Should Firms Use Small Financial Benefits to Express Appreciation to Consumers? Understanding and Avoiding Trivialization Effects

Firms commonly add small financial benefits to communications designed to acknowledge consumers' loyalty or support. Yet is it always better to provide some financial benefit as opposed to simply saying "thank you"? Although this question has important implications for customer relationship management, research has not yet provided an answer. This article demonstrates that, indeed, a financial acknowledgment (defined as an acknowledgment with a monetary benefit) can lead to less positive outcomes than offering a verbal acknowledgment (defined as an acknowledgment without a monetary benefit), a phenomenon termed the "trivialization effect." The results explain this effect in terms of shifting evaluation standards: whereas a verbal acknowledgement is evaluated relative to verbal gratitude expression norms, a financial acknowledgment is evaluated relative to both verbal norms and customers' monetary expectations. The authors also demonstrate two practical, theory-consistent ways firms can structure financial acknowledgments to eliminate the trivialization effect. Thus, this research shows both the peril of small financial benefits as a means of expressing customer appreciation and practical, low-cost ways to salvage their potential.

Keywords: customer appreciation, customer relationship management, firm-consumer relationship, trivialization, compensation, benefit, gratitude

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irms often thank their loyal customers by offering acknowledgments that include small financial benefits (Lyon 2012; O'Malley 1998; skh 2013). Firms presumably provide these financial benefits believing that they will make customers feel appreciated, a fundamental component of relational satisfaction (Reis et al. 2000) that is linked to long-term commitment in marketing channel relationships (Geyskens, Steenkamp, and Kumar 1999; Hoffman and Lowitt 2008). This belief is echoed by an entrepreneur organization, which advises, "If your customers have been loyally paying you, then rewarding them with even a small discount can sometimes produce huge amounts of goodwill. Receiving something of real tangible

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value that they weren't expecting is the easiest way to delight customers" (Young Entrepreneur Council 2014).

This more-is-better principle has been assumed to apply even when financial benefits are very small (indeed, close to negligible). For example, Microsoft recently sent loyal Xbox customers a birthday e-card with a gift of 20 Microsoft points (worth \$.25) to express its appreciation (Co 2012). However, in the present research, we argue that the more-is-better principle does not apply when financial benefits are very small (i.e., too small to meet consumers' expectations). Rather, when financial benefits are smaller than expected, the inclusion of a financial benefit can actually subtract from, rather than add to, customer goodwill.

Surprisingly, virtually no prior academic research has examined when and why financial acknowledgments (defined as marketing activities that acknowledge desirable consumer behaviors and offer a monetary benefit) are counterproductive in communicating appreciation relative to verbal acknowledgments (defined as marketing activities that acknowledge desirable consumer behaviors but do not offer a monetary benefit).¹

¹The present research operationalizes financial acknowledgments as financial benefits that are accompanied by a verbal acknowledgment (e.g., a thank-you note offering a small financial benefit). However, further research could examine the effectiveness of financial benefits that are not accompanied by any verbal acknowledgment.

In the present research, we provide evidence that small financial benefits sometimes backfire, despite the intuitive suggestion that they should lead consumers to feel as appreciated, if not more appreciated, than if they were to receive no financial benefit. That is, relative to a verbal acknowledgment, a financial acknowledgment with similar verbal message content can make recipients feel less appreciated and satisfied. We term this effect the "trivialization effect," in line with the notion that a small financial benefit may devalue or "trivialize" consumers' contributions to or relationship with the firm. Furthermore, we propose that the trivialization effect occurs because including a financial benefit prompts consumers to evaluate the firm's communications in light of its adherence to both verbal and financial norms. Accordingly, when a financial benefit does not meet financial norms or expectations, its inclusion can backfire. Next, we elaborate on the theoretical rationale for our hypotheses.

Theoretical Framework

The Trivialization Effect

Classic expectancy disconfirmation theory suggests that, if financially feasible, a firm should meet or exceed consumers' expectations about how much financial benefit they are due. The closer a firm comes to meeting such expectations, the more appreciated consumers will feel, and the greater their satisfaction will be with the firm's action (Oliver 1977; Oliver, Balakrishnan, and Barry 1994; Weaver and Brickman 1974). A firm may therefore conclude that any financial benefit greater than zero should provide some modicum of satisfaction relative to no financial benefit because it is objectively closer to such expectations than is zero. Indeed, a savvy marketer may intuit that small financial benefits could take advantage of the steepest portion of the prospect theory curve (Kahneman and Tversky 1979), leading to an increase in satisfaction disproportionate to the amount provided.

However, other research raises questions about whether a message involving small financial benefits will always be more positively viewed than a message involving zero financial benefit. Although it differs in the mechanism and contexts in which it operates, such research has shown rejection of small financial amounts. For example, research in economics has shown that giving paid research participants additional performance-contingent bonuses may undermine performance (Ariely, Bracha, and Meier 2009; Gneezy and Rustichini 2000). This effect has been explained both in terms of the negative effect of monetary rewards on intrinsic motivation and in terms of an "incomplete contract" whereby participants who do not receive additional performance-contingent bonuses may interpret the relatively high non-performance-contingent research payment as their payment for implicitly agreeing to perform well (Gneezy and Rustichini 2000). In the context of incentivizing charitable giving, this effect has been explained in terms of performance-contingent bonuses diluting the signaling value of prosocial behavior, at least in public contexts (Ariely, Bracha, and Meier 2009). Similarly, work in ultimatum games has shown that "petty" offers—those in which someone is offered less than 20% of a pot of money—are often rejected (Sunstein 1996). This effect is typically explained in terms of the petty offer's relationship to a norm-based reference point of a fifty-fifty split. That is, the recipient's reference point is an even division of resources, rather than zero, and the recipient decides that receiving zero is not worse than receiving 20%.

Altogether, such research suggests that some money is not always preferred to no money, though multiple explanations for such an effect exist. Importantly, none of this previous research has occurred in the marketing context of acknowledging consumers for efforts they have already voluntarily expended. Instead, prior research has primarily studied the effect of small incentives on motivation (Ariely, Bracha, and Meier 2009; Gneezy and Rustichini 2000). In our context, people decide on their own how much effort to expend toward helping the firm; we do not alter a priori extrinsic or intrinsic motivation. Moreover, we do not alter whether the firm's acknowledgments are public or private; all acknowledgments are private in our research.² Our focus on firm acknowledgments for voluntarily expended effort is valuable because communicating appreciation is a critical part of customer relationship management in many marketing contexts. To the extent that gratitude is appropriately expressed, consumers are likely to be willing to engage in a deeper relationship with the firm (Algoe, Fredrickson, and Gable 2013). Thus, the key element in determining the wisdom of marketing expenditure lies in consumers' evaluation of these appreciation efforts.

To predict these evaluations, we must draw on a different theoretical basis than that used in prior work. Specifically, we base our prediction on the idea that evaluations of single-component (as opposed to multicomponent) stimuli differ and that multicomponent stimuli are often evaluated according to an averaging model (Anderson 1965; Gaeth et al. 1990; Weaver, Garcia, and Schwarz 2012; Yadav 1994). First, consider how consumers may evaluate an acknowledgment of effort or loyalty that involves only verbal gratitude, thus offering zero financial benefit. In our context, verbal acknowledgments may be considered single-component acknowledgments. When consumers receive a verbal acknowledgment, their responses are likely to be based primarily on whether the acknowledgment adequately meets norms associated with appropriately expressing verbal gratitude, which are fairly well-defined in Western culture (Hilton 1995). For example, consumers may evaluate whether the acknowledgment conforms to prototypical gratitude expressions by accurately honoring their contribution and expressing sincere gratitude (Lambert, Graham, and Fincham 2009). Importantly, the norms of expressing

²Indeed, whereas Ariely, Bracha, and Meier (2009) find that small incentives are detrimental to motivation when offered in public but beneficial when offered in private, we propose that even privately offered firm acknowledgments may have a trivializing effect.

verbal gratitude do not require that the expresser provide some form of financial benefit. Indeed, research shows that simple expressions of gratitude have strong positive effects on people (Grant and Gino 2010). Expressions need only adhere to verbal norms to prompt positive customer responses (Algoe, Fredrickson, and Gable 2013). Thus, consumers will evaluate verbal acknowledgments according to adherence to verbal norms alone.

In contrast, financial acknowledgments may be considered multicomponent stimuli. Assuming an averaging model consistent with previous research on evaluation of multicomponent stimuli (Anderson 1965; Gaeth et al. 1990; Weaver, Garcia, and Schwarz 2012; Yadav 1994), consumers will likely evaluate such messages as an average of adherence to verbal norms and the extent to which the financial benefit meets financial benefit expectations. Importantly, evaluations of the financial benefit may be negative (in the case of trivializing compensation), not positive. Specifically, rather than compare the received financial benefit with a reference point of zero financial benefit, consumers may compare the received benefit with a higher expectations-based reference point. When the benefit falls short of expectations, consumers may evaluate it as negative.

This comparison with a nonzero reference point is likely facilitated by the notion that people expect to be compensated in proportion to how much time, effort, and benefit they have provided in employment contexts (Basu et al. 1985; Charness 2004) or, more generally, in line with views of fairness in transactions (Adams 1963, 1965; Haws and Bearden 2006; Van den Bos et al. 1997). This quantitative expectation may vary on the basis of factors such as the consumer's personal experiences and beliefs about environmental norms (Adaval and Wyer 2011; Boulding et al. 1993; Epley and Gilovich 2010; Okada and Hoch 2004). However, once evoked, the expectation is likely to be greater than zero: people place a high value on their time and effort (Okada and Hoch 2004; Saini and Monga 2008) and are likely to anticipate commensurate financial benefits (Adams 1963, 1965; Basu et al. 1985; Charness 2004).

In summary, we propose that standards for evaluating firms' efforts to express appreciation to consumers depend on whether the firm offers a verbal or financial acknowledgment. Because a message conferring zero financial benefit is evaluated relative to verbal standards alone, it can meet expectations quite adequately. However, because it is evaluated relative to both financial benefit expectations and verbal standards, a message that conforms to verbal standards (leading to a positive evaluation) but does not conform to financial benefit expectations (leading to a negative evaluation) will lead to less satisfaction than the message without a small financial benefit.

For example, consider a consumer who receives only a verbal acknowledgment that effectively communicates gratitude. Given that this message meets verbal norms, the consumer should evaluate it positively. Next, consider that the firm decides to add a small financial benefit to this message. Although this financial benefit objectively makes the

consumer better off than she was before (i.e., it is objectively closer to her quantitative expectations than is the zero amount received in the prior case), she will evaluate it negatively if it does not match the amount she would expect for her time or effort. The average of the positive evaluation verbal component and the negative evaluation of the financial component will be lower than the consumer's positive evaluation of the verbal acknowledgment alone. This difference in evaluation is the trivialization effect—the extent to which adding a financial benefit to a verbal acknowledgment reduces consumers' felt appreciation. The term "trivializing compensation" refers to such smaller-than-expected monetary benefit amounts. Formally, assuming that the message content adheres to verbal norms and thus is evaluated positively,

H₁: Consumers feel more appreciated by a firm when they receive a verbal acknowledgment rather than a similarly worded financial acknowledgment with trivializing compensation.

As we have stated, H₁ assumes that the message content adheres to verbal norms. However, firms' messages may fail to conform to verbal norms. Examining nonconforming verbal messages enables us to further test our theoretical account, which predicts that H₁ will be less likely to occur if message content does not adhere to verbal norms. The rationale is that a consumer will evaluate verbal message content simply on the basis of its conformance to verbal norms. Therefore, when the message content does not conform to verbal norms, a verbal acknowledgment has a negative evaluation. If the financial acknowledgment again contains a smaller-than-expected financial benefit, the financial benefit will be negatively evaluated. Using the same averaging model as before, we find that the trivialization effect is less likely to occur in the presence of verbal norm adherent messaging. Specifically, the average of a negative verbal component and a negative financial component is unlikely to be lower than the consumer's negative evaluation of the verbal acknowledgment alone. Formally,

H_{2a}: The trivialization effect is mitigated when message content fails to conform to verbal norms.

Again, H₁ assumes that the financial benefit is smaller than expected (i.e., trivializing compensation). Yet firms can also offer financial benefits that meet expectations. Financial benefits that meet expectations should be positively evaluated. Thus, the trivialization effect should be mitigated: the average of a positive verbal component and a positive financial component is unlikely to be lower than the consumer's positive evaluation of the verbal acknowledgment alone. Indeed, the trivialization effect can even be reversed if the financial benefit is large enough that it exceeds expectations because its evaluation will be positive enough to raise the overall average evaluation score for the financial acknowledgment. Formally,

H_{2b}: The trivialization effect is mitigated (or reversed) when a financial benefit amount meets or exceeds expectations.

How Can Firms Create Felt Appreciation with Small Financial Benefits?

Both H_1 and H_{2a-b} draw on the theory that consumers' evaluations of a financial acknowledgment are based on both adherence to verbal norms and meeting financial benefit expectations. This theory suggests that if marketers can strategically alter the financial benefit reference point that consumers use, they can encourage more positive evaluations of small monetary benefits and therefore mitigate the trivialization effect. We consider such strategies next.

First, firms should be able to mitigate trivialization effects if they can anchor consumers' financial reference points at values lower than the received financial benefit. To do so, the firm may make the possibility of lower benefits salient to consumers. In such cases, consumers will be encouraged to adopt a comparative or "joint evaluation" mode (Hsee 1996; Hsee et al. 1999; Tanner 2008), evaluating the financial benefit offered by the firm relative to the possibility of lower outcomes rather than considering it in isolation, relative to their own (likely higher) expectations. Practically, the possibility of lower benefits can be made salient by couching a small monetary reward in terms of a range of possible rewards (e.g., "To thank you for your loyalty, the underlined discount is the amount you will receive: 1%, 2%, 3%, 4%, or <u>5%</u> off a future purchase," wherein a 5% discount might otherwise have been perceived as failing to meet expectations).³

Second, our theory suggests that the trivialization effect may be mitigated if the monetary benefit is offered in a form that is not naturally evaluated according to a higher financial benefit reference point. Specifically, we suggest that firms can offer the small benefit in a prosocial form, in which the benefit is directed at a worthy charity on the consumer's behalf. Here, we build on recent work showing that prosocial spending leads to greater happiness than equivalent amounts of spending on the self (Anik et al. 2013; Dunn, Aknin, and Norton 2008). Of particular relevance, research has shown that prosocial bonuses (bonuses given to others) can lead employees to feel more satisfied than traditional bonuses (Anik et al. 2013).

Importantly, utility derived from giving prosocial benefits seems to be fairly insensitive to the financial benefit amount actually provided (Hsee and Rottenstreich 2004; Imas 2014; Small, Loewenstein, and Slovic 2007), suggesting that consumers pay relatively little attention to evaluating the amount of the financial benefit. Indeed, people may evaluate prosocial benefits according to low reference points. For example, in the context of fundraising campaigns, one often hears variations on the phrase "even a penny helps" (Cialdini and Schroeder 1976; Estrin 2013), both suggesting that a low financial reference point may govern evaluation of prosocial offers and emphasizing the

power of many small amounts to accumulate toward a cause. Formally,

H₃: The trivialization effect can be mitigated by lowering the financial benefit reference point consumers use to evaluate the financial benefit offered.

We operationalize the provision of lower financial benefit reference points in two ways: by displaying a range of possible financial benefits that can be offered and by providing the financial benefit in a prosocial form.

Overview of Studies

We explore our hypotheses in seven studies. Across all studies, we focus on the effects of financial (vs. verbal) acknowledgments on felt appreciation and satisfaction in the context of acknowledging customers for firm-beneficial behavior. In all studies, we control for the message content across the verbal and financial acknowledgments being compared to help isolate the impact of making an acknowledgment financial as opposed to verbal.

Studies 1a–1c provide initial demonstrations of the trivialization effect across a range of actual customer appreciation contexts (H_1) , controlling for message content. Studies 2a and 2b provide support for our proposed theory underlying the trivialization effect by demonstrating the impact of varying adherence to different types of standards (verbal gratitude norms and financial benefit expectations) on the trivialization effect. Study 2a shows that when messages fail to adhere to verbal norms, the trivialization effect no longer occurs (H_{2a}) . Study 2b shows that if financial expectations are met or exceeded, the trivialization effect no longer occurs or is reversed (H_{2b}) .

Finally, Studies 3 and 4 examine two ways in which firms can mitigate the trivialization effect while continuing to use adherent message content and small financial benefits, providing tests of H₃. Study 3 provides an alternative financial benefit reference point to consumers by introducing the possibility of lower benefit amounts through the comparative or joint evaluation context of displaying a range of possible outcomes. Study 4 provides the financial benefit in a prosocial form (the financial benefit is donated to charity), for which the reference point tends to be very low. Thus, both Studies 3 and 4 offer theory grounded and practically useful ways in which managers can reclaim the upside of small financial benefits.

Establishing the Trivialization Effect: Studies 1a–1c

Studies 1a-1c demonstrate the trivialization effect, providing robust evidence for H_1 . All three studies were conducted in the field, using either a physical business location (i.e., a hotel conference center [Study 1a] and a dining establishment [Study 1c]) or an online context (Study 1b) with real financial rewards. In all three studies, we designed the verbal acknowledgments to conform to gratitude

³Note that if couching small monetary rewards in terms of a range of possible outcomes, firms should manage the distribution of rewards such that most customers will be given a reference point lower than the amount they actually receive.

expression norms and selected the financial benefit amounts to be lower than financial benefit expectations.⁴

Study 1a ("Hotel Field Study") captured data from hotel guests who were asked to write a review of their stay. Participants received either a verbal acknowledgment or a financial acknowledgment (with a small financial benefit of \$.05).

Study 1b ("Competitor Feedback Study") was designed to provide further evidence of the trivialization effect in another field study. In this case, the firm offering an acknowledgment was previously unknown to the participants, and therefore, no prior impressions of the firm could influence responses to the acknowledgment.

Study 1c ("Dining Establishment Field Study") provides evidence of the robustness of the trivialization effect to a change in wording. Specifically, when comparing a verbal acknowledgment with a financial acknowledgment in each study, we control for the verbal content as much as possible across the two acknowledgment types such that the only factor differentiating the two types is the presence or absence of a financial benefit. There are two methods to control for the verbal content across verbal and financial acknowledgments. The first method, which we use in Studies 1a and 1b (and Studies 2a, 2b, and 4), keeps the number

⁴In separate pretests, we confirmed that the verbal acknowledgments used in Studies 1a, 1b, 2b, 3, and 4 adhered to verbal gratitude expression norms. In five pretests, participants (ranging from N = 49 to N = 50) from Amazon.com's Mechanical Turk (MTurk) panel saw either the same scenario as participants in the main study (Studies 2b and 3) or a description of the real situation faced by participants in the main study (Studies 1a, 1b, and 4). They then viewed the acknowledgment note used in the studies and rated the note on two seven-point items measuring adherence to verbal gratitude expression norms (the same items were used in Study 2a to measure adherence to verbal norms). These two items were significantly correlated (r = .45, p < .001); thus, we averaged them to form an adherence to verbal gratitude expression norms index. For all five pretests, we then confirmed that index scores were greater than the midpoint of the scale (4.0) according to onesample t-tests (ps < .001). We also confirmed that the verbal acknowledgments used in Study 1c and in Study 2a's adherent to verbal norms condition adhered to verbal gratitude expression norms by asking participants in the main study to rate the note on these two seven-point items after they had already answered the dependent variable questions. In both cases, the index scores were greater than the midpoint of the scale (4.0) according to one-sample t-tests (p < .001). With regard to the financial benefit amount selected in Studies 1a and 1c, we selected \$.05 as an amount that we thought would not meet expectations for the majority of participants for Studies 1a and 1c, which were conducted in person with actual hotel conference center and dining establishment customers. With regard to the financial benefit amount selected in Studies 1b, 2a, and 4, we selected \$.01 as an amount that we thought would not meet expectations for the majority of participants because MTurk participants are used to receiving relatively small financial compensation (often mere cents). At the end of Study 1b, we asked participants in the verbal acknowledgment condition how much of a bonus they would expect to receive from Pure Coffee & Tea to thank them for providing feedback on their competitors' websites. Almost all participants listed an expected bonus greater than \$.01. Finally, with regard to the financial benefit amount selected in Studies 2b and 3, we conducted a pretest to establish participants' financial benefit expectations (the pretest is described in the Study 2b "Methods" subsection). of sentences constant across acknowledgment types. The second method creates the financial acknowledgment by adding a sentence conveying the addition of a financial benefit. We used this additional sentence method in Studies 1c and 3 and show that the trivialization effect seems robust to both methods of controlling for verbal content.

Method

Study 1a. Forty-nine guests (67.3% female; $M_{\rm age} = 41.55$ years) at a full-service hotel conference center completed this study in June and July 2014. Two additional participants provided a review but left the study before answering any of the dependent variable questions; thus, their data could not be analyzed. Participants were randomly assigned to one of two conditions: verbal acknowledgment or financial acknowledgment of \$.05.

In collaboration with the conference center, researchers set up laptop survey stations outside the dining room. As guests walked past, researchers asked if they would be willing to complete a customer review of the conference center. Because each guest often walked past the survey stations multiple times a day for multiple days, we ensured that each participant only participated once but were unable to assess accurate participation rates.

Guests who agreed to provide a customer review answered a series of questions about aspects of the conference center they liked and disliked. They also wrote a review of the conference center for potential future guests (for the customer review questions, see Web Appendix W1). On average, participants wrote 53.45 words (SD = 24.58; Mdn = 50 words) to address the free-response questions (liked aspects, disliked aspects, and customer review).

Participants were then told that the conference center would like the researchers to pass on a note to those guests who provided a customer review. Participants then saw a note that either thanked them (verbal acknowledgment condition) or thanked them and gave them \$.05 (financial acknowledgment condition). For the notes, see Appendix A. The dependent variable consisted of three items to capture how appreciated participants felt as a result of the firm's actions (for items, see Web Appendix W2). Given that these items were highly correlated (Cronbach's α = .96), we averaged them to form an appreciation index.⁵

Finally, participants were debriefed about the purpose of the study and given a piece of chocolate to help ensure that they would not leave the study feeling unappreciated. (We asked participants to put the piece of chocolate away immediately after they received it so that other participants would not enter the study expecting to receive chocolate.)

Study 1b. One hundred fifty participants (44.7% female; $M_{age} = 33.60$ years) from Amazon.com's Mechanical Turk (MTurk) panel were recruited to participate in a study

⁵We measure consumers' satisfaction with a firm's customer appreciation gesture. As such, consumers' satisfaction should be highly correlated with their felt appreciation. Nonetheless, we recognize that appreciation and satisfaction are distinct constructs; accordingly, we verified that the general pattern of results holds with all three measures in the appreciation index in Studies 1a–1c, 2a, 3, and 4.

ostensibly about the participants and their attitudes toward various decisions. Recent research has shown that the MTurk panel is demographically diverse and has defended the external validity of this sample (Berinsky, Huber, and Lenz 2012; Horton, Rand, and Zeckhauser 2011). Participants first filled out questions about food choices (questions about preferences for different-sized orders of French fries and the Dietary Intent Scale [Stice 1998]) and personality (the Hong Psychological Reactance Scale [Hong 1992; Hong and Faedda 1996]). These questions were actually pilot questions for a separate study and thus were unrelated to the present study. Participants were thanked for completing these questions. They were then told that the next part of the study (comparing two competitor websites for "Pure Coffee & Tea," a new start-up company hoping to sell coffee and tea products online) was optional but would be helpful to the founders of the company. Participants were told that providing the website comparison was completely optional to simulate actual opportunities to help companies.

Seventy-four participants agreed to provide a website comparison. They were then directed to links to two real competitor websites for coffee and tea retailers. Participants were asked to fill out an online form titled "Pure Coffee & Tea: Review of Competitor Websites" (for screenshots of the online form, see Web Appendix W1). After participants submitted their review of the two competitor websites, they left the online form and returned to the study. Of the 74 participants who agreed to provide a website comparison, 72 accessed the online form and submitted a review. On average, participants wrote 73.78 words (SD = 58.45; Mdn = 53 words) to answer the four free-response questions in the online form.

All participants were then told that the company wanted the researchers to pass on a note to participants who spent time helping them. Participants were then randomly assigned to see a note that either thanked them (verbal acknowledgment condition) or thanked them and gave them a \$.01 bonus (financial acknowledgment with \$.01 bonus condition). For the notes, see Appendix A. Note that MTurk allows individual bonuses to be given to participants; thus, the financial benefit was real (and we actually gave participants a bonus of \$.25 at the end of the study to help ensure that they would not leave the study feeling unappreciated). As in Study 1a, our dependent variable consisted of three items averaged (Cronbach's $\alpha = .97$; see Web Appendix W2) to capture how appreciated participants felt by the company's actions.

Study 1c. Forty-six patrons (56.5% female; M_{age} = 18.85 years) of a college campus's dining establishments completed Study 1c in November and December 2014. Participants were randomly assigned to one of two conditions: verbal acknowledgment and financial acknowledgment (\$.05 financial benefit). Researchers set up laptop survey stations primarily outside one dining establishment.⁶ As patrons walked past, researchers asked if they would be

willing to complete a customer review of the dining establishment. Because many patrons walked past the survey stations multiple times a day for multiple days, we ensured that each participant only participated once but were unable to assess accurate participation rates. Patrons who agreed to provide a customer review sat at a laptop, where they answered a series of questions and wrote a review of the dining establishment for other potential patrons (for the customer review questions, see Web Appendix W1). On average, participants wrote 46.83 words (SD = 25.74; Mdn = 44 words) for the free-response review.

Participants were then told that the dining establishment's parent company would like the researchers to pass on a note to those customers who spent the time helping them by providing a customer review. Participants then received either a verbal acknowledgment or a financial acknowledgment (with \$.05 financial benefit). For the notes, see Appendix A.

As in Studies 1a and 1b, the dependent variable consisted of three items averaged (Cronbach's α = .98; see Web Appendix W2) to capture how appreciated the company's actions made the participants feel. Finally, as in Study 1a, participants were debriefed about the purpose of the study and given a piece of chocolate to help ensure that they would not leave the study feeling unappreciated.

Results

Study 1a. A one-way analysis of variance (ANOVA) showed that participants who received an acknowledgment with \$.05 felt significantly less appreciated than participants who received an acknowledgment without \$.05 (M = 4.38 vs. M = 5.57; F(1, 47) = 8.50, p = .005), in support of H₁. Consistent with random assignment, length of free-response answers did not differ significantly across acknowledgment conditions (t(47) = .11, p = .914).

Study 1b. A one-way ANOVA showed that participants who received a financial acknowledgment with \$.01 felt significantly less appreciated than participants who received a verbal acknowledgment (M = 3.91 vs. M = 5.26; F(1, 55) = 10.50, p = .002), again demonstrating the trivialization effect predicted in H_1 . This analysis was conducted on the 72 participants who provided a website review. Again, the length of free-response answers did not

⁶One survey session took place outside a different dining establishment also run by the same parent company. Two patrons were surveyed during this survey session. Excluding these two patrons leads to the same results, so we combined the data across dining establishments.

⁷The standard one-way ANOVA assumes homogeneity of variances. When this assumption is violated (as it is in Studies 1b, 1c, 2b, 3, and 4), we instead report an adjusted F-statistic (and the associated degrees of freedom) provided by the Brown–Forsythe (1974) procedure, which does not assume homogeneity of variances. In addition, in Studies 2a–4, we report *p*-values from planned comparisons using the t-test for unequal variances, which also does not assume homogeneity of variances (Ruxton 2006), when applicable. Finally, for Study 2b, we report the *p*-value from a linear weighted contrast using the error term from the groups involved in the linear contrast rather than the pooled error term from the one-way ANOVA. The results do not change for any of these analyses if we conduct analyses that assume homogeneity of variances. Details about these procedures are available upon request.

differ significantly across acknowledgment conditions (t(70) = -1.18, p = .243).

Study 1c. A one-way ANOVA showed that participants who received an acknowledgment with \$.05 felt significantly less appreciated than participants who received an acknowledgment without \$.05 (M = 3.39 vs. M = 4.86; F(1, 39) = 11.97, p = .001). The length of free-response answers was marginally significantly different across acknowledgment conditions (t(44) = 1.82, p = .075), but importantly, the effect of acknowledgment condition remained significant (p = .002) when we used length of free-response answers as a covariate.

Discussion

Studies 1a–1c provide support for our hypothesis that expressing customer appreciation using a financial acknowledgment (i.e., a firm-to-consumer message that includes monetary benefit) can lead consumers to feel less appreciated than a verbal acknowledgment (i.e., a similar message with no monetary benefit; H_1). This finding held across contexts and means of controlling for message content. The robustness of these findings highlights the importance of recognizing and understanding the trivialization effect. Our next set of studies replicates these findings while exploring the mechanism that drives this effect.

Studies 2a and 2b: Varying Adherence to Verbal Norms and Financial Expectations

Studies 2a and 2b examine the importance of two types of standards (verbal gratitude norms and financial benefit expectations) in leading to the trivialization effect (H_2) . Collectively, these two studies test our theory that people evaluate verbal acknowledgments relative to verbal norms, whereas they evaluate acknowledgments with financial benefits relative to both verbal norms and financial benefit expectations.

Study 2a: Varying Adherence to Verbal Gratitude Expression Norms

Study 2a examines a smaller-than-expected financial benefit and varies the extent to which the acknowledgment's message content adheres to verbal norms. We predict that the trivialization effect will be mitigated when the verbal message content fails to conform to verbal norms (H_{2a}) .

Method

Design. One hundred sixty-one participants (47.2% female; $M_{\rm age} = 33.30$ years) from MTurk completed this study. Participants were randomly assigned to one of four between-subjects conditions in a 2 (acknowledgment type: verbal acknowledgment, financial acknowledgment with \$.01 bonus) \times 2 (message content: adherent to verbal norms, nonadherent to verbal norms) design.

Procedure. The procedure in Study 2a is similar to that used in Study 1b. Four hundred thirty-four participants (44.0% female; $M_{\rm age} = 32.47$ years) from MTurk were recruited to participate in a study ostensibly about participants and their attitudes toward various decisions. Participants first filled out two personality scales, the Big Five Inventory (John, Donahue, and Kentle 1991) and the Need for Cognition Scale (Cacioppo and Petty 1982), which were unrelated to the present study. Participants were thanked for completing these scales. Participants were then told that the next task (providing a website review for a university) was optional but would be helpful to the website feedback team.

Of the 434 recruited participants, 161 agreed to provide a website review. These participants were then directed to links for the actual website of a top business school in the United States. Participants were asked to look at the website and then to fill out an online form titled "[Business School]: Review of Website" (for screenshots of the online form, see Web Appendix W1). After participants submitted their review, they left the online form and returned to the study. On average, participants wrote 53.06 words (SD = 34.12; Mdn = 46 words) to answer the three free-response questions in the online form.

Participants were then told that the university's website feedback team wanted the researchers to pass on a note to participants who spent time helping them. Participants then saw one of the following notes, depending on which condition they were randomly assigned to: verbal acknowledgment adherent to verbal norms, verbal acknowledgment nonadherent to verbal norms, financial acknowledgment adherent to verbal norms (with a \$.01 bonus), or financial acknowledgment nonadherent to verbal norms (with a \$.01 bonus). For the notes, see Appendix A.

Note that although there are many ways that a firm's message could be nonadherent to verbal norms, we varied one important aspect of verbal norms—the extent to which the acknowledgment was offered out of a sense of obligation—because prior research has indicated that an acknowledgment does not adhere to prototypical gratitude expressions if it is offered out of a sense of obligation (Lambert, Graham, and Fincham 2009). Varying this one aspect enabled us to change the adherence of the note to verbal norms while retaining a high level of similarity on other message components. In addition, as in Study 1b, at the end of the study, we gave \$.25 actual bonuses to all participants.

Dependent variable. The dependent variable consisted of three items averaged to capture how appreciated participants felt (Cronbach's $\alpha = .98$; see Web Appendix W2).

⁸Word count was skewed to the right, so we performed the t-test on log-transformed word count.

⁹We also note additional studies we conducted regarding the robustness of the trivialization effect, but we do not include those in this article. Namely, we find that the trivialization effect holds in the context of employee bonus compensation, using common gifts rather than monetary payments, and as expressions of apology for service failure rather than appreciation for patronage or other inputs provided by the customer. Herein, we focus on the context of consumers and expressions of appreciation.

Manipulation check (financial acknowledgment with \$.01 bonus conditions). In the two financial acknowledgment conditions, participants were asked, "Does the MTurk bonus provided by the [Business School's] management team fail to meet, meet, or exceed your expectations for how much of an MTurk bonus the university would provide?" (1 = "fails to meet my expectations," 4 = "meets my expectations," and 7 = "exceeds my expectations"). This measure allowed us to confirm that the \$.01 MTurk bonus met (or, in this case, failed to meet) financial benefit expectations similarly, regardless of whether the message content adhered to prototypical gratitude expressions.

Manipulation check (verbal acknowledgment conditions). In the two verbal acknowledgment conditions, participants were asked two questions to gauge the extent to which they thought that the message content adhered to verbal norms. We developed these two questions (see Web Appendix W3) based on the prototypical gratitude expressions described in Lambert, Graham, and Fincham (2009). We averaged responses to these two questions to form an adherence to verbal norms index (r = .795, p < 001), which allowed us to confirm differences in perceived adherence.

Confound checks. Finally, we asked questions about perceived correctness of spelling ("Does this note have correct spelling?" 1 = "not at all," and 7 = "very much so"), length ("How long is this message?" 1 = "very short," and 7 = "very long"), and understandability ("How easy is it to understand this note?" 1 = "very difficult to understand," and 7 = "very easy to understand"). These responses helped us ensure that our manipulation aimed at altering adherence to verbal norms did not affect these aspects of the notes.

Results

Manipulation checks, confound checks, and website review length. Before analyzing the main dependent variable, we conducted analyses of manipulation and confound checks, which indicated that our manipulations were successful and did not create problematic confounds. First, a manipulation check of the two financial acknowledgment with \$.01 bonus conditions confirmed that the \$.01 bonus met financial benefit expectations similarly regardless of whether the message content adhered to verbal norms ($M_{adherent, \$.01\ bonus} = 2.88\ vs.\ M_{nonadherent, \$.01\ bonus} = 2.45$; t(78) = 1.10, p = .274). Importantly, the financial benefit did not meet financial benefit expectations: responses were less than the midpoint of the scale (4), according to one-sample t-tests (ps < .001).

Second, a manipulation check of the two verbal acknowledgment conditions confirmed that adherence to verbal norms was indeed higher when the message content was intended to adhere to these norms ($M_{adherent, no \ bonus} = 5.55 \ vs. \ M_{nonadherent, no \ bonus} = 2.71; \ t(67) = 9.58, \ p < .001$). Furthermore, according to one-sample t-tests, ratings of the adherent note were greater than the scale midpoint (4) (p < .001), whereas ratings of the nonadherent note were less than the scale midpoint (p < .001).

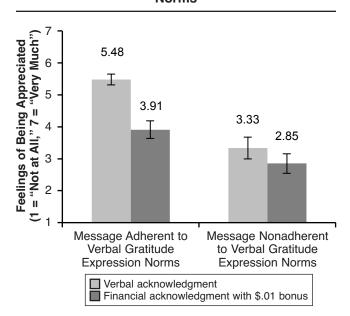
Third, there were no two-way interactions between acknowledgment type and message content on any of the three confound checks (spelling: p = .417; length: p = .649; understandability: p = .174), so we collapsed them across acknowledgment type and confirmed that none of the confound checks differed across the message content manipulation (spelling: p = .134; length: p = .490; understandability: p = .430). Finally, consistent with random assignment, the website review length did not differ significantly across conditions (F(3, 157) = .86, p = .466).

Dependent variable. Consistent with H_{2a} , a two-way ANOVA conducted on the 161 participants who submitted a website review revealed a marginally significant two-way interaction between acknowledgment type and the message content's adherence to verbal norms (F(1, 157) = 3.79, p = .053). See Figure 1.

When the message content adhered to verbal norms, we again replicated our key trivialization effect from the prior studies ($M_{adherent, no \ bonus} = 5.48 \ vs. \ M_{adherent, $.01 \ bonus} = 3.91;$ t(65) = 4.88, p < .001), as we predicted in H_1 . Importantly, when the message content did not adhere to verbal norms, the trivialization effect was no longer present ($M_{nonadherent, no \ bonus} = 3.33 \ vs. \ M_{nonadherent, $.01 \ bonus} = 2.85;$ t(78) = 1.05, p = .296), as predicted in H_{2a} .

In further support of our theory that verbal acknowledgments are evaluated entirely on the basis of adherence to verbal norms whereas financial acknowledgments are evaluated only partly on the basis of adherence to verbal norms, the impact of varying adherence to verbal norms was greater in the verbal acknowledgments condition. For verbal acknowledgments, participants reported that they would feel much

FIGURE 1
Study 2a: Trivialization Effect as a Function of Whether Message Content Adheres to Verbal Norms



Notes: The trivialization effect occurs when the message content adheres to verbal gratitude expression norms (H_1) but is mitigated when the message content does not adhere to verbal gratitude expression norms (H_{2a}) . The error bars refer to standard errors of the mean.

more appreciated when the message content adhered to verbal norms ($M_{adherent,\,no\,\,bonus} = 5.48\,$ vs. $M_{nonadherent,\,no\,\,bonus} = 3.33;\,$ t(57) = 5.64, p < .001). For financial acknowledgments, participants also reported that they would feel more appreciated when the message content adhered to verbal norms ($M_{adherent,\,\$.01\,\,bonus} = 3.91\,$ vs. $M_{nonadherent,\,\$.01\,\,bonus} = 2.85;\,$ t(78) = 2.57, p = .012), but importantly, consistent with our theory, the interaction suggests that the magnitude of the difference was smaller, signifying that financial acknowledgments are based partly, but not entirely, on adherence to verbal norms.

Discussion

Study 2a varied the extent to which an acknowledgment's message content adhered to verbal norms. As we predicted, the trivialization effect did not emerge when the message content did not adhere to verbal norms. Furthermore, evaluations of the financial acknowledgment were affected by the message content's adherence to verbal norms, but not to the extent that evaluations of the verbal acknowledgment were. This latter result provides further support for our theory that when the acknowledgment is verbal, consumers base their evaluation of the acknowledgment entirely on the message content's adherence to verbal norms, whereas when the acknowledgment is financial, consumers base their evaluation of the acknowledgment only partly on the message content's adherence to verbal norms. Although we contend that these findings are important for demonstrating our theory, given that firms are unlikely to send appreciative notes to their customers that fail to adhere to verbal norms, we return to a focus on acknowledgments that meet verbal norms in the remaining studies, consistent with Studies 1a-1c.

Study 2b: Varying Adherence to Financial Benefit Expectations

Study 2b tests our theory that consumers who receive an acknowledgment with a financial benefit base part of their evaluation of the acknowledgment on the amount of the financial benefit. We do so by focusing on acknowledgments whose message content is adherent to verbal norms and by manipulating the relationship of a financial benefit amount to expectations such that amounts fall short, meet, or exceed expectations. In line with our theory, we should replicate the trivialization effect observed in Studies 1a–1c and 2a when the financial benefit amount falls short of expectations, but amounts that meet and exceed expectations should not lead to trivialization (H_{2b}).

Method

Design. Three hundred sixty-four participants (37.9% female; $M_{\rm age} = 31.12$ years) from MTurk completed this study. Participants were randomly assigned to one of nine conditions: 0% discount (verbal acknowledgment), 5% discount, 10% discount, 15% discount, 20% discount, 25% discount, 30% discount, 35% discount, and 40% discount.

Pretest. We selected these discount amounts on the basis of a separate pretest in which 46 participants from MTurk saw the same scenario as participants in the main study's acknowledgment with 0% discount condition. In this separate pretest, participants were asked what percentage discount off their next purchase they would expect to receive to thank them for their loyalty. These pretest results indicated that a 5% discount would meet or exceed expectations for 0% of participants, a 10% discount would for 28.3% of participants, a 15% discount would for 41.3% of participants, a 20% discount would for 67.4% of participants, a 25% discount would for 78.3% of participants, a 30% discount would for 87.0% of participants, a 35% discount would for 91.3% of participants, and a 40% discount would for 95.7% of participants. Therefore, by manipulating the financial benefit at these amounts, we are able to increase the degree to which the financial benefit meets or exceeds participants' expectations.

Procedure. Participants first read the following directions: "Imagine that you frequently go shopping at a midend clothing store at the mall and bring the store a lot of business by encouraging other people to shop there as well. You even wrote a lengthy review of this store on their social media page. In short, you do a lot to benefit this store's business. Imagine that you get the following email."

Participants then saw an e-mail that was manipulated in line with the randomly assigned conditions to either thank the customer (verbal acknowledgment) or thank the customer and offer a discount on her next purchase (the size of the discount varied from 5% to 40%, depending on the financial acknowledgment condition). For the e-mails, see Appendix A.

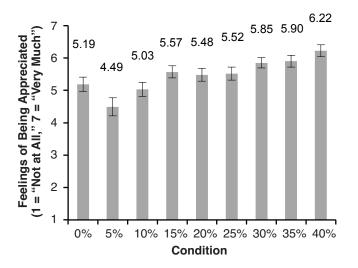
Dependent variable. Finally, participants were asked how appreciated they felt ("After receiving this e-mail, how appreciated would you feel by the store for all that you do for its business?" 1 = "not at all appreciated," and 7 = "very much appreciated").

Results

A one-way ANOVA using discount amount to predict appreciation was significant (F(8, 320) = 6.18, p < .001). See Figure 2. We then conducted planned contrasts to test our theory regarding the importance of financial benefit expectations in creating trivialization (H_{2h}).

Consistent with H_{2b} , the only decrease in appreciation occurred when shifting from the 0% discount condition to the 5% discount condition (M = 5.19 vs. M = 4.49; t(77) = 1.98, p = .051). Aside from the 0% discount condition, the 15%–40% discount conditions also generated significantly greater appreciation than did the 5% discount condition (ps ranging from .005 to <.001), in support of H_{2b} . In addition, when examining the eight nonzero discount conditions (the 5%–40% discount conditions), we observed a consistent positive linear trend in feelings of appreciation as the discount amounts met or exceeded expectations (significant weighted linear contrast: F(1, 314) = 41.83, p < .001), indicating that larger discounts were associated with feeling more appreciated than were smaller discounts. Finally, the

FIGURE 2
Study 2b: Effect of Different Financial Benefit
Amounts on Consumers' Felt Appreciation



Notes: The trivialization effect occurs when the financial benefit provided is smaller than expected (i.e., 5% discount; H₁) but is mitigated and reversed when the financial benefit provided meets or exceeds expectations (i.e., 10%–40% discount; H_{2b}). The error bars refer to standard errors of the mean.

30%–40% discount conditions, which met or exceeded expectations for most pretest participants, were all significantly higher than the 0% discount condition (*ps* from .019 to .001).

Discussion

Study 2b demonstrated that financial benefit amounts that fail to meet consumers' expectations lead to the trivialization effect but amounts that meet or exceed expectations do not. This finding suggests that consumers compare their received financial benefit amount with their financial benefit expectations as a reference point. Importantly, this finding shows that it is not simple proximity to financial benefit expectations that determines consumers' satisfaction, because a small amount is objectively closer to financial benefit expectations than is zero. Rather, considerable satisfaction created by a verbal acknowledgment (no financial benefit included) suggests that it is evaluated relative to a different standard than a financial acknowledgment (financial benefit included). As we demonstrated in Study 2a, this standard is likely to be the extent to which the acknowledgment's message content adheres to verbal norms.

Study 3: Marketer-Provided Financial Benefit Reference Point

Study 2b's findings suggest that consumers may automatically use their own financial benchmarks when financial benefits are presented. Accordingly, we suggest that marketers should be able to provide alternative reference points to shift consumers' reference points away from their own internal financial benefit expectations. Therefore, Study 3

tests whether the trivialization effect will be mitigated when consumers are exposed to lower firm-provided financial benefit reference points, consistent with H₃. In addition to further testing the role of financial benefit reference points in evaluating financial acknowledgments, Study 3 is also important from a managerial perspective because it can suggest a practical way for managers to salvage the power of small financial benefits without increasing the firm's costs

Method

Design. Two hundred fifty-one participants (37.1% female; $M_{\rm age} = 30.14$ years) from MTurk completed this study. Participants were randomly assigned to one of three conditions: verbal acknowledgment, financial acknowledgment (5% discount), or financial acknowledgment (5% discount) with lower reference points.

Procedure. Participants first read the following directions, which were similar to those read by participants in Study 2b: "Imagine that you frequently go shopping at a mid-level clothing store at the mall and bring the store a lot of business by encouraging other people to shop there as well. You also wrote a lengthy review of this store on their social media page. Imagine that you get the following note."

Depending on randomly assigned condition, participants then saw a note that either thanked them (verbal acknowledgment condition) or thanked them and offered a 5% discount on their next purchase (financial acknowledgment condition; financial acknowledgment with lower reference points condition). In the financial acknowledgment with lower reference points condition, a series of potential discounts were listed on the note (1%, 2%, 3%, 4%, and 5%), and the 5% discount amount was circled. For the notes, see Appendix B.

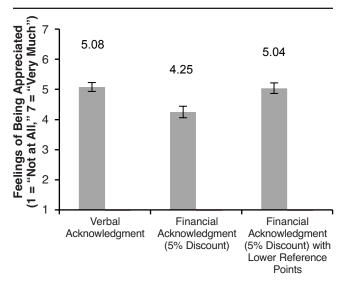
Dependent variable. The dependent variable consisted of three items averaged to capture how appreciated participants felt (Cronbach's $\alpha = .95$; see Web Appendix W2).

Results

A one-way ANOVA using condition to predict felt appreciation was significant (F(2, 238) = 7.53, p = .001) (see Figure 3). We then conducted planned comparisons to test whether we would replicate the trivialization effect predicted in H_1 and to test H_3 (that the trivialization effect can be mitigated by providing alternative financial benefit reference points).

First, in support of H_1 , participants who received the financial acknowledgment felt less appreciated than participants who received the verbal acknowledgment (M = 4.25 vs. M = 5.08; t(155) = 3.46, p = .001). Second, in support of H_3 , participants who received the financial acknowledgment with lower reference points felt similarly appreciated as participants who received the verbal acknowledgment (M = 5.04 vs. M = 5.08; t(160) = .17, p = .864) and felt more appreciated than participants who received the financial acknowledgment without the lower reference points (M = 5.04 vs. M = 4.25; t(168) = 3.06, p = .003).

FIGURE 3
Study 3: Effect of Lower Financial Reference
Points on Trivialization Effect



Notes: The trivialization effect is mitigated through the firm providing lower reference points (H₃). The error bars refer to standard errors of the mean.

Discussion

Study 3 replicates the trivialization effect (H₁) and further shows that it is eliminated when consumers are exposed to lower financial benefit reference points (H₃). Thus, Study 3 provides further support for the importance of financial benefit reference points when evaluating financial acknowledgments. Moreover, from a practical perspective, Study 3 is important because it suggests that managers may be able to avoid the trivialization effect by presenting consumers with explicit financial benefit reference points that are lower than the small benefit amounts offered.

Study 4: Prosocial Benefit

As Study 3 suggests, lower reference points provided by managers can effectively alter reference points for evaluating financial benefits. However, we also suggest that other mechanisms may similarly change these reference points. As such, Study 4 tests a form of financial benefit that we suggest may be less subject to comparison with a higher financial benefit expectations reference point: prosocial benefit. Specifically, Study 4 tests whether the trivialization effect will be mitigated when the financial benefit is prosocial, consistent with H₃. To maximize ecological validity, participants in this study completed a review for a proposed start-up company and actually received the financial benefit assigned by condition.

Method

Design. Two hundred thirty-eight participants (60.9% female; $M_{age} = 38.56$ years) from MTurk completed this study. Participants were randomly assigned to one of four conditions: verbal acknowledgment (no bonus), financial

acknowledgment with \$.01 bonus (version 1), financial acknowledgment with \$.01 bonus (version 2), and financial acknowledgment with \$.01 prosocial bonus. We created two versions of the financial acknowledgment with \$.01 bonus to further establish the robustness of the trivialization effect to a change in wording that emphasized that the company knew that the small bonus could not begin to compensate participants for the time they spent (version 2).

Procedure. Seven hundred sixty-one participants (51.6% female; M_{age} = 35.29 years) from MTurk were recruited to participate in a study ostensibly about participants and their attitudes toward various decisions. As in Study 2a, participants first filled out two personality scales, the Big Five Inventory (John, Donahue, and Kentle 1991) and the Need for Cognition Scale (Cacioppo and Petty 1982), which were unrelated to the present study. Participants were thanked for completing these scales. They were then told that the next task (providing a website review for "Fifth & Falls," a startup company hoping to sell modern tableware online) was optional but would be helpful to the company's founders. To mimic actual opportunities to provide input to companies, we told participants that providing the website review was completely optional.

Of the 761 recruited participants, 248 agreed to provide a website review. These participants were directed to a separate website for this modern tableware company. Participants were asked to look at the website and, when ready to write the review, to click on the "Reviews" tab of the website and fill out a review (for a screenshot of the home page and the reviews page of this website, see Web Appendix W1). Of the 248 participants who agreed to provide a website review, 238 actually submitted a review. After these participants submitted their reviews, they left the website and returned to the study. The average length of a submitted review was 43.04 words (SD = 33.92; Mdn = 34 words).

Participants were then randomly assigned to one of the four conditions. They were told that the company wanted the researchers to pass on a note to participants who spent time helping them. Participants then saw a note that thanked them (verbal acknowledgment condition), thanked them and gave them a \$.01 bonus (financial acknowledgment with \$.01 bonus, version 1 condition), thanked them and gave them a \$.01 bonus that the company acknowledged could not begin to compensate them for the time they had spent (financial acknowledgment with \$.01 bonus, version 2 condition), or thanked them and told them that \$.01 would be given to a charity on their behalf (financial acknowledgment with \$.01 prosocial bonus condition). As in Studies 1b and 2a, we actually gave participants in the nonprosocial financial acknowledgment conditions a bonus of \$.25 at the end of the study to help ensure that they would not leave feeling unappreciated, and we donated \$.25 to charity for each participant in the prosocial bonus condition. For the notes, see Appendix A.

Dependent variable. The dependent variable consisted of three items averaged to capture how appreciated participants felt (Cronbach's $\alpha = .95$; see Web Appendix W2).

Results

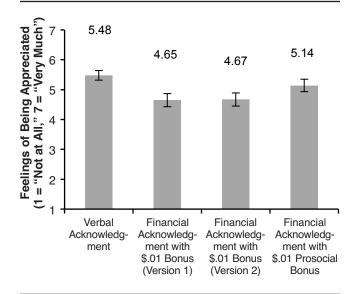
A one-way ANOVA on the 238 participants who provided a website review, using acknowledgment condition to predict felt appreciation, was significant (F(3, 222) = 3.78, p = .011). See Figure 4. We then conducted planned comparisons to test for the trivialization effect (H₁) and to test whether making the financial benefit prosocial mitigates the trivialization effect (H₃).

First, consistent with H₁, participants who received a financial acknowledgment with a \$.01 bonus felt significantly less appreciated than participants who received a verbal acknowledgment (version 1: M = 4.65 vs. M = 5.48; t(105) = 3.05, p = .003; version 2: M = 4.67 vs. M = 5.48; t(106) = 2.94, p = .004). Second, consistent with H₃, participants who received a financial acknowledgment with a \$.01 prosocial bonus felt similarly appreciated as participants who received a verbal acknowledgment (M = 5.14 vs. M =5.48; t(111) = 1.26, p = .211). Participants who received a \$.01 prosocial bonus also felt directionally more appreciated than participants who received a \$.01 traditional bonus (version 1: t(117) = -1.61, p = .110; version 2: t(118) = -1.53, p = .129). Note that consistent with random assignment, the website review length did not differ significantly across conditions (F(3, 234) = .93, p = .429) and therefore cannot account for any of these findings.

Discussion

Study 4 replicates the trivialization effect (H_1) and further shows that the trivialization effect is eliminated when the financial benefit is prosocial (H_3) . From a practical perspective, Study 4 is important because it suggests that managers may be able to avoid the trivialization effect by directing

FIGURE 4
Study 4: Effect of Prosocial Benefit on
Trivialization Effect



Notes: The trivialization effect is mitigated by the firm providing the financial benefit in a prosocial form (H₃). The error bars refer to standard errors of the mean.

small financial benefits toward charity rather than toward customers. Study 4 also suggests that it is not sufficient for the firm to acknowledge that the financial benefit provided in the financial acknowledgment is too small, as this strategy failed to mitigate the trivialization effect.

General Discussion

Across seven studies, we demonstrate that receiving an acknowledgment with a smaller-than-expected financial benefit can lead consumers to feel less appreciated than receiving *no* financial benefit. We refer to this finding as the "trivialization effect" and to such smaller-than-expected financial benefits as "trivializing compensation"—a novel and useful construct for both managerial practice and theory. We examined the size of the trivialization effect by conducting a meta-analysis of 615 participants across the seven studies in this article.¹⁰ The weighted average effect size (using Cohen's d) was .69, which represents a mediumplus effect size according to Cohen (1992). As such, the trivialization effect is clearly substantial.

Furthermore, we demonstrate that this effect occurs because offering a financial acknowledgment leads consumers to evaluate the firm's response in part according to a different standard—whether it meets their financial benefit expectations—rather than solely according to whether the message content meets verbal norms associated with prototypical gratitude expressions (Studies 2a and 2b). Accordingly, when the content of a message adheres to norms of verbal gratitude expressions (Lambert, Graham, and Fincham 2009), including a smaller-than-expected financial benefit backfires. However, when the content of the message violates norms of verbal gratitude expressions (Study 2a) or when financial benefits meet or exceed expectations (Study 2b), the trivialization effect dissipates.

Given the importance of financial benefit reference points in contributing to the trivialization effect, we demonstrate that the effect can be eliminated when consumers are exposed to financial benefit reference points that are lower than the financial benefit provided by the firm (Study 3). In addition, we demonstrate that the trivialization effect can also be eliminated when the financial benefit is offered in a prosocial form, which may be less susceptible to comparisons with high financial benefit expectations (Study 4).

Managerial Implications

Communicating appreciation to one's customers is crucial, particularly within the context of an ongoing relationship

¹⁰We included a verbal acknowledgment condition and a financial acknowledgment with a small financial benefit condition from each study for the meta-analysis. Specifically, we included the following conditions: both conditions from each of Studies 1a–1c, the adherent no bonus condition and the adherent bonus condition from Study 2a, the 0% discount condition and the 5% discount condition from Study 2b, the verbal acknowledgment condition and the financial acknowledgment with 5% discount condition from Study 3, and the verbal acknowledgment condition and the financial acknowledgment with \$.01 bonus (version 1) condition from Study 4. Additional details are available upon request.

between the customer and the firm. Given our findings, what guidance can we offer to a manager aiming to acknowledge customers effectively? Our research suggests four considerations for managers as they plan their course of action. First, it is important that managers do not underestimate the value of a simple verbal acknowledgment that adheres to verbal norms (Lambert, Graham, and Fincham 2009). As our studies show, a verbal acknowledgment can be better than a similarly worded financial acknowledgment so long as the message content meets verbal gratitude expression norms and the financial benefit is smaller than expected.

Second, managers should conduct market research to understand people's expectations of appropriate financial benefit levels. Study 2b shows that, ideally, amounts that exceed the expected financial benefit should be used so that managers can reverse the trivialization effect. Indeed, Study 2b's findings do not support an alternative account that people simply react more negatively to financial acknowledgments than to verbal acknowledgments. Rather, offering a financial acknowledgment *can* be a beneficial way to acknowledge loyal customers for their support, provided customers' financial benefit expectations are met.

Third, when expectations are high, unstable, or difficult to measure, a firm that aims to offer small financial benefits should craft communications that prompt consumers to consider lower reference points. For example, as Study 3 shows, communications may list a range of possible benefit amounts such that the highest benefit amount corresponds to the amount the firm offers. If firms use this strategy, they should manage the distribution of benefit amounts such that most consumers will be given a reference point lower than the amount they actually receive. Our research suggests that this strategy may help consumers feel appreciated and value the small financial benefits provided by firms.

Fourth, as Study 4 shows, a firm that wants to offer small financial benefits should consider offering consumers the opportunity to direct the financial benefit to a prosocial endeavor. Our findings suggest that a prosocial-oriented approach can salvage small firm expenditures and effectively communicate the firm's appreciation. Furthermore, prior research has suggested additional benefits to a firm for engaging in prosocial behaviors (Varadarajan and Menon 1988).

Notably, both recent managerial advice pieces (Corstjens and Lal 2014; Young Entrepreneur Council 2014) and recent managerial actions at some companies suggest that many managers continue to struggle with how best to acknowledge loyal consumers (Co 2012; Lyon 2012; skh 2013). Although managers are likely to think that violating verbal norms in their acknowledgment messages would not make sense, they might not think about the likelihood that adding financial benefits would trivialize their customers' efforts. Indeed, in an additional study (available upon request), we find that laypeople actually anticipate the opposite of the trivialization effect—that is, when asked whether they would feel more appreciated with a verbal acknowledgment or a financial acknowledgment with a small financial benefit (i.e., in a joint or comparative evaluation mode in which each person views both types of acknowledgments, which may be the predominant evaluation mode managers face; Hsee 1996; Hsee et al. 1999; Tanner 2008; Weaver, Garcia, and Schwarz 2012), they thought that they would feel more appreciated if they received a financial acknowledgment. As in many other areas of consumer research, people may not always have the correct lay intuitions about how managers can acknowledge consumers without trivializing their efforts.

Theoretical Contributions and Future Directions

The present research offers the important theoretical contribution that a firm's method of acknowledging consumers can alter the evaluation standards that consumers use to judge the firm's action. Specifically, making an acknowledgment financial rather than verbal by including a financial benefit shifts consumers from evaluating the acknowledgment on the basis of adherence to verbal norms alone. Instead, consumers also focus on whether the financial benefit amount meets their expectations and average this evaluation with their evaluation of the acknowledgment's adherence to verbal norms (Anderson 1965; Gaeth et al. 1990; Weaver, Garcia, and Schwarz 2012; Yadav 1994). Note that in this research, we assume a simple averaging model, which is consistent with much prior research on evaluation of multicomponent stimuli (Anderson 1965; Gaeth et al. 1990; Weaver, Garcia, and Schwarz 2012; Yadav 1994). However, further research might examine whether a simple averaging model or a weighted averaging model (the latter of which can be used to model an anchoring and adjustment process; Einhorn and Hogarth 1985; Hogarth and Einhorn 1992; Johnson and Puto 1987; Yadav 1994) better captures the evaluation of financial acknowledgments.

In showing the trivialization effect, we also believe that our work prompts careful consideration about the general application of the expectancy disconfirmation paradigm: although a financial acknowledgment is objectively closer to financial benefit expectations than a verbal acknowledgment, the inclusion of the small financial benefit can lead consumers to feel less appreciated. Thus, it is not always the case that satisfaction will increase as financial benefits become closer to quantitative expectations. To increase satisfaction as financial benefits approach quantitative expectations, managers must be confident that no other possible standard (e.g., verbal expression norms) was cued in the absence of the financial benefit.

Drawing on the importance of financial benefit reference points in contributing to the trivialization effect, this article also illustrates two strategies to eliminate the trivialization effect. We theorize that the trivialization effect may be eliminated when a prosocial benefit is offered because the utility provided by giving a prosocial benefit is fairly insensitive to the quantity of benefit actually provided (Hsee and Rottenstreich 2004; Imas 2014; Small, Loewenstein, and Slovic 2007) or because a prosocial benefit is more likely to be evaluated according to low financial reference points (Cialdini and Schroeder 1976; Estrin 2013). In addition, consumers are likely conditioned to think of the cumulative effects of small amounts of money directed toward prosocial causes. Further research could aim to disentangle these possibilities.

In the present research, we varied either adherence to verbal norms (holding financial benefit constant at a smaller-than-expected level; Study 2a) or adherence to financial benefit expectations (holding message content adherent to verbal norms; Study 2b). However, further research could jointly vary these two factors through an extension of our proposed multicomponent averaging model. It would be particularly worthwhile for future studies to examine what happens when the message does not adhere to verbal norms but the financial benefit is larger than expected: Can a large enough financial benefit overcome a lack of adherence to verbal norms? Scholars could examine these and other possibilities through the lens introduced herein. In addition, we also note that there are many ways that a message may fail to adhere to verbal norms that we do not examine here (e.g., length, personalization) but that might be explored in further research.

Finally, we focused on felt appreciation as a key dependent variable throughout our studies. The types of acknowledgments that we examined across our studies are those that firms commonly use as part of customer appreciation or loyalty programs designed specifically to communicate firms' appreciation for their customers (Valenzuela, Mulki, and Jaramillo 2010). Accordingly, appreciation is the most immediate outcome that the focal messages would be expected to produce. In focusing on felt appreciation, we shed light on factors that shape felt appreciation within marketing channel relationships. Given the strong theoretical and empirical associations between felt appreciation, wellbeing, satisfaction, and various indicators of relationship commitment (Geyskens, Steenkamp, and Kumar 1999; Hoffman and Lowitt 2008; Reis et al. 2000), a better understanding of how firms' actions affect felt appreciation is important for marketers interested in building stronger relationships with their customers.

Appendix A: Main Stimuli for All Studies

Study 1a: Hotel Field Study

Dear Sir or Madam,

Thank you very much for your time and support in providing this feedback for our company.

We really appreciate it, and your feedback will be helpful to us.

We [verbal acknowledgment condition: "wanted to send you this note"; financial acknowledgment (\$.05) condition: "will give you \$0.05 (a nickel) at the end of this study"] to thank you for all the time you spent.

Sincerely,

[Hotel Conference Center's] Management

Study 1b: Competitor Feedback Study

Dear Sir or Madam,

Thank you very much for your valuable time and support in providing this review of our competitors' websites! We know that you may have spent quite a bit of time doing this. We are sending you [verbal acknowledgment condition: "this brief note"; financial acknowledgment (\$.01) condition: "a \$0.01 additional mTurk payment"] to tell you how much we value your time and support.

Sincerely,

Pure Coffee & Tea Founders

Study 1c: Dining Establishment Study

Dear customer,

Thank you very much for your time and support in providing this feedback for [Dining Establishment].

We really appreciate it, and your feedback will be very helpful to us.

We wanted to send you this note to thank you for all the time you spent. [verbal acknowledgment condition: N.A.; financial acknowledgment (\$.05) condition: "We will also give you \$0.05 (a nickel) to thank you for your time."]

Sincerely,

[Dining Establishment Parent Company]

Study 2a: Varying Adherence to Verbal Gratitude Expression Norms

Adherent to Verbal Gratitude Expressions Conditions

Dear worker,

The management team at [Business School] would like to thank you for looking at our website and providing your feedback on how we can improve!

We truly value all that you have done to support us, so we wanted to send you [verbal acknowledgment condition: "this note"; financial acknowledgment (\$.01) condition: "a \$0.01 mTurk bonus"] to tell you how much we value and appreciate your help.

Sincerely,

[Business School's] Management Team

Nonadherent to Verbal Gratitude Expressions Conditions
Dear worker,

The management team at [Business School] is required to send this automatically-generated message to all individuals who complete the website review task:

Thank you for taking the time to look at our website and for providing your feedback. We are sending you [verbal acknowledgment condition: "this note"; financial acknowledgment (\$.01) condition: "a \$0.01 mTurk bonus"] today mainly because it is mandatory for us to offer recognition.

Sincerely,

[Business School's] Management Team

Study 2b: Varying Adherence to Financial Benefit Expectations

Dear customer,

Thank you very much for your loyalty to our store through your frequent purchases and your positive word-of-mouth to other customers. We truly value all that you do to support our business, so we wanted to send you [0% dis-

count (verbal acknowledgment) condition: "this note"; 5%–40% discount (financial acknowledgment) conditions: "this coupon for 5-40 percent off your next purchase"] to tell you how much we value and appreciate your support.

Sincerely,

[Store]

Study 4: Prosocial Benefit

Dear Sir or Madam,

Thank you very much for your valuable time and support in providing this review of our website! We know that you may have spent quite a bit of time doing this.

We are sending [verbal acknowledgment condition: "you this brief note"; financial acknowledgment with \$.01

(version 1) condition: "you a \$0.01 additional mTurk payment"; financial acknowledgment with \$.01 (version 2) condition: "you a \$0.01 additional mTurk payment"; financial acknowledgment with \$.01 prosocial condition: "a \$0.01 donation to Feeding America (a hunger-relief charity) on your behalf"] to tell you how much we value your time and support. [financial acknowledgment with \$.01 (version 2) condition: "(We truly appreciate your help and realize that this small payment cannot begin to compensate you for all of the time you spent providing a review.)"]

Sincerely,

A. Williams

Fifth & Falls Store Manager

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APPENDIX B Study 3: Marketer-Provided Financial Benefit

Reference Point

A: Verbal Acknowledgment Condition

Dear customer,

Thank you very much for your loyalty to our store through your frequent purchases and your positive word-of-mouth to other customers.

We truly value all that you do to support our business, so we wanted to send you this note to tell you how much we value and appreciate your support.

Sincerely,

Amos

store manager

B: Financial Acknowledgment (with 5% Discount) Condition

Dear customer,

Thank you very much for your loyalty to our store through your frequent purchases and your positive word-of-mouth to other customers.

We truly value all that you do to support our business, so we wanted to send you this note to tell you how much we value and appreciate your support. This note serves as a coupon for a percentage off your next purchase.

I have circled the discount percentage you will receive below:



Sincerely,

store manager

(Discount percentage not valid unless this note is signed by the store manager)

C: Financial Acknowledgment (with 5% Discount) with Lower Reference Points Condition

Dear customer,

Thank you very much for your loyalty to our store through your frequent purchases and your positive word-of-mouth to other customers.

We truly value all that you do to support our business, so we wanted to send you this note to tell you how much we value and appreciate your support. This note serves as a coupon for a percentage off your next purchase.

I have circled the discount percentage you will receive below:

1% 2% 3% 4% 5%

Sincerely,

store manager

(Discount percentage not valid unless this note is signed by the store manager)

Should Firms Use Small Financial Benefits to Express Appreciation to Consumers? Understanding and Avoiding Trivialization Effects

Peggy J. Liu, Cait Lamberton, Kelly L. Haws

Web Appendix

APPENDIX W1: ADDITIONAL STIMULI FOR STUDIES 1A, 1B, 1C, 2A, AND 4

Study 1a: Hotel Field Study – Customer Review Questions

- 1. How many total nights have you stayed at [hotel conference center's name]?
- 2. How many total meals have you eaten at [hotel conference center's name]?
- 3. Have you ever visited [hotel conference center's name]'s website? (yes, no)
- 4. Compared to other full-service conference centers or hotels that you have visited before, how does [hotel conference center's name] compare? (1 = much worse to 7 = much better)
- 5. What are some things you like about [hotel conference center's name]?
- 6. What are some things you dislike about [hotel conference center's name]?
- 7. Please write a one-paragraph review of [hotel conference center's name] for potential future patrons. You can write both positive and negative things - please be honest.

Note: The hotel conference center's name has been removed for its anonymity.

Review form (page 1)

* Required	
How did you hear about	Pure Coffee & Tea? *
 Posting on Online Foru 	n
Posting on CraigsList	
 Amazon Mechanical Tu 	rik
Friend/Colleague/Famil	1
Other:	
Worker ID below, It you did not hear about F	Coffee & Tea through Amazon Mechanical Turk, please enter your fure Coffee & Tea through Amazon Mechanical Turk, please write: I didn fea through Amazon Mechanical Turk.)

Review form (page 2)

Pure C	offee & Tea: Review of Competitor Websites
* Required	
	ffee & Tea Competitor Review #1 mpettors is the Empire Coffee & Tea Company (http://www.empirecoffeetea.com).
	like about Empire Coffee & Tea Company's website? * 3 things you like.)
	dislike about Empire Coffee & Tea Company's website?
Please list 1	3 things you dislike.)
« Back Co	entinue »

Review form (page 3)

Pure Coffee & Tea: Review of Competitor Websites Pure Coffee & Tea Competitor Review #2 What do you like about Green Tree Coffee & Tea Company's website? What do you dislike about Green Tree Coffee & Tea Company's website? « Back Continue »

Review form (page 4)

Pure Coffee & Tea: Review of Competitor Websites
*Required
Pure Coffee & Tea Competitor Comparison
Which of our competitors' websites did you like better?
Empire Coffee & Tea Company
Green Tree Coffee & Tea Company
I liked them similarly.
Have you ever purchased coffee and/or tea online?
€ Yes
○ No
Would you be interested in purchasing coffee and/or tea online?
Opfinitely Yes
Opfinitely No
○ Maybe
Do you have any comments, questions, or feedback for us?
Back Submit

- 1. How many total meals have you eaten at [dining establishment's name]?
- 2. Have you ever visited [dining establishment's name]'s website? (yes, no)
- 3. Compared to other dining places that you have eaten at on [university's name]'s campus, how does [dining establishment's name] compare? (1 = much worse to 7 = much better)
- 4. Please write a one-paragraph review of [dining establishment's name] for potential future patrons. You can write both positive and negative things - please be honest.

Note: The dining establishment's name has been removed for its anonymity.

Study 2a: Varying Adherence to Verbal Gratitude Expression Norms – Website Review Form

Review form (page 1) Review form (page 2) [Business School's Name]: Review of Website [Business School's Name]: Review of Website What do you like about the website? • Please list 1-3 things you like.) [Business School's Name]: Review of Website What do you dislike about the website? * lease list 1-3 things you dislike.) What led you to view the [Business School's Name] website today? • Posting on Online Forum Posting on CraigsList Amazon Mechanical Turk Criend/Colleague/Family If you were to tell someone else about this website, what would you say? If you decided to view the [Business School's Name] website today because you were asked to on Amazon Mechanical Turk, please enter your Worker ID below. * (Otherwise, please write: I didn't decide to provide feedback because of Amazon Mechanical Turk.)

Review form (page 2 continued)

	1 2 3 4	5			
Very unattrac	tive	Very attractive			
What do you	think about the	website's FON	r? •		
	1 2 3 4	5			
Very unattrac	tive	Very attractive			
Very unattrac	1 2 3 4	Very attractive			
What do you	think about the	e website's OVE	RALL DES	IIGN? •	
	1 2 3 4	5			
Very unattrac	tive	Very attractive			

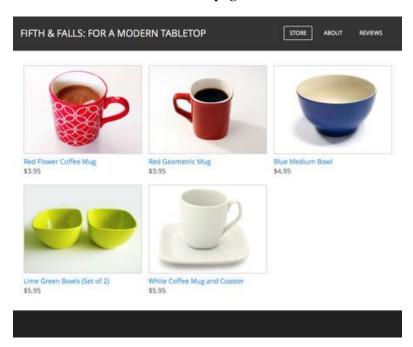
Review form (page 3)

Web:	ness Schoo site	ors Nam	iej: Review	/ OT
[Busin	ess School's N	lame]: Rev	riew of Websi	te
Have you	ver visited a [University)	s Name] website	before? •	
Yes				
No				
Do you ha	e any comments, questi	ions, or feedback	for us?	
			4	

Note: The business school's name has been removed for its anonymity.

Study 4: Prosocial Benefit – Website Review Form

Home page



Review page

SUBMIT

APPENDIX W2: DEPENDENT VARIABLES FOR ALL STUDIES

Study	Dependent Variable
1a	 Appreciation index: After receiving this note, how appreciated do you feel by [conference center's name] for providing customer feedback?" (1 = not at all appreciated, 7 = very much appreciated) After receiving this note, how valued do you feel by [conference center's name] for providing customer feedback? (1 = not at all valued, 7 = very much valued) After receiving this note, how satisfied do you feel with [conference center name's] response to acknowledge you for providing customer feedback? (1 = not at all satisfied, 7 = very much satisfied)
1b	 Appreciation index: After receiving this note, how appreciated do you feel by Pure Coffee & Tea for what you have done for its business? (1 = not at all appreciated, 7 = very much appreciated) After receiving this note, how valued do you feel by Pure Coffee & Tea for what you have done for its business? (1 = not at all valued, 7 = very much valued) After receiving this note, how satisfied do you feel with Pure Coffee & Tea's response to what you have done for its business? (1 = not at all satisfied, 7 = very much satisfied)
1c	 Appreciation index: After receiving this note, how appreciated do you feel by [dining establishment parent company's name] for providing customer feedback?" (1 = not at all appreciated, 7 = very much appreciated) After receiving this note, how valued do you feel by [dining establishment parent company's name] for providing customer feedback? (1 = not at all valued, 7 = very much valued) After receiving this note, how satisfied do you feel with [dining establishment parent company's name's] response to acknowledge you for providing customer feedback? (1 = not at all satisfied, 7 = very much satisfied)
2a	 Appreciation index: After receiving this note, how appreciated do you feel by the [business school's name] management team for your help?" (1 = not at all appreciated, 7 = very much appreciated) After receiving this note, how valued do you feel by the [business school's name] management team for your help? (1 = not at all valued, 7 = very much valued) After receiving this note, how satisfied do you feel with the [business school's name] management team's response to your help? (1 = not at all satisfied, 7 = very much satisfied)
2b	• After receiving this email, how appreciated would you feel by the store for all that you do for its business? (1 = not at all appreciated, 7 = very much appreciated)
3	 Appreciation index: After receiving this note, how appreciated do you feel by the store for all that you do for its business? (1 = not at all appreciated, 7 = very much appreciated) After receiving this note, how valued do you feel by the store for all that you do for its business? (1 = not at all valued, 7 = very much valued) After receiving this note, how satisfied do you feel with the store for all that you do for its business? (1 = not at all satisfied, 7 = very much satisfied)
4	 Appreciation index: After receiving this note, how appreciated do you feel by Fifth & Falls for what you have done for its business? (1 = not at all appreciated, 7 = very much appreciated) After receiving this note, how valued do you feel by Fifth & Falls for what you have done for its business? (1 = not at all valued, 7 = very much valued) After receiving this note, how satisfied do you feel with Fifth & Falls' response to what you have done for its business? (1 = not at all satisfied, 7 = very much satisfied)

Note: Study 2b was conducted prior to the other studies. We switched from a one-item dependent variable to a three-item dependent variable after conducting study 2b.

APPENDIX W3: ITEMS MEASURING ADHERENCE TO VERBAL GRATITUDE EXPRESSIONS **NORMS**

- 1. How sincere does this note seem to be? (1 = not at all sincere, 7 = very sincere)
- 2. To what extent does this note communicate in a way that's appropriate in this context? (1 = not at)all, 7 = very much so

Note: These items were used in pre-tests described in footnote 4, as check for verbal acknowledgment condition in study 1c, and as manipulation check for verbal acknowledgment conditions in study 2a.

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