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What’s the Best Thank You?

Peggy Liu, BS, Cait Lamberton, PhD, and Kelly Haws, PhD

Acknowledgments and thank yous are given every day in nearly all professions, from real estate to acting to retail shopping. Though such thank yous are common, people rarely put much thought into how various forms of such acknowledgements might be received differently. Many people assume that any form of thank you will be appreciated. Moreover, one common assumption is that giving financial benefits or incentives in a business setting will always yield marginal increases in customer satisfaction or fulfillment. In our research, we explored the impact of financial acknowledgments versus other types of non-financial acknowledgments of appreciation. Our results are somewhat surprising.

Trivialization Effect

We conducted a series of research studies to examine how people respond to various types of acknowledgments. Our research shows that the type of acknowledgment (financial vs. non-financial) affects the standard by which consumers evaluate the acknowledgement’s perceived value. Each of our studies showed something we call the trivialization effect. Simply put, trivialization happens when financial gifts are viewed negatively, negating the thank you response. When trivialization effects happen, a thank you that contains a financial benefit can therefore be received more negatively than a simple thank you without a financial benefit.

Study 1: A Consumer Can Feel Trivialized by Our Thank you Approaches

We designed our first study around common consumer experiences. During an actual hotel stay, respondents who completed a review of their experience received one of two follow-ups: a thank you note without any financial benefit or a thank you note with a small financial benefit included. This study confirmed that the trivialization effect does, in fact, exist. That is, financial acknowledgments or thank you responses made receivers feel more underappreciated than did verbal acknowledgments or thank yous without the financial component. This was true even when the wording itself is held constant. We also conducted similar studies in two other business contexts (an online store and a restaurant dining experience) and found similar evidence in support of the trivialization effect.
Study 2: Understand the Drivers – Financial Benefit Expectations Matter

Our next study examined why this trivialization effect occurred. We surmised that thank yous containing financial gifts are judged by the receiver based on the amount of financial incentive and content of the message (i.e., wording—be it sincerity or personalization), whereas thank yous without financial gifts are judged only on the content of the message. As a result, if the wording of a message is already sincere, then adding a financial gift that is smaller than the recipient expects backfires – the acceptability of the verbal acknowledgement is undermined by the unacceptable financial amount. Indeed, our study showed that when a financial benefit is included within a thank you, the financial reward only leads to a sense of appreciation if it meets or exceeds consumers’ financial expectations. Otherwise, adding a financial benefit to a sincere note is of no positive value, and in fact, can be construed as negative.

Study 3: Adjust Expectations

The truth is that meeting or exceeding consumers’ financial expectations may not be economically feasible or desirable for firms – but they still want to provide small financial perks to their consumers. Therefore, in our last study, we examined ways to make small financial acknowledgments more effective. We surmised that if recipients were given a range of possible financial benefit amounts, they would judge the amount they received based on the possible range of benefits rather than on an internal standard of appropriateness they may have based on prior experiences. Therefore, they would look more favorably upon financial gifts in the higher part of the range than they might if left to evaluate them in isolation. For example, if we sent an email telling recipients they received a gift of $20 and the range for others’ gifts was between $0 and $25, even a consumer who would have originally expected a $50 gift will value the $20 gift they received. Indeed, in Study 3, we found that recipients’ reference points for what they thought was an acceptable financial gift changed through the simple inclusion of a range of possible values that accompanied the thank you. In a separate study, we also explored the impact of giving small financial gifts to the recipient versus donating the small financial gifts to charity in the recipient’s name. Interestingly, recipients felt more appreciated when the gift (albeit, a small gift) was given to charity rather than to the recipient. Such findings suggest that allowing consumers to reframe small amounts as prosocial actions – where small giving amounts are fairly common – may help firms to overcome trivialization effects without vastly increasing the amount of financial benefit they offer.

Real Estate Perspective

Sending thank yous and acknowledgments are a common practice, especially in real estate. Real estate agents should establish the best acknowledgment content for the messages directed to their clients. Agents can always benefit by sending properly worded acknowledgments and thank yous. A properly worded thank you works well if an agent requests feedback after a successful sale or purchase of a new property. However, giving out financial benefits and incentives bring
challenges that need additional consideration. If you want to include some type of financial benefit, our research suggests that you should ensure that the financial benefit meets or exceeds the receiver’s expectations. Or, if you are constrained to providing a more modest financial benefit, sending the financial benefit as a donation to charity on behalf of the client should yield a more favorable response.

Recommended Reading


About the Authors

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Peggy J. Liu (BS – Yale University) is a Marketing PhD candidate at the Duke University Fuqua School of Business. Peggy conducts research on consumer behavior, with a focus on consumer welfare and well-being. Her research is primarily in two areas: one area is on understanding and improving consumers’ food choices, and the second area is on how choices for others (e.g., everyday product choices, gifts, thank you gifts) impact aspects of the interpersonal relationship, both in the context of consumer-consumer relationships and firm-consumer relationships. Her research has been published in Journal of Marketing, Management Science, Organizational Behavior & Human Decision Processes, Appetite, and other journals. She was a co-winner of the ACR-Sheth Foundation Dissertation Award in 2014. Before entering the PhD program at the Duke University Fuqua School of Business, she obtained a B.S. in psychology from Yale University.

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Kelly Haws (PhD – University of South Carolina) is Associate Professor of Marketing at the Vanderbilt University Owen Graduate School of Business. She studies consumer behavior, with a particular focus on issues related to consumer welfare. Her research has appeared in numerous publications, including the Journal of Consumer Research, the Journal of Marketing Research, the Journal of Marketing, the Journal of Consumer Psychology, Management Science, Journal of Services Research, the American Journal of Preventative Medicine, Appetite, and others. She is also an editorial review board member for the Journal of Consumer Research, the Journal of Consumer Psychology, and the Journal of Public Policy & Marketing. She was selected as a Young Scholar by the Marketing Science Institute, and in 2013, she was awarded the Early Career Award for distinguished research contributions by the Association of Consumer Research. Prior to joining the faculty at Vanderbilt in 2013, she served as assistant professor of marketing and Mays Research Fellow at Texas A&M University’s Mays Business School, where she was a three-time winner of the student-led SLATE Teaching Excellence Award.