

Can I Choose My Offer? How Choice of a Promotional Offer Impacts Consumer Evaluations and Decisions

Abstract

Free gifts play a role in sales promotions, and some retailers have begun to provide consumers with a choice of free gifts. However, there is no empirical research that explores the effects of this novel sales promotion on consumption variables. This research investigates the interactive effects of attributes and gift choice (versus fixed free gifts) on value perceptions and purchase intentions. Findings show that by increasing decision freedom through offering a choice set, marketers can increase the perceived value and attenuate the negative effects of lower monetary levels of the gift offer. Our theorization and predictions are supported by one field and four controlled experiments in a variety of contexts. Additionally, this research identifies boundary conditions and eliminates potential alternative explanations. Results advance our understanding of the moderating and mediating relationships between decision freedom, value perceptions, and purchase intentions, and how managers can use free gift choices in designing sales promotions.