

# The Deterioration Effects of Consumer Indebtedness on Consumer and Brand Relationships: When Gift Giving is not Appreciated

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## **Abstract**

Most literature on gift giving has focused on positive feelings between giver and receiver in contexts of family members or close friends. This concept is applied to gift giving strategies that used to establish positive consumer and brand relationships. However, these strategies may not result in pleasurable outcomes in all cases because they entail consumer psychological damage such as dissatisfaction and indebtedness. With a different perspective, this study investigates how negative gift giving experiences impact consumer and brand relationships. Online questionnaires were used to collect data in Thailand. Structural equation modelling results showed that negative gift giving experiences cause consumer dissatisfaction and consumer indebtedness. These feelings lead to brand hate and brand avoidance. The results also revealed the mediating role of consumer indebtedness. The results contribute theoretical insight into brand relationships and lead to recommendations on marketing practice.

**Keywords:** Gift giving, Consumer dissatisfaction, Consumer indebtedness, Brand hate, Brand avoidance, Structural equation modelling

## **Introduction**

Literature suggests that establishing positive consumer and brand relationships leads to favourable outcomes (Langner et al., 2016). For example, consumers who have good relationships with brands are likely to purchase brands' products (Suetrong & Pires, 2021), give support to the brands (King & Grace, 2012), be willing to reveal their personal information and preferences (Dorsch & Kelley, 1994), and give feedback on the brands' products (Ogawa & Piller, 2006).

To build such relationships, brands have various tools including gift giving strategy. In many cases, business gifts (e.g., product samples or gift sets) are used to establish an initial impression on consumers. In some cases, the gift giving can work effectively for consumer patronage or to maintain a long-term relationship between a consumer and a brand (Mukherjee & Shamdasani, 2005).

Previously, gift giving has been researched from different angles that provide fascinating insights. For example, researchers have studied differences between Eastern and Western cultures in the perceptions of receivers about gift giving (Park, 1998); the evaluation of the gift in interpersonal relationships (Larsen & Watson, 2001) or business-to-business relationships (Dorsch & Kelley, 1994); gift giving as a symbol of goodwill and congratulations (Joy, 2001); gift types and social distance between a giver and a receiver (Feng et al., 2011); the effects of country of origin and gift giving behaviour (Yang & Paladino, 2015); and gift giving on special occasions (De Hooge, 2017). However, most literature seems to focus on positive effects of gift giving which make receivers happy, while negative effects of gift giving still need insightful studies to fulfil the existing knowledge (Pinto & Brandão, 2021). Although a gift giving strategy ultimately aims to generate positive outcomes, this study posits that it may not be successful in all cases, depending on how consumers interpret the purpose of giving. For example, consumers who appreciate the gift giving are likely to develop positive feelings of gratitude (Wangwan, 2014), while some consumers may feel indebted when they receive a gift. Indebtedness is “a state of obligation to repay another” (Greenberg, 1980, p.4). It is negative emotion and associates with discomfort and uneasiness (Tsang, 2006). Therefore, indebtedness possibly induces the consumers to generate negative outcomes for the brands. Thus, the main objectives of this study are threefold: firstly, to answer the research question – *What are the effects of consumer indebtedness on consumer and brand relationships when gift giving is not appreciated?* secondly, to ascertain the importance of negative consumer feelings when they receive gifts and their decision on the relationship with a brand; and thirdly, to integrate the knowledge areas of consumer psychology and relationship marketing.

To answer the research question and fill the knowledge gaps, this study aligns with Antón et al. (2014), who suggest that a study of gift giving should be done along the continuum from the beginning when consumers receive the gift to the end when consumers decide on their relationship with the brand. In addition, this study posits that developing a relationship is always on a voluntary basis. Although brands desire to make positive relationships with their consumers via a gift giving strategy, the success of a strategy should be judged from the consumers’ view because they are the ones who decide on the relationship (Langner et al., 2016). In this way, the study could be valuable for both parties. Furthermore, it is possible for consumers to suffer from receiving gifts because gift giving may be associated with moral obligation (Komter, 2007). If brands do not understand how gift giving works, it may bring about negative consumer and brand relationships such as brand hate and brand avoidance. Furthermore, existing literature acknowledges that negative feelings of hatred and avoidance towards brands can produce seriously impacts on sustainable competitive advantage, negative word-of-mouth, and anti-consumption (Aziz & Rahman, 2022; Brandão & Popoli, 2022; Fetscherin & KC, 2021). Importantly, most consumers are likely to express negative behaviour and have a better memory of negative experiences than positive ones (Bayarassou et al., 2020; Hegner et al., 2017), such that holistic consumer and brand relationship strategies which ultimately aim to build up and maintain positively ongoing relationships with consumers, cannot be successful (Fetscherin et al., 2019). It is therefore, the dark side of the consumer and

brand relationship is getting more important and should not be ignored (Do et al., 2020; Youn, 2022).

This study offers significant contributions for researchers and practitioners. Firstly, consumer indebtedness is revealed as an antecedent of brand hate and brand avoidance. Secondly, this study contributes a better understanding of the mediating effects of consumer indebtedness, which underpins brand hate and brand avoidance. Thirdly, the study reflects consumer feelings when they experience negative gift giving. Thus, the results provide guidelines for brand managers to design gift giving strategies based on consumers' views and to prevent brand hate and brand avoidance.

The following sections discuss related literature, the development of the hypotheses and theoretical framework, and the methodology. Next, data analysis processes are explained. The results are reported and discussed. Then, theoretical contributions and managerial implications are described. Finally, limitations and suggestions for further research are provided in the last section.

## Introduction

### Theoretical background

#### *Gift giving strategy and consumer and brand relationships*

Gift giving is ubiquitous within interpersonal relationships such as couples or close friends (Antón et al., 2014). In general, a gift is used as a sign of love, importance, thanks, or politeness (Feng et al., 2011). It can bring people closer together (Zhou & Chartrand, 2020). In marketing, the concept of gift giving is applied to establish positive consumer and brand relationships. The basic goals of building the relationships are to create, maintain, strengthen, and enhance commercial relationships for a consumer and a brand (Shani & Chalasani, 1992). The ultimate goals of gift giving are to attain desirable outcomes such as consumer loyalty and competitive advantage (Rossiter & Bellman, 2012). Although many consumers are glad when they receive a gift (Zhou & Chartrand, 2020), some consumers feel uncomfortable and prefer to avoid the gift (Feng et al., 2011). This phenomenon implies that a gift giving strategy may not be straightforward and may have negative impacts on consumer and brand relationships. Thus, brands need to be careful to ensure that a gift giving strategy will not be problematic instead of beneficial.

#### *Gift giving and consumer feelings*

The concept of gift giving falls under the umbrella of a reciprocal norm (Komter, 2007) since the gift giving is used as an investment tool for building relationships; brands are likely to expect something in return. However, literature suggests that relationship investment should concern the feelings of receivers as well (Komter, 1996). If consumers become aware of a demanding expectation, they may perceive that gift giving is a source of unfriendliness, embarrassment, inequality, and stress (Feng et al., 2011). In this case, gift giving may act as a deadly weapon rather than a generous tool. In addition, negative gift giving experiences can accumulate in consumers' bitter memories (Hegner et al., 2017). Therefore, it is important for

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brands to monitor any negative consumer feelings that could arise, such as consumer dissatisfaction and consumer indebtedness.

### ***Gift giving and consumer dissatisfaction***

When brands offer free gifts to consumers, the consumers may not expect that they need to give anything in return. In contrast, if the consumers perceive that they must do something or comply with the brand's request, a simple feeling of dissatisfaction could be the first feeling to emerge from an evaluation of the gift giving experience (Sherry, 1983). For this reason, this study makes it clear from the outset that consumer dissatisfaction should be considered as a starting point for examining negative gift giving experiences.

### ***Gift giving and consumer indebtedness***

Theory of reciprocity argues that receivers should do, act, or return something to givers (Blau, 2017). This norm of reciprocity may drive gift giving to entail a moral virtue which forces the receivers to pay back, even though they may not be appreciative of the gift (Naito & Sakata, 2010). However, gift giving on special occasions such as celebrations and anniversaries is not included in this study because it involves much less pressure of return than in commercial relationships (Antón et al., 2014). Although brands may use a gift giving strategy to motivate consumers to follow their marketing plans, the reason behind the compliance is likely that the consumers feel obligated to the brands and would like to balance this inequity (Walster et al., 1973). If this is the case, gift giving incidentally generates consumer indebtedness, which is associated with feelings of dependence, obligation, commitment, repayment, and guilt (Peng et al., 2018).

### ***The effect of negative gift giving on consumer and brand relationships***

This study expects that negative experiences of dissatisfaction and indebtedness could be crucially silent sources of sever relationships such as brand hate and brand avoidance. Brand hate is "an intense negative emotional affect towards the brand" (Bryson et al., 2013, p.395). It is perceived as the strongest of negative consumer and brand relationships. It is not a single emotion and can be composed of various negative feelings (Fetscherin & KC, 2021), such as shame (Kruse et al., 2014), anger (Romani et al., 2009), sadness (Zhang & Laroche, 2020), disgust (Zarantonello et al., 2016), and pain (Farhat & Chaney, 2021). Such feelings imply that brand hate is associated with unpleasant experiences.

There are several reasons why consumers may hate a brand. Brand hate is occurred when consumers are displeased with a brand's ideas, actions, or performance (Hegner et al., 2017). For example, consumers may develop hatred after experiencing a malfunctioning product (Grégoire et al., 2009). Some may not be happy because their ideas are incongruous with the brand's or there is a mismatch between their self-concept and the brand's policy (Rodrigues et al., 2020). In addition, illegal actions, wrongdoings, or immoral behaviours can be significant sources of brand hate (Zarantonello et al., 2016). Literature further mentions that

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brand hate can suddenly occur or slowly accumulate from a series of negative experiences (Farhat & Chaney, 2021).

According to the literature, consumer behaviour is a result of feelings and emotions (Shaver et al., 1987). In response to unpleasant experiences such as dissatisfaction, indebtedness, or hate, it is likely that the consumers will decide to exclude the brands from their consideration (Pinto & Brandão, 2021). Some consumers are likely to keep away from being trapped in the same negative situations (Muncy & Iyer, 2021). Thus, in this study brand avoidance is expected to be an outcome of consumer dissatisfaction, consumer indebtedness, and brand hate. Even though avoidance is not severe behaviour, brands need to be careful because it creates significant negative impacts on brand equity and financial performance (Kucuk, 2021). Arguably, when consumers devalue their unfavourable brands that means there is no assurance of any intention to purchase the brands' products or services, even though the consumers do not have any financial constraints (Hegner et al., 2017).

### **Hypotheses development and theoretical framework**

Consumers who receive a gift will evaluate the gift giving experience (Antón et al., 2014). Gift giving may surprise some consumers and result in satisfaction, while others may be dissatisfied, depending on how consumers interpret the purposes of the giving (Oishi et al., 2019). Consumer feelings towards a brand have different levels (Kumar et al., 2017) or fall on a continuum (Romani et al., 2009). As Farhat and Chaney (2021) mention, consumer dissatisfaction is commonly found around weak negative emotions (Romani et al., 2009). Thus, it can be assumed that consumer dissatisfaction with gift giving is a starting point of the continuum, and it might be associated with brand hate that is positioned in the stronger negative emotions (Japutra et al., 2014). This study hypothesises that,

H1.1: Consumer dissatisfaction is positively related to brand hate.

Based on reciprocity, consumers may perceive that brands use business gifts to persuade them to payback and keep them in the brands' power (Lambsdorff & Frank, 2010). If this occurs, consumers may dislike the brands' actions and generate awareness of indebtedness (Blau, 2017). This study expects that consumer dissatisfaction with gift giving may lead to consumer indebtedness. Therefore, it is justified to hypothesise that,

H1.2: Consumer dissatisfaction is positively related to consumer indebtedness.

Dissatisfaction can lead to negative attitudes and behaviour (Dawes & Rowley, 1999). Some consumers may let brands know their feelings by words, looks, or actions, while other consumers may quietly leave without saying anything (Grégoire et al., 2009). Thus, dissatisfaction may silently persuade consumers to intentionally ignore the brands (Odoom et al., 2019). Therefore, it is justified to hypothesise that,

H1.3: Consumer dissatisfaction is positively related to brand avoidance.

Moral obligation of indebtedness may motivate consumers to perceive that the gift giving is a dirty trick or a bribe (Lambsdorff & Frank, 2010). Also, it is possible for consumers to perceive that the gift giving is dishonest behaviour and that brands do not treat them with respect (Emmons & McCullough, 2003). Either immoral or dishonest behaviour could lead to

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feelings of debt, shame, guilt, loss of face, and anger (Kruse et al., 2014). These feelings may cause the consumer to hate the brands. Thus, this study assumes that brand hate could be a consequence of consumer indebtedness. Thus, it is justified to hypothesise that,

H2.1: Consumer indebtedness is positively related to brand hate.

Consumer feelings towards brands drive consumer behaviours (Nguyen & Munch, 2011). Therefore, consumer indebtedness could be used to predict the consumer actions. As indebtedness is an unpleasant state of consumer psychology (Blau, 2017), negative consequence can be expected. In addition, indebtedness motivated consumers to keep away from a source of debts (Tsang, 2006). Although consumers may react differently to balance a debt depending on their personality (Komter, 1996), it is difficult to expect that consumers will stay with the same brands. Therefore, it is justified to hypothesise that,

H2.2: Consumer indebtedness is positively related to brand avoidance.

Research notes that the emotion of hate is associated with contempt, withdrawal, or rejection (Bryson et al., 2013). Regarding the failure of gift giving, consumers may express their hate by refusing the brands (Pinto & Brandão, 2021), intentionally avoiding any interactions with the brands (Hegner et al., 2017), or rejecting the brands from their lives (Bryson et al., 2013). These responses can be noticed as desire for avoidance (Grégoire et al., 2009). Therefore, it is justified to hypothesise that,

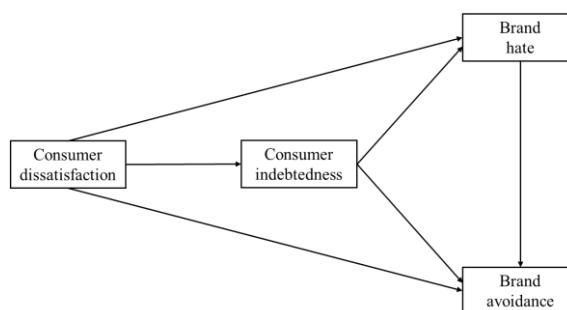
H3.1: Brand hate is positively related to brand avoidance.

Consumer dissatisfaction is usually found in the initial stage of negative brand relationships. Yet, it can develop into stronger negative relationships (Farhat & Chaney, 2021). Thus, there might be a synergy between a path of consumer dissatisfaction and brand hate, including a path of consumer dissatisfaction and brand avoidance. This study expects that consumer indebtedness could be an escalation of the movement from consumer dissatisfaction to brand hate, and to brand avoidance. Thus, the mediator role of consumer indebtedness and its intervention can be examined by the following hypotheses.

H4.1: Consumer indebtedness mediates the relationship between consumer dissatisfaction and brand hate.

H4.2: Consumer indebtedness mediates the relationship between consumer dissatisfaction and brand avoidance.

The theoretical framework for the main constructs is illustrated in Figure 1.



**Figure 1** Theoretical framework

## Methodology

An online survey was developed for collecting data in Thailand. The sample for this study comprised individuals aged 18 years or older. Participation in this research was entirely voluntary without compensation and depended on the participants' convenience and willingness to answer the questions.

Measurement scales for the survey were drawn from literature. Consumer dissatisfaction was measured based on the work of Zeelenberg and Pieters (2004). Consumer indebtedness was measured using the scales from Goei and Boster (2005). Brand hate was measured by four indicators developed by Zarantonello et al. (2016). Finally, brand avoidance was examined using five indicators from Hegner et al. (2017). A seven-point Likert scale was used to obtain the data. A score of 1 indicates the lowest level of agreement with the statement, while 7 shows the highest level of agreement. However, the measurement scales were originally in English. Thus, the survey was translated into Thai and re-evaluated the interpretations to ensure that the questions could be understood in the same way.

After ethics clearance was received, a pilot test was conducted to detect errors and remedy the survey. Based on the feedback from the pilot test, some statements were tailored with minor modification.

The online survey comprised two sections. The first section started with a screen question, 'Have you ever responded to this survey questionnaire?' to ensure that the same participant would not respond more than once (Hair et al., 2007). This was followed by a set of demographic questions. However, participants who clicked 'Under 18' were excluded from the study and the system led them to the end of the questionnaire with the thank you message. In the second section, participants were asked to read a coffee shop gift giving scenario (see Appendix) and answer the questions, which were used to measure the constructs. Since, research on gift giving is easily intrinsic to compensation and bribery which are sensitive issues (Li et al., 2022). In the real situation, these issues possibly trigger the receiver's social (un)desirability responses or produce some degrees of stress (Boncinelli et al., 2019; Wu & Huang, 2013). Therefore, scenario method is designed in order to minimise the impact on the respondents' psychological damage and diminish any bias that could be occurred during the data collection process. A coffee shop was selected for the scenario because it is a common and widely available type of business. Thus, participants would be familiar with this business type and could give an answer (Brand & Cronin, 1997). In addition, a coffee shop is unlikely to be affected by gender. Therefore, all genders should not hesitate to give their responses (Nakayama et al., 2010).

An invitation to participate and a survey link were posted on social media platforms for three months. The post also invited the participants to feel free to forward the link to other people. Some submitted questionnaires were excluded from the analysis because the participants left a lot of blanks or gave the same answer for a large proportion of the questions (e.g., a straight-line pattern) (Churchill & Iacobucci, 2005). After this data-screening process, a total of 407 surveys were used for data analysis. Based on the theoretical framework, a power analysis with a medium effect size was performed to determine a minimum sample size

requirement (Hair et al., 2007). The results indicated that the total of 407 respondents was higher than the minimum requirement.

Common method variance (CMV) possibly occurs in this study. Although CMV is common in social research, it can lead to contaminated results and wrong conclusions. Therefore, Harman's one-factor test was conducted in SPSS to test CMV. A Total Variance Explained value of more than 50% indicates that CMV could be a problem (MacKenzie & Podsakoff, 2012). The result showed that the Total Variance Explained was 41.92%, which is less than the cut-off criterion. Thus, it can be concluded that there is no threat of CMV.

### **Data analysis and results**

IBM SPSS software was used to summarise the sample characteristics. The results showed that 48.64% were male, while 51.36% were female. Most of the respondents (79.85%) were aged between 18 and 25 years old; 12.53% were between 26 and 35 years old; 4.67% were between 36 and 45; 1.73% were between 46 and 55; and 1.22% were between 56 and 65 years old. Overall, the respondents had a well-educated background: most (65.62%) had achieved a bachelor's degree and approximately 28.25% held a college or technical degree, while 3.19% indicated that they had a postgraduate qualification. The smallest group, making up 2.94% of respondents, were high school graduates without higher qualifications.

Partial least squares structural equation modelling (PLS-SEM) by means of SmartPLS 3 software was used to examine the hypotheses. SmartPLS was selected because it is effective for prediction when a research project works on a new theory and explores cause-and-effect relationships, rather than when it confirms a prior theory which has been studied for a period of time. In addition, the software can handle network relationships which compose exogenous, endogenous, and mediator constructs (Hair et al., 2017).

The model specification needs to be carefully justified because misspecification of the model could jeopardise the results and interpretation (Diamantopoulos & Siguaw, 2006). In addition, different model types (e.g., formative or reflective) require different criteria for model assessment (Hair et al., 2017). Literature suggests that studies on consumer feelings, emotions, and behaviour are typically related to the reflective model (Gustafsson & Johnson, 2004). The indicators of a reflective model usually come from the same domain because they reflect feelings or behaviours caused by their specific construct (Diamantopoulos & Siguaw, 2006). Thus, the model in this study is considered as a reflective measurement model.

To make conclusions about the hypotheses, the reliability and validity of the model were evaluated by passing through a two-step approach (Anderson & Gerbing, 1988). A PLS-SEM algorithm was run based on bootstrapping with a 5,000 subsample and a significance level of 0.05. Once the model passed the criteria of reliability and validity, the results for each hypothesis could be determined.

Composite reliability (CR) was used to test the internal consistency reliability. The statistical results showed that CR scores of all constructs were higher than a cut-off value, which was set at 0.7. Thus, the evidence indicated a satisfactory reliability. The outer loading of measurement indicator and average variance extracted (AVE) were calculated to justify a

convergent validity. Thresholds of 0.7 and 0.5 were set as the minimum benchmark for outer loading and AVE, respectively. The statistical scores showed desirable outcomes, that is, the measurement indicator loadings and AVE values exceeded the set threshold except for ind1, which gave a loading of 0.687. However, ind1 was retained for the sake of content validity (Hair et al., 2017). The results for composite reliability, outer loadings, and AVE are presented in Table 1.

**Table 1** Composite reliability, outer loading, and average variance extracted of the model

Construct	Measurement indicator	Outer loading	Average variance extracted (AVE)	Composite reliability (CR)
Consumer dissatisfaction (CDIS)	Overall, how satisfied or dissatisfied are you with the actions of the coffee shop/staff? (dis1)	0.956	0.775	0.945
	Overall, how good or bad do you feel after this experience? (dis2)	0.954		
Consumer indebtedness (CIND)	I felt obligated after receiving the gift. (ind1)	0.687	0.784	0.936
	I had no choice. I simply had to do something for the coffee shop/the staff. (ind2)	0.861		
	I felt indebted to the coffee shop/the staff. (ind3)	0.867		
	After receiving the gift, I felt pressure to do something in return. (ind4)	0.868		
Brand hate (BHAT)	I hate this coffee shop. (hat1)	0.888	0.913	0.954
	I extremely dislike this coffee shop. (hat2)	0.898		
	I really detest this coffee shop. (hat3)	0.874		
	I feel hostile to this coffee shop. (hat4)	0.883		

Construct	Measurement indicator	Outer loading	Average variance extracted (AVE)	Composite reliability (CR)
Brand avoidance (BAVO)			0.679	0.894
	I do not purchase products of this coffee shop anymore. (avo1)	0.893		
	I reject services/products of this coffee shop. (avo2)	0.868		
	I refrain from buying the coffee shop's products or using its services. (avo3)	0.883		
	I avoid buying the coffee shop products/using its services. (avo4)	0.88		
	I do not use products or services of this coffee shop. (avo5)	0.878		

The next step is to ensure that each construct captures a specific phenomenon (Churchill & Iacobucci, 2005). Thus, Heterotrait-Monotrait (HTMT) criterion was used to assess discriminant validity (Henseler et al., 2015). When the confidence interval (2.5% and 97.5%) does not include 1, it indicates acceptable discriminant validity (Hair et al., 2017). Table 2 illustrates the results of the HTMT test. The results indicate that the model does not suffer from a discriminant validity issue.

**Table 2** Confidence interval values for each pair of constructs

Pair of constructs	2.5% (lower bound)	97.5% (upper bound)
BHAT -> BAVO	0.612	0.774
CDIS -> BAVO	0.039	0.172
CDIS -> BHAT	0.375	0.548
CDIS -> CIND	0.295	0.484
CIND -> BAVO	0.069	0.211
CIND -> BHAT	0.312	0.498

The predictive power of the model was considered based on the coefficient of determination ( $R^2$ ) value, which is used to explain the predictive ability of an exogenous construct. If the  $R^2$  value is close to 1, it indicates that the exogenous construct has a high performance of precision (Hair et al., 2017). Overall, the statistical results showed that the exogenous constructs performed well except for CDIS. CDIS indicated a low level of

predictive power ( $R^2 = 0.159$ ) when it predicted CIND. However, all  $R^2$  values were above zero. Thus, the model is capable of prediction (Field, 2009). Table 3 presents the  $R^2$  values and degrees of predictive power.

**Table 3** Coefficient of determination ( $R^2$ ) values and level of predictive power

Exogenous construct	Endogenous construct	$R^2$ value	Level of predictive power
CDIS	CIND	0.159	Low
CDIS and CIND	BHAT	0.531	Moderate
CDIS, CIND, and BHAT	BAVO	0.730	High

The effect size ( $f^2$ ) was calculated to understand how much each exogenous construct impacts on the endogenous constructs (Hair et al., 2017). The results showed that the  $f^2$  values of all exogenous constructs were above the threshold of 0.02, as presented in Table 4. Based on the results, it can be concluded that consumer dissatisfaction is important since it leads to consumer indebtedness, brand hate, and brand avoidance. Together with consumer dissatisfaction, the negative experience of indebtedness contributes a medium and a small impact on brand hate and brand avoidance, respectively. Finally, brand hate has a substantive effect on brand avoidance.

**Table 4** Effect size of each exogenous construct on each endogenous construct

Exogenous – endogenous construct	Effect size	Degree of effect size
CDIS – CIND	0.189	Medium
CDIS – BHAT	0.381	Large
CDIS – BAVO	0.025	Small
CIND – BHAT	0.302	Medium
CIND – BAVO	0.046	Small
BHAT – BAVO	0.836	Large

A bootstrapping test was run to obtain the standardised root mean squared residual (SRMR). An SRMR criterion was used to determine the model fit. An acceptable score for SRMR is below 0.08 (Hair et al., 2017). The results showed that the model achieved an SRMR score of 0.048.

Overall, the statistical evidence illustrates that the model achieved acceptable criteria of reliability and validity. The next step is to examine the hypotheses.

PLS algorithm and bootstrapping functions were run to justify the path coefficient ( $\beta$ ) and significance ( $p$ -value) of each pair of constructs. Table 5 presents the results of hypothesis testing.

**Table 5** Path coefficient and *p*-value of each pair of constructs

Pair of constructs	Path coefficient, <i>p</i> -value	Results of hypothesis testing
CDIS -> BHAT	0.461,***	H1.1 supported
CDIS -> CIND	0.398,***	H1.2 supported
CDIS -> BAVO	0.105,**	H1.3 supported
CIND -> BHAT	0.410,***	H2.1 supported
CIND -> BAVO	0.138,***	H2.2 supported
BHAT -> BAVO	0.694,***	H3.1 supported

Note: \*\**p*-value < 0.01, \*\*\**p*-value < 0.001

The mediating role of consumer indebtedness was assessed by observing the significance of direct and indirect effects. The results suggest that both direct and indirect effects were significant, as shown in Table 6. That is, consumer indebtedness intervenes in the direct relationship between consumer dissatisfaction and brand hate, and in the direct relationship between consumer dissatisfaction and brand avoidance. Thus, H4.1 and H4.2 were supported.

**Table 6** The results of mediation analysis

Path	Indirect effect, <i>p</i> -value	Direct effect, <i>p</i> -value	Mediation type
CDIS-CIND-BHAT	0.163,***	0.461,***	Partial mediation
CDIS-CIND-BAVO	0.489,***	0.105, **	Partial mediation

Note: \*\**p*-value < 0.01, \*\*\**p*-value < 0.001

In conclusion, all hypotheses were supported. A comprehensive discussion of the results is provided in the next section.

## Discussion

The result of H1.1 is compatible with a study by Yang and Mundel (2021), which mentions that negative feelings are associated with brand hate. In the case of H1.2, it can be explained that consumer dissatisfaction can arise when consumers are asked for compliance with the brand after receiving a gift. This unexpected request makes the consumers incur a moral obligation and stimulates feelings of indebtedness. A plausible explanation of H1.3 is that consumers are unwilling to be trapped in a similar situation. Therefore, they decide to avoid the brand. The result is in line with previous research which suggests that a brand should be careful about its actions. Once consumers are not happy, it would be unreasonable to expect them to come back (Lee et al., 2009).

This study calls attention to the results of H2.1 and H2.2 which clearly indicate that consumer indebtedness is an important antecedent of brand hate and brand avoidance. Social

exchange theory (Blau, 2017) states that gift giving may create a moral obligation and entail unethical behaviour. Arguably, consumers may feel uncomfortable when they owe a moral debt (Antón et al., 2014). Consumers may lose face or become less respected by the brand if they do not give in return (Kruse et al., 2014). Furthermore, a moral obligation of indebtedness may not leave any choices for consumers (e.g., I have to do something for a brand). This situation drives consumers into a sense of powerless (Komter, 2007). In addition, inequity and immorality are significant forces of intense negative attitudes (Muncy & Iyer, 2021). Therefore, it is reasonable for the consumers to hate and avoid the brands.

As expected, brand hate produces a large effect size on brand avoidance. This leads to a conclusion that brand hate positively associates with brand avoidance. The result of H3.1 is consistent with prior research which suggests that consumers have two common ways to handle a hated brand (attack or avoid) (Awasthi & Kumar, 2022).

Finally, the statistical results of H4.1 and H4.2 confirm that consumer indebtedness plays a significant mediating role between consumer dissatisfaction and brand hate or avoidance. Therefore, not only does consumer dissatisfaction impact brand hate and brand avoidance, but consumer indebtedness does also. This mediating role can be explained in that, although literature classifies dissatisfaction as a low level of displeasure, and it is usually found in the initial stages of consumers' negative feelings (Romani et al., 2009), it can develop into stronger feelings later (Kumar et al., 2017). The results indicate that consumer indebtedness is an underlying mechanism of crisis movement from brand dissatisfaction to brand hate and brand avoidance.

The next section discusses the theoretical and practical contributions of the study for researchers and managers.

## Contributions

### Theoretical contributions

This study has responded to a call for extension of knowledge about the negative effects of gift giving on consumer psychology and brand relationships (Fetscherin & KC, 2021). The study contributes to existing literature by introducing consumer indebtedness as a significant antecedent of brand hate and brand avoidance. It also plays a mediating role in the direct effects of consumer dissatisfaction on brand hate and on brand avoidance. Yet, the study contributes value into the marketplace.

### Managerial contributions

Brand managers could draw benefits from the results since they are key people in shaping gift giving strategy and maintaining good relationships between a consumer and a brand. The results signal that brands should not optimistically assume that a gift giving strategy will be successful. The respondents in this study clearly indicated that dissatisfaction and indebtedness are potential sources of brand hate and brand avoidance. Thus, brands should not only plan how to give and how to take but also thoroughly consider the consumer's feelings. In addition, brand hate and brand avoidance mirror consumer perceptions towards a brand's

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actions. It is important to note that consumers create their own experiences and make the final decision about a relationship (Langner et al., 2016). Thus, brands should know how to plan their strategy to achieve positive outcomes.

In practice, many brands allocate large sums of money for their gift giving strategy (Larsen & Watson, 2001). This study would suggest that each dollar should be spent on a potential consumer who is interested in receiving gifts and willing to give in return. By selecting an appropriate target consumer, brands can block or minimise consumer dissatisfaction, which is a starting point of consumer indebtedness, brand hate, and brand avoidance. To do so, brands should communicate clear messages (e.g., you will receive a gift set if you willingly fill in a questionnaire) to consumers in a polite manner (Aumer-Ryan & Hatfield, 2007). Then, the consumers will know the conditions of the gift and have agency about their choices.

Importantly, negative experiences can be unforgivable and can make a lasting impression (Awasthi & Kumar, 2022). Thus, there is no guarantee that brands can win consumers back, and they may lose them to rivals. This study would suggest that brands should guard against any negative phenomenon that may arise during gift giving processes. Having well-trained staff would be a good strategy to detect unhappy consumers and handle problems (Hegner et al., 2017). Regarding brand avoidance, this study would suggest that although avoidance behaviours are usually unexpressed and may not be violent (Fetscherin & KC, 2021), brand managers should not ignore these behaviours since they significantly impact a brand's financial performance (Lee et al., 2009). Staff may politely ask the consumers whether there is anything wrong. In this way, brands can understand the situations and respond to consumers effectively. Lastly, this study would suggest that sincere apologies are needed for a mismatch between a brand's strategy and a consumer's perception (Kucuk, 2021). This could be a good opportunity to diminish the consumer's negative feelings.

Besides theoretical new knowledge and brand managers, the results of this study could be useful for those people who work for community and aim to improve society as a whole (e.g., politicians, charitable organisations, or researchers). These people sometimes inevitably involve in the give-and-take of gifts in their works. For example, valid information and good cooperation are important for an achievement of community goal. However, the nature of the community work is not compelling as people need to donate their time and effort into the work. If so, small gifts are likely to be a mechanism for fully cooperation. The importance of gift giving may be easily perceived as bribes. People may compromise and provide their information due to a force of reciprocity. Yet, how givers can ensure that the collected data are truthful and honest. Thus, sincere and clear communication between givers and people in community is required.

In addition, even though this study tests the model with offline business scenario, online business can gain benefits from the results. The reason is that indebtedness is ubiquitous and can be troublesome for both online and offline business. Recently, a virtual gift giving in a social networking site is a potential marketing strategy. However, it is important to note that consumers are empowered by technology and social media. Experiences of indebtedness and

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brand hate can be shared globally on the Internet. This study would suggest that administrators should have tracing systems to detect negative feelings (e.g., coding and interpretation of the consumer post) and take appropriate actions.

Finally, benefits from the results of this study go to receivers who may suffer from business gifts. Evidence supports that relationship is not controlled by a brand. In order to reinstate a debt, this study believes that the consumers can politely reject or return the gifts.

### **Limitations and suggestion for further study**

This study is not free from limitations. Firstly, negative feelings are enduring by nature (Awasthi & Kumar, 2022); however, a cross-sectional approach did not allow this study to track the ongoing existence of dissatisfaction, indebtedness, hate, and avoidance. Secondly, an online survey was used to collect the data; thus, those consumers who could not access the survey link could not participate. Thirdly, an in-person gift giving scenario was used for this study; however, future research may consider using virtual gifts in the context of an online community. Fourthly, consumers in different cultures may have different attitudes towards gift giving; thus, future research may consider retesting the framework to see how cultural differences impact the proposed relationships. Fifthly, the study did not test the respondents' background in terms of gender, age, and educational level; hence, future research would benefit from examining the effects of these factors on consumer indebtedness, brand hate, and brand avoidance. Also, it is important to note that the results were interpreted and reported based on one product type while this study concerns that different product categories could influence receiver's perceptions on a gift giving. An additional point is that products of well-known brands could be easier to recognise than unknown brands (Boncinelli et al., 2019). Thus, product type and brand name could be potential limitations of the current research. Next, drinking coffee behaviour may produce effects on the consumer attitude towards a brand based on past behaviour. For example, people who often drink coffee should have a positive attitude towards the gift giving including a coffee brand. Thus, further study may consider the influences of consumer behaviour on attitude of gift giving. Finally, it is likely that expensive gifts could be perceived as bribes and put intense pressure on receiver to do something (Li et al., 2022). This study acknowledges that the value of a gift may influence the degree of dissatisfaction, indebtedness, hate, and avoidance; thus, further investigation could be valuable for researchers and practitioners.

### **Conclusion**

Overall, this study demonstrates how negative gift giving experiences can influence consumer and brand relationships, which seems to be overlooked in marketing research. To explore the dark side of gift giving and understand the role of consumer indebtedness, this study collected empirical data from a consumer standpoint. In this way, the study can articulate consumer feelings after receiving a gift and their decision about forming a relationship with a brand. The model was tested to answer the research question and justify the hypotheses. The results confirm that gift giving can lead to serious outcomes such as brand hate and brand

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avoidance. Thus, a gift giving strategy may not be an effective tool for relationship marketing, as in the case of this study. Although this study makes significant contributions to both researchers and practitioners, it has some limitations.

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## Appendix

### A coffee shop scenario:

Suppose you are in a shopping mall. You walk past a new coffee shop and do not intend buying any cup of coffee. However, you are intercepted by customer service staff and a barista. They introduce their shop and offer you free small cups of coffee from their new menu including a gift set for coffee lovers. You taste it and accept the gift. Before leaving the shop, the staff ask you to sit down and fill in a survey questionnaire. The survey asks you about your personal information and the coffee you have just tasted. Just before leaving, you are asked to post a picture of the coffee shop in your social media group.