

Consumer Responses to Business Gifts in a Business-to-Consumer Setting



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Abstract

Business gifts to consumers are an increasingly popular marketing tool for businesses used to create long-term customer relationships. The intention behind business gifts is to provoke reciprocal behavior – a widely-used theory in gift-giving research – from consumers, such as positive word-of-mouth, purchase, and repurchase. The aim of this study was to examine whether different types of representation of the business have differential effects on the consumer's evaluation of the gift and the likelihood to reciprocate the gift. Additionally, the study investigated the impact of the consumer's perceived social distance towards the business in this context, by including this relation in the model as a mediating variable. An online experiment demonstrated that a lower perceived social distance between the consumer and the business has a strong, positive effect on the two outcome variables, gift evaluation and reciprocation likelihood. Moreover, the business representation as an individual, compared to the business representation as an entity, leads to a lower perceived social distance. Furthermore, in comparison to a business representation as an entity, a business representation as an individual leads to a more positive gift evaluation and a higher reciprocation likelihood, due to a lower perceived social distance. Finally, the research showed that the more positive a business gift is evaluated, the higher is the consumer's likelihood to reciprocate. Both theoretical and practical implications for researchers as well as businesses and practitioners are discussed.

Keywords: Business-to-consumer; Gift giving; Business representation; Social distance; Gift evaluation; Reciprocation likelihood

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Chapter 1: Introduction

The behavior of gift giving is a universal phenomenon anchored in society throughout history, cultures, and religions (e.g., Mauss 1954/1990; Malinowski, 1922/1992). Gift giving accompanies us during our lifetime and even goes beyond (Belk 1977). In our modern western society, for example, it starts with gifting a puppet to a newborn, continues with birthday and Christmas presents, a new backpack for the first day of school, a ring for the engagement, followed by countless additional occasions. Even after death (Drenten, McManus, & Labrecque, 2017), people express their love by placing flowers and sculptures on the graves of their gone loved ones, or by lighting up candles in their memory.

As nowadays long-term relationships with customers are a focal objective for businesses, also companies pick up on gift giving. There are different kinds of business gifts that companies give to their customers, among others, utilitarian versus hedonic, branded versus unbranded, and tangible versus intangible objects. Possible gifts may be pens or cups with the company's logo, trial products of the newly introduced candy bar or soft drink, as well as services, like a free trial month of a music streaming service or a minimized version of a mobile application. Intentions behind business gifts are, among others, influencing customer attitudes and attracting new customers, triggering new purchases of and retaining existing customers, as well as expressing appreciation towards existing customers for past purchases (Beltramini, 1992, 2000).

A look at the average expenditures on gifts in general during the year demonstrates once more the significance of gifts in our modern society. Including several gift segments, such as general merchandise, clothing and clothing accessories, furnishings, electronics and appliances, sporting goods, books, and music, the total US gifting market in 2015 was worth more than \$130 billion (Danziger, 2017). The typical gifter's annual gift-giving budget is divided into two categories: gifts for holiday festivities – e.g., Christmas, Mother's Day, and Valentine's Day – and gifts for special occasions – e.g., birthdays, weddings, and anniversaries. While slightly more than half of the total annual budget is spent on gifts for holiday festivities, the rest is spent on occasional gifting throughout the year (Danziger, 2017). For the upcoming years, from 2019 to 2023, the gift-giving culture is even predicted to steadily grow with a compound annual growth rate of 5% for the gifts novelty and souvenirs market (Research and Markets, 2018). According to Research and Markets (2018), especially personalized gifts are trending in recent and upcoming years, highlighting the crucial personal aspect connected to gift giving.

In conclusion, there are numerous arguments that document the strong personal meaning a gift represents. Gift giving is used to build, maintain, and strengthen interpersonal relationships (Belk, 1977; Sherry, 1983). Other than just the material value of the object, a gift represents a deeper spiritual meaning that adds to its worthiness. The gift giver includes a special symbolism to the gift that is transferred to the receiver along with the object, making it a special type of social interaction (Mauss, 1954/1990). Only if the receiver interprets this underlying meaning correctly, the gift can provoke the giver's designated objective (Belk, 1979).

An omnipresent and generally accepted theoretical norm in gift-giving research is the norm of reciprocity. It states that if someone has received a favor, the favor should be returned from the recipient to the giver (Perugini, Gallucci, Presaghi, & Ercolani, 2003). Mauss (1954/1990), one of the pioneers in gift-giving research, even defines it as a moral obligation to give, receive, and return a gift. Applying the norm of reciprocity in the context of business-to-consumer gift giving, the consumer's reciprocal behavior after receiving a gift from a business can be shown, for instance, in terms of positive word-of-mouth, purchase, and repurchase.

Another theory that is used in the present research is the Construal-Level Theory (CLT) with a focus on the dimension of social distance (Trope & Liberman, 2010). Social distance measures the psychological space between social groups (Bogardus, 1933). According to Trope and Liberman (2010), individuals use mental representations – so called construals – to describe objects that are differing from their self-perception in the here and now. They assume that with an increasing interpersonal distance regarding the differences in characteristics and similarities between social groups, individuals describe interaction partners in more “abstract, coherent and superordinate” (Trope & Liberman, 2010, p. 441) terms – namely high-level construals. In the present business-to-consumer gift-giving setting, it is investigated if the gift giver's representation as the company itself leads to a more abstract and consequently more socially distant perception of the business by consumers, compared to the representation as an employee of the company.

Building on the introduced theoretical background, this master thesis examines the importance of the personal aspect in the context of gift giving between a business and its consumers. Following the recommendation by Bodur and Grohmann (2005) that future research into gift giving may examine how the characteristics of the gift giver influence the customer's response to the gift, this study closely examines the impact of two different forms of representation of the business as gift giver on the consumer response. The present research

examines whether the representation of the business (the gift giver) as an individual (an employee of the company) affects the consumer's (the gift receiver) evaluation of the gift and reciprocation likelihood positively, in contrast to the business represented as an entity (the company as a whole). In this context, the social distance between the business and the consumer is included in the model as a mediating variable.

Complementing the underexamined field of study of gift receiving in a business-to-consumer setting, the present study aims at answering the following research question:

How do consumers respond to business gifts in a business-to-consumer setting?

Accompanying sub question:

How does the representation of the business as an individual (compared to an entity) affect the consumer's evaluation of the business gift and reciprocation likelihood?

Gift giving is suggested as being an effective promotional tool in the marketing mix of businesses to influence their customers' attitudes, intentions, and behaviors (Bodur & Grohmann, 2005). However, as gifts can also influence recipients' responses negatively, it is important that several characteristics regarding the gift, the giver, and the receiver are considered in the planning and execution of such promotions. Previous literature includes only little insight into consumers' responses to gift reception. In addition, the setting of business-to-consumer gift-giving behavior is not researched adequately to date (Kulkarni, Otnes, Ruth, & White, 2008). This research complements the existing knowledge with new insights into gift-giving behavior, more specifically with a focus on giver characteristics and how they influence the receiver's response. It is important for businesses to understand the underlying processes that affect the perception of gifts and the responses they trigger, as this knowledge can be used for a more effective execution of business-to-consumer gift giving.

In order to address the research question, the present master thesis gives an overview of previous research in the field of study of gift-giving behavior and of important theoretical background. Then, the research method – the online experiment – is presented, its application is justified, and the research design is explained. The results are assessed and further elaborated on in the course of the discussion. Thereby, a connection is established to the theoretical background. Finally, the conclusion summarizes the most important findings of the present research: The results are discussed, theoretical as well as managerial implications are suggested, limitations are commented on, and propositions for future research are made.

Chapter 2: Literature Review

The present master thesis examines how gift-giver characteristics influence the receiver's response to the gift in a business-to-consumer setting. More specifically, the study examines whether the representation of the business (the gift giver) as an individual – an employee of the company – versus an entity – the company as a whole – has an impact on the consumer response, in terms of gift evaluation and reciprocation likelihood. This chapter elaborates the theoretical basis and assumptions, which are subsequently used to establish the hypotheses and the conceptual model of the study.

2.1 The Business Gift

Although the context of gift giving has been researched extensively, only a few researchers attempt to formally define the concept of a gift. Instead, most of the times, the gift is seen as a part of the gifting process and thus not conceptualized separately (Davies, Whelan, Foley, & Walsh, 2010). According to Belk (1977), four interrelated functions can be attributed to the gift: communication, social exchange, economic exchange, and socialization (Sherry, 1983).

As a means of communication, Belk (1977) sees parallels to traditional models of the communication process (e.g., DeFleur, 1970; Cherry, 1966; Lasswell, 1948). Accordingly, the gift, just like the message, contains an underlying meaning that is encoded by the gift giver. The recipient has to decode this particular meaning first in order to understand it correctly. Thus, for the partners involved in the gifting process, a gift represents the expression of a unique meaning that goes beyond verbal communication (Kroeber-Riel, 1992).

In the context of social exchange, the gift “aids in establishing, defining, and maintaining interpersonal relationships” (Belk, 1977, p. 7). Sherry (1983) interprets the gift as an invitation to partnership and a statement of social relationship. Hence, apart from the meaning a gift has, there is also a symbolism that is represented by the gift (Wolfenbarger, 1990), such as friendship and affection. Belk (1977) highlights the importance of correctly interpreting this underlying symbolism of the gift, as it lays the basis for future exchange. An incorrectly interpreted intention behind a received gift can lead to a negative outcome. This special power a gift can exert is stressed by Ruth, Otnes, and Brunel (1999) in the context of social relationships. They state that gifts can strengthen, weaken, or even end a relationship between exchange partners.

The gift's function in economic exchange refers to a recurring exchange between the involved parties initiated by the original gift. In this respect, Belk (1977) addresses the fairness of the exchange. Referring to Mauss (1954/1990), the gift implicates the obligation to return the favor adequately with a gift of at least the same or corresponding value.

Regarding the gift's function of socialization, Belk (1977) focuses on how gifts affect children and how they teach them social norms and views. He emphasizes the great but often disregarded influence a gift can have on especially younger individuals and their social education. Several empirical studies support this argument (e.g., Bradbard, 1985). It is widely claimed that there are differences in gifts given to children as well as requested by children, differing by their gender. For instance, Bradbard (1985) discovered in an empirical study that it was more likely that girls received or requested domestic items, whereas boys most likely got or asked for construction items.

In their attempt to define the construct of a gift more precisely, Davies et al. (2010) suggest that "the gift involves the selection and transfer of something to someone without the expectation of direct compensation, but with the expectation of a return, be it reciprocity, a change in the relationship with the recipient, or a favor or another social or psychological benefit" (p. 414). Belk and Coon (1993) refer to the gift as a "good or service (including the giver's time, activities, and ideas) [that is] voluntarily provided to another person or group" (p. 394). Thus, there are different views on the motivation behind giving a gift. One perception is that a gift is given voluntarily without any obligation attached. Another perception is that gifts are given with the expectation of getting something in return. The latter perception is common especially if the gift is not given in an interpersonal relationship, but in a commercial context – e.g., a promotional gift given by a company.

With regard to the multitude of functions of a gift and its significant impact on society, companies also use gifts in order to achieve certain objectives. Companies address business gifts at other companies, employees (business-to-business gift), and consumers (business-to-consumer gift). There are three broad categories of use for business gifts: showing appreciation, creating a positive first impression, and exchanging favors (Arunthanes, Tansuhaj, & Lemak, 1994). Business gifts affect business relationships, which can be ruined due to inappropriate execution or misunderstandings: "Business gift giving, if improperly executed, could stop sensitive negotiations, ruin potential new business relationships and/or lead to legal complications in the international arena" (Arunthanes et al., 1994, p. 44).

Although most of the attributes of the concept of a gift in an interpersonal context can be transferred to the business gift, there are some distinctive features between consumer-to-

consumer and business-to-consumer gift giving. Depending on the targeted recipient, business gifts have to fulfil several ethical and legal principles that are partly determined by formal guidelines. Violating these guidelines may be interpreted as bribery or corruption and in turn may be penalized drastically (Steidlmeier, 1999). The limitations can refer to attributes, such as the monetary value of the gift, and the underlying intention of giving the gift, which may lead to misinterpretation.

2.2 Gift-Giving Research in Different Settings

The elaboration of the construct of a gift is followed by an overview of previous research on gift giving in the settings of consumer-to-consumer and business-to-consumer gift giving in this section.

Early research in the field of gift giving is especially based on anthropological and ethnographical literature. Malinowski (1922/1992) and Mauss (1954/1990), two pioneers in gift-giving research, explored the interpersonal systems of exchange between the cultures of archaic tribes. Malinowski (1922/1992) reported about the Kula, a traditional ritual ceremony of exchange among Trobriand Islanders he experienced in an empirical field study. The main significance of this exchange of gifts does not lay in the intrinsic value of the exchanged objects, but in its role as a way of communicating and building relationships amongst a diversity of people who partly speak different languages. Thereby, the Kula acts as a socially integrated means of trading, negotiating status, and substituting warfare (Fletcher, 2017). Mauss (1954/1990) addressed similar aspects in his research on several indigenous systems of exchange, e.g., the Potlatch ceremony. He added attributes such as honor, power, and societal status, which are shown through such ritual ceremonies, and he examined that not only objects, but also persons and rights can be involved in such trades. Moreover, Mauss (1954/1990) introduces the concept of Hau, originated from the Māori. Hau describes a personal spirit that a gift giver attaches to a gift and transfers to the recipient along with the gifted object. Strongly emphasized is the moral obligation of a gift receiver to accept the gift as well as to return the favor and thus, to return the spirit to its owner at some point in the future (Mauss, 1954/1990). In this work, the obligations of the gift-giving process are seen as a “total social fact”, an activity that affects the whole society in economic, legal, political, and religious regards, underlining the importance of gift giving. A stream of a large body of following studies (e.g., Boas, 1966; Geertz, 1960) builds up on the work of Malinowski (1922/1992) and Mauss (1954/1990), supporting their findings and especially establishing the notion of the obligation to reciprocate

a gift as an underlying concept in gift giving. Another fundamental contribution to the field of gift giving was made by Sherry (1983). In his model, Sherry (1983) gives a detailed overview of the process of gift-giving behavior. The model views gift giving as a continuous exchange between the donor (gift giver) and the recipient, and highlights aspects in this relationship, such as behaviors, feelings, and external influences. This study has set the conceptual basis for numerous following consumer studies on gift giving (e.g., Belk & Coon, 1993; Ruth et al., 1999; Sherry & McGrath, 1989), and “has established gift giving as an important area of scholarly investigation in consumer research” (Giesler, 2006, p. 284). To date, most studies in the extensively researched field of consumer-to-consumer gift giving have been focusing on the examination of the gift giver side, for instance investigating gift giver characteristics (e.g., Andreoni, Brown, & Rischall, 2003), motives behind gift giving (e.g., Griffin, Babin, Attaway, & Darden, 1993), and external factors influencing gift giving (Sargeant, Radcliffe, & Jay, 2003). However, only little is known about the gift receiver side, especially in terms of responses to a gift.

In the context of business-to-consumer gift giving, academic literature is scarce with only three studies existing in this area. Raghubir (2004) states that in “free gift with purchase promotions”, the consumer’s judgement of the monetary value of a gift is based on additional accessible information, such as the name of the gift-giving brand and the product category of the gift. According to Bodur and Grohmann (2005), consumer responses to business-to-consumer gifts – in terms of gift evaluation and reciprocation likelihood – are not significantly affected by gift value and recipient gender, but very strongly impacted by the relationship with the business and the nature of requesting reciprocation. Kulkarni et al. (2008) demonstrated that with a neither high nor low, but with a moderate perceived congruence of the gift/product combination, the consumers’ gift evaluation and attitude toward the brand associated with the gift is most favorable.

As there is only little knowledge in the field of business-to-consumer gift giving and the rules regulating gift evaluation and reciprocation likelihood in this field are believed to differ from those steering consumer-to-consumer gift exchange (Bodur & Grohmann, 2005), the present study was conducted to complement this area of research.

2.3 The Construct of Social Distance

Empirical research demonstrates that people’s mental representation of information or an event is strongly affected by temporal distance (Liberman & Trope, 1998; Trope &

Liberman, 2003; Förster, Friedman, & Liberman, 2004). Respectively, information or an event that is temporally distant from the here and now of the individual is likely described “in terms of abstract, schematic, and decontextualized features, [...] referred to as high-level construals.” (Nan, 2007, p. 490). Contrarily, less temporal distance rather induces descriptions “in terms of concrete, detailed, and contextualized features, [...] referred to as low-level construals” (Nan, 2007, p. 490). Relating mental representations (construals) of situations to temporal distance, Liberman and Trope (1998) introduce their temporal construal theory.

Trope and Liberman (2010) generalize these findings for additional distance dimensions and extend their earlier temporal construal theory. With the construal level theory of psychological distance (CLT), they present a unifying framework integrating several previously established theories of individual distance dimensions and types of mental construals. Psychological distance is here seen as the extent to which an object is distant from the self in the here and now - the reference point - through the dimensions of time, space, social distance, and hypotheticality. “Transcending the self in the here and now entails mental construal, and the farther removed an object is from direct experience, the higher (more abstract) [is] the level of construal of that object” (Trope & Liberman, 2010, p. 440). These distance dimensions are cognitively related to each other, similarly affect and are affected by the mental representation, and have a similar influence on the individual’s preference, prediction and action (Trope & Liberman, 2010).

As one dimension of CLT, social distance is a measure for the psychological space that exists between individuals, between social groups (Bogardus, 1933), or between an individual and an object, e.g., a company or a brand (Malär, Krohmer, Hoyer, & Nyffenegger, 2011). The present study focuses on the concept of social distance in form of similarity (Trope, Liberman, & Wakslak, 2007). In general, similarity is perceived in terms of congruence between the individual’s self and the attributes represented by the opposite individual or object (Malär et al., 2011). “The self-concept is defined as the cognitive and affective understanding of who and what we are” (Malär et al., 2011, p. 36). Similarity relates to the opposite individual’s personal traits, such as similarity in personal characteristics, attitudes, and background variables (Heider, 1958), respectively, the opposite object’s attributes, such as values and expressions that are represented by the object. The higher the congruence between these attributes and the individual’s self, the lower the social distance. (Trope & Liberman, 2010). Moreover, the less psychologically distant an individual or an object is, the more reliable information is available and accessible, and the more concrete and detailed is the mental representation of this particular individual or object (Malär et al., 2011; Trope & Liberman, 2010). Liviatan, Trope, and

Liberman (2008) empirically demonstrate how similarity affects the judgement of other individuals' behavior and find that while the behaviors of similar individuals are identified in construals of lower level, i.e., in more concrete terms, behaviors of dissimilar individuals are identified in higher-level construals, i.e., in more abstract terms.

The present study applies the theory of social distance to the context of business-to-consumer gift giving and observes how different forms of representation of the company as the gift giver impact the perceived psychological distance to the recipient. When interacting with the consumer – namely by giving a gift – a business can be represented either as an entity or as an individual. While in the case of the business being represented as an entity, the company as a whole gives the gift to the consumer, in the case of the business being represented as an individual, an employee of the company gives the gift. According to the CLT and the social distance theory, the consumer's (the gift receiver) judgement on the business (the gift giver) depends on the similarity between both parties (Trope et al., 2007).

In the case of the employee representing the business as a gift giver, the recipient may create a mental representation based on the personal traits that are presented through the message. The employee broadly introduces herself/himself and thereby shares individual information, such as gender, profession, and affective attributes, with the consumer. Being presented with this information, the consumer is able to relate to the employee and compare these attributes with the consumer's self, checking for similarity.

In the case of the company as a whole representing the business as a gift giver, the initial position differs. The business can be regarded as an object that the consumer judges by the congruence between her/his own self and the company's attributes. In this context, an interesting concept is brand personality, "which refers to the set of human characteristics associated with a brand" (Aaker, 1997, p. 347). A company respectively a brand is an intangible object that is created in the mind of the consumer (Keller, Apéria, & Georgson, 2011). Marketers use personifications, anthropomorphizations, and user imagery to create unique visual images of their brand in order to make it easier for a consumer to relate to it (Aaker, 1997). By providing additional information about and giving human traits to a brand, the consumer is given attributes that enable her/him to relate to this information and establish more concrete mental representations (low-level construals). In turn, brand personality can lead to a lower-level of perceived social distance.

Nevertheless, brand personality is here seen critically, as the consumer knows that the created image of a brand is only fictitious. Although this humanization of brands increases the ability of a consumer to relate to a brand, it is expected that a real human being – in this case

the employee of the company – has a greater impact on perceived social distance, due to a higher amount of matching personal traits with the consumer. Therefore, the first hypothesis supposes that the perceived social distance between a consumer and a business as a gift giver represented as an individual is lower, in comparison to a business represented as an entity:

H1: The business as a gift giver represented as an entity (compared to an individual) has a positive effect on social distance.

2.4 The Construct of Gift Evaluation

In this research, one of the measures of consumer responses to the receipt of a business gift is gift evaluation. According to product evaluation literature (Mano & Oliver, 1993), gift evaluation considers two dimensions of product relevance here. The utilitarian or instrumental dimension is one of them. Hereby, the individual evaluates a product with regard to its usefulness, emphasizing instrumental and functional aspects of the product (Dhar & Wertenbroch, 2000; Mano & Oliver, 1993). The hedonic or aesthetic dimension is the second dimension, whereby the product is valued by properties that are intrinsically pleasing, e.g., features that provide fun, excitement or pleasure (Hirschman & Holbrook, 1982; Mano & Oliver, 1993). Mano and Oliver (1993) present empirical evidence that “utilitarian evaluation is more functional and cognitive in nature, as it deals, primarily, with the fulfillment of instrumental expectations consumers may have for the product” (p. 464). While hedonic evaluation is more affective in nature, dealing with the fulfillment of product expectations based on emotional aspects (Mano & Oliver, 1993).

With regard to the unique attributes of a gift, it is believed that the two mentioned dimensions are not considered equivalently in the gift evaluation process. An object given as a gift does not simply represent the features that exclusively relate to this particular product, but moreover, it includes additional emotional attributes that are added through the special meaning and symbolism a gift giver attaches to the gifted object (e.g., Belk, 1977; Mauss 1954/1990). Thus, the hedonic dimension, referring to the affective attributes of a product, may have a more significant impact on the overall evaluation of the gift than the utilitarian dimension. However, as mentioned earlier, a gift can only provoke the gift giver’s intended effect if the recipient is able to interpret the underlying meaning and symbolism of the gift correctly (Belk, 1977). A misunderstanding of the intention behind the gift could otherwise lead to a negative gift evaluation (Belk, 1977).

Drawing on social distance theory (Malär et al. 2011; Trope et al., 2007; Trope & Liberman, 2010), this research explores the relationship between the gift evaluation and the psychological distance amongst the gift giver and the gift receiver. It is expected that the gift receiver's perception of the gift giver, in terms of the abstractness respectively concreteness of the mental representation, has a significant impact on whether the gift is evaluated positively or negatively. In the case of a low social distance, both sides have a high similarity, and a large amount of reliable information about the gift giver is accessible to the receiver. This allows for a concrete mental representation of the gift giver, though low-level construals. Hence, the recipient is able to relate to the gift giver and is more likely to correctly understand and interpret the underlying meaning and symbolism of the gift. Besides the intrinsic value, this underlying meaning and symbolism of the gift, in turn, creates additional emotional value to the gifted object. As the hedonic evaluation is therefore influenced in a positive way, the overall evaluation of the gift is also positively impacted.

To put the previous argumentation in other words, a higher perceived social distance between the gift giver and the receiver is believed to lead to a more negative evaluation of the gift. The second hypothesis reads:

H2: Social distance has a negative effect on gift evaluation.

Additionally, the relationship between the type of representation of the business as a gift giver and the gift evaluation is examined. Social distance is used to explain this relationship. As mentioned earlier, it is likely that a consumer perceives an employee representing the business as a gift giver psychologically closer than a business represented as an entity. This is due to a higher similarity between the consumer and the employee in view of personal traits, such as gender, age, and profession. In contrast, a company may create associations with human characteristics. However, the consumer is expected to still have a more abstract perception of the business, compared to the employee. Due to the lower level of perceived social distance towards an employee, more favorable attributes of the gift giver are accessible to the consumer. Especially in the personal context of gift giving, these favorable personal characteristics add extrinsic emotional value to the gift, which is considered in the evaluation process and ultimately transferred into the gift evaluation. If the gift giver is the company itself, these additional hedonic attributes are not available to the consumer.

Consequently, the third hypothesis proposes that due to a lower perceived social distance, a gift given by an individual representing the business is evaluated more positively than a gift given by a business represented as an entity:

H3: The business as a gift giver represented as an entity (compared to an individual) has a negative indirect effect on gift evaluation, mediated by social distance.

2.5 The Construct of Reciprocation Likelihood

Over the last half century, reciprocity has been a highly popular topic of research fascinating multiple disciplines. Empirical research in psychology and economics as well as a large body of literature in ethnology, anthropology, and sociology support the presumption of reciprocity being a dominant and omnipresent determinant of human behavior (Falk & Fischbacher, 2006). Reciprocal behavior is seen as an important, universal practice that is embedded in our cultures (e.g., Gouldner, 1960). Introducing reciprocity as a crucial universal and generalized moral norm, the sociologist Alvin Gouldner (1960) defines reciprocity as a positive reaction to a favorable treatment, or respectively a negative reaction to an unfavorable treatment. The norm serves as a regulatory mechanism for the exchange between individuals or groups. Accordingly, the goods or services involved in the exchange may either correspond in their value, or be roughly identical. As a minor limitation to the universality, Gouldner (1960) adds that “the norm of reciprocity cannot apply with full force in relations with children, old people, or with those who are mentally or physically handicapped” (p. 178), as a reciprocal behavior cannot be expected from these members of society. A similar definition by Falk and Fischbacher (2006) formally theorizes reciprocity as the behavioral response of rewarding kind actions – namely positive reciprocity – and punishing unkind actions – namely negative reciprocity. With regard to how people evaluate the kindness or unkindness of an experienced action, they state two essential aspects: “(i) the outcome or the consequence of an action and (ii) the underlying motivation, i.e., the intentions involved” (p. 3). Thereby, an interesting subjective aspect to the evaluation of experienced actions is addressed.

In the context of gift giving, researchers widely accept reciprocity as an underlying construct that closely relates to and significantly influences gift exchange behavior (e.g., Bodur & Grohmann, 2005; Dorsch & Kelley, 1994; Gouldner, 1960). Already the early anthropological researches in gift giving by Malinowski (1922/1992) and Mauss (1954/1990) highlight the reciprocal behavior observed in indigenous archaic cultures and its significance

for keeping the balance of their whole societal system. Correspondingly, acting on the obligations of acceptance and reciprocation that gifts bring affects the society as a whole, economically, legally, politically, and religiously (Mauss, 1954/1990). Also, in western cultures, reciprocity is a pervasive behavior that is of great importance. This study examines reciprocation likelihood as a consumer response to the receipt of a gift given by a business. Companies use gift giving to consumers in order to trigger reciprocal behavior by the gift receivers, which can be expressed through consumer responses, such as word-of-mouth, purchase intention, and repurchase (Bodur & Grohmann, 2005).

However, there are differences in reciprocal behavior among individuals (Perugini et al., 2003), i.e., some individuals have a more pronounced tendency to reciprocation than others. An explanation for these individual differences can be given by reciprocity wariness, which refers to an individual's cautious behavior when offering, accepting, and returning help in relationships, due to the fear of exploitation (Eisenberger, Cotterell, & Marvel, 1987; Cotterell, Eisenberger, & Speicher, 1992). As a self-protective mechanism, highly reciprocation-wary individuals behave profoundly suspicious towards the underlying motivations of their benefactors and show a hesitant response to the receipt of a benefit (Eisenberger et al., 1987). Since reciprocation is a crucial element in trust building and the creation of an enduring relationship between social exchange partners (Blau, 1964), the cautious and suspicious behavior that reciprocation wariness entails undermines the bonding between the exchanging parties (Shore, Bommer, Rao, & Seo, 2009). Cotterell et al. (1992) even indicate a disinclination to accepting aid, returning aid, and developing close relationships.

The present study examines the impact of social distance on the likelihood of reciprocation. It is believed that an increasing level of psychological distance towards a gift giver is countered with a more hesitant response behavior by the gift receiver as a result of reciprocation wariness. The reason for this assumption is that a high level of social distance implicates an abstract perception of the opponent and a low degree of similarity (Trobe & Liberman, 2010). In this case, there is little reliable information accessible to the individual (Malär et al., 2011) and the gift giver has difficulties to relate to the opponent. Due to the high levels of uncertainty that come with the high social distance, the individual is expected to have a stronger fear of being exploited, which negatively impacts the individual's response in terms of reciprocation.

The presented line of argumentation leads to the assumption that a higher perceived social distance influences reciprocation likelihood to become lower, raising the fourth hypothesis:

H4: Social distance has a negative effect on reciprocation likelihood.

In the context of business-to-consumer gifting in which the company is represented as an entity, Bodur and Grohmann (2005) expect consumers to behave especially cautious, because of the general belief that a business would not give a gift to a consumer without getting anything in return. The motivation to give a gift to a consumer is then perceived as a means of manipulation which is used to achieve the company's objective. The authors suggest reciprocity wariness as a difference variable that is influencing the consumer response to the gift receipt. Referring to the social distance theory, due to the higher levels of perceived social distance and the lower levels of perceived similarity, a business represented as an entity is believed to be mentally represented in more abstract terms than a business represented as an individual. In turn, the consumer may have a stronger feeling of uncertainty towards the company, as less reliable information about the business is accessible. Hence, in this setting, the consumer is likely to have a stronger fear of being exploited, leading to a lower likelihood of reciprocating the gift. The fear of exploitation may be lower if the gift is given by an employee of the company, as he/she is perceived socially less distant to the consumer and is thus perceived more trustworthy.

According to the presented arguments, due to a lower perceived social distance, a gift that is given by a business represented as an individual has a higher likelihood of being reciprocated than a gift that is given by a business represented as an entity. This suggestion is reflected by the fifth hypothesis:

H5: The business as a gift giver represented as an entity (compared to an individual) has a negative indirect effect on reciprocation likelihood, mediated by social distance.

Furthermore, the present study examines gift evaluation as an influencing variable for reciprocation likelihood. In a business-to-consumer setting, positive gift evaluation is assumed to be necessary for reciprocation, although it is not considered a sufficient premise (Bodur & Grohmann, 2005). Hence, only if the evaluation of the gift is positive, be it based on utilitarian

or hedonic aspects, reciprocation is considered. Still, there may be other factors involved in the decision of reciprocating a gift, for instance, the fear of being exploited (reciprocation wariness).

In this regard, it is expected that gift evaluation positively affects the likelihood of reciprocation, establishing hypothesis number six:

H6: Gift evaluation has a positive effect on reciprocation likelihood.

2.6 The Conceptual Model

The conceptual model shown in Figure 1 visualizes the hypothesized relationships between the elaborated constructs. Moreover, there may be additional effects between the constructs of the type of business representation as a gift giver and gift evaluation respectively reciprocation likelihood. These potential effects are not included in the model as hypotheses but as exploratory relationships.

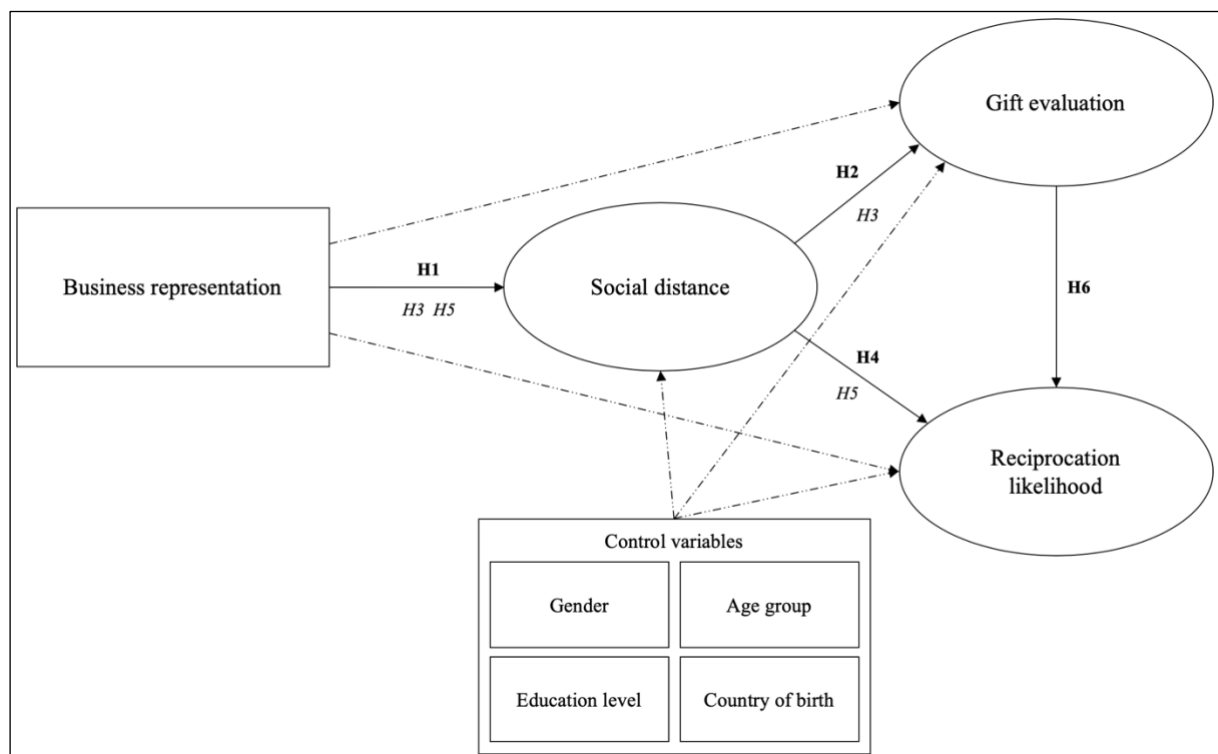


Figure 1. Conceptual model. Direct effects are depicted in bold letters. Indirect effects are depicted in italic letters. Exploratory relationships are marked as dotted lines.

Chapter 3: Methodology

After having presented the theoretical background of the present study as well as the proposed hypotheses and conceptual model, this chapter explains the research method that was used in this study, justifies its choice and demonstrates how it has been deployed.

3.1 Research Design

The present study has examined consumer responses to the receipt of a gift given by a business. In this context, responses in terms of gift evaluation and purchase intention were investigated, controlled by the gift giver characteristics of the business represented either as an individual – an employee of the company – or as an entity – the company as a whole. As a mediator in this relationship, the construct of social distance between the business and the consumer was included in the model. In order to test the established conceptual model (Figure 1) and the corresponding hypotheses, quantitative research was employed. Quantitative research uses numerical information for the determination of relationships between independent and dependent variables in a population and can be subdivided into descriptive and experimental research (Field, 2013; Hopkins, 2000). The quantitative research method used in this study was an experiment with a post-test only design – that is to say, the effects were once measured after the manipulation of the independent variable. By directly manipulating one or more variables, the experiment allows to assess the impact of independent variables on dependent variables (Hair, Black, Babin, & Anderson, 2014). The present experiment was conducted online in order to reach a large, diverse sample and thus allow for a good generalizability of the results (Hair et al., 2014). Regarding the experimental design, a between-subjects design was used, i.e., “each treatment [was] administered to a different group of subjects” (Bordens & Abbott, 2018, p. 300). More specifically, a single-factor randomized two-group design was applied (Bordens & Abbott, 2018). Accordingly, the subjects were assigned randomly to one of two groups and subsequently exposed to two different levels of the independent variable, represented by the differing scenarios 1 and 2. After having been confronted with the particular scenario, the participants were asked a number of questions that were intended to measure their responses to the treatment. Moreover, demographic information was collected prior to the experiment. The measured data was then analyzed and the underlying relationships in the conceptual model were examined.

3.2 Data Collection and Sample

Online experiments combine the benefits of the internet with the advantages of the experiment (Reips, 1995, 1997, 2000, 2003). Especially with regard to data collection, due to their extensive reach across country borders, online experiments can be beneficial in drawing up large and diverse samples which provide a good representation of the population. In turn, a good generalizability of research results can be facilitated (Hair et al., 2014). It should be mentioned that an online experiment may be less accessible for elderly and technologically inexperienced people. Nevertheless, the researcher perceived this argue as debatable as most people are using the internet nowadays.

Before the actual online experiment was disseminated, a pre-test was performed with a sample of seven participants recruited among the researcher's primary network. The aim of the pre-test was to collect feedback on the layout and the understandability of the experiment, and to see if the manipulation was successful. On the basis of this feedback, final adjustments and improvements were implemented in the experiment.

For the main experiment, multiple channels were used to recruit respondents. Through a hyperlink, directly leading the participants to the online experiment, the study could easily be shared and accessed. The basis of the present sample consisted of participants who were recruited among the researcher's primary network, namely family, friends, colleagues from university, and other acquaintances. To ensure the diversity of the sample, potential participants were chosen in consideration of variation in demographic factors, i.e., regarding gender, age, and education. To further diversify the sample and to maximize the sample size, the researcher additionally used the two online platforms SurveySwap (2019) and SurveyCircle (2019). These platforms provide an online space where researchers can share online studies with a large community in order to find participants. On these platforms, on the one hand, researchers can exchange studies with other researchers, on the other hand, also people who are solely interested in participating in such studies but do not conduct any research themselves can partake. Both platforms are used by academics, companies, and non-academics from all around the world, which offers researchers the opportunity to share their study with a wide and diverse mixture of potential respondents.

After the data collection, Partial Least Squares Structural Equation Modeling (PLS-SEM) was employed to analyze the data. According to the widely used "rule of thumb of ten cases per predictor", the minimum number of observations required for PLS-SEM is determined as equaling the larger of the following: 1) ten times the largest number of indicators

belonging to a particular formative construct, or 2) ten times the largest number of structural paths leading to a particular endogenous construct (Barclay, Higgins, & Thompson, 1995; Chin, 1998). Hence, for this research, a minimum sample size of 100 observations was needed – as ten structural paths led to the endogenous construct reciprocation likelihood. However, considering potential invalid and missing data, the researcher aimed at collecting a larger sample of 110 respondents. The aim was to collect a sample that reflected the population adequately, minimizing the level of sampling error (Hair et al., 2014).

3.3 Manipulating the Independent Variable

The manipulated variable in the study was the type of representation of the business as a gift giver. The factor had two levels: 1) the business as a gift giver represented as an individual, namely an employee of the company, and 2) the business as a gift giver represented as an entity, namely the company as a whole. The starting point of the online experiment was the same in both cases. The participants were asked to put themselves into the position to have received a promotional package from a business via post. The package included a gift and a corresponding letter from the business. The scenario description (Appendix A3) and the image of the gift (Figure A3.1 in Appendix A3) were identical for each participant. However, depending on the level of the manipulated variable that was randomly allocated to the participants, one of two different types of letters was presented (Figure A3.2 & Figure A3.3 in Appendix A3).

The business was introduced as the fictional sports shop SPORTY, because a sports shop may be of interest to the larger public, involving a high variety of demographic characteristics. In order to avoid potential bias due to participants' pre-existing feelings and attitudes towards a specific brand, the researcher decided to use an imaginary company. Moreover, the name of the business was kept neutral, only hinting at the business sector but not adding additional information. Addressing possible influences on reciprocation likelihood due to participants' specific preferences for on- or offline shopping, SPORTY was introduced as being accessible via a physical store as well as an online shop.

After a short explanation of the scenario, the participants were presented with a photo of the gift (Figure A3.1 in Appendix A3), which was a small microfiber sports towel in both conditions. To counter potential influences on the recipients' gift evaluation and reciprocation likelihood, the researcher decided for an unconditional gift. That is to say, the full value of the gift was provided to the recipient without any obligation towards the company. The monetary

value of the gift could be neglected, as Bodur and Grohmann (2005) found no significant effect of value on consumers' gift responses. The microfiber sports towel is a functional, non-expensive, and essential sports product which fits the active and sportive image of a sports shop, like SPORTY.

The two different forms of representation of the gift giver – the business represented as an individual versus an entity – were manipulated in the letter that was accompanying the gift. Similar manipulations of personalizing the sender's correspondence in direct mailings have been proven to positively affect the recipient's response, as “we are more likely to respond to a human being [...], than a faceless organization” (Behavioural Insights Team, 2018, p. 14). In the online experiment, type 1 of the text (Figure A3.2 in Appendix A3) was written by a hypothetical employee of the company, Alexandra Bell, whereas type 2 of the text (Figure A3.3 in Appendix A3) was written by the company as an entity, SPORTY. Large parts of both texts were written identically. However, the letters differed in specific features. Especially the header, the writing style, and the signature were different among the letters. Letter type 1 showed as a letterhead the logo of the company and an image of the company's hypothetical founder, Alexandra Bell, participating in a public run. Next to the photo, a personal quote mentioning her objectives with the company and her favorite sports, her name, and her job title were shown. The letter was written in the first-person point of view using the singular pronoun *I* and ended with the personal handwritten signature from Alexandra Bell. Furthermore, her private e-mail address was provided and consumers were offered to contact her personally for any kind of questions. In contrast, letter type 2 showed as a letterhead the logo of the company solely. The letter was written in the first-person point of view using the plural pronoun *we* and did not include any personal signature in the end. Moreover, in this letter only a general business e-mail address was provided and the offer to get in touch with the business was impersonal.

By providing personal and affective information about the human author of the text in letter type 1, the researcher intended to establish a connection between the business – SPORTY – and the consumer – the participant of the experiment. In contrast to letter type 2, the personalization of the correspondence and the presentation of personal traits of the sender in letter type 1 aimed at allowing participants to compare similar attributes between themselves and the business representative. Due to the higher perceived similarity between participant and business, the intention was to enable participants to create a more concrete mental representation of the company, and in turn, to impact the perception of psychological distance between the participant and the company to be lower.

To evaluate the success of this manipulation, the researcher included a manipulation check in the end of the online experiment, consisting of three questions about the letter that was presented in the particular scenario (Appendix A7).

3.4 Measuring the Mediating Variable

The mediating variable in this study was social distance. Social distance describes the psychological space that exists between individuals, between social groups (Bogardus, 1933), or between an individual and an object, in this case a business (Malär et al., 2011). For measuring the variable social distance, the researcher utilized a 3-item scale which was already employed and validated in previous research (Gächter et al., 2015; Liviatan et al., 2008). The scale was adapted to fit the context of the present study. The items referred to the respondents' level of perceived similarity to the business and perceived closeness to the business. The first two items were evaluated on a 7-point Likert scale ranging from strongly agree to strongly disagree. For the third item, a figure was provided that showed different stages of similarity between the participant and the business (Figure A4.1 in Appendix A4). This item was evaluated on a 7-point scale, on which the respondent had to choose the particular relationship shown in the figure. All items used for measuring reciprocation likelihood are listed in Appendix A4.

3.5 Measuring the Dependent Variables

The dependent variables in the model were the consumers' responses to the business gift. Two types of responses were examined in this study: gift evaluation and reciprocation likelihood.

3.5.1 Gift evaluation. One of the dependent variables in the model was gift evaluation. Gift evaluation refers to the consumer's judgement on the gift, which is based on the evaluation of utilitarian and hedonic attributes (Mano & Oliver, 1993). For measuring the variable gift evaluation, the researcher utilized a 7-item scale which was already employed and validated in previous research (Bodur & Grohmann, 2005; Mano & Oliver, 1993). The scale was adapted to fit the context of the present study. The items referred to the respondents' evaluation of the gift, in terms of value, relevance and importance, to name a few. Each item was evaluated on a 7-point bipolar scale. All items used for measuring gift evaluation are listed in Appendix A5.

3.5.2 Reciprocation likelihood. The other dependent variable in the model was reciprocation likelihood. Reciprocation likelihood is defined as a positive reaction to a favorable treatment or, respectively, a negative reaction to an unfavorable treatment (Gouldner, 1960). Reciprocal behavior can be expressed through consumer responses, such as word-of-mouth, purchase intention, and repurchase (Bodur & Grohmann, 2005). For measuring the variable reciprocation likelihood, the researcher utilized a 6-item scale which was already employed and validated in previous research (Bodur & Grohmann, 2005; Dorsch & Kelley, 1994; Krishnamurthy & Sivaraman, 2002; Rodgers, 2003). The scale was adapted to fit the context of the present study. The items referred to the respondents' future behavior in terms of purchase intention, e.g., being likely to make a purchase at the company, and behavioral intention, e.g., being likely to recommend the business to a friend. Each item was evaluated on a 7-point Likert scale ranging from strongly agree to strongly disagree. All items used for measuring reciprocation likelihood are listed in Appendix A6.

3.6 Control Variables

Four additional variables in this study were tested for their influence on the relationships presented in the conceptual framework. The demographic variables gender, age, education, and country of birth were therefore treated as control variables. Appendix A2 shows all items that were used concerning these demographics.

3.6.1 Gender. There are mixed assumptions about gender as an influencing variable on the recipients' responses to gift receiving across different studies. Especially in the consumer-to-consumer context, there are multiple studies showing that gender has an impact on the responses to gift receiving (e.g., Areni, Kiecker, & Palan, 1998; McGrath, 1995). However, Bodur & Grohmann (2005) demonstrated in a business-to-consumer context that the gift receiver's gender has a significant impact on neither gift evaluation nor reciprocation likelihood. Due to the little knowledge available on this matter particularly in the business-to-consumer setting, the current research treated the variable gender as a control variable.

3.6.2 Age and education. It was also expected that the gift receivers' age may have an influence on the outcome variables gift evaluation and reciprocation likelihood. Especially in the present setting of sporting goods, younger participants may respond more positively

to 1) a sports product as a gift, and 2) a sports company as a gift giver, as they usually have a more active lifestyle and do sports more frequently than participants of a higher age.

Considering the combination of age and education, the researcher could use both variables to estimate the level of monetary dependency of the respondents. For instance, the combination of a young age and a high level of education was likely to indicate that the participant was a student. On the one hand, students are generally expected to be more monetarily dependent – e.g., by receiving financial aid from their parents – than people who are employed. On the other hand, among employed participants, a higher level of education was expected to lead to a higher income, further affecting the level of monetary dependency. Hence, while students were expected to be more monetarily dependent, employed respondents with a high education level were expected to be less monetarily dependent. In turn, monetary dependency may lead to a higher gratitude when receiving a gift and thus to a more positive evaluation of the gift. Therefore, the variables age and education were controlled in this research.

3.6.3 Country of birth. The demographic item country of birth was chosen as a control variable because culture has been a highly researched phenomenon in the gift giving context (e.g., Ambwani, 2014; Beatty, Kahle, & Homer, 1991; Shen, Wan, & Wyer, 2011). Numerous studies have demonstrated how cultural differences affected gift givers' and gift receivers' behaviors in gift-exchange settings in various ways. Hence, it was believed that such cultural influences, based on the country of birth, may also affect the evaluation of the gift and the reciprocation likelihood in the present study.

3.7 Procedure

The experiment was built with the Qualtrics research software (Qualtrics, 2019) and executed online. A hyperlink allowed for an easy access to the online experiment. On the first page, the participants were welcomed and provided with general information about the experiment as well as a privacy and confidentiality statement (Appendix A1). The following page contained questions about demographic information, namely gender, age, education, and country of birth (Appendix A2). Afterwards, the participants were randomly assigned to one of two groups and subsequently exposed to their particular scenario (Appendix A3). Thereafter, questions were asked about the participants' responses to the manipulation with regard to the social distance they felt towards the gift giver – the business – (Appendix A4), their individual

evaluation of the gift (Appendix A5) and their likelihood of reciprocating the business gift (Appendix A6). Then, a manipulation check, consisting of three questions, followed (Appendix A7). Finally, on the last two pages, the successful completion of the online experiment was confirmed, the participants received a short acknowledgement, and the researcher's contact information was provided (Appendix A8).

3.8 Research Ethics

The online experiment conducted for the present research was set up according to the Ethical Principles of Psychologists and Code of Conduct by the American Psychological Association (APA, Bordens & Abbott, 2018). Before the experiment started, each participant was informed about the purpose and prospective benefits of the study, the procedure, the expected duration, as well as the anonymous and confidential treatment of all collected data (Appendix A1). The right to withdraw from the research at any time of the experiment without any consequences was clearly communicated. In order to start the experiment, the participants had to agree to the stated conditions by clicking to go to the next page. After the participants answered questions concerning the demographics gender, age, education, and country of birth (Appendix A2), they were presented with a randomly assigned scenario. Throughout the study, the collected data was treated anonymously and confidentially and it was only used for the present research. The images used in the online experiment were either the property of the researcher, or fully licensed stock photos from the image sharing website Pexels (Pexels GmbH, 2019). At the end of the experiment, the researcher's contact information was provided to the participants in the case of questions about the research and participant rights, or for requesting the results of the study (Appendix A8).

Chapter 4: Results

This chapter presents the analysis results of the present study. At first, the findings of the pre-test are discussed and resulting adjustments that were executed are reported. Subsequently, the results of the main experiment are presented, including an evaluation of the sample, the assessment of the model, and the hypotheses testing.

4.1 Pre-Test Results

Prior to the dispersion of the main experiment, a pre-test with a sample of seven participants was performed. These respondents were recruited among the researcher's primary network and consisted of four women and three men of mixed ages, ranging from 25 to 64 years of age. The results were used as feedback on the general comprehensiveness and performance of the experiment. Based on this feedback, the researcher adapted the formulation of the first two social distance items (Appendix A4). Due to reported difficulties in understanding the mentioned questions, the researcher added assisting sentences – e.g., “Imagine SPORTY sports shop as a person.” – before and after the main items in order to counter misunderstandings in the main experiment. Moreover, the pre-test was used to check if the experiment's manipulation was successful. Questions concerning the manipulation were not included in the pre-test questionnaire, but asked in person. Due to insufficient variation between the two manipulated groups, the letters in the experiment's scenario section were redesigned in order to receive clearer results in the main study. This was done by making the sender's correspondence more personal in letter type 1 – by adding an imaginary quote from the sender, and putting more emphasis on the singular pronoun *I* – and more impersonal in letter type 2 – by deleting the signature “Best regards, Your Sporty team”, and minimizing the use of the plural pronoun *we*. Furthermore, the researcher added a manipulation check to the main experiment, consisting of three questions about the letter presented in the particular scenario.

4.2 Experiment Results

For the main study, data was collected from a total sample of 112 respondents who participated in the online experiment: 57 responses originated from the researcher's primary network and 55 responses were collected through the platforms SurveySwap (2019) and SurveyCircle (2019). The review of the dataset was examined with the IBM SPSS statistics

software (IBM Corp., 2017), including checks for missing values and subsequently for outliers. Consequently, two cases were excluded due to missing values and three cases were excluded due to outliers. This resulted in a final dataset of 107 valid cases, a number that was sufficient regarding the necessary minimum sample size of 100 cases. With regard to the participants' education level, the dataset was divided into three groups. First, the low education level represented participants with the education level of applied education, a high school degree, or lower. Second, the middle education level represented participants with the education level of a Bachelor's degree, or an equivalent. Third, the high education level represented participants with the education level of a Master's degree, a doctoral degree, or higher. Concerning the respondents' country of birth, the majority of the sample selected either Germany or the Netherlands, as expected. The third option, international, summarized a variety of other countries from around the world, such as Spain, France, Singapore, and the United States of America. The quite high number of international participants is to a large extent attributable to the experiment's dispersion via the internet. Regarding the demographics of age and education, a very high percentage of the participants were younger than 25 and highly educated, although the researcher tried to diversify the sample by sharing the experiment through the online platforms SurveySwap (2019) and SurveyCircle (2019). Thus, it could be concluded that a large number of participants were students. A complete overview of the dataset's demographic properties is shown in Table 1.

Table 1

Demographic overview of the dataset

Category		Frequency	Percentage
Gender	Female	63	59
	Male	44	41
Age	18–25 years old	70	65
	26–35 years old	28	26
	36+ years old	9	9
Education level	Low	11	10
	Middle	35	33
	High	61	57
Country of birth	Germany	26	24
	The Netherlands	50	47
	International	31	29

Before analyzing the dataset – for interpretation purposes – the researcher checked the items’ coding directions and adjusted them adequately. Accordingly, the item social distance 3 and all items of the constructs gift evaluation and reciprocation likelihood were reverse-coded. Consequently, the model was interpreted as follows: The independent variable business representation was indicated by the indicator letter type, which represented letter type 1 (individual) for the value 0 and letter type 2 (entity) for the value 1. The dependent variable social distance ranged from low social distance (for low values) to high social distance (for high values). The dependent variable gift evaluation ranged from negative gift evaluation to positive gift evaluation, and the dependent variable reciprocation likelihood ranged from low reciprocation likelihood to high reciprocation likelihood. Further, dummy variables were used for including the control variables in the model. The control variable gender 2 was indicated by the indicator gender 2 (male = 1), the indicator gender 1 (female = 1) was set as reference group. The control variable age group was indicated by the indicators age group 2 (26–35 years old = 1), and age group 3 (36+ years old = 1), the indicator age group 1 (18–25 years old = 1) was set as reference group. The control variable education level was indicated by the indicators education level 2 (middle = 1), and education level 3 (high = 1), the indicator education level 1 (low = 1) was set as reference group. Finally, the control variable country of birth was indicated by the indicators country of birth 2 (the Netherlands), and country of birth 3 (international), the indicator country of birth 1 (Germany) was set as reference group.

Next, the manipulation check, which was included in the end of the online experiment, was assessed. Out of the 107 valid cases in the dataset, 54 respondents were exposed to scenario 1 – the business represented as an individual – and 53 respondents were exposed to scenario 2 – the business represented as an entity. In order to verify the success of the manipulation, the participants were asked three questions about their perception of the particular letter that was presented to them (Appendix A7). The results confirmed that the letters were correctly perceived as being sent by 1) a person representing the company, in the case of letter type 1, and 2) no particular person but the company in general, in the case of letter type 2. Moreover, letter type 1 was perceived as more personal, while letter type 2 was perceived as more impersonal. Furthermore, the participants’ feelings towards the letter’s message was more positive for letter type 1 than for letter type 2. An independent samples t-test was conducted for all three items and proven significant. That is to say, there were significant differences between the two manipulated groups for all three items. The complete group statistics (Table B1.1) and the independent samples t-test (Table B1.2) are shown in Appendix B1.

The collected data from the online experiment was further analyzed with Partial Least Squares Structural Equation Modeling (PLS-SEM), using the analysis software SmartPLS 3 (Ringle, Wende, & Becker, 2015). Structural Equation Modeling (SEM) is a statistical technique that is able to test complex interrelationships between multiple observed as well as latent variables, while taking into account various forms of measurement error (Henseler, Hubona, & Ray, 2016). PLS-SEM is a variance-based SEM method, in which at first proxies are created as linear combinations of observed variables, which are then used to estimate the parameters of the model (Henseler et al., 2016). PLS-SEM is widely used for data analysis in disciplines, such as strategic management (Hair, Sarstedt, Pieper, & Ringle, 2012) and marketing (Hair, Sarstedt, Ringle & Mena, 2012), and is considered the “most fully developed and general system” (McDonald, 1996, p. 240). Hence, due to the wide acceptance of this method and the good applicability in the current research setting, the employment of PLS-SEM in this study was justified.

The goal of this exploratory research was to find and explain the effects in the presented conceptual model. In line with the general assessment procedure of PLS-SEM (Henseler et al., 2016), the model was evaluated in a two-step approach. First, the quality of the measurement model was evaluated. The measurement model, also called outer model, defines the relationship between each construct and its observed indicators (Henseler et al., 2016). Second, the structural model was assessed, with regard to the effects in the model. The structural model, also called inner model, defines the relationship between the constructs (Henseler et al., 2016). After the evaluation of the model, the study’s hypotheses were tested.

4.2.1 Assessing the measurement model. The model in the present research consisted of eight exogenous constructs, namely business representation (the independent variable), gender 2, age group 2, age group 3, education level 2, education level 3, country of birth 2, and country of birth 3 (the control variables). That is to say, their values were given from outside the model and they were not explained by other model constructs (Henseler et al., 2016). Each of these exogenous constructs was formed by one indicator and modeled as formative. Furthermore, there were three endogenous constructs in the model, namely social distance, gift evaluation, and reciprocation likelihood (the dependent variables). That is to say, their values were given from within the model and they were at least partially explained by other model constructs (Henseler et al., 2016). Moreover, these three constructs were latent and modeled as factors. In other words, the variance of each of the three sets of indicators was explained by an unobserved variable and an individual random error (Henseler et al., 2016). Initially, there were

three indicators assigned to social distance, seven indicators assigned to gift evaluation, and six indicators assigned to reciprocation likelihood. For the assessment of the measurement model, the researcher calculated the model with the PLS algorithm of SmartPLS 3 (Ringle et al., 2015), using the factor weighing scheme. Figure B2.1 in Appendix B2 shows the complete PLS-SEM path model including all initial indicators of the latent variables.

The starting point of the model assessment was the global evaluation of the overall model. This was done by determining the approximate model fit in order to check “the discrepancy between the model-implied and the empirical correlation matrix” (Henseler et al., 2016, p. 10). The researcher used the standardized root mean square residual (SRMR) as the approximate model fit criterion. Interpreting the SRMR, a value of 0 would imply a perfect model fit, while the cut-off value is 0.08 (Henseler et al., 2016; Hu & Bentler, 1999). In the present research, the estimated model including all initial indicators resulted in a SRMR value of 0.068 (for the estimated and saturated model, Table B2.2 in Appendix B2). This value was below the threshold and thus met the requirements for approximate model fit.

As a next step, the reliability and the validity of the measurement model were assessed. This was done by evaluating the construct reliability, the indicator reliability, the convergent validity and the discriminant validity. The fulfilment of minimum required properties regarding reliability and validity are a necessary condition for validating the effects in the structural (inner) model, and later on, being able to interpret them (Henseler et al., 2016). First, in order to assess the construct reliability, only the latent constructs had to be evaluated. These three constructs were reflective measurement models. Therefore, the chosen measures for evaluating the construct reliability were Dijkstra-Henseler’s ρ_A , the most important reliability measure in PLS-SEM (Dijkstra & Henseler, 2015), and Cronbach’s alpha. Cronbach’s alpha does not refer to construct scores, but to sum scores, and should “be regarded as a lower boundary to the reliability” (Henseler et al., 2016, p. 11), due to its typically underestimated value (Sijtsma, 2009). For both reliability measures, the constructs in the model should exceed the threshold of 0.7. Evaluating the construct social distance, the ρ_A value was 0.837 and the Cronbach’s alpha value was 0.811. The construct gift evaluation scored a ρ_A value of 0.930 and a Cronbach’s alpha value of 0.916. Finally, the construct reciprocation likelihood had a ρ_A value of 0.946 and a Cronbach’s alpha value of 0.941. To sum up, all constructs showed a very good reliability. Table B2.3 in Appendix B2 gives an overview of all values.

Second, the model’s indicator reliability was assessed. In the analysis software SmartPLS 3 (Ringle et al., 2015), the indicator reliability is depicted by the outer loadings. Assessing these loadings, a value of 0.7 or higher would indicate a high reliability, with the

threshold at 0.4 (Hulland, 1999). With regard to the model, the majority of indicators had a high reliability exceeding the value of 0.7, while there were six indicators that had an acceptable reliability with loadings above 0.4. The indicator gift evaluation 5 had the lowest loading with a value of 0.553, which was still significantly higher than the threshold. In summary, all indicator loadings exceeded the threshold. Hence, the overall indicator reliability was good. An overview of all indicator loadings is given in Table B2.4 in Appendix B2.

Third, the researcher evaluated the model for convergent validity to test if the factors were unidimensional (Henseler et al., 2016). This was tested using the measure of the average variance extracted (AVE, Fornell & Larcker, 1981). Concerning this measure, an AVE value of 0.5 or higher is considered acceptable. The AVE values of all latent constructs – social distance (0.609), gift evaluation (0.598), and reciprocation likelihood (0.728) – were higher than the threshold and therefore fulfilled the requirements for convergent validity (Table B2.3 in Appendix B2).

Lastly, the model was tested for discriminant validity. On the one hand, the model's cross-loadings were assessed in order to check if all indicators loaded highest on the constructs they were assigned to (Henseler et al., 2016). This was the case for all indicators (Table B2.4 in Appendix B2). On the other hand, the heterotrait-monotrait ratio of correlations (HTMT) was evaluated. The HTMT represents an upper boundary for the factor correlation (Henseler, Ringle, & Sarstedt, 2015). The value should be significantly lower than 1 to clearly discriminate between factors (Henseler et al., 2016). With regard to the model, all HTMT values fulfilled this requirement, with the highest HTMT value of 0.790 still being significantly lower than 1. All HTMT values are shown in Table B2.5 in Appendix B2.

To sum up, the measurement model met all requisites concerning reliability and validity. The evaluation confirmed that the measurement model was of sufficient quality. Thus, the researcher could proceed with the assessment of the structural (inner) model, as shown in the following.

4.2.2 Assessing the structural model. After the evaluation of the measurement model, the assessment of the structural model was the second step in the general PLS-SEM analysis procedure. In order to assess the structural model, the model was calculated with the PLS algorithm of SmartPLS 3 (Ringle et al., 2015), using the path weighing scheme. Moreover, the procedure of bootstrapping was used to test the significance of the results. By computing a large number of subsamples of the model, bootstrapping estimates standard errors for the model to test the significance of various coefficients, such as outer loadings and path coefficients (Ringle

et al., 2015). As recommended by Henseler et al. (2016), bootstrapping was performed with 4999 subsamples.

The first parameter that was checked was the adjusted coefficient of determination (adjusted R^2) of each endogenous construct in the model. The adjusted R^2 values “indicate the [percentage] of variability accounted for by the precursor constructs in the model[, taking] into account model complexity and sample size” (Henseler et al., 2016, p.12). For consumer behavior studies, a value of 0.20 (20% of explained variance) is regarded as high (Vock, Dolen, & Ruyter, 2013). In the present model, an acceptable amount of 11.4% of variance was explained for the construct social distance, while a high amount of variance was explained for the construct gift evaluation (30.5%), and a very high amount of variance was explained for the construct reciprocation likelihood (72.4%, Table B3.1 in Appendix B3). To some extent, the differences in explained variances could be attributed to the number of preceding constructs. The construct social distance had the lowest adjusted R^2 value being preceded by eight constructs, compared to the construct reciprocation likelihood, which had the highest adjusted R^2 value with ten precursor constructs. Overall, the explanatory power of the structural model was acceptable. Figure 2 displays the estimated structural model, including the path coefficients and the adjusted R^2 values.

4.2.3 Testing the hypotheses. After verifying that the explanatory power of the model was acceptable, the hypotheses of the study were tested by assessing the effects in the model. The assessment of the direct effects was based on the evaluation of the path coefficients and their significance. The path coefficients are generally evaluated by their sign and absolute size, and “should be interpreted as the change in the dependent variable if the independent variable is increased by one and all other independent variables remain constant” (Henseler et al., 2016, p. 14). On the one hand, the path coefficients’ significance was tested by means of t-values, for which the critical t-values for two-tailed tests were considered: 1.65 for $p < 0.10$, 1.96 for $p < 0.05$, and 2.58 for $p < 0.01$ (Belle, Fisher, Heagerty, & Lumley, 2004). On the other hand, the significance was further tested by means of two-tailed p-values, for which the p-values had to be lower than the respective pre-defined alpha-level (Henseler et al., 2016). Moreover, the significant path coefficients were assessed with regard to their effect sizes in order to evaluate their substantiality. The effect sizes are indicated by the Cohen’s f^2 values. Whereas a f^2 value above 0.35 is regarded as strong, a value above 0.15 is regarded as moderate, and a value above 0.02 is regarded as weak (Cohen, 1988). Apart from the direct effects, the indirect effects and the total effects were also taken into account. An extensive overview of the total effects in the

model, and a table including all specific indirect effects are shown in Table B4.1 and Table B4.2 in Appendix 2. Furthermore, a summary of the direct effects in the model is depicted in Table 2.



Figure 2. Estimated structural model (excluding indicators). Coefficients corresponding to the paths (a)–(c) are shown in the left-hand box of the figure. Significant paths are depicted in bold. * $p < 0.10$. ** $p < 0.05$. *** $p < 0.01$. The significance tests were two-tailed.

Table 2

Direct effects in the PLS-SEM model – excluding control variables

Effect	Coefficient	t-value	p-value (two-tailed)	Cohen's f^2	Effect size ^a
BUS → GIF	-0.041	0.417	0.676	0.002	-
BUS → REC	0.128	1.808	0.071*	0.059	weak
BUS → SOC	0.173	1.626	0.104(*)	0.035	weak
GIF → REC	0.247	2.701	0.007***	0.156	moderate
SOC → GIF	-0.474	4.386	0.000***	0.289	moderate
SOC → REC	-0.738	8.461	0.000***	1.386	strong

Note. BUS = business representation. GIF = gift evaluation. REC = reciprocation likelihood. SOC = social distance. ^aEffect size is only listed for significant effects. * $p < 0.10$. ** $p < 0.05$. *** $p < 0.01$.

Before testing the study's hypotheses, the researcher evaluated the significance of the control variables' total effects in the model – the total effects are calculated as the sum of both direct and indirect effects (Table B4.1 in Appendix B4). Significant effects were found for age group 3 (on gift evaluation: $\beta = -0.148$, $t > 1.65$, $p < 0.10$ as well as on reciprocation likelihood: $\beta = -0.227$, $t > 1.65$, $p < 0.10$), education level 3 (on gift evaluation: ($\beta = -0.330$, $t > 1.96$, $p < 0.05$ as well as on social distance: $\beta = 0.311$, $t > 1.65$, $p < 0.10$), and gender 2 (on gift evaluation: $\beta = -0.183$, $t > 1.65$, $p < 0.10$). As a side note: The researcher also tested the model without the control variables. The control variables did not impact the effects of the perceived social distance on the dependent variables remarkably, but they did weaken the effects of the business representation.

Thereafter, based on the results of the PLS-SEM, the hypotheses were tested in the same order as they have been proposed.

H1: The business as a gift giver represented as an entity (compared to an individual) has a positive effect on social distance.

The analysis results show that in comparison to the business representation as an individual, which was treated as the reference group, the business representation as an entity had a significant, positive effect on social distance ($\beta = 0.173$, $t = 1.626$, $p = 0.104$, the researcher decided to accept this effect as significant due to the t-values and p-values almost matching the respective thresholds). That is to say, the business representation as an entity led, ceteris paribus, to a slightly higher perceived social distance, compared to the business

representation as an individual. The unconditional correlation between business representation and social distance (0.184), reported in Table B2.1 in Appendix B2, was significant at $p < 0.10$. With regard to the Cohen's f^2 value ($f^2 > 0.02$), the strength of this effect was weak. Based on these findings, hypothesis 1 was accepted.

H2: Social distance has a negative effect on gift evaluation.

Regarding the analysis results, social distance had a significant, negative effect on gift evaluation ($\beta = -0.474$, $t > 2.58$, $p < 0.01$). This means that, ceteris paribus, with an increase in social distance, the gift evaluation became significantly more negative. According to Cohen's f^2 value ($f^2 > 0.15$), this effect was moderate. Overall, hypothesis 2 was accepted.

H3: The business as a gift giver represented as an entity (compared to an individual) has a negative indirect effect on gift evaluation, mediated by social distance.

According to the PLS-SEM results, there was no significant indirect effect of the business representation as an entity (compared to an individual) on gift evaluation, partially mediated by social distance ($\beta = -0.082$, $t = 1.526$, $p = 0.127$). Considering this finding, hypothesis 3 would be rejected.

The negative direct effect of business representation on gift evaluation ($\beta = -0.041$, $t = 0.417$, $p = 0.676$), which was added to the conceptual model as an exploratory relation, and the negative total effects of business representation on gift evaluation ($\beta = -0.123$, $t = 1.157$, $p = 0.247$) were not significant either.

Due to the generally weak effects of business representation in this particular setting, the researcher considered an alternative approach to test this hypothesis. It is presented in the following.

H4: Social distance has a negative effect on reciprocation likelihood.

With regard to the analysis results, there was a significant, negative direct effect from social distance to reciprocation likelihood ($\beta = -0.738$, $t > 2.58$, $p < 0.01$). In other words, an increase in social distance led, ceteris paribus, to an extensively lower reciprocation likelihood. With a very high Cohen's f^2 value ($f^2 > 0.35$), the strength of this effect was strong. Moreover,

there was a significant, negative indirect effect which was moderated by gift evaluation ($\beta = -0.117$, $t > 1.96$, $p < 0.05$). To sum up, social distance had strongly significant, negative total effects on reciprocation likelihood ($\beta = -0.855$, $t > 2.58$, $p < 0.01$). Hypothesis 4 was therefore accepted.

H5: The business as a gift giver represented as an entity (compared to an individual) has a negative indirect effect on reciprocation likelihood, mediated by social distance.

Regarding the analysis results, no significant indirect effect was found for the business representation as an entity (compared to an individual) on reciprocation likelihood, partially mediated by social distance ($\beta = -0.128$, $t = 1.512$, $p = 0.130$). Considering this finding, hypothesis 3 would be rejected.

Apart from this specific indirect effect, there was a weakly significant, positive direct effect detected for business representation on reciprocation likelihood ($\beta = 0.128$, $t > 1.65$, $p < 0.10$, $f^2 > 0.02$, this relation was marked as exploratory in the conceptual model). Moreover, two further specific indirect effects could be found. However, the specific indirect effects mediated by gift evaluation ($\beta = -0.010$, $t = 0.400$, $p = 0.689$), and mediated by social distance as well as gift evaluation ($\beta = -0.020$, $t = 1.304$, $p = 0.192$) were not significant either. To sum up, the total effects of business representation on reciprocation likelihood were negative, but not significant ($\beta = -0.031$, $t = 0.307$, $p = 0.759$).

Due to the generally weak effects of business representation in this particular setting, the researcher considered an alternative approach to test this hypothesis. It is presented in the following.

H6: Gift evaluation has a positive effect on reciprocation likelihood.

The analysis results show that gift evaluation had a significant, positive effect on reciprocation likelihood ($\beta = 0.247$, $t > 2.58$, $p < 0.01$). This means that a more positive gift evaluation led, *ceteris paribus*, to a significantly higher reciprocation likelihood. Regarding the Cohen's f^2 value ($f^2 > 0.15$), the strength of this effect was moderate. Therefore, hypothesis 6 was accepted.

With regard to the prior hypothesis testing, the researcher noticed the following inconsistencies: Even though the effects of social distance on gift evaluation and reciprocation likelihood were strongly significant (as proposed in hypotheses 2 and 4) and the effect of business representation on social distance was significant (as proposed in hypothesis 1), no significance could be proven for the indirect effects of business representation on gift evaluation respectively on reciprocation likelihood, (partially) mediated by social distance (as proposed in hypotheses 3 and 5). On the basis of the consideration that not the letter by itself determines the social distance, but rather the participants' reaction to the letter, the researcher tested a slightly different model. The alternative model consisted of the identical set-up, except for the construct business representation. In this alternative test, the indicator for business representation, letter type – which represented letter type 1 for the value 0 and letter type 2 for the value 1 –, was replaced by the indicator impersonal/personal. This new indicator was taken from the second item of the manipulation check (Appendix A7), for which participants evaluated how impersonal respectively personal they perceived the letter on a 7-point bipolar scale (the indicator was reverse-coded: 1 = impersonal, 7 = personal). The new construct was called business representation 2.

Conducting the analysis with the alternative model, hypotheses 1, 2, 4, and 6 were still supported. Moreover, the new construct business representation 2 led to a significantly higher percentage of explained variance of social distance (adjusted $R^2 = 0.298$). Furthermore, business representation 2 showed stronger effects on all dependent variables. Regarding hypothesis 3, a highly significant positive effect was detected for business representation 2 on gift evaluation, partially mediated by social distance ($\beta = 0.200$, $t > 2.58$, $p < 0.01$). That is to say, through social distance, a more personal business representation led, *ceteris paribus*, to a significantly more positive gift evaluation. Further, with regard to hypothesis 5, social distance had a highly significant positive effect on reciprocation likelihood, partially mediated by social distance ($\beta = 0.370$, $t > 2.58$, $p < 0.01$). Interpreting this effect, through social distance, a more personal business representation led, *ceteris paribus*, to a significantly higher reciprocation likelihood. The overview of the total effects (Table B4.3) and the specific indirect effects (Table B4.4) in the alternative PLS-SEM model are shown in Appendix B4.

Finally, the extension of the main hypothesis testing has proven that all hypotheses can be accepted. Table 3 sums up the evaluation of the study's hypotheses.

Table 3

Summary of the hypotheses testing results

Hypothesis	Result
H1 The business as a gift giver represented as an entity (compared to an individual) has a positive effect on social distance.	Accepted
H2 Social distance has a negative effect on gift evaluation.	Accepted
H3 The business as a gift giver represented as an entity (compared to an individual) has a negative indirect effect on gift evaluation, mediated by social distance.	Accepted
H4 Social distance has a negative effect on reciprocation likelihood.	Accepted
H5 The business as a gift giver represented as an entity (compared to an individual) has a negative indirect effect on reciprocation likelihood, mediated by social distance.	Accepted
H6 Gift evaluation has a positive effect on reciprocation likelihood.	Accepted

Chapter 5: Conclusion

In this final chapter, the findings of the present research are discussed and a conclusion is drawn with respect to the proposed hypotheses as well as the main research question. Furthermore, emerging theoretical and managerial implications are presented. Finally, the study's limitations are addressed and suggestions are made for future research.

5.1 Conclusion and Discussion

While generally the area of gift giving is extensively studied, empirical research on the context of business-to-consumer gift giving specifically is very limited (Kulkarni et al., 2008). Moreover, gift giving research focuses mostly on the gift giver side in terms of motivations to give a gift, whereas the perspective of the gift receiver and her/his response is often neglected. Business gifts are a powerful tool for companies to create valuable long-term relationships with their customers (Beltramini, 1992, 2000). In this regard, it is important for businesses to get a thorough understanding of the underlying processes of gift giving in order to use this tool correctly and efficiently. Further research into business-to-consumer gift giving is therefore needed (Bodur & Grohmann, 2005). This study aimed to complement the scarce research on business-to-consumer gift giving by examining consumers' responses to receiving a gift from a business. More precisely, the current research examined the proposition that the gift giver representation as an individual (an employee of the company), in comparison to an entity (the company as a whole), had a positive effect on the consumers' responses in terms of gift evaluation and reciprocation likelihood. Moreover, in this setting, a lower perceived social distance between the consumer and the business was predicted to have a beneficial influence on these two types of responses to the business gift. Social distance was therefore considered a mediating variable in the model. The proposed hypotheses were tested in an online experiment in which the participants were asked to put themselves into the position to have received a promotional package from a business via post. The package included a gift – a microfiber sports towel – and a letter, which was manipulated as follows: Letter type 1 was written by an employee of the company, letter type 2 was written by the company as a whole.

With regard to consumer responses to receiving a business gift, the researcher draws four main conclusions. First, the perceived social distance between the consumer and the business strongly affects the consumer responses in terms of gift evaluation and reciprocation likelihood. As hypothesized, the study showed that while a higher perceived social distance

impacted the consumer responses negatively, a lower perceived social distance led to a more positive gift evaluation and to a higher reciprocation likelihood. Drawing on CLT (Trope & Liberman, 2010), this study considered social distance in form of similarity (Trope et al., 2007). Accordingly, in the current setting, social distance could be explained as the psychological space that existed between the consumer and the business in terms of congruence between the consumer's self and the attributes represented by the company (Bogardus, 1933; Malär et al., 2011). Consequently, a higher congruence between the consumer's characteristics and the attributes represented by the company implied that more reliable information about the company was accessible, and thus the consumer's mental representation of the business was more concrete and detailed. In turn, a lower social distance was perceived (Malär et al., 2011; Trope & Liberman, 2010).

Second, the type of business representation has an impact on the perceived social distance between the consumer and the business. As expected by the researcher, the manipulation of the letter in the online experiment demonstrated that the gift giver represented as an employee of the company was perceived as less socially distant than the business represented as an entity. This might be explained by the greater amount of information about the sender that was provided in letter type 1, written by the employee of the company (the business represented as an individual), compared to letter type 2, written by the company as a whole (the business represented as an entity). Applying the theory of social distance to this context (Malär et al., 2011; Trope & Liberman, 2010; Trope et al., 2007), letter type 1 might have provided more reliable information about the business in terms of the employee's characteristics, such as gender, age, and hobbies. Thus, the consumer could compare these attributes with her/his own personal traits and create a more concrete mental representation of the business, consequently leading to a lower perceived social distance.

Third, the type of business representation has effects on both gift evaluation and reciprocation likelihood, which are partially mediated by the perceived social distance between the consumer and the business. The present results showed, that due to the lower perceived social distance, a more personal business representation – which was the case for the representation as an individual – led to a more positive evaluation of the gift and a higher likelihood to reciprocate in comparison to a more impersonal business representation – which was the case for the representation as an entity. These findings were in line with the propositions of the researcher. The effects can also be explained by the theory of social distance (Malär et al., 2011; Trope & Liberman, 2010; Trope et al., 2007), as the personal interaction provides the gift receiver with more contact points with the actual gift giver and reveals more information.

Thus, more information can be processed and a clearer mental representation is possible, leading to a lower perceived social distance. This lower perceived social distance affects the response to the interaction (the gift giving) positively, as individuals rather interact with a concrete person than an abstract, not identifiable opponent (Behavioural Insights Team, 2018). With regard to these specific indirect relations between the business representation and both outcome variables, it should be mentioned that the significant effects could not be attributed solely to the two letters in the study themselves – the medium direct mail was manipulated in this study –, but rather to the participants' perception of these two letters – in terms of impersonal and personal. Focusing on the medium itself, stronger effects may be achieved by the manipulation of either the same medium, direct mail, but varied in its implementation, or through the manipulation of another medium, for instance an e-mail, or communication in person.

Fourth, the consumer's evaluation of the gift has a significant positive impact on her/his reciprocation likelihood. The study results showed that the more positive a participant evaluated the gift, the higher was her/his reciprocation likelihood. This finding confirmed the respective hypothesis proposed in this study and moreover supports the perception of Bodur and Grohmann (2005), who suggest gift evaluation as “a necessary, yet not sufficient prerequisite for reciprocation” (pp. 443–444).

Finally, in respect to the study's research question, the present study has proven that, in comparison to the business representation as an entity, the business representation as an individual positively influences the responses to business gifts, in terms of gift evaluation and reciprocation likelihood. Furthermore, the researcher highlights the consumers' perceived social distance towards the business as a crucial factor influencing the gift evaluation as well as the reciprocation likelihood.

5.2 Theoretical Implications

The insights gained from this study contribute to the scarce field of research, business-to-consumer gift giving, and moreover add to the knowledge about consumer responses to business gifts. This study has several theoretical implications. The current research followed the recommendation by Bodur and Grohmann (2005) to investigate how the customer's response to a business gift is affected by the characteristics of the gift giver. The earlier study by Bodur and Grohmann (2005) demonstrated that a stronger relationship between the customer and the business as well as an implicit request for reciprocation influence the gift evaluation

and reciprocation likelihood positively. Further, they could not find significant effects for the gift value and the gift receiver's gender on these outcome variables. Using a similar model set up and empirically testing some theoretical suggestions made in their article, the present study complements the work of Bodur and Grohmann (2005). The present findings have proven that the type of business representation, either as an individual or as an entity, influence the consumer's gift evaluation and reciprocation likelihood. In specific, in the particular setting, an employee of the company as a gift giver affects the gift evaluation and the reciprocation likelihood positively, while a company as a whole representing the gift giver has a negative impact. Moreover, as already suggested by Bodur and Grohmann (2005), the study showed that the gift evaluation positively affects the reciprocation likelihood. Thus, a more positive gift evaluation leads to higher likelihood of reciprocation.

Furthermore, with regard to the highly personal meaning of the gift and the highly personal context that the process of gift giving generally represents (e.g., Belk, 1977; Sherry, 1983), the construct of social distance was integrated in the present model. To the researcher's knowledge, the influences of social distance have not yet been investigated in the context of gift giving and the research on responses to receiving a gift. However, the results of this study showed that the perceived social distance between the gift receiver and gift giver was worth to be considered in the gift giving context. Accordingly, in the present setting, the higher the social distance was perceived, the more negative was the gift evaluation and the lower was the reciprocation likelihood. Further, the results demonstrated that consumers perceive less social distance towards a business as a gift giver represented as an individual (an employee of the company), compared to the representation of the business as an entity. These findings contribute to the extensive research on social distance (e.g., Liviatan et al., 2008; Malär et al., 2011; Trope & Liberman, 2010; Trope et al., 2007) as well as to the field of gift giving research, and specifically business-to-consumer gift giving research (e.g., Bodur and Grohmann, 2005).

5.3 Managerial Implications

The findings in this study also provide implications for practitioners. When a business decides to give gifts to consumers in order to trigger responses from the gift receivers in terms of reciprocal behavior – e.g., positive word-of-mouth, purchases, or repurchases –, several factors should be considered for a successful promotion. This research highlights the importance of the social distance a consumer perceives towards the business, as it has a strong, positive impact on how the gift is evaluated and how likely it is that the consumer reciprocates

the gift. According to previous research (Trope et al., 2007), social distance can be explained by the similarity between the attributes represented by the business and the characteristics of the particular consumer. In order to compare the company's characteristics with her/his own personal traits, the consumer needs reliable and accessible information about the business. The more information about the company is available and the higher the congruence between the company's and the consumer's attributes, the less abstract is the consumer's perception of the company; in turn, the lower is the consumer's perceived social distance towards the business. Therefore, before the gift is given to the consumer, it is crucial for a business to provide the consumer with sufficient information about the company in order to enable her/him to create a more concrete mental representation of the company.

By offering a great extent of information about the company, practitioners should aim at giving the business human traits, a so-called brand personality (Aaker, 1997), to make it easier for the consumer to relate to the business. On the one hand, such unique visual brand images in the consumer's mind can be created by using personifications, anthropomorphizations, and user imagery (Aaker, 1997). For instance, a business could use a mascot that embodies the specific traits the company stands for to provide consumers with a visual image of the business. Consumers can access this information easily and may feel a stronger connection to the business.

On the other hand, the representation of the business as a gift giver should be thoroughly considered. The current research provided has empirically proven that a gift given by an employee of the company is perceived more positively in terms of the gift evaluation and the reciprocation likelihood than a gift given by the company as a whole. In general, an interaction is perceived more positively with another human being, compared to a faceless business or a fictional representation of the company (Behavioural Insights Team, 2018). Therefore, businesses may consider performing giveaway promotions to consumers in person. A possible execution of such a promotion would be to have employees of the company handing out the gifts to the customers in the physical store. Thereby, the employees themselves represent the business. Characteristics of the employees, for instance gender, age, and also empathy, can easily be identified and processed by the consumers. These kind of perceptions of employees can be transferred to the perception of the business, allowing consumers to create a more detailed and concrete mental representation of the business, which consequently leads to a lower perceived social distance. In this case, the company may select the employees, considering their characteristics to specifically fit the representation of attributes the business stands for.

5.4 Limitations and Future Research Suggestions

The present study investigated the effects of the type of representation of a business as a gift giver on gift receivers' responses in an online experiment. On the one hand, an experimental setting has numerous benefits over field work, especially with regard to the ability to control specific variables and conditions in the model (McDermott, 2002). On the other hand, previous studies point out potential bias in the participants' evaluation of medium context – i.e., in this research, the direct mail context – as an intrinsic weakness of this type of research setting (McDermott, 2002; Moorman, Neijens, & Smit, 2007; Noort & Reijmersdal, 2019). Accordingly, realistic evaluation may be hindered due to the forced exposure in the experimental setting, limiting the scope of the findings. To counter such bias, future research could thus investigate the examined effects under real-world conditions. A study under naturalistic conditions could be performed in cooperation with an existing company: Actual customer data collected upon a direct mailing campaign could be used for the analysis.

Moreover, it should be mentioned that the sample of the present research consisted of a majority of rather young participants. The demographics showed that 91% of the sample were younger than 35 years old, while 25% of the respondents were between 18 and 25 years old. With respect to the data provided for the participants' level of education and age, it could be concluded that a large number of the total sample were students. This may limit the generalizability of the findings and should be taken into account in future research.

Furthermore, this research examined the manipulation of the communication channel direct mail. This leads to two potential extensions of the current study in future research. First, regarding the medium context of direct mail, future research could investigate numerous possible modifications concerning the design of the direct mail used in the research. Research on direct mail design has already tested various effects of characteristics with regard to the material – such as the type of paper, the format, and the envelope design – as well as characteristics concerning the content – such as the letter length, personalization, and the signature (e.g., Behavioural Insights Team, 2018; Feld, Frenzen, Krafft, Peters, & Verhoef, 2013; Vriens, Scheer, Hoekstra, & Roelf Bult, 1998). However, these additional characteristics were not investigated under the present model conditions and may strengthen the effects examined in this research. Due to the manifold and partly conflicting findings on direct mail design in the literature (Feld et al., 2013), the present study could not consider all of these insights in a single research. Second, apart from direct mail, future research could look into the effectiveness of other communication channels in the current setting – e.g., communication via

e-mail, or communication in person instore. With regard to the personal context of this study, it would be especially interesting to examine the gift recipients' responses to receiving a gift in person, for instance from an employee in the physical store. This situation may further decrease the perceived social distance towards the business and consequently strengthen the examined effects.

Future research could also examine how the type of gift influences the effects in the present setting. The gift used in this study was a microfiber sports towel – inexpensive, utilitarian, and unconditional. In a similar setting, utilizing two conditional gift vouchers of different values as a means of manipulation, Bodur and Grohman (2005) found no significant effects of gift value, neither on gift evaluation nor on reciprocation likelihood. Nevertheless, different combinations of gift characteristics, such as utilitarian versus hedonic, and conditional versus unconditional, may have an impact on the model.

Finally, another aspect that could expand the understanding and generalizability of the present findings is to test the influences of different context categories on the model. In the current study, both the business and the gift were related to the category sporting goods, due to the belief that it would concern a wide crowd of diverse demographic attributes. Peterson, Balasubramanian, and Bronnenberg (1997) established a classification grid which categorizes products and services according to three dimensions: 1) the cost and the frequency of the purchase, 2) the value proposition, and 3) the differential potential (Phau & Meng Poon, 2000). With regard to their classification system, sporting goods can generally be classified as goods that 1) have a rather high outlay and are purchased infrequently, 2) are tangible, and 3) have a high differentiation potential. Future research could therefore test if categories with differing attributes affect the model in a different way – e.g., the category groceries, generally classified as products that 1) have a low outlay and are purchased frequently, 2) are tangible, and 3) have a high differentiation.

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Appendix A

The Online Experiment

Appendix A1

Introduction

Dear participant,

Thank you for taking part in this online experiment on gift-giving behavior. The gained insights will be used for my master thesis in the field of Marketing at Radboud University Nijmegen. Your contribution is greatly appreciated.

In this study, you will be presented with a scenario, followed by questions about your behavior in the particular situation. The study consists of five blocks of questions. Each block will be introduced with a short explanation of the task. Please take your time to read the instructions carefully. Completing the online experiment will take approximately 5 minutes.

All collected data will be treated anonymously and confidentially. You are free to withdraw from the study at any time. Click on the bottom right arrow to continue.

With best regards,

Oliver Bäuerle

Appendix A2

Demographic items

Please fill in some general information about yourself below and click on the bottom right arrow to start the online experiment.

1. What is your gender?
(Female; Male)
2. What is your age?
(18–25; 26–35; 36–45; 46–55; 56 +)
3. What is the highest degree or level of education you have completed? If currently enrolled, select the degree that you are studying at the moment.
(High school degree or equivalent; Applied education; Bachelor's degree; Master's degree; Doctoral degree; Other: ____)
4. What is your country of birth?
(Germany; The Netherlands; Other: ____)

Appendix A3

Scenario presentation

Each participant was presented with the description of the scenario (below), the image of the business-to-consumer gift (Figure A3.1), and by random selection either letter type 1 (Figure A3.2) or letter type 2 (Figure A3.3).

Description of the scenario:

Imagine yourself in the following scenario:

SPORTY sports shop, a retailer offering a large assortment of sporting goods, has recently opened a store in your area. As a local promotion for the new store, *SPORTY* has sent you a package via post. You open the package and find a gift – a small microfiber sports towel – and a letter from the company, as shown below.

Please look at the image of the gift and read the letter carefully.



Figure A3.1. Image of the business-to-consumer gift. A microfiber sports towel.



"I founded **SPORTY** as a place where athletes offer advice to other athletes, regardless of their level of professionalism. Being a passionate runner, hiker and skier myself, I am dedicated to assist my customers with my own knowledge based on years of experience."

Alexandra Bell, founder of **SPORTY**

Dear Sports Fan,

My team and I are happy to welcome you to **SPORTY** sports shop.

Our recently opened store offers a wide range of equipment for all kinds of outdoor activities and a large variety of ball sports.

Visit our online shop or drop by the store. I am looking forward to assisting you with your specific needs!

Yours,

Alexandra Bell

Any questions? Feel free to contact me personally: Alexandra.Bell@sporty.com

Figure A3.2. Letter type 1. Scenario 1: The business as a gift giver represented as an individual.



Dear Sports Fan,

Welcome to **SPORTY** sports shop. At **SPORTY**, athletes offer advice to other athletes, regardless of their level of professionalism.

The recently opened store offers a wide range of equipment for all kinds of outdoor activities and a large variety of ball sports.

Visit the **SPORTY** online shop or drop by the store to receive experienced assistance for your specific needs!

Until then, stay sporty!

Any questions? Send an email: info@sporty.com

Figure A3.3. Letter type 2. Scenario 2: The business as a gift giver represented as an entity.

Appendix A4

Social distance items

The upcoming sections include questions and statements concerning the presented scenario. There are no right or wrong answers. Your own opinion is of interest.

Please answer the following questions about your perception of *SPORTY* sports shop.

1. Imagine *SPORTY* sports shop as a person. Do you perceive the company as being similar to you? (Is the way the company presents itself comparable with your own personality?)
(Measured on a 7-point Likert scale: strongly agree–strongly disagree)
2. Imagine *SPORTY* sports shop as a person. Do you feel close to the company?
(Measured on a 7-point Likert scale: strongly agree–strongly disagree)
3. With regard to the image below, select the pair of circles that best describes the similarity between you and *SPORTY* sports shop (represented by X):
(Measured on a 7-point scale: 1–7)

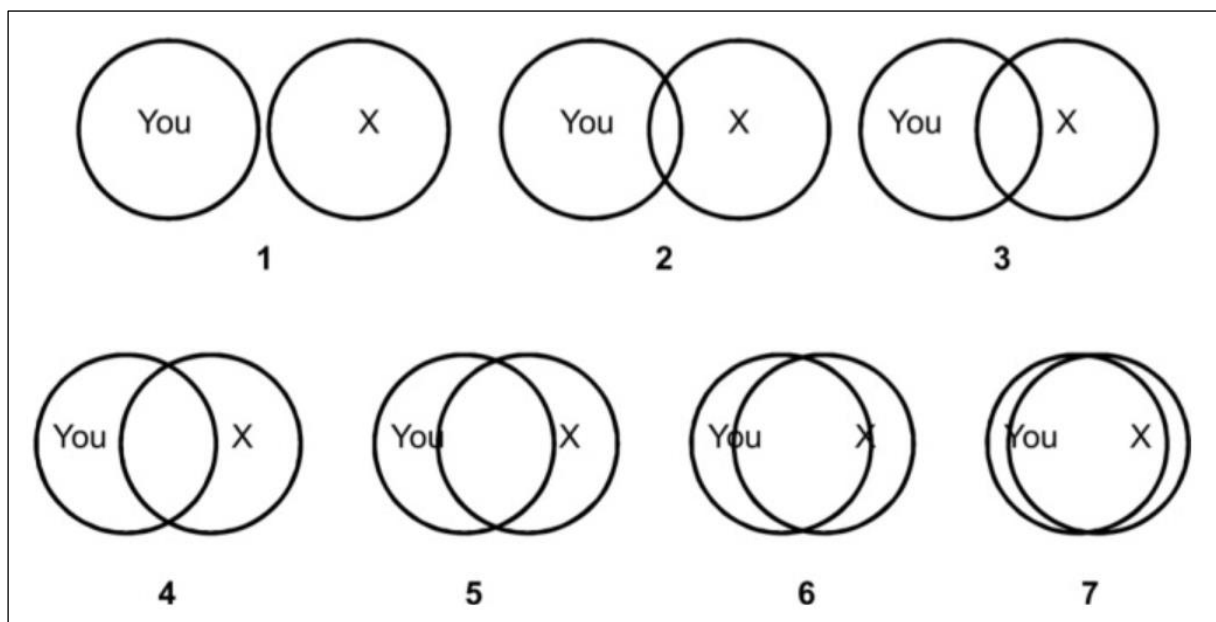


Figure A4.1. The 'Inclusion of the Other in the Self' (IOS) task. Reprinted from Measuring the Closeness of Relationships: A Comprehensive Evaluation of the 'Inclusion of the Other in the Self' Scale, by Gächter, Starmer, & Tufano, 2015, Copyright 2015 by Gächter et al.

Appendix A5

Gift evaluation items

Please complete the following statements about your evaluation of the gift from *SPORTY* sports shop.

If you use a mobile phone, it is recommended to turn the screen sideways for this section.

1.–3. In my opinion, the gift (the microfiber sports towel) is ____ .

(Measured on 7-point bipolar scales: valuable–worthless; relevant–irrelevant; important–unimportant)

4.–5. I perceive the gift as ____ .

(Measured on 7-point bipolar scales: positive–negative; good–bad)

6. The gift ____ .

(Measured on a 7-point bipolar scale: matters to me–does not matter to me)

7. I ____ the gift.

(Measured on a 7-point bipolar scale: like–dislike)

Appendix A6

Reciprocation likelihood items

Please evaluate the following statements about your future behavior towards *SPORTY* sports shop.

1. I am interested in *SPORTY* sports shop.
(Measured on a 7-point Likert scale: strongly agree–strongly disagree)
2. In the future, I will be more attentive towards the communication of *SPORTY* sports shop.
(Measured on a 7-point Likert scale: strongly agree–strongly disagree)
3. In the future, I am likely to visit the store and/or online shop of *SPORTY* sports shop.
(Measured on a 7-point Likert scale: strongly agree–strongly disagree)
4. In the future, I am likely to make a purchase at *SPORTY* sports shop.
(Measured on a 7-point Likert scale: strongly agree–strongly disagree)
5. In the future, I am likely to consider *SPORTY* sports shop when I think about buying sporting equipment.
(Measured on a 7-point Likert scale: strongly agree–strongly disagree)
6. In the future, I am likely to recommend *SPORTY* sports shop to a friend.
(Measured on a 7-point Likert scale: strongly agree–strongly disagree)

Appendix A7

Manipulation check items

Please answer the following questions about the letter that was presented to you in the description of the scenario.

If you use a mobile phone, it is recommended to turn the screen sideways for this section.

1. Who wrote the letter from *SPORTY* sports shop?
(A person representing the company (a team member of the store); The company in general (no particular person))
2. How personal/impersonal do you perceive the letter's message?
(Measured on a 7-point bipolar scale: personal–impersonal)
3. How are your feelings towards the letter's message?
(Measured on a 7-point bipolar scale: positive–negative)

Appendix A8

Final pages and acknowledgment

You have almost completed the online experiment!

If you are interested in the results of this research or if you have any questions about the online experiment, feel free to contact me:

oliver.bauerle@student.ru.nl

Please click on the bottom right arrow to finish the online experiment and your answers will be recorded.

Note: The people and companies presented in the scenario of this experiment are fictitious.

Many thanks for taking this survey.

Your response has been recorded.

Appendix B

The Analysis of the Model

Appendix B1

Manipulation check

Table B1.1

Group statistics

	Business Representation	N	Mean	Std. Deviation	Std. Error Mean
Who wrote the letter from SPORTY sports shop? (1=individual; 2=entity)	Individual	54	1.13	0.339	0.046
	Entity	53	1.77	0.423	0.058
How personal/impersonal do you perceive the letter's message? (1=personal–impersonal=7)	Individual	54	2.87	1.260	0.171
	Entity	53	4.49	1.476	0.203
How are your feelings towards the letter's message? (1=positive–negative=7)	Individual	54	2.56	1.003	0.137
	Entity	53	3.25	1.159	0.159

Table B1.2

Independent samples t-test

		t-test for Equality of Means						
		t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
							Lower	Upper
Who wrote the letter from SPORTY sports shop? (1=individual; 2=entity)	Equal variances assumed	-8.703	105	0.000	-0.644	0.074	-0.791	-0.497
	Equal variances not assumed	-8.685	99.504	0.000	-0.644	0.074	-0.791	-0.497
How personal/impersonal do you perceive the letter's message? (1=personal–impersonal=7)	Equal variances assumed	-6.112	105	0.000	-1.620	0.265	-2.146	-1.095
	Equal variances not assumed	-6.103	101.857	0.000	-1.620	0.265	-2.147	-1.094
How are your feelings towards the letter's message? (1=positive–negative=7)	Equal variances assumed	-3.294	105	0.001	-0.690	0.209	-1.105	-0.275
	Equal variances not assumed	-3.289	102.321	0.001	-0.690	0.210	-1.106	-0.274

Appendix B2

Measurement model assessment

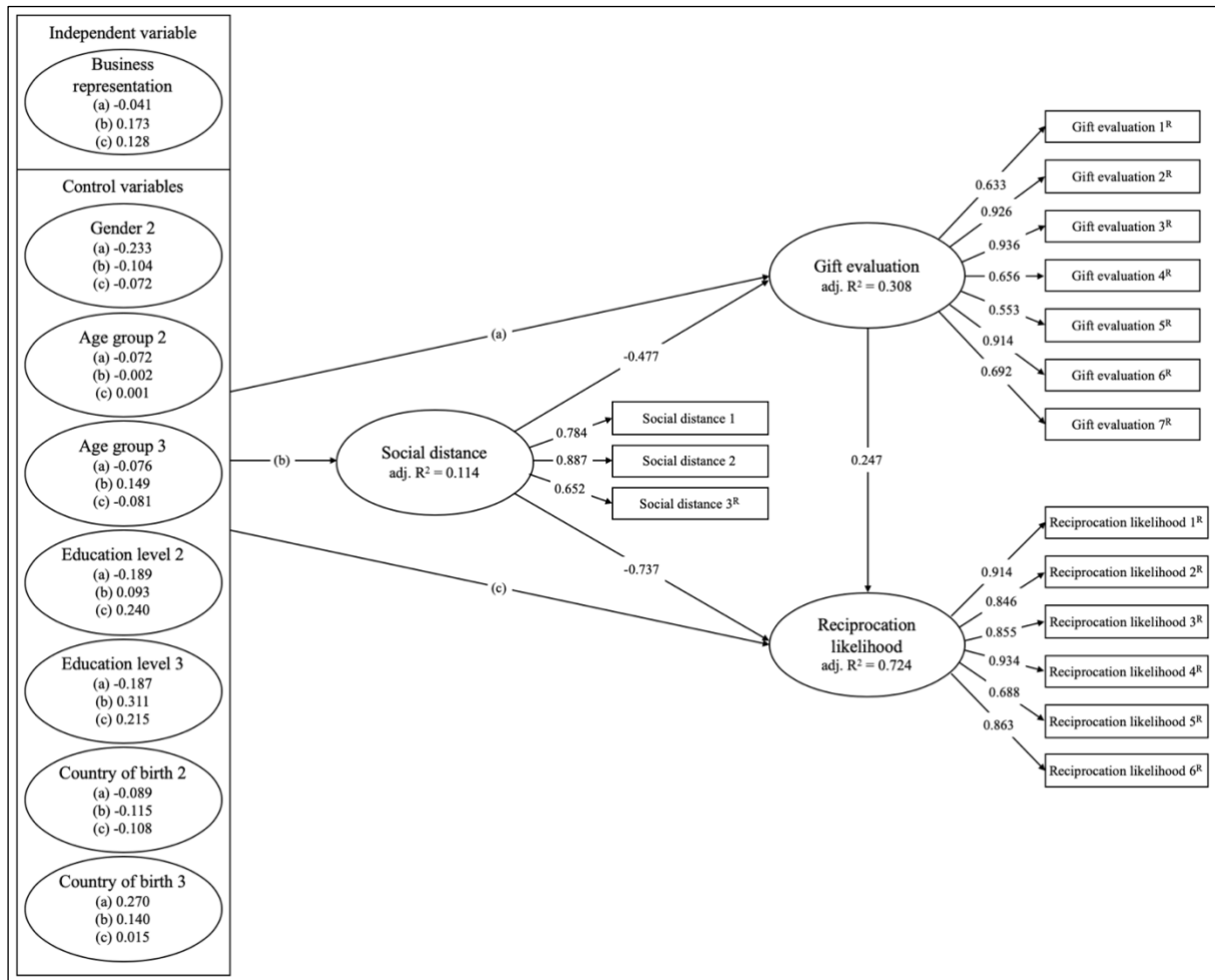


Figure B2.1. Estimated measurement model including all indicator loadings of the latent constructs. Coefficients corresponding to the paths (a)–(c) are shown in the left-hand box of the figure. ^RIndicator was reverse-coded.

Table B2.1

Construct correlation matrix

	AGE2	AGE3	BUS	COB2	COB3	EDU2	EDU3	GEN2	GIF	REC	SOC
AGE2	1.000										
AGE3	-0.180	1.000									
BUS	0.133	0.104	1.000								
COB2	-0.387	-0.216	-0.066	1.000							
COB3	0.182	0.029	-0.056	-0.598	1.000						
EDU2	0.083	-0.211	-0.013	-0.094	0.126	1.000					
EDU3	-0.084	0.127	0.030	0.246	-0.070	-0.803	1.000				
GEN2	-0.022	0.226	0.122	-0.021	-0.241	-0.016	-0.118	1.000			
GIF	0.002	-0.169	-0.187	-0.144	0.251	0.094	-0.165	-0.236	1.000		
REC	0.046	-0.267	-0.062	0.014	0.005	0.238	-0.218	-0.076	0.566	1.000	
SOC	0.048	0.193	0.184	-0.172	0.218	-0.161	0.235	-0.118	-0.415	-0.789	1.000

Note. AGE2 = age group 2 (26–35 years old). AGE3 = age group 3 (36+ years old). BUS = business representation. COB2 = country of birth 2 (the Netherlands). COB3 = country of birth 3 (international). EDU2 = education level 2 (middle). EDU3 = education level 3 (high). GEN2 = gender 2 (male). GIF = gift evaluation. REC = reciprocation likelihood. SOC = social distance. Control variables: AGE2,3; COB2,3; EDU2,3; GEN2. Independent variable: BUS. Dependent variables: GIF; REC; SOC.

Table B2.2

Goodness of model fit

	Saturated Model	Estimated Model
SRMR	0.068	0.068

Table B2.3

Construct reliability and convergent validity – only latent constructs depicted

	Cronbach's alpha	Dijkstra-Henseler's ρ_A	AVE
GIF	0.916	0.930	0.598
REC	0.941	0.946	0.728
SOC	0.811	0.837	0.609

Note. GIF = gift evaluation. REC = reciprocation likelihood. SOC = social distance.

Table B2.4

Discriminant validity: Indicator cross-loadings – only indicators of latent constructs depicted

	GIF	REC	SOC
GIF1 ^R	0.633	0.354	-0.244
GIF2 ^R	0.926	0.471	-0.442
GIF3 ^R	0.936	0.531	-0.404
GIF4 ^R	0.656	0.396	-0.223
GIF5 ^R	0.553	0.351	-0.169
GIF6 ^R	0.914	0.552	-0.436
GIF7 ^R	0.692	0.364	-0.223
REC1 ^R	0.466	0.914	-0.809
REC2 ^R	0.450	0.846	-0.715
REC3 ^R	0.465	0.855	-0.693
REC4 ^R	0.516	0.934	-0.731
REC5 ^R	0.488	0.688	-0.464
REC6 ^R	0.524	0.863	-0.592
SOC1	-0.320	-0.644	0.784
SOC2	-0.376	-0.689	0.887
SOC3 ^R	-0.265	-0.500	0.652

Note. GIF = gift evaluation. REC = reciprocation likelihood. SOC = social distance. ^RIndicator was reverse-coded.

Table B2.5

Discriminant validity: Heterotrait-Monotrait Ratio (HTMT) – only latent constructs depicted

	GIF	REC	SOC
GIF			
REC	0.556		
SOC	0.395	0.790	

Note. GIF = gift evaluation. REC = reciprocation likelihood. SOC = social distance.

Appendix B3

Structural model assessment

Table B3.1

Coefficient of determination (R^2)

	R^2	Adjusted R^2
GIF	0.364	0.305
REC	0.750	0.724
SOC	0.181	0.114

Note. GIF = gift evaluation. REC = reciprocation likelihood. SOC = social distance.

Appendix B4

Hypotheses testing

Table B4.1

Overview of the total effects in the PLS-SEM model

Effect	Direct effect			Indirect effects			Total effects			Cohen's f ²
	Original coefficient	Bootstrap results		Original coefficient	Bootstrap results		Original coefficient	Bootstrap results		
		t-value	p-value (2-sided)		t-value	p-value (2-sided)		t-value	p-value (2-sided)	
AGE2 → GIF	-0.072	0.705	0.481	0.001	0.012	0.991	-0.072	0.619	0.536	0.006
AGE2 → REC	0.001	0.018	0.985	-0.017	0.148	0.883	-0.015	0.115	0.909	0.000
AGE2 → SOC	-0.002	0.012	0.990				-0.002	0.012	0.990	0.000
AGE3 → GIF	-0.077	0.797	0.426	-0.071	1.006	0.315	-0.148	1.692	0.091*	0.007
AGE3 → REC	-0.081	1.046	0.296	-0.147	1.399	0.162	-0.227	1.760	0.078*	0.019
AGE3 → SOC	0.149	1.155	0.248				0.149	1.155	0.248	0.021
BUS → GIF	-0.041	0.417	0.676	-0.082	1.526	0.127	-0.123	1.157	0.247	0.002
BUS → REC	0.128	1.808	0.071*	-0.158	1.610	0.108	-0.031	0.307	0.759	0.059
BUS → SOC	0.173	1.626	0.104 ^(*)				0.173	1.626	0.104 ^(*)	0.035
COB2 → GIF	-0.091	0.627	0.531	0.054	0.669	0.504	-0.036	0.232	0.817	0.005
COB2 → REC	-0.108	1.058	0.290	0.076	0.525	0.600	-0.032	0.195	0.845	0.019
COB2 → SOC	-0.115	0.712	0.476				-0.115	0.712	0.476	0.007
COB3 → GIF	0.271	2.055	0.040**	-0.066	0.846	0.398	0.205	1.579	0.114	0.060
COB3 → REC	0.015	0.165	0.869	-0.053	0.412	0.680	-0.038	0.262	0.793	0.000
COB3 → SOC	0.140	0.943	0.346				0.140	0.943	0.346	0.013
EDU2 → GIF	-0.190	1.194	0.233	-0.044	0.462	0.644	-0.235	1.529	0.126	0.017
EDU2 → REC	0.241	2.436	0.015**	-0.127	0.807	0.420	0.114	0.643	0.520	0.069
EDU2 → SOC	0.093	0.500	0.617				0.093	0.500	0.617	0.003
EDU3 → GIF	-0.183	1.178	0.239	-0.147	1.477	0.140	-0.330	2.303	0.021**	0.014
EDU3 → REC	0.214	1.886	0.059*	-0.311	2.011	0.044**	-0.097	0.527	0.598	0.050
EDU3 → SOC	0.311	1.693	0.090*				0.311	1.693	0.090*	0.034
GEN2 → GIF	-0.232	2.338	0.019**	0.049	0.871	0.384	-0.183	1.700	0.089*	0.070
GEN2 → REC	-0.072	0.979	0.328	0.031	0.305	0.761	-0.041	0.378	0.705	0.016
GEN2 → SOC	-0.103	0.944	0.345				-0.103	0.944	0.345	0.011
GIF → REC	0.247	2.701	0.007***				0.247	2.701	0.007***	0.156
SOC → GIF	-0.474	4.386	0.000***				-0.474	4.386	0.000***	0.289
SOC → REC	-0.738	8.461	0.000***	-0.117	2.322	0.020**	-0.855	12.531	0.000***	1.386

Note. AGE2 = age group 2 (26–35 years old). AGE3 = age group 3 (36+ years old). BUS = business representation. COB2 = country of birth 2 (the Netherlands). COB3 = country of birth 3 (international). EDU2 = education level 2 (middle). EDU3 = education level 3 (high). GEN2 = gender 2 (male). GIF = gift evaluation. REC = reciprocation likelihood. SOC = social distance. Control variables: AGE2,3; COB2,3; EDU2,3; GEN2. Independent variable: BUS. Dependent variables: GIF; REC; SOC. * $p < 0.10$. ** $p < 0.05$. *** $p < 0.01$.

Table B4.2

Specific indirect effects in the PLS-SEM model

Effect	Original Coefficient	Bootstrap results	
		t-value	p-value (2-sided)
AGE2 → SOC → GIF	0.001	0.012	0.991
AGE3 → SOC → GIF	-0.071	1.006	0.315
BUS → SOC → GIF	-0.082	1.526	0.127
COB2 → SOC → GIF	0.054	0.669	0.504
COB3 → SOC → GIF	-0.066	0.846	0.398
EDU2 → SOC → GIF	-0.044	0.462	0.644
EDU3 → SOC → GIF	-0.147	1.477	0.140
GEN2 → SOC → GIF	0.049	0.871	0.384
AGE2 → GIF → REC	-0.018	0.653	0.514
AGE3 → GIF → REC	-0.019	0.740	0.459
BUS → GIF → REC	-0.010	0.400	0.689
COB2 → GIF → REC	-0.022	0.599	0.549
COB3 → GIF → REC	0.067	1.600	0.110
EDU2 → GIF → REC	-0.047	1.100	0.271
EDU3 → GIF → REC	-0.045	1.082	0.279
GEN2 → GIF → REC	-0.057	1.686	0.092*
AGE2 → SOC → GIF → REC	0.000	0.011	0.991
AGE3 → SOC → GIF → REC	-0.017	0.915	0.360
BUS → SOC → GIF → REC	-0.020	1.304	0.192
COB2 → SOC → GIF → REC	0.013	0.668	0.504
COB3 → SOC → GIF → REC	-0.016	0.788	0.431
EDU2 → SOC → GIF → REC	-0.011	0.448	0.654
EDU3 → SOC → GIF → REC	-0.036	1.295	0.196
SOC → GIF → REC	-0.117	2.322	0.020**
GEN2 → SOC → GIF → REC	0.012	0.837	0.403
AGE2 → SOC → REC	0.001	0.012	0.990
AGE3 → SOC → REC	-0.110	1.140	0.254
BUS → SOC → REC	-0.128	1.512	0.130
COB2 → SOC → REC	0.085	0.683	0.495
COB3 → SOC → REC	-0.103	0.907	0.365
EDU2 → SOC → REC	-0.069	0.486	0.627
EDU3 → SOC → REC	-0.230	1.611	0.107
GEN2 → SOC → REC	0.076	0.892	0.372

Note. AGE2 = age group 2 (26–35 years old). AGE3 = age group 3 (36+ years old). BUS = business representation. COB2 = country of birth 2 (the Netherlands). COB3 = country of birth 3 (international). EDU2 = education level 2 (middle). EDU3 = education level 3 (high). GEN2 = gender 2 (male). GIF = gift evaluation. REC = reciprocation likelihood. SOC = social distance. Control variables: AGE2,3; COB2,3; EDU2,3; GEN2. Independent variable: BUS. Dependent variables: GIF; REC; SOC. *p < 0.10. **p < 0.05. ***p < 0.01.

Table B4.3

Overview of the total effects in the PLS-SEM model – including business representation 2 (impersonal/personal)

Effect	Direct effect			Indirect effects			Total effects			Cohen's f^2
	Original coefficient	Bootstrap results t-value	Bootstrap results p-value (2-sided)	Original coefficient	Bootstrap results t-value	Bootstrap results p-value (2-sided)	Original coefficient	Bootstrap results t-value	Bootstrap results p-value (2-sided)	
AGE2 → GIF	-0.076	0.743	0.457	-0.008	0.142	0.887	-0.084	0.717	0.473	0.007
AGE2 → REC	0.020	0.259	0.796	-0.037	0.305	0.760	-0.017	0.132	0.895	0.001
AGE2 → SOC	0.019	0.154	0.878				0.019	0.154	0.878	0.000
AGE3 → GIF	-0.073	0.749	0.454	-0.047	0.801	0.423	-0.120	1.461	0.144	0.006
AGE3 → REC	-0.079	1.036	0.300	-0.117	1.192	0.233	-0.196	1.577	0.115	0.019
AGE3 → SOC	0.108	0.949	0.343				0.108	0.949	0.343	0.014
BUS2 → GIF	0.099	0.844	0.399	0.200	2.665	0.008***	0.299	2.966	0.003***	0.011
BUS2 → REC	-0.177	2.093	0.036**	0.447	4.279	0.000***	0.270	3.025	0.002***	0.090
BUS2 → SOC	-0.464	5.130	0.000***				-0.464	5.130	0.000***	0.305
COB2 → GIF	-0.105	0.721	0.471	0.003	0.040	0.968	-0.102	0.653	0.514	0.007
COB2 → REC	-0.079	0.728	0.467	-0.021	0.149	0.882	-0.101	0.615	0.539	0.010
COB2 → SOC	-0.006	0.043	0.966				-0.006	0.043	0.966	0.000
COB3 → GIF	0.258	1.894	0.058*	-0.080	1.127	0.260	0.178	1.341	0.180	0.054
COB3 → REC	0.029	0.317	0.751	-0.101	0.779	0.436	-0.071	0.491	0.623	0.002
COB3 → SOC	0.184	1.343	0.179				0.184	1.343	0.179	0.027
EDU2 → GIF	-0.189	1.198	0.231	-0.026	0.341	0.733	-0.215	1.446	0.148	0.017
EDU2 → REC	0.246	2.349	0.019**	-0.103	0.717	0.473	0.143	0.888	0.375	0.074
EDU2 → SOC	0.059	0.375	0.708				0.059	0.375	0.708	0.002
EDU3 → GIF	-0.187	1.216	0.224	-0.103	1.291	0.197	-0.290	2.128	0.033**	0.015
EDU3 → REC	0.220	1.882	0.060*	-0.265	1.954	0.051*	-0.045	0.271	0.787	0.054
EDU3 → SOC	0.238	1.563	0.118				0.238	1.563	0.118	0.025
GEN2 → GIF	-0.230	2.391	0.017**	0.047	1.008	0.313	-0.183	1.832	0.067*	0.069
GEN2 → REC	-0.070	0.958	0.338	0.040	0.413	0.680	-0.030	0.297	0.766	0.016
GEN2 → SOC	-0.110	1.146	0.252				-0.110	1.146	0.252	0.016
GIF → REC	0.259	2.749	0.006***				0.259	2.749	0.006***	0.174
SOC → GIF	-0.432	3.320	0.001***				-0.432	3.320	0.001***	0.192
SOC → REC	-0.797	7.454	0.000***	-0.112	2.231	0.026**	-0.909	10.049	0.000***	1.424

Note. AGE2 = age group 2 (26–35 years old). AGE3 = age group 3 (36+ years old). BUS2 = business representation 2 (impersonal/personal). COB2 = country of birth 2 (the Netherlands). COB3 = country of birth 3 (international). EDU2 = education level 2 (middle). EDU3 = education level 3 (high). GEN2 = gender 2 (male). GIF = gift evaluation. REC = reciprocation likelihood. SOC = social distance. Control variables: AGE2.3; COB2.3; EDU2.3; GEN2. Independent variable: BUS. Dependent variables: GIF; REC; SOC. *p < 0.10. **p < 0.05. ***p < 0.01.

Table B4.4

Specific indirect effects in the PLS-SEM model – including business representation 2 (impersonal/personal)

Effect	Original Coefficient	Bootstrap results	
		t-value	p-value (2-sided)
AGE2 → SOC → GIF	-0.008	0.142	0.887
AGE3 → SOC → GIF	-0.047	0.801	0.423
BUS2 → SOC → GIF	0.200	2.665	0.008***
COB2 → SOC → GIF	0.003	0.040	0.968
COB3 → SOC → GIF	-0.080	1.127	0.260
EDU2 → SOC → GIF	-0.026	0.341	0.733
EDU3 → SOC → GIF	-0.103	1.291	0.197
GEN2 → SOC → GIF	0.047	1.008	0.313
AGE2 → GIF → REC	-0.020	0.681	0.496
AGE3 → GIF → REC	-0.019	0.701	0.483
BUS2 → GIF → REC	0.026	0.758	0.448
COB2 → GIF → REC	-0.027	0.691	0.490
COB3 → GIF → REC	0.067	1.537	0.124
EDU2 → GIF → REC	-0.049	1.091	0.275
EDU3 → GIF → REC	-0.048	1.116	0.265
GEN2 → GIF → REC	-0.060	1.669	0.095*
AGE2 → SOC → GIF → REC	-0.002	0.143	0.886
AGE3 → SOC → GIF → REC	-0.012	0.775	0.439
BUS2 → SOC → GIF → REC	0.052	2.030	0.042**
COB2 → SOC → GIF → REC	0.001	0.041	0.968
COB3 → SOC → GIF → REC	-0.021	1.046	0.296
EDU2 → SOC → GIF → REC	-0.007	0.339	0.735
EDU3 → SOC → GIF → REC	-0.027	1.186	0.236
SOC → GIF → REC	-0.112	2.231	0.026**
GEN2 → SOC → GIF → REC	0.012	0.977	0.328
AGE2 → SOC → REC	-0.015	0.147	0.883
AGE3 → SOC → REC	-0.086	0.916	0.359
BUS2 → SOC → REC	0.370	3.699	0.000***
COB2 → SOC → REC	0.005	0.041	0.967
COB3 → SOC → REC	-0.147	1.283	0.200
EDU2 → SOC → REC	-0.047	0.360	0.719
EDU3 → SOC → REC	-0.190	1.480	0.139
GEN2 → SOC → REC	0.087	1.063	0.288

Note. AGE2 = age group 2 (26–35 years old). AGE3 = age group 3 (36+ years old). BUS2 = business representation 2 (impersonal/personal). COB2 = country of birth 2 (the Netherlands). COB3 = country of birth 3 (international). EDU2 = education level 2 (middle). EDU3 = education level 3 (high). GEN2 = gender 2 (male). GIF = gift evaluation. REC = reciprocation likelihood. SOC = social distance. Control variables: AGE2,3; COB2,3; EDU2,3; GEN2. Independent variable: BUS. Dependent variables: GIF; REC; SOC. *p < 0.10. **p < 0.05. ***p < 0.01.

Appendix C

Research Integrity Form

Research Integrity Form - Master thesis

Name: Oliver Bäuerle	Student number: 1027642
RU e-mail address: Oliver.Baerle@student.ru.nl	Master specialisation: Marketing

Thesis title: Consumer Responses to Business Gifts in a Business-to-Consumer Setting

Brief description of the study: In a business-to-consumer gift-giving setting, this study examined whether different types of representations of the business have varying effects on the consumer's evaluation of the gift and the likelihood to reciprocate the gift. In this context the consumer's perceived social distance towards the business was investigated as a mediating variable in this relation.

It is my responsibility to follow the university's code of academic integrity and any relevant academic or professional guidelines in the conduct of my study. This includes:

- providing original work or proper use of references;
- providing appropriate information to all involved in my study;
- requesting informed consent from participants;
- transparency in the way data is processed and represented;
- ensuring confidentiality in the storage and use of data;

If there is any significant change in the question, design or conduct over the course of the research, I will complete another Research Integrity Form.

Breaches of the code of conduct with respect to academic integrity (as described / referred to in the thesis handbook) should and will be forwarded to the examination board. Acting contrary to the code of conduct can result in declaring the thesis invalid

Student's Signature:  Date: 14-06-2019

To be signed by supervisor

I have instructed the student about ethical issues related to their specific study. I hereby declare that I will challenge him / her on ethical aspects through their investigation and to act on any violations that I may encounter.

Supervisor's Signature:  Date: 12-6-2019