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## **The Interaction of Loyalty Status and Need for Status on Rewards Donations Through Perceived Social Exclusion**

Clancy Slay

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The Interaction of Loyalty Status and Need for Status on  
Rewards Donations Through Perceived Social Exclusion

by

Clancy Slay

A Thesis  
Submitted to the Honors College of  
The University of Southern Mississippi  
in Partial Fulfillment  
of Honors Requirements

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## ABSTRACT

Rewards programs are commonplace with companies seeking a competitive advantage and creating consumer loyalty. A newer development in rewards programs allows consumers to donate points rather than personally receiving these benefits. With more than \$48 billion moving through these programs annually, understanding how to encourage consumers to donate rewards points has tremendous implications for reallocating funds to support worthy causes (Dorotic et al., 2017). Research on consumer donations within rewards programs is virtually absent, and many unique factors to these programs suggest prior findings on charitable giving may not generalize. One of these factors is the prevalence of hierarchical or “tiered” consumer status in loyalty programs.

I examine how actual status interacts with consumers’ need for status (NFS), the degree to which individuals prioritize upward mobility within hierarchical systems and desire respect and admiration from others (Dubois et al., 2012; Ivanic, 2015), to predict donation intentions. Moreover, I examine the role of feelings of social exclusion as a mediator, as lack of status may cause feelings of rejection for consumers. Social exclusion has been shown to increase prosocial behavior when these individuals try to reconnect to the in-group and attempt to satisfy their need to belong (Maner et al., 2007; Mead et al., 2011; Twenge et al., 2009). I hypothesize that those with high-status needs but low actual status will feel excluded, and donation intention will increase in order to enhance one’s sense of self. This research contributes new knowledge on what consumer settings create social exclusion, as drivers of exclusion are largely absent in marketing literature. Finally, I present a novel finding that there may be positive benefits—donations—accompanying consumer dissatisfaction within low loyalty tiers.

**Keywords:** Charitable giving, prosocial behavior, reward programs, loyalty programs, need for status, social exclusion, donation intention, corporate social responsibility

## **DEDICATION**

Mama, Daddy, Chelsi, and Dr. Katherine Howie:

Thank you for your endless support and unwavering encouragement.

Everything I do is to make you proud.

Joe Lee, Mallory, Robbie, and Sahil:

Whether you realized it or not, the laughs and memories we shared during this writing process kept me sane. I am thankful to have each of you in my life.

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## LIST OF ABBREVIATIONS

BAC	Business Advisory Council
CEB	customer engagement behavior
CSR	corporate social responsibility
DCUR	Drapeau Center for Undergraduate Research
NFS	need for status
PSE	perceived social exclusion
SCT	status consumption tendency
ZIP	zone improvement plan

## CHAPTER I : INTRODUCTION

Rewards programs have proven to be an essential marketing tool, and they are utilized by companies worldwide to encourage repeat purchases and increase brand loyalty using rewards and incentives within the company. Loyalty programs have long been recognized as an integral marketing tool, creating an enormous industry valued at \$7.84 billion in 2021 (*Colloquy Loyalty Census Report*, 2017). Notably, growth is expected in this context as companies adapt marketing strategies with the phase-out of third-party cookies and are forced to rely more on first-party data (Juškaitė & Janušauskaitė, 2021). A growing middle class in Southeast Asia also drives growth in the loyalty program industry since these consumers define their worth in terms of group relationships such as those prevalent in rewards programs (Hwang & Mattila, 2022).

Additionally, with third-party cookies no longer a viable option for collecting consumer data (Juškaitė & Janušauskaitė, 2021), loyalty programs are even more valuable across multifarious industries since they assume the role of consumer data collection (Jai & King, 2016). In recent years, rewards programs have begun to offer consumers the option to donate their rewards points to charitable causes, likely in an attempt to seem more altruistic and align with changing consumer values (Chen et al., 2021). This can also be attributed to various corporate social responsibility (CSR) initiatives that positively impact the community and society (Gao & Mattila, 2019). Understanding what variables cause consumers to be more likely to donate rewards points and when these variables will be in play has tremendous implications for nonprofit marketing and funding as \$48 billion moves through these programs annually (Dorotic et al., 2017). Given the vast funds in this area, a better understanding of when and why

consumers donate points represents a valuable opportunity to increase funding toward worthy causes. While the charitable giving literature is robust and well-developed, many characteristics of rewards programs are unique, suggesting that research is needed in this specific context. For example, hierarchical structures, framing value in “points” or other abstract terms, and the potential expiration of rewards are unique characteristics that likely influence consumers' propensity to donate and the reasons why they choose to donate.

Gao and Matilla (2019) present the only empirical study of rewards donations to current literature. First, donation intention is defined as “the consumers decision to donate to nonprofit organizations or individuals in need” (Gao & Mattila, 2019, p. 505). Gao and Mattila examined how social influence from peers positively affects donation intention; however, I will contribute to the literature by examining a psychological phenomenon heavily influenced by consumer emotions (Gao & Mattila, 2019). I build on this work by examining a novel and relevant consumer trait, need for status, and its interactions with consumers' actual status in the loyalty program to predict intentions to donate reward points.

Loyalty programs across a spectrum of different industries (airlines, hotels, beauty, apparel, etc.) frequently structure members into tiers based on the frequency of purchases, the dollar amount spent, etc. (Gao & Mattila, 2019). I expect consumer status to be an influential variable since it has been shown to alter consumer behavior in a variety of ways, such as consumers consuming conspicuously (Charles et al., 2009; Johnson et al., 2018), prioritizing social affiliation through exclusive opportunities (Molden et al., 2009), and behaving aggressively when demoted to a lower status

(Buckley et al., 2004). I introduce need for status, an individual's preference for distinct status levels and hierarchies, as a highly relevant construct considering the high salience of status in reward situations. Adding to these essential characteristics of rewards programs, consumers with a high NFS are more likely to engage in status-reinforcing behaviors proving that these individuals are willing to alter their regular behaviors to remain in the in-group (Ivanic et al., 2015).

In this research, I also examine the role that social exclusion plays in consumers' willingness to donate reward points. While many consumers likely feel excluded from different status tiers in rewards programs, research has yet to examine if this leads to feelings of social exclusion, a negative interpersonal experience in which an individual or a group is excluded or rejected by others (Chen et al., 2016). Notably, social exclusion is a critical predictor of consumer behavior in various settings such as the luxury retail industry and, of course, across several different sectors of rewards programs like airline and hotel rewards programs. The relationship between social exclusion and prosocial or antisocial behavior has received considerable attention in the literature, noting the critical interplay between these variables. As such, I examine social exclusion, which is highly relevant in the rewards setting, although unestablished prior to now, and its relationship with charitable giving.

Consumers with a high need for status (NFS) are more likely to purchase status-based products with hopes of affiliating with the in-group (Chen et al., 2016; Cui et al., 2019; Mead et al., 2011). Furthermore, if individuals with a high NFS are unsuccessful in obtaining their desired status, they will likely feel socially excluded. Building on this work, I introduce a novel and highly relevant individual difference factor to the study,



need for status. Social exclusion is a negative interpersonal experience in which an individual or a group is excluded or rejected by others (Chen et al., 2016), a common occurrence in hierarchical rewards programs. Since status is highly salient within the rewards program context, the impact of social exclusion on NFS must be examined.

To expand upon the current literature, I propose one independent variable (need for status acting as a moderator) that I predict will affect our dependent variable of interest (consumer donation intention). The study investigates the moderated mediation of how need for status interacts with social exclusion and how this affects consumer donation intention. Ultimately, through the study, I found that NFS predicted perceptions of social exclusion regardless of if the consumer was in the low or high rewards program tier. Furthermore, the study shows that social exclusion mediates the relationship between need for status and donation intentions in the low status only, which can be seen later in Table 2. Building on these significant findings, the study also proves that lower feelings of social exclusion increase donation intention, which is also seen in Table 2.

This research contributes to theory rooted in consumer NFS, social exclusion, and donation intention. In addition to theoretical contributions, this research has the potential for companies to improve their corporate social responsibility (CSR) in the eyes of consumers and marketing and advertising messaging. Furthermore, the study results can be generalized to apply to consumers' geographic location (Yang et al., 2016) and political identity (Nilsson et al., 2016), helping to target specific demographics who are more likely to donate. The findings from this research can lead to updated managerial practices and marketing tactics targeted to increase consumer donation intention, reallocating billions of dollars to aid vulnerable populations (Dorotic et al., 2017).

## CHAPTER II : THEORETICAL BACKGROUND

### Rewards Programs

The lucrative business of rewards programs is becoming more and more prevalent in our materialistic society (Ivanic, 2015). Rewards or loyalty programs offer repeat customers incentives or benefits to encourage their habitual purchases (Chen et al., 2021). These repeated purchase behaviors may be rewarded by airline miles, discounts, exclusive VIP opportunities, etc. (Henderson et al., 2011). Previous literature has shown that loyalty programs “positively influence consumers’ attitudes and behaviors toward the brand” (Henderson et al., 2011, p. 258). Furthermore, reward program members are more profitable for companies since these consumers are engaging in repeated loyal behaviors (Gao & Zhang, 2022).

Rewards programs are most often structured with hierarchies or status tiers (Gao & Zhang, 2022). Hierarchical rewards programs are ubiquitous not only in the airline rewards industry but in other industries like hospitality and retail as well. For example, as a member of American Airlines AAdvantage loyalty program, one would fall into four different categories: AAdvantage Gold, Platinum, Platinum Pro, or Executive Platinum, as seen in Figure 1 (American Airlines–*AAdvantage Status*). As consumers increase their flying habits and monetary transactions with American Airlines, they can advance within these different status tiers. As one moves up the status tiers, consumers will have more exclusive benefits and opportunities available to them (American Airlines–*AAdvantage Status*).

Based on their status, consumers alter their behaviors and purchasing habits in order to align with their personal need for status. Furthermore, consumers are likely to

engage in status-reinforcing behaviors to enhance their status (Ivanic et al., 2015).

Additional literature in this area examines customer demotion and finds that this can lead to irrational attitudes and behaviors toward the brand (Gao & Zhang, 2022). Customer demotion occurs when “the consumers’ membership tier is downgraded because they did not meet the spending or points requirement” (Gao & Zhang, 2022, p. 822). Consumers experiencing status demotion are generally more sensitive to either monetary benefit losses or psychological losses of losing prestigious status.

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- 40% status mileage bonus
- Complimentary Main Cabin Extra Seats at check-in\*
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You earned it – make every travel moment comfortable

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- 72-hour upgrade window
- 80% status mileage bonus
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- 3 free checked bags<sup>^</sup>

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#### AAdvantage Executive Platinum®



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- 100-hour upgrade window
- 120% status mileage bonus
- Complimentary Main Cabin Extra and Preferred Seats\*
- 3 free checked bags<sup>^</sup>

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Figure 1: American Airlines: AAdvantage Programs – AAdvantage Status

While customers value the financial incentives from rewards programs, the sense of community and connection of like-minded individuals inherent to well-developed rewards programs can outweigh even the financial benefits for some individuals (Chen et al., 2021). Social identity theory explains how individuals strive to belong to a specific social group which is composed of individuals who are thought to be of the same social

category and share similar emotional values. So, the close-knit community that is prevalent, popular, and highly sought after in rewards programs is supported by the social identity theory (Chen et al., 2021).

As far as the types of reward programs are concerned, reward programs mostly utilize effort-based rewards while randomly distributing surprise rewards (Gao & Mattila, 2019). Most rewards program literature and donations from rewards are largely based in effort-based rewards, which is the specific context I will be examining (Gao & Mattila, 2019; Hwang & Mattila, 2019). Effort-based rewards are a prime example of the equity theory, which states that individuals compare their inputs to the outputs they receive to decide if the exchange is fair. In some cases, customers involved in rewards programs may decide that their actions or transactions deserve more benefits or that they are being rewarded haphazardly in the case of surprise rewards which may lead to feelings of skepticism projected onto the business (Chen et al., 2021).

While reward programs have been around for centuries (Nagle, 1971), these programs continue to evolve and change as companies seek to optimize their effectiveness, adapt to changing consumer values, and differentiate from competitors (Bazargan et al., 2017). One of the recent changes is that rewards programs have begun to offer consumers the option to donate their reward points to charitable causes (Chen et al., 2021). It has been speculated this change is an attempt for companies to improve their corporate social responsibility (CSR) image and connect with more socially driven consumers (Gao & Mattila, 2019). Rewards programs can prompt consumers to donate airline miles, points, or cash to charitable causes (Chen et al., 2021). Gao and Mattila

define consumer donation intention as “the consumers decision to donate to nonprofit organizations or individuals in need” (Gao & Mattila, 2019, p. 505).

When individuals consider donating to charitable causes from their rewards programs, research shows they are influenced by social factors from other customers and even bystanders, such as the cashier coordinating the transaction (Gao & Mattila, 2019). The authors studied how reward type (effort-based vs. surprise) interacts with the presence of others and status level to predict donation intentions. Gao and Mattila (2019) found that social pressure increases donations, and donation intentions were lowest for consumers with low status. These findings lead to contemplating why individuals choose to donate their reward points in the first place—for hedonic (self-oriented) or utilitarian (other-oriented) beliefs (Gao & Mattila, 2019). Overall, rewards donations are relatively new to business practices and the hospitality industry, and consequently, this phenomenon has just entered empirical research. Next, I explore the literature on charitable giving to understand the various factors that shape consumers’ propensity to donate.

### **Charitable Giving and Donation Intention**

Charitable giving is a type of prosocial behavior meant to benefit others, particularly those in vulnerable populations, rather than benefiting the self (Twenge et al., 2007). Through charitable giving, individuals donate resources (time, money, goods, etc.) to a worthy cause or nonprofit organization (Huang et al., 2021). While non-profit causes directly benefit from these donations, consumers also receive a variety of benefits through self-affirmation (Huang et al., 2021), leading scholars and philosophers to debate whether charitable giving is truly altruistic or inherently self-serving (Maner et al., 2007).

One example of prosocial behavior benefiting the consumer would be the “warm glow” hypothesis, occurring when “individuals feel more positive, they view others more positively, thereby increasing helping behavior” (Schlosser & Levy, 2016, p. 464). In addition to this warm-glow effect, prosocial behavior can lead to feelings of belonging (Twenge et al., 2007) and greater affiliation with the in-group (Twenge et al., 2007). Research also shows that donations may reinforce in-group superiority (Duckitt & Sibley, 2010; Sidanius & Pratto, 2001). As we have learned through various sources, individuals’ inherent need for social acceptance, connection, and self-enhancement plays an important role in affecting their donation habits (Chen et al., 2016)

Related to consumers’ personal benefits, public recognition can also be a strong motivator for a variety of prosocial behaviors. Research has shown that consumers’ prosocial behavior changes based on if they are donating in public versus in private (Gao & Mattila, 2019). These privacy settings impact a few different variables, such as total amount donated, type of donation (money, rewards points, airline miles, etc.), and the organization to which one is donating (lower-power versus higher-power beneficiary) (Inesi & Rios, 2023).

Another important factor influencing charitable giving is the type of cause receiving the benefit. The type of cause being considered by the donator has been pre-identified by nonprofit organizations, which are divided into two different need types: controllable and uncontrollable (Winterich & Zhang, 2014). Controllable factors are generally related to human “carelessness, greed, or laziness” (Winterich & Zhang, 2014, p. 277). Uncontrollable factors, such as natural disasters, are more well-regarded in the charitable community since all potential donors, regardless of political orientation or

beliefs, are more likely to donate to these causes (Schlosser & Levy, 2016). Controllable factors are more closely related to instances of inequality, and because of this, donors with high power distance beliefs (high NFS) are less likely to feel a sense of responsibility to donate to controllable causes (Winterich & Zhang, 2014). Conversely, donors with low power distance beliefs are more likely to donate to controllable causes since they do not tolerate inequality and feel a certain responsibility to bridge the inequality gap (Winterich & Zhang, 2014).

Numerous characteristics of consumers, such as the power distance findings described above, have been examined regarding charitable giving. Political orientation and moral identification are also major reasons why potential donors choose to engage in charitable actions or not (Sajtos & Chong, 2018). One study finds that conservatives on the political spectrum are more likely to donate for hedonic reasons because they believe they will receive social benefits and will be publicly recognized for their altruistic actions (Nilsson et al., 2016), while another study finds that individuals identifying as liberals are more likely to donate to charities that focus on universal issues such as ending world hunger or poverty (Nilsson et al., 2016). Liberals have been known to donate more frequently to international causes, aligning with the outgroup donation theory and resisting the natural urge to donate to their ingroup loyalties (Nilsson et al., 2016).

Unsurprisingly, an individual's personal resources play an important factor in charitable donation behaviors. One example of an individual's internal resources could be that a retired 60-70-year-old couple would have more disposable income (one form of internal resources) than a single college student typically has. Ultimately, understanding



how all these individual difference factors interact with one another helps marketers better understand how to target specific consumer demographics to entice them to donate.

Additionally, feelings of empathy have been found to lead to increased prosocial behavior (Chan & Septianto, 2022). Higher empathy and deeper empathetic concern are positively related to charitable giving (Neumayr & Handy, 2019). Furthermore, individuals with greater empathy will be more likely to help populations that are particularly vulnerable or need some sort of protection (Neumayr & Handy, 2019). A plethora of research has explored empathy in charitable donations, with the overarching theme that empathy increases donation intentions whether in a loyalty program or not (Chan & Septianto, 2022). General philanthropic contributions are influenced by psychological mechanisms like empathy, which affect rewards donations, but with several more moving parts to this business model, understanding the consumer's intentions behind donating rewards becomes unclear, proving the need for additional quantitative research.

The present research examines a specific type of charitable giving when consumers choose to donate their reward points to a cause instead of personally receiving some form of benefit. Donations within the context of rewards programs differ when compared to traditional charitable giving for a variety of reasons, such as hierarchical structures, framing value in "points" or other abstract terms, and the potential expiration of rewards are unique characteristics that likely influence consumers propensity to donate and the reasons they choose to donate. Recent work by Gao and Mattila (2019) presents the only empirical work on this topic to my knowledge. The authors studied how reward type (effort-based vs. surprise) interacts with the presence of others and assigned status

levels to predict donation intentions. Knowing that social pressure is one factor that increases donations when consumers are specifically asked to donate effort-based rewards (Gao & Mattila, 2019), why else do individuals choose to donate their rewards?

I build on this work by examining consumers' actual status, but also introduce a highly relevant individual difference trait, need for status. Individuals differ in the importance they place on status, and this likely leads to the large heterogeneity of behaviors within each status. Gao and Mattila (2019) highlighted the importance of social influences in this context with a bystander present, and we build on this work by examining how NFS directly influences consumers' perceptions of their social standing. The role of social exclusion is surprisingly absent from the rewards literature, despite a high likelihood that many consumers feel excluded from higher tiers. Social exclusion is a negative interpersonal experience in which an individual or a group is excluded or rejected by others (Chen et al., 2016). In summary, we contribute to the foundation of this new stream of research on reward donations by evaluating possible mechanisms that are likely inherent to reward programs but are not yet examined by empirical research. In the next section, the relationship between need for status, actual status, and social exclusion is explored.

### **Need for Status, Actual Status, and Social Exclusion**

Need for status is the degree to which individuals prioritize upward mobility within hierarchical systems and desire respect and admiration from others (Dubois et al., 2012; Ivanic, 2015). Consumers with a high need for status are also generally higher on power distance beliefs (Cui et al., 2019), social dominance orientation (Sibley et al., 2010), status consumption tendencies (SCT), materialism (Ivanic, 2015), and possess an

independent self-construal (Kastanakis & Balabanis, 2014). Research in the consumption context has found NFS as a novel and influential individual level-trait to explore behavior. Consumers high in NFS are more likely to purchase status-related products (Chen et al., 2016; Cui et al., 2019) and engage in conspicuous consumption (Charles et al., 2009), which is purchasing goods or donating with the purpose of signaling wealth and status (Johnson et al., 2018). Additionally, high NFS travelers respond negatively to discounted luxury hotels as the discount interferes with their ability to signal high status (Yang et al., 2016).

Considering that hierarchal structure is inherent to many loyalty programs, numerous researchers have examined the role of NFS in other reward contexts. For example, Dubois et al. (2012) find that high-status consumers are willing to incur costs to signal their elevated status to peers as well as superiors. Hwang and Mattila (2019) found that consumer NFS interacts with demotion in hierarchal rewards programs. Obviously, status demotion leads to negative emotions overall, but depending on whether this is due to company policy changes (an external factor) or decreased consumer spending (an internal factor) determines how the consumer reacts and their company loyalty (Hwang & Mattila, 2019).

Their findings show that when consumers are demoted because of external factors, low NFS individuals' loyalty decreases (Hwang & Mattila, 2019). However, consumers with low NFS favor inclusive deals and promotions after the demotion occurs. On the other hand, high NFS consumers are more likely to show post-demotion loyalty, if their loyalty decreases slightly when demotions are due to uncontrollable external factors, and promotions are inclusive since they strive to belong to an exclusive, higher status

(Hwang & Mattila, 2019). These findings show that NFS is a universal motivating factor and a critical driver of loyalty. Thus, prior research has established the relevance and importance of further examining NFS in a loyalty program context.

Other contributions show how consumers experiencing social exclusion are more apt to spend more money to signal their status and fulfill their NFS (Chen et al., 2016). Researchers suggest that high NFS consumers will be more sensitive to feelings of social exclusion since these consumers focus more on interpersonal characteristics (Maner et al., 2007). Furthermore, there is some research examining how NFS impacts social exclusion, specifically when consumers are experiencing loneliness (Maner et al., 2007).

To expand upon current literature, I propose that individuals who have *low status* in a loyalty program and have a *high NFS* will experience social exclusion. Social exclusion is a negative interpersonal experience in which an individual or a group is excluded or rejected by peer groups (Chen et al., 2016; Twenge et al., 20). Social exclusion prevents consumers from experiencing belonging, and this need to belong is fundamental to human nature and how individuals view their self-worth (Chen et al., 2016). Surprisingly little literature has examined what contexts or events lead consumers to feel excluded.

Rejection from an individual or group of others is a vague, commonly referenced driver of feelings or perceptions of social exclusion (Huxhold et al., 2022; Maner et al., 2007; Twenge et al., 2007). Most work in this area focuses on downstream consequences of social exclusion, such as preference for anthropomorphized brands (Chen et al., 2016), altering self-regulation resources (Baumeister et al., 2005), engaging in conspicuous

consumption (Lee & Shrum, 2012), as well as increased spending habits promoting social affiliation (Mead et al., 2011).

Molden et al. (2009) provided valuable insight into critical drivers of social exclusion. These researchers delineated between experiences that are “explicit, active, and direct (i.e., when one is rejected) versus implicit, passive, and indirect (i.e., when one is ignored)” (Molden et al., 2009, p. 415). While the bulk of research on social exclusion mainly references rejection as the triggering experience, these scholars pointed out that the upstream drivers are more varied, and an absence of social connection (being ignored) also leads to social exclusion. Additionally, they examined this interplay with implicit theories (promotion and prevention). Their findings show that socially excluded individuals who were rejected (active exclusion) altered their behavior to prevent further losses of social connection (prevention focus). Conversely, individuals who were ignored (passive exclusion) have a promotion focus with “stronger concerns with promoting further opportunities to overcome a failure to gain social connection” (Molden et al., 2009, p. 427). Overall, individuals’ motivations are directly impacted by social exclusion, regardless of if the exclusion is active or passive.

Other researchers have investigated how consumers perceive and understand social exclusion. Drawing from attribution theory, sources of social exclusion can be classified with internal or external attributions (Weiner, 1985). For example, an internal attribution is characterized by an individual interpreting a rejection as stemming from personal characteristics, such as personality, social status, or physical abilities (Huang et al., 2021). Alternatively, an external attribution interprets other people or environments as causing social exclusion. The type of attribution made then shapes how consumers are

affected by the rejection with internal attributions associated with negative self-esteem (Bartholomew & Horowitz, 1991) and external attributions associated with a more negative worldview (Chen et al., 2016).

Additionally, social exclusion is commonly manipulated in experiments through scenarios that describe rejection from social situations (Chen et al., 2016; Greitemeyer et al., 2012; Molden et al., 2009). The manipulations used vary, but being rejected as a partner, being told that one is destined to be alone in the future, and recalling a previous social exclusion experience leads to increased spending in the service of affiliation (Mead et al., 2011). Through my study, I examined social exclusion using a predetermined scale (Bude & Lantermann, 2006; Huxhold, Suanet & Wetzel, 2022), ensuring this evaluation is consistent and controlled across all respondents.

With several considerations from current literature on actual status, need for status, and social exclusion, I propose that unmet status needs will lead to perceptions of social exclusion for individuals who dispositionally highly value status. In loyalty programs, high NFS individuals will commonly encounter situations where they are in a low-status position. We propose that this incongruity, high NFS but low in actual status, will lead to feelings of social exclusion for numerous reasons. First, high NFS individuals are chronically motivated to attain and maintain membership in high-status groups (Hwang & Mattila, 2019; Yang et al., 2016). Moreover, many loyalty programs are designed such that achieving high status is very difficult and unattainable for the vast majority of customers (e.g., airline or hotel programs). Given these individuals are literally excluded from belonging to an aspirational group and attaining membership has significant barriers, high NSF individuals are likely to feel socially excluded.

Second, while understanding the importance of exclusions from groups is valuable, it's also important to examine the group these individuals *do* belong to. Importantly, past research has found that those with strong status needs are highly motivated to dissociate themselves from low-status groups (Kastanakis & Balabanis, 2014; Yang et al., 2016). Thus, when a high NFS consumer is in a low-status tier, they both have an aversion to their actual group and have hyper-awareness of their exclusion from higher tiers. Alternatively, when a *high* NFS consumer has *high* status, they should feel a positive sense of belonging as their in-group possesses the favorable social standing they desire.

As a final consideration, those lower on NFS engage in less status monitoring and experience less negative arousal in low-status settings relative to those higher on NFS. Thus, lower NFS consumers may feel some level of social exclusion when they have low status, but this response should be weaker than that demonstrated by their higher NFS counterparts. In summary, we expect high NFS consumers with low actual status to feel higher levels of social exclusion relative to lower NFS consumers or those with high actual status.

### **Social Exclusion and Donations**

This section explores the relationship between social exclusion and prosocial behavior in order to understand consumers' propensity to donate reward points. I build on a multitude of research examining the influence of social exclusion on charitable behaviors that converges with mixed and nuanced findings.

Research has shown that social exclusion leads to prosocial behavior when individuals sense the potential to be included in the future (Maner et al., 2007) if the

individual engages in upward comparison (Schlosser & Levy, 2016), and if they perceive the ability to make meaningful reconnections (Maner et al., 2007; Mead et al., 2011; Wan et al., 2017). On the other hand, social exclusion leads to anti-social behavior if the recipient of the action is the perpetrator of rejection (Maner et al., 2007) and when individuals experience a reduction in empathy and trust, both of which are considered integral to the prosocial behavior mindset (Twenge et al., 2007).

Two important constructs inherent to social exclusion that have been found to influence prosocial behaviors are active (rejection) and passive (ignoring) exclusion (Lee & Shrum, 2012). In understanding the relationship between social exclusion and prosocial or antisocial behavior, it is important to designate to whom the behavior is directed. For example, behavior towards the perpetrator of the exclusion is generally negative (Maner et al., 2007) and even aggressive (Buckley et al., 2004). Prior research has found that individuals who feel socially excluded attempt to build relationships through greater conformity (Gardner et al., 2000), even purchasing products similar to others in their target status (Mead et al., 2011).

Socially excluded individuals are more apt to be pro-social under a few different conditions. Research in this area has found that social exclusion compared to consumer feelings of belonging causes people to spend and consume strategically in efforts to reaffiliate to the ingroup (Mead et al., 2011). First, socially excluded individuals are more prosocial if they perceive the potential to be included in the future (Maner et al., 2007). If the recipient of the pro-social act or donation is not responsible for the individual's social exclusion, they are more likely to act altruistically (Mead et al., 2011). Socially excluded individuals are more pro-social if their donation will increase feelings of connection



(Maner et al., 2007). If consumers feel that donating will increase their personal power or status, they are more likely to engage in prosocial behavior (Lee & Shrum, 2021).

Finally, current literature shows that socially excluded individuals are pro-social when they engage in upward comparison, leading to self-improvement and self-enhancement activities rooted in egoism (self-benefit) (Schlosser & Levy, 2016). Individuals experiencing downward comparison may also be more inclined to prosocial behavior if the context is more altruistic (other-benefit) in nature (Schlosser & Levy, 2016).

Some research shows that anti-social behaviors may result from social exclusion. First, scholars have found that “prosocial behavior drops off sharply when people think they may be socially excluded from harmonious relationships” (Twenge et al., 2007, p. 63). These findings are attributed to a reduction in empathy and trust caused by the social exclusion. Importantly, prosociality is dependent on empathetic concern for others; thus, when consumers’ empathy decreases due to social exclusion, they are less inclined to donate (Twenge et al., 2007). Social exclusion renders the prosocial behavior mindset (empathy and trust) useless; furthermore, social exclusion numbs the portion of the brain linked to prosocial behavior (Twenge et al., 2007).

With this being said, interpersonal conditions have the most profound impact on prosocial behavior and can be further expanded upon (Twenge et al., 2007). However, “prosocial actions are highly correlated with social acceptance,” meaning many consumers may treat prosocial actions as a status symbol rather than an altruistic contribution (Twenge et al., 2007, p. 56; Mead et al., 2011). This literature does converge in that social exclusion affects interpersonal relationships with consumers altering their attitudes, priorities, and behaviors when interacting with others (Maner et al., 2007).

Furthermore, consumers are more likely to engage in prosocial behaviors when they trust that they will be rewarded with the benefit of belonging in return (Twenge et al., 2007).

Lee and Shrum (2012) looked at the different types of social exclusion—being rejected versus being ignored, with rejected individuals having higher levels of prosociality and helping behaviors. In contrast, other findings show that ignored individuals are not as likely to engage in helping behaviors (Lee & Shrum, 2012). Instead, ignored individuals are more likely to focus on self-enhancing behaviors to receive attention through conspicuous consumption (Lee & Shrum, 2012).

Regardless of the nuanced findings on social exclusion and prosociality, I propose that prosociality should increase when individuals are experiencing social exclusion, particularly in low-status consumers. Gao and Mattila (2019) directly examined donations in loyalty programs and found self-enhancement to be a driver for donations. Thus, while those studies did not examine social exclusion, these feelings were likely at play as the experiments assigned participants to low and high tiers. Prior research suggests those feeling excluded may be motivated to self-enhance and restore social connections through prosocial behavior (Schlosser & Levy, 2016); I propose that social exclusion will lead to greater intention to donate. Moreover, individuals who feel socially *included* should be less motivated to self-enhance (Gao & Mattila, 2019; Lee & Shrum, 2012) and have a lesser need for social affiliation (Chen et al., 2016). More specifically, I expect this relationship to be strongest for those in a low-status tier with a high NFS.

The literature does largely converge to indicate that socially excluded individuals will seek to reconnect and find avenues to satisfy their need to belong (Maner et al., 2007; Mead et al., 2011; Twenge et al., 2007). Considering this, it is possible that

individuals in the loyalty program assume that many other members are likely to donate or that the people who are donating represent a desirable group to affiliate with.

Moreover, low-status members likely perceive higher-status members as likely to donate as higher status corresponds with a greater abundance of points (e.g., they simply have more resources at their disposal). Recall that socially excluded individuals emulate the behavior of those they desire to connect and assimilate with (Mead et al., 2011; Yang et al., 2016).

If socially excluded individuals perceive that others with desirable status are donating points, they should, in turn, be more likely to donate points relative to individuals who feel more socially included. Recall that individuals who feel socially *included* should be less motivated to self-enhance (Gao & Mattila, 2019; Lee & Shrum, 2012) and have a lesser need for social affiliation (Chen et al., 2016) when compared to socially excluded individuals, impacting their donation intentions. The literature shows that socially excluded individuals have higher donation intentions overall when compared to those who are socially included, supporting the reason to examine novel factors (NFS) that interact with social exclusion through this research (Baek et al., 2019).

In summary, we predict that socially excluded individuals will be more likely to donate rewards points, relative to those who feel more socially included, for two reasons:

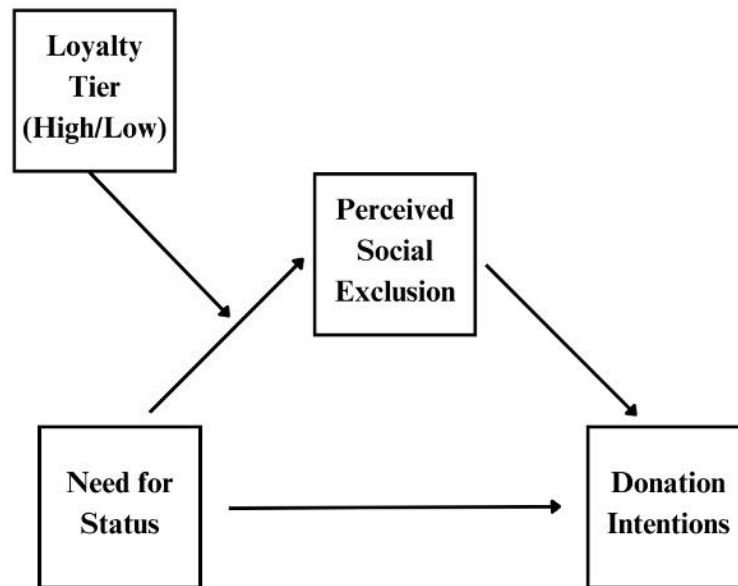
- 1) Donations allow consumers to reaffiliate and connect to the in-group and self-enhance because of their altruistic behavior (Gao & Mattila, 2019; Mead et al., 2011).
- 2) Donations will likely be perceived as a strategy to assimilate and belong to higher-status groups (Mead et al., 2011).

Overall, I propose a moderated mediation model wherein an individual's NFS and actual loyalty program status influence the likelihood they feel socially excluded therefore influencing their donation intentions which is illustrated in Figure 2.

H1. NFS and loyalty status (low vs. high) interact to predict social exclusion.

When status is low, NFS is positively related to social exclusion.

H2. Social exclusion mediates the moderated relationship between NFS and loyalty tier to predict donation intentions. Specifically, I expect this relationship to be significant in the low (but not high) status.



*Figure 2: Conceptual Model*

## CHAPTER III : METHODOLOGY

### **Purpose**

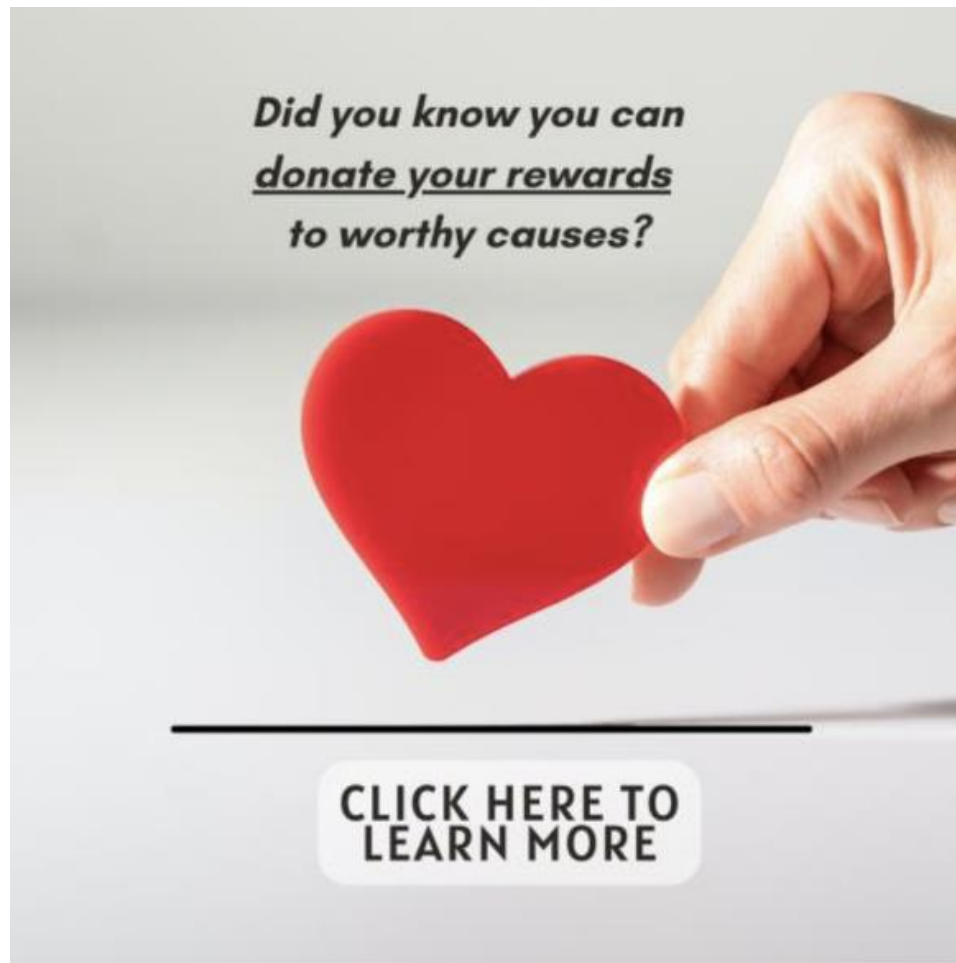
The purpose of the study is to test Hypothesis 1 and Hypothesis 2 by examining whether the interaction of consumer NFS and actual status, mediated by social exclusion, impacts donation intentions.

### **Method**

For the study, I recruited survey participants (N=175) already in an airline loyalty program with either high or low status through an online survey platform (Prodege). Participants received a small compensation for their contribution determined by the company and not disclosed to us ( $M_{age}$ : 45.51; 41.3% male; 58.7% female; SD: 18.00). I conducted a 2 (actual status: High or Low) x 1 (Continuous variable: NFS) study. As a prescreen, respondents were asked if they belonged to an airline loyalty program, which program, and what tier (low, medium, or high). Respondents who were both in an airline and low or high tier ( $N_{low}$  = 108;  $N_{high}$  = 71) then entered the main study. First, participants responded to a pre-established scale measuring their NFS (e.g., “I have a desire to increase my position in the social hierarchy.” “I want to raise my relative position to others.” “Getting to climb the social ladder is a priority for me.” “I would like to be viewed as being of higher standing than others.”; (1) Strongly disagree - (5) Strongly agree; Cronbach’s alpha = .935;  $M$  = 2.9609;  $SD$  = 1.32892; Dubois et al., 2012; Hwang & Mattila, 2019).

Once participants had completed the pre-test and questions related to the independent variable, they were then shown a generalized donation advertisement from a rewards program, as seen below in Figure 3. Next, participants were shown a message

asking them to donate their reward points to a charity and responded to items indicating their likelihood of donating. Before being shown Figure 3, respondents were reminded of their status within their rewards program, “Before you progress to the next section, please recall at the beginning of the survey, you indicated that you have (Low = 1; High = 2) status.” This donation appeal ensured that the respondents’ actual status was top-of-mind when they made their donation decision.



*Figure 3: Hypothetical Messaging on Rewards Donations*

To measure our dependent variable, and in response to this theoretical stimulus, participants reported, “What percentage of your rewards would you be interested in donating to a charity?” then participants allocated 1-100 percent of their rewards for the

donation on a slider scale. Next, the mediator, perceived social exclusion (PSE), was also measured using a pre-existing scale (Cronbach's alpha = .904; M = 2.4218; SD = 1.20341; Bude & Lantermann, 2006; Huxhold, Suanet & Wetzel, 2022). These measures indicated the individual's feelings of being included versus excluded within society: (1) "I am worried about being left behind." (2) "I feel like I do not really belong to society." (3) "I feel that I am left out." (4) "I feel excluded from society." Participants indicated their agreement with these statements on a scale from 1 (Strongly disagree) to 5 (Strongly agree). Lastly, respondents reported basic demographics and were thanked for their time and participation. After all variables of interest were tested, there was a general satisfaction scale of the airline rewards program.

## CHAPTER IV : RESULTS

The Hayes PROCESS Model 7 (Hayes, 2018; 5000 bootstrap replications) was used to test the hypotheses to assess moderated mediation. Specifically, I examined whether NFS and loyalty status (low vs. high) interact to predict social exclusion (H1). Additionally, we tested whether social exclusion mediated (H2) the interactive effect of NFS and status on donation intentions. Results are presented in Table 1 and Table 2. NFS and loyalty tier (coded: 1 = low ; 2 = high) interacted to significantly predict social exclusion ( $\beta = -.213$ ,  $SE = .09$ ,  $t = -2.43$ ,  $p = .02$ ,  $CI: -.386$  to  $-.040$ ), supporting H1. Switching from the low to high tier, the relationship between NFS and social exclusion was weakened by 0.213. Thus, NFS has a stronger, positive relationship with social exclusion when respondents are in a low tier.

Next, we tested social exclusion as a mediator in a moderated mediation model, and the index of moderated mediation was significant (index= -2.12,  $SE=1.19$ ,  $CI: -4.700$  to  $-.089$ ), indicating moderated mediation was present. Moreover, we predicted this indirect path would be significant for the low but not high-tier groups. This was also supported by a significant mediation model for the low group (effect= 2.16,  $SE=.97$ ,  $CI: .482$  to  $4.310$ ) but not the high group (.04,  $SE=.89$ ,  $CI: -1.498$  to  $2.092$ ). While I did not originally hypothesize any relationship, a direct and positive effect of NFS on donation intentions was found (effect= 9.19,  $SE=1.87$ ,  $CI: 5.503$  to  $12.877$ ). Ultimately, we find support for the proposed framework and hypotheses.



**Table 1: Descriptions and Bivariate Correlations**

	$\alpha$	Mean	SD		NFS	Tier	SocE	DI	Gender	Age
NFS	.935	2.9609	1.33	r	1					
Tier	-	1.79	.98	r	.597**	1				
SocE	.904	2.4218	1.20	r	.327**	.207**	1			
DI	.890	39.4000	34.46	r	.416**	.422**	.296**	1		
Gender	.908	1.59	.49	r	-.196**	-.038	-.189**	-.118	1	
Age	-	45.41	18.01	r	-.623**	-.617**	-.409**	-.360**	-.029	1
**. Correlation is significant at the 0.01 level (2-tailed)										
NFS = Need for status; Tier = Loyalty program tier (0=low; 1=high)										

**Table 2: Regression Results Model 7 – Hypothesis 1**

Regression coefficients (standard errors) analyses (N=175)						
	Coefficient	SE	t	p	LLCI	ULCI
Dependent variable model (DV = Social Exclusion)						
Constant	.45	.48	.96	.3387	-.482	1.395
NFS	.649	.16	4.03	<.001	.332	.966
Tier	.739	.324	2.28	.023	-.100	1.377
NFS*Tier	-.213	.09	-2.43	.016	-.386	-.0403
<i>Model summary: R<sup>2</sup> = .383, F(3,171) = 9.78, p &lt; .001</i>						
<i>Test(s) of highest order unconditional interaction X*W: R<sup>2</sup><sub>change</sub> = .0296, F(1,171) = 5.92, p = .016</i>						
<i>Conditional effects of the focal predictor at values of the moderator:</i>						
Low Tier: effect= .43, SE=.09, p<.001, CI: .2472 to .624						
High Tier: effect= .01, SE=.15, p=.952, CI: -.281 to .299						
NFS = Need for status; Tier = Loyalty program tier (0=low; 1=high)						

**Table 2: Regression Results Model 7 Continued – Hypothesis 2**

Regression coefficients (standard errors) analyses (N=175)						
	Coefficient	SE	t	p	LLCI	ULCI
Dependent variable model (DV = Percentage of Points to Donate)						
Constant	.122	6.50	.019	.99	-12.710	12.954
	9.19	1.87	4.92	<.001	5.503	12.877
SocExc	4.97	2.07	2.40	.018	.876	9.06
<i>Model summary: R<sup>2</sup> = .447, F(2,172) = 21.52, p &lt; .001</i>						
<i>Conditional Indirect effects of X on Y:</i>						
Low Tier: effect= 2.16, SE=.97, CI: .482 to 4.310						
High Tier: effect= .04, SE=.89, CI: -1.498 to 2.092						
<i>Index of moderated mediation: index=-2.12, SE=1.19, CI: -4.700 to -.089</i>						

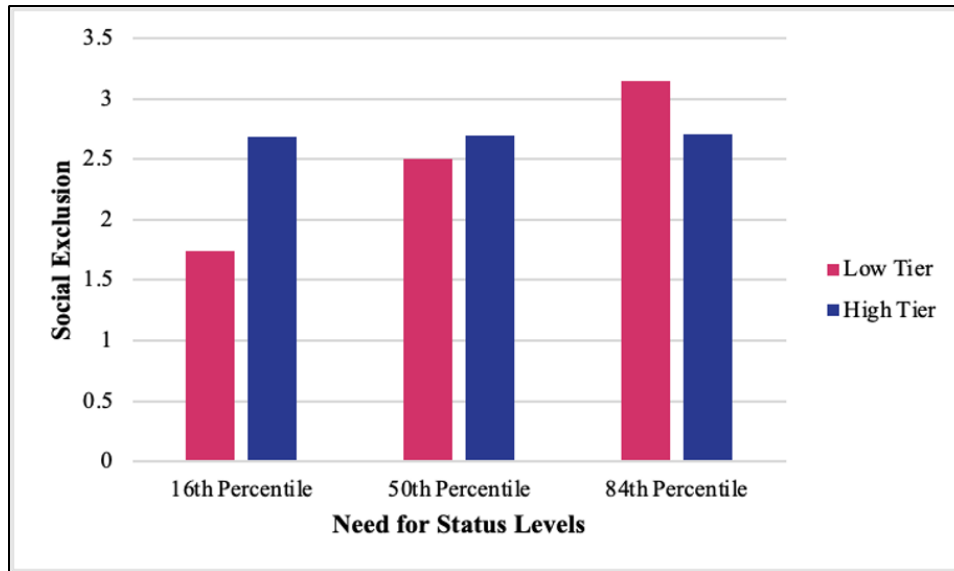


Figure 3: Social Exclusion at Levels of Need for Status and Actual Status Tiers

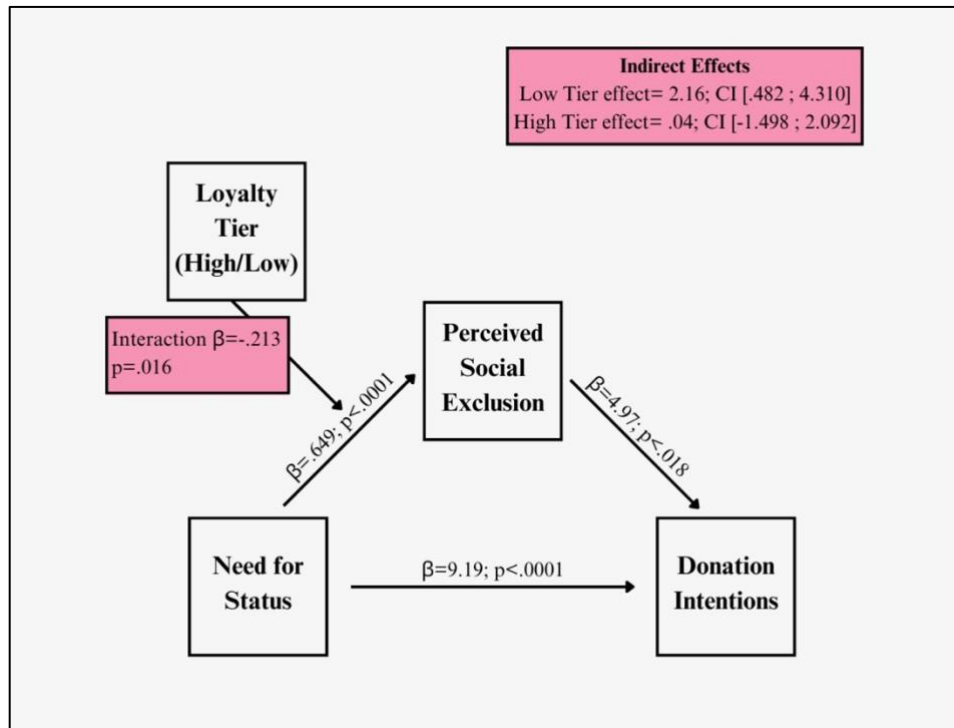


Figure 4: Moderated Mediation of NFS and Social Exclusion on Donation Intentions

## **CHAPTER V : GENERAL DISCUSSION**

### **Summary of Results**

This work makes an important contribution to the knowledge of when and why consumers donate rewards points. Ultimately, consumer NFS (independent variable) interacts with the moderator (tier status: low or high) to predict perceptions of social exclusion (H1). Furthermore, social exclusion mediates the relationship between our independent variable of interest, NFS, and our dependent variable, donation intentions, but only in the low-loyalty tier groups (H2). Furthermore, perceptions of social exclusion were highest when NFS was high, and status was low, as shown in Figure 3, relating back to the felt dissonance discussed earlier. Results from the study show that feelings of social exclusion are positively related to donation intentions. As participants felt more socially excluded, they intended to donate a larger portion of their rewards. Literature would further support these findings since these consumers hope to gain social acceptance and/or reparative self-enhancing (Huang et al., 2021).

### **Theoretical Contribution**

While there is a voluminous body of research on charitable giving, this research makes a novel contribution to a new, substantial area of rewards program donations. Notably, the rewards program context introduces variables not commonly found in traditional charitable giving situations, such as hierarchical structures, framing of value in “points” or other abstract terms, and potential expiration of points. Given these influential factors, research specifically on reward donations is necessary as the prior findings likely don’t generalize cleanly to this context. This research expands upon scant literature on reward point donations and the factors that may drive prosocial behavior. Examining how

need for status interacts with actual loyalty program status makes an important contribution. Prior work has failed to account for the heterogeneity of consumers within loyalty tiers (Gao & Matilla, 2019).

The current research deepens our theoretical understanding of NFS, social exclusion, and charitable giving. Very little work in marketing or hospitality has investigated what factors create social exclusion. This introduces potential for future research in other settings that consumers would feel socially excluded in, such as the customer service industry and the plus-sized fashion industry. While other literature like psychology and sociology have empirically examined drivers of social exclusion given that humans have always been a social and community-driven species (Baumeister et al., 2005; Gardner et al., 2000; Huxhold et al., 2022; Maner et al., 2007), it is poorly understood and almost entirely unexamined in marketing or hospitality settings. The findings from the study show that marketing and advertising within rewards settings can be further individualized to cater to specific consumer needs and their intrinsic values, all while providing a better understanding of drivers of donation intentions. This research shows that need for status predicts feelings of social exclusion. Furthermore, a higher (lower) need for status correlates to higher (lower) feelings of social exclusion.

These findings may contribute to a larger phenomenon relating to prosocial behavior. The study illuminates further on nuances apparent in current literature. Socially excluded individuals have been shown in some settings to have lower donation intentions; however, the current research illuminates that socially excluded individuals will engage in prosocial behavior when placed by a company in a low-status tier. Prior work would suggest this might be due to the perception there is the potential to be

included in the future (Maner et al., 2007; Mead et al., 2011) or specifically if the perpetrator of the social exclusion is not receiving the donation (Maner et al., 2007).

### **Practical Contribution**

Increasingly, rewards programs prompt consumers to donate airline miles, points, or cash to charitable causes (Chen et al., 2021). Aside from charitable donations through rewards programs, these programs are also assuming the role of collecting first-party data from consumers since third-party cookies are no longer viable for businesses (Jai & King, 2016; Juškaitė & Janušauskaitė, 2021). Donation campaigns from rewards programs may be critical in maintaining high levels of customer engagement behavior (CEB) while enhancing company image, customer satisfaction, and brand value (Gao & Mattila, 2019). According to the *Colloquy Loyalty Census*, “U.S. consumers hold 3.8 billion memberships in customer loyalty programs” (2017). There is the potential for millions of dollars to be reallocated to charitable organizations through rewards donations (Chen et al., 2021). As one can see, marketers can increase donations through mechanisms analyzed through the study to reapportion financial resources to charitable organizations—improving the company’s corporate social responsibility and overall image within their industry.

The findings from our research provide valuable initial insight into when and why consumers donate reward points. Rewards programs represent an enormous amount of value that could be directed more often to charitable causes. Business managers and marketers can use our findings to improve their overall company image as well as their corporate social responsibility (CSR) performance of the company. First, companies could direct donation messaging to low-tier rewards program members. While this

research did not examine the type of appeal, prior work suggests that highlighting that high-tier members commonly donate could encourage these individuals to emulate an aspirational group (Kastanakis & Balabanis, 2014). Additionally, if programs allowed consumers to progress to higher tiers faster through donating points, this would complement these consumers' desire to progress their status.

Importantly, NFS is a variable that marketers can segment and target. Specifically, consumers' geographic location has been identified in the literature as a reasonable proxy for need for status (Malshe, 2012). For example, a spatial data analytics company, Esri, categorizes the United States population into sixty-seven different segments based on demographic and socioeconomic information (ArcGIS, 2017). To illustrate this idea further, citizens living in the ZIP (zone improvement plan) code 90274 (the Palos Verdes Estates in Los Angeles County, California) have a high socioeconomic status yet exhibit a low need for status levels (Yang & Mattila, 2017). This marketing tactic of geo-targeting could be beneficial since NFS has similarities to political identities.

Low-status individuals are more likely to have low NFS and lower perceptions of social exclusion; therefore, managers may use inclusive or normative messaging to persuade consumers to donate their rewards points since others are as well (White & Willness, 2009). Conversely, high-status individuals have higher NFS and greater feelings of social exclusion. For these high-status individuals, managers may choose to utilize advertisements with messaging like, "Over 5,000 of your fellow Gold status members donated to our partner charity. What are you waiting for?" and egotistical



messaging appealing to their already high status may be beneficial in increasing donation intention among high-status consumers based on our findings.

### **Future Research**

Those high on NFS likely experience social exclusion disproportionately as they highly monitor group membership, seeking to belong to affluent groups and avoid low-status groups. This assertion is supported by the intriguing finding that the number of interpersonal connections does not predict feelings of loneliness (Cacioppo & Patrick, 2008). Our work provides potential insight into this complicated relationship. Some individuals have more specific needs in establishing feelings of belonging; thus, simply having an abundance of relationships may not be beneficial if they aren't the *right ones*. An individual with high-status needs may have a large network of relationships and still feel excluded in the absence of relationships perceived as high-status. Research has shown that social exclusion and loneliness are highly correlated, and loneliness occurs when existing relationships are either quantitatively or qualitatively perceived as deficient (Huxhold et al., 2022). Future research should examine if NFS is correlated with a disproportionate experience in social exclusion or loneliness, as this may present an unrecognized threat to consumer well-being.

While consumers' dissatisfaction with having low status in rewards programs is negative, research consistently finds negative downstream effects for both consumer and company outcomes (Sajtos & Chong, 2018). The present research presents a novel and beneficial positive outcome of status dissatisfaction--increased donations. For those who highly value status but reside in low-status tiers, feelings of social exclusion increase charitable giving. I theorize that this is driven by a desire to feel more positive about

oneself and attempt to assimilate with the high-status group (Mead et al., 2011). Future research should examine the generalizability of this effect in other business industries. Other consumer settings (e.g., the luxury retail industry (Kastanakis & Balabanis, 2014) and the hospitality & tourism industry (Gao & Matilla, 2019; Hwang & Matilla, 2019)) likely trigger feelings of social exclusion, and these situations may present an opportunity for charitable appeals through targeted marketing tactics based on our findings.

One issue common in donation intention research is a self-presentation bias—when survey respondents overclaim positive attributes and don't accurately report information (Nilsson et al., 2016). Furthermore, when asking individuals to self-report donation intentions, individuals may inflate their contributions to make them seem more prosocial (Ty et al., 2017).

Regardless of the monetary amount donated to non-profit institutions, researching moral and psychological implications that affect donation intention is still vastly helpful in understanding consumer decisions and donation intention. Furthermore, this hypothetical self-presentation bias is more of an issue when studies are conducted in a group setting rather than in an online survey. As Gao and Mattila found, the presence of peers in charitable giving situations can cause some to exaggerate or overestimate their actual contribution (2019). Research studies promise to keep all donation intention information anonymous; however, real-life donations can offer the donor self-enhancement and increased status if the donor chooses to donate publicly (Nilsson et al., 2016).

Additionally, businesses could choose to implement interventions attenuating feelings of social exclusion. This could look like “We’re all in this together” messages

that downplay tiered status. However, the study shows that social exclusion drives donations, so the downstream effects of this type of intervention may be counterintuitive to increasing donation intention based on these significant findings.

Future research could expand upon how consumers' donation decisions may change based on who the donation recipient is. Research has shown that allowing consumers to choose an affinity charity might lead to a halo effect mitigating their feelings of exclusion (Howie et al., 2018). Affinity charities are causes that the consumer may feel more inclined to donate to, whether this is for personal or popular reasons. Furthermore, the halo effect can occur when consumers are satisfied with the company's partner charities and overall CSR activities, and the halo effect describes the consumer's enhanced, positive perceptions of the company (Chernev & Blair, 2015). Overall, if companies give consumers more options on whom they can donate their rewards points to or if they let them choose completely independently, this could potentially lead to halo effects—improving consumer perceptions of the company (Chernev & Blair, 2015).

The study did not examine mid-tier status members, so this could have potentially limited the scope and breadth of our data. Furthermore, the amount or type of the total reward of rewards used for donations may confound donation intentions. This is especially pertinent if consumers are donating rewards points because they may not have a frame of reference like a dollar amount that is standard across society.

Another potential avenue of future research could be to further examine rewards program expiry policies (Bazargan et al., 2017) and charitable giving. Where do rewards points go when they expire? If consumers could “will” their rewards to automatically go to charitable organizations when they expire, could this potentially improve overall

charitable giving or CSR? Additionally, among different types of consumers, cultural differences may impact need for status and donation intentions. I can expand upon our current research to evaluate consumer behavior differences among different countries.

With financial benefits from rewards programs in mind, rewards programs' expiry policies have led to some consumers feeling uneasy about what companies choose to do with their rewards after the customer no longer has access to them—do these rewards points go to waste when they expire or does the company take it upon themselves to donate these unused points? (Chen et al., 2021). Many reward points go unused and expire for a variety of different reasons (Bazargan et al., 2017). Unredeemed rewards can be a liability for companies which may lead to customer dissatisfaction and future profit loss. Expiry policies have been a source of ethical dilemmas in rewards programs for as long as they have existed and become even more precarious when donations to charitable causes are involved (Gao & Mattila, 2019).

## **Conclusion**

Overall, rewards programs are growing in popularity, as well as business corporate social responsibility expectations. I have expanded the knowledge of consumer donation intentions within the context of rewards programs by studying two unique variables—need for status and social exclusion. My findings elucidate a causal chain between need for status and social exclusion and how these variables impact consumer donation intention. I ultimately found that need for status predicted perceptions of social exclusion regardless of one's status tier. Then, the study proves that social exclusion mediated the relationship between NFS and donation intentions but only in the low-status tier.

# APPENDIX A : IRB APPROVAL LETTER

Office of  
Research Integrity



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## NOTICE OF INSTITUTIONAL REVIEW BOARD ACTION

The project below has been reviewed by The University of Southern Mississippi Institutional Review Board in accordance with Federal Drug Administration regulations (21 CFR 26, 111), Department of Health and Human Services regulations (45 CFR Part 46), and University Policy to ensure:

- The risks to subjects are minimized and reasonable in relation to the anticipated benefits.
- The selection of subjects is equitable.
- Informed consent is adequate and appropriately documented.
- Where appropriate, the research plan makes adequate provisions for monitoring the data collected to ensure the safety of the subjects.
- Where appropriate, there are adequate provisions to protect the privacy of subjects and to maintain the confidentiality of all data.
- Appropriate additional safeguards have been included to protect vulnerable subjects.
- Any unanticipated, serious, or continuing problems encountered involving risks to subjects must be reported immediately. Problems should be reported to ORI via the Incident submission on InfoEd IRB.
- The period of approval is twelve months. An application for renewal must be submitted for projects exceeding twelve months.

PROTOCOL NUMBER: 22-865  
PROJECT TITLE: Multiple Study: Individual Values and Market on Airline Reward Programs  
SCHOOL/PROGRAM: Healthcare Marketing  
RESEARCHERS: PI: Clancy Slay  
Investigators: Slay, Clancy-Howie, Katharine-  
IRB COMMITTEE ACTION: Approved  
CATEGORY: Expedited Category  
PERIOD OF APPROVAL: 29-Jun-2022 to 28-Jun-2023

Donald Sacco, Ph.D.  
Institutional Review Board Chairperson

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