CUSTOMER SELECTIVE PRICING AND
CAUSE RELATED MARKETING:
DOES IT AFFECT CONSUMERS’
INCENTIVE TO GIVE?

By
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ABSTRACT

This paper examines the relationship of cause related marketing (CRM) and name-your-own-price (NYOP) selective pricing and its effect on customer transactions. By exploring current CRM and NYOP endeavors through various case studies, a framework is created to help businesses find an optimal mix of CRM and NYOP reflective of the industry and target audience to enhance customer transactions, brand promotion, and/or revenue.
ACKNOWLEDGEMENTS

Mom, you have encouraged me since day one. You are the reason I have made it anywhere in life. Dad, you have taught me the most important thing I could ever learn, hard work. You are the reason I am going places in life. Dr. Kleiser, your positivity is contagious. You are the reason this thesis has life. I am standing on the shoulders of giants.

This thesis is dedicated to life, to the good, the bad, and the ugly, to the best of times and the worst of times, to the beauty God has created all around me and the hope I have in Him, to the life I found at TCU and the life I didn’t have while writing this thesis. Life has brought memories sweet and comrades true and for that I would not trade this life for any other. Life is happening. Life is an adventure. When you want something in life, you just have to reach out and grab it.
INTRODUCTION

Companies continuously find creative and innovative ways to connect and interact with the almighty consumer. For the past half-century a shift from seller to buyer power has become evident thanks to the information now accessible at our fingertips. With social media, integrated marketing, and personalized advertising ever more rampant the power the consumer wields in product choice, brand equity, and consumer influence grows with the digital age. As the consumer becomes more informed and technology brings people closer together in our globalized world, businesses are looking for the best ways to attract and retain customers.

One method gaining in popularity is cause related marketing (CRM). As our understanding of cause related marketing has evolved during the past half century, so too have our methods for applying it in the scope of business. As seen in the market place at an increasing rate, academics have sought to understand cause related marketing and its implications. Cause related marketing in the U.S. has become the fastest-growing category of sponsorship spending, with 12 percent annual growth rates and an estimated $1.55 billion spent on cause related marketing alliances (Koschate-Fischer, Stefan, & Hoyer, 2012). Academic research has covered a vast number of topics relating to cause related marketing that support its use (Robinson, Irmak, & Jayachandran, 2012).

Consumers can see an added value in brands that support causes and is reflected in purchasing behavior (Samu & Wymer, 2008). Companies see mutual benefits such as increased brand equity through charitable giving, more ethical business practices, and more customers that are loyal to the brand and associated cause. This will be discussed
and analyzed later throughout the case studies. To increase market share, new ground must be charted, creative methods developed, and consumer insights expounded upon.

Several companies have reached out to consumer interests through another technique coined Name-Your-Own-Price (NYOP). Through this pricing scheme, consumers set the price they are willing to pay for the product. The most common form of NYOP is used with online digital sales of music, games, and software. Several restaurants have leveraged their customer base to create NYOP stores that allow customers to “pay what you can” as a form of distributive justice. The best deal is not necessarily the cheapest priced product, but rather the product that provides the most cost effective benefits to the purchaser. Through this self-selecting market companies are always discovering new and unprecedented ways to connect with customers.

This thesis will discuss cause related marketing, NYOP, and the combination of both strategies and evaluate the effectiveness of each strategy as a marketing tool. Cognitive factors associated with the purchase of products implementing these strategies will be addressed as well as future implications in strategic differentiation strategies for businesses.

REVIEW OF LITERATURE

The following sections outline the previous research surrounding the topics of interest. Through the extensive examination of cause related marketing, name-your-own-price (or pay what you want) participatory pricing structures, framing of the service, and implications of self-selecting markets will illustrate the inherent advantages and shortcomings found in each strategy. Through the synthesis of these concepts, a
framework optimal market effectiveness will emerge for ideal customer interaction and brand differentiation.

**Cause Related Marketing**

According to Varadarajan and Menon (1988), the definition of cause related marketing is as follows,

“Cause related marketing is the process of formulating and implementing marketing activities that are characterized by an offer from the firm to contribute a specified amount to a designated cause when customers engage in revenue-providing exchanges that satisfy organizational and individual objectives.”

(Pg. 60)

Cause related marketing is a manifestation of the cohesiveness of corporate philanthropy and business interests. A popular example of cause related marketing is Yoplait’s Save Lids to Save Lives campaign, which donates a certain percentage of yogurt sales to Suzan G. Komen Race for the Cure—a nonprofit aimed at funding research and awareness for breast cancer (Save Lids to Save Lives. 2014). When used properly, corporate philanthropy metaphorically kills two birds with one stone, improving corporate performance while supporting charitable causes (Varadarajan & Menon, 1988). Through this relationship, Varadarjan and Menon show companies can achieve basic objectives such as increasing sales, enhancing corporate stature, thwarting negative publicity, customer pacification, facilitating market entry, and increasing the level of trade merchandising activity for the brand promoted. Cause related objectives are also achieved through this strategy, which generate funds and awareness for the cause, its mission, and associated activities (Varadarajan & Menon 1988).
Overall, previous research has shown that companies are implementing cause related marketing in situations of high cause related fit (Barone, Norman, & Miyazaki, 2007). When a product has high cause related fit, there is a perceived relatedness between the product, company, and cause. The previous example of Yoplait’s Save Lids to Save Lives has high cause related fit since a large portion of its target market is middle aged women who also are most susceptible to breast cancer. The cause really hits close to home. Cause related marketing that has high dominance and high fit seem to prevail and have more positive outcomes in the marketing strategy (Samu & Wyerm 2008).

Consumers show a higher propensity to pay more for a product with high company and cause cohesiveness and will be more loyal to that brand as a result (Kaschate-Fisher et al., 2012). While this tends to be a trend in certain situations, many extraneous factors affect this product-cause relationship.

Furthermore, if people are given the choice of which cause to support when making a cause related purchase, the increased personal role involved in the purchase leads to greater cause fit (Robinson et al., 2012). When it comes to company participation, firms with higher cause involvement and significant donation contribution leads to a higher consumer perception of cause fit (Grau & Folse, 2007). Looking at corporate philanthropy and cause related marketing over the past twenty years, a significant rise can be seen as companies have increased understandings of cause fit and alignment between product, company, and cause.

The willingness to pay for products with a related cause has a significant effect on the pricing strategy for the brand’s product and how the cause influences the end price/donation. There is a positive association between cause involvement and the
consumer, greater product fit tends to increase the consumer’s willingness to pay (Koschate-Fischer et al., 2012). When looking at the magnitude of donation in a cause related marketing scenario, studies show that large donation magnitudes best fit with luxury items or frivolous products while smaller donations align better to necessity products (Strahilevitz, 1999).

When promoting these cause related products and services, it is important to note that consumer attitudes towards cause-brand alliance is significantly influenced by brand familiarity (Lafferty & Edmondson, 2009). Studies performed by Lafferty and Edmondson show that advertisements have a greater impact on purchase intention when the brand is the primary focus rather than the cause. This distinction is critical to understanding the relationship between a brand, the sponsored cause, and the perceptions of the consumer.

A fine line exists when sponsoring a cause related campaign. Willingness to pay, brand perception, and loyalty all reside on the authenticity, fit, and donation magnitude of the sponsorship. It is critical to assess these factors and properly frame each to the suitable charity and target market in order to achieve optimal effectiveness implementing the cause related marketing campaign.

**Name-Your-Own-Price**

Pricing models have varied substantially ever since the concept of money came into existence. From bartering, to traditionally price labeled goods to name-your-own-price (NYOP) and suggested price models, people have been looking for the best way to extract the most money and profits for their products. Looking at the NYOP model, a common definition of this pricing scheme points towards a mechanism that allows a
buyer of a good to bid for a product procured by an agency, which when meeting an unknown threshold is accepted and a transaction takes place (Shapiro, 2011). A good example of this concept is Panera Cares Bakery, which is a chain of nonprofit restaurants owned by Panera Bread Company. These restaurants operate strictly on a NYOP model, with donation boxes in place of cash registers and suggested prices listed where traditional prices would normally be on the menu.

Another version of NYOP is a simpler pay-what-you-want (PWYW) pricing scheme where customers pay what they feel like the product or service was worth to them or in some instances what they can afford (Kim, Natter, & Spann, 2009). The buyer has full control over the price setting of a product. They can set any price above or equal to zero. For all intents and purposes NYOP and PWYW will represent the same concept of customer selective pricing within the bounds of this thesis.

The NYOP business model can help soften competition and extract greater price margins on products compared to their traditionally priced counterparts (Fay, 2009). According to Kim et al. (2009), while there is risk that consumer exploitation can take place by the masses choosing to pay zero dollars or below price, field studies show that prices are significantly higher than zero and even lead to increase willingness to pay and overall revenues in certain situations. Buyers tend to pay more on average when they have a larger valuation and the seller has a higher production cost (Schmidt, Spann, Zeithammer, 2012). This can be explained both by the influence of the buyers’ perception of the “socially correct” cues of others (Jang & Chu, 2012) as well as inequity aversion and innate altruism (Schmidt et al., 2012). Inequity aversion is simply the desire for
fairness in social settings. This leads to distributive justice within a marketplace (discussed in section: Self-Selecting Markets).

Schmidt et al. (2012) suggests that NYOP has higher probability of success when implemented as a strategy for small businesses and nonprofit organizations compared to larger corporations. This is mainly due to a higher level of interpersonal interaction and perception of sincere motives (Lafferty & Edmondson 2009). Businesses can use a NYOP strategy to achieve full market penetration as long as no competing products exist in the targeted market (Schmidt et al., 2012). Given these stipulations and caveats, finding the correct price-structure mix for the specific business is crucial to optimizing brand image and product revenue.

**Framing**

Several strategic decisions must be made when implementing a cause related marketing strategy, including an optimal framing pertaining to consumer fit. Tactical issues such as national versus local campaigns, product placement, consumer relevancy and involvement all affect the framing of the campaign (Grau & Folse, 2007). When framing cause related products, it is important to frame the full benefits of the product, and not have perceived add-ons. Due to loss aversion, as stated in the prospect theory, consumers find greater cognitive dissonance in perceiving lost benefits rather than increased price differentials (Kahneman & Tversky, 1979). Essentially, people would rather pay extra for a cause related product and retain the product value rather than pay the same amount for an inferior cause related product that had perceived lost value. Therefore it is important to frame the product in a light that the consumer is not losing added benefits by purchasing a cause related product versus a traditional product. For
example, if consumers are faced with a decision to purchase double-ply tissues or double-ply tissues with an associated cause, they would be more likely to pay more for the added cause than to pay same original price but for single-ply cause related tissues.

Looking at the strategies of cause related marketing, NYOP, and the combination of the two, principles of option framing become applicable when evaluating consumer choices and the cognitive constraints associated with each type of purchase. According to Biswas and Grau (2008), consumers choose product options in greater amounts when starting from a model that is fully loaded compared to a base model that has no options and is magnified when consumers are under high cognitive constraints. This is applicable to the aforementioned strategies as the more options presented to the consumer the higher cognitive constraint due to the paradox of choice (Schwartz, 2004).

Option framing also helps explain the cognitive effects of product discounting and NYOP pricing schemes. Palmeira and Srivastava (2013) observe that when comparing promotional products that are either offered for a discounted rate or for free, the consumer is more likely to associate a natural anchor of cheapness with a discounted product compared to the same promotional product being free.

Another important aspect to analyze is relative price anchoring of products. When purchasing both related and unrelated products, consumers are influenced by both high and low price anchors once they cognitively use an arbitrarily set price as a basis for price comparison (Adaval & Wyer, 2011). This type of anchoring effect is known as selective accessibility. Price anchoring can therefore both benefit and detract from cause related marketing as the price of other products significantly influence the purchase decision of the customer, and can add or detract from the cause incentive of the product. It is
important to consider price anchors when implementing a cause related marketing strategy.

**Self-Signaling Markets**

Finally, looking at the effects of NYOP, a new type of marketplace emerges. Described by Gneezy, Gneezy, Riener, and Nelson (2012), NYOP allows for customers to pay the true value of the product based on the perceptions of product worth. The invisible hand is now more visible, leading to key purchasing insights not before possible with the traditional pricing system. These self-signaling markets go a step further though, signaling not only to the company what their product is worth, but also to peers a social status of fair and just behavior (Gneezy et al., 2012). This can help explain why customers tend to act fairly and just to businesses, even though there is no obligation to do so (Jang & Chu 2012).

The role of distributive justice in organizations runs deep in the social fabrics that form the culture and brand image of a company (Cohen-Charash & Spector, 2001). Essentially, the influence of the perceived actions of others influences the actions of the self when dealing with self-signaling markets (Jang & Chu, 2012). Many customers choose to act fairly to a company because they believe others are doing the same. Customers may also move to acting justly towards a company that emanates an image of acting justly through implementation of cause related marketing. Using self-signaling markets such as NYOP to signal social intentions and just behavior helps consumers differentiate mere style consciousness purchase decisions and social consciousness purchase decisions (Gneezy, Gneezy, Nelson, Brown, 2010). Allowing people to name
their own price helps them more closely associate themselves with contributing to a cause and signals to others how important that cause is to the individual.

**CASE STUDY**

Through these four case studies, a landscape of current NYOP and/or CRM endeavors is mapped out. The case studies show historical instances of similar implemented strategies, and the success and shortcomings of each based on the medium in which they were presented. In several cases, the main motivation for implementing NYOP was charitable in nature and used as an altruistic means for a shared vision of community and economic justice.

**Restaurant Industry**

Dating back to as early as 2000, the concept of a “pay what you can” restaurant has begun to stir things up for traditionally priced restaurants. Whether for promotional reasons, charitable efforts, community empowerment, or to promote of culture of equality and goodwill, keen examples of NYOP restaurants can now be found all over the world. Functioning on an honor system—if you will—most of these restaurants have thrown out the traditional cash register and replaced it with a donation box. Many NYOP restaurants function as a place to eat, but pride themselves in providing much more whether it is job reentry programs, a dignifying alternative to soup kitchens, or simply a place people can build community.

In the following case studies map out two restaurants (Same Cafe and Panera Cares Bakery) their path to becoming a NYOP restaurant, the commercial and non-commercial benefits harnessed through doing so, and how the customers have reacted to these participatory pricing endeavors.
SAME Café

SAME Café is a small local restaurant located in Denver, Colorado. On October 20, 2006, they became the first nonprofit 501(c)3 restaurant to do business in Colorado and have since joined the One World Everybody Eats Foundation (OWEE) dedicated to ending world hunger (SAME Café Website, 2014). OWEE is a joint effort of 30 cafés across the United States that serve meals strictly on a NYOP basis. Together these cafés serve over 3,400 meals a day (SAME, 2014). SAME Café was started by a husband and wife who sought to create a breakaway concept of the traditional soup kitchen, and create a place that those serving and those being served sat on the same side of the table (Maher, 2009). Lunch is served six times a week. The restaurant has a capacity of fifty seats and has varying menu items that change on a daily basis.

SAME Café uses no cash registers, credit card machines, or menu prices (SAME, 2014). They simply have a donation box that people can “pay-what-they-can” after their meal. People pay what they thought the meal was worth and what they are able to pay for the meal. SAME Café asks those who cannot pay to simply volunteer around the restaurant in exchange for a meal (SAME, 2014). Since its founding SAME Café has served over 100,000 people. As a nonprofit, SAME Café supports the fulltime wages of the two owners and is operated by an extensive volunteer network. In 2012, SAME Café had $211,028 in revenue with combined a salary of $92,588 for the two owners (SAME, 2014).

Panera Cares Bakery

Headquartered in St. Louis, Missouri, Panera Bread Company has been in operation since 1981 (Panera, 2014). Since then, it has become one of the largest bakery
franchises in the United States. Panera was an industry leader in create the fast-casual segment of restaurants and were at one point the largest providers of free Wi-Fi (Panera, 2014). Unlike SAME Café, Panera Bread Company is a multi-million dollar company with stores all across the country. Both Panera and SAME Café have a similar mission of changing the way food insecurity is addressed by serving dignity at the table.

To accomplish this, Panera Bread Company launch a 501(c)3 nonprofit call Panera Cares Bakery in 2010 (Strom & Gay, 2010). Each restaurant was strategically located in a neighborhood with economic diversity consisting of both affluent and food insecure customers. Like SAME Café, Panera Cares Bakery had donation boxes in place of cash registers and lived by the motto, “Take what you need, leave your fair share.” A staunch difference between the two restaurants though is the use of suggested price labeling on menu items (Panera, 2014). This created an anchor that customers based the value of their purchase and cognitively influenced the end purchase price of the customers.

After three years of gradually introducing Panera Cares Bakeries in locations like St. Louis and Detroit, Panera saw average revenues at 80 percent of normal Panera restaurants. This actually exceeded Panera’s expectations and has created for even more Panera Cares Bakeries to open. As a nonprofit, they are able to cover all operating expenses and fund job reentry programs that hire employees for the Panera Cares Bakery locations (Shaich, 2010). Recently, Panera Bread Co. has introduced the turkey chili bowl in all St. Louis area restaurants on a strictly pay-what-you-can pricing structure (Salter, 2013). Having seen success with Panera Cares Bakeries, Panera seeks to show the world that businesses can be socially minded and make a profit. There is a better way to do
business according to CEO, Ron Shaich, and he is confident that people customers will act justly, not game the system, and take care of each other.

In both cases, the restaurants used NYOP and aspects of cause related marketing as a long-term strategy. As nonprofits, these businesses were not seeking to maximize profits, but rather alleviate food insecurity through the NYOP function and cause awareness. Secondary benefits include high publicity and brand awareness due to the “Robin Hood” effect (Gneezy et al., 2011). The Robin Hood effect is essentially defined as being unique, going against the norm, and trend setting. As long as these restaurants retain their competitive uniqueness, brand awareness will also remain elevated. These case studies help represent current examples of a mix of NYOP and cause related marketing in both national chain and local restaurants.

**Digital Goods**

The existence of NYOP in the digital realm is widespread ranging from online auction sites to software and media sites. A key advantage digital goods have over physical goods is the absence of traditional variable costs and the ability to sell unlimited quantities of a product. The downside, unfortunately, is that piracy has plagued the industry since its advent. Several companies have implemented NYOP as method to combat piracy and even increase revenue levels in certain situations. The following case studies will mainly focus on NYOP technics implemented for different types of digital products, with the exception of Humble Bundle, which implements both NYOP and cause related marketing in its pricing strategy.
Proun

Proun is a PC video game developer, Joost van Dongen, created to test the viability of NYOP for digital game content. In his experiment, he used a game developed in his spare time to and released on his own website to discover what happens when customers are given the choice of what to pay (van Dongen, 2011). Looking at Appendix A Fig. 1, the most common price points were at $2.00, $6.00, and $10.00. The highest revenues gained were at the $10.00 price point (Fig. 4), and overall income for the project was $19,946.54 (Fig. 6). Sales were exponentially higher in the first week of distribution, but saw steady sales numbers in the weeks to follow (Fig. 2 & 3).

While it is hard to track the exact numbers relating to piracy, van Dongen estimates that 200,000 or 40.78 percent of downloads were pirated or downloaded from shared links (van Dongen, 2011). This was higher than expected, since Proun could be downloaded legally for free. Van Dongen believes that this key statistic shows that a portion of customers value the ease of download, and while they may be willing to pay for the product, they avoid the tedious process of credit card input and registration information (van Dongen, 2011).

While van Dongen views Proun as a success, due to huge publicity and the vast distribution across the global marketplace, the NYOP aspect achieved subpar results. Similar games with comparable publicity make five to ten times the amount of revenue Proun made in the experiment. To help mitigate some of these lost sales due to ease of download, van Dongen plans to release his next game with a minimum price threshold of $1. Theoretically, this added step will help enable customers who would pay for Proun
but choose not to because of ease of download issues to monetary contribute and recapture lost sales in the customer subset (van Dongen, 2011).

A similar concept that has taken off is a company called Humble Indie Bundle. Adopting the same pricing technique as Proun, this company sells bundles of computer games to customers who can NYOP. The catch is the customer can also decide how much goes to the developer, how much goes to humble bundle, and how much of the purchase price goes to charity (Humble Bundle Website, 2014). In 2011, Humble Bundle donated one million dollars to charity through the pricing strategy (PC Gamer RSS, 2011).

Marett, Pearson, and Moore sought to better understand the social exchange theory relating to NYOP participative pricing systems. To do this, they created an iOS app for developers that was released on a NYOP basis (Marett, Pearson, Moore, 2012). Using in-app purchases, aspiring developers could purchase project demonstrations on a NYOP basis. Through this experiment, these researchers sought to better understand the factors that influence how successful a transaction is. Using the social exchange theory, Marett, Pearson, and Moore created a theoretical framework to explain cognitive factors that influence transactions when implementing NYOP (Appendix B Fig. 1).

Results of the study showed vendor loyalty to have a significant influence on willingness to pay when using NYOP (Appendix B Fig. 3). Price consciousness had a negative effect on the customer’s transaction price actually paid, while usage had a positive effect (Appendix B Fig. 3). These findings show that when social and economic factors explained by the social exchange theory do have an impact on NYOP
transactions. These impacts are best mitigated when there is high vendor loyalty among customers and the product has high usage among the target audience (Marett et al., 2012).

Radiohead

In 2007, Radiohead decided to do something no artist had ever done before. Without a label or distribution partner Radiohead released its album, *In Rainbows*, through its website strictly on a NYOP basis (Tyrangiel, 2007). The thinking behind the move was to connect with fans better, and generate as much publicity as possible. Radiohead also sought to counteract the piracy of their albums by providing a free source of music directly from their website. The album garnished more income through the website sale before the physical CD release than the total sales of the previous album, *Hail to the Thief* (Garland, 2009).

A study of Magnatune, an online music label that distributes music on a NYOP basis, shows that consumers are willing to voluntarily pay for online music within certain bounds (such as price thresholds and suggested prices) and do so in part thanks to the sequential reciprocity equilibrium (Regner & Barria, 2009). The sequential reciprocity equilibrium theory states that socially minded individuals have an increase in utility function not only in material payoffs but also in psychological payoffs (Dufwenberg & Kirchsteiger, 2004). These depend on the kindness one shows to others as well as their beliefs about how other reciprocate that kindness (Regner & Barria, 2009). There is an added value of self-affirmation along with other social benefits that affect the consumers’ willingness to buy a product.

Since there was so much hype and publicity across the globe coinciding the album release, piracy of the album unexpectedly increased exponentially overnight. The new
Radiohead album was pirated ten times more often than the rate of other popular artists’ new releases reaching over 2 million by the end of the month (Garland, 2009). In the case of digital music content, piracy trends correlate directly with the popularity of the music, regardless of it being potentially free in the case of *In Rainbows* (Garland, 2009).

Overall, Radiohead considered the NYOP campaign a success. They sought to break away from the traditional record label, stand out and garner grass roots publicity. Through this campaign more people than ever before downloaded a Radiohead album, and sales were higher than any other previous album release (Garland, 2009). Proun and iProduct saw similar successes in that while they were not making top dollar for every product they sold, they received huge publicity and record amounts of downloads. If framed properly, using NYOP, CRM, or a combination of both could help companies boost sales and brand recognition across the charts.

**Material Goods**

**NYOP Photos**

Conducted by a research team in California, this experiment involved the sale of photos taken of riders of a popular rollercoaster at an amusement park. Another experiment offered photos on a popular cruise line. The study created two conditions where customers where offered a normal NYOP photo or a NYOP photo with an attached cause (Gneezy, Gneezy, Riener, Nelson, 2010). Deemed a “shared social responsibility” photo, half of the money customers paid for the photo would go towards a charity.

Results of the experiment showed that while 8.39 percent of riders opted to buy the normal NYOP photos, only 4.49 percent of customers opted to buy the NYOP plus charity photos (Gneezy, 2010). The researchers suggest that people avoided buying the
NYOP plus charity photos because they would rather forego the opportunity than the possibility of paying too little and diminishing their socially oriented self-image (Gneezy, 2010). The price point of the NYOP plus charity photo was nearly 5 times higher than the normal NYOP photo, but considerably less people opted to buy the former (Gneezy, 2010). This reinforces the idea of the opt-out scenario that affects a segment of potential customers. Yet, in certain conditions revenue from the higher priced segments could overcome potential loses in lower missed customer segments.

**Participative Pricing Systems**

*Teleshuttle*

An interesting new development in NYOP recently created by Richard Reisman is dubbed the Teleshuttle. Using a participative pricing system called FairPay, Teleshuttle is a taxi service that operates on NYOP system. Customers who utilize Teleshuttle pay for rides through FairPay, which is a reputation based social media account that creates sustainable pricing, increased customer satisfaction, higher market efficiency for both sellers and buyers, and creates opportunities to better penetrate the marketplace (Reisman, 2013). By focusing on the relational aspect of the service instead of the transactional aspect, FairPay enables companies to have better pricing centered around the customer, build deeper buyer-seller relationships centered on loyalty, customer empowerment, dialog, and experience (Bertini & Reisman, 2013). FairPay is a breakthrough in that it allows adaptive value discovery and in turn sets suggested prices based on individual value perceptions (Reisman, 2013).

FairPay has drastically mitigated the risk of NYOP for companies. Through FairPay, customers have a fairness rating that tiers customers in different brackets
(Bertini & Reisman, 2013). Each bracket then has special perks and privileges associated with fairness rating. If the NYOP is abused by a certain customer, the price setting privilege can be revoked, which prevents the gaming of the system (Bertini & Reisman, 2013). By implementing FairPay when introducing a NYOP promotion, companies can discover invaluable information about both the customer and the product while minimizing risk.

By extracting the successes and failures the NYOP and CRM ventures delineated in the above case studies, the following research questions were formulated to understand specifically how NYOP and CRM can help a company.

**RESEARCH QUESTIONS**

With previous research in mind, understanding the relationship between customer selective pricing and cause related marketing and the relationship between the company and the customer creates the foundations for the three main research questions of this paper. These research questions along with the subsequent case studies will be the basis of a framework companies can employ to help uncover optimal promotion and price strategy mixes for implementing CRM, NYOP, or a combination of the two.

**Research Question Foundations**

The following research questions lay the groundwork for the proposed study and help businesses understand where they fit as an industry and a brand within the six proposed conditions outlined in the framework. These questions, though basic, are intrinsic to understanding how consumer behavior affects purchasing decisions when faced with CRM and NYOP.
Research Question 1

Does implementing name-your-own-price selective pricing result in higher customer pay for products or services?

As seen in both previous research and case studies, while effective when implemented properly, NYOP can also be very ineffective while creating an added risk for the company. Finding the proper way to implement NYOP can be extremely difficult and is a significant reason a majority of companies avoid NYOP altogether. This research question helps companies understand customers’ sequential reciprocity tendencies, brand loyalty, and kindness. Industries that are comprised of fierce competition, low loyalty, or high marginal costs may not benefit for NYOP due to high risks or gaming of the system.

Research Question 2

Does implementing cause related marketing result in higher customer pay for products or services?

Previous research shows that while properly implemented CRM can help boost sales and brand loyalty of socially oriented consumers, customers that are not socially oriented can experience cognitive factors that dissuade them from purchasing the product or service. When using CRM, it is vital to a firm understanding who the target market is and if the target market is socially oriented.

Research Question 3

Does implementing a combination of CRM and NYOP result in the highest customer pay for products or services?

While implementing a combination of CRM and NYOP is by definition the most difficult strategy, it has the potential to create the highest price points, brand promotion,
loyalty, and sales revenue for products and services. Industries that have high competition may use this strategy to differentiate themselves as a promotional or even long term offering. Companies that are socially oriented and have a socially oriented consumer base may be apt to using this method to publicize its brand image with a cause.

Using these three research questions, an intuitive framework is laid out to help businesses which models, if any, work the best in their given situation.

**Gaps in Literature**

Current gaps in literature span mostly in application of real world situations. While cause related marketing and name-your-own-price have both been studied extensively, only a few studies have analyzed both topics in cohesion. The biggest gap in literature relating to these topics is the study of the types of businesses, promotions, and products these strategies have the greatest effect on. Studies on the type of consumers most likely to amass loyalty to businesses using these strategies has also not been studied extensively and needs to be addressed to properly answer these research questions.

**PROPOSED STUDY FRAMEWORK & EXPECTED FINDINGS**

The goal of this framework is to provide businesses with a model to find optimal promotional/pricing strategy mix relating to CRM and NYOP. Through the implementation of surveys (Appendix C), focus groups, and historical data companies will be able to mitigate some risk while providing invaluable resources for associated causes and ultimately become a model for other businesses to adopt socially oriented mindsets.
Proposed Experiment Design

To uncover the optimal mix of CRM and NYOP, a 2 x 3 factorial design (Fig. A) will provide the foundation for the six conditions that will be tested. Respondents will be randomly assigned to one of the six conditions (Appendix C). To gain significant results, respondent sample populations should be considerate of the power formula. Along with the condition assignment, respondents will be typed by demographic data and psychographic preferences.

It is important that each sample size have similar population segmentations and representative of the desired target market. The first condition tests a traditional strategy of a fixed price and no cause related product or service. The second condition tests a NYOP strategy with no associated cause. The third condition tests a cause related marketing strategy with fixed price. The fourth condition tests the combination of cause related marketing and NYOP. The fifth condition tests a name-your-own-cause marketing strategy at fixed price. The final condition tests a combination of name-your-own-cause marketing and NYOP strategies.

(Fig. A) 2 x 3 factorial framework design

<table>
<thead>
<tr>
<th></th>
<th>No Cause</th>
<th>Fixed Cause</th>
<th>Name-your-own-cause</th>
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<td>2</td>
<td>3</td>
</tr>
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<td>5</td>
<td>6</td>
</tr>
</tbody>
</table>

Measurement

The proposed study framework will measure the several factors that reveal the effectiveness of each strategy combination based on the target audience preferences and industry conditions. If a strategy is found quantitatively significant, further research such
as focus groups can be performed to uncover qualitative factors that may influence effectiveness such as the type of cause or extent of customer participation.

**Charitable Aptitude**

Based on social norms such as kindness, fairness, and altruism charitable aptitude is the propensity for a consumer to support a cause. Socially oriented consumers are more likely to express loyalty to socially oriented companies. When contributing to a cause, consumers partially motivated by sequential reciprocity equilibrium. Being able to participate in distributive justice through a socially oriented brand helps satisfy this expectation. By measuring the charitable aptitude of the target audience, the proposed study framework can assess how effective cause related endeavors will be.

**Cognitive Factors**

Consumer behavior has a significant effect on purchase decisions of all types. NYOP and CRM are particularly affected by consumer behavior due to higher risks involved with the strategies. Measuring the significance of cognitive factors such as the anchoring effect or selective accessibility associated with the purchase can help frame the product or service to an optimal level of involvement.

**Opt-Out Effect**

As stated in Gneezy et al., 2010, the opt-out effect can deter potential customers from making a purchase all together in order to avoid diminishing the socially oriented self-image. By measuring the opt-out effect, companies can estimate the customer willingness to buy in each scenario and select the optimal strategy combination. This will help create the ideal amount of customer participation and ease the effect of the prospect theory of risk aversion.
Purchase Intentions

Finally, through the implementation of the proposed framework companies can quantitatively test the two key dependent variables that affect the purchase intentions. By first testing the willingness to buy (WTB) based on cost of product, the framework can quantify significant differences in WTB between the six different scenarios. The second dependent variable to be tested is the WTB based on taste or preference of product. Using these two factors as a basis of quantitative measurement, companies can use the proposed framework to discover an optimal mix of NYOP and CRM.

The ideal combination will also help us interpret several quantitative factors. For example, will naming-your-own-cause compared to a fixed cause increase WTB, or do cognitive factors make this a detractor for certain audiences? Examining these relationships will help companies understand consumer preferences leading to more effective pricing schemes.

Expected Findings

Based on previous research and case studies relating to this proposed study framework, the expected are as follows. Many companies that have a target market with high charitable aptitude could benefit from implementing cause related marketing. Companies that have a product that can be easily replicated (digital content) or can build relationships or solicit kindness or fairness can use NYOP to build awareness, but may not necessarily see increased revenues unless coupled with a properly framed cause. Expected findings should show that in ideal markets, consumers have the highest WTB when both NYOP and CRM are used in combination as a form of customer selective pricing.
Depending on both the industry and target market, it would be possible to have findings that suggest as customer participation increases, the level of opt-out also increases in certain segments. Customers that have to make a relatively higher amount of decisions to purchase a product are less likely to purchase the product. The paradox of choice may have an adverse effect on strategies that involve too many decisions. Customers are more likely to pay more when a cause is associated with a product as well as added values of increased socially oriented self-image among other things. While not every business will benefit from CRM or NYOP, a greater percentage of companies will benefit from some combination of the two.

**DISCUSSION**

These expected findings have a significant impact on the current mindset to approaching business problems. Companies commonly seek to extract the highest revenues from customers by charging higher prices or having more aggressive promotional campaigns. By taking a complete 360 degree turn and using consumer selective pricing and participative pricing, companies may be able to extract higher prices while doing social good and increasing brand perceptions and awareness. Companies may also take less risk in using these techniques through implementation of the proposed framework and use of models like FairPay to keep customers more accountable. As the age of the consumer advances, companies must also adjust. Implementing a form of consumer selective pricing could be a viable solution to this evolution in consumer preferences.
LIMITATIONS

While a proposed study framework was constructed, the execution of applying the framework to companies was beyond the scope of this project. An example survey for the proposed study framework was created (Appendix C), but was not distributed. The survey results would help solidify the expected findings that were based off the case studies and previous research.

IMPLICATIONS & FUTURE RESEARCH

Implementation of the framework could be expanded to test the effectiveness of other differentiation strategies such as rewards programs, discounts, add-on deals, etc. Further research of the opt-out effect would increase the understanding of consumer behavior relating to purchasing decisions involving NYOP. Finally, several other factors could be added to the proposed framework to further understand the impact of cause related marketing and name-your-own-price selective pricing strategies.

APPLICATION

Advertising Service Industry

Making it in the agency world is a dog-eat-dog world. Competition is cutthroat and clients are usually of the fair weather sort. Spending when it’s convenient, shopping for better deals continually, and expecting superior results with already constrained budgets—it could be said for many companies, advertising falls to the bottom of the totem pole. In this high competition service market, agencies must continually differentiate themselves from the vast competition to remain relevant. While an agency is only as good as its people, companies tend to speak the language of numbers. An agency
can claim to be just as creative as the next, but in the end price tends to be a chief differentiator in the marketplace.

What if an agency could differentiate itself beyond the boundaries of monetary comparison? What if an agency could create increased levels of customer satisfaction while increasing profits and obtaining critical information about market demands? What if an agency could foster community philanthropy through cause related marketing and increase value for all parties involved? At face value these ideas sound outlandish and far-fetched. How could an agency maintain profits while letting clients name their own price for a service on top of donating a percentage of earnings to charity? Is the risk worth the reward? Is performance measured by financial and commercial activities? Or should non-commercial activities also be considered?

Through the synthesis of these concepts a new framework of strategic differentiation will emerge and provide agencies a new alternative to attract and retain clients in a highly competitive environment.

Further research and framework application in the realm of advertising agencies could help spur a new and innovative ways advertising companies interact with clients and help create relationship that go beyond the transaction. Implementing a FairPay system could help agencies across the charts realize the value of deliverables and price accordingly. If the mass adaption of this pricing technique takes place, agencies could implement a tiered system for clients based off characteristics such as fairness and willingness to pay.
CONCLUSION

Through this thesis, possible combinations of CRM and NYOP strategies were discussed and analyzed through case studies. Expected findings reveal that a fine line exists between consumer participation and selective accessibility as well as industry and customer differences which influence optimal strategies.

Cause related marketing and name-your-own-price selective pricing strategies are a new frontier of marketing. Pioneers are continuing to discover strategies that work and strategies that need improvement. The art of marketing is a process that is continually refined, changing constantly and gaining in sophistication at an unprecedented rate. Consumers are seeking information now more than ever and its availability is now just a click away. The evolution of the almighty consumer has consistently outpaced the efforts of marketers to understand the consumer behavior. Through the use of innovative marketing techniques such as cause related marketing and name-your-own-price selective pricing systems, companies can gain new insights and create strategies that align consumer preferences and ultimately find a competitive advantage in the marketplace.
APPENDIX A

The following data is extracted from Van Dongen’s (2011) sales analysis of Proun.

Figure 1

Number of units sold per price range.

Figure 2

Revenue per day in dollars, without the first week.

Figure 3

Revenue per day in dollars.
Revenue per price range.

<table>
<thead>
<tr>
<th>Price</th>
<th>Count</th>
<th>Total revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>$5.99</td>
<td>2</td>
<td>$100.00</td>
</tr>
<tr>
<td>$49.99</td>
<td>2</td>
<td>$283.34</td>
</tr>
<tr>
<td>$39.99</td>
<td>1</td>
<td>$63.99</td>
</tr>
<tr>
<td>$20.99</td>
<td>63</td>
<td>$3,181.21</td>
</tr>
<tr>
<td>$15.99</td>
<td>12</td>
<td>$463.88</td>
</tr>
<tr>
<td>$10.99</td>
<td>527</td>
<td>$6,132.69</td>
</tr>
<tr>
<td>$9.99</td>
<td>16</td>
<td>$153.52</td>
</tr>
<tr>
<td>$8.99</td>
<td>17</td>
<td>$139.87</td>
</tr>
<tr>
<td>$7.99</td>
<td>95</td>
<td>$769.50</td>
</tr>
<tr>
<td>$6.99</td>
<td>660</td>
<td>$4,557.22</td>
</tr>
<tr>
<td>$5.99</td>
<td>902</td>
<td>$4,132.16</td>
</tr>
<tr>
<td>$4.99</td>
<td>97</td>
<td>$407.53</td>
</tr>
<tr>
<td>$3.99</td>
<td>76</td>
<td>$243.12</td>
</tr>
<tr>
<td>$2.99</td>
<td>1,765</td>
<td>$4,304.15</td>
</tr>
<tr>
<td>$1.99</td>
<td>153</td>
<td>$288.36</td>
</tr>
<tr>
<td>$0</td>
<td>47,379</td>
<td>$0.00</td>
</tr>
<tr>
<td>Torrent/other</td>
<td>200,000</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

Number of units sold and total revenue, per price range. The number of Torrent/other downloads is an estimate based on the number of installed games.

Metacritic average score from 7 reviews: 8.1
Average from the 14 reviews I have seen: 8.1
Number of submitted times: 1001009
Total time played: 3 million minutes
Total number of installs: 250,000
Total number of people paying: 4408
Number of installs playing the paid track: 7444
Percentage pirates: 40.76%
Percentage of people paying: 1.76%
Total dollar revenue: $23,043.24
Total actual income in dollars: $19,946.54
Total actual income in euros: €14,105.38
Average price per paid download: $5.23
Average income per paid download: $4.53
Average price paid per download: $0.09

Overview of Proun’s statistics.
APPENDIX B

The following data is extracted from (Marett, Pearson, Moore, 2012)

**Figure 1**

![Research Model](image1)

**Table 1: Inter-construct Correlation Matrix**

<table>
<thead>
<tr>
<th></th>
<th>Mean (SD)</th>
<th>Loyalty</th>
<th>Perc. Fairness</th>
<th>Price Cons.</th>
<th>Usage</th>
<th>Will. to Pay</th>
<th>Act. Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loyalty</td>
<td>4.58 (1.3)</td>
<td>.85</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perc. Fairness</td>
<td>4.63 (1.6)</td>
<td>.84</td>
<td>.00</td>
<td>.02</td>
<td>-24</td>
<td>.90</td>
<td></td>
</tr>
<tr>
<td>Price Cons.</td>
<td>4.61 (1.6)</td>
<td>-.02</td>
<td>-.24</td>
<td>.90</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Usage</td>
<td>5.86 (7.4)</td>
<td>.04</td>
<td>.27</td>
<td>-.30</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Willingness to Pay</td>
<td>0.43 (0.72)</td>
<td>.34</td>
<td>.32</td>
<td>-.20</td>
<td>.16</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Actual Price</td>
<td>0.05 (0.11)</td>
<td>.22</td>
<td>.30</td>
<td>-.51</td>
<td>.33</td>
<td>.37</td>
<td></td>
</tr>
</tbody>
</table>

Square roots of AVE values displayed in diagonal.

**Figure 2**

![Results of SEM](image2)

**Figure 3**

![Results of SEM](image3)

*p <.05 (Two-Tailed Significance)*
APPENDIX C

Survey

Q1 5-10 minute survey. This survey was created by a student as a part of a thesis project. You will remain anonymous throughout the survey and your individual answers will remain confidential. Please answer these questions to the best of your ability and feel free to forward any questions you have surrounding the survey to j.reed@tcu.edu. Thank you! Do you consent to take this survey?

- Yes (1)
- No (2)

If No Is Selected, Then Skip To End of Survey

Q2 What year were you born?
   (Number response)

Q3 Do you attend college?
- Yes (1)
- No (2)

Answer If Do you attend college? Yes Is Selected

Q4 What year are you?
- Freshman (1)
- Sophomore (2)
- Junior (3)
- Senior (4)
- More than four years (5)

Answer If Do you attend college? Yes Is Selected

Q5 What is your major?
Q6 Please indicate how likely you would do the following

<table>
<thead>
<tr>
<th>Activity</th>
<th>Very Likely (7)</th>
<th>Likely (6)</th>
<th>Somewhat Likely (5)</th>
<th>Undecided (4)</th>
<th>Somewhat Unlikely (3)</th>
<th>Unlikely (2)</th>
<th>Very Unlikely (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attend an event for a nonprofit</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Donate to a nonprofit</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Share content about a nonprofit on social media</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Work for a nonprofit</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Like a nonprofit's Facebook page</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Recommend a nonprofit to your friends</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Attend an informational meeting for a nonprofit</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Sign up for a nonprofit's newsletter</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Volunteer for a nonprofit</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
</tbody>
</table>

Q7 How much do you donate to charities on average in a year?

- $0.01 to $0.99 (2)
- $1 to $9.99 (3)
- $10 to $19.99 (4)
- $20 to $49.99 (5)
- $50 to $99.99 (6)
- $100 or higher (7)
- $0.00 (8)
Q8 Please indicate how often you would do the following

<table>
<thead>
<tr>
<th>Activity</th>
<th>Never (8)</th>
<th>Less than once a month (5)</th>
<th>Once a month (1)</th>
<th>2-3 times a month (2)</th>
<th>Once a week (3)</th>
<th>2-3 times a week (4)</th>
<th>4-6 times a week (6)</th>
<th>Every day (7)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shop for groceries (1)</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Shop for clothing (2)</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Shop for household goods (3)</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Visit a mall (4)</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Visit a superstore (IE. Walmart, Target, Costco, etc.) (5)</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Purchase goods on-line (6)</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Go to a restaurant (7)</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Go to a coffee shop (8)</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Order fast food (9)</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
</tbody>
</table>
Q9 A cause related good is a product or service that donates of a portion of the sale to a partnering charity. Please indicate how likely you would do the following

<table>
<thead>
<tr>
<th></th>
<th>Very Unlikely (1)</th>
<th>Unlikely (2)</th>
<th>Somewhat Unlikely (3)</th>
<th>Undecided (4)</th>
<th>Somewhat Likely (5)</th>
<th>Likely (6)</th>
<th>Very Likely (7)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase a product with a cause related to it (1)</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Purchase from a store with a cause related to it (2)</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Give more than suggested donation for items that are name your own price (3)</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Purchase food/drinks from a restaurant that supports a cause (4)</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Purchase clothing that supports a cause (5)</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Purchase shoes that supports a cause (6)</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
</tbody>
</table>

Q10 Is your favorite restaurant (for dine in or takeout) part of a...

○ National Restaurant Chain (1)
○ Regional Restaurant Chain (2)
○ Local Restaurant (3)
○ None (4)
Q11 Please drag the following options in order according to your preference.

_____ Dining out (1)
_____ Take out or delivery (2)
_____ Cook at home (3)
_____ Other (specify) (4)

Q12 On an average, how much do you spend in a week on food from a restaurant?

☐ more than $100 (1)
☐ $81-$100 (2)
☐ $61-$80 (3)
☐ $41-$60 (4)
☐ $21-$40 (5)
☐ less than $20 (6)
☐ $0 (7)

Q13 Please drag the following options in order according to your preference when eating at a restaurant.

_____ Mexican Food (1)
_____ Italian Food (2)
_____ Indian Food (3)
_____ Chinese Food (4)
_____ Thai Food (5)
_____ BBQ (6)
_____ Seafood (7)
_____ Other (8)

(The following questions (Q14 – Q32) were divided into six bracketed subsets of questions and randomly assigned to respondents. Each respondent answered one of the six subsets.)

Subset 1

Q14 Please read this case: A local Mexican restaurant is offering a new menu item: Street Tacos: These platters of 3 tacos on homemade flour or corn tortillas give you a choice to mix and match fillings as you like. Choose from chicken, steak, shrimp, Portobello mushrooms, BBQ pulled pork plus a choice of two side dishes. Cost of this platter is $13.
Q17 Based on the description of these tacos, please indicate how likely you would do the following

<table>
<thead>
<tr>
<th>Purchase the Street Taco platter based on the flavor/taste of this menu item. (1)</th>
<th>Very Unlikely (1)</th>
<th>Unlikely (2)</th>
<th>Somewhat Unlikely (3)</th>
<th>Undecided (4)</th>
<th>Somewhat Likely (5)</th>
<th>Likely (6)</th>
<th>Very Likely (7)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Purchase the Street Taco platter based on the cost of this menu item. (2)</th>
<th>Very Unlikely (1)</th>
<th>Unlikely (2)</th>
<th>Somewhat Unlikely (3)</th>
<th>Undecided (4)</th>
<th>Somewhat Likely (5)</th>
<th>Likely (6)</th>
<th>Very Likely (7)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
</tbody>
</table>

Subset 2

Q18 Please read this case: A local Mexican restaurant is offering a new menu item through a "Name Your Own Price" campaign. Street Tacos: These platters of 3 tacos on homemade flour or corn tortillas give you a choice to mix and match fillings as you like. Choose from chicken, steak, shrimp, Portobello mushrooms, BBQ pulled pork plus a choice of two side dishes. Suggested price of this platter is $13.

Q19 How much would you pay for the Street Taco platter? (Number Response)
Q20 Based on the description of these tacos, please indicate how likely you would do the following

| Purchase the Street Taco platter based on the flavor/taste of this menu item. (1) | Very Unlikely (1) | Unlikely (2) | Somewhat Unlikely (3) | Undecided (4) | Somewhat Likely (5) | Likely (6) | Very Likely (7) |
| Purchase the Street Taco platter based on the suggested price of this menu item. (2) | | | | | | | |
| Purchase the Street Taco platter because you can name your own price (NYOP). (3) | | | | | | | |

Subset 3

Q21 Please read this case: A local Mexican restaurant is offering "Tacos for a Cause" which for every taco purchased, provides a 5% donation to the charity Make-A-Wish. To date, this restaurant has provided over $168,000 to the Make-A-Wish Foundation. Street Tacos: These platters of 3 tacos on homemade flour or corn tortillas give you a choice to mix and match fillings as you like. Choose from chicken, steak, shrimp, Portobello mushrooms, BBQ pulled pork plus a choice of two side dishes. Cost of this platter is $13.
Q22 Based on the description of these tacos, please indicate how likely you would do the following

| Purchase the Street Taco platter based on the flavor/taste of this menu item. (1) | Very Unlikely (1) | Unlikely (8) | Somewhat Unlikely (2) | Undecided (3) | Somewhat Likely (4) | Likely (5) | Very Likely (6) |
| Purchase the Street Taco platter because of the cause associated with this menu item. (4) | ○ | ○ | ○ | ○ | ○ | ○ | ○ |
| Purchase the Street Taco platter based on the cost of this menu item. (5) | ○ | ○ | ○ | ○ | ○ | ○ | ○ |

Subset 4

Q23 Please read this case: A local Mexican restaurant is offering "Tacos for a Cause" Through a "Name Your Own Price" campaign, any amount given over suggest price of $13 (excluding tip) is donated to the charity, Make-A-Wish. To date, this restaurant has provided over $168,000 to the Make-A-Wish Foundation. Street Tacos: These platters of 3 tacos on homemade flour or corn tortillas give you a choice to mix and match fillings as you like. Choose from chicken, steak, shrimp, Portobello mushrooms, BBQ pulled pork plus a choice of two side dishes. Suggested price of this platter is $13.

Q24 How much would you pay for the Street Taco platter?
(Number Response)
Q25 Based on the description of these tacos, please indicate how likely you would do the following

| Purchase the Street Taco platter based on the flavor/taste of this menu item. (1) | Very Unlikely (1) | Unlikely (2) | Somewhat Unlikely (3) | Undecided (4) | Somewhat Likely (5) | Likely (6) | Very Likely (7) |
| Purchase the Street Taco platter based on the suggested price this menu item. (2) | O | O | O | O | O | O | O |
| Purchase the Street Taco platter because of the cause associated with this menu item. (3) | O | O | O | O | O | O | O |
| Purchase the Street Taco platter because you can name your own price (NYOP). (4) | O | O | O | O | O | O | O |
**Subset 5**

Q26 Please read this case: A local Mexican restaurant is offering "Tacos for a Cause" which for every taco purchased, provides a 5% donation to a charitable organization. To date, this restaurant has provided over $168,000 to various charities through a "Name Your Own Cause" campaign that allows you to select the charity your purchase will go towards. Street Tacos: These platters of 3 tacos on homemade flour or corn tortillas give you a choice to mix and match fillings as you like. Choose from chicken, steak, shrimp, Portobello mushrooms, BBQ pulled pork plus a choice of two side dishes. Cost of this platter is $13.

Q27 What cause/charity would like your 5% donation to be given to? 
(Text Response)

Q28 Based on the description of these tacos, please indicate how likely you would do the following

<table>
<thead>
<tr>
<th></th>
<th>Very Unlikely (1)</th>
<th>Unlikely (2)</th>
<th>Somewhat Unlikely (3)</th>
<th>Undecided (4)</th>
<th>Somewhat Likely (5)</th>
<th>Likely (6)</th>
<th>Very Likely (7)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase the Street Taco platter based on the flavor/taste of this menu item. (1)</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Purchase the Street Taco platter based on the cost of this menu item. (2)</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Purchase the Street Taco platter because of the &quot;name your own cause&quot; associated with this menu item. (3)</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>
Q29 Please read this case:  A local Mexican restaurant is offering "Tacos for a Cause"  Through a "Name Your Own Price" campaign, any amount given over suggest price of $13 (excluding tip) is donated to a charity. To date, this restaurant has provided over $168,000 to various charities through a "Name Your Own Cause" campaign that allows to you select the charity your purchase will go towards.  Street Tacos: These platters of 3 tacos on homemade flour or corn tortillas give you a choice to mix and match fillings as you like. Choose from chicken, steak, shrimp, Portobello mushrooms, BBQ pulled pork plus a choice of two side dishes. Suggested price of this platter is $13.

Q30 How much would you pay for the Street Taco platter?  
(Number Response)

Q31 What cause would you donate to?  
(Test Response)
Q32 Based on the description of these tacos, please indicate how likely you would do the following:

<table>
<thead>
<tr>
<th></th>
<th>Very Unlikely (1)</th>
<th>Unlikely (2)</th>
<th>Somewhat Unlikely (3)</th>
<th>Undecided (4)</th>
<th>Somewhat Likely (5)</th>
<th>Likely (6)</th>
<th>Very Likely (7)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase the Street Taco platter based on the flavor/taste of this menu item. (1)</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Purchase the Street Taco platter based on the cost of this menu item. (2)</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Purchase the Street Taco platter because of the &quot;name your own cause&quot; associated with this menu item. (3)</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Purchase the Street Taco platter because you can name your own price (NYOP). (4)</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
</tbody>
</table>

Q33 Open ended response for any additional comments:

(Text Response)

Q34 If you took this survey to receive extra credit, please enter your school email address.

(Text Response)
REFERENCES


