

Marketing Research Seminar Series | Department of Marketing | WU Vienna

Marco Bertini, ESADE Barcelona (ES)

November 23rd, 2017 | 13:00 – 15:00 | D5.1.002

Consumer Reactance to Conditional Discounts

Abstract: We present a theory of psychological reactance to conditional discounts—the practice of tying the receipt of a saving by consumers to some action other than the purchase of the product on sale. While conditional discounts are typically justified as a sharper means of price discrimination, we argue that the tactic can frustrate consumers and, consequently, provoke behaviors that harm a business. In particular, we argue that the use of *non-monetary* conditions (such as completing a questionnaire or making a referral), while increasingly popular, implies that reactance can manifest precisely as a cut in spending: consumers retaliate by choosing fewer or cheaper options than they would in response to a standard (unconditional) discount. We report experiments from the laboratory and field that support this prediction and the causal role of reactance. The closing section details the contributions of our work and opportunities for future studies.