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**THE EFFECT OF PREMIUM COMPLEMENTARITY ON PRODUCT  
EVALUATION**

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The Effect of Premium Complementarity on Product Evaluation

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in Partial Fulfilment of the Requirements for

the Degree of Master of Philosophy

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## ABSTRACT

The current research investigates the effect of premium complementarity on people's attitudes toward the focal product. Premiums are defined as products or services offered for free in order to induce more purchases later (d'Astous and Landreville 2003). According to the complementarity level with the focal product, premiums could be categorized into two categories, that is, complementary premiums and non-complementary premiums.

Complementary premiums refer to the products or services that can be used with the focal product together to achieve one certain function or task (Zemack-Rugar and Rabino 2019).

Whereas, non-complementary premiums are the products or services that share some similar attributes or totally functionally unrelated to the focal product (Sarantopoulos et al. 2019).

Two experiments are designed to test the proposed effect. I predict that offering consumers a complementary premium (vs. non-complementary premium) will result in more positive attitudes toward the focal product (experiment 1), and this effect is sequentially mediated by process simulation and perceived effectiveness of the focal product (experiments 2). These findings offer novel theoretical insights about premium complementarity and useful strategies that companies can use to effectively promote their products and boost sale. Three potential studies for future research are proposed at the end of the research.

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## CHAPTER 1. INTRODUCTION

In today's market, different types of promotion campaigns have been pervasively applied, such as making discount, signing up loyalty programs, and delivering free coupons. Among all the strategies, there is an important non-monetary strategy called free premium (Raghubir et al. 2004). Premiums are defined as products or services offered for free in order to induce more purchases at a later stage (d'Astous and Landreville 2003). According to the complementarity level with the focal product, premiums could be categorized into two categories, that is, complementary premiums and non-complementary premiums.

Complementary premiums refer to the products or services that can be used with the focal product together to achieve one certain function or task (Zemack-Rugar and Rabino 2019).

Whereas, non-complementary premiums are the products or services that share some similar attributes or totally functionally unrelated to the focal product (Sarantopoulos et al. 2019).

Previous studies have investigated the influence of offering free premiums on the evaluation of the whole package (Buil, Chernatony, and Montaner 2010), the relationship between premium-giving and products return (Lee and Yi 2018), the fit between the premium and the product (Palazon and Delgado-Ballester 2103), and the value discounting of the free premium (Raghubir 2004). But there is no research about the influence of using free premium strategy on the focal product's evaluation, this research investigates this issue.

In the current research, I examine whether offering the complementary premium will influence consumers' attitudes toward the focal product when they make the purchase. I propose that offering people a complementary premium when they make the purchase will result in more positive attitudes toward the focal product than offering them a non-complementary premium. The theoretical explanation of the prediction is that offering consumers a complementary premium rather than a non-complementary premium improves

the functional performance of the focal product, which facilitates the product usage simulation and increases the perceived effectiveness of the focal product (Sarantopoulos et al. 2019; Estelami 1999).

This research contributes to premium literature by investigating whether offering the complementary premium will influence people's perception of the focal product and extends the literature of usage simulation. From the managerial perspective, the findings provide a useful guidance for marketing practitioners to effectively use free premium promotion strategy to boost sale.

At the end of this research, I also propose three additional studies for future research to suggest more comprehensive ways to test this effect. Specifically, the proposed study 1 points out a different way to test the underline mechanism of this effect, other than the one I used in the main experiment. The proposed study 2 and 3 suggest two potential moderators of this effect.

## **CHAPTER 2. CONCEPTUAL FRAMEWORK**

### **2.1. PREMIUM COMPLEMENTARITY**

Nowadays, different kinds of promotion campaigns have been pervasively used, among all the promotion strategies, there is an important non-monetary one called free premium (Raghubir et al. 2004). Premiums refer to the products or services offered to consumers for free in order to induce more purchasing behaviors at a later stage (d' Astous and Landreville 2003). Premiums can be categorized into two categories according to their complementarity level with the focal product, that is, complementary premiums and non-complementary premiums. Complementary premiums are defined as the products or the

services that can be used with the focal product together to achieve one certain function or task (Zemack-Rugar and Rabino 2019). For example, a company selling laptops offers consumers a mouse as a complementary premium for the purchase of a laptop. The mouse is supposed to be used together with the laptop, and the two products are functionally complementary. Whereas, non-complementary premiums refer to the products or services that share some similar attributes or totally functionally unrelated with the focal product. There are cases where they could be interchangeable with the focal product (Sarantopoulos et al. 2019). For example, the same laptop company could offer consumers a digital clock as a non-complementary premium for the purchase of a laptop. The two products are functionally unrelated and could be used separately. According to previous research, offering consumers complementary premiums rather than non-complementary ones gives them a pre-engineered product combination. In this case, all products are highly functionally related, which leads to the reduction of consumer's cognitive effort during the purchasing process (Estelami 1999) and further facilitates people's fluent processing of the product information (Schwarz 2004).

## **2.2. USAGE SIMULATION**

Consumers' usage simulation is a common phenomenon that happens during the purchasing process and it is defined as a mental representation of an action engaging in the utilization of products (Escalas and Luce 2004; Zemack-Rugar and Rabino 2019). According to Zhao, Hoeffler, and Zauberan (2007), there are two types of mental simulations: process simulation and outcome simulation. Process simulation emphasizes on imaging the step-by-step process of using products or services. Whereas, outcome simulation focuses on simulating the desirable outcome of the usage. A number of previous studies suggest that people who conduct process simulation perform better than those who experience outcome

simulation (Pham and Taylor 1999; Taylor et al. 1998). Pham and Taylor (1999) found that students who simulate their process of studying which leads them to get an “A” (i.e. process simulation) actually spend more time and effort on reviewing their exam and finally achieve a better grade than those who visualize they get an “A” for their exams (i.e. outcome simulation).

Given that the complementary premium which is functionally complementary with the focal product and gives consumers a pre-engineered product package that could distinctively reduce people’s cognitive effort during the purchasing process (Estelami 1999) and facilitate their processing of the product information (Schwarz 2004), providing consumers with a complementary premium when they purchase certain products or services could promote the usage simulation of the two. In addition, according to the theory of vividness, which refers to a feeling of physical proximity and emotional attractiveness (Nisbett and Ross 1980). When people view vivid information, they usually generate multiple pictures in minds and visualize the usage process. As the complementary premium could create the feelings of physical proximity to the focal product, it may facilitate the usage imagery of the two products (Sarantopoulos et al. 2019). Moreover, a complementary premium is functionally related to the focal product and complements the functionality of the usage process of the two products (Estelami 1999). Hence, offering complementary premium facilitates more process usage simulation than outcome usage simulation. Consider the example of the shampoo and the conditioner, the conditioner complements the functionality of the shampoo and improves the effectiveness of the shampoo during the step-by-step usage progress but not the outcome of the usage process.

### **2.3. PRODUCT EFFECTIVENESS**

Product effectiveness is defined as the efficiency of the product to achieve a desirable outcome (Chae, Li and Zhu 2013). According to the research of Knäuper et al. (2009), usage simulation could enhance the perceived effectiveness of the goal intention, this perceived effectiveness could be achieved because adding the sensory input promotes the vivid mental realization of the whole usage process. So, the usage simulation simulated by the complementary premium will result in perceived effectiveness and positive evaluation of the focal product. Hence, in the research, I propose that providing consumers with a complementary premium when they make the purchase will result in more positive attitudes toward the focal product than providing them with a non-complementary premium, and this is because of the perceived effectiveness of the focal product promoted by the process usage simulation generated by consumers themselves.

### **CHAPTER 3. THE CURRENT RESEARCH**

I argued above that offering consumers complementary premiums rather than non-complementary ones gives them a pre-engineered product combination. In this package, all products are highly functionally related, which leads to the reduction of consumer's cognitive effort during the purchasing process (Estelami 1999) and further induces their mental usage simulation of the two products. This stimulated usage simulation could lead to the perceived effectiveness of the focal product, which results in a positive attitude toward the focal product. Hence, I predict that giving consumers a complementary premium when they make the purchase will lead to more positive attitudes toward the focal product than offering them a non-complementary premium. And this positive attitudes toward the focal product is achieved by increased consumers' perceived effectiveness toward the focal product through their automatic process usage simulation of the two products. Stating these hypotheses formally:

*H1: Providing consumers with a complementary premium (vs. non-complementary premium) when they make the purchase will result in more positive attitudes toward the focal product.*

*H2: Process usage simulation and perceived effectiveness of the focal product sequentially mediate the effect of premium complementarity on the focal product's evaluation.*

### **3.1. OVERVIEW OF THE EXPERIMENT**

Two experiments are designed to test the effect of premium complementarity on consumers' attitudes toward the focal product. Experiment 1 demonstrates the basic effect. Experiment 2 tests the mediating role of process simulation and the perceived effectiveness of the focal product in the proposed mechanism. Process simulation and perceived effectiveness sequentially mediate the effect of premium complementarity on consumers' attitudes toward the focal product.

### **3.2. EMPIRICAL INVESTIGATION**

#### **3.2.1. Experiment 1**

Experiment 1 investigates the basic hypothesis that providing consumers with a complementary premium influences their attitudes toward the focal product. I expect that offering consumers a complementary premium when they make a purchase will result in more positive attitudes toward the focal product than offering them a non-complementary

premium.

### 3.2.1.1. Method

*Design and participants.* One hundred seventy-seven US adult consumers ( $M_{\text{age}} = 34$ ; 62.1% female) participated in this experiment on Amazon Mechanical Turk (MTurk).

Participants were randomly assigned to the conditions of a two-cell (premium complementarity: complementary premium vs. non-complementary premium) between-subjects design.

*Procedure.* Premium complementarity was manipulated through an ad evaluation task. Participants in the complementary premium condition saw an ad of a shampoo saying that if consumers buy one shampoo, they will get one conditioner (complementary premium) for free. However, participants in the non-complementary premium condition saw an ad of shampoo saying that if consumers buy one shampoo, they will get one set of hangers (non-complementary premium) for free (see Appendix A). After seeing the ad, participants were asked to indicate their attitudes toward the focal product on a 9-point scale (unfavorable/favorable, dislike/like, and very unwilling to purchase/very willing to purchase;  $\alpha = .94$ ). To check the manipulations, I asked a separate group of 55 MTurk participants ( $M_{\text{age}} = 44.76$ ; 50.9% female) to complete the manipulation check questions. The premium complementarity manipulation had a significant effect on participants' perceived complementarity of premium and focal product. Compared to those in the non-complementary premium condition ( $M = 2.00$ ,  $SD = 1.57$ ), participants in the complementary premium condition thought that the premium is highly complementary with the focal product ( $M = 8.29$ ,  $SD = 1.16$ ;  $F(1, 53) = 286.11$ ,  $p < .05$ ). There was no significant difference in perceived attractiveness across the two complementarity conditions ( $M = 6.93$ ,  $SD = 1.43$  vs.



$M = 7.09$ ,  $SD = 1.67$ , respectively;  $F(1, 53) = .042$ ,  $p = .707$ ).

### 3.2.1.2. Results and Discussion

As I expected, premium complementarity had a significant impact on participants' attitudes toward the focal product. Specifically, Participants in the complementary premium condition ( $M = 6.69$ ,  $SD = 1.75$ ) showed more favorable attitudes toward the focal product than those did in the non-complementary premium condition ( $M = 6.17$ ,  $SD = 1.92$ ;  $F(1, 175) = 5.10$ ,  $p = .025$ ).

Experiment 1 provides initial support that premium type influences people's attitudes toward the focal product. Providing consumers with a complementary premium leads to more positive attitudes toward the focal product than offering them a non-complementary premium. This finding supports hypothesis 1.

### 3.2.2. Experiment 2

Experiment 2 tests the mediating role of process simulation and perceived effectiveness of the focal product in the proposed mechanism. I predict that process simulation and perceived effectiveness sequentially mediate the effect of premium complementarity on people's attitudes toward the focal product. That is, offering consumers a complementary premium when they purchase certain products encourages process usage simulation, which in turn increases the perceived effectiveness of the focal product and finally enhances the evaluation of the focal product.

### 3.2.2.1. Method

*Design and participants.* One hundred nineteen US adult consumers ( $M_{\text{age}} = 37.56$ ; 54.6% female) participated in this experiment on Amazon Mechanical Turk (MTurk). Participants were randomly assigned to the conditions of a two-cell (premium complementarity: complementary premium vs. non-complementary premium) between-subjects design.

*Procedure.* I manipulated premium complementarity through an ad evaluation task. Participants in the complementary premium condition saw an ad of a camera saying that if consumers buy one camera, they will get a flashlight (complementary premium) for free. However, participants in the non-complementary premium condition saw a camera ad stating that if consumers buy one camera, they will get a set of speakers (non-complementary premium) for free (see Appendix B). After seeing the ad, participants were asked to report their attitudes toward the focal product on a 9-point scale (unfavorable/favorable, dislike/like, and very unwilling to purchase/very willing to purchase;  $\alpha = .82$ ). And then, they indicated the extent to which they agreed with the items that measured the process and outcome simulation (1= not at all, 9 = very much; Escalas and Luce 2004; Tylor et al. 1998; Zhao et al. 2007). The items that measured process simulation are “Did you imagine the process of using the camera;” “Did you generate the mental imagery of the usage steps of the camera;” “Did the ad evoke simulation of the means by which you use this camera” ( $\alpha = .88$ ). The items that measured outcome simulation are “Did you imagine the benefits of using the camera;” “Did you imagine the results of using the camera;” “Did you imagine the consequences of using the camera” ( $\alpha = .86$ ). Finally, participants indicated their perceived effectiveness of the focal product on a 9-point scale (“In general, how effective you think this camera will be;” “To what extent do you think that this camera is a quality product;” “To

what extent do you think that you will be satisfied with the performance of this camera”; 1= not at all, 9 = very much;  $\alpha = .86$ ). As a manipulation check, participants answered questions about premium attractiveness, perceived premium monetary value and perceived premium complementarity with the focal product.

### 3.2.2.2. Results and Discussion

The premium complementarity manipulation had a significant effect on participants' perceived complementarity of premium and focal product. Compared to those in the non-complementary premium condition ( $M = 5.00$ ,  $SD = 2.83$ ), participants in the complementary premium condition thought that the premium is highly complementary with the focal product ( $M = 7.10$ ,  $SD = 2.01$ ;  $F(1, 117) = 21.73$ ,  $p < .05$ ). There was no significant difference for both complementary premium condition and non-complementary premium condition in perceived attractiveness ( $M = 6.80$ ,  $SD = 1.89$  vs.  $M = 6.53$ ,  $SD = 1.99$ , respectively;  $F(1, 117) = .547$ ,  $p = .461$ ) and monetary value ( $M = 21.34$ ,  $SD = 13.33$  vs.  $M = 24.00$ ,  $SD = 11.50$ , respectively;  $F(1, 117) = 1.36$ ,  $p = .246$ ). Participants in the complementary premium condition showed more favorable attitudes toward the focal product ( $M = 7.20$ ,  $SD = 1.28$ ) than those in the non-complementary premium condition ( $M = 6.48$ ,  $SD = 1.64$ ;  $F(1, 117) = 7.23$ ,  $p = .008$ ). Offering the complementary premium generated higher process simulation ( $M = 6.72$ ,  $SD = 1.59$ ) compared to offering the non-complementary premium ( $M = 5.96$ ,  $SD = 1.71$ ;  $F(1, 117) = 6.32$ ,  $p = .013$ ). And providing consumers with a complementary premium leads to higher perceived effectiveness of the focal product ( $M = 7.34$ ,  $SD = 1.28$ ) than offering a non-complementary premium ( $M = 6.77$ ,  $SD = 1.52$ ;  $F(1, 117) = 4.92$ ,  $p = .029$ ). However, there was no significant difference between the two types of premium in outcome simulation ( $M = 6.62$ ,  $SD = 1.26$  vs.  $M = 6.10$ ,  $SD = 1.66$ , respectively;  $F(1, 117) =$

3.63,  $p = .059$ ).

Mediation analyses confirmed that the effect of premium complementarity on attitudes toward the focal product were sequentially mediated by process simulation and participants' perceived effectiveness of the focal product. The bootstrapping procedure (5,000 samples, PROCESS model 6; Hayes 2018) with premium complementarity as the independent variable, both process simulation and perceived effectiveness as the mediators, and attitudes toward the focal product as the dependent variable yielded a 95% confidence interval that excluded zero (-.4229, -.0416), indicating a significant sequential mediation effect. However, when changing process simulation to outcome simulation and keeping other variables unchanged, the bootstrapping procedure yielded a 95% confidence interval that included zero (-.3737, .0034), suggesting a non-significant sequential mediation effect of outcome simulation and perceived effectiveness.

Experiment 2 replicated the findings of experiment 1 and demonstrated the mediational role of process simulation and perceived effectiveness underlying the effect of premium complementarity on consumers' attitudes toward the focal product, which supported hypothesis 2. Providing consumers with a complementary premium (vs. non-complementary premium) facilitates process simulation rather than outcome simulation, and the heightened process simulation subsequently increases consumers' perceived effectiveness of the focal product, which in turn leads to more positive attitudes toward the focal product.

## **CHAPTER 4. GENERAL DISCUSSION**

This research investigates the effect of premium complementarity on consumers' attitudes toward the focal product. Specifically, providing consumers with a complementary premium leads to more positive attitudes toward the focal product than providing them with a

non-complementary premium. This effect occurs because offering people a complementary premium stimulates their process usage simulation, which leads to perceived effectiveness of the focal product and further increases the positive attitude toward the focal product. Two experiments provide convergent evidence for this effect and the underlying mechanism. Offering consumers a complementary premium when they make the purchase leads to more positive attitudes toward the focal product than offering them a non-complementary premium (experiment 1). This effect is sequentially mediated by process usage simulation and perceived effectiveness of the focal product (experiment 2).

#### **4.1. THEORETICAL AND PRACTICAL IMPLICATIONS**

This research contributes to the current literature in many ways. First, it extends premium literature by investigating whether offering the complementary premium will influence people's perception of the focal product. Previous research mainly focuses on the influence of offering free premium on the evaluation of the whole package (Buil, Chernatony, and Montaner 2010), the relationship between premium-giving and products return (Lee and Yi 2018), the fit between premium and the focal product (Palazon and Delgado-Ballester 2013), or the value discounting of the product and the premium (Raghubir 2004). This research investigates the relationship between the premium type and the evaluation of the focal product.

Second, this research extends the literature of usage simulation. Building on the research that mental simulation of product usage is a common phenomenon during the product purchasing process (Escalas and Luce 2004; Zemack-Rugar and Rabino 2019), I demonstrate that offering consumers a complementary premium, which gives consumers a pre-settled combination in which all elements are functionally related and facilitates people's

fluent processing of the product information (Estelami 1999; Schwarz 2004) enhances consumers' process usage simulation and the perceived effectiveness of the focal product, which eventually enhances the evaluation of the focal product.

Finally, these findings provide useful suggestions for marketing practitioners. Nowadays, giving away free premium is a common strategy in the market. As the premium complementarity has a significant effect on consumers' attitudes toward the focal product, offering a complementary premium when consumers purchase certain products or services will increase their evaluation of the focal product, create a virtuous cycle between sellers and purchasers and finally lead to the increase of sale.

## **4.2. DIRECTIONS FOR FUTURE RESEARCH**

### 4.2.1. Future Research Proposal

Besides the studies mentioned in this research, in order to better analyse this interesting phenomenon, I propose three potential studies for future research to further test this effect.

#### 4.2.1.1. Proposed Study 1

Another possible way to test the underline mechanism is through directly manipulating the psychology process by using moderation (Spencer, Zanna, and Fong, 2005). Specifically, future research could manipulate the simulation procedure by giving participants an instruction to conduct process simulation or not. If the proposed effect is driven by the process simulation, we could expect that when participants are instructed to conduct process

simulation, offering them a complementary premium will generate similar attitudes toward the focal product as offering them a non-complementary premium. However, when the simulation instruction is not given, participants who are provided with a complementary premium will generate more positive attitudes toward the focal product than those who are offered a non-complementary premium.

Specifically, the future study could apply a 2 (premium complementarity: complementary premium vs. non-complementary premium)  $\times$  2 (process simulation instruction vs. control) between-subjects design. Premium complementarity could be manipulated through an ad evaluation task. This study could use the same stimuli as I used in experiment 2. Participants in complementary premium condition may see an ad of a camera saying that if consumers buy one camera, they will get a flashlight (complementary premium) for free. However, participants in non-complementary premium condition could see a camera ad stating that if consumers buy one camera, they will get a set of speakers (non-complementary premium) for free (see Appendix B). To manipulate the process simulation instruction, after seeing the ads, participants in process simulation instruction condition could read this instruction: “Look at the camera in the ad, take a moment and try to imagine the usage process of this camera. Try to imagine the concrete steps to use this camera and how you would feel as you are using it.” Whereas, participants in the control condition will not receive any instruction. Finally, participants could be asked to indicate their attitudes toward the focal product on a 9-point scale (unfavorable/favorable, dislike/like, and very unwilling to purchase/very willing to purchase). To test the successful of the manipulation, future research could invite a separate group of participants to indicate their perceived premium attractiveness, perceived premium monetary value and perceived premium complementarity level with the focal product.

A 2  $\times$  2 ANOVA analysis could be used to analyse the results. A significant two-way

interaction is expected to be seen between premium complementarity and instructed process simulation if the effect of premium complementarity on the focal product's attitude is driven by the process simulation. I also propose an expected data pattern for reference, please refer to Appendix E. Planned contrasts may demonstrate that in the control condition, offering the complementary premium generates more positive attitudes toward the focal product than offering the non-complementary premium, which is expected to replicate prior findings. However, when giving process simulation instruction, the difference in attitudes toward the focal product between complementary premium condition and non-complementary premium condition will disappear.

Besides direct measuring the mediator of the proposed effect, this proposed study aims at providing another way to test the underline mechanism through directly manipulating the psychology process by using moderation.

#### 4.2.1.2. Proposed Study 2

The second proposed study is designed to test a potential moderator of this effect. Previous studies categorized products into two types: utilitarian products and hedonic products. Utilitarian products are expected to have instrumental and functional characters, specifically, they are designed to be useful and helpful (Gursoy, Spangenberg, and Rutherford 2006). However, the judgment of the hedonic products emphasizes on the experiential features such as the sense of happiness or the emotional feelings they could bring to end-users (Holbrook and Hirschman 1982). Given that the complementary premium complements and improves the functionality of the focal product (Estelami 1999), the effect of premium complementarity on the focal product's evaluation will be more salient for utilitarian products than for hedonic products. Moreover, in terms of the purchasing motivation, people generally



tend to purchase utilitarian products rationally, consume this kind of products based on their real needs, and evaluate them objectively. However, in most of the cases, the purchasing behaviors of hedonic products are emotional, and the decision-making process is more subjective (Kahn et al. 1997). Due to the fact that the complementary premium enhances the functionality of the focal product (Estelami 1999), it persuades people to reevaluate the performance of the focal product in an objective way. Thus, providing consumers with a complementary premium will have a more salient positive influence on people's evaluation of the focal product when the focal product is a utilitarian product rather than a hedonic one. In addition, compared with hedonic products, utilitarian products have a higher tangibility level (Clement, Fabel, and Schmidt-Stolting 2006), this high tangibility level further eases the usage simulation of the focal product and its complements. Hence, Focal product's feature (hedonic vs. utilitarian) may moderate the effect of premium complementarity on the focal product's evaluation, the effect may be more salient for utilitarian products than for hedonic products.

Further research could apply a 2 (premium complementarity: complementary premium vs. non-complementary premium)  $\times$  2 (focal product type: hedonic vs. utilitarian) between-subjects design, and participants could be randomly assigned to each of the four conditions.

The manipulation could be conducted through an ad evaluation task. Premium complementarity could be manipulated as I did in experiment 1. Participants in the complementary premium condition may see an ad of a shampoo saying that if consumers buy one shampoo, they will get one conditioner (complementary premium) for free. Participants in the non-complementary premium condition may see an ad of a shampoo saying that if consumers buy that shampoo, they will get one set of hangers (non-complementary premium) for free. The focal product type could be manipulated by adding the product introduction on

the ads. For hedonic product, the enjoyable aspect of the shampoo could be highlighted, specifically, the ad could say: “Unique KFS technology indulges your sense with its exclusive blend of coconut milk, long fragrance, and long joy.” For utilitarian product, the ad could focus on the functional performance. The introduction could be: “Anti-dandruff shampoo, unique KFS technology helps to kill 99% bacteria and virus” (see Appendix C). After reading the ad, participants could be asked to indicate their attitudes toward the focal product on a 9-point scale (unfavorable/favorable, dislike/like, and very unwilling to purchase/very willing to purchase). To test the successful of the manipulation, future research could invite a separate group of participants to indicate their perceived premium attractiveness, perceived premium monetary value, perceived premium complementarity level with the focal product and the perceived hedonic or utilitarian feature of the focal product.

A  $2 \times 2$  ANOVA analysis could be performed, if the hedonic and utilitarian feature of the focal product actually moderates this effect, there will be a significant two-way interaction between the premium complementarity and the focal product type. I also propose an expected data pattern for reference, please refer to Appendix F. The planned contrasts will show that in utilitarian condition, offering the complementary premium when consumers make the purchase generates more positive attitudes toward the focal product than offering the non-complementary premium. However, when the focal product is considered as a hedonic product, the difference in attitudes toward the focal product between complementary premium condition and non-complementary premium condition will disappear.

This proposed study suggests a potential moderator of the effect of premium complementarity on consumers’ attitudes toward focal product. This effect may be more salient for utilitarian products than hedonic products.

#### 4.2.1.3. Proposed Study 3

The third proposed study is to test another moderator of this effect – product exclusivity. Exclusivity is defined as the practice of excluding or restricting to certain things (Webster 2019). As for the product exclusivity, it refers to one product that is designed to be used only for another product. Hence, if one product is highly exclusive to another product, they are considered as highly functionally related, conceptually coherent, and specially designed for each other (Ronkainen 1985). Given that complements gives consumers a product combination in which all the elements are functionally related (Estelami 1999), if the complements are highly exclusive to each other, offering consumers a complementary premium when they purchase a product will lead to an even higher perceived complementarity level of the two products, which will further ease the information processing procedure, facilitate the usage simulation, and finally increase the evaluation of the focal product (Sarantopoulos et al. 2019). When offering a non-complementary premium, which is not functionally related to the focal product, adding exclusivity level will not increase the perceived complementarity level of the two products or the final evaluation of the focal product. Hence, Perceived exclusivity level between the premium and the focal product moderates the effect of premium complementarity on focal product's evaluation, the effect will be more salient when the perceived exclusivity level is high than when the perceived exclusivity level is low.

The future study could apply a 2 (premium complementarity: complementary premium vs. non-complementary premium) × 2 (perceived exclusivity level: high vs. low) between-subjects design and participants could be randomly assigned to each of the four conditions.

Premium complementarity could be manipulated through an ad evaluation task as I

did in experiment 2. Participants in complementary premium condition could see an ad of a camera saying that if consumers buy one camera, they will get a flashlight (complementary premium) for free. However, participants in non-complementary premium condition could see a camera ad stating that if consumers buy one camera, they will get a set of speakers (non-complementary premium) for free. The perceived exclusivity level could be manipulated by altering the premium brand name. The brand name of the focal product (i.e. the camera) could be named *Express* in all conditions. In the high exclusivity condition, the premium could also be named *Express*. In the low exclusive condition, the premium could be named *Bonjkk* (see Appendix D). After seeing the ad, participants could be asked to indicate their attitudes toward the focal product on a 9-point scale (unfavorable/favorable, dislike/like, and very unwilling to purchase/very willing to purchase). To test the successful of the manipulation, future research could invite a separate group of participants to indicate their perceived premium attractiveness, perceived premium monetary value, perceived premium complementarity and exclusivity level with the focal product.

A  $2 \times 2$  ANOVA analysis could be used to test the results. If the product exclusivity moderates the proposed effect, besides showing the main effect of the premium complementarity, the results will show a significant two-way interaction between premium complementarity and premium exclusivity level. I again propose an expected data pattern for future reference, please refer to Appendix G. Planned contrasts will demonstrate that in both exclusivity conditions, offering a complementary premium when consumer purchase a product generates more positive attitudes toward the focal product than offering a non-complementary premium. However, this effect will be more salient when the perceived exclusivity level is high than when it is low. The planned contrasts will also show that when the complementary premium is offered, participants' attitudes toward the focal product is more positive in high exclusivity condition than in low exclusivity condition. Whereas, when

the non-complementary premium is offered, there will be no difference between the two exclusivity conditions in terms of the attitudes toward the focal product.

#### 4.2.1.4. Contributions of the Proposed Studies

The three potential studies that I propose for future research will enrich the research of premium complementarity on product evaluation and provide more contributions to premium literature and offer more useful suggestions for marketing practitioners to effectively use free premium promotion method to boost sale.

In the proposed studies, I demonstrate that both product type and perceived exclusivity level between premium and focal product could moderate the effect of premium complementarity on people's attitudes toward the focal product. When the focal product is a utilitarian product, consumers usually focus on its functional performance (Batra & Ahtola, 1991; Gursoy, Spangenberg, & Rutherford, 2006). Thus, offering a complementary premium which completes the functionality of the focal product will increase the final evaluation of the focal product. Whereas, when the focal product is a hedonic one, people do not care about the functional attributes of the product but more focus on the emotional arousal they bring to them (Holbrook & Hirschman, 1982). Hence, offering a complementary premium will not influence people's initial evaluation of the focal product in this situation. Moreover, when the perceived exclusivity level between the premium and the focal product is high, this effect may be stronger than when the perceived exclusivity level is low. This is because a highly functionally related, conceptually coherent, and specially designed complementary premium could increase the perceived complementarity level of the two products (Ronkainen 1985), and further increases the evaluation of the focal product.

The three proposed studies specify the conditions to effectively use this

complementary premium giving strategy. When the focal product is a utilitarian one, giving complementary premiums may achieve an even better result than when the focal product is a hedonic one. Hence, this strategy may be more efficient for sellers who sale utilitarian products. Moreover, if the exclusivity level actually influences the premium complementarity on focal product's evaluation, marketing practitioners can also control the perceived exclusivity level between the premium and the focal product when using this strategy. Improving the exclusivity level such as making the premium and the focal product under the same brand or highlighting the premium is specially designed for the focal product could lead to a perceived high exclusivity level between the two. This increased exclusivity level will increase the perceived complementarity of premium and focal product and finally lead to consumers' positive attitudes toward the focal product.

#### 4.2.2. Limitations

This research investigates the premium complementary on people's attitudes toward the focal product. In the experiments, premiums were categorized into two types – complementary premiums and non-complementary premiums. However, in reality, the non-complementary premiums can further be categorized into supplementary premiums and irrelevant premiums. The supplementary premium refers to the premium that is an interchangeable product of the focal product and the irrelevant premium means the premium that is totally irrelevant to the focal product. Further research could divide the premiums into more precise types and investigate the influence of different premium types on people's attitudes toward the focal product.

Moreover, among all the studies in this research, I only used premiums that are highly visible when they use together with the focal product as the stimuli. However, there are some

premiums that cannot be seen when they use with the focal product. For example, we cannot see the working process of batteries that function with the electric toothbrush or the loading process of the memory card of a camera. Hence, the visibility of the usage process may also influence the effect of premium complementarity on the evaluation of the focal product.

Future research could try to consider this issue. In addition, one potential moderator to this effect is the exclusiveness of the focal product, considering that if the focal product is highly exclusive, it is hard to find an appropriate complementary premium. The exclusiveness of the focal product may attenuate the positive premium complementarity effect. Another potential moderator of the effect is people's style of thinking, there are two types of thinkers, one is analytic thinkers, this type of people focuses on specific attributes of products. The other type is holistic thinkers, this type of people focuses on the general relationship between different products (Monga and John 2010). This effect maybe more salient for analytic thinkers than for holistic thinkers because offering the complementary premium which increases the functionality of the focal product is more likely to encourage analytic thinkers to conduct the mental simulation.

In addition, this proposed research only used hypothetical scenarios and did not involve real behavior studies to test the effect. So, future research could conduct some field experiments and behavior studies to observe consumers' real purchasing behaviors to affirm the external validity of the findings.

In this research, I define the complementarity according to brand features aspect, however, complementarity could also be defined according to the brand concept consistency aspect, such that one product can accommodate to the brand concept of another product (Park et al. 1991). Future research could consider defining the complementarity in other perspectives and investigate the related effects.

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## APPENDICES

### APPENDIX A

#### STUDY STIMULI (EXPERIENMENT 1)

##### Complementary Premium



##### Non-complementary premium



## APPENDIX B

### STUDY STIMULI (EXPERIENMENT 2)

#### Complementary premium

**Anikas™**

Anikas™ C1455  
12.2-megapixel CMOS sensor captures enough detail for poster-size, photo-quality prints  
Large 3.0-inch LCD display  
DIGIC III image processor provides fast, accurate image processing;  
improved Autofocus and framing rate



Buy a **Anikas™ camera**  
Get a **free Epote™ flashlight**



#### Non-complementary premium

**Anikas™**

Anikas™ C1455  
12.2-megapixel CMOS sensor captures enough detail for poster-size, photo-quality prints  
Large 3.0-inch LCD display  
DIGIC III image processor provides fast, accurate image processing;  
improved Autofocus and framing rate



Buy a **Anikas™ camera**  
Get **free Epote™ speakers**



## APPENDIX C

### STUDY STIMULI (PROPOSED STUDY 2)

Complementary – Hedonic



**SKY™**

**SKY**  
SHAMPOO

coconut milk

500ml

Unique **KFS technology** indulges your sense with this exclusive blend of coconut milk, long fragrance and long joy

**Buy a SKY™ shampoo**  
**Get a free SKY™ conditioner**

**SKY**  
CONDITIONER

coconut milk

500ml

Complementary - Utilitarian



**SKY™**

**SKY**  
SHAMPOO

coconut milk

500ml

Anti-dandruff shampoo unique **KFS technology** helps to kill 99% bacteria and virus

**Buy a SKY™ shampoo**  
**Get a free SKY™ conditioner**

**SKY**  
CONDITIONER

coconut milk

500ml

Non-complementary – Hedonic



**SKY™**

**SKY**  
SHAMPOO

coconut milk

500ml

Unique **KFS technology** indulges your sense with this exclusive blend of coconut milk, long fragrance and long joy

**Buy a SKY™ shampoo**  
**Get free hangers**

Non-complementary - Utilitarian



**SKY™**

**SKY**  
SHAMPOO

coconut milk

500ml

Anti-dandruff shampoo unique **KFS technology** helps to kill 99% bacteria and virus


**Buy a SKY™ shampoo**  
**Get free hangers**

## APPENDIX D


### STUDY STIMULI (PROPOSED STUDY 3)

#### Complementary – High exclusivity

**Express™**  
Express™ C1455  
12.2-megapixel CMOS sensor captures enough detail for poster-size, photo-quality prints  
Large 3.0-inch LCD display  
DIGIC III image processor provides fast, accurate image processing;  
Improved Autofocus and framing rate



Buy one **Express™ camera**  
Get a **free Express™ flashlight**



#### Complementary – Low exclusivity

**Express™**  
Express™ C1455  
12.2-megapixel CMOS sensor captures enough detail for poster-size, photo-quality prints  
Large 3.0-inch LCD display  
DIGIC III image processor provides fast, accurate image processing;  
Improved Autofocus and framing rate



Buy one **Express™ camera**  
Get a **free Bonjhk™ flashlight**



#### Non-complementary – High exclusivity

**Express™**  
Express™ C1455  
12.2-megapixel CMOS sensor captures enough detail for poster-size, photo-quality prints  
Large 3.0-inch LCD display  
DIGIC III image processor provides fast, accurate image processing;  
Improved Autofocus and framing rate



Buy one **Express™ camera**  
Get **free Express™ speakers**



#### Non-complementary – Low exclusivity

**Express™**  
Express™ C1455  
12.2-megapixel CMOS sensor captures enough detail for poster-size, photo-quality prints  
Large 3.0-inch LCD display  
DIGIC III image processor provides fast, accurate image processing;  
Improved Autofocus and framing rate

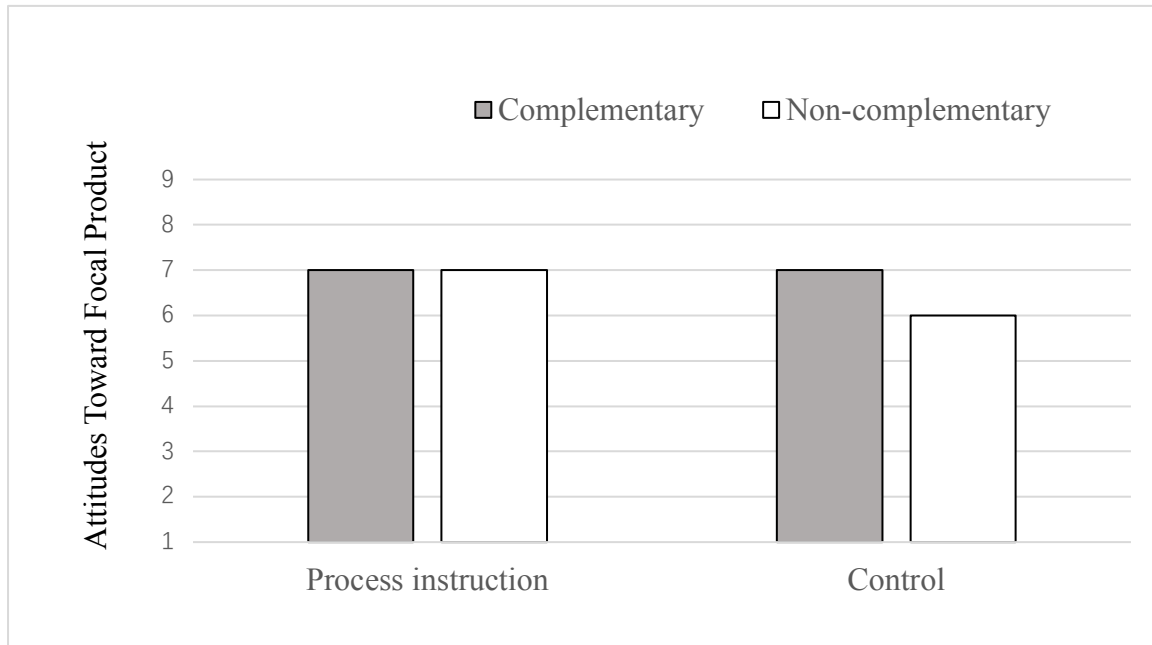


Buy one **Express™ camera**  
Get **free Bonjhk™ speakers**



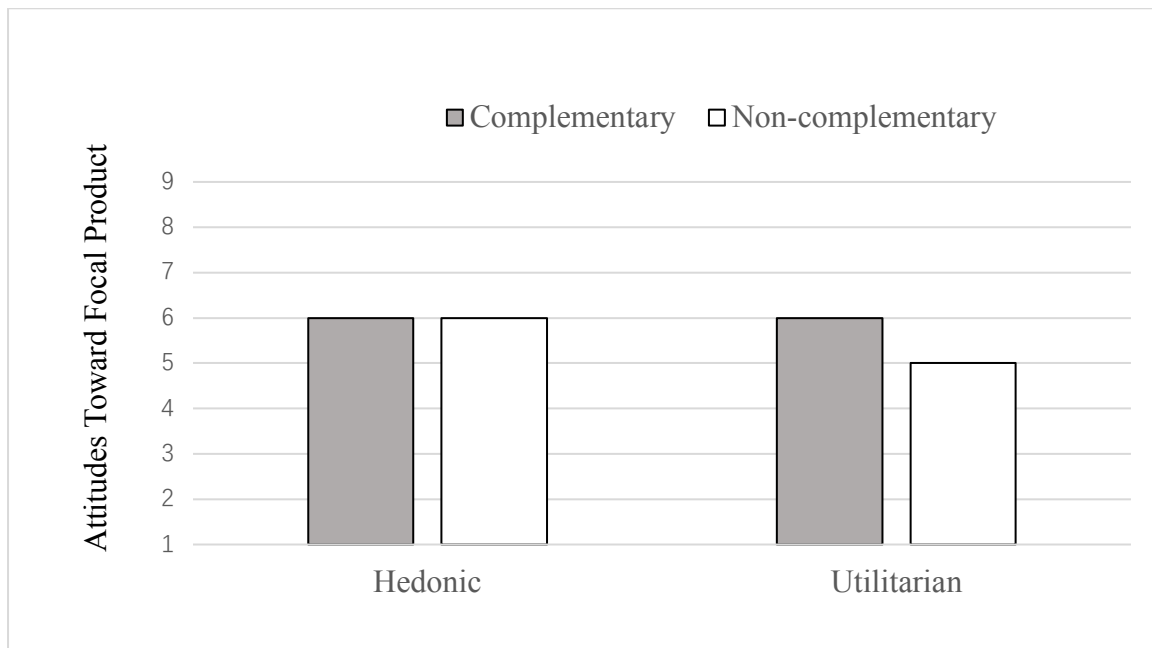
## APPENDIX E

### EXPECTED DATA PATTERN (PROPOSED STUDY 1)



## APPENDIX F

### EXPECTED DATA PATTERN (PROPOSED STUDY 2)





## APPENDIX G

### EXPECTED DATA PATTERN (PROPOSED STUDY 3)

