**Spoiled Rotten: Unearned Preferential Treatment and Consumer Retaliation Intentions**

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Firms offer "perks" to customers to trigger gratitude and an intent to reciprocate. The potential consequences of ending preferential treatment based on effort or loyalty are well-established, but little is known about how consumers react when unearned preferential treatment ceases. Four experiments demonstrate that ending unearned preferential treatment puts firms at greater risk of retaliation from the customers they spoiled. Offering such treatment increases the customers' sense of entitlement, to believe that they deserve special treatment, which triggers a desire to punish the firm when special treatment ends. The authors identify three boundary conditions: consumers' sense of entitlement increases when they are offered unearned preferential treatment that has *a high value*, *is provided repeatedly*, and *is provided on a predictable regular schedule*. These conditions consolidate consumers' inferences about being valuable to the firm, thus increasing entitlement. The authors also find that external reminders that boost customers' gratitude for receiving special treatment eliminate the effect. Together, the results provide guidance for marketers when designing unearned preferential treatments to avoid having them backfire when terminated.

*Keywords: unearned preferential treatment, consumer entitlement, consumer retaliation, deservingness, consumer gratitude*

*When we replace a sense of service and gratitude with a sense of entitlement and expectation, we quickly see the demise of our relationships, society, and economy.*

*― Steve Maraboli, Unapologetically You: Reflections on Life and the Human Experience*

Imagine the owner of a coffee shop offering a free cookie with coffee to some of her customers. After a few months, she realizes that she cannot afford to continue to offer free cookies to her customers and decides to stop. Will that decision harm her business? That is, will terminating an unearned preferential treatment—awarding customers special treatment without a pre-established rule stating that the treatment is based on their efforts or loyalty (Jiang, Hoegg, and Dahl 2013)—backfire?

Despite increased use of free gifts, birthday discounts, and other forms of unearned perks regularly given away by firms (e.g., 7-eleven free Slurpee day, Krispy Kreme National Doughnut Day, McDonalds Free Breakfast Friday, Free Shipping Day, Gillette 18th Birthday Razor) and growing acclaim for such marketing actions in the popular press (Alton 2016; Fasig 2015; Ferdman 2015; Hall 2013; White 2013), no study has so far examined what happens when firms decide to stop such give-aways. We believe this is not a trivial question. It is common for firms to terminate unearned preferential treatment when reducing their promotional spending or when the offer was meant to be for a limited time. Unlike loyalty-based programs for which firms must use an exit strategy (such as a date by which to redeem remaining points) to ensure that their customers will not react negatively to its termination, the assumption has been that unearned preferential treatment was not associated with a similar obligation since it was an unexpected gift.

Returning to our coffee shop, it is clear that there are two sides to the story. From the owner's perspective, offering preferential treatment pleases her customers, leads them to feel

grateful to her, and prompts reciprocation by the customers through purchases or loyalty (Henderson, Beck, and Palmatier 2011; Morales 2005; Palmatier et al. 2009). When the owner of the coffee shop stops giving away free cookies, she may believe that her customers will not have any negative reactions because the cookies were a free and unexpected gift. The customers, however, may see it quite differently.

Previous research has shown that customers who receive preferential treatment also tend to develop a feeling of entitlement, thus increasing the firms' service costs and encourages consumers' unethical behaviors towards the firm (Polyakova, Ordanini, and Estes 2014; Wetzel, Hammerschmidt, and Zablah 2014). When preferential treatment is based on customers' loyalty or efforts through an established program that is communicated to the participants, entitlement arises because the customers come to feel that they deserve special treatment by virtue of their loyalty and/or efforts for the firm.

Less clear is whether customers come to feel entitled when firms offer them unearned preferential treatment such as free cookies without explaining the purpose or limits of the treatment. In theory, customers who do not have to do anything to earn a benefit should not believe that they deserve it and thus should not react negatively to the treatment ending. However, this common belief has not been tested.

We use four experiments to determine how customers respond to unearned preferential treatment in terms of developing a feeling of entitlement and how they respond to unearned preferential treatment ending. We find that consumers who *regularly* receive a relatively *valuable* unearned preferential treatment *repeatedly* do develop a sense of entitlement. It arises because they infer from the pattern of special treatment that they are valuable to the firm. Consequently, when the unearned treatment ends, their feelings of entitlement drive them to

retaliate against the firm by ceasing to buy the product or service, buying it elsewhere, spreading negative information by word of mouth, and even submitting direct complaints because they feel wronged (Grégoire and Fisher 2008; Huefner and Hunt 2000).

Our findings contribute to the literature in several important ways. First, we identify a new negative outcome of preferential treatment. Research has documented that preferential treatment can increase the firm's service cost and encourage consumers' unethical behaviors (Polyakova et al. 2014; Wetzel et al. 2014). We establish that terminating preferential treatment can increase consumers' intentions to engage in aggressive retaliatory actions that can cause serious damage to the firm. Secondly, though recent research has pointed out that consumer entitlement underlies the negative outcomes of preferential treatment (Polyakova et al. 2014; Wetzel et al. 2014), the mechanism that leads to a sense of entitlement has not been explicitly investigated. We show that consumers make inferences about their value to the firm and deservingness based on their previous experiences receiving unearned preferential treatment. Repeatedly and regularly receiving that treatment consolidates and reinforces the inference and increases their sense of entitlement. Finally, we contribute to the literature on consumer retaliation by identifying a new antecedent to this negative behavior. Consumer retaliation is traditionally observed in response to service or product failures, a firm's poor response to a failure, and unethical or immoral behavior by a firm (Grégoire, Laufer, and Tripp 2010; Huefner and Hunt 2000; Kähr et al. 2016). We find that a firm's good deeds, such as spoiling customers with preferential treatment, can also lead to retaliation.

Several direct managerial implications also emerge from our results. We provide direct empirical evidence that risk is associated with terminating unearned preferential treatment: costumers are inclined to retaliate. Our findings also suggest several ways in which firms can

reap the benefits of unearned preferential treatment without worrying about it backfiring once the treatment is terminated. A firm aiming to minimize customers' sense of entitlement should (1) offer preferential treatment only sporadically (occasionally rather than predictably or based on a fixed number of purchases); (2) keep the monetary value small (e.g., two dollars rather than ten dollars); and/or (3) use chance-based criteria for offering preferential treatment and communicate to customers that all are potentially eligible to receive it. Firms can further reduce the effect of customers' sense of entitlement on their retaliation intentions by reminding them that many firms do not offer preferential treatment to their customers, thereby boosting their customers' sense of gratitude. Lastly, we find that offering one-time unearned preferential treatment is sufficient to elicit consumer gratitude. Therefore, firms' efforts to increase consumer gratitude by intensifying the frequency or value of preferential treatment may instead build a dangerous sense of entitlement.

## *THEORETICAL FRAMEWORK*

### *The Dark Side of Preferential Treatment*

Preferential treatment is defined as extra recognition of a limited number of consumers by providing better or additional services (Odekerken-Schröder, De Wulf, and Schumacher 2003). Previous studies have shown that consumers reward and reciprocate the firm's additional efforts because they feel grateful (Henderson, Beck, and Palmatier 2011; Morales 2005; Palmatier et al. 2009). In most cases, preferential treatment is selective and is offered to the firm's most valuable customers but that information is not necessarily communicated to the customers. Instead, customers often receive preferential treatment without an explanation, which is referred to as unearned preferential treatment (Jiang et al. 2013).

Since consumers who receive unearned preferential treatment do not know how and why they were selected, one would expect them to perceive such treatment as a gift and have a strictly positive response, to feel grateful for a pleasant surprise. Thus, unearned preferential treatment is effective in surprising customers and building up their feelings of gratitude.

Despite the long-lasting interest for, and proved effectiveness of, preferential treatment in customer relationship management, whether offering customer preferential treatment is always beneficial has been increasingly debated. A recent study (Wetzel et al.2014), for example, showed that prioritizing customers not only induced gratitude, which increased the firm's sales and profitability, but also induced entitlement, which increased the firms' service costs and reduced its profit. When preferential treatment has been earned through purchase or loyalty programs, the sense of entitlement is easy to understand—the customers view themselves as having worked hard and/or been loyal to the firm and so deserve special treatment. Little research has been conducted on the effects of unearned preferential treatment to determine if it engenders the same sort of sense of entitlement.

*Consumer Entitlement*

Entitlement refers to the feeling that one is more deserving of something than others (Zitek et al. 2010). In psychology, entitlement is a sub-construct of narcissism (Raskin and Terry 1988) in which individuals who have a high degree of self-admiration or self-centeredness tend to believe that they deserve more than other people do. Because narcissism is a personality trait, entitlement has also been treated as an inherent individual personality trait in psychological and behavioral economic studies (Campbell et al. 2004). However, more-recent studies have shown that entitlement can be induced as a situational state. For instance, Zitek et al. (2010) showed that

reminding people that they had been wronged in the past increased their sense of entitlement, and Kivetz and Zheng (2006) showed that people who believed that they had worked hard on a task were more likely to engage in indulgent consumption because they felt entitled to it. Thus, it is plausible that a situational factor such as receiving preferential treatment from a firm could trigger a sense of entitlement in customers. In the consumer research literature, consumer entitlement is indeed defined as consumers' perception of being a special customer of the firm (Boyd III and Helms 2005). Consumers derive such a perception from their past interactions with the firm. For example, when firms pay more attention to a certain group of customers, these customers will infer they are special to the firm (Millon and Davis 1996) and lead them to expect to be treated in a special way from that time forward (Boyd III and Helms 2005; Millon and Davis 1996).

Given that being offered unearned preferential treatment can be regarded as a form of past interaction with the firm. We posit that customers develop a sense of entitlement in response to unearned preferential treatment. That when a firm offers unexpected gifts to some of its customers, those customers will infer that they received the gifts because they were valuable to the firm and therefore deserve to continue to receive free gifts. We are interested in factors that promote their tendency to feel entitled, and we refer to the literature on consumer expectations to gather some insights into conditions under which unearned preferential treatment increases consumer entitlement.

Customer expectations are defined as "consumer-defined probabilities of the occurrence of positive and negative events if the consumer engages in some behaviors" (Oliver 1981, p. 33). In other words, when a firm has consistently provided good quality service in the past, its customers come to expect that they will receive good service from the firm in the future

(Zeithaml, Berry, and Parasuraman 1993). Following this reasoning, we argue that, in the case of unearned preferential treatment, customers will infer their degree of deservingness and value to the firm from previous treatment and, after receiving multiple free gifts, will form an expectation of receiving additional gifts in the future. If consumers have received unearned preferential treatment repetitively and on a regular and predictable basis in the past (e.g., every birthday, every other purchase), the perceived probability of receiving it again increases, which consolidates their inferences of being valuable to the firm and that of being deserving of special treatment. We also argue that unearned preferential treatment that has a relatively *large monetary value* is necessary to induce their sense of entitlement. If it is not valuable, consumers will not feel that they are being treated in a special way. Thus, we posit that three characteristics will trigger a sense of entitlement in consumers who receive unearned preferential treatment: *repeated provision*, *predictable provision*, and *large value treatments.*


*Consumer Retaliation*

Entitlement is positively correlated with other psychological constructs such as aggression (Emmons 1984) and hostility (Raskin and Terry 1988) and is negatively correlated with social desirability (Watson et al. 1984), and individuals who feel entitled exhibit behaviors associated with those constructs. They tend, for example, to be less forgiving (Exline et al. 2004), more frequently exhibit selfish behavior, and have a strong tendency to engage in aggressive behavior (Campbell et al. 2004). Psychological entitlement is also positively correlated with a perception of inequity (King and Miles 1994). Generally, when people feel wronged, they also exhibit a greater sense of entitlement (Zitek et al. 2010). In the context of customer service, consumers who experience inequity because of failure of a product or service or a poor response from the

firm to a failure tend to retaliate against the firm—to "get even" (Kähr et al. 2016; Grégoire & Fisher, 2008; Huefner & Hunt, 2000).

We posit that consumers who develop a sense of entitlement in response to unearned preferential treatment will retaliate against a firm that ceases to provide that treatment. Extreme means of retaliating include vandalism, stealing, negative word of mouth, and verbal attacks (Huefner and Hunt 2000), but the desire for retaliation can be expressed in less extreme ways, such as boycotting the firm (e.g., reducing the frequency of purchases, spending less per visit, and/or buying from competitors) and complaining directly or indirectly (Grégoire and Fisher 2006). We include both extreme and moderate types of retaliation in our experiments.

*Gratitude and Consumer Entitlement*

Preferential treatment leads to negative consequences because of feelings of entitlement, but research on relationship marketing also suggests that preferential treatment triggers consumer gratitude (Henderson, Beck, and Palmatier 2011; Morales 2005; Palmatier et al. 2009). According to the norm of reciprocity (Gouldner 1960), grateful consumers should compensate a firm that gives them preferential treatment. Therefore, we also investigate the ability of gratitude to mitigate the negative effects of entitlement on consumer retaliation intention. Specifically, we explore how feelings of gratitude might decrease consumers' intent to retaliate for cessation of unearned preferential treatment. We predict that boosting consumers' feelings of gratitude toward the firm will attenuate their intent to retaliate.

*Overview of Studies*

We test our predictions regarding entitlement and retaliation intentions across four online experiments using both online and offline shopping scenarios and four types of unearned preferential treatment. In particular, we show that repeatedly and routinely offering high-value unearned preferential treatment increases consumers' degree of entitlement and intentions to retaliate once the treatment program terminates (see figure 1 for an overview). Specifically, we show that offering consumer unearned preferential treatment every time with a purchase (vs. once; study 1; vs. sometimes with a purchase; study 2), regularly following a specific pattern (vs. randomly; study 3), of large value (vs. of small value; study 2) elicits consumer entitlement, which in turn increases consumer's intention to retaliate against the firm when such treatment is terminated. To test for the underlying process, we measure consumer entitlement and run mediation tests in study 1, 2 and 4. Furthermore, to explore the effect of consumer gratitude on entitlement and retaliation intention, we measure consumer gratitude in study 1 and we manipulate it in study 3. Finally, in order to directly test that consumer entitlement is built on consumers' inference of being a special customer, in study 4, we inform consumers that the preferential treatment is offered only to valuable customers (vs. to randomly selected customers). We demonstrate that providing this information attenuates the effect of repetitive unearned preferential treatment on consumer entitlement because consumers no longer need to infer their deservingness based on firms' actions.

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*STUDY 1: GIFT REPETITION AND FREQUENCY*

*Overview and Method*

In the first study, we test our prediction that terminating unearned preferential treatment will elicit customers' intent to retaliate because of the sense of entitlement they developed. Concurrently, we analyze how the total number of gifts given to customers affects their degree of entitlement. We predict that consumers who receive a greater number of unearned free gifts will develop a larger degree of confidence in their inference that they deserve the gifts. As a consequence, they will develop a greater sense of entitlement. In other words, providing unearned preferential treatment more frequently will bolster the effect of repetition of the treatment in promoting a sense of entitlement, which will lead to an increase in intentions to retaliate.

We also rule out other potential process explanations such as a decreased feeling of gratitude and an increase in negative emotions. It could be argued that terminating a series of unearned preferential treatments would reduce consumer gratitude more than terminating a single offer of preferential treatment. Likewise, terminating any amount of unearned preferential treatment is likely to trigger some degree of negative emotional response, and previous studies have shown that negative emotions can lead consumers to retaliate (Kähr et al. 2016). By measuring both gratitude and negative emotions, we can test whether they mediate the effect and rule out these alternative explanations of our findings.

We employed a 2 (repetition of preferential treatment: every time vs. once) × 2 (total number of repetition: eight times vs. four times) between-subjects design in an experiment involving online grocery shopping and preferential treatment in the form of free shipping.

In the first step of the experiment, participants in the every-time [one-time] eight-times [four-times] condition were presented with the following scenario:

> You started buying groceries online because it is convenient and it saves you time. Every Sunday for the last 8 weeks [4 weeks] you had been purchasing 80 dollars' worth of weekly groceries from the same online retailer. For these 8 purchases, the retailer offered you free shipping every time [once].
>
> Today is Sunday, and you proceed with your usual weekly order. You move on to the payment page, and you see you have NOT been offered free shipping with this order.

Therefore, in the one-time condition, participants received free shipping once regardless of whether they had purchased four-times or eight-times from the retailer. However, in the every-time condition, participants who had purchased four times received free shipping four times, whereas participants who had purchased eight times received free shipping eight times. Based on our reasoning, for the one-time condition, we expect no difference in entitlement and retaliation intention between those who had purchased four and eight times. In contrast, for the every-time condition, we expect participants to feel more entitled and have a greater intent to retaliate if they had purchased eight times (vs. four times) in the past.

After reading the scenario, participants rated their intent to engage in a list of retaliatory behaviors against the online retailer (see Appendix A) that were selected using two criteria: they were identified as typical retaliatory behaviors (Grégoire and Fisher 2008; Huefner and Hunt 2000) and they fit our designed scenarios and could best capture plausible behavioral reactions in the situations described. Participants rated their intent using a seven-point scale in which one represented "extremely unlikely," four represented "neither likely nor unlikely," and seven represented "extremely likely."

In the next step of the experiment, participants read the same scenario again and indicated how they would feel if they were in that situation. We measured their *sense of entitlement* by

asking them to rate on a seven-point scale (1 = "strongly disagree", 4 = "neither agree nor disagree", and 7 = "strongly agree") the extent to which they agreed with the following statements: "I feel that I deserve free shipping from this online retailer," "I feel that I should be treated in a special way by this online retailer," "I feel that I should be treated better than other customers of this online retailer," and "I feel that I should always receive free shipping from this online retailer." The questions measured the participants' general beliefs about whether they were more deserving than others. We chose not to use existing scales of psychological entitlement (Campbell et al. 2004) and consumer entitlement (Boyd III and Helms 2005; Butori 2010) because they were developed to measure entitlement as a personality trait and could not accurately measure entitlement as a state.

We measured participants' *gratitude* by asking them to rate (using the same scale) the extent to which they agreed with "I feel grateful/appreciative/thankful to the online retailer" (Palmatier et al. 2009) and measured their *negative emotions* by asking them to rate the extent to which they agreed with "I feel angry/sad/disappointed."

As manipulation checks, we asked participants to rate on a seven-point scale how repetitive and predictable the preferential treatment was (regularity), and the extent to which they had expected to receive free shipping for the current order. We further asked them to rate how realistic the scenario was and how difficult it was to imagine being in that situation to ensure that the scenarios under the various conditions were equally plausible.

As attention checks, participants were asked at the end of the experiment to recall the number of past purchases and number of times they received free shipping in the scenario.

*Results*

Two hundred and four Amazon Mechanical Turk (MTurk) panelists participated in the study in exchange for monetary compensation. Thirty-three (16.18%) failed one or both attention check questions and were removed from the sample, leaving 171 respondents for the analyses (40% male, $M_{age} = 37.23$, SD = 12.30).

In terms of frequency, participants reported that receiving free shipping eight times was less realistic than receiving free shipping four times (5.19 vs. 5.53, F(1, 167) = 3.98, $p = .05$). However, controlling for this factor did not change the results of any of the analyses. Furthermore, there was no difference in difficulty in imagining the scenario in the four conditions (F (1, 167) = 2.21, $p = .14$). Due to the lack of effects for these two measures, we do not report the analyses for them in the subsequent studies.

*Manipulation checks.* The manipulation checks showed that participants in the every-time condition perceived free shipping as more repetitive (5.98 vs. 1.98, F(1,167) = 435.05, $p < .001$) and had a greater expectation of receiving free shipping (6.00 vs. 3.70, F(1,167) = 68.65, $p < .001$) than participants in the one-time condition, which suggests that the repetition manipulation was successful. We also found an interaction effect for repetition and purchase frequency on the perceived regularity of preferential treatment (F(1,167) = 4.09, $p = .05$); the participants perceived free shipping on eight of eight purchases as more regular than free shipping on four of four purchases (6.36 vs. 5.77, F(1,167) = 5.21, $p = .02$). When free shipping was offered only once, there was no difference in their perceptions of regularity for four and eight purchases (1.89 vs. 2.05, F(1,167) = .37, $p = .55$), which suggests that our manipulation of past purchase frequency was successful.

*Retaliation intention*. We collapsed the retaliation items into a single retaliation-intention measure ($\alpha = .93$). The two-way analysis of variance (ANOVA) on retaliation intention showed a significant main effect of repetition ($F(1, 167) = 13.70$, $p < .001$). Participants in the every-time condition reported greater intention to retaliate ($M = 3.38$) compared to participants in the one-time condition ($M = 2.68$). The main effect of past purchase frequency was not significant ($F(1, 167) = .07$, $p = .80$), suggesting that the retaliation intention did not increase with the past purchase frequency.

*Consumer entitlement*. We collapsed the four entitlement items into a single measure ($\alpha = .88$). The two-way ANOVA on consumer entitlement showed that repetition had a significant effect ($F(1, 167) = 3.85$, $p = .05$); participants in the every-time condition felt more entitled ($M = 3.87$) than participants in the one-time condition ($M = 3.43$). The effect of past purchase frequency was not significant ($F(1, 167) = .28$, $p = .60$), suggesting that the degree to which consumers felt entitlement did not increase with the number of past purchases.

*Consumer gratitude*. We collapsed the three gratitude items (thankful, grateful, and appreciative) into a single measure ($\alpha = .97$). The two-way ANOVA on that measure showed no significant effect from repetition ($F(1, 167) = .25$, $p = .62$) or from the frequency of offers ($F(1, 167) = .48$, $p = .49$). These findings suggest that participants felt grateful as long as they received free shipping at least once. The level of gratitude did not increase with a greater number of offers of free shipping or with the overall frequency of the offers.

*Negative emotion*. The three negative emotions (sadness, anger, and disappointment) were collapsed into a single measure ($\alpha = .81$). The two-way ANOVA showed that repetition had an effect on negative emotions ($F(1, 167) = 17.25$, $p < .001$); terminating a repetitive free shipping offer induced greater negative emotion in participants ($M = 4.43$) than terminating a

one-time offer ($M = 3.49$). Past purchase frequency had no significant effect on the degree of negative emotion (F(1, 167) = 1.34, $p = .25$).

*Mediation tests.* To determine whether consumers' greater intent to retaliate after unearned preferential treatment was terminated was mediated by consumer entitlement, we ran a mediation test using the SPSS *Process* module model 4 (Hayes 2012) and used a 5,000-iteration bootstrap. The results showed that entitlement had a significant indirect effect at a 90% confidence interval (B = .21, SE = .12, CI = [.03, .41]). Since negative emotions could potentially mediate the direct effect of entitlement, we ran a second mediation test in which both entitlement and negative emotions were mediators. The results of a 5,000-iteration bootstrap showed that entitlement had a significant indirect effect at a 95% confidence interval (B = .13, SE = .08, CI = [.003, .3]) and that negative emotions also had a significant indirect effect ((B = .33, SE = .1, CI = [.16, .54]). Furthermore, the conditional direct effect was no longer significant (B = .25, SE = .15, CI = [–.03, .54]). These results suggest that the direct retaliation-intention effect of terminating unearned preferential treatment was fully mediated by consumer entitlement and negative emotions.

*Discussion*

This first study shows that terminating unearned preferential treatment that was offered repeatedly to customers induced their intent to retaliate against the online retailer. Furthermore, increasing the frequency of preferential treatment did not increase consumers' intentions to retaliate. The same pattern was found for entitlement: any repetition of preferential treatment increased the customers' sense of entitlement relative to a one-time offer while different frequencies of multiple offers (four versus eight) had no impact. We attribute this null effect of repetition frequency to the fact that our repetition manipulation was "with every order," which

implied certainty and gave the participants a high degree of confidence in their inferences. Therefore, increasing the repetition frequency did not further increase their confidence.

Another important finding from this study is that unearned preferential treatment increases consumer gratitude, which is in line with findings from prior research (Palmatier et al. 2009). However, gratitude does not accumulate with repetition or frequency—a one-time offer was sufficient to trigger gratitude and the degree of gratitude did not increase with additional offers even though the offers increased the degree of entitlement. Thus, when unearned preferential treatment is provided more than once and then terminated, entitlement overrides gratitude and spurs consumer retaliation.

We further find that negative emotions arising from termination of special treatment do not fully explain consumers' greater intentions to retaliate. In fact, we find, instead, that consumer entitlement still mediates the effect of multiple free gifts on consumers' intent to retaliate.

## STUDY 2: GIFT REGULARITY AND VALUE

*Overview and Method*

The second study has three objectives. First, we replicate the findings from the first study using an offline shopping scenario with a free gift with purchase to determine whether the effects previously identified were associated with online purchases only and/or with a specific form of unearned preferential treatment. A second objective is to examine the effect of unearned preferential treatment on consumer retaliation as a function of both repetition and regularity—a case in which consumers have received preferential treatment at fixed times or on a regular basis in the past. We posit that consumers will feel less entitled to repetitive preferential treatment

when it is not predictably delivered. Our third objective is to examine the effect of the size of the monetary value associated with the free gift. We expect that a relatively high-value gift will increase participants' sense of entitlement more than a relatively low-value gift by conferring a greater sense of importance to the firm.

We employed a 2 (regularity: every time vs. sometimes) $\times$ 2 (gift value: large vs. small) between-subjects design. Participants in the every-time [sometimes] and large-gift [small-gift] conditions read that they had ordered $30 worth of sushi from the same sushi restaurant eight times in the past. Out of eight [four] times, they received a free dessert worth $12 [$2]. That day, they placed their usual sushi order but did not receive the free dessert.

We measured the participants' retaliation intentions and sense of entitlement the same way as was done in the first study. As manipulation checks, we asked the participants to rate how repetitive and regular the free gifts were, the extent to which they expected to receive a free gift that day, and how valuable the gift was to them. As attention checks, the participants had to recall the frequency of receiving the free dessert and the value of that dessert.

*Results*

Two hundred MTurk panelists participated in this study in exchange for a monetary reward. Thirty-two (16%) failed at least one attention check question and were removed from the sample, leaving 168 respondents (42% male, $M_{age} = 36.56$, SD $= 11.37$).

*Manipulation checks.* The two-way ANOVA on the participants' perceptions of the repetitiveness, regularity, and expectation of receiving preferential treatment showed only a main effect of regularity (all F(1,164) > 62, all $p$s < .001). Compared to participants in the sometimes condition, participants in the every-time condition perceived the preferential treatment as more

repetitive (6.27 vs. 4.51), more regular (6.40 vs. 4.40) and had a greater expectation of receiving

the free dessert with the day's order (5.72 vs. 3.89). These results suggest that the manipulation

of regularity was successful. The two-way ANOVA on perceived gift size showed an effect only

for gift value (F(1,164) = 95.87, $p$ < .001). Participants in the large-gift condition perceived the

gift as more valuable than participants in the small-gift value condition (5.12 vs. 3.16),

suggesting successful manipulation of gift value.

*Retaliation intention*. We again collapsed all of the retaliation items into a single measure

($\alpha$ = .92). The two-way ANOVA on retaliation intention revealed a significant interaction

between gift value and the predictability of the gift as shown in figure 2 (F(1,164) = 8.06,

$p$ = .005). The only significant effect of regularity on retaliation was in the large-gift condition;

participants in the every-time condition were more likely to retaliate against the restaurant than

participants in the sometimes condition (2.39 vs. 1.65, F(1,164) = 12.04, $p$ = .001). There was no

difference in retaliation intentions between the every-time and sometimes conditions when the

gift value was small (1.79 vs. 1.79, F(1,164) < .001, $p$ = .99). Thus, we find that regularity and

gift value are additional conditions for the effect of unearned preferential treatment on consumer

retaliation intentions.

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*Consumer entitlement.* We again collapsed the four entitlement ratings into a single

consumer entitlement measure ($\alpha$ = .90). The two-way ANOVA on entitlement revealed a

significant interaction between gift value and regularity of receiving the gift (F(1, 164) = 7.44,

$p$ = .007, figure 3). Predictable delivery (every time) increased consumers' sense of entitlement

relative to random delivery (sometimes) only in the high-value gift condition (3.62 vs. 2.33, F(1,

164) = 19.10, $p < .001$). No difference in entitlement was found when the gift size was small

(2.80 vs. 2.62, F(1, 164) = .40, $p = .53$).

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*Mediation test.* We conducted a moderated mediation test using model 8 in the *Process*

module of *SPSS* (Hayes 2012) in which we entered retaliation intention as the dependent

variable, regularity as the independent variable, gift size as the moderator, and consumer

entitlement as the mediator. The results based on a 5,000-iteration bootstrap showed a significant

indirect effect at a 95% confidence level (B = .29, SE = .13, CI = [.08, .58]). Additionally, as

expected, consumer entitlement mediated the effect of regularly provided unearned preferential

treatment on retaliation intentions when the gift value was large (B = .40, SE = .18,

CI = [.04, .76]) but not when the gift value was small (B = -.04, SE = .16, CI = [-.37, .28]).

*Discussion*

The results from our second study show that terminating predictably delivered preferential

treatment will increase consumers' intentions to retaliate against the firm relative to preferential

treatment delivered randomly. Again, this effect was mediated by customers' elevated feelings of

entitlement. However, the effect was bounded by the value of the preferential treatment: a small-

value gift did not elicit consumer entitlement.

Our manipulation of regularity in this study did not control for the frequency of receiving

a free gift; participants in the every-time condition received free dessert eight times while

participants in the sometimes condition received dessert only four times. Though we

demonstrated in the first study that frequency did not influence retaliation intentions or entitlement, we explore the relationships further in a third study by manipulating regularity in a different way while keeping frequency constant.

## *STUDY 3: GIFT REGULARITY AND GRATITUDE BOOSTS*

*Overview and Method*

In the third study, we test our predictions in a new consumption context, use a new form of unearned preferential treatment, and manipulate the regularity of the unearned preferential treatment while keeping the frequency constant. To do so, we designed two levels of perceived regularity by modifying the pattern in which the participants were told they would receive the free gift. We also explore the interaction between gratitude and entitlement by directly influencing the participants' degree of gratitude. We do so by informing participants that other firms do not offer the same unearned preferential treatment to their own customers.. We predict that increasing consumers' degree of gratitude would at least partially mitigate the entitlement effect on retaliation intentions.

Again, we employed a 2 (regularity: regular vs. random) × 2 (gratitude boost: gratitude boost vs. control) between-subjects design. Participants read that they always bought a $3 coffee from a coffee shop on their way to work and for the past 8 times they did so, four times they received a free cookie worth $1.5. In the regular condition, they received a free cookie every other time; in the random condition, they received the four cookies in no systematic way (see Appendix B for detailed scenarios). The participants then read that they went to the coffee shop that day and did not receive a free cookie. In the gratitude-boost condition, participants read a separate page stating that they met a colleague who often went to a different coffee shop and that

she stated that she never received any free products there (participants in the control condition did not read an additional statement). After reading the scenario, the participants rated their retaliation intentions on a version of the scale used in the first two studies in which we removed items associated with online behavior (see Appendix A). Next, we measured participants' level of entitlement and gratitude using the same questions and scale as in the previous studies. As manipulation checks, we asked them to rate the repetitiveness and regularity of free cookies received in the past and the degree to which they expected to receive a free cookie that day. As attention checks, we asked how often they had received a free cookie and whether they received one that day.

*Results*

Two hundred MTurk panelists participated in this third study in exchange for a monetary compensation. Ten participants (5%) failed one or both attention checks and were removed from the sample, leaving 190 respondents for the analysis (45% male, $M_{age} = 36.53$, SD = 11.72).

   *Manipulation check.* We found that regularity and the gratitude boost had no significant effects on perceived repetitiveness (all $p > .14$). As expected, participants in the regularly delivered condition perceived the free gift as being more regular ($M = 5.26$) than those in the randomly delivered condition ($M = 4.60$, $F(1, 186) = 14.86$, $p < .001$). Similarly, participants who had regularly received the free gifts had a greater expectation of receiving it that day than participants who had randomly received the gifts (4.68 vs. 3.94, $F(1, 186) = 1.12$, $p = .002$). These findings suggest that the regularity manipulation was successful.

   *Gratitude.* We averaged the three gratitude items to create a composite gratitude measure ($\alpha = .95$) and submitted it to a two-way ANOVA. The gratitude-boost had a significant positive

effect on the participants' degree of gratitude (F(1, 186) = 1.98, $p$ = .001). As we expected, participants in the gratitude boost condition ($M$ = 5.65) felt more grateful towards the coffee shop than participants in the control condition ($M$ = 5.06). Regularity had no effect on gratitude (F(1, 186) = .62, $p$ = .43).

*Consumer entitlement*. We collapsed the four entitlement items into a single measure (α = .88). The two-way ANOVA on this measure revealed that regularity had a marginally significant effect (F(1, 186) = 3.20, $p$ = .08); participants in the regular condition ($M$ = 2.66) felt more entitled than participants in the random condition ($M$ = 2.32). The gratitude boost had no effect on the degree of consumer entitlement (F(1, 186) = .91, $p$ = .34).

*Retaliation intentions.* The six retaliation-intention items (listed in Appendix A) were collapsed into one measure (α = .91), and, as shown in figure 4, the two-way ANOVA on that measure revealed a marginally significant interaction between regularity and retaliation (F(1, 186) = 3.03, $p$ = .08). We found that, in the control condition (no gratitude boost), participants in the regular condition had a greater intention to retaliate that participants in the random condition (2.03 vs. 1.53, F(1, 186) = 6.58, $p$ = .01). Under the gratitude boost, there was no difference in retaliation between the regular and random conditions (1.58 vs. 1.56, F(1, 186) = .008, $p$ = .93). Taken together, these results show the same effect of regularity on retaliation as the previous studies but also show that the effect was attenuated when consumers felt grateful towards the coffee shop.

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Insert Figure 4 about here
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*Discussion*

The results of this study provide additional evidence of the effect of regularly offering preferential treatment on consumers' intention to retaliate once such treatment is terminated. Regularity increases customers' sense of entitlement, which increases their desire to retaliate when they no longer receive the gifts. Furthermore, we find that temporarily increasing customers' feelings of gratitude by reminding them that some firms do not offer preferential treatment can serve as a buffer against the effects of consumer entitlement.

These results also shed light on the relationship between consumer entitlement and gratitude in the context of preferential treatment. Existing theory has suggested that consumer entitlement and gratitude are independent paths that jointly influence firms' financial outcomes (Wetzel et al. 2014). Our study offers empirical evidence that supports this proposition: increasing consumer gratitude does not decrease consumer entitlement but does weaken the effect of consumer entitlement on consumer retaliation intentions, suggesting that consumer entitlement and gratitude are independent influences that have opposing effects on the downstream outcomes.

## STUDY 4: GIFT REPETITION AND SELECTION CRITERIA

*Overview and Method*

In our fourth study, we directly analyze how unearned preferential treatment builds consumers' sense of entitlement using an online shopping scenario and a coupon as the preferential treatment. Our previous studies demonstrated that entitlement increases when customers receive relatively high-value free gifts repeatedly and predictably because they infer from that pattern that they are valuable to the firm. Following this reasoning, the firm could, instead, explicitly

inform its customers that they receive free gifts because they are valued by the firm. We posit that in such a case a similar degree of customer entitlement and retaliation will develop regardless of the size of the gift and how regularly and how often the gift is provided.

This study also employed a 2 (repetition: every time vs. once) × 2 (selection criterion: valuable customer vs. randomly selected customer) between-subjects design. Participants in the every-time [one-time], valuable-customer [randomly-selected] condition read that they had been shopping for clothes online for the past four years and had received a $20 coupon by email on their birthdays every year [once]. The website stated that birthday coupons were distributed only to valuable customers [randomly to customers]. This year on their birthday, they did not receive a birthday coupon from the online retailer. After reading the scenario, the participants rated their degree of retaliation intentions using the scale from the first two studies. We then measured their degree of entitlement and gratitude. As manipulation checks, we asked them to rate how repetitively and regularly the birthday coupon was offered and the extent to which they had expected to receive a birthday coupon that day. As attention checks, we asked them how often they had received a coupon on their birthday and how they had been selected to receive the coupon.

*Results*

Two hundred MTurk panelists participated in this study in exchange for a monetary compensation. Fifty-one (25.50%) failed at least one of the attention check questions and were removed from the sample, leaving 149 respondents (38% male, $M_{age} = 35.97$, SD = 12.35).

*Manipulation checks.* Compared to participants in the one-time condition, participants in the every-time condition rated the preferential treatment as more repetitive (5.50 vs. 2.68, F(1,

145) = 134.39, $p < .001$) and more regular (5.22 vs. 2.49, F(1, 145) = 111.42, $p < .001$), suggesting successful manipulation of repetition. In addition, participants in the every-time condition had a greater expectation than participants in the one-time condition of receiving the birthday coupon this year (5.90 vs. 4.44, F(1, 145) = 39.37, $p < .001$). The expectation of receiving the birthday coupon this year was also greater among participants in the valuable-customer condition than among participants in the randomly-selected condition (5.64 vs. 4.93, F(1, 145) = 8.80, $p = .004$), suggesting successful manipulation of the selection criterion.

*Retaliation intention.* As in the previous studies, the retaliation items were collapsed into a single measure ($\alpha = .94$). The two-way ANOVA on this measure revealed a main effect of selection criterion on retaliation intention (F(1, 145) = 8.80, $p = .004$); participants who were informed that they were valuable customers had a greater intent to retaliate ($M = 2.77$) than customers who told there were randomly selected ($M = 2.28$). Repetition (every time vs. one time) no longer had an effect on retaliation (2.51 vs. 2.53, F(1, 145) = .09, $p = .77$). The findings suggest that the selection criterion wiped out the effect of repetitive unearned preferential treatment on consumer retaliation intention.

*Consumer entitlement.* As in the prior studies, the four entitlement items were collapsed into a single measure ($\alpha = .90$). The two-way ANOVA on this measure revealed that the selection criterion had a marginal effect on entitlement (F(1, 145) = 3.50, $p = .06$) with participants in the valuable-customer condition reporting a greater sense of entitlement ($M = 4.08$) than participants in the randomly-selected condition ($M = 3.55$). Repetition had no effect on sense of entitlement (F(1, 145) = 1.37, $p = .24$).

*Gratitude*. As in the prior studies, the three gratitude items were collapsed into a single measure ($\alpha = .96$). The two-way ANOVA showed that the selection criterion had a significant

effect on participants' degree of gratitude (F(1, 145) = 12.57, $p$ = .001); participants in the valuable-customer condition were less grateful ($M$ = 3.42) than participants in the randomly-selected condition ($M$ = 4.27). Repetition had no effect on the degree of gratitude (F(1, 145) = .16, $p$ = .69).

*Mediation test*. To determine whether the selection criterion drove consumer entitlement and retaliation once preferential treatment was terminated, we conducted a mediation test using the selection criterion as the independent variable, consumer entitlement as the mediator, and consumer retaliation intentions as the dependent variable using model 4 of the *process* module on *SPSS* (Hayes 2012). Based on a 5,000-iteration bootstrap, we found that consumer entitlement had a significant indirect effect at a 95% confidence level (B = .20, SE = .10, CI = [.02, .41]). In a second mediation test, we added consumer gratitude as a mediator and found a significant indirect effect at a 95% confidence level (B = 13, SE = .07, CI = [.02, .30]) in the presence of a significant indirect effect of gratitude (B = 26, SE = .08, CI = [.12, .45]).

*Discussion*

The results of our fourth study show that explicitly informing consumers that they received preferential treatment because they were valued customers eliminated the effect of repetition on their sense of entitlement and intent to retaliate and thus support our hypotheses that customers' sense of entitlement was based on inferences they made about their value to the firm. Once their value is explicitly stated, they no longer need to rely on the firms' actions to make that inference.

Of particular interest is finding that explicitly acknowledging customers' value actually backfires on the firm. It instantly increases their sense of entitlement and decreases their degree of gratitude. This result may explain why many loyalty programs designed to signal status

struggle to succeed. According to a recent report, 89% of Canadians chose to enroll in loyalty programs but only 8% were happy with the returns (Staff 2015). For programs to be more successful, in addition to increasing the value of the rewards, firms might also need to manage the increased expectations caused by customers' heightened senses of entitlement.

*GENERAL DISCUSSION*

This research investigates consumer reactions to termination of previously received unearned preferential treatment using online and offline shopping scenarios and different types of unearned preferential treatment, In a series of studies, we systematically find that consumers who have received unearned preferential treatment more than once, with every order they placed, and on a regular basis in the past have a greater tendency than other consumers to retaliate against the firm when they no longer received that treatment. In addition, we find that this effect holds only when the value of the unearned preferential treatment is relatively large. The underlying mechanism for this effect is consumer entitlement, which mediates the effect of unearned preferential treatment on consumers' retaliation intentions. The repetitiveness, regularity, and large value of the unearned gifts lead customers to infer that they are valuable to the firm and deserve to be treated in a special way. And that belief induces intentions to retaliate when the gifts are no longer provided.

We tested the inference mechanism underlying consumer entitlement by explicitly informing customers that they received unearned preferential treatment because they were valuable customers, the effects of preferential treatment on consumer entitlement and retaliation

intention were attenuated. With explicit communication, customers felt a high degree of entitlement even when they had received preferential treatment only once.

We further find that consumer gratitude does not increase with the repetitiveness of the preferential treatment but can be boosted by reminding them that other firms do not provide similar free gifts to customers and thereby mitigate their intent to retaliate.

*Theoretical Contributions*

This research makes several theoretical contributions. Numerous studies have demonstrated that preferential treatment can be an effective tool for building and maintaining good customer relationships (Berry 1995; Boulding et al. 2005; Drèze and Nunes 2009; Lacey, Suh, and Morgan 2007; Palmatier et al. 2009). We show that there are risks associated with terminating programs that offer relatively high-value unearned preferential treatment repetitively and predictably. In the process of receiving such gifts over time, consumers develop feelings of entitlement and then resent the firm when the gifts cease, leading them to want to retaliate against the firm. These results add to previous studies that identified potential negative outcomes of preferential treatment.

Our findings also provide insight into the relationship between consumer entitlement and consumer gratitude, which are both triggered by preferential treatment. Wetzel and colleagues (2014) posited that preferential treatment represented a double-edged sword for the firm and proposed a dual-process model: preferential treatment generates consumer gratitude, which increases sales, and induces consumer entitlement, which increases the firm's service cost. However, the mechanism of the dual-process model is unclear. Did gratitude and entitlement affect sales and the service cost independently or did they weaken each other and thus contribute

to the overall profit? Our results provide evidence that supports independent effects. In our first study, we found that consumer gratitude was not a function of how frequently preferential treatment was provided while consumer entitlement was a function of frequency. In our third study, we found that providing information to boost gratitude did not affect customers' degree of entitlement. We thus conclude that entitlement and gratitude work independently rather than influence each other.

To the best of our knowledge, we are the first to investigate the antecedents of consumer entitlement in the context of unearned preferential treatment. That is, we answer the question of how and why consumers feel entitled after receiving preferential treatment. We show that consumers, in the absence of an explanation for free gifts, infer that they are particularly valuable to the firm. Receiving unearned preferential treatment that has a relatively high value repetitively and predictably leads customers to view themselves as deserving of the gifts. However, when the firm explicitly informs its customers that they are receiving preferential treatment because they are valued customers, the customers feel entitled to special treatment regardless of how often the gifts are provided. Therefore, our results provide direct evidence that consumer entitlement derives from their past experiences with the firm (Boyd III and Helms 2005) and inferences they make based on those experiences.

Several prior studies have examined consumer retaliation resulting from a firm's misconduct (e.g., product or service failures, poor service recovery for failures, unethical behavior) (Grégoire, Laufer, and Tripp 2010; Huefner and Hunt 2000; Kähr et al. 2016). We find that even a firm's good conduct, if poorly managed, can cause consumers to want to retaliate.

*Managerial Implications*

Several direct implications for managers and marketers in charge of designing unearned preferential treatment programs arise from our results. First, to minimize consumer entitlement up front, firms should offer unearned preferential treatment (1) that has a relatively small monetary value, (2) only once, (3) irregularly (randomly) if offered repetitively, or (4) inform customers that the preferential treatment is offered to randomly selected customers. This last strategy may seem counter-intuitive since it goes against the very definition of preferential treatment. However, we have demonstrated that customers who are informed that they are valuable to the firm feel a greater sense of entitlement, which can be detrimental to the firm when the preferential treatment program ends or changes. To mitigate the effect of consumer entitlement, a firm can remind its customers that many firms do not offer preferential treatment to their customers.

Our results also indicate that offering a one-time preferential treatment is sufficient to elicit consumer gratitude. Therefore, firms often fail to increase customers' gratitude when offering unearned preferential treatment more than once and promote a greater sense of entitlement instead.

Our findings can be generalized to other types of preferential treatment. We show that preferential treatment programs that explicitly signal customers' deservingness (e.g., loyalty programs) or take actions that imply it (e.g., the unearned preferential treatment in this research), will induce a greater sense of entitlement among customers who will then feel more inclined to retaliate if the program is curtailed or eliminated.

*Limitations of This Study and Opportunities for Future Research*

This study is subject to two primary limitations. First, we measure retaliation intentions rather than actual retaliatory behavior. Thus, we do not measure the extent to which consumers would act on their intentions. This is a valid concern, but we argue that firms should not risk increasing consumers' intentions to engage in retaliatory actions because, according to the theory of reasoned action (Ajzen and Fishbein 1980), behavioral intentions are the immediate antecedents of actual behavior. Thus, we can speculate that a greater intention to retaliate will increase the likelihood of actual retaliation.

The second limitation is the degree to which the scenarios in the online experiments resemble real-life situations. To minimize this concern, we asked participants to voluntarily share their thoughts about the scenarios after the experiment. Most of the participants reported that the scenarios reminded them of situations they had experienced ("To me, this reminds me of some retailers and they build this expectation of free shipping. I would be mad, I would bark about it online, and the only way I would return is if they sold something I couldn't get anywhere else." "Very realistic scenario, it actually happened to me recently, not with an online grocery store, but a different online retailer.") Thus, participants noted that it was easy for them to imagine themselves in the situations described and to report how they would react in those situations. In addition, we measured the extent to which participants felt that the scenario was realistic, and all of their responses significantly exceeded the scale mean, further indicating that they viewed the scenarios as realistic. Similarly, their ratings of how difficult it was to imagine themselves in the scenarios were significantly less than the scale mean. Nonetheless, an opportunity to test the effect of unearned preferential treatment in actual purchase situations could greatly increase the external validity of our findings.

Several avenues are available for future research. First, it is interesting to test whether our findings apply to other situations in the preferential treatment domain. In particular, how consumers will react when they are moved to a lower tier of a loyalty program or when their benefits from the loyalty program are curtailed. Our findings suggest that if preferential treatment has built up customers' sense of entitlement, such actions will make customers feel that they are wronged and thus trigger their intent to retaliate.

Second, additional downstream effects of preferential treatment could be investigated. Prior studies in psychology have shown that there are many negative effects associated with a sense of entitlement, including a tendency to behave more selfishly and to be less forgiving. Thus, customers who feel entitled may be less likely than other customers to forgive a firm for terminating preferential treatment and be more likely to engage in actions that benefit their own interests instead of the firms' when such opportunities arise.

Another potential direction for further study is to identify additional ways to mitigate the effect of entitlement on consumers' desire to retaliate and to reduce consumers' development of entitlement in the first place. Studies have shown that consumer entitlement can be induced by situational factors (Kivetz and Zheng 2006; Zitek et al. 2010); consequently, it should also be possible to reduce consumers' sense of entitlement through situational factors. Future studies could explore ways to inhibit situationally triggered entitlement.

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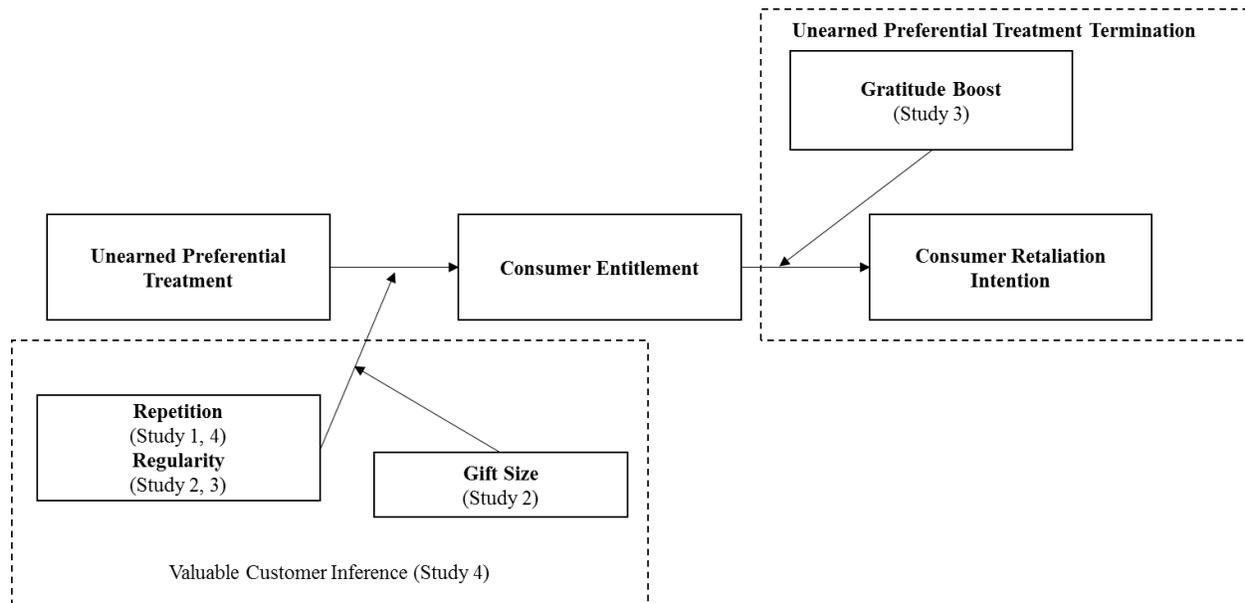Figure 1. Theoretical Framework and Overview of the Four Studies

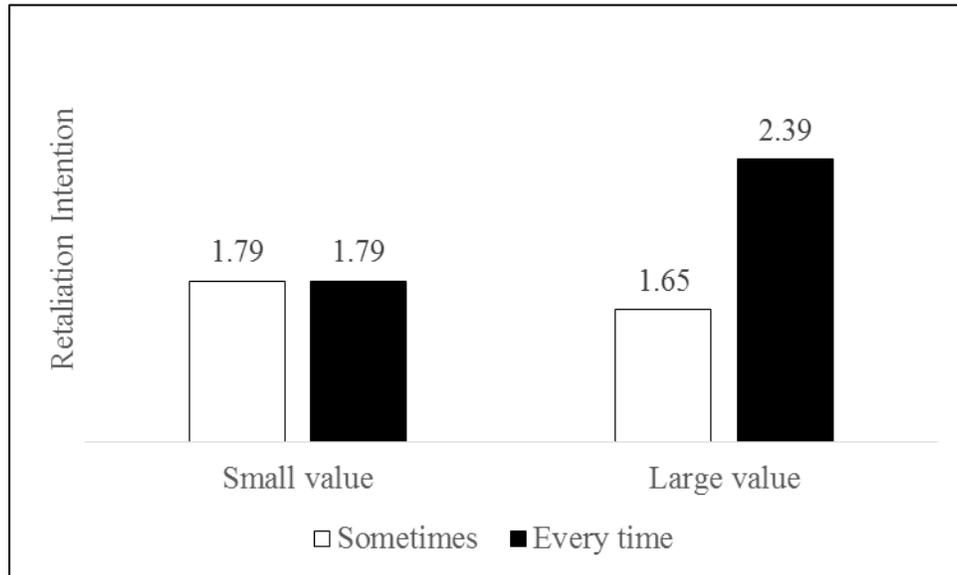Figure 2. Retaliation Intentions Are Greater in the Every-time Large-gift-value Condition: Study 2

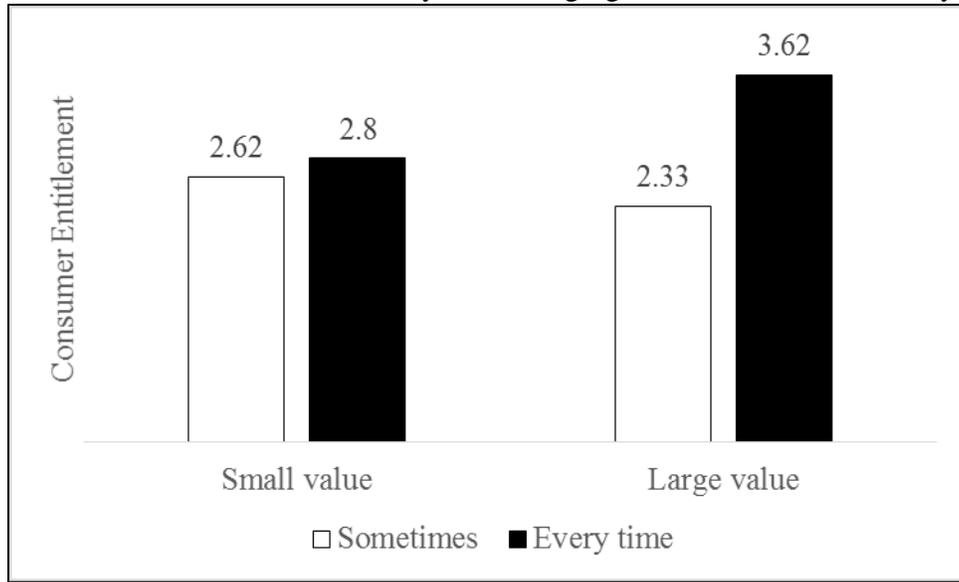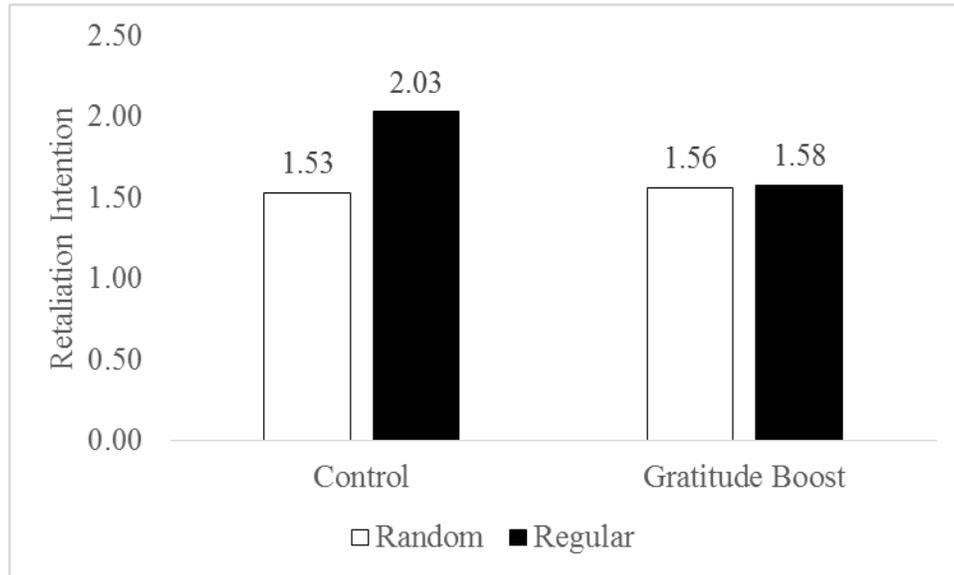Figure 3. Entitlement Is Greater in the Every-time, Large-gift-value Condition: Study 2

Figure 4. Retaliation Intention Is Greater in the Regular-delivery Control Condition: Study 3

## APPENDIX A: RETALIATION INTENTION SCALE

Please indicate how likely you are going to engage in the following behaviors if you were in the scenario, where 1 = "extremely unlikely", and 7 = "extremely likely".

I will talk unfavorably about this online retailer on social media (e.g., twitter, Facebook, etc.).
I will leave a negative online review for this online retailer.
I will say negative things about this online retailer to other people (e.g. friends, family, co-workers).*
I will contact them and give them a hard time (e.g. call customer service, email them, send a letter to CEO).*
I will actively promote their competitors on social media (e.g., twitter, Facebook, etc.).
I will unsubscribe from this online retailer's loyalty program.*
I will be no longer interested in what this online retailer offers.*
I will stop browsing this online retailer's website.
I will stop supporting this online retailer online (e.g. unlike Facebook page, unfollow them on twitter, delete their pins from my Pinterest account)
I will remove this online retailer's website from my browser bookmarks.
I will remove this online retailer's app from my phone/tablet.
I will not purchase from this online retailer again in the future.*
I will start buying groceries from this online retailer's competitors.*

*This items were included in the shortened retaliation intention scale used in study 3.

**APPENDIX B: STUDY 3 SCENARIO**

### Regular, gratitude boost condition

You often go and buy a coffee at your neighborhood coffee shop on your way to work. Every time you go, you buy a **regular coffee worth $3**, and sometimes you receive a **free cookie worth $1.5**.

Here following you see a **diagram representing your last 8 visits to the coffee shop**. It shows how many times you **received a free cookie** with your coffee (**ticked boxes**).

☒ ☐ ☒ ☐ ☒ ☐ ☒ ☐

**Today**, you go and buy your coffee and **you do not receive a free cookie**.

(Page break)

While drinking your coffee, you get to the office and one of your colleagues sees your cup and asks about your neighborhood coffee shop.
You start talking about the shop and about the fact that today you did not receive the free cookie that sometimes you get. Your colleague talks about her neighborhood coffee shop, and tells you that she never received anything for free with her coffee.

### Random, no gratitude boost condition

You often go and buy a coffee at your neighborhood coffee shop on your way to work. Every time you go, you buy a **regular coffee worth $3**, and sometimes you receive a **free cookie worth $1.5**.

Here following you see a **diagram representing your last 8 visits to the coffee shop**. It shows how many times you **received a free cookie** with your coffee (**ticked boxes**).

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**Today**, you go and buy your coffee and **you do not receive a free cookie**.