

## **Do You Look at Exclusive Deals as Something Special? It Depends on How You Look at Yourself**

Order of Authors: Michael Barone, Ph.D.; Tirthankar Roy, Phd

Theoretical research and collective marketplace wisdom indicates that consumers like to get good deals. Based on the growing use of targeted discounts that are customized for individuals, consumers may especially like to receive exclusive promotions. The current research explores this possibility and, in doing so, considers whether consumers' preferences for exclusive discounts depend on how they view themselves relative to others who also receive the deal.

In examining these issues, we draw upon the literature on social identification that deals with individuals' tendencies to relate to groups to which they belong. One way to view recipients of a promotion – and, indeed, for them to perceive themselves – is as members of a deal target group. This seems particularly likely with regards to promotions offered on the basis of a consumer's membership in a formal group (as in affinity marketing, e.g., a national book retailer's "educator savings" promotion) or as a consequence of the consumer's transactional history with a firm, e.g., deals offered to a firm's preferred or loyal customers. When membership in a deal target group is salient, consumer preferences for a targeted discount may be influenced by the relative exclusivity of the offer.

Consistent with this basic notion, we find that consumers' evaluations of targeted deals depend on several variables related to their identification with other consumers who also receive the offer. One study considered how the influence of consumers' tendencies to diverge from or conform to groups in general (i.e., their need for uniqueness) can shape their response to exclusive deals. The results indicate that consumers who like to be viewed as unique preferred exclusive discounts to a greater extent than did those who like conforming to larger groups.

Two additional experiments explored the role of factors that specifically relate to consumers' identification with the deal target group. In one of these studies, targeted discounts were preferred more by consumers with favorable attitudes towards the group of other consumers receiving these promotions than was observed for other individuals. In a final study, we observed that this preference for exclusive deals was greatest among consumers who had to invest more effort (through their past patronage with a retailer) to gain membership into the group of consumers eligible to receive the discount. Additional results from this investigation demonstrate that exclusive deals are liked because of positive feelings that they evoke in the individuals receiving such offers. Thus, discounts targeted at exclusive groups of customers are not always viewed favorably; rather, this effect depends on how consumers view belonging to the group of consumers selected to receive such offers which, in turn, affects how good receiving these deals makes them feel.