The Excitement of Getting a Bargain: Some Hypotheses Concerning the Origins and Effects of Smart-Shopper Feelings

Robert M. Schindler, University of Chicago

ABSTRACT - The excitement that is often generated in consumers by a price promotion suggests that there is an ego-expressive, as well as utilitarian aspect to a price. This ego-expressive aspect results in "smartshopper feelings." It is proposed that these feelings can be enhanced by leading the consumer to feel responsible for the discount and by dangling the discount in front of consumers. Hypotheses are also presented concerning the consumer segments most likely to be affected by smart-shopper feelings, the relationship of these feelings to dysfunctional shopping behaviors, and the ways that smart-shopper feelings may influence the consumer decision process.

[ to cite ]:

[ direct url ]:
http://acrwebsite.org/volumes/6945/volumes/v16/NA-16

INTRODUCTION

The emotional consequences of a price promotion are, as with many phenomena, most visible in their extremes. The legendary frenzy of shoppers elicted by the discounts in Filene's basement is an example of such an extreme. Another is provided by the Wall Street Journal's colorful description of the effects of K-Mart's "blue-light specials" (Guiles 1987):

When the light starts to flash, mothers sometimes abandon their babies. Shoppers have pushed clerks up onto counter tops and ripped merchandise to shreds.... When they miss a special, some shoppers berate the store's employees. Others steal tagged merchandise from the carts of their more successful rivals. In April, two women vying for discounted jelly beans at Mr. Reed's store began throwing punches. Money and keys "went everywhere," marvels Mr. Reed.

A few years ago, some consumers became so caught up in the increasing number of cents-off coupon promotions that they formed clubs to exchange coupons, and "coupon queens" gained wide publicity for their ability to get large discounts on their food bills (Zbytniewski 1979). More recently, airline price promotions resulted in, "thousands of people ... frittering away their leisure time in airplanes solely to qualify for triple mileage on frequent-flier programs" (Harmetz 1988). And in 1985, twenty "hardened criminals" were apprehended by being lured into a police trap by the offer of a free trip to Atlantic City and a small cash bonus (Jensen 1985).

Although these extremes are dramatic, the more moderate indications of this phenomenon are far more common. We have probably all come into contact with people who delight in telling others about the low prices they were able to find. And consumer research has provided ample evidence that, "feelings of being a thrifty and smart shopper" are a salient consequence of responding to a price promotion (Shimp and Kavas 1984; Price et al. 1988; Babakus et al. 1988).

The goal of this paper is to develop the concept of "smart-shopper feelings," as a major component of the emotional response which a price promotion can generate, and to present some hypotheses about the origins and effects of these feelings.

THE CONCEPT OF SMART-SHOPPER FEELINGS

Just as ownership of a product may have many different types of consequences, so also there may be different types of consequences
resulting from the price a consumer pays. One type of consequence of a price could be called utilitarian. This would include the utility of the alternative uses for the money spent; the alternative purchases which must be foregone. If the purchase price is a discount price, then another utilitarian consequence is the utility of the items which could be purchased with the savings. A third utilitarian consequence of a price results from the consumer's tendency to use price as an indicator of product quality (Bearden et al. 1984; Monroe and Krishnan 1985). Paying a particular price for an item might have the desirable consequence of increasing the consumer's confidence that the product will perform well or will otherwise be of high quality.

A second type of consequence which may result from a price could be called ego-expressive. This category of consequences includes the implications which a price may have on the consumer's self-concept. Paying a low price for a particular item might lead a consumer to feel proud, smart, or competent (Holbrook et al. 1984). There might be a sense of accomplishment or a thrill of feeling in a small way victorious over large corporations (Rose 1988). There may be the satisfaction of anticipating that the shopping expertise represented by having found this low price can be used to help others get low prices (Feick et al. 1988).

On the other hand, paying a high price for a particular item could lead a consumer to feel angry and resentful. Thaler's (1985) descriptions of the hazards of charging market rates for rock concert tickets or hotel rooms during important sports events illustrates the power of these feelings. Or, a consumer may experience regret (Loomes and Sugden 1983) if a purchased item is later found to have been available at a lower price.

This ability of price to elicit strong feelings such as pride and anger is not surprising when one considers the importance of feelings of efficacy in human motivation (e.g., Bandura 1977). Moreover, there is a long tradition in the American culture of the use of money, and the material things it represents, as a sign of status and personal success (Veblen 1899). In his recent update of Veblen's observations, Lapham (1988, w. 26-7) described this value clearly:

Ask an American what money means, and nine times in ten he will say that it is synonymous with freedom, that it opens the doors of feeling and experience, that citizens with enough money can play at being gods, and do anything they wish ....

It is this combination of the power of achievement as a human motive force with the traditional potency of money as a sign of competence and status which may give these emotional consequences of price not only the ability to strongly affect individual purchase decisions, but also the potential to more broadly affect the shopping behavior of the consumer.

The term, "smart-shopping feelings," will be used to refer to the ego-related affect which may be generated in a consumer by a price. It includes feelings ranging from pride to anger to the satisfaction of helping others. The common thread among these responses is that they all have to do with the implications that paying a certain price for an item has for the consumer's self-concept.

Smart-shopping feelings are related to, but distinguishable from the feelings associated with ostentation, or Veblen's "conspicuous consumption." When a consumer feels pride in advertising that he or she has paid a very high price for an item, there is an assumption that appropriate value is being received in return for that price. Under this assumptions, price becomes a way of communicating the consumer's ability to afford goods and services of the highest quality. It is when this assumption is questioned that smart-shopping feelings will come into play. For example, the perception of a rich person paying an exorbitant price for an item of only average quality is likely to elicit, in the buyer, feelings of anger rather than pride, and in onlookers, feelings of superiority.

ATTRIBUTIONAL ORIGINS OF SMART SHOPPER FEELINGS

There are probably always utilitarian consequences of perceiving a price as different from a reference price. If the consumer perceives the price as higher than the reference point, then the utility of the items which could be purchased with the perceived overpayment would constitute a utilitarian consequence. Conversely, if the consumer perceives a discount, then the utility of the perceived savings and the greater assurance of good value for the money would be utilitarian consequences of the price.

However, a perceived discount or overpayment should have ego-expressive consequences only to the extent that the consumer feels responsible for the getting the discount or making the overpayment. For example, if a decision is made under duress, and the outcome is negative, the decision-maker is not likely to feel the regret he or she would feel if the decision were viewed as having resulted from a free choice (Kahneman and Tversky 1982; Shefrin and Statman 1984).

Fortunately, at least for the purveyors of price promotions, people tend to view themselves as responsible when they make a decision which results in a good outcome (Miller and Ross 1975; Zuckerman 1979; Tetlock and Levi 1982). This would suggest that smart-shopping feelings are often important consequences of price promotions.

To test the idea that attribution of responsibility affects the consumer's feelings about a price, Schindler (1988a) asked 111 members of women's church groups to describe their most recent purchase which cost over $20. They were asked to report the price they paid for the item, their reference price (the price which "most stores usually charge for this item"), and how satisfied they felt with the price that they paid. Following that, the consumers answered a series of questions designed to determine how responsible they felt for the price they paid for this item. It was found that price satisfaction was significantly correlated with perceived responsibility, even after the variation due to the size of the perceived discount or overpayment was removed. In other words, consumers felt more satisfied with having received, say, a 20% discount if they felt responsible for having found that discount than if they received the same discount felt it was only luck or some other external factor which was responsible.

An experimental version of this research (Schindler 1988b) confirmed and extended this finding. The subjects of the study were given shopping scenarios where the protagonist received a discount. Although the discount was of identical size in all of the scenarios, some were designed (from pretesting) to elicit the attribution that the protagonist was responsible for receiving the discount, and others were designed so that the protagonist was not perceived to be responsible. The subjects who read the scenarios where the protagonist was perceived to be responsible for the discount judged that the protagonist would feel better about the discount than did the subjects who received scenarios where the protagonist was not perceived to be responsible for the discount. Responsible protagonists were also judged to be more likely to tell to that store next time and more likely to "tell a lot of people" about the purchase.

If smart-shopping feelings result from an attribution of responsibility for receiving the discount, then a marketer should be able to increase the favorable consequences of a discount by leading consumers to feel responsible for the discount. Kelly's (1967) covariation theory suggests that the perception that one is receiving a discount which not everybody else is receiving will enhance the smartshopping feelings which result from this discount. Thus, consumers mention the pleasure of being in the supermarket check-out line and having coupons that not everyone has. And, the skilled new car salesperson will typically leave each customer with the feeling of having received a better deal than most. Perhaps the fact that redemption rates for direct mail coupons are on average higher than for coupons distributed in newspapers and magazines (Manufacturers Coupon Control Center 1988) results, at least in part, from an ability of the direct mail medium to give the consumer a sense of getting something that other consumers are not getting.
Taylor and Fiske (1978) have demonstrated that the factors which are salient in a person's experience will tend to more strongly influence attributions than factors which are less salient. To most consumers, the activities they engage in for the purpose of locating the lowest price available for an item are highly salient. If the consumer takes one or more actions in order to get a discount, it should lead to a greater attribution of responsibility and consequently more smart-shopper feelings (see Schindler 1984).

Some of the actions a consumer might take in order to find a low price are overt "price search activities": looking through advertisements, going to stores, and asking other consumers. But even if a consumer does not take any overt actions to search for a low price, he or she may well take covert, or purely mental, actions to determine whether a price is high or low. The consumer may search memory for the prices of comparable items to serve as a reference point (Schindler and Bauer 1988), make inferences about the reputation and motives of the seller (Wright 1986), or consider the costs and savings which are likely to be associated with the consumption of the product.

These mental actions, or "price evaluation activities," may at times become fairly elaborate, involving a number of memory searches, complex computations, numerous inferences, and sophisticated reasoning. While such activities may not always be so complex, they are always salient to the consumer. Such purely mental price evaluation activities, along with the overt price search activities, are probably major factors leading consumers to take credit for the discounts received in price promotions.

AROUSSING SMART-SHOPPER FEELINGS
When one considers the extremes of excitement possible from price promotions such as K-Mart's blue light specials, it becomes clear that simply taking credit for the usually fairly modest perceived savings cannot entirely account for the phenomenon. The drama in the presentation of the price promotion - the flashing blue light, the spiel of a pitchman in a TV ad, or the splashy "Save $$!!" promises of print ads also appears to play a role in the smart-shopper feelings evoked by the promotion.

This role might be to actually increase the desire for smart-shopper feelings, much as seeing an attractive pair of shoes can arouse desire for them (Rook 1987) or smelling the aroma of fresh-baked cookies can arouse the hunger for them (Hoch and Loewenstein 1988). Research by Mishel and his colleagues (Mishel 1974; Mishel and Gruesc 1967) on delay of gratification suggests that the mere perceptual presence of a stimulus can increase a person's desire for it. For example, subjects who were given the choice between a small reward now or a larger reward at a later time had more trouble resisting the smaller reward if they could see it than if it was not visually present in their environment.

Frijda (1988) has argued that the ability of perceptual presence to stimulate affect is a "law of emotion" and is more or less independent of our knowledge systems and verbal processes. For example, the sight of something can cause fear even if you know that the thing cannot hurt you. Moreover, a vividly imagined stimulus can have the same desire-arousing effect as one which is physically present in the environment. Thus, factors which make an object easier to imagine can enhance the affect-arousing effect of the object. One such factor may be temporal proximity, the knowledge that a desirable object can be obtained immediately rather than only after a delay (Hoch and Loewenstein 1988).

If the sight of a discount offer can indeed arouse the "appetite" for the smart-shopper feelings which result from getting a bargain, then it makes sense for retailers to be continually dangling promotional offers in front of the consumer. Getting the consumer to visualize how good it would feel to save so much money may whip up the desires to have those feelings and thus increase the likelihood that the consumer responds to an offer.

Further, these greater desires to save money may have the additional effect of motivating the consumer to engage in more price search and price evaluation activities. Since such activities are likely to increase the degree to which the consumer feels responsible for the promotional discount, they are likely to increase the intensity of the resulting smart shopper feelings. In this way, there may be a synergy between the arousal origins of smart-shopper feelings and their attributional origins.

ROLE OF SMART-SHOPPER FEELINGS IN CONSUMERS' LIVES
It is unlikely that all consumers find smart shopper feelings equally important in their lives. Since smart-shopper feelings involve a sense of efficacy and competence, one would expect that groups of consumers who lack sufficient work-related means to have such feelings would be particularly responsive to smart-shopper feelings. Nonworking mothers whose children are grown would be one example of such a group; retirees would be another. If it is indeed the case that smart-shopper feelings play an important role in consumer response to price promotions, then groups such as these should be particularly deal-prone.

As it happens, there is evidence which is consistent with this hypothesis. Several researchers have found a greater amount of coupon usage in households where the woman is not employed full-time outside the home (Narasimhan 1984; Kingsbury 1987) and Bawa and Shoemaker (1987) have found tendencies in this direction. The problem is, there are at least two other theories which are also consistent with these data. Blattberg et al. (1978) have suggested that women who are not employed outside the home are more likely to be deal-prone because they will tend to have more time available for shopping than women who are working full-time outside the home. Also, research reviewed by Zeithaml (1985) would predict that women not employed outside the home would be more deal-prone simply because such shopping activities are traditionally part of the homemaker role. Thus, further research is necessary to determine if the need for feelings of efficacy and competence is a significant factor behind the demographic characteristics of deal-prone consumers.

Other aspects of smart-shopper feelings also lead to predictions of who might be particularly susceptible to sales promotions which result in these feelings. The pleasure in the "beating the system" aspect of smart-shopper feelings might suggest a reason why police have been successful in using bogus promotions to apprehend fugitive criminals (Jensen 1985). The social status which some people feel results from the feeling of being unfairly treated by businesses and may thus have particular social ties with the community might be particularly prone to responding to deals. It also suggests that anything the marketer can do to make it more visible that some consumers are receiving discounts would lead to stronger smart-shopper feelings and thus more response to the promotion.

In addition to there being certain consumers who may more highly value smart-shopper feelings, there may also be certain situations when all consumers will tend to experience a greater need for these feelings. In times of inflation, consumers may suffer continuing feelings that they are being unfairly treated by businesses and may thus have particular strong needs for at least momentary feelings of shopping pride and accomplishment. Such a situational stimulus to smart-shopper feelings could be an important factor in the dramatic growth of price-promotion activity during the chronic inflation of the 1970's (Bowman 1980).

The perception that a particular item is overpriced may create a greater need for smart-shopper feelings even if this perception is not due to general economic inflation. Such an effect might be behind Kamen and Toman's (1970) finding that consumers showed greater interest in a small price difference in higher-priced gasoline than they did in a price difference of the same size when the gasoline was offered at a lower price.

Further, it might well be the case that the risk involved (e.g. Roselius 1971) might cause consumers to feel anxiety at the prospect of purchasing any high-priced item, even if the price is perceived to be a fair one. This might make the purchase of a high-priced item a situation where the consumer will be particularly responsive to the good feelings resulting from a perceived discount. The efforts which new-car salespeople make to leave their customers with a feeling of having received a discount may be an indication of the importance of smart-
shopper feelings in this situation. Since it is the negotiation process which helps the skilled salesperson create this impression, it is interesting that it is only the more expensive items which have resisted the one-price policy which is otherwise ubiquitous in American retailing (Mason and Mayer 1987, p. 494).

As is probably the case with any pleasurable emotion, it may be possible to become psychologically dependent on, or addicted to, shopper feelings. The manifestation of such an addiction would be a certain set of behaviors which are not fully under the control of the consumer and which are dysfunctional to his or her life (Faber et al. 1987). The particular set of dysfunctional behaviors displayed would result from the consumer's attitudes and beliefs about shopping and saving money. The result is, there could be a number of "shopping disorders" which are at least partially manifestations of a psychological dependence on smart-shopper feelings.

One such shopping disorder would be compulsive involvement in the price search and evaluation activities which enable the consumer to find, and feel responsible for, discounts and low prices. For example, airlines' frequent flyer programs have led some consumers to become "mileage maniacs" who devote an excessive amount of time to activities such as "playing cross-country hopscotch" simply to chalk up extra frequent flyer miles (Rose 1988).

Compulsive buying may be another shopping disorder which is related to an addiction to smart-shopper feelings. Anecdotal evidence suggests that, at least sometimes, it is the thrill of getting a bargain which leads the consumer to purchase more than he or she can afford (Morris 1987). This possibility would fit well with Faber et al.'s (1987) observation that low self-esteem is a trait which most compulsive spenders have in common.

A third shopping disorder involves the consumer who exhibits behaviors opposite to those of the compulsive spender: the inhibited, or "stingy," consumer. Such behavior could result from a compulsive necessity to be sure that each prospective purchase is indeed necessary and is in fact at the lowest price available. Since such certainty is rare, this type of consumer will tend to protect his or her smart-shopper feelings by making very few purchases.

HOW SMART-SHOPPER FEELINGS MAY AFFECT CONSUMER CHOICE

An understanding of the effects of smart-shopper feelings is as important as an understanding of their origins for the marketer who is concerned with maximizing the effectiveness of price promotions. Broadly speaking, smart-shopper feelings can affect the consumer decision process in two ways: (1) they can alter the sequence of events in the decision process, and (2) they can affect the evaluation of a single alternative.

The sequence of events in the decision process can be strongly affected by word-of-mouth information from other consumers. Folkes (1988) has suggested that consumers who feel proud about the price they pay are more likely than other consumers to brag, and thus spread information about the purchase, and the results of Schindler's (1988b) scenario experiment supports this possibility. Price et al. (1988) found that at least some shoppers respond to coupon promotions by clipping the coupons and giving them to friends and relatives who use products in the category of the couponed brand. This could be considered a form of word-of-mouth communication between consumers.

The anticipation of smart-shopper feelings could also affect the sequence of events in the decision process by causing an item to be considered. Many consumers will scan sale advertising and examine every cents-off coupon they receive in search of items they are planning to buy. This procedure is a price search activity which may well lead to smart-shopper feelings, but also may lead consumers to consider items which they otherwise would never have considered. Causing consideration of an item could have an important influence on the outcome of a decision since consumers may often use the "satisficing" strategy of choosing the first alternative which is satisfactory rather than considering the full range of possibilities.

Whether or not it is a price promotion which -causes an item to be considered, there are at least three mechanisms by which the anticipation of smart-shopper feelings for a discounted item may influence the evaluation of this item. First, the prospect of these feelings may be considered simply another attribute of the item which is weighed against the values of the item's other attributes in an additive way. Although the attribute of anticipated smart-shopper feelings is intangible, this mechanism of its influence is relatively simple.

The second possible mechanism by which smart-shopper feelings may influence product evaluation is the possibility that the anticipation of the benefit of smart-shopper feelings interacts with the assessment of the other costs and benefits of the item. In particular, the desire for smart-shopper feelings could lead the consumer to alter his or her perception of other attributes in order to "rationalize" the purchase. Rose's (1988) description of one frequent-flyer plan enthusiast appears to provide an example of such rationalization:

Personal-finance author Andrew Tobias - who tells people to shop around for everything from shaving cream to auto insurance - admits he doesn't shop around when it comes to airlines. He says there's more to it than free trips: Sticking with one airline "makes you feel like part of a family," he says. "Way down deep, I know there's a heart of steel at American Airlines. But they make you feel like they really care." Still, he adds, "I've gotten so many free trips, it's ridiculous."

A third possible mechanism of the effect of smart-shopper feelings on product evaluation involves the possibility that the price evaluation activities which lead to smart-shopper feelings also have the effect of distracting the consumer from the consideration of other attributes (Gardner and Strang 1984). If the goal which is salient in the consumer's mind affects the considerations which are evoked, then the goal of being responsible for a price savings is likely to evoke thoughts concerning whether the item is really on sale, whether or not a lower price might not be found elsewhere, etc. Involvement with these considerations may distract the consumer from considerations which are less closely related to the goal of feeling responsible for a low price, such as whether the benefits of the item will really justify its costs.

SUMMARY AND IMPLICATIONS

If smart-shopper feelings do indeed play a major role in the consumer's response to price promotions, then it is important to understand the origins and effects of these feelings. Understanding of the factors which lead the consumer to feel responsible for a discount and the stimuli which arouse the desire for smart-shopper feelings would help the marketer design programs which maximize the amount of consumer excitement which can be generated by a limited promotional budget. An understanding of the role of smart-shopper feelings in consumers' lives would help marketers target price promotions to those consumers and to those situations where they are most likely to have an effect. And, a detailed understanding of the mechanisms by which a price promotion may affect the consumer decision process would guide the marketer's decisions concerning the timing of promotions and the choice of products to be discounted.

In addition, these understandings are relevant to public policy and consumer education. An appreciation of the origins of smart-shopper feelings and the situations where they are most likely to have an effect on buying decisions should help the consumer put such feelings into perspective. Each consumer should be prepared to make an informed decision about just what role the excitement of getting a bargain will play in his or her life.

REFERENCES


Manufacturers Coupon Control Center (1988), Coupon Distribution and Redemption Patterns 1988, Clinton, IA.


Miller, Dale T. and Michael Ross (1975), "Self-Serving Biases in the Attribution of Causality: Fact or Fiction?" Psychological Bulletin, 82 (March), 213-225.


----------------------------------------

Home | Terms of Use | Privacy Policy | Site Map | Proceedings | Login | Contact Us | [ to cite ]; Robert M. Schindler (1989),"The Excitement of Getting a Bargain: Some Hypotheses Concerning the Origins and Effects of Smart-Shopper Feelings", in NA - Advances in Consumer Research Volume 16, eds. Thomas K. Srull, Provo, UT : Association for Consumer Research, Pages: 447-453. [ direct url ]; http://acrwebsite.org/volumes/6945/volumes/v16/NA-16. Advances in Consumer Research Volume 16, 1989 Pages 447-453. The excitement of getting a bargain: some hypotheses concerning the origins and effects of smart-shopper feelings. Robert M. Schindler, University of Chicago. ABSTRACT Some people say that because children today spend so much time using computers, they are losing the ability to communicate with other people. On the other hand, there are those who believe that the opposite is true. What is your opinion?Â Some students may find a place at a university close enough to their homes to avoid some of the problems faced by the majority. If the university is nearby, you will not need to worry 2) accommodation or food and, even if you do not know any of the other students on your course, you will at least have some 3) faces to come home to.Â There is also the excitement of making new friends and, in your second or third year away, perhaps setting 7) home with a couple of your fellow students.