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Over the past few years, customer relationship management and loyalty programs (LPs) have been widely adopted by companies and have received a great deal of attention from marketers, consultants, and, to a lesser degree, academics. In this research, the authors examine the effect of the level of effort required to obtain an LP reward on consumers' perception of the LP's attractiveness. The authors propose that in certain conditions, increasing program requirements can enhance consumers' likelihood of joining the program, thus leading consumers to prefer a dominated option. Specifically, the authors hypothesize that consumers often evaluate LPs on the basis of their individual effort to obtain the reward relative to the relevant reference effort (e.g., the effort of typical other consumers). When consumers believe they have an effort advantage over typical others (i.e., an idiosyncratic fit with the LP), higher program requirements magnify this perception of advantage and can therefore increase the overall perceived value of the program. The authors support this proposition in a series of studies in which the perceived idiosyncratic fit was manipulated either by reducing the individual effort or by raising the reference effort. The authors' findings also indicate that (1) idiosyncratic fit considerations are elicited spontaneously, (2) idiosyncratic fit mediates the effect of effort on consumer response to LPs, and (3) an alternative account for the results based on signaling is not supported. The authors conclude that the findings are part of a broader phenomenon, which they term the "idiosyncratic fit heuristic," whereby a key factor that affects consumers' response to marketing programs and promotional offers is the perceived relative advantage or fit with consumers' idiosyncratic conditions and preferences.

The Idiosyncratic Fit Heuristic: Effort Advantage as a Determinant of Consumer Response to Loyalty Programs

Over the past few years, loyalty programs (LPs; or frequency programs) have become a key component of customer relationship management (CRM), serving a critical role in developing relationships, stimulating product and service usage, and retaining customers. Marketers have implemented such programs in a wide variety of industries (Blattberg and Deighton 1996; Deighton 2000; Drèze and Hoch 1998; Sausner 2001; Shoemaker and Lewis 1999), and more than half the U.S. (adult) population currently participates in at least one LP (LaPointe 2002). Furthermore, the importance of LPs has been recognized in both the managerial and the economic modeling literature (e.g., Borenstein 1996; Kim, Shi, and Srinivasan 2001; Kopalle and Neslin 2000). Nevertheless, little is known about the factors that influence customer perception of and response to such programs or why some programs are highly successful (e.g., frequent flier programs) whereas others fail (e.g., Internet network LPs). Thus, one goal of the present research is to improve the understanding of consumer preference toward LPs and, more generally, toward streams of efforts that lead to future rewards (e.g., conducting research to achieve tenure, dieting to lose weight).

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Loyalty programs raise important theoretical questions about issues such as the characteristics of the required effort, the obtained rewards, the decision to join the program, and the factors that influence the likelihood of reaching the reward. Recent research has begun to address these questions, particularly the relationship between the required effort and the preference toward LP rewards. For example, Kivetz and Simonson (2002a) show that consumers use the required program effort to justify choosing luxury over necessity rewards, and Kivetz (2003) demonstrates that the level and intrinsic interest of the required effort has a systematic effect on the trade-off between the probability and the magnitude of (uncertain) rewards. Although this research has improved the understanding of the relationship between the level of effort and consumers' reward preferences (see also van Osselaer, Alba, and Manchanda 2003), the more basic question of how the level of effort affects the attractiveness of an LP has not yet been studied.

In this research, we investigate the effect of the level of required effort on customer preference for LPs. Contrary to the common assumption, we suggest that in certain conditions, greater effort requirements can enhance the perceived value of LPs. Furthermore, we propose a general principle of consumer behavior, which we call the "idiosyncratic fit heuristic," whereby consumers are enticed by offers for which they enjoy a relative advantage. For example, when consumers perceive their own effort in complying with the program requirements as lower than the effort of typical other consumers, they construe the LP as providing an idiosyncratic fit and therefore a better deal for them. As with other rules of thumb, the idiosyncratic fit heuristic is often useful and consistent with value maximization, but it can lead to errors and selections of inferior options. In particular, we show that under high perceived idiosyncratic fit, consumers may be more likely to join an LP with greater effort requirements than one that offers the same reward with lower effort.

We begin by presenting the concept of idiosyncratic fit and discussing its role in shaping consumer preference and accounting for the results of prior research. We then consider the implications of idiosyncratic fit for consumer response to LPs, leading to the idiosyncratic fit hypothesis. This hypothesis and other predictions were tested in a series of studies with a total of approximately 2300 consumers. We also examined the mechanism underlying the impact of idiosyncratic fit and alternative explanations for the results. The theoretical and practical implications of this research are discussed in the final section.

THE ROLE OF IDIOSYNCRATIC FIT IN CONSUMER PREFERENCE

A great deal of research has shown that consumer preferences are often unstable and ill defined and that consumers construct their evaluations and preferences when faced with the need to make a decision (for a review, see Bettman, Luce, and Payne 1998; Payne, Bettman, and Johnson 1992). Other studies further demonstrate the difficulty of assessing individual options and outcomes (e.g., Bazerman, Loewenstein, and White 1992; Hsee 1996; Nowlis and Simonson 1997). Assessing the value of an individual option or a marketing offer is particularly challenging when consumers do not have readily available reference points, such as similar, previously encountered options or offers (e.g., Kahneman, Ritov, and Schkade 1999).

How, then, do consumers handle the task of evaluating individual offers or options presented to them? Prior research suggests that consumers seek cues that serve as proxies for the offer's attractiveness or value for them. For example, even if a consumer has no prior information about the normal or reasonable prices in a certain category, an item being on "sale" for 50% off the regular price can be used as a cue that the price is attractive (e.g., Thaler 1985; Winer 1986).

We argue that consumers often assess alternatives and marketing promotions on the basis of their idiosyncratic fit with the offer; that is, they tend to place significant weight on whether the offer provides a better "fit" for them than for others. If consumers believe that they have an especially good fit with an alternative (e.g., they believe a certain aspect of the offer is especially valuable for them but not for others), and given the reasonable assumption that existing offers in the marketplace are perceived as attractive by most consumers, the consumers may conclude that this alternative is particularly attractive for them. In other words, idiosyncratic fit indicates that the consumer has a relative advantage with respect to that option, which is often, though not always, an indicator of an attractive opportunity (see also Schindler 1989, 1998; Thaler 1985, 1999).

The reliance on such an idiosyncratic fit heuristic is consistent with social comparison theory (Festinger 1954), which explicitly postulates a human drive to evaluate one's own abilities, outcomes, and preferences. Because such evaluations often cannot be established on the basis of objective criteria, people may rely instead on comparisons with the typical abilities, outcomes, and preferences of others. The notion that consumers spontaneously compare themselves with typical others is also supported in research on mental simulations and counterfactuals (e.g., Kahneman and Miller 1986; Sanna 1996). This research has shown that people often voluntarily form comparisons relative to various simulated or mental representations that do not exist in reality. Furthermore, Gilbert, Giesler, and Morris (1995) demonstrate that social comparisons are relatively spontaneous, effortless, and unintentional reactions and that they often happen even when people consider them nondiagnostic.

The idiosyncratic fit heuristic can account for the results of prior research (e.g., Simonson, Carmon, and O'Curry 1994; Simonson, Nowlis, and Simonson 1993), in which consumers avoid options simply because they fit others better or because they include features that the consumer can do without. For example, the finding that a consumer tends to prefer (reject) options that are rejected (preferred) by other consumers for reasons that do not apply to that consumer (Simonson, Nowlis, and Simonson 1993) can be interpreted as suggesting that consumers assess their idiosyncratic fit with options and offers based on whether the reasons employed by others for selecting or rejecting these options are relevant to them. Next, we consider the implications of idiosyncratic fit for consumer response to LPs, leading to a series of direct tests of this heuristic.

THE IMPACT OF PERCEIVED IDIOSYNCRATIC FIT ON PREFERENCE FOR LPs

When evaluating the attractiveness of an LP, there are two main components that consumers are likely to consider: the

required effort and the rewards that can be earned (see, e.g., Drèze and Hoch 1998; Kivetz and Simonson 2002a; Soman 1998). In many cases, the required efforts are extended over time, and rewards are contingent on reaching a certain requirement level (e.g., the amount of required points, frequent flier miles, or purchases before reward attainment). We define *perceived (program) effort* as any inconvenience inherent in complying with the program requirements, such as making a special effort to buy at a particular store or purchasing more than the consumer would have otherwise bought.[1]

Because most consumers do not have expertise in assessing the efforts and rewards associated with participating in an LP, they are likely to rely on cues, just as consumers use various quality and value cues. In particular, we propose that consumers often determine the value of a program on the basis of whether it provides a better fit for them than for others. Thus, when consumers perceive their individual effort as low relative to a relevant reference effort (e.g., the effort of most other consumers), they may construe the program as providing them with an idiosyncratic fit. In general, consumers prefer greater absolute rewards and lower absolute efforts. However, most loyalty programs cannot be easily compared with other programs, in part because marketers often make such comparisons difficult to perform; for example, marketers offer different rewards or use different dollar-to-point conversion rates (e.g., "1 point for every $10 spent" versus "10 points for every $1 spent"). Other programs are difficult to compare because they are structured differently from one another; for example, some hotel LPs denominate efforts in terms of required stays, whereas other programs use dollars spent. Furthermore, evaluating the attractiveness of loyalty programs is not something with which most consumers have a great deal of expertise. In many cases, there are no established standards regarding the appropriate effort–reward trade-off (e.g., the number of stays that should earn a particular reward). Consequently, making judgments about LPs on the basis of the absolute required effort and the obtained reward is often a challenging task for consumers.

In contrast, assessing idiosyncratic fit is often much easier for consumers. For example, consider a gas station that offers a loyalty program in which consumers can earn a car vacuum cleaner after they make 20 gas purchases at the station. A consumer who happens to live close to this particular gas station and purchases gas at this station frequently is likely to recognize that his or her idiosyncratic effort in complying with the program requirements is lower than the typical effort of most other consumers who might participate in the program. Such a consumer may then make the attribution that if the program requirements and offerings are reasonable for others, they are especially favorable for him or her; that is, the consumer enjoys an idiosyncratic fit with that program.

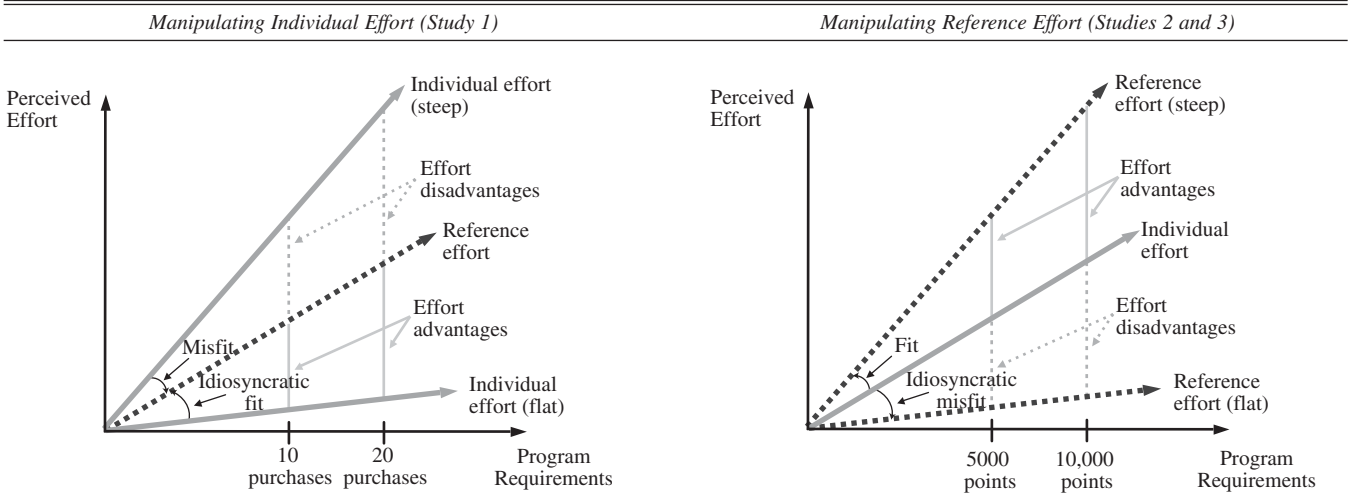
We argue that though considering idiosyncratic fit when evaluating LPs may often be a reasonable strategy, overrelying on this heuristic can lead to biases and suboptimal decisions. In particular, consumers who rely heavily on the idiosyncratic fit heuristic may prefer a dominated LP that requires greater effort for the same reward; that is, contrary to the common assumption, greater effort requirements can enhance the likelihood of joining an LP when consumers perceive themselves as having an idiosyncratic fit with the program.

This prediction is illustrated in Figure 1. The perceived reference effort (i.e., the effort required of typical others or the effort required by another related LP) and the perceived individual effort are both increasing functions of the objective (stated) program requirements.[2] The perception of idiosyncratic fit, which results from consumers construing their individual effort as lower than the reference effort, is captured by the steeper slope of the reference-effort versus the individual-effort function. For example, in the first panel of Figure 1, a consumer with a relatively flat individual-effort

[1]Perceived effort also includes substitution costs, that is, the disutility that consumers incur by purchasing a particular brand that they would not have otherwise bought (Blattberg and Neslin 1990).

[2]The ensuing conceptualization of idiosyncratic fit (misfit) holds irrespective of whether the reference- and individual-effort functions are concave, linear, or convex so long as the former has a greater (lesser) slope than the latter at each program requirement level.

Figure 1
EFFORT PERCEPTIONS IN LOYALTY PROGRAMS



function will have an effort advantage; that is, the reference effort will be greater than the individual effort at any level of program requirements.

Furthermore, under idiosyncratic fit, the perceived effort advantage (i.e., the gap between reference and individual effort) increases with greater program requirements. For example, if consumers believe that it is easier for them to make 10 gasoline purchases at a particular station (e.g., because they live next to that station), they will perceive their effort advantage as greater when 20 gasoline purchases are required rather than 10. Similarly, if only 1 purchase is required to obtain the reward, the significance of any idiosyncratic fit is limited, because any consumer can make a onetime effort. However, as the level of program requirements increases, the relative advantage of the consumer with idiosyncratic fit "adds up." Because evaluating LPs on the basis of the absolute required effort is typically difficult, the increase in the relative advantage can enhance the overall perceived value of the program.

In contrast, when the individual-effort function is steeper than the reference-effort function, the consumer will construe the program as providing an idiosyncratic *mis*fit (captured by the differential slopes in Figure 1). Furthermore, the perception of effort disadvantage (i.e., the negative gap between reference and individual effort) will increase with greater program requirements. Thus, in this case, both the individual effort and the perceived idiosyncratic misfit will work in the same direction, whereby increasing the program requirements detracts from the program's attractiveness.

Idiosyncratic fit is not the only determinant of consumer response to LPs. In particular, to the extent that a consumer can meaningfully and confidently assess the attractiveness of an LP on the basis of the absolute values of the required effort and the reward, the need to rely on a proxy such as idiosyncratic fit diminishes. For example, most frequent flier programs are similar and follow a de facto standard regarding the required effort and reward thresholds (e.g., 25,000 miles for a free round-trip domestic ticket). Thus, consumers may be able to evaluate frequent flier programs without relying much on idiosyncratic fit.

However, considering the difficulty of comparing most LPs (see also Hsee 1996; Nowlis and Simonson 1997) and because most consumers are not experts in valuing such programs, we expect the idiosyncratic fit heuristic to play a significant role in many situations. Specifically, when consumers perceive the reference effort as greater than their own individual effort (i.e., idiosyncratic fit), increasing the program requirements (between-subjects) is expected to lead to greater perceived program value, even though the reward is held constant (i.e., a violation of dominance). Furthermore, even if the program requirements are held constant, the perceived idiosyncratic fit and, correspondingly, the LP attractiveness may be enhanced if the reference effort is raised.

These predictions do not mean that greater effort will always enhance the attractiveness of the LP, because more effort has a direct, negative effect on the program attractiveness (just as higher product price has a direct, negative effect on the attractiveness of purchasing that product). Moreover, at high required effort levels, a consumer may eliminate the LP from further consideration before evaluating the implications of any idiosyncratic fit. Finally, when consumers do not perceive the LP as providing an idiosyncratic fit (i.e., individual effort ≥ reference effort), greater requirements will lead to a lower perceived program value. The discussion leads to the following proposition (hereafter, the idiosyncratic fit hypothesis):

> Under perceived idiosyncratic fit, increasing the magnitude of the LP requirements while holding the reward constant can enhance the likelihood of joining the program.

Although this hypothesis focuses on likelihood of joining the program as the primary indicator of program attractiveness, the effect of idiosyncratic fit and requirement level on consumers' willingness to pay (WTP) for membership in the program might also be examined. Indeed, some existing LPs require consumers to pay a membership fee when joining the program (e.g., American Express Membership Rewards, CBS SportsLine Rewards Plus, Blockbuster Rewards). However, because most current programs do not charge membership fees, many consumers may resist paying even a small amount to join an LP. In the subsequent tests of the idiosyncratic fit heuristic, we employ likelihood of joining as the main measure of program value, and we supplement it in Study 2 with a WTP membership fees measure and in Study 4 with a binary join/no-join choice measure. It is noteworthy that even when no membership fees are required, consumers may avoid joining LPs because of various transaction costs (e.g., providing personal information, filling out forms, carrying a loyalty card). Indeed, industry pundits cite limited enrollment as a main reason for the failure of some LPs (e.g., *Colloquy* 1997).

METHOD OVERVIEW

We conducted a series of studies to test the idiosyncratic fit hypothesis and the predictions discussed subsequently. In these studies, respondents were recruited either at domestic terminals of a major airport or at a large East Coast university. The airport respondents were between 18 and 80 years of age and represented a wide range of demographic characteristics. A total of approximately 2300 respondents participated in the studies. In all cases, respondents were randomly assigned to conditions.

In each study, a written introduction explained the general concept of LPs, with the example of frequent flier programs, and asked respondents to make choices, indicate their likelihood of joining, and/or state their WTP fees for the described LPs. The programs used in the studies were based on actual LPs available in the marketplace, such as department store, grocery store, and credit card programs. The descriptions of the relevant LPs specified the program requirements (e.g., number of purchases needed to obtain the reward) and presented the rewards in detail, including color photographs. The rewards were also based on real LPs, such as a prepaid telephone card, a car vacuum cleaner, and a movie ticket.

We manipulated the perceived idiosyncratic fit by affecting either the individual effort or the perceived reference effort (see the first and second panels of Figure 1, respectively). For example, the individual effort can be varied by informing respondents that a store that offers an LP is located either far away from or close to their house. Because it is unclear that such a manipulation of individual effort necessarily affects the perceived fit relative to typical others, we manipulated idiosyncratic fit in two additional studies by changing the perceived reference effort. For example, pro-

viding respondents with an ostensibly "objective," yet actuarially overestimated (underestimated) number of shopping trips typically required for most consumers to reach a particular level of spending may lead respondents to perceive their own effort as relatively low (high). Finally, in Study 4, we used consumers' preexisting tastes to measure rather than manipulate the perception of idiosyncratic fit or misfit. This study also elicited LP choices with real potential consequences.

TESTS OF THE IMPACT OF IDIOSYNCRATIC FIT ON PREFERENCES FOR LPs

Study 1: Tests of the Idiosyncratic Fit Heuristic Using Manipulations of Individual Effort

Method. We tested the idiosyncratic fit hypothesis by measuring respondents' likelihood of joining two programs: a gas station LP (329 airport travelers) and a department store LP (354 airport travelers).[3] In both programs, respondents were randomly assigned to one of four conditions in a 2 (program requirements: low versus high) × 2 (idiosyncratic fit: low versus high) between-subjects design. In both LPs, we manipulated the perceived idiosyncratic fit by varying the individual effort.

For the gas station program (see Figure 2, Panel A), respondents were told either that the gas station was close to their house and that they usually filled their tank there (low individual effort ⇒ high idiosyncratic fit) or that the gas station was located ten miles away from their house (high individual effort ⇒ low idiosyncratic fit). The level of program requirements was either 10 gasoline purchases (low program requirements) or 20 gasoline purchases (high requirements). In all conditions, the reward was a car vacuum cleaner. Respondents were asked to rate the likelihood that they would join this program (relative to typical programs they are familiar with). Ratings were made on an 11-point scale that ranged from "very unlikely to join" (0) to "very likely to join" (10).

The manipulation of perceived idiosyncratic fit in the department store LP was similar to that used in the gas station program (see Figure 2, Panel B). The program requirements involved accumulating either $1,500 or $3,000 of purchases at the department store (i.e., low versus high program requirements, respectively), and the reward was a Starbucks home espresso machine. Respondents were asked to rate the likelihood that they would join this program using the same 11-point scale.

Results. Consistent with the idiosyncratic fit hypothesis, the results of the gas station scenario indicate that the interaction between idiosyncratic fit and program requirements in determining the likelihood of joining the program was statistically significant and in the hypothesized direction ($F = 4.7$; degrees of freedom [d.f.] = 1; $p < .05$). For respondents who were told that the station was close to their house, the joining likelihood was higher for those given a program requirement of 20 rather than 10 gasoline purchases ($M = 6.1$ versus $M = 4.7$; $t = 2.5$; $p < .01$). Furthermore, as we expected, for respondents who were told that the station was located ten miles away from their house, the positive effect of program requirements on the likelihood of joining was eliminated ($M = 3.1$ for low program requirements versus $M = 2.8$ for high program requirements; not significant). In addition, as would be expected, greater proximity to the gas station had a significant, positive main effect on the likelihood of joining ($M = 2.9$ versus $M = 5.4$; $F = 40.2$; d.f. = 1; $p < .001$).

Similar results were obtained for the department store program, with the statistically significant interaction between idiosyncratic fit and program requirements ($F = 5.3$; d.f. = 1; $p < .05$). For respondents who were told that the store was close to their house, the mean joining likelihood was higher for those given a program requirement of $3,000 rather than $1,500 of grocery purchases ($M = 5.4$ versus $M = 4.4$; $t = 1.8$; $p < .05$). Furthermore, as expected, when respondents were told that the store was located 20 miles away from their house, increasing the program requirements (between-subjects) led to a marginally significant lower likelihood of joining ($M = 3.6$ versus $M = 2.9$; $t = 1.5$; $p < .1$). As expected, greater proximity to the store had a significant, positive main effect on likelihood of joining ($M = 3.3$ versus $M = 4.9$; $F = 22.9$; d.f. = 1; $p < .001$).

Figure 2
FREQUENCY PROGRAMS USED IN STUDY 1

A. Frequent Gas Station Customer

Imagine that your favorite, local gas station offers a loyalty reward program. This gas station is close to your house and usually you fill your tank there anyway. [This gas station is located 10 miles away from your house.] According to this program, after you purchase gasoline at the gas station 10 [20] times (each purchase must be over $10), you will earn a car vacuum cleaner (described below).

Car Vacuum Cleaner

- Cleans both dry and wet areas
- Compact, light, and easy to use
- Comes with a coil cord that plugs into the cigarette lighter
- Includes a brush attachment to scrub rugs and to loosen dried mud
- Also includes a crevice tool for hard-to-reach areas
- One-year warranty

Likelihood of joining the program (0–10)___

B. Department Store Frequency Program

Imagine that your favorite department store offers a frequency reward program. This department store is close to your house and you shop there regularly. [This department store is located 20 miles away from your house.] According to this program, after you accumulate $1,500 [$3,000] of purchases at the department store, you will earn a Starbucks Barista™ home espresso machine complete with all the accessories and a dozen convenient Pod espresso packs (shown to the right).

Likelihood of joining the program (0–10)___

Notes: The introductions to both scenarios informed respondents that they would be asked to rate their likelihood of joining the program relative to typical programs they are familiar with, using an 11-point scale ranging from "very unlikely to join" (0) to "very likely to join" (10).

[3]The two scenarios were run separately, but we include both under Study 1 because they used a similar methodology.

In summary, consistent with the idiosyncratic fit hypothesis, the results indicate that when idiosyncratic fit was high (i.e., individual effort << reference effort), higher program requirements enhanced the likelihood of joining the program. In addition, the positive effect of program requirements on joining likelihood was eliminated when idiosyncratic fit was low. These results support the notion that consumers employ an idiosyncratic fit heuristic when they assess loyalty programs and that such a heuristic can lead to violations of dominance.

However, in Study 1, we tested the effect of idiosyncratic fit using a manipulation of individual effort. Although the findings were consistent with our analysis, it is not clear that respondents actually considered their relative fit with the program compared to that of typical others. Thus, in Studies 2 and 3, we test the idiosyncratic fit hypothesis by manipulating the reference effort while holding the individual effort constant.

Study 2: A Test of the Idiosyncratic Fit Heuristic Using a Manipulation of Reference Effort

Method. In Study 2, 346 airport travelers evaluated a grocery store LP. Before considering the program, they were told that a previous study conducted at the airport revealed that it typically takes consumers eight (or four) shopping trips to a grocery store to make $300 worth of purchases. The respondents were told that this information was divulged to help them make a more informed decision. They were then asked to indicate how many trips to their favorite grocery store it takes them to reach $300 of purchases. Thus, the manipulation was intended to create the perception of idiosyncratic (mis)fit for respondents in the "typically eight (four) shopping trips" condition because, for them, it may take fewer (more) shopping trips to reach the same level of purchases (i.e., individual effort is lower [higher] than reference effort). The respondents were then asked to evaluate a grocery store LP in which the program requirements involved accumulating either $900 or $1,500 of payments at the grocery store (i.e., low versus high program requirements, respectively; manipulated between-subjects), and the reward was an AT&T 100-minute prepaid calling card (shown to respondents in color). There were two dependent variables: (1) a rating of the likelihood of joining the program and (2) the highest amount respondents were willing to pay to join the program.

Results. Unlike the manipulation of individual effort used in the previous study, the manipulation employed in this study was designed to influence the reference effort. Accordingly, we first examined whether the differences between the provided estimates of required trips for typical consumers (i.e., 4 or 8) and the respondents' individual estimates were in the expected direction. On average, respondents in the high-reference-effort condition ("typically takes most consumers 8 shopping trips to reach $300 of payments") indicated that it would take them 5.4 trips to accumulate $300 of purchases. Similarly, for respondents in the low-reference-effort condition ("typically takes most consumers 4 shopping trips"), the mean estimated number of trips was 5.7. Thus, the manipulation of reference effort produced the expected idiosyncratic (mis)fit conditions; respondents in the high- (low-) reference-effort condition indicated that it would take them significantly fewer (more) trips than the provided estimate for typical consumers (for both, $p < .001$).

Consistent with the idiosyncratic fit hypothesis, when respondents were told that it typically takes most consumers eight trips to the grocery store to reach the $300 purchase level (i.e., high reference effort $\Rightarrow$ high idiosyncratic fit), increasing the program requirements from $900 to $1,500 of payments at the grocery store led to a significantly higher mean likelihood of joining the program (M = 4.3 versus M = 5.3; t = 1.7; $p < .05$). In contrast, when respondents were told that it typically takes most consumers only four shopping trips to make $300 of payments (i.e., low reference effort $\Rightarrow$ low idiosyncratic fit), the positive effect of program requirements was eliminated for likelihood of joining (M = 4.9 in the low-program-requirements condition versus M = 4.5 in the high-program-requirements condition; not significant). An analysis of covariance that used respondents' self-estimated number of trips as a covariate revealed that the interaction between idiosyncratic fit and program requirements on the likelihood of joining was statistically significant and in the hypothesized direction (F = 4.2; d.f. = 1; $p < .05$).

We also examined the results for WTP membership fees, which were in the hypothesized direction: In the high-idiosyncratic-fit condition, greater program requirements led to a higher mean WTP (M = $3.50 versus M = $9.80; t = 1.7; $p < .05$), whereas in the low-idiosyncratic-fit condition, greater requirements led to a lower mean WTP (M = $5.80 versus M = $2.20; t = 1.7; $p < .05$). In addition, greater idiosyncratic fit due to higher reference effort led to a marginally significant higher mean WTP (M = $4.10 versus M = $6.60; F = 3.2; d.f. = 1; $p < .1$). However, as might be expected, the WTP data revealed that more than half the respondents indicated $0 for WTP membership fees.[4] Thus, although the WTP results are consistent with our analysis, given that most current programs do not charge joining fees, WTP does not seem to be an effective measure of perceived program value.

In summary, the results of the grocery store LP essentially replicate the pattern obtained in the gas station and department store LPs and provide further support for the notion that idiosyncratic fit considerations underlie consumer preferences for LPs. In particular, this study demonstrates that idiosyncratic fit can also be manipulated by varying the reference effort while holding the individual effort constant. This manipulation increases the salience of both the reference effort and the comparison between the reference and individual efforts. Although such explicit comparisons are not uncommon in the marketplace (e.g., an advertisement might encourage consumers to make certain comparisons), a worthwhile question is whether consumers would spontaneously consider the gap between reference and individual effort (i.e., idiosyncratic fit) without being prompted to do so. To address this issue, we conducted an additional test of the idiosyncratic fit hypothesis in Study 3 by means of an implicit manipulation of perceived reference effort. To gain

[4]We calculated the mean WTP membership fees reported using data from all respondents, including those who indicated $0 WTP (i.e., these are raw means). Note that program members could earn the reward (a prepaid calling card) multiple times after enrolling in the program. The AT&T prepaid calling card was sold for $18.99 in several vending machines inside the airport terminals where the study respondents were recruited.

further insight into the mechanism that underlies responses to LPs, in Study 3 we included a process measure to assess the perceived effort advantage.

Study 3: A Test of the Idiosyncratic Fit Heuristic Using an Implicit Manipulation of Reference Effort

Perceptions of the implicit idiosyncratic fit of LPs might be influenced by selectively providing accelerated earning opportunities (or "effort discounts"), such as double miles or points that apply only to a subsegment of consumers. For example, many current LPs provide double points for purchases made at specific sites, or "earn partners,"[5] or for members who are affiliated with some specific alliance program. For example, the American Express Membership Rewards program offers one point for every dollar of purchases on the company's credit card. This program has recently begun offering double points for purchases made at several specific grocery or gas station chains. Furthermore, American Express mails the offer to members and includes information about the participating grocery and gas station chains that are located near the member's home.

With such limited offers, as the scope of earn partners for double points is reduced (e.g., from all grocery chains to only one chain), consumers who receive double points in both cases are likely to perceive their idiosyncratic fit as greater in the latter, more exclusive case. That is, although their individual effort has not changed (they receive double points for grocery purchases in both scenarios), the perceived reference effort may increase because fewer program members now qualify for double points. Such a manipulation of reference effort does not explicitly mention the consumption habits or efforts of typical other consumers and thus does not create an explicit contrast between individual and reference effort.

Method. The respondents in Study 3 were 164 airport travelers. We manipulated perceived idiosyncratic fit by varying the perception of the reference effort. Specifically, in the low-idiosyncratic-fit condition, respondents were told that a credit card LP (see Figure 3) offered double points for every dollar spent at any grocery chain and at any gas station chain (low reference effort ⇒ low idiosyncratic fit). In the high-idiosyncratic-fit condition, respondents were told that the credit card LP offered double points for every dollar spent at a particular grocery chain and at a particular gas station chain, which happened to be where they regularly purchased groceries and gasoline (high reference effort ⇒ high idiosyncratic fit). Thus, although the individual effort was the same for respondents in both conditions (i.e., all respondents enjoyed the double-points offer), the reference effort was greater in the second case because fewer consumers in the general population would enjoy the double-points offer. The level of program requirements was accumulating either 5000 points or 10,000 points (i.e., low versus high program requirements), and the reward was a Compton's encyclopedia CD-ROM. Respondents were asked to rate the likelihood that they would join the program.

After respondents rated their joining likelihood, they were asked to rate how difficult or easy it would be for them to comply with the program's requirements compared to most consumers. The ratings were on an effort disadvantage/advantage scale of 1 ("much harder for me") to 7 ("much easier for me") that served as a measure for perceived idiosyncratic fit. We expected this measure of perceived effort advantage to be a function of the interaction between the level of program requirements and the idiosyncratic fit manipulation: In the high-idiosyncratic-fit condition, we expected greater program requirements to enhance respondents' perception that the program was easier for them, and vice versa in the low-idiosyncratic-fit condition. Finally, we expected that perceived effort advantage would mediate the interaction effect between program requirements and idiosyncratic fit condition on the likelihood of joining the program.

Figure 3
CREDIT CARD FREQUENCY PROGRAM

Imagine that your credit card company offers a reward program where you earn 1 point for every dollar you charge on any of the company's cards. The program also offers double points for every dollar spent using the company's credit cards at one particular grocery chain and at one particular gasoline chain. These particular grocery and gasoline chains happen to be your favorite chains where you purchase groceries and gasoline regularly. [The program also offers double points for every dollar spent using the company's credit cards at any grocery chain and at any gasoline chain.]

According to the credit card reward program, after you accumulate 5000 [10,000] points, you will earn a Compton's Encyclopedia 2000 Deluxe CD-ROM (includes thousands of articles, photos, videos, maps, charts, and sound clips; made by The Learning Company).

1. How likely would you be to join this program? Please enter a number from 0 ("very unlikely to join") to 10 ("very likely to join"): _____.
2. How easy do you think it would be for you to accumulate the required 5000 [10,000] points compared to most typical consumers? (circle the appropriate number)

Much harder for me than for most typical consumers	1	2	3	4	5	6	7	Much easier for me than for most typical consumers

Results. Consistent with the idiosyncratic fit manipulation, respondents in the high-reference-effort condition (i.e., high idiosyncratic fit) on average rated the program as easier for them than for typical others compared with respondents in the low-reference-effort condition (M = 4.4 versus M = 3.8; t = 1.9; $p < .05$). Thus, the manipulation of double points for purchases made at "any" chain versus at the respondents' "favorite" grocery and gas station chains created the expected perception of idiosyncratic fit. Moreover, an analysis of variance revealed that the interaction between the idiosyncratic fit manipulation and the level of program requirements on the perceived effort advantage was statistically significant and in the expected direction (F = 4.4; d.f. = 1; $p < .05$). Specifically, in the high-idiosyncratic-fit condition, increasing the program requirements led respondents to perceive the program as easier to comply with for them than for most other consumers (M = 4.2 versus M = 4.7). In contrast, in the low-idiosyncratic-fit condition, increasing the program requirements led respondents to perceive compliance with the program as harder for them than for most others (M = 4.1 versus M = 3.4). This result is consistent with the notion that the idiosyncratic fit manipulation affected the gap between individual and reference effort in

[5]An "earn partner" offers the sponsor's program currency (e.g., points or miles) as a reward to customers who buy the earn partner's products or services.

the expected direction by shifting the perceived reference effort (see the second panel of Figure 1).

In support of the idiosyncratic fit hypothesis, an analysis of variance showed that the interaction between idiosyncratic fit (manipulated by means of reference effort) and program requirements on joining likelihood was statistically significant and in the hypothesized direction ($F = 5.8$; d.f. = 1; $p < .05$). When respondents were told that the double points were offered for every dollar spent at the particular grocery chain and gasoline chain that they usually patronize (i.e., high reference effort ⇒ high idiosyncratic fit), increasing program requirements (between-subjects) from 5000 points to 10,000 points led to a significant increase in the respondents' reported likelihood of joining the program ($M = 3.8$ versus $M = 5.4$; $t = 2.2$; $p < .05$). In contrast, when respondents were told that double points could be obtained at any grocery or gasoline chain (i.e., low reference effort ⇒ low idiosyncratic fit), increasing program requirements led to a marginally significant decrease in the likelihood of joining the program ($M = 3.1$ versus $M = 2.2$; $t = 1.3$; $p < .1$). In addition, consistent with the idiosyncratic fit manipulation, across the two levels of program requirements, greater idiosyncratic fit led to a statistically significant higher likelihood of joining ($M = 2.7$ versus $M = 4.5$; $F = 13.2$; d.f. = 1; $p < .001$).

A mediation analysis (Baron and Kenny 1986) indicated that the measure of perceived effort advantage mediated the interaction between idiosyncratic fit condition and program requirements on the likelihood of joining. In particular, the following three conditions for mediation were supported: (1) the independent variables (i.e., requirement level × idiosyncratic fit condition) significantly affected the mediator (i.e., perceived effort advantage), as reported previously; (2) the independent variables significantly affected the dependent variable (i.e., likelihood of joining the credit card LP), per the idiosyncratic fit hypothesis; and (3) the mediator affected the dependent variable ($F = 61.0$; d.f. = 1; $p < .001$) when the independent variables were also included in the analysis, and thus the effect of the independent variables on the dependent variable was attenuated ($F = 2.2$; d.f. = 1; $p > .1$). These results support the mediating role of perceived idiosyncratic fit and the proposed underlying mechanism for the observed LP preferences.

In summary, the credit card scenario provides further support for the proposition that consumers overrely on an idiosyncratic fit heuristic when they assess the value of LPs. In particular, this study manipulated idiosyncratic fit by influencing consumers' perception of the reference effort without explicitly evoking typical other consumers or the contrast between individual and reference effort. Even with this subtle manipulation, respondents perceived their effort advantage to be greater in the high-idiosyncratic-fit condition, and the effort advantage was further enhanced when the program requirements were increased. The opposite pattern was observed for respondents in the low-idiosyncratic-fit condition. Finally, the perception of the effort disadvantage/advantage mediated the effects on joining likelihood predicted by the idiosyncratic fit hypothesis.

Study 4: Spontaneous Use of the Idiosyncratic Fit Heuristic in Evaluations of a Loyalty Program

Thus far, all the tests of the idiosyncratic fit heuristic have involved a manipulation of fit. A question that naturally arises is whether consumers spontaneously consider their idiosyncratic fit (or lack of fit) with LPs, even when there are no explicit cues for (or manipulations of) such (mis)fit. Accordingly, in this study, we investigate the idiosyncratic fit heuristic using an unobtrusive measurement of consumers' preexisting tastes (i.e., after consumers make their decision), rather than a manipulation of individual or reference effort. Moreover, to allow for a particularly realistic test of the idiosyncratic fit heuristic, the participants in Study 4 were asked to make decisions with real potential consequences.

This study also enables us to test an alternative explanation (the "signaling" account) for the effect of program requirements on preference toward LPs. A great deal of research has shown that higher cost (e.g., higher price) sometimes signals higher quality or value (e.g., Zeithaml 1988). Furthermore, it might be argued that the rewards used in Studies 1–3 involved some value uncertainty. Thus, it is possible that higher program requirements enhanced the perceived worth of rewards, which could account for the positive impact of higher LP requirements on joining likelihood. This account cannot explain the interaction between program requirements and idiosyncratic fit and the finding that in the low-fit condition, greater requirements do not increase joining likelihood. Moreover, in each scenario, we provided a detailed description and a color picture of the reward, which should reduce the uncertainty about the reward's value. Nevertheless, the present study directly examined the signaling account by (1) using rewards with well-known or specified value (e.g., a movie ticket) and (2) examining whether participants perceived the reward as more valuable when it was contingent on greater effort requirements.

Method. The participants were 195 students at a large East Coast university. Participants were recruited at an on-campus food court. There are multiple restaurants in the dining area, including a sushi bar and a sandwich shop. Participants were informed that there was a plan under consideration to start a frequent diner program that would reward students for their patronage at the various dining locations on the university campus. They were asked to complete a questionnaire that was described as part of an effort to determine the level of interest in such a program and whether it should be launched.

Participants were randomly assigned to either a low- or a high-program-requirements condition. All participants were told that they would be required to pay a onetime membership fee of $2 and carry a frequent diner card that would be used for tracking their purchases. In the low-requirements condition, program participants would need to purchase 12 sandwiches at any on-campus dining location, and in the high-requirements condition they would need to buy 12 sandwiches and 12 sushi meals. In both conditions, participants who completed the required effort would earn a movie ticket (good at any local movie theater) and a $10 prepaid telephone card (good for 100 minutes of domestic calls). Figure 4 presents the frequent diner card shown to participants in each condition.

Participants were asked to indicate whether they would join the program. Participants were also asked to rate the likelihood that they would join this program on an 11-point scale that ranged from "very unlikely to join this program" (–5) to "very likely to join this program" (5). Next, partici-

Figure 4
FREQUENT DINER PROGRAM CARD

A. Low-Requirements Condition

After you buy 12 sandwiches (at any on-campus dining location), you will earn both one free movie ticket (good at any movie theater in New York) **AND** a $10 prepaid telephone card (good for 100 minutes of domestic calls within the United States).

--- see program card below ---

Dining Plus

BUY **12** SANDWICHES AT ANY COLUMBIA RESTAURANT AND EARN BOTH **ONE MOVIE TICKET AND** A **$10 PREPAID PHONE CARD**

One stamp per visit, per customer

B. High-Requirements Condition

After you buy both 12 sandwiches AND 12 sushi meals (at any on-campus dining location), you will earn both one free movie ticket (good at any movie theater in New York) **AND** a $10 prepaid telephone card (good for 100 minutes of domestic calls within the United States).

--- see program card below ---

Dining Plus

BUY BOTH **12** SANDWICHES **AND 12** SUSHI MEALS AT ANY COLUMBIA RESTAURANT AND EARN BOTH **ONE MOVIE TICKET AND** A **$10 PREPAID PHONE CARD**

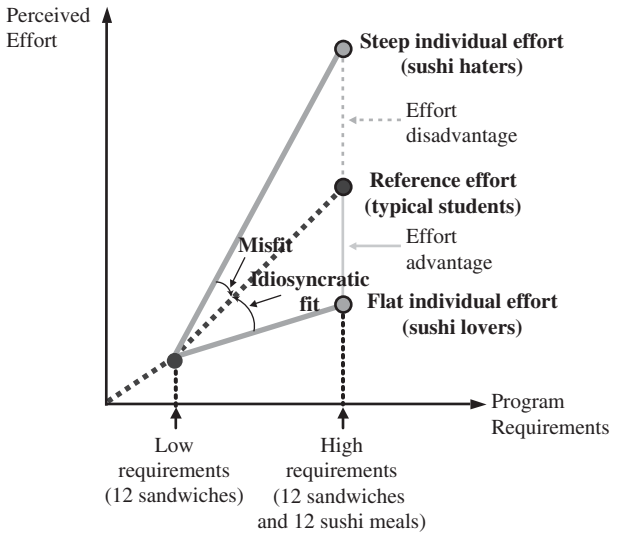
One stamp per visit, per customer

pants were given an additional page on which they were asked to rate how difficult or easy it would be for them, compared to typical other students, to complete (1) 12 sushi purchases at on-campus restaurants and (2) 12 sandwich purchases at on-campus restaurants. The ratings were on a 7-point scale that ranged from "much more difficult for me than for typical students" (1) to "much easier for me than for typical students" (7). In addition, to test the signaling account, a subsample of participants were asked to indicate how much they thought one movie ticket (good at any movie theater in the local city) typically costs.

The perceived effort advantage in completing 12 sushi purchases served as the measure of perceived idiosyncratic fit. Recall that the only difference between the low- and high-requirement conditions was that the latter required 12 additional sushi purchases. Thus, for participants who found it easy (compared to others) to complete 12 sushi purchases, we expected the high-requirements condition to enhance the perception of fit compared with the low-requirements condition, which did not require buying sushi. In contrast, we expected participants for whom the sushi requirement was relatively difficult to perceive the high-requirements program as providing an idiosyncratic misfit. We intentionally selected sandwich and sushi purchases as the program requirements, because we expected the appeal of sandwiches to be more universal and the preference for sushi to be segmented, with some students craving sushi and others disliking it. Furthermore, it is reasonable to assume that most students probably knew that the appeal of sushi tended to be segmented and the appeal of sandwiches was more universal, which we expected to enhance the perception of idiosyncratic (mis)fit with the high-requirements program for people who (dislike) crave sushi.

Figure 5 graphically summarizes the study's design and the (expected) effect of program requirements on perceived idiosyncratic fit and misfit (using the framework presented in Figure 1). In the low-requirements condition (i.e., 12 sandwich purchases), we expected that participants would perceive their individual effort in complying with the program to be similar to the reference effort of typical others, regardless of whether these participants liked sushi. In the high-requirements condition (i.e., 12 sandwich and 12 sushi purchases), we expected that those who liked sushi ("sushi lovers") would perceive their individual compliance effort as lower than that of (the reference) typical students, thus providing them with an idiosyncratic fit. In contrast, we expected those who disliked sushi ("sushi haters") to perceive their individual effort in complying with the high requirements as greater than the reference effort (i.e., idiosyncratic misfit).

Figure 5
UNDERLYING EFFORT PERCEPTIONS IN THE FREQUENT DINER STUDY



Results. Participants were divided into two groups, sushi haters and sushi lovers, on the basis of a median split of their reported effort disadvantage/advantage in completing 12 sushi purchases (means and standard deviations [s.d.] of relative sushi ease ratings in the sushi haters and sushi lovers groups were 1.7 [s.d. = .85] and 4.9 [s.d. = .90], respectively). These two groups represent the two levels of (measured) idiosyncratic fit. We then used logistic regression to test the idiosyncratic fit hypothesis, which predicts that higher program requirements enhance (decrease) the tendency to join the program for sushi lovers (haters). The dependent variable received a value of 1 if the participant decided to join and 0 otherwise. The independent variables included the program requirements condition (12 sandwich purchases versus 12 sandwich and 12 sushi items), the idiosyncratic fit level, and the interaction between the requirement condition and the idiosyncratic fit level.

As predicted by the idiosyncratic fit hypothesis, the interaction between the measured idiosyncratic fit and the program requirements was statistically significant and in the hypothesized direction (Wald's $\chi^2 = 22.0$; $p < .001$). Among participants with perceived idiosyncratic fit (sushi lovers), increasing the program requirements (between-subjects) from 12 sandwich purchases to 12 sandwich and 12 sushi purchases led to a marginally significant higher share of participants who chose to join the program (58% versus 73%; t = 1.5; $p < .1$). In contrast, as expected, among participants with perceived idiosyncratic misfit (sushi haters), increasing the requirements led to a significantly lower rate of joining the program (82% versus 29%; t = 6.5; $p < .001$). We obtained similar results when we used the continuous measure of sushi effort disadvantage/advantage ($p < .001$) rather than a median-split in the logistic regression analysis.

The pattern of results is also similar if we use the 11-point joining likelihood as the dependent variable.[6] In particular, consistent with the idiosyncratic fit hypothesis, there was a statistically significant interaction between the measured groups of idiosyncratic fit and the program requirements (F = 27.0; d.f. = 1; $p < .001$). Among participants with perceived idiosyncratic fit (sushi lovers), greater program requirements led to a significantly higher likelihood of joining (M = .6 versus M = 2.0; t = 1.9; $p < .05$); among participants with perceived idiosyncratic misfit (sushi haters), greater requirements led to a significantly lower likelihood of joining (M = 1.9 versus M = –1.4; t = 5.5; $p < .001$). Again, we obtained similar results using the continuous measure of sushi effort disadvantage/advantage ($p < .001$).

Because we measured rather than manipulated the perception of idiosyncratic fit, a risk exists of confounding effects due to unobservable differences between the two groups. In particular, sushi lovers and sushi haters may differ with respect to their sandwich preferences. However, we did not find such a difference; the mean sandwich effort disadvantage/advantage rating was 4.0 for sushi haters (s.d. = 1.9) and 4.2 for sushi lovers (s.d. = 1.8) on the seven-point scale. Accordingly, the inclusion of the sandwich effort disadvantage/advantage measure as a covariate in the model did not attenuate the statistical significance of the interaction between requirement level and measured idiosyncratic fit. Finally, participants in the high-requirements conditions did not estimate a higher cost for a movie ticket than did participants in the low-requirements condition (M = $9.80 versus M = $9.70; t = .9; $p > .1$), which is inconsistent with the signaling account.

In summary, the frequent diner study demonstrated the impact of the idiosyncratic fit heuristic by means of an unobtrusive measure of idiosyncratic fit in the context of an actual loyalty program with real potential consequences. Consistent with the previous results, participants with idiosyncratic fit (sushi lovers) were more likely to prefer a dominated program that required them to purchase 12 sandwiches and 12 sushi meals. Finally, that we obtained these results with rewards that have well-defined and familiar values provides evidence that signaling cannot explain the obtained pattern of results.

GENERAL DISCUSSION

One-to-one marketing and CRM have been widely adopted by companies and have received a great deal of attention from marketers, consultants, and, to a lesser degree, academics. An important goal of such marketing strategies is the development of customer loyalty, often by employing LPs. In this article, we propose that a key factor that contributes to the success or failure of LPs at the individual level is idiosyncratic fit, namely the perceived relative advantage that a program provides to an individual customer. In this section, we discuss the theoretical and practical implications of the present findings.

Key Findings and Theoretical Implications

Review of key findings. We proposed that consumers employ an idiosyncratic fit heuristic, whereby the disadvantage/advantage of a consumer relative to a reference effort (e.g., the effort for most other consumers) is used as a cue for assessing the attractiveness of an LP and contributes to the overall perceived value of that program. As with other heuristics, though using it is often reasonable and helpful, overapplication can lead to biases and counternormative decision making (e.g., Kahneman, Slovic, and Tversky 1982). In particular, we hypothesized that under perceived idiosyncratic fit, increasing the effort requirement of an LP can enhance the perceived advantage of the consumer and thus the attractiveness of the program. The likelihood that such an effect will occur depends on the availability and salience of alternative reference points that enable a consumer to evaluate the absolute level of individual effort (e.g., based on competing LPs or prior experiences with similar programs). Specifically, the more difficult it is to assess the absolute effort level, the more likely it is that higher effort enhances the program's attractiveness among those with idiosyncratic fit.

The proposition that higher effort can lead to greater program participation was supported in a series of studies that employed a variety of methodologies. In Study 1, the idiosyncratic fit manipulation involved changing the consumer's individual effort (e.g., the distance from the department store). This study left open the possibility that consumers evaluate programs solely on the basis of their own individual effort and not in relation to the reference effort of typical others. Study 2 (grocery store LP) addressed this limitation with a manipulation of idiosyncratic fit that varied the perceived reference effort of typical

[6]We conducted the analyses for this dependent variable using data from all respondents, including those who decided not to join the program.

others. This was accomplished by informing respondents about the consumption rate of groceries (i.e., high versus low) of typical consumers. Still, the study involved a rather salient and explicit manipulation of reference effort, which may not reflect typical consumer decisions in the marketplace.

Accordingly, Study 3 (credit card LP) employed an implicit and more subtle manipulation of the perceived reference effort and idiosyncratic fit, using a double-points offer to either a narrow or a broad segment of consumers. Again, under perceived idiosyncratic fit (i.e., the offer is limited to a narrow segment that includes the consumer), greater requirements increased the likelihood of joining the program.

Study 4 (frequent diner program) allowed for a particularly strong test of the idiosyncratic fit heuristic, using decisions with real potential consequences and an unobtrusive, postdecision measurement (rather than manipulation) of fit. The study demonstrated that consumers for whom a particular effort requirement (purchasing sushi) was easier than for others were more likely to join a dominated program that included the easier effort as an additional requirement. These results suggest that consumers spontaneously overemploy the idiosyncratic fit heuristic, even without being prompted to do so (for evidence of the spontaneity of social comparisons, see Gilbert, Giesler, and Morris 1995). In particular, a consumer's perception of fit is likely to play a role in determining preferences if the consumer perceives that fit as unique compared to that of most others.

The role of the idiosyncratic fit heuristic in judgment and decision making. The notion of idiosyncratic fit is related to research on the impact of others' welfare or satisfaction on one's own preferences in contexts such as negotiation (Corfman and Lehmann 1993; Loewenstein, Thompson, and Bazerman 1989), competition (Lehmann 2001), game theory (e.g., Feinberg, Krishna, and Zhang 2002; Rabin 1993), and equity and justice (e.g., Adams 1965; Lind and Tyler 1988; Messick and Cooke 1983). For example, Feinberg, Krishna, and Zhang (2002) demonstrate that consumers are affected not only by prices that they themselves are offered but also by prices available to others, which has implications for the design of targeted promotions. In a different domain, Bazerman, Loewenstein, and White (1992) show that people often evaluate their outcomes (e.g., a salary raise) on the basis of a comparison to those of others rather than absolute values. Some authors have even suggested that the sensitivity of satisfaction to the consumption and income level of others has led the majority of U.S. workers to overwork and experience leisure as an unaffordable luxury (Schor 1991; see also Frank 1985; Kivetz and Simonson 2002b).

Support for the notion that preferences are sensitive to the outcomes of others is also found in research on interpersonal attraction. Specifically, Walster and colleagues (1973) found two factors that contribute to a woman's desirability according to male subjects: how likely she was to agree to date the subject and how likely she was to agree to date other men. Subjects were significantly more attracted to a selectively hard-to-date woman (i.e., a woman that was likely to date the subject but unlikely to date all other men) over both a uniformly hard-to-date woman and a uniformly easy-to-date woman. Although Walster and colleagues did not explain their results using the notion of idiosyncratic fit (but rather based on social desirability considerations), their findings are consistent with this principle and with the pattern of preferences toward loyalty programs observed in our research.

We believe that the idiosyncratic fit heuristic plays a role in many other domains, including consumer response to different promotional and product offers. In particular, consumers may overweigh aspects that though relatively less significant in absolute terms, happen to fit their idiosyncratic and possibly unconventional preferences. Similarly, consumers may avoid options that fit the preferences of others better. This tendency can account for previous findings that indicate that consumers tend to reject options that include costless and unneeded optional features (Simonson, Carmon, and O'Curry 1994) and options that are selected by other consumers for personally irrelevant reasons (Simonson, Nowlis, and Simonson 1993). Further research could examine factors that moderate the weight of idiosyncratic fit in judgment and decision making, such as context and task characteristics (e.g., type of consumption, cognitive and/or motivational resources), individual differences (e.g., demographics, need for achievement, sensitivity to social comparisons, need for cognition), and cultural norms.

For example, although we did not a priori expect sex to moderate the impact of idiosyncratic fit, we did record the respondents' sex in Studies 1 and 4. In both studies, the results indicated that the influence of idiosyncratic fit was particularly pronounced among women (see Table 1). For example, in Study 4, female students who rated purchasing sushi as easier for them than for other students (i.e., high-idiosyncratic-fit respondents) were more likely to join the

Table 1
SEX AS A MODERATOR OF IDIOSYNCRATIC FIT

Share of Consumers Joining the Frequent Diner Program			
Sex	*Idiosyncratic Fit*	*Program Requirements*	*Percentage Joining*
Females	High	Low	47%
		High	71
	Low	Low	85
		High	25
Males	High	Low	65
		High	75
	Low	Low	79
		High	33

Likelihood of Joining the Department Store Program			
Sex	*Idiosyncratic Fit*	*Program Requirements*	*Mean Joining Likelihood (0–10)*
Females	High	Low	4.5
		High	5.8
	Low	Low	3.8
		High	2.5
Males	High	Low	4.3
		High	5.0
	Low	Low	3.5
		High	3.1

program under high than low requirements (71% versus 47%; t = 1.6; $p < .1$). In contrast, the effect of (high) idiosyncratic fit on men was in the expected direction but did not approach statistical significance (75% versus 65%; t = .7; $p > .2$).

Although these tentative findings need to be replicated and investigated further, the apparent effect of sex is consistent with a growing body of research about the role of the interdependent self versus the independent self for women and men. This research suggests that U.S. women tend to maintain an interdependent self-construal whereby self-definition is related to others, and U.S. men tend to maintain an independent self-construal whereby self-definition is based on one's unique attributes (e.g., Markus and Oyserman 1989). Relatedly, women's judgment of their likely performance on tasks (self-evaluations) has been found to be sensitive to their partner's ability, whereas men's judgments are not (Lenney, Gold, and Browning 1983). The notions that females engage in more elaborate and motivated social perception and that they tend to be more interdependent and attentive to information that pertains to others (for reviews, see Cross and Madson 1997; Meyers-Levy 1989) suggest that in their decisions, they will weigh idiosyncratic fit considerations more heavily.

Another potentially important moderator of the impact of idiosyncratic fit is the notion that this and possibly other heuristics are more effective when they are incidental, self-generated, and/or occur spontaneously, without being triggered or highlighted by the seller (for a related discussion, see Friestad and Wright 1994). Specifically, we posit that consumers will weigh their idiosyncratic fit with LPs or other marketing promotions more heavily when they perceive the fit as incidental rather than deliberately designed by the marketer. This effect is likely to be asymmetrical: The perception of idiosyncratic misfit may be especially damaging (i.e., decrease the option's perceived attractiveness) when it is construed as intentional rather than incidental. The effects of premeditated versus incidental fit on consumer preference and the related underlying mechanisms merit further research.

Although we have focused on the impact of idiosyncratic fit on consumer choice, the use of this heuristic may also have significant consequences for postdecision satisfaction. In particular, consumers may be more satisfied with the outcome of their choices and with products and services when they have relied on idiosyncratic fit in making their purchase decisions, even though they may have (unknowingly) violated value maximization. Further research can examine the notion that idiosyncratic fit enhances not only decision utility but also experience, consumption, and/or remembered utility (e.g., Hsee 1999; Kahneman 1999; Kahneman and Varey 1991).

Practical Implications

Beyond theoretical significance, the idiosyncratic fit heuristic has practical implications for loyalty programs, CRM, one-to-one marketing, and other promotional tactics and offers that are designed for individual customers. According to the one-to-one marketing approach (Peppers and Rogers 1993), companies should strive to establish learning relationships with individual customers and then use what they have learned to design customized offers, thus enhancing customer loyalty. However, the present research suggests that understanding the relative fit of individual customers to specific offers and options may often be more important than measuring their "absolute" preferences, which are often fuzzy and unstable. That is, a one-to-one marketer may not gain a significant competitive advantage if the offer made fits the preferences and conditions of the particular customer no better than it fits the preferences and conditions of other customers. In contrast, offers that provide idiosyncratic fit, even if that fit relates to a less important dimension, can have a significant impact on customer evaluations and loyalty.

The findings also indicate that marketers can increase participation in LPs by designing programs that foster the perception of fit (i.e., without appearing deliberate; see previous discussion). The perception of idiosyncratic fit can be enhanced by highlighting, for example, (1) the proximity of a store offering an LP to the customer, (2) the greater purchase frequency of the customer relative to others, and (3) the perceived exclusiveness of a double-points offer (e.g., by suggesting nearby establishments where double points can be earned, by limiting the offer to a specific town). The increasing availability of information about consumers and business customers makes such idiosyncratic fit–based strategies more feasible than they were previously (see, e.g., Blattberg and Deighton 1991). Using such information, companies can highlight and emphasize the target members' fit with the program, thereby decreasing their sensitivity to the required effort level and the program's funding rate (the reward-to-effort ratio).

It is worthwhile to note that competition may eliminate marketers' ability to reduce the funding rate without considerable consumer reactance. For example, consumers who make direct comparisons between programs that have substantially different funding rates are likely to prefer the more generous program. However, the decision consumers face is typically not which of two or more LPs to choose, but whether to enroll in a particular program. Furthermore, marketers often make it difficult to compare between programs by using different denominations of effort (e.g., points, miles, dollars spent, or number of purchases) and/or by using different dollar-to-point conversion rates (e.g., 1 point/$1 spent, 10 points/$1 spent, or 1 point/$10 spent). Indeed, as Kivetz and Simonson (2000) note, by representing attribute levels with different labels or scales, marketers may be able to discourage consumers from making certain within-attribute comparisons that do not favor their offering.

Nevertheless, in industries in which comparable LPs exist, de facto standards might emerge regarding the denomination of effort and the appropriate funding rate. For example, in the airline industry, "miles" are the standard scale for efforts, and most frequent flier programs require approximately 25,000 miles for a free round-trip domestic ticket. Thus, a program that increases this requirement to 50,000 miles is unlikely to attract many members. However, even in the airline industry, we see programs that offer nonflight rewards and/or require accumulating points (e.g., Alaska Airlines) or flight segments (e.g., Southwest Airlines) instead of miles (Lisser 1995). These innovations can help firms lower the funding rate without triggering a consumer backlash.

Finally, use of the idiosyncratic fit heuristic to influence customers' decisions may appear unethical. However, just as marketers employ differentiation and versioning strate-

gies that are intended to extract consumer surplus, a calculated use of the idiosyncratic fit heuristic can be regarded as a legitimate means to promote loyalty programs and other products and services. At the same time, it is important to educate consumers about the disadvantages of overrelying on the valuations, tastes, and outcomes of others when making decisions. This recommendation is also made in the Talmud, which poses the question, "Who is rich?" and provides the answer, "He who is happy with his share." Indeed, although following this guideline may be difficult, people can often make better choices by avoiding comparisons with the costs and benefits of others.

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