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"Surprise Gift" Purchases: Customer Insights from the Small Electrical Appliances Market

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Abstract

Surprise gifts offer more business opportunities than gifts suggested by recipients, because a larger part of the selection and purchase processes can be molded, and such gifts are especially valued by recipients. Yet the extant gift-giving literature explicitly takes into account neither the giver's intention to surprise nor the consequences for the gift selection and purchase processes. The present study investigates surprise gifts from the giver's point of view and disentangles the selection and purchase processes of surprise gifts and gifts that are not meant as surprises. The hypotheses emerge as a consequence of the enhanced pleasure and experiential motivation underlying surprise gifts, as well as their greater inherent perceived risk. According to panel data, design and money-back guarantees are more important for the purchase of surprise gifts (compared with non-surprise gifts), whereas good deals appear less important, and brand name does not seem to matter any more than it does for gifts not intended as a surprise. Also, surprise gifts more often are bought on the spot than non-surprise gifts, without extended information search (similar to impulse purchases), by women alone, and for someone within the household. Finally, the giver usually has a poorer idea of what he or she wants to buy before entering the shop and visits fewer stores to purchase surprise gifts. However, the last three results apply only to appliances which often serve as gifts. These insights lead to significant managerial implications for retailers and manufacturers.

Keywords: Surprise gift; Money-back guarantees; Price level; Brand name; Design; Risk; Information search

Introduction

"You should work a little, wrack your brain for something idiosyncratic and personal that will surprise and delight the recipient," professes a mother who decides to buy something that is *not* on her daughter's online birthday gift registry (Slatalla 2000, p. 4). This quote illustrates Western societies' gift-giving precepts. Western societies often embrace the ideal of the "perfect gift" (Belk 1996), which represents a "pervasive and influential model that affects our gift selections and provides a script for gift-giving" (Otnes and Beltramini 1996, p. 7). Perfect gifts require sacrifice from the giver, are given with the sole aim of pleasing the recipient, provide luxury, are uniquely appropriate to the recipient, and must be both surprising and delightful (Belk 1996). In this ideal model, (positively) surprising the recipient appears to be the *sine qua non* ingredient. As Belk (1996) puts it, "Gifts explicitly asked for by the recipient . . . detract from the surprise of the perfect gift" (p. 68), and "the delight of surprise is [a] reason why having to ask for a gift negates its value" (p. 67). Some authors argue that surprise represents a central emotion for gift-giving (Ruffle 1999) and may be the most valued characteristic of gifts in individualistic Western cultures (Belk 1996).

Yet recipients often use wish lists or ask directly for something they want (Belk 1979; Sherry 1983). Whereas registries used to be acceptable only for weddings (McGrath and Englis 1996), they now proliferate in various retail and e-stores for all types of occasions and events (Chen 1997). Belk (1979) reports that approximately 40% of gift selections depend on wish lists or hints. Nevertheless, a large proportion of gifts – roughly 60% – are surprise gifts.

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From a managerial point of view, surprise gifts offer more opportunities than gifts suggested by recipients, because a larger part of the selection and purchase processes[1] remains undetermined. For gifts on a wish list or suggested by the recipient, most of the selection process has been taken care of by the recipient, which leaves much less room for influence by retailers and manufacturers. Because of the economic importance of the gift market – consumers spend more than $100 billion annually on gifts in the United States alone (Consumer Expenditure Survey 2004) – and the massive marketing and sales activities focused on gift-giving (e.g., gift-related packaging, advertising, introduction of new products, longer retail opening hours), the lack of research effort to understand factors that will increase the likelihood of surprise gift purchases is peculiar.

Research has looked at the perception of surprise gifts from the *recipient's point of view* and confirmed that unexpected gifts that surprise are especially valued by recipients (Areni, Kiecker, and Palan 1998; McGrath, Sherry, and Levy 1993). In contrast, gifts selected from a wedding registry, for example, appear cold because they lack spontaneity (Otnes and Lowrey 1993). However, the *giver's point of view* has received very limited consideration; the extant literature on gift selection and purchase fails to take the giver's intention to surprise and its consequences for the gift selection and purchase processes explicitly into account. The lack of consideration for the giver's intention to surprise is apparent in Sherry's (1983) model, the most comprehensive and widely accepted model of gift exchange (Ruth, Otnes, and Brunel 1999). On the recipient's side of the model, Sherry (1983) recognizes the recipient's strategic role in guiding the gift selection (i.e., providing hints or directly requesting a gift) but does not consider that the giver also faces a deliberate strategic choice: exploit the recipient's hints and requests or ignore them (i.e., surprise the recipient). Yet this choice likely alters the gift selection and purchase processes.

Therefore, the first objective of this article is to extend prior gift-giving literature and reconcile the giver and recipient streams of research by explicitly considering surprise gifts from the giver's point of view. Our second objective is to broaden understanding of the factors that boost the probability of a surprise gift purchase by disentangling the selection and purchase processes of surprise gifts and gifts that are not meant as surprises.[2] We specifically address three relevant sets of factors, namely, risk relievers, purchasing patterns, and personal factors. Our third objective is to provide retailers and manufacturers with useful managerial insights so that they may develop more effective marketing and sales activities. Existing research tends to investigate gift-giving from a consumer behavior or psychological (e.g., Belk 1979; Belk and Coon 1993), sociological (e.g., Caplow 1982), or anthropological (e.g., Mick and Demoss 1990; Sherry 1983) perspective, without considering the strategic marketing or managerial perspectives. The quantitative studies by Heeler et al. (1979) and Parsons (2002) and qualitative work by McGrath (1989) and Mick, Demoss, and Faber (1992) are among the few exceptions. Greater understanding of the specific elements of gift selection and purchase processes that likely distinguish surprise from non-surprise gifts may help manufacturers and retailers gain a competitive advantage, because they can better encourage and help consumers find and buy surprise gifts. For example, firms need to know whether they should target their marketing communications at a prototypical surprise gift purchaser, and if so, when and where that buyer likely will decide which product to buy. Furthermore, if specific attributes (e.g., risk relievers) trigger purchase of a product as a surprise gift, sellers can determine which attributes to emphasize in their communication campaigns. Finally, they could design better communication campaigns if they knew whether surprise gifts tend to go to particular types of receivers.

The data we use to test our hypotheses are GfK panel data[3] from a sample representative of the German population in terms of demographics. Therefore, we extend the few studies that use large panels that effectively represent the population to examine gift purchases (i.e., Garner and Wagner 1991; Ryans 1977; Wagner and Garner 1993); those studies investigate differences between gift versus non-gift purchases and/or differences between gift purchases for a recipient who resides within versus outside the household.

Theoretical importance of surprise gifts

We define all gifts that are intended, from the giver's point of view, to (positively) surprise the recipient as surprise gifts. This conceptualization is consistent with the "surprise as value" gift-exchange theme uncovered by Areni et al. (1998). Because retailers and manufacturers can only influence the giver's purchase process, his or her intention to use the gift as a surprise is most relevant, whereas the gift exchange and the actual experience of surprise by the recipient, which occurs in a private sphere, remain largely beyond companies' control. Gift givers can prompt surprise, an emotion elicited by unexpected or misexpected events (Ekman and Friesen 1975)[4], primarily by offering a gift that the recipient does not know he or she will receive (Belk 1996). Additional surprise can come from providing the gift spontaneously without a specific occasion (e.g., outside traditional gift-giving occasions; Belk 1996), issuing the gift in a relationship that is not marked by expected gift exchanges (e.g., the giver does not usually give a gift to that recipient; Belk 1996), or givers' deliberate attempts to mislead the recipient regarding some aspects of the gift (e.g., prompt the recipient to expect something else; Areni et al. 1998).

[1] These processes form the gestation stage, defined by Sherry's (1983) model of gift giving. The presentation stage (actual gift exchange) and the reformulation stage (gift evaluation and disposition) have less managerial relevance because they are almost entirely beyond retailers' and manufacturers' control.

[2] We use the expressions non-surprise gifts, other gifts, and gifts not meant as a surprise interchangeably to indicate those gifts that the giver does not intend to give as a surprise gift.

[3] GfK is the fourth-largest market research organization worldwide. Its activities cover five business divisions: Custom Research, Retail and Technology, Consumer Tracking, Media, and HealthCare (www.gfk.com).

[4] The former denotes vague and not well-defined expectations about an event, whereas the latter denotes precise expectations that are proven wrong.