You Might Just Surprise Yourself: When Will Consumers Purchase a Surprise Product as a Self-Gift?

Kelly Morrow
University at Albany, State University of New York, kmorrow2@albany.edu

Follow this and additional works at: https://scholarsarchive.library.albany.edu/honorscollege_business

Part of the Marketing Commons

Recommended Citation
https://scholarsarchive.library.albany.edu/honorscollege_business/57

This Honors Thesis is brought to you for free and open access by the Honors College at Scholars Archive. It has been accepted for inclusion in Business/Business Administration by an authorized administrator of Scholars Archive. For more information, please contact scholarsarchive@albany.edu.
You Might Just Surprise Yourself: When Will Consumers Purchase a Surprise Product as a Self-Gift?

An honors thesis presented to the Department of Marketing
University at Albany, State University of New York
in partial fulfilment of the requirements for graduation with Honors in Business Administration and graduation from the Honors College

Kelly Morrow

Research Advisor: Aleksandra Kovacheva, Ph.D.

April 2019
Abstract

Consumers are becoming increasingly self-oriented in their purchase and consumption behaviors. Self-gifts have proliferated on the market, especially self-gifts that contain an element of surprise, which can be seen with the rise in popularity of subscription boxes. Surprise has been found to enhance the function of self-gifts, but it can also result in post-purchase regret if the surprise did not meet consumer expectations. Typically, individuals consume self-gifts as forms of indulgences, rewards, and as mood-regulatory devices. Based on these findings, this paper examines the relationship between three mood conditions (positive, neutral, and negative) and consumers’ likeliness to purchase a surprise product as a self-gift when experiencing each of these moods. The end of this paper also provides implications for marketers regarding surprise self-gifts, and calls for a discussion for further research.
Acknowledgements

Many people have helped me with writing my thesis. Dean Chang and Anita Hanson guided me in the right direction when I was searching for a research advisor. Dr. Kovacheva, my research advisor, has been extremely helpful to me on this journey, assisting me with my research question, gathering articles for the literature review, and with my experimentation. I never could have completed my thesis without all of their help.

I would also like to thank my parents for pushing me to always be a better version of myself and allowing me to realize my full potential. Without their support and drive, I never would have become the hard-working student that I am today that allowed me to even be a part of the Honors College – thank you.
List of Tables

Table 1 – Consumers Who Chose Surprise Product ................................................................. 17
Table 2 – Regression Analysis Results .................................................................................... 17
# Table of Contents

Abstract .......................................................................................................................... ii
Acknowledgements .......................................................................................................... iii

## Literature Review ........................................................................................................ 3

- *Surprise Products* ....................................................................................................... 3
- *Surprise Products as Self-Gifts* .................................................................................. 5
- *Consumer’s Preferences for Surprise Products as Self-Gifts* ....................................... 6

## Methodology ............................................................................................................... 9

- *Participants* .................................................................................................................. 9
- *Survey Design* .............................................................................................................. 9
- *Procedure* ..................................................................................................................... 10

## Results ....................................................................................................................... 11

- *Preference for Surprise Products and Mood* .............................................................. 11
- *Consumers Perceptions of Surprise Products and Willingness to Pay a Premium* .......... 11

## Discussion .................................................................................................................. 13

- *Interpretation of Results* ............................................................................................ 13
- *Marketing Implications and Future Discussion* .......................................................... 14

## Conclusion ................................................................................................................ 16

## References .................................................................................................................. 18

## Appendices ............................................................................................................... 21

- *Appendix A – Survey* .................................................................................................. 21
- *Appendix B – Final SPSS Variables* ........................................................................... 27
Introduction

Surprise products have proliferated on the market in recent years. These are products that you can purchase for yourself or others, for which you know the general category or subcategory, but not exactly what you are buying. The most well-known example of surprise products are subscription boxes, such as BirchBox, StitchFix, Hello Fresh, and many others (Pasquarelli, 2018). Purchasers of subscription boxes sign up with a website that provides the service, and each month they receive a few unknown products within that particular category. For instance, BirchBox sends its subscribers 5 different makeup products each month. Subscribers of BirchBox know that each month they will receive 5 beauty products; however, they do not know they will receive a hair brush, mascara, lipstick, a face mask, and a makeup brush until they open the box. The success of subscription boxes has soared recently: BirchBox now has 1 million subscribers, Blue Apron raised $135 million and delivers over 3 million meals per month, and MySubscriptionAddiction.com (a website where users can manage their many subscriptions) has over 1,200 subscribers, each one subscribing to an average of 7 boxes per month (Cowley, 2015). The U.S. alone contains approximately 5.7 million subscription box users (Kestenbaum, 2017), suggesting that it is a rapidly growing market which motivates the current research, and could be useful in future studies and marketing campaigns.

The success of these subscription boxes shows a promising market potential for other surprise products. One reason consumers are so drawn to this element of surprise seems to be the anticipation and excitement that it brings. The Wall Street Journal even describes surprise gifts as “the most tempting type of splurge” (Binkley, 2013, p. D3). This splurge allows consumers to be exposed to new goods and to discover new brands, with some degree of personalization (Pasquarelli, 2018). In fact, surprise products can benefit both consumers and
designers/producers of products. For consumers, surprise can be a pleasant experience that allows them to experience something new and exciting. For designers and producers, surprise can be beneficial because it is arousing, captures attention, and leads to increased product recall and word-of-mouth (Ludden, Hekkert, & Schifferstein, 2006, 2012). A growing community of shoppers are flocking to the idea of surprise products as gifts, which is why marketers and businesses should explore this opportunity further.

Yet despite the exponential growth of this industry, we still know very little about why, when, and who buys surprise products. In this work, I study one specific context in which consumers may purchase surprise products – self-gifting. Self-gifts are a form of indulgence in which someone purchases something for their own consumption. They are often used as rewards or incentives for personal achievements, as consolations for disappointments, and as a token for holidays (Tournier, 1966). The previous literature has primarily studied the various contexts that consumers purchase self-gifts in, the motivations behind them, and the different categories that self-gifts can be separated into (Hur & Choo, 2016; McKeage, Richins, & Debevec, 1993; Mick & DeMoss, 1990a, 1990b).

However, previous work has not explored the role of surprise products as self-gifts in depth. Interestingly, surprise has been identified as an important aspect of gift-giving to others (Gupta, Eilert, & Gentry, 2018), but only recently with the growing supply and demand of surprise products, have consumers received the opportunity to add an element of surprise to self-gifting.

In this paper, I examine the conditions under which surprise products can be selected as self-gifts. Specifically, I propose that the valence of the occasion motivating the self-gifting need will determine whether consumers will buy a surprise product as opposed to a certain one. This
prediction is grounded in prior work on self-gifting behaviors and mood-regulatory behaviors. This paper combines these two theories, by taking different contextual situations that evoke different moods in consumers, to examine in which situation the participants are more likely to purchase a surprise self-gift. I conduct and report an experiment that tests whether consumers were more or less likely to purchase surprise self-gifts given their mood.

The remaining paper is organized as follows. I first review the existing literature on surprise products and self-gifting behaviors, develop the theoretical framework, provide empirical support for my predictions, and conclude with a discussion of the practical implications of my findings and suggestions for future research.

Literature Review

Surprise Products

Despite their prominence in the market, surprise products have not received much attention in the literature. As mentioned earlier, a surprise product is one that you are unsure of exactly what you will be receiving when you purchase it. Essentially, the consumer pays for his/her surprise gift and the seller makes the final selection, creating an aura of suspense until the product is finally revealed to the consumer (Gupta et al., 2018).

Adding the element of surprise to products has both positive and negative aspects. Past research has discovered that surprise can increase excitement, improve mood, and enhance the gift’s value to recipients (Belk, Wallendorf, & Sherry, 1989; Kurtz, Wilson, & Gilbert, 2008; Vanhamme & De Bont, 2008). It has also been shown that a surprise reaction is usually evaluated positively and has an association with the emotions of amusement, interest, fascination, admiration, and joy (Ludden et al., 2006, 2012). The positive effects of surprise are
due to the fact that it can increase stimulation, reduce boredom, create customer delight, arouse/capture attention to the product, and create anticipation for consumers before they receive the product. (Gupta et al., 2018; Ludden et al., 2012; Rust & Oliver 2000). In fact, it has been shown that consumers actually prefer to have an element of uncertainty in affect-driven decisions (Laran & Tsiros, 2013). For example, Gupta et al. (2018) found that many consumers who purchased surprise products compared their box-opening experience to opening presents on Christmas. This preference for consuming surprise in self-gifting contexts can be explained with variety-seeking theory (McAlister & Pessemier, 1982; Trijp, Hoyer, & Inman, 1996), which posits that consumers often seek change to reduce boredom or to maintain/reach a certain stimulation level. Thus, adding a surprise element to gifts is one way in which consumers aim to meet their variety-seeking needs. In sum, due to the positive effects that surprise products can elicit, their purchase can bring excitement in certain contexts.

However, given that surprise emotion is determined by the outcome, (Vanhamme, 2000), uncertainty can also create negative emotions and experiences. According to Oliver (1997), consumers experience higher levels of satisfaction when a product performs in alignment with or better than their expectations. Given that the purchase of a surprise product has an uncertain outcome, consumers might receive something different than what was expected, thus creating feelings of dissatisfaction and post-purchase regret (Gupta et al., 2018). Therefore, surprise can limit the benefits that consumers receive from the product by falling short of expectations and creating a negative effect on product appreciation (Gupta et al., 2018). Although surprise was discovered to be associated with positive emotions (i.e. amusement, fascination), it was also found to increase the intensity of confusion, indignation, and irritation depending on whether the surprise was interpreted as good or bad (Ludden et al., 2012). Because uncertainty can have
such negative effects, purchasing surprise products can also be considered as a risky in some contexts. In this paper, I argue that these two aspects (excitement and riskiness) come into play when consumers consider buying a self-gift.

**Surprise Products as Self-Gifts**

Consumers are becoming increasingly self-oriented in their purchase and consumption behaviors (Mick & DeMoss, 1992). The concept of giving a gift to oneself has been on the rise for decades and is becoming a largely studied topic. A self-gift can be any product that is purchased for oneself that is often consumed as an indulgence (Mick & DeMoss, 1990a). It is characterized as a consumption behavior that attempts to satisfy a desire beyond instinctive human needs by professing an interest in the consumer’s self (Hur & Choo, 2016; Kang, 2012). As opposed to other personal acquisitions, self-gifts carry distinct, special meanings that everyday purchases do not (Mouakhar-Klouz, D’Astous, & Darpy, 2016). Self-gifts are commonly identified under four features: “(1) [they are] personally symbolic self-communications through (2) special indulgences that tend to be (3) premeditated and (4) highly context-bound” (Mick & DeMoss, 1990a, p. 328). In other words, self-gifts are consumed by an individual, have special meaning, are often thought of pre-purchase, and are dependent of the situation in which they arise. For instance, a person can buy a cup of coffee every day before work; however, if the same person buys that same cup of coffee on a Saturday after a long and hard week, this can be a self-gift because it is a reward or indulgence.

In this research, I not only study self-gifting behaviors but more importantly, surprise products as self-gifts. Surprise products can be categorized as self-gifts because they share many similar characteristics. One of the most crucial aspects that dictates a purchase as a self-gift is that it was purchased and consumed individually (i.e. by the “self”). Likewise, a surprise product
can be consumed and purchased for oneself. In fact, a majority of surprise products actually are consumed as self-gifts, which can be seen through the proliferation of innovative surprise self-gift market offerings, such as subscription boxes (Kestenbaum, 2017; Pasquarelli, 2018) and surprise vacation packages (https://www.packupgo.com/). Moreover, self-gifts are often considered as indulgences. This is because self-gifts are commonly consumed as rewards and incentives (Mick & DeMoss, 1990a; Tournier, 1966), which will be discussed further in the next section. Similarly, surprise products can be considered as indulgences when purchased with the same reward motivations. Surprise self-gifts are also indulgent because some of them are more expensive to purchase (https://www.mysubscriptionaddiction.com/), which could create the effect of the product seeming as an indulgent binge for the consumer. Evidently, surprise products can easily be described as self-gifts due to the alignment of essential properties. In this study, I propose that the desirability of surprise products as self-gifts will depend on the occasion driving the self-gifting need.

**Consumer’s Preferences for Surprise Products as Self-Gifts**

There are a multitude of occasions and contexts for which self-gifting behaviors occur in. Tournier (1966, p. 5-9) begins his commentary on self-gifts by describing them as rewards and incentives for personal accomplishments, “consolation prizes for disappointments or upsets,” and as instruments for holiday celebrations. Other research has further expanded upon this concept to reveal that self-gifting behaviors most often occur in one of the following contexts: to reward oneself, to cheer oneself up, to celebrate a public holiday (i.e. Christmas), to relieve stress, to be nice to oneself, to provide an incentive toward a goal, to celebrate a private holiday (i.e. birthday or anniversary), to spend extra money that has been earned, to alleviate a negative mood state, or
to maintain a positive mood state (Luomala & Laaksonen, 1997; McKeage et al., 1993; Mick & DeMoss, 1990b).

Among all of these occasions, two motivations remain the most prevalent for creating self-gifting contexts: reward following a positive event and consolation following a negative event. If one experiences a positive life event (i.e. a job promotion), one could purchase a self-gift in order to reward themselves, and to maintain or prolong their positive mood. Similarly, after experiencing a negative event (i.e. failure at an important task), one could purchase a self-gift in order to cheer oneself up, relieve stress, and decrease the negative mood. This idea is further backed by research on mood regulation.

In the words of Thayer, Newman, and McClain (1994, p. 910): "... mood is now recognized as a central element of human behavior." Consumption has now become a major mood-regulatory device in modern nations (Luomala & Laaksonen, 1997), so it is increasingly important to understand the effects that mood has on consumers and their purchasing behavior. Mood regulation stems from the concept of self-regulation. When a person regulates his/her mood, he/she takes actions to either prolong a desirable mood state (known as mood maintenance), or interrupt an undesirable mood state (known as mood repair); (Garg, Wansink, & Inman, 2007; Luomala & Laaksonen, 1997; Mouakhar-Klouz et al., 2016). One of the ways consumers can achieve this mood regulation is through self-gifting behaviors. Mick (1991) proposed that reward and therapeutic self-gifts (self-gifts following positive and negative occasions) represent consumers’ attempts to uplift their self-esteem and moods. Additional research has confirmed that self-gifts can serve as mechanisms to pull oneself out of an enduring or short-term negative mood (Mouakhar-Klouz et al., 2016). Moreover, when individuals have achievement experiences, they are likely to experience a certain positive mood which can be
maintained by self-gift rewards, and when individuals undergo a failure, they are likely to experience a certain negative mood which can be counteracted by therapeutic acts of consumption (Luomala & Laaksonen, 1997).

Evidently, self-gifting serves as an important solution for mood regulation purposes. Based on this and the evidence previously discussed about surprise products serving as effective self-gifts, surprise products (namely surprise self-gifts) are also successful in satisfying mood regulation purposes. One study discovered that surprise can actually enhance the mood management function of self-gifts (Luomala, 1998; Luomala & Laaksonen, 1997), while another study found that consumers who did not know what gift they would receive at the end of a task experienced a longer-lasting boost in mood compared to those who knew about the gift in advance (Kurtz et al., 2007). The usefulness of surprise can also be seen in retailing contexts. For instance, Heilman, Nakamoto, and Rao (2002) demonstrated that providing surprise in-store coupons to shoppers resulted in more unplanned purchases. This evidence coupled with the evidence regarding the cross-characterization of self-gifts and surprise products posits that surprise self-gifts can serve as effective methods of mood regulatory behavior.

As mentioned earlier, surprise products can be considered as a riskier self-gift choice than certain (known) products. Due to this fact and the mood regulatory perspectives, it could be postulated that with a mood maintenance situation, the consumer is already in a positive mood, and therefore might be more likely to take the risk of purchasing a surprise self-gift because this uncertainty promises excitement and anticipation. However, in a mood repair state, the consumer is feeling a negative mood, and might not want to take the risk of purchasing an uncertain self-gift to avoid damaging his/her mood even further. Thus, I hypothesize:
H1: When a consumer is experiencing a positive mood (mood maintaining state), he/she is more likely to purchase a surprise product vs. a certain product as a self-gift.

H2: When a consumer is experiencing a negative mood (mood repair state), he/she is more likely to purchase a certain (known) product vs. a surprise product as a self-gift.

Methodology

Participants

To test my hypotheses, I conducted a survey that was approved by the University at Albany’s Institutional Review Board (IRB Submission No. 5570, Approved March 19, 2019). The survey was administered on Amazon Mechanical Turk (MTurk), an online platform that allows users to complete surveys and other tasks at their convenience. A total of 397 respondents completed the survey for a small monetary payment. Of these participants, 51.6% were male, and the mean participant age was 36 years (M= 36.29, SD= 11.70, range from 18 to 73). Participants were not selected based on any specific criteria – anyone interested in participating was able to do so. Data collection continued until 400 participants completed the survey. To properly analyze the hypotheses regarding the change in participants’ actions across various mood conditions, all contributors were randomly assigned to one of the following conditions: positive, neutral, or negative. In total, 134 people were assigned to condition one (positive), 128 were assigned to condition two (neutral), and 133 were assigned to condition three (negative).

Survey Design

The survey consisted of 11 questions and was organized as follows. First, participants were introduced to the survey and asked to enter their MTurk Worker ID (a unique and anonymous identifier), to ensure that each worker completed the survey. Next, they were asked
to imagine a specific situation and then answer several follow-up questions. At this point, participants were assigned randomly one of nine conditions. Thus, the study used a 3 (mood condition: positive, negative, neutral) by 3 (product category: coffee, books, socks) between-subjects design. Specifically, participants were randomly assigned to one of the three mood situations asked to indicate their choice between a surprise vs. a certain (known) offering in one of three product categories (coffee, books, or socks). Next, to gather additional insight into consumers’ perceptions and intentions regarding surprise products as self-gifts, participants were asked to indicate their willingness to pay a premium for the surprise product. This measure was used as a proxy for strength of purchase intentions – i.e., participants who more strongly desire the surprise product, would be more likely to pay a premium to obtain it. Participants also indicated the extent to which they perceive the surprise product to be risky, of high quality, special, unique, and gifty (i.e. like a gift). The ratings for special and unique were highly correlated ($r(397) = .76, p < .001$) and averaged into a specialness index. Finally, several additional questions were included for exploratory purposes. A copy of the full survey is provided in Appendix A – Survey.

Procedure

To take part in the study, participants only needed access to a computer and an Amazon MTurk Worker account. There was no in-person data collection in this experiment – participants simply answered the questions online, then received a completion code at the end of the survey to be rewarded. Once data collection was complete, the results were analyzed with the statistics software SPSS. Due to space limitations, only 14 variables, which were directly relevant to this framework, were retained in the dataset. Of these 14 variables, only 8 were used in the analysis of the dataset’s results. Appendix B – Final SPSS Variables provides a table with the final
dataset variables and their meanings. Additionally, I collapsed participants across the product category factor as there were no notable differences among product categories.

Results

Preference for Surprise Products and Mood

The main goal of this study was to examine whether consumers’ preference for surprise products as self-gifts differed across mood conditions. To test this, I ran cross-tabs with Chi-square test. There was no association between mood condition and choice of product as a self-gift ($\chi^2 (2, N=397) = .44, p = .80$). Regardless of condition, participants were more likely to select the certain product offering, which can be seen in Table 1 – Percentage of Consumers Who Chose Surprise. However, although the result was not statistically significant, I note that a smaller percentage of participants chose the surprise offering in the negative mood condition as opposed to the other two conditions (positive = 40.3%, neutral = 41.1%, negative = 37.3%), which is consistent with my predictions in hypothesis 2.

Consumers Perceptions of Surprise Products and Willingness to Pay a Premium

Next, to gain a deeper understanding about consumers’ attitudes towards surprise products as self-gifts, I analyzed their willingness to pay a premium price. Specifically, I conducted linear regression analysis to examine how the ratings of riskiness, giftyness, quality, and the specialness index affected participants’ willingness to pay a premium price for the surprise self-gift. To do that, I conducted three separate regression analyses for each of the three mood conditions.

In the positive mood condition, the overall regression model was significant ($F(4, 129)= 13.80, p < .001$) and explained 28% of the variation in the willingness to pay price premiums
As shown in Table 2 – Regression Analysis Results the perceived quality of the surprise product had the greatest effect on WTP in the positive mood condition – a point increase in perceived quality of the surprise product was associated with a .43-point increase in consumers’ WTP (b= .43, t= 3.31, p = .001), holding all else constant. Perceived specialness had the second highest influence on WTP – a point increase in this rating was associated with a .30-point increase in WTP (b= .30, t= 2.22, p = .03). Perceived giftyness was also a significant predictor – a point increase in giftyness was associated with a .23-point increase in WTP (b= .23, t= 2.41, p = .02). However, perceived riskiness did not have a significant impact on WTP (b= -.07, t= -.98, p = .33).

In the neutral mood condition, similar results appeared. Once again the overall model was significant (F(4,124)= 37.13, p < .001) and explained 32% of the variation in the willingness to pay premiums for surprise self-gifts. As shown in Table 2 – Regression Analysis Results, the high-quality measure also had the highest impact on WTP, holding all other factors constant – a point increase in perceived quality of the surprise product was associated with a .56-point increase in consumers’ WTP (b= .56, t= 3.72, p < .001). Moreover, a point increase in the perception of giftyness was associated with a .26-point increase in WTP (b= .25, t= 2.75, p = .01). However, perceived specialness (b= .12, t= .83, p= .41) and riskiness (b= -.08, t= -1.09, p = .28) did not have a significant impact on WTP in the neutral mood condition.

Finally, in the negative mood condition, the overall regression model was significant (F(4, 129)= 39.56, p< .001), and explained 39% of the variation in consumers’ WTP. Once again, perceived quality of the surprise product had the highest impact on WTP – a point increase in perceived quality was associated with a .45-point increase in WTP (b= .45, t= 3.64, p < .001), holding all other factors constant. As with the positive mood condition, perceived
specialness had the second highest influence on WTP – a point increase in this rating was correlated with a .27-point increase in WTP (b = .27, t = 2.41, p = .02). Perceived giftyness was also a significant predictor – a point increase in giftyness was associated with a .20-point increase in consumers’ WTP (b = .20, t = 2.41, p = .02). Unlike in the other mood conditions, the negative mood condition did show a significant association between perceived riskiness and WTP – a point increase in the perception of product riskiness was linked with a .19-point decrease in the willingness to pay (b = -.19, t = -2.91, p = .004), meaning that as risk perception increased, consumers would pay less for that surprise product.

Discussion

Interpretation of Results

This study provided several interesting insights. First, the results indicated that overall, people are more likely to select a certain offering as a self-gift over a surprise offering, regardless of mood condition. Thus, I did not find support for hypotheses 1 and 2. Yet, it should be noted that participants in the negative mood condition were somewhat less likely to purchase a surprise product than those in the positive and neutral mood conditions.

Second, the findings from the regression analyses showed that participants’ perceptions of the surprise product had a differential impact on their likelihood to purchase it at a price premium. Across all mood conditions, perceived quality of the surprise offering impacted willingness to pay a premium to the highest degree. No matter what mood participants were experiencing, the greater the perceived quality of the surprise product, the more likely they were to indicate paying a premium price for it. Next, in both the positive and negative mood conditions, a higher rating of specialness was linked to higher willingness to pay a price
premium; however, this measure was not significant in the neutral mood condition. Additionally, across all mood conditions, perceived giftyness was positively associated with willingness to pay a premium. Lastly, the perception of riskiness was significantly associated with a decrease in the likelihood to pay a premium price in the negative mood condition, but it was not significant in the positive or neutral mood conditions. Moreover, across all of the mood conditions, the regression model explained approximately 1/3 of the variation in consumers’ WTP. This suggests that there could be other factors that are influencing the WTP, such as the consumers’ general liking of the surprise product, income, or differing perceptions of what a “premium” price for the product is. Future research could consider taking some of these factors into account and provide more detailed price ranges of the surprise products to capture more accurate data.

In sum, perceived giftyness, quality, and to some extent specialness of the surprise products matters to consumers – surprise products that can score high on these factors may be able to charge a premium price from consumers looking to buy a self-gift. Moreover, perceived riskiness of the surprise product matters when consumers purchase self-gifts as a means for alleviating a negative mood. This is, in fact, in line with my theoretical framework – as I theorized that consumers are more sensitive to riskiness of the surprise product in the negative but not the positive condition.

**Marketing Implications and Future Discussion**

Given the fact that self-gifts have become increasingly popular over recent years, many brands have created marketing campaigns based on the idea of self-gifting (i.e. Macy’s recent campaign – “This holiday season, give an unforgettable gift to yourself”; Hur & Choo, 2016). Mintel (2017) also found that approximately 30% of Americans splurge on themselves over the course of a year. Younger consumer groups (age 18-34) were found to be the most likely to
indulge in self-gifting, which represents a considerable market opportunity for retailers. Understanding these growing markets, especially the underserved market of surprise products as self-gifts, can be crucial for many businesses to grow.

Based on the findings in this experiment, businesses that offer or advertise surprise products as self-gifting opportunities should be pay attention to consumers who may be experiencing a negative mood, as these consumers may be less likely to purchase a surprise gift, and potentially more likely to experience post-purchase regret. Most importantly, the results suggest that in such cases, businesses need to consider the perceived riskiness of the surprise product as this may decrease the extent to which consumers are willing to pay a price premium for the product. Thus, firms could reduce the perceived riskiness of the surprise product by, for example, implementing product return guarantees. Another take-away for marketers from this study is that perceptions of quality and giftyness are important determinants of a consumer’s willingness to pay a premium for a surprise product. Advertising surprise products by highlighting their high-quality nature and making them seem more like a gift for oneself can allow marketers charge a premium price.

Due to its controlled nature, this study has several limitations, which may explain why I did not find support for my original hypotheses. One potential problem may be that the situations manipulating mood may not have been clear enough, or that the writing task used to manipulate mood did not induce the desired mood states. Another potential problem may have arisen from procedure by which participants’ choices were elicited – perhaps asking whether participants would prefer a certain self-gift versus a surprise self-gift may have introduced bias or confounds, by introducing the surprise products in a way that wasn’t very clear to participants or seemed less attractive than the certain product offerings. Thus, future research can measure the likelihood to
purchase a surprise product using a Likert scale, which will capture consumers’ preference directly.

**Conclusion**

In summary, surprise products are having an increasing influence on the retail market. Effective surprises can elicit positive emotions (i.e. interest, fascination, admiration, joy), but negative surprises can create disappointment and post-purchase regret. Marketers must be able to understand their consumers by analyzing their behaviors and perceptions to understand how factors, such as mood, can impact consumers’ desire for surprise products as self-gifts. Future research can explore these thoughts in-depth to be able to understand this underserved, niche market. Evidently, surprise products are creating a new market opportunity that many retailers can expand upon, and they can use the implications provided in this research as well as from other studies to create an effective surprise self-gifting business model.
Table 1 – Percentage of Consumers Who Chose Surprise Product Based on Mood Condition

<table>
<thead>
<tr>
<th>Condition</th>
<th>Chose Surprise Offering</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positive</td>
<td>40.3%</td>
</tr>
<tr>
<td>Neutral</td>
<td>41.1%</td>
</tr>
<tr>
<td>Negative</td>
<td>37.3%</td>
</tr>
</tbody>
</table>

Note: The differences between the three conditions are not significant ($\chi^2 (2, N=397) = .44, p = .80)$.

Table 2 – Regression Analysis Results

<table>
<thead>
<tr>
<th>Positive Mood:</th>
<th>Unstandardized Coefficient</th>
<th>Significance test</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intercept</td>
<td>-1.03</td>
<td>t (4,129) = -1.44, $p = .15$</td>
</tr>
<tr>
<td>High quality*</td>
<td>0.43</td>
<td>t (4,129) = 3.31, $p = .001$</td>
</tr>
<tr>
<td>Riskiness</td>
<td>-0.07</td>
<td>t (4,129) = -0.98, $p = .33$</td>
</tr>
<tr>
<td>Giftyness*</td>
<td>0.23</td>
<td>t (4,129) = 2.41, $p = .02$</td>
</tr>
<tr>
<td>Specialness Index*</td>
<td>0.30</td>
<td>t (4,129) = 2.22, $p = .03$</td>
</tr>
<tr>
<td>Adjusted $R^2$</td>
<td>0.28</td>
<td></td>
</tr>
<tr>
<td>Model Significance:</td>
<td>$F = 13.80$, $p &lt; .001$</td>
<td>$N = 133$</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Neutral Mood:</th>
<th>Unstandardized Coefficient</th>
<th>Significance test</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intercept</td>
<td>-0.95</td>
<td>t (4,124) = -1.36, $p = .18$</td>
</tr>
<tr>
<td>High quality*</td>
<td>0.56</td>
<td>t (4,124) = 3.72, $p &lt; .001$</td>
</tr>
<tr>
<td>Riskiness</td>
<td>-0.08</td>
<td>t (4,124) = -1.09, $p = .28$</td>
</tr>
<tr>
<td>Giftyness*</td>
<td>0.26</td>
<td>t (4,124) = 2.75, $p = .007$</td>
</tr>
<tr>
<td>Specialness Index</td>
<td>0.12</td>
<td>t (4,124) = 0.83, $p = .41$</td>
</tr>
<tr>
<td>Adjusted $R^2$</td>
<td>0.32</td>
<td></td>
</tr>
<tr>
<td>Model Significance:</td>
<td>$F = 16.08$, $p &lt; .001$</td>
<td>$N = 128$</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Negative Mood:</th>
<th>Unstandardized Coefficient</th>
<th>Significance test</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intercept</td>
<td>-0.37</td>
<td>t (4,129) = -0.58, $p = .50$</td>
</tr>
<tr>
<td>High quality</td>
<td>0.45</td>
<td>t (4,129) = 3.64, $p &lt; .001$</td>
</tr>
<tr>
<td>Riskiness</td>
<td>-0.19</td>
<td>t (4,129) = -2.91, $p = .004$</td>
</tr>
<tr>
<td>Giftyness</td>
<td>0.20</td>
<td>t (4,129) = 2.41, $p = .02$</td>
</tr>
<tr>
<td>Unique Index</td>
<td>0.27</td>
<td>t (4,129) = 2.41, $p = .02$</td>
</tr>
<tr>
<td>Adjusted $R^2$</td>
<td>0.37</td>
<td></td>
</tr>
<tr>
<td>Model Significance:</td>
<td>$F = 20.79$, $p &lt; .001$</td>
<td>$N = 133$</td>
</tr>
</tbody>
</table>
References


Appendices

Appendix A – Survey

Surprise Products Thesis Survey 2

Id: Thank you for your interest in our HIT and for taking the time to participate in this survey. In this study, we are interested in learning more about people's preferences for products in different situations. You will be asked to imagine a situation and answer a few questions about it. NOTE: SOME WRITING (2-3 sentences) WILL BE REQUIRED.

You will receive a completion code at the end of the survey - please paste that back in the code box on MTurk. Please enter your Worker ID below (we need this to ensure you completed the survey):

________________________________________________________________

Positive: Imagine the following situation:

You have just been promoted at work. You are having a great day. This is a big achievement for you. Your work has been recognized.

Think about how this makes you feel. In the box below, write at least 2 complete and meaningful sentences that can best describe how this situation makes you feel:

________________________________________________________________

________________________________________________________________

Negative: Imagine the following situation:

You have just been passed over for a promotion at work. You are having an extremely hard day. A lot of problems have come up and it has been a really exhausting time. You are overall stressed out and upset about the situation.

Think about how this makes you feel. In the box below, write at least 2 complete and meaningful sentences that can best describe how this situation makes you feel:

________________________________________________________________

________________________________________________________________
Neutral: Imagine the following situation:

You are having a regular day at work. There is nothing particular or different about this day. It is simply one of the many typical days in which you conduct your usual activities and nothing extraordinary takes place at work.

Think about how this makes you feel. In the box below, write at least 2 complete and meaningful sentences that can best describe how this situation makes you feel:

________________________________________________________________
________________________________________________________________
________________________________________________________________

Gift: This day, you decide to buy yourself a self-gift. A self-gift is something pleasurable that you purchase and give to yourself that day.

You have narrowed down your choice to two products described below.

**Which of the two products below would you choose to buy as your self-gift?**

**Socks:**

- [ ] Surprise box of 3 pairs of socks (patterns and colors are a surprise) (1)

- [ ] Box of 3 pairs of socks with known patterns and colors (2)
Coffee:

- Surprise box of coffee packets (type and flavor are a surprise) (1)
- Box of coffee packets with known type and flavors (2)

Book:

- Surprise box of two book titles that are a surprise (1)
- Box of two book titles that you have heard of (2)

Q49 Now please think about the surprise product box that you saw on the previous screen. Answer the following questions:
Premium:
To what extent will you be willing to pay a premium price for this surprise product as your self-gift?

- 1 - Not at all (1)
- 2 (2)
- 3 (3)
- 4 (4)
- 5 (5)
- 6 (6)
- 7 - Extremely (7)

Gifty:
Some products may be considered more "gifty" than others - this means that they are better suited to serve as a gift.

Compared to a known product, how would you rate the surprise product in terms of "gifty"-ness?

- 1 - Not at all gify (1)
- 2 (2)
- 3 (3)
- 4 (4)
- 5 (5)
- 6 (6)
- 7 - Extremely gify (7)
Gift:
To what extent would you say that this surprise product is like a gift?

- 1 - Not at all (1)
- 2 (2)
- 3 (3)
- 4 (4)
- 5 (5)
- 6 (6)
- 7 - Extremely (7)

Rate: **Please rate the surprise product on the following categories:**

<table>
<thead>
<tr>
<th>Category</th>
<th>1- Not at all (1)</th>
<th>2 (2)</th>
<th>3 (3)</th>
<th>4 (4)</th>
<th>5 (5)</th>
<th>6 (6)</th>
<th>7 - Extremely (7)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risky (1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enjoyable (2)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High quality (4)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special (5)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unique (6)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Purchase: In general, how likely would you be to purchase each of the following products:

<table>
<thead>
<tr>
<th>Product</th>
<th>1 - Not at all (1)</th>
<th>2 (2)</th>
<th>3 (3)</th>
<th>4 (4)</th>
<th>5 (5)</th>
<th>6 (6)</th>
<th>7 - Extremely (7)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Socks (1)</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Coffee (2)</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Books (3)</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Select answer three here to indicate paying attention. (4)</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
</tbody>
</table>

Self: In general, how likely would you be to purchase a gift for yourself in the situation you imagined earlier?

- ○ 1 - Extremely Unlikely (1)
- ○ 2 (2)
- ○ 3 (3)
- ○ 4 (4)
- ○ 5 (5)
- ○ 6 (6)
- ○ 7 - Extremely Likely (7)

Age: Please enter your age: _______________
Gender: What is your gender?

○ Male (1)

○ Female (2)

○ Non-binary (3)

○ I prefer to specify: (4) ________________________________________________

Comment: OPTIONAL: If you have any comments to the researchers, you can enter them in the box below. Otherwise, please continue to receive the completion code.

________________________________________________________________

Appendix B – Final SPSS Variables

<table>
<thead>
<tr>
<th>Variable</th>
<th>Variable Label</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Premium</strong></td>
<td>To what extent will you be willing to pay a premium price for this surprise product as your self-gift?</td>
</tr>
<tr>
<td><strong>Gift</strong></td>
<td>To what extent would you say that this surprise product is like a gift?</td>
</tr>
<tr>
<td><strong>Rate_risky</strong></td>
<td>Please rate the surprise product on the following categories: - Risky</td>
</tr>
<tr>
<td><strong>Rate_highquality</strong></td>
<td>Please rate the surprise product on the following categories: - High Quality</td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td>Please enter your age:</td>
</tr>
<tr>
<td><strong>Gender</strong></td>
<td>What is your gender?</td>
</tr>
<tr>
<td><strong>Positive1neutral2negative3</strong></td>
<td>Emotion condition</td>
</tr>
<tr>
<td><strong>Special2i</strong></td>
<td>COMPUTE special21 = mean(rate_unique, rate_special)</td>
</tr>
</tbody>
</table>