ). Scenario realism differed across cultures ( $F(1, 200) = 66.02$ ,  $p < .01$ ;  $M_{\text{South Korean}} = 4.76$ ,  $M_{\text{US}} = 5.92$ ). However, the mean realism rating among South Koreans was significantly higher than the neutral point ( $t(97) = 7.50$ ,  $p < .01$ ). The interaction effect between culture and redemption type on scenario realism was nonsignificant ( $F(1, 200) = .406$ ,  $p > .1$ ).

### *Hypothesis testing*

To test H4, a series of regression analyses via PROCESS (Model 1) was run. Emotional attachment to the redeemed product was regressed on smart shopper self-perceptions, redemption type (dummy coded with 0=material, 1=experiential), their interaction, as well as a control variable (i.e., hedonic nature of the redeemed product). All continuous, independent variables were mean-centered due to multicollinearity concerns. Tolerance ranged from .608 to .922, and Variance Inflation Factor (VIF) ranged from 1.084 to 1.645 (see Table 10). The highest value in the condition index was 2.464. In sum, multicollinearity is not evident in the regression model.



**Table 10:** Regression results from Study 3

	Unstandardized coefficient	SE	t-val	p-val	Tolerance	VIF
Constant	4.097	.106	38.513	< .01		
Culture	.189	.136	1.394	.165	.829	.207
Hedonic nature	.025	.042	.600	.549	.779	.284
Smart shopper	.307	.099	3.102	< .01	.608	.645
Redemption type	.336	.129	2.604	< .01	.921	.086
Interaction	.287	.125	2.303	.022	.607	.647

*Note.* SE = standard error; VIF = variance inflation factor.

Twenty-seven percent of the total variance was explained by the regression model ( $F(4, 199) = 18.15, p < .01$ ; see Table 10). Hedonic nature ( $B = .003, SE = .039, t = .08, p > .1, 95\% \text{ C.I.} = [-.074, .081]$ ) was nonsignificant. The main effect of smart shopper self-perceptions was significant ( $B = .293, SE = .099, t = 2.97, p < .01, 95\% \text{ C.I.} = [.098, .488]$ ). The main effect of redemption type was also significant ( $B = .343, SE = .129, t = 2.66, p < .01, 95\% \text{ C.I.} = [.089, .598]$ ). However, these main effects were qualified by a significant interaction effect ( $B = .293, SE = .125, t = 2.35, p < .05, 95\% \text{ C.I.} = [.047, .539]$ ). To decompose this interaction, an analysis of simple slopes was conducted (Spiller et al., 2013). Specifically, the effect of smart shopper self-perceptions on emotional attachment was more pronounced for the experiential redemption (effect = .586,  $SE = .077, t = 7.60, p < .01, 95\% \text{ C.I.} = [.434, .738]$ ) than the material redemption (effect = .293,  $SE = .099, t = 2.97, p < .01, 95\% \text{ C.I.} = [.098, .488]$ ). In sum, H4 is supported.

## Discussion

Findings of Study 3 provide support for H4. Specifically, the impact of smart shopper self-perceptions on emotional attachment was greater in the experiential (vs. material) condition. This finding is based on the premise that emotional attachment is greater when individuals give

credit for redeeming a product that is more closely related to one's self-concept. Prior research shows that experiential (vs. material) products are more integrated into one's self-concept (Carter & Gilovich, 2012). As such, smart shopper self-perceptions increase emotional attachment to a greater extent with experiential (vs. material) products. In the next study, I examine the impact of emotional attachment on positive word-of-mouth behaviors online and offline. I further propose that redemption type (material vs. experiential) moderates the mediating effect of emotional attachment in the relationship between smart shopper self-perceptions and positive word-of-mouth behaviors.

## **Study 4. Downstream consequences of emotional attachment**

### **Design and sampling**

The purpose of Study 4 is to test Hypotheses 4-5. Participants (n=149) were recruited in November 2018 via MTurk. Participants were US residents and screened out based on their previous experience in using loyalty reward points to redeem a product in the past 12 months. As in Study 1, they were asked to recall and relive their most recent redemption experience and write down a few sentences about it. This study adopted a between-subjects design where participants were randomly assigned to either the material or experiential redemption condition (adapted from Nicolao, Irwin, & Goodman, 2009; see Appendix D). Then, they completed some survey questions such as recency of the redemption experience, how long they have been a member of the loyalty reward program, how long (in months) it took them to accrue necessary reward points to redeem the product, and monetary value of the redemption object in dollars. Some participants gave a range of values if they didn't clearly remember. In this case, the average value was computed. They also indicated hedonic nature of the redeemed product, their word-of-mouth intention, electronic word-of-mouth intention, and emotional attachment to the redeemed product. Lastly, they indicated smart shopper self-perceptions and answered demographic questions.

### **Measures**

Word of mouth intention was measured with three items adapted from Zhang, Feick, and Mittal (2014) (e.g., "To what extent do you think that you will tell or not tell others about the redemption experience as you described above?"; certain not to tell-certain to tell, very unlikely to tell-very likely to tell, and probably will not tell-probably will tell; bipolar, 7-point scale;  $\alpha = .94$ ). Electronic word-of-mouth intention was measured with two items adapted from Wu et al. (2016) (e.g., "How interested are you in writing a review about this redeemed product?"; 1=not interested at all, 7=very interested;  $r = .79, p < .01$ ). The hedonic nature of the redeemed product

was measured with a single item (1=purely utilitarian, 7=purely hedonic). Emotional attachment to the redeemed product ( $\alpha = .86$ ) and smart shopper self-perceptions ( $\alpha = .91$ ) were measured as in Studies 1-3.

## **Results**

The median time that participants spent on the survey was 5.8 minutes. One participant did not redeem experiential products before, but s/he was assigned to the experiential condition. So, his/her response was removed for data analysis. Another participant took 2.8 hours to complete for a survey, so his/her response was also removed for data analysis. As a result, the final sample size was 147.

### ***Demographics***

Participants' age ranged from 20 to 65 ( $M = 33.05$ ,  $SD = 8.67$ ). Sixty-two percent of them were male, 26 percent of them earn \$40,000 to \$59,999 per year. Fifty-five percent had a college degree, 72 percent were Caucasian, and 50 percent were enrolled in 3-5 loyalty reward programs at the time of survey completion. Demographic profile of the participants is presented in Table 11.

**Table 11:** Demographic profile of the participants in Study 4

	Categories	n (%)
Gender	Male	91 (61.9)
	Female	56 (38.1)
Income	Less than \$20,000	7 (4.8)
	\$20,000-\$39,999	37 (25.2)
	\$40,000-\$59,999	38 (25.9)
	\$60,000-\$79,999	27 (18.4)
	\$80,000-\$99,999	13 (8.8)
	\$100,000-\$119,999	11 (7.5)
	\$120,000-\$149,999	8 (5.4)
	\$150,000 or above	6 (4.1)
Education	High school or equivalent	12 (8.2)
	Some college education	35 (23.8)
	College degree	81 (55.1)
	Graduate school/ professional degree	19 (12.9)
Ethnicity	Hispanic/Latino	9 (6.1)
	Caucasian	106 (72.1)
	Asian American	10 (6.8)
	African American	11 (7.5)
	American Indian	4 (2.7)
	Other	7 (4.8)
Loyalty reward program membership	None	3 (2.0)
	1-2	52 (35.4)
	3-5	73 (49.7)
	6-9	13 (8.8)
	10 or more	6 (4.1)
	Total	147 (100.0)

### *Descriptive analysis*

Forty percent of the participants indicated that the last redemption experience was within three months (see Table 12). Sixty-four percent indicated that they were enrolled in the loyalty reward program from which they had the last redemption experience for more than one year. Forty-nine percent spent more than six months to accrue necessary points for the redeemed product. Monetary value of the redeemed product ranged from \$5 to \$1,500 with the mean of \$131.37 (SD = 245.90). This variable was log-transformed for normal distribution ( $\ln(\text{value})$ ); Min = 1.61, Max = 7.31, Mean = 3.85, SD = 1.36, Skewness = .59, Kurtosis = -.24).

Statistical tests (i.e., Chi-square tests and independent samples t-tests) were run to examine whether recency of the last redemption experience, program loyalty, reward accumulation time, monetary value of the redeemed product, and hedonic nature of the redeemed product would differ between material and experiential conditions. Results from Chi-square tests showed that recency of the redemption experience ( $\chi^2(3, N = 147) = 6.52, p = .16$ ), program loyalty ( $\chi^2(3, N = 147) = 2.23, p = .53$ ) and reward accumulation time ( $\chi^2(3, N = 147) = 1.78, p = .62$ ) were not different across material and experiential redemption conditions.

However, independent samples t-tests showed that  $\ln(\text{value})$  and hedonic nature of the redeemed product were significantly different between material and experiential redemption conditions. Specifically, the mean hedonic rating was higher in the experiential (vs. material) condition ( $M_{\text{experiential}} = 5.05, M_{\text{material}} = 4.01, t = 3.26, p < .01$ ). Participants also indicated a higher monetary value in the experiential (vs. material) redemption condition ( $M_{\text{experiential}} = 4.09, M_{\text{material}} = 3.60, t = 2.21, p < .05$ ). As such, both  $\ln(\text{value})$  and hedonic nature of the redeemed product were used as control variables for the regression model.

**Table 12:** Descriptive results on the last redemption experience

	Categories	n (%)
Recency of redemption experience	Within one month	42 (28.6)
	Within three months	59 (40.1)
	Within six months	31 (21.1)
	Within one year	8 (5.4)
	More than one year ago	7 (4.8)
Program loyalty	Less than three months	15 (10.2)
	3-5 months	22 (15.0)
	6-12 months	16 (10.9)
	More than one year	94 (63.9)
Reward accumulation time	Less than three months	47 (32.0)
	3-5 months	28 (19.0)
	6-12 months	36 (24.5)
	More than one year	36 (24.5)
	Total	147 (100.0)

### *Hypothesis testing*

To test H4, a series of regression analyses via PROCESS (Model 1) was run. Emotional attachment was regressed on smart shopper self-perceptions, redemption type (dummy coded with 0=material, 1=experiential), their interaction, as well as control variables (i.e.,  $\ln(\text{value})$  and hedonic nature of the redeemed product). All continuous, independent variables were mean-centered due to multicollinearity concerns. As a result, tolerance ranged from .61 to .92, and variance inflation factor (VIF) ranged from 1.08 to 1.65. The highest value in the condition index was 2.46. Taken together, there was no severe multicollinearity issue.

Thirty-five percent of the total variance was explained by the regression model ( $F(5, 141) = 15.25, p < .01$ ). Both  $\ln(\text{value})$  ( $B = .238, SE = .068, t = 3.499, p < .01, 95\% \text{ C.I.} = [.104, .373]$ ) and hedonic nature ( $B = .161, SE = .048, t = 3.369, p < .01, 95\% \text{ C.I.} = [.066, .255]$ ) were significant control variables. The main effect of smart shopper self-perceptions was

nonsignificant ( $B = .040$ ,  $SE = .107$ ,  $t = .374$ ,  $p > .1$ , 95% C.I. =  $[-.171, .250]$ ) while the main effect of redemption type was significant ( $B = .523$ ,  $SE = .186$ ,  $t = 2.815$ ,  $p < .01$ , 95% C.I. =  $[.156, .891]$ ). However, this main effect was qualified by the interaction between smart shopper self-perceptions and redemption type ( $B = .419$ ,  $SE = .153$ ,  $t = 2.734$ ,  $p < .01$ , 95% C.I. =  $[.116, .722]$ ). To decompose this two-way interaction, an analysis of simple slopes (see Figure 2) was conducted. As a result, the effect of smart shopper self-perceptions on emotional attachment was more pronounced with experiential products (effect =  $.459$ ,  $SE = .111$ ,  $t = 4.119$ ,  $p < .01$ , 95% C.I. =  $[.239, .679]$ ) than material products (effect =  $.040$ ,  $SE = .107$ ,  $t = .374$ ,  $p > .1$ , 95% C.I. =  $[-.171, .250]$ ). Thus, H4 is supported.

To test H5a, a series of regression analyses was run via PROCESS (Model 7; bias-corrected bootstraps = 10,000; see Table 13). An index of moderated mediation was significant (Index =  $.168$ , Boot SE =  $.096$ , 95% C.I. =  $[.017, .386]$ ). Specifically, an indirect effect was more pronounced for the experiential (Effect =  $.184$ , Boot SE =  $.078$ , 95% C.I. =  $[.052, .356]$ ) than material products (Effect =  $.016$ , Boot SE =  $.057$ , 95% C.I. =  $[-.093, .142]$ ). A direct effect was significant (Effect =  $.248$ ,  $SE = .101$ ,  $t = 2.463$ ,  $p = .015$ , 95% C.I. =  $[.049, .447]$ ). In sum, H5a is supported.

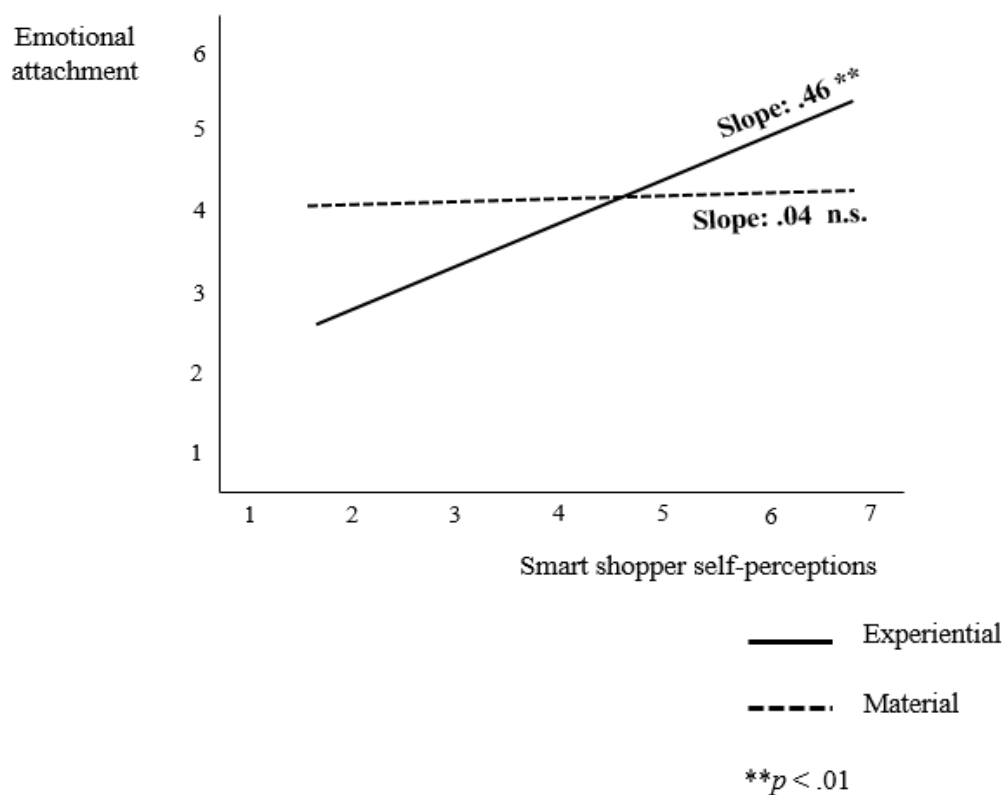
**Table 13:** Moderated mediation results for H5a

Antecedent	Consequent					
	M (attachment)			Y (WOM intention)		
	Coeff.	SE	<i>p</i>	Coeff.	SE	<i>p</i>
X (smart shopper)	.040	.107	.709	.248	.101	< .05
M (attachment)	-	-	-	.401	.101	< .001
W (redemption type)	.523	.186	< .01	-	-	-
X × W	.419	.153	< .01	-	-	-
ln(value)	.238	.068	< .001	.071	.090	.430



Hedonic nature	.161	.048	< .001	.072	.062	.247
Constant	.080	.129	< .001	3.334	.454	< .001
	$R^2 = .351$			$R^2 = .251$		
	$F(5, 141) = 15.246, p < .01$			$F(4, 142) = 11.885, p < .001$		

Note. X = independent variable; W = moderator; M = mediator; Y = dependent variable.



**Figure 2:** Interaction plot from Study 4

Similarly, a series of regression analyses was run via PROCESS to test H5b (Model 7; bias-corrected bootstraps = 10,000; see Table 14). An index of moderated mediation was significant (Index = .177, Boot SE = .095, 95% C.I. = [.021, .385]). Specifically, an indirect effect was more pronounced for the experiential (Effect = .194, Boot SE = .079, 95% C.I. = [.060, .367]) than material products (Effect = .017, Boot SE = .062, 95% C.I. = [-.095, .159]). A direct

effect was nonsignificant (Effect = -.004, SE = .124,  $t = -.032$ ,  $p = .975$ , 95% C.I. = [-.249, .241]).

In sum, H5b is supported.

**Table 14:** Moderated mediation results for H5b

Antecedent	Consequent					
	M (attachment)			Y (eWOM intention)		
	Coeff.	SE	<i>p</i>	Coeff.	SE	<i>p</i>
X (smart shopper)	.040	.107	.709	-.004	.124	.975
M (attachment)	-	-	-	.422	.124	< .001
W (redemption type)	.523	.186	< .01	-	-	-
X × W	.419	.153	< .01	-	-	-
ln(value)	.238	.068	< .001	-.076	.110	.490
Hedonic nature	.161	.048	< .001	.194	.076	.012
Constant	.080	.129	< .001	3.762	.138	< .001
	$R^2 = .351$			$R^2 = .174$		
	$F(5, 141) = 15.246, p < .01$			$F(4, 142) = 7.489, p < .001$		

*Note.* X = independent variable; W = moderator, M = mediator, Y = dependent variable.

## Discussion

Findings of Study 4 support H4-5. Specifically, emotional attachment to the redeemed product was positively associated with word-of-mouth behaviors offline and online. This finding is congruent with the extant literature showing that emotional attachment is positively associated with willingness to spread good word-of-mouth (Hudson et al., 2015). Furthermore, this study showed that redemption type (material vs. experiential) moderated the mediating effect of emotional attachment. To be specific, an indirect effect of emotional attachment in the relationship between smart shopper self-perceptions and word-of-mouth behaviors / electronic word-of-mouth behaviors was greater with experiential (vs. material) products. Such findings are

based on the premise that self-product connection and self-concept relevance increases word-of-mouth behaviors (Berger, 2014; Chung & Darke, 2006). Note that the direct effect of smart shopper self-perceptions on electronic word-of-mouth behaviors was nonsignificant, while the direct effect of smart shopper self-perceptions on face-to-face word-of-mouth behaviors was significant. Such nonsignificant direct effect can be attributed to relatively larger effects of hedonic nature on electronic word-of-mouth behaviors (vs. face-to-face word-of-mouth behaviors). This finding is congruent with consumer research documenting the popularity of sharing hedonic and indulgent experiences on social media (Kozinets, Patterson, & Ashman, 2016).

## Chapter 5

### General Discussion

#### Summary

Loyalty reward programs are instrumental in building and retaining relationships with customers (Henderson et al., 2011; Smith & Sparks, 2009). Particularly, hospitality and travel companies, including airlines, hotels, and restaurants adopt loyalty reward programs as a relationship marketing tool in a highly competitive environment. Prior research has investigated the effectiveness of loyalty reward programs on firm performance such as share of wallet (Wirtz, Mattila, & Lwin, 2007) and company loyalty (Dorotic et al., 2012; Eggert, Steinhoff, & Garnefeld, 2015; Mattila, 2006; Tanford, 2013, 2016; Yi & Jeon, 2003). Previous research has also examined the impact of redemption behaviors on company loyalty (Dorotic et al., 2012, 2014) and the impact of perceived convenience in redemption experiences on program loyalty (Kwong et al., 2011; Wang et al., 2018). As such, it is important to understand consumers' redemption behaviors in the loyalty reward program context.

Previous research examined consumer motivations for redeeming rewards (Hwang et al., 2016; Smith & Sparks, 2009). Smith and Sparks (2009) show that consumers, in general, exhibit planned behaviors in accruing and redeeming loyalty rewards and that planned redemptions tend to involve hedonic products for self-gifting. In a similar vein, Kivetz and Simonson (2002) show that the level of effort involved in accruing rewards is likely to increase consumers' propensity to redeem luxury (vs. necessary) products. Other studies examined consumer preferences for various reward types (Hwang & Mattila, 2018; Jang & Mattila, 2005; Kivetz, 2003; Lee, Tsang, & Pan, 2015). Hwang and Mattila (2018) investigated the effectiveness of loyalty-based and luck-based rewards across individualistic and collectivistic cultures. Jang and Mattila (2005) explored immediate (vs. delayed) and monetary (vs. non-monetary) rewards across fast food and casual

dining contexts. Hu et al. (2010) extended the concept of timing of loyalty rewards to the lodging industry. However, little is known about how consumers feel about their redeemed products and their willingness to engage in word-of-mouth behaviors.

To bridge that gap, this research examined consumers' emotional attachment toward the redeemed product and word-of-mouth behaviors about their redemption experiences. Study 1 examined the positive relationship between smart shopper self-perceptions and emotional attachment to the redeemed product. Study 2 investigated the underlying process of internal attributions of redemption experiences. Study 3 examined the moderating effect of redemption type (material vs. experiential). Results showed that the positive relationship between smart shopper self-perceptions and emotional attachment was greater with experiential (vs. material) products. Lastly, Study 4 investigated the positive relationship between emotional attachment to the redeemed product and word-of-mouth intention in online and offline settings. Results showed that the mediating effect of emotional attachment was more pronounced with experiential (vs. material) products.

Understanding consumers' word-of-mouth behaviors is imperative. There is ample evidence showing that consumers perceive information from others as useful in guiding their purchase decisions (Berger, 2014; Hennig-Thurau et al., 2004; Wu et al., 2016). Online reviews also play a significant role in influencing consumer perceptions and purchase intentions (Moe & Schweidel, 2012; Wu et al., 2016). Particularly, consumers are more likely to rely on online reviews when purchasing experiential products (vs. material products). This is because experiences are intangible and consumers cannot evaluate the quality of the experience prior to consumption (Litvin, Goldsmith, & Pan, 2008; Willemsen et al., 2011; Xie, Zhang, & Zhang, 2014). Given that offerings of hospitality firms are often experiential in nature, it is important to understand smart shopper self-perceptions and emotional attachment to the redeemed product as antecedents of word-of-mouth behaviors.

### **Theoretical implications**

First, this research adds to the loyalty reward program literature by extending the notion of smart shopper self-perceptions to reward redemption experiences. Smart shopper self-perceptions have been predominantly examined to understand consumers' coupon usage in the retail context (Atkins & Kim, 2012; Garretson & Burton, 2003; Mano & Elliott, 1997; Mittal, 1994; Price et al., 1988). Only several studies have explored the notion of smart shopper self-perceptions in the loyalty redemption context (e.g., Darke & Dahl, 2003; Honea & Dahl, 2005; Leenheer et al., 2007; Smith & Sparks, 2009), and no study has empirically tested smart shopper self-perceptions in the context of reward redemption experiences. This dissertation is among the first to demonstrate the impact of smart shopper self-perceptions on emotional attachment to the redeemed consumption object/experience.

The notion of smart shopper perceptions has been largely limited to material products such as electronics and clothes (Atkins & Kim, 2012; Bicen & Madhavaram, 2013; Schindler, 1998). For instance, Schindler (1998) shows that perceived responsibility of obtaining discounts for products (i.e., food, dress, and television) is positively related to repurchase intention. In a similar vein, Bicen and Madhavaram (2013) show that perceived responsibility of obtaining discounts for a digital camera is positively associated with purchase intention and consumers' word-of-mouth behaviors. This dissertation adds to this stream of literature by extending the notion of smart shopper self-perceptions to experiential product redemptions such as dining out.

After controlling for product type and discount size, Schindler (1998) failed to show that smart shopper self-perceptions are positively related to word-of-mouth behaviors. However, the participants in all of Schindler's (1998) studies were members of women's social groups affiliated with religious organizations. Thus, caution needs to be taken to generalize findings from Schindler (1998) to other people and contexts. Bicen and Madhavaram (2013), on the other hand, show that smart shopper self-perceptions are positively related to word-of-mouth behaviors. They

further show that positive feelings such as happiness are the underlying mechanism. This dissertation demonstrates that emotional attachment to the redeemed product is another underlying process for the impact of smart shopper self-perceptions on consumers' word-of-mouth behaviors.

This research also adds to the loyalty reward program literature by investigating loyalty reward program members' product attachment in the post-redemption phase and word-of-mouth intention about their redemption experiences. Prior research shows that redemption behaviors influence purchase intention (Dorotic et al., 2012, 2014; Smith & Sparks, 2009) and program loyalty (Hu et al., 2010; Kwong et al., 2011; Wang et al., 2018). For instance, Dorotic et al. (2014) show that the mere decision of redeeming loyalty reward points induces more purchases in both pre- and post-redemption stages, even in the absence of point expiration policies. As such, it is important to understand consumers' redemption experiences and how they feel about redeemed products. This research is among the first to show that redemption experiences can lead to word-of-mouth behaviors and that smart shopper self-perceptions and product attachment are the critical factors influencing consumers' word-of-mouth behaviors.

Furthermore, this paper contributes to the product attachment literature by investigating smart shopper self-perceptions as a consumer characteristic influencing emotional attachment to the redeemed product. Prior research demonstrates that product features such as humanization of product offerings via handwritten types (Liu, Choi, & Mattila, 2019; Schroll et al., 2018) and personalization of product offerings (Normark & Mankila, 2013; Truong, 2017) can increase product attachment. There is also evidence to suggest that payment type influences product attachment (Kamleitner & Erki, 2013; Shah et al., 2016). Shah et al. (2016) show that cash payment (vs. credit card) increases attachment toward the purchase. In a similar vein, Kamleitner and Erki (2013) show that psychological ownership is greater when individuals pay with cash (vs. credit card). This research shows that smart shopper self-perceptions can positively influence

product attachment in the loyalty reward program context. Thus, this paper advances our understanding of consumer characteristics driving emotional attachment to the redeemed product.

Lastly, this research contributes to the word-of-mouth literature. Previous research has examined consumer characteristics influencing the likelihood of spreading word of mouth such as deal proneness (Wirtz & Chew, 2002), gender (Zhang et al., 2014), information control (Mittal, Huppertz, & Khare, 2008), and personality traits (Singh, 1990). For instance, Zhang et al. (2014) examined the interactive effect of gender, tie strength (a weak or strong social relation between two consumers), and impression management and showed that, among females, impression management influenced negative word-of-mouth behaviors with weak (vs. strong) ties. Wirtz and Chew (2002) examined the joint effect of deal proneness, tie strength, and satisfaction on word-of-mouth behaviors and found that satisfied, deal prone consumers were likely to exhibit high levels of word-of-mouth, regardless of incentive amount. However, no research has examined smart-shopper self-perceptions as a driver of word-of-mouth behaviors. Prior research has examined consumer motivations to engage in positive word-of-mouth, and one of the salient motives is to express positive emotions (Dichter, 1966; Hennig-Thurau et al., 2004; Sundaram et al., 1998). Emotional attachment to the redeemed product may stem from smart shoppers' pride of redeeming products, and as such, they can express such feelings of pride to others by spreading word-of-mouth online and offline.

### **Practical implications**

Face-to-face word-of-mouth and electronic word-of-mouth are essential elements in consumers' buying decisions (Wu et al., 2016; Ye et al., 2011). For instance, 77 percent of travelers said that they usually or always read online reviews before choosing a hotel (TripAdvisor, 2013). There is evidence to suggest that user-generated content such as consumer reviews exert a greater impact on consumers' purchase behaviors than marketer-generated content such as advertisements (Goh, Heng, & Lin, 2013). As such, it is imperative for hospitality



firms to understand the key drivers of electronic word-of-mouth. Findings of this research show that smart shopper self-perceptions are positively associated with word-of-mouth behaviors in online as well as off-line environments.

Consumers exhibiting smart shopper self-perceptions are likely to refer to websites that compare various loyalty reward programs in terms of bonus points, annual fee, reward point expiration, and other reward redemption policy. An example of such websites is the Points Guy. Started as a reward points and miles blog by the founder, the Points Guy is now a website allowing users to share information about travel deals and updates on various loyalty reward programs, including credit card reward programs and frequent flyer programs. The website also provides ways of maximizing reward currency by showing the dollar value of points/miles in various loyalty reward programs. Users of this website can write comments based on their thoughts about point valuations in loyalty reward programs in which they are enrolled as a member.

Moreover, the website provides a forum where visitors can share their past experiences in using reward points/mileage. Given the prevalence of consumer experiences in redeeming experiential products such as hotel stays and air travel, users of this website may be emotionally attached to their redeemed experiences, and thus, spread positive word-of-mouth. In addition to third-party review websites such as TripAdvisor and Yelp, social media managers might want to monitor web platforms where loyalty reward program members write reviews about their redemption experiences (e.g., the Points Guy and World Hyatt's website). According to recent research, individuals high in interdependent self-construal (e.g., East Asians) are more likely to redeem coupons and reward points than individuals high in independent self-construal (e.g., Americans) (Lalwani & Wang, 2018). As such, loyalty reward program members' online forums might be highly popular in East Asian countries, and hospitality firms catering to customers in

individualistic and collectivistic cultures might expand their monitoring of loyalty reward program web platforms across countries with varying levels of individualism-collectivism.

### **Limitations and future research**

To enhance the robustness of the findings from this research, a field study can be conducted to capture actual word-of-mouth behaviors. To enhance internal validity of the findings, future research can also activate smart shopper self-perceptions via advertisements or websites (e.g., “You should be proud of yourself saving reward points for this big purchase!”). Prior research shows that participants from MTurk generally have lower income levels and higher education levels, compared to the US population (Paolacci & Chandler, 2014; Peer, Vosgerau, & Acquisti, 2014). As such, caution needs to be taken in generalizing findings from this research to other people and contexts.

The effects of loyalty reward types can also be examined. For instance, Gao and Mattila (2019) and Hwang and Mattila (2018) examined loyalty-based (effort-based) and surprise rewards. In the case of loyalty-based rewards, individuals accrue rewards based on the number and size of past transactions. In the case of surprise rewards, individuals are randomly selected in a draw event to double or triple fractions of their rewards. Restaurant companies such as Caribou Coffee send their loyalty reward program members surprise coupons or rewards via text or email. In a similar vein, United Airlines randomly select a few of their frequent flyer program members for a seat upgrade (surprise and random free seat upgrade campaign; Summers, 2015). Loyalty reward program members are more likely to expend time, money, and effort to obtain loyalty-based (vs. surprise) rewards. Hence, the mediating effect of internal attributions is less likely to arise with surprise (vs. loyalty-based) rewards.

It may be fruitful to investigate customer responses to a failure of the redeemed product. Gregoire and Fisher (2006) demonstrate that “love can become hate” when a strong (vs. weak) attachment to the brand deteriorates brand evaluations following a service failure. Gregoire and

Fisher (2006) posit that “love can become hate” arises, as customers with a strong (vs. weak) brand attachment have higher expectations for brand performance and a service failure contradicts such expectations. In a similar vein, Truong (2017) shows that product evaluations are lower in the presence of a failure of customized electronic gadgets (vs. no customized electronic gadgets). This is because customized products increase emotional attachment and expectations for product performance (Normark & Mankila 2013). As such, a positive relationship between emotional attachment to the redeemed product and negative word-of-mouth behaviors in the presence of a failure of the redeemed product can be investigated.

Furthermore, the moderating effect of redemption type (material vs. experiential) can be extended to this product failure context. Prior research posits that experiential goods are more integrated into self-concept than are material goods (Carter & Gilovich 2012; Van Boven & Gilovich, 2003). Products more tied to self-concept are likely to increase emotional attachment (Ball & Tasaki, 1992; Park et al., 2010). As such, when individuals encounter a failure of the redeemed product that is more tied to the self, they should exhibit a greater likelihood of negative word-of-mouth behaviors. It may be interesting to demonstrate that failures of experiential (vs. material) products increase negative word-of-mouth behaviors to a greater extent.

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## Appendix A

### Study 1 Design

#### Recent redemption experience

Please, recall and relive your most recent redemption experience. Please, provide as many details as possible. When did you redeem? What did you buy with reward points? Was it for yourself or others? Was it for a special occasion? Did you like the product/service that you redeemed? Why or why not?

We would also like you to answer the following questions:

Were you a member of a company's loyalty reward program when you used the points (e.g., Hilton Honors, American Airlines' AAdvantage, Target REDcard, Walgreen's Balance Rewards)?

Y/N – if yes, please specify

Or did you use reward points accrued on a credit card (e.g., Chase Sapphire Preferred Card, Capital One Venture Rewards, American Express)?

Y/N – if yes, please specify

How long did it take you to earn the necessary points to redeem the purchase? (e.g., a couple of months, a year)

Please assess the quality of the redeemed purchase: 1=low quality, 7=high quality; Schroll et al., (2018)

Referring to your redeemed purchase: 1=strongly disagree, 7=strongly agree; Mugge et al. (2010)

This purchase has no special meaning to me (Reverse-coded)

This purchase is very dear to me

I have a bond with this purchase

This purchase does not move me (Reverse-coded)

I am very attached to this purchase

I feel emotionally connected to this purchase

Approximately, what was the value of the redeemed purchase? (If not clearly remembered, you can give a range such as \$20-\$30)

How much do you agree or disagree with the following? 1=strongly disagree, 7=strongly agree; Ratner and Hamilton (2015)

My recent purchase using loyalty reward points was for a purely hedonic purpose.

\*Hedonic purchase is motivated mainly by the desire for sensory pleasure.

My recent purchase using loyalty reward points was for a purely utilitarian purpose.

\*Utilitarian purchase is motivated mainly by the desire to fill a basic need or accomplish a functional task.

Lastly, please, indicate your agreement/disagreement with the following statements: 1=strongly disagree, 7=strongly agree; Garretson et al. (2002)

When I buy things, I take a lot of pride in using loyalty rewards/points

When I use loyalty rewards/points, I feel like a winner

Using loyalty rewards/points makes me feel good about myself

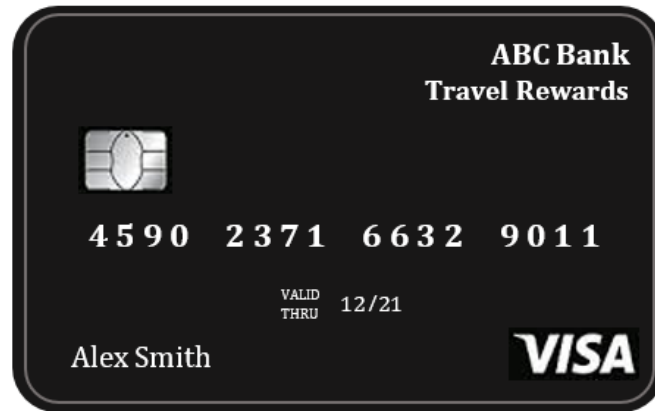
I get a real sense of joy when I use loyalty rewards/points



## Appendix B

### Study 2 Design

Imagine that you have been an ABC Bank credit card user for the past three months. You have had no issue using this credit card and the card is widely accepted. Your credit card looks like the one below.



You have accrued some credit card reward points based on your spending. Below is the company's reward accumulation policy.

How you earn reward points	
Travel purchases	2x points on travel – from airfare and hotels to taxis and trains
Restaurant purchases	2x points on dining worldwide
Other purchases	1 point per \$1 spent on all other purchases

Recently, you decided to redeem some of your reward points for a pair of wireless earphones worth \$50. So, you log into your credit card account to check whether you earned enough reward points. Realizing that you have enough points, you click on the 'Redeem Now' button.

A few days later, you receive a package of the earphones as shown below.



### Features

- 6.4mm electro-dynamic drivers
- Bluetooth® 4.2 with aptX and AAC codecs
- Up to five hours of play time
- Sweat and moisture resistant
- Omnidirectional microphone
- Intuitive in-line remote
- Cube charger
- Earbuds click together when not in use
- Includes seven pair of eartips, USB charging cube, cable clip and a carrying pouch

Referring to the earphones in the scenario, how much would you agree/disagree with the following statements? 1=strongly disagree, 7=strongly agree; Mugge et al. (2010)

The earphones would have no special meaning to me (Reverse-coded)

The earphones would be very dear to me

I would have a bond with the earphones

The earphones wouldn't move me (Reverse-coded)

I would be very attached to the earphones

I would feel emotionally connected to the earphones

In thinking about the way you obtained the earphones: bi-polar, 7-point scale, Russell (1982)

Is the reason you got the earphones something outside of you/inside of you?

Is the reason you got the earphones something about you/the credit card company?

How much would you agree/disagree with the following statements about the scenario?

1=strongly disagree, 7=strongly agree; Wu et al. (2015)

The scenario was realistic.

It was easy to project myself in the scenario.

How much do you agree/disagree with the following statements? 1=strongly disagree, 7=strongly agree; Garretson et al. (2002)

When I buy things, I take a lot of pride in using loyalty rewards/points

When I use loyalty rewards/points, I feel like a winner

Using loyalty rewards/points makes me feel good about myself

I get a real sense of joy when I use loyalty rewards/points

How much do you agree/disagree with the following statements? 1=strongly disagree, 7=strongly agree; Lichtenstein et al. (1990)

When I use coupons and/or take advantage of promotional deals, I feel that I am getting a good deal.

I enjoy using coupons and/or take advantage of promotional deals, regardless of the amount I can save from doing so.

I am more likely to buy brands or patronize service firms that have promotional deals.

Coupons and promotional deals have caused me to buy products and/or services I normally would not buy.

Beyond the money I save, redeeming coupons and taking advantage of promotional deals give me a sense of joy.

Redeeming coupons and/or taking advantage of promotional deals make me feel good.

## Appendix C

### Study 3 Design

Now, please imagine that you have been an ABC Bank credit card user for the past three months. You have had no issue using this credit card and the card is widely accepted. Your credit card looks like the one below.



You have accrued some credit card reward points based on your spending. Below is the company's reward accumulation policy.

How you earn reward points	
Travel purchases	2x points on travel – from airfare and hotels to taxis and trains
Restaurant purchases	2x points on dining worldwide
Electronic device purchases	2x points on any purchases of electronic devices such as cellphones and laptops
Other purchases	1 point per \$1 spent on all other purchases

[Material condition]

Recently, you decided to redeem some of your reward points for a pair of wireless earphones worth \$30 to listen to of your favorite music selections. So, you log into your credit card account to check whether you earned enough reward points. Realizing that you have enough points, you click on the 'Redeem Now' button to order the earphones pictured below.



### **Features**

- 6.4mm electro-dynamic drivers
- Bluetooth® 4.2 with aptX and AAC codecs
- Up to five hours of play time
- Sweat and moisture resistant
- Omnidirectional microphone
- Intuitive in-line remote
- Cube charger
- Earbuds click together when not in use
- Includes seven pair of eartips, USB charging cube, cable clip and a carrying pouch

[Experiential condition]

Recently, you decided to redeem some of your reward points for a nice meal worth \$30 at a restaurant in town. You log into your credit card account to check whether you earned enough reward points. Realizing that you have enough points, you decide to redeem some points for the dining experience at the restaurant shown below.



### **Piccola Cucina**

- Serves contemporary Italian cuisine
- Open daily from 11am to 10pm
- Vegan, gluten-free, and organic options available
- Rotating menu items with chef recommendations

Thinking about this pair of earphones (vs. this dining experience) that you redeemed, how much would you agree/disagree with the following statements? 1=strongly disagree, 7=strongly agree; Mugge et al. (2010)

The earphones (vs. this dining experience) would have no special meaning to me (Reverse-coded)

The earphones (vs. this dining experience) would be very dear to me

I would have a bond with the earphones (vs. this dining experience)

The earphones (vs. this dining experience) wouldn't move me (Reverse-coded)

I would be very attached to the earphones (vs. this dining experience)

I would feel emotionally connected to the earphones (vs. this dining experience)

Hedonic purchase is motivated mainly by the desire for sensory pleasure. On the other hand, utilitarian purchase is motivated mainly by the desire to fill a basic need or accomplish a functional task.

Please indicate the extent to which the redeemed earphones (vs. dining experience) in the scenario were (vs. was) for a purely utilitarian or hedonic purpose: 1=purely utilitarian, 7=purely hedonic; bipolar scale

How familiar are you with Italian cuisine in general? 1=not at all familiar, 7=very familiar

How much do you agree/disagree with the following statements about the scenario? 1=strongly disagree, 7=strongly agree; Wu et al. (2015)

The scenario was realistic.

It was easy to project myself in the scenario.

How much do you agree/disagree with the following statements? 1=strongly disagree, 7=strongly agree; Garretson et al. (2002)

When I buy things, I take a lot of pride in using loyalty rewards/points

When I use loyalty rewards/points, I feel like a winner

Using loyalty rewards/points makes me feel good about myself

I get a real sense of joy when I use loyalty rewards/points

## Appendix D

### Study 4 Design

[Material redemption condition]

Please, describe a recent time when you used loyalty reward points for an object. You kept the object for some time and may even still have it. It was an object you could touch with your hand. Please, provide as many details as possible. When did you redeem? What did you buy with reward points? Was it for yourself or others? Was it for a special occasion? Did you like the product that you redeemed? Why or why not?

[Experiential redemption condition]

Please, describe a recent time when you used loyalty reward points for an experience. In other words, you did not end up with anything tangible (anything you could hold in your hand) at the end of the experience except for your memories. Please, provide as many details as possible. When did you redeem? What experience did you buy with reward points? Was it for yourself or others? Was it for a special occasion? Did you like the experience that you redeemed? Why or why not?

We would also like you to answer the following questions:

When was the redemption experience that you described above?

- Within one month
- Within three months
- Within six months
- Within 12 months
- More than 12 months ago

How long have you been a member of the loyalty rewards program that you mentioned above?

- Less than 3 months
- 3-5 months
- 6-12 months
- More than a year
- Other (please specify: \_\_\_\_\_ )

How long did it take you to earn the necessary points to redeem the product (vs. experience)?

- Less than 3 months
- 3-5 months
- 6-12 months
- More than a year
- Other (please specify: \_\_\_\_\_ )

Approximately, what was the value of the redeemed object (vs. experience)? (If not clearly remembered, you can give a range such as \$20-\$30)



\*Hedonic purchase is motivated mainly by the desire for sensory pleasure. On the other hand, utilitarian purchase is motivated mainly by the desire to fill a basic need or accomplish a functional task.

My recent purchase using loyalty reward points was for a purely utilitarian/hedonic purpose.  
1=purely utilitarian, 7=purely hedonic

To what extent do you think that you will tell or not tell others about the redemption experience as you described above? Bipolar, 7-point scale; Zhang, Feick, and Mittal (2014)

certain not to tell-certain to tell  
very unlikely to tell-very likely to tell  
probably will not tell-probably will tell

1=not interested at all, 7=very interested; Wu et al. (2016)

How interested are you in writing a review about this redeemed product?  
How interested are you in saying something on the forum about this redeemed product?

Thinking about the object (vs. experience) that you redeemed, how much do you agree/disagree with the following statements? 1=strongly disagree, 7=strongly agree; Mugge et al. (2010)

This redeemed object (vs. experience) has no special meaning to me (Reverse-coded)  
This redeemed object (vs. experience) is very dear to me  
I have a bond with this redeemed object (vs. experience)  
This redeemed object (vs. experience) does not move me (Reverse-coded)  
I am very attached to this redeemed object (vs. experience)  
I feel emotionally connected to this redeemed object (vs. experience)

How much do you agree/disagree with the following statements? 1=strongly disagree, 7=strongly agree; Garretson et al. (2002)

When I buy things, I take a lot of pride in using loyalty rewards/points  
When I use loyalty rewards/points, I feel like a winner  
Using loyalty rewards/points makes me feel good about myself  
I get a real sense of joy when I use loyalty rewards/points

## VITA

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#### EDUCATION

- 2019 School of Hospitality Management, The Pennsylvania State University  
Doctor of Philosophy (Ph.D.) in Hospitality Management
- 2015 Conrad N. Hilton College, University of Houston  
Master of Science (M.S.) in Hospitality Management
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#### PUBLICATIONS

- Hwang, Y., & Mattila, A. S.** (2019). Spillover effects of status demotion on customer reactions to loyalty reward promotions: The role of need for status and exclusivity. *Journal of Travel Research*. Advance online publication. <https://doi.org/10.1177/0047287518807576>
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