Let them all eat cake: Providing VIP services without the cost of exclusion for non-VIP customers

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A B S T R A C T

Using quasi-field and lab experiments, this research examines the underlying social comparison process involved when consumers evaluate their satisfaction with both VIP group membership and non-VIP group membership during VIP service experiences. Results show that perceptions of face mediate the relationship between group membership and satisfaction. VIPs report higher satisfaction due to feelings of enhanced face, and non-VIPs report lower satisfaction due to feelings of decreased face. For VIPs, service experiences are heightened by situations that allow visible downward social comparison. Further, VIPs’ level of previous experience with VIP group membership moderates this effect. Finally, non-VIPs, which comprise the majority, are more satisfied when upward social comparison is not possible. This research is the first to offer service managers insight into the strategic design of offerings that maximize both VIP and non-VIP groups’ satisfaction during status-oriented consumption experiences.

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1. Introduction

Early in February 1862, (First Lady) Mary Todd Lincoln pioneered a new form of entertainment at the White House. Instead of the traditional public reception, which allowed for anyone to walk in off the streets … she sent out some five hundred invitations for an evening ball to be held at the White House. Since the party was not open to the public, an invitation became a mark of prestige in Washington society. Those who were not on the original list according to Nicolay (President Lincoln’s private secretary), “Sought, and almost begged their invitations.” The ball was triumphant. “Those who were here,” Nicolay told his fiancée, “will be forever happy with the thought that they have attained something which others have not.” [Goodwin (2005, p. 417)]

The VIP experience is nothing new to popular culture. As First Lady Mary Todd Lincoln found, creating an exclusive experience for a select group instantly makes it alluring. A very important person, or VIP, is one who is accorded special membership. Fast-forward to the 21st century and VIP status is appearing in many commercial service offerings, for which consumers can pay for the privilege for VIP membership. Hospitality, travel, and entertainment services, such as clubs, bars, concerts, hotels, airlines, and amusement parks now invite consumers to pay a premium to receive VIP group membership. These VIP offerings not only offer consumers access to new experiences, but also provide a sizeable profit for firms (Koba, 2012). Accordingly, these status designations significantly increase the price paid by consumers, though the objective quality of the actual service received may not be significantly different than a non-VIP receives. While prior research has focused on a VIP’s connection with other guests in his or her own entourage (McFerran & Argo, 2014), our work centers on the VIP’s perception of status in relation to other consumers outside his or her group, and vice versa, to explain how and why VIP group membership serves as a powerful driver of consumer behavior. We find that special VIP membership in itself is not as important as VIPs’ perception that they are being observed receiving status that other consumers do not receive.

In his seminal work on social comparison theory, Festinger (1954) proposed that people have an innate tendency to assess their own personal value by comparing themselves with others. In the case of VIP group membership, it seems that social comparison could occur for the reason of self-enhancement. Gibbons and McCoy (1991) define self-enhancement as the desire for positive feedback about the self. According to Mead (1934), people form an image of their self-concept.
based on how they believe others view them. Consumers rely on their social environment, such as VIP experiences, as a source of information for social comparison (Baudisch, 2007). We argue that to facilitate social comparison, the VIP service experience is not something that VIP consumers want to enjoy in total isolation. This is counter to common practice, in that the more expensive the VIP experience, the more private or isolated the VIP offering. For instance, at the famous 40–40 Club in New York City, the price of a private VIP room is almost twice ($3200 vs. $1600) the price of a VIP table in the main section of the club, which is clearly visible to non-VIPs (https://the4040club.com/party-packages/). We contribute to the literature by demonstrating the mediating role of consumer groups’ perception of face in these VIP social comparison experiences. Face refers to the self-identity or self-worth a person forms when interacting with others in a public forum (Cupach & Messman, 1999). The desire to preserve or maintain one’s face has consequences for both interpersonal communication and conversational dynamics (Goffman, 1967) and thus can be a powerful driver in consumer feedback settings (Fombelle, Bone, & Lemon, 2014). We also examine how a consumer’s past experience with VIP membership can moderate the effect of and desire for social comparison. Finally, we contribute to literature by examining the effect on consumers not receiving VIP membership when they compare themselves with those receiving special membership (upward social comparison).

2. Conceptual development and hypotheses

2.1. Social comparison in the VIP experience

Social comparison can be viewed as the “mapping” of oneself onto another (Lockwood & Kunda, 1997). It enables an individual to ascertain whether or not he or she is smarter, richer, or otherwise better off than others (Richins, 1991). Social comparisons empower individuals to give order to their social situation and position themselves within it (Ashforth & Mael, 1989). When individuals participate in this process, they often automatically imagine themselves in the position of those with whom they are comparing themselves (Mandel, Petrova, & Galdini, 2006). The information obtained through social comparison can result in positive, neutral, or negative self-ratings relative to the individual’s standards (Pettigrew, 1967).

Festinger’s (1954) work on social comparison focuses on the evaluation of attributes against direct physical standards. Wood (1989) built off this original theory to show that the comparison process is bi-directional in nature. Thus, an individual can use both downward comparison to reference individuals or groups that are inferior in nature and upward social comparison to reference groups that are superior in nature. A substantial body of literature indicates that when a comparison is motivated by self-enhancement, the preferred target of comparison is one who is worse off (Bonifield & Cole 2008). Prior research shows that downward comparison leads to greater job satisfaction, higher affective job commitment, and increased loyalty behaviors (Brown, Ferris, Heller, & Keeping, 2007). This downward social comparison, working through a contrast effect, produces positive thoughts or feelings of relief that one is not in the same situation as the subject of the comparison (Bonifield & Cole 2008). Moreover, social identity theory posits that people feel the need to both identify with and distinguish themselves from others in social contexts (Tajfel & Turner, 1985). Past research has argued that this desire to be similar and yet unique relates to consumption settings such as using the same products/brands, or having the same financial means, social status, principles, attitudes and skills (Jager, 2007).

With this VIP classification and the ability to compare oneself with others comes status and recognition. In line with prior research (Ordabayeva & Chandon, 2011), we define status as one’s relative position in a social group. Being designated as a VIP allows individuals to belong to a group of high status and, at the same time, gain optimal distinctiveness from those of less status. Because these offerings are created to appear elite or rare, scarcity principle dictates that they are desirable and thus are sought after by individuals (Caldini, 2009). The current investigation focuses on how being designated as a VIP allows consumers to favorably compare themselves with other consumers not receiving the VIP experience, and thus determine their relative standing in a service environment. Similarly, when consumers not receiving VIP membership can see others receiving the VIP experience, they may evaluate the experience, which would have otherwise been satisfactory, less positively. Richins (1991) argues that the social comparison process can result in feelings of failure and inadequacy when the comparison target is one with superior abilities, attributes, or possessions. Many consumers spend large sums of money for VIP group membership and thus be granted the opportunity to engage in downward comparison with non-VIPs. One would expect that VIPs would experience higher satisfaction than non-VIPs during status-oriented service experiences. Face management theory provides a compelling explanation that offers insight into the psychological process involved during social comparison.

2.2. Perception of face as an underlying mechanism

Goffman defines face as “the positive social value a person effectively claims for himself by the line others assume he has taken during a particular contact” (1967, p. 5). Face management theory argues that every human has face, or the positive social value individuals effectively claim for themselves through their self-presentation (Goffman, 1967). Cupach and Messman (1999) identify face management as a social phenomenon that occurs instinctively when people come into contact with one another. Face is generated through interpersonal interactions or how others respond to the expression of self. Past research has argued that face is not the social value an individual claims for themselves, but rather the image they wish to project. These projections include social position, social status, and credibility (Van Ginkel, 2004). Goffman (1967) further describes face as something that can be threatened, maintained, or enhanced. Our research proposes that VIPs can enhance face by their position on the positive side of the social comparison process, while non-VIPs may suffer face threatening social comparisons due to their position on the negative side of this process.

Fombelle et al. (2014) argue that a consumer’s perception of face can be significantly influenced by a firm’s actions. Their study implicates face as a significant mediator between a firm’s response to a consumer idea and outcome variables such as consumer satisfaction and word-of-mouth. Likewise, we propose that consumers’ self-perception of face drives the relationship between their status as VIPs or non-VIPs and their overall satisfaction with the experience. The desire to be seen as a VIP may reflect a consumer’s effort to create and maintain a positive face in the view of others. This VIP experience allows consumers to feel an enhanced sense of self-worth in the eyes of others, and thus attain a greater sense of face, which should positively influence their satisfaction with the service experience. Conversely, we propose that not being a VIP can have the opposite effect. When non-VIPs know that other consumers may be treated differently, they may perceive themselves as inferior, and thus feel a lesser sense of face, which should negatively influence their satisfaction with the service experience. Therefore, we propose:

H1. Perceptions of face mediate the relationship between VIP group membership and satisfaction, such that VIPs will report higher satisfaction due to enhanced face or elevated self-worth, and non-VIPs will report lower satisfaction due to reduced face or decreased self-worth.

2.3. The moderating influence of visibility

People can compare themselves with others on any visible benchmark, from body size and shape, to sports skills, and to house size
(Kruglanski & Mayseless, 1990). The visibility of the VIP experience can directly affect the amount of social comparison that occurs between consumer groups. In some VIP offerings, the service experiences occur publicly so that everyone can see the VIPs being treated specially, thus offering the opportunity for a two-way social comparison (“public” conditions of our studies). These public VIP experiences include exclusive but publicly visible sections, where VIPs can see and be seen by non-VIPs. In other instances, the VIPs are in a service environment in which they can see the non-VIPs but the non-VIPs cannot see them. This offering only allows the opportunity for one-way (downward) social comparison from the VIPs to the non-VIPs (“see-out” conditions of our studies). This situation occurs when the VIP area is placed in such a way that it is not visible to non-VIPs. Notably, because the reverse situation is not a realistic offering in VIP consumption contexts, we did not include a condition in which non-VIP consumers could easily see the VIPs, but the VIPs could not see the non-VIPs. Finally, some VIP offerings are offered in a very private manner such that there is no ability for comparison with non-VIPs (“private” conditions of our studies). These private VIP experiences often have exclusive rooms that are set away from the general public and have no windows or views of the non-VIPs (see Appendix A for a visual depiction of the three conditions). We argue that when consumers are designated as VIPs, they desire to have other people see them receiving this membership status. This is counter to common business practice of charging more money for private VIP experiences than for public VIP offerings. If social comparison theory holds true in this context, consumers will not want to receive the VIP offering in isolation, which would severely limit the amount of social comparison.

H2a. VIP experiences that offer the most opportunity for social comparison (public) result in higher satisfaction ratings for VIPs than VIP experiences that offer less social comparison (see-out).

H2b. VIP experiences that offer no opportunity for social comparison (private) result in the lowest satisfaction ratings for VIPs.

2.4. The moderating influence of past VIP experience

According to social psychology theory, consumers’ past experiences as VIPs could affect their desire to actively seek social comparison with non-VIPs. Hogg and Abrams (1993) argue that people need confirmation that their perceptions, attitudes, and behaviors are “correct” so that they can ascribe meaning to their world and their place within it and thus interact adaptively with their environment. Because uncertainty is an undesirable state, people feel better when they are certain about their standing among others in the service environment (Grieve & Hogg, 1999). In situations when status as a VIP is uncertain, such as when consumers are new to receiving VIP access, social comparison with others allows them to solidify their status. The more experienced they become, the more they feel similar to consumers who are also receiving VIP membership and the less likely they need to engage in downward social comparison with non-VIPs.

H3. The more experience consumers have with VIP membership, the less likely they are to seek downward social comparison with non-VIPs.

2.5. Non-VIPs

In addition to investigating how various VIP experiences affect those receiving special membership, we explore the impact of each experience on consumers not receiving VIP membership, or the majority of consumers in service environments. Because upward social comparison is often associated with the negative affect, consumers have a natural tendency to avoid situations that promote it (Wood, Giordano-Beech, Taylor, Michela, & Gaus, 1994). However, many non-VIPs can see VIPs whether they intentionally plan to or not. In this case, upward social comparison is likely to produce jealousy, frustration, and lower self-evaluations, making comparative non-VIP experiences less satisfying (Amoroso & Walters, 1969). The scarcity principle argues that freedom to act diminishes as experiences become less available. This reduction in freedom is something individuals strive to avoid (Cialdini, 2009). While scarcity makes the VIP experience more appealing, it also affects those who are unable to receive it. Therefore, the visibility and, thus, the salience of the VIP membership should affect the non-VIPs’ evaluation of the experience.

H4a. VIP experiences that offer a greater opportunity for social comparison (public and see-out) result in lower satisfaction ratings for non-VIPs.

H4b. VIP experiences that offer no opportunity for social comparison (private) result in higher satisfaction ratings for non-VIPs.

3. Study 1

Using a quasi-field experimental design, study 1 tests how VIP vs. non-VIP group membership impacts consumer satisfaction and importantly establishes face as the underlying process for these effects. We draw on Goffman’s (1967) face management theory to explain why VIPs are more satisfied and, conversely, to explain why non-VIPs are less satisfied. Moreover, we predict that VIPs will be satisfied with their group status because of the perceived opportunity for enhanced face, and that non-VIPs will not be satisfied with their group status because of the possibility of reduced face. This study consists of a one-way-between-subj ects experimental design, in which we manipulate group membership (VIP, non-VIP) in a live re-creation of a consumer encounter in which participants were randomly assigned to conditions.

3.1. Experimental design

We created a realistic “velvet rope” VIP encounter similar to that provided by trendy nightclubs. Participants were 241 undergraduate students recruited on a university campus to experience a simulated club with the cover story to provide their feedback. We set up the environment such that the front 25% of the room was designated as the “VIP Room” and the back 50% was designated as a “General Admission” area, with the remaining 25% left as buffer space between the two groups. A confederate dressed as a nightclub doorman, wearing a sports coat and holding a clipboard containing a roster of the participants’ names, met participants at the entrance. Unbeknownst to study participants, they had been randomly assigned to either the VIP or non-VIP group conditions. Participants were immediately presented with either a large golden-colored ticket for access to the “VIP Room,” or a small white-colored ticket that designated “General Admission” for the non-VIP area. As participants entered, a second confederate directed them to the proper seating area. It is important to note that while VIP group membership sometimes includes upgrades such as expedited service and premium food and beverages; we do not include any type of special perks in our studies beyond access to VIP areas. Because our goal was to focus on the underlying social comparison processes involved in status-oriented experiences, we controlled for actual consumption behaviors (i.e., eating, drinking, etc.) across VIP and non-VIP conditions. Therefore, each group was seated at identical chairs and tables, and was served identical refreshments (i.e., a glass of fruit punch). There were no additional perks or luxuries afforded to the VIPs in this experiment beyond access to the VIP room. Participants experienced the “velvet rope” VIP encounter for approximately 20 min.
Participants responded to a question that measured their satisfaction with their assigned group (“To what extent are you satisfied with the group you were placed in today?”; Oliver 1980). Participants also responded to questions measuring their perceptions of face (ex: Being a member of this group made me look good in the eyes of others; Cupach & Carson, 2002; Fombelle et al., 2014). All items were measured on a seven-point scale (1 = “very unsatisfied,” 7 = “very satisfied”).

3.2. Results

We analyzed the data using an ANOVA, with group assignment as the independent variable and satisfaction with the assigned consumer group as the dependent variable. This analysis produced a significant main effect for satisfaction with group membership; participants’ status as a VIP versus non–VIP significantly affected their evaluation (F(1, 241) = 85.04, p < .001; for full results, see Table 1). VIPs (M = 5.75; see Fig. 1) reported more satisfaction with their group membership than non-VIPs (M = 4.37). Next, to confirm whether perceptions of face mediate the impact of group assignment on satisfaction (H1), we conducted a mediation analysis using the bootstrapping method recommended by Zhao, Lynch, and Chen (2010) and the PROCESS tool developed by Hayes (2013). Using 5000 bootstrap samples, the procedure indicated a significant indirect effect of perceived face (b = .4121, t = 7.0009, p < .001) on satisfaction with group membership. A 95% bootstrap confidence interval revealed that perceptions of face mediate the effect of group assignment on satisfaction (.4834 to .9295), consistent with H1.

Study 1 demonstrates that separating consumers into VIP and non-VIP groups leads to greater satisfaction for VIPs relative to non-VIPs due to perceptions of face. The desire to preserve and enhance face, or the individual’s perceived social image in the public eye, is clearly a strong factor in explaining the allure of the VIP service experience. Consequently, we found that consumers placed in the VIP group expressed greater agreement with the perceptions-of-face scale items, indicating enhanced face or elevated social self-worth (M = 4.50), and consumers placed in the non-VIP group reported more disagreement with the perceptions-of-face scale items, indicating reduced face or decreased social self-worth (M = 3.67; t(239) = 5.57, p < .001). These results help explain why VIPs reported greater satisfaction with their group membership than non-VIPs. The results provide support for H1, which proposed that perceptions of face would mediate the relationship between group membership and satisfaction for VIPs and non-VIPs. These findings are important in more fully understanding the VIP phenomenon because they show why both groups of consumers react differently to their group designations and therefore allow us to refine our recommendations to managers regarding how to increase opportunities for face management for both customer groups.

4. Study 2

As study 1 identified face as the mediating factor which explains the relationship between VIP (non-VIP) group membership and increased (decreased) satisfaction, study 2 tests how the visibility of the...
experience affects VIPs’ overall satisfaction with their experience (H2a and H2b) to offer managers insight into optimal design of VIP offerings. This study tests the simple effect of visibility and sets the groundwork for our further studies. See Appendix A for full description of scenarios. Study 2 consists of a one-way between-subjects experimental design, in which we manipulated the visibility of the VIP experience (private, see-out, and public). The goal of our experiment is to show that for VIPs, private experiences yield lower satisfaction scores than experiences that are readily visible to non-VIPs (and typically less costly).

### 4.1. Experimental design

Each participant was exposed to one of the three scenarios manipulating the visibility of the VIP experience according to the designs of actual VIP rooms at popular clubs. In each scenario, the participants were asked to place themselves in the role of the VIP receiving special membership in a trendy club with realistic amenities. We successfully pre-tested (N = 21) each scenario for clarity and accuracy in description. After reading all the scenarios, respondents were asked “During the VIP experience, in which scenario do you think you would be comparing yourself to others the most?” and to choose “Which VIP experience do you think you would prefer the most?” Examining the rank order of the frequencies for social comparison, 81% of the respondents felt that they would be comparing themselves to others the most in the public condition, while the see-out condition was chosen 19% of the time, and finally zero respondents chose the private condition. In a similar pattern, respondents also preferred the public condition (76.2%) to both the see-out (23.8%) and the private (0%) conditions. Our pretest demonstrates that our manipulations were behaving as expected.

Participants were 135 undergraduate students who completed the experiment in exchange for course credit. Although the use of student participants is not always appropriate, all participants were asked how many times they had visited a club (setting of this study) in the past year. One average, participants had visited a club an average of 6.91 times in the past year. This finding suggests that study participants had relevant experience in this context and therefore were appropriate subjects for this study. After reading one of the three randomly assigned scenarios, they answered a four-item satisfaction survey regarding their experience, adapted from Oliver’s (1980) satisfaction scale. For example, “To what extent do you think that you would enjoy your experience at the club that night?” We measured each item on a nine-point scale (1 = “not at all,” 9 = “very much”).

### 4.2. Results

The four items on the satisfaction scale were highly correlated (Cronbach’s α = .96), so we averaged them to create a single condition of satisfaction. As predicted, a one-way analysis of variance (ANOVA) revealed that the visibility of the experience had a significant overall effect on participants’ satisfaction with the experience (F(1, 132) = 6.68, p < .01; for full results, see Table 1). Fisher’s least significant difference further revealed that the configuration allowing the greatest amount of visibility (public) led to the highest satisfaction with the VIP experience (M = 6.80, p < .05) and was significantly different from both the see-out (M = 5.74) and private (M = 5.58) conditions. There was no significant difference between the see-out and private conditions (p = .72). These results provide support for H2a and H2b. These findings indicate that VIPs have a strong desire to be seen by non-VIPs (see Fig. 2).

### 5. Study 3

In study 3, we build and extend the results of study 2 by testing the hypothesis that consumers who perceive themselves as experienced VIPs are less likely to desire downward social comparison than those who are new to the VIP experience (H3). We reason that these “veterans” have less of a need to confirm their special standing through social comparison. As a consequence, they should regard the room configuration that allows them to see non-VIPs (see-out) as less attractive than novice VIPs. We use the same experimental procedure, VIP scenarios, and room configurations as in study 2, with one important modification. In study 3, we also manipulate the level of the VIPs’ past experience with receiving special VIP membership. Thus, this study consists of a 3 × 2 between-subjects experimental design, in which we manipulate the visibility of the VIP experience (private, see-out, and public) and past VIP experience (experienced, novice).

#### 5.1. Experimental design

Participants were 187 undergraduate students who were randomly assigned to conditions in which they were presented with one of three VIP scenarios previously used in study 2. We manipulated participants’ past VIP experience as follows: half the participants were asked to imagine that they had won a radio contest six months ago that gave them VIP access to a local trendy club and that they had used their prize 15 times since then; the other half were informed that they had recently won the radio contest and that this visit was their first time going to the club’s VIP room. As before, we controlled for everything but the visibility of the experience, thus there were no added luxuries to the VIP room other than the “special” section.

After reading one of the six scenarios, participants responded to the same overall satisfaction questions as in study 2. This group was also very experienced with this setting, having visited a club an average of 12.01 times in the past year. In addition, they answered three new questions about their behavioral intentions or desire to return to the club, which are key outcome variables for managers and researchers alike (Cronin, Brady, & Hult, 2000).

#### 5.2. Results

We combined the four satisfaction measures to make one composite score. In addition, because the three items on the desire to return scale

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were highly correlated (Cronbach's α = .89), we combined those items into a single index. Finally, because the satisfaction scale and the desire to return scale were designed to measure two distinct aspects of the same underlying construct (favorability toward the experience), we analyzed the data using a multivariate analysis of variance (MANOVA), with the two scales as the univariate dependent measures. When examining satisfaction, we first found that the main effects for both the visibility factor (F(2, 181) = 3.53, ns) and experience level (F(2, 181) = 1.78, ns) were nonsignificant. We found a similar pattern for desire to return on both our visibility (F(2, 181) = 1.45, ns) and experience level factors (F(2, 181) = .22, ns). However, in support of H3, the interaction between visibility and experience was significant for both satisfaction (F(1, 181) = 4.26, p < .05) and for desire to return (F(1, 181) = 4.55, p < .05; for full results, see Table 1).

Planned follow-up analysis revealed that, as H3 predicted, only the see-out configuration differed between the experienced and novice VIPs. For both satisfaction (F(1, 57) = 7.19, p < .05) and desire to return (F(1, 57) = 8.21, p < .05), the novice VIPs (novice: MSat = 5.70; MReturn = 6.47) reported the see-out arrangement as more favorable than the experienced VIPs (experienced: MSat = 4.30; MReturn = 5.50). In contrast, there were no differences for either the public or private conditions for both satisfaction and desire to return. The novice VIPs pattern mirrors the results of study 2 in that satisfaction in the public condition was higher than see-out and the private conditions.

Additionally, while not significantly different in either study, participants in the see-out condition also reported higher satisfaction than the private condition. However, we see that for experienced VIPs there is a significant drop in the see-out condition that the novice VIPs do not reflect (see Fig. 3).

In this study, the see-out condition was the only visibility scenario in which the responses of experienced and novice VIPs differed. Novice VIPs preferred seeing the non-VIPs, which afforded them downward social comparison and gave them more satisfaction than the experienced VIPs. The experienced VIPs, who had long-standing and multiple exposures to the special membership, did not regard the opportunity for more downward social comparison as more satisfying. While the public manipulation provides the ability to see out, it also allows non-VIPs to see in. In this more passive social comparison, the VIPs know that others can see them during their high status experience and thus do not need to actively partake in the comparison process. These data lend support to H3.

6. Study 4

In study 4 we aim to extend the results to a second set of consumers; that is, we investigate the effect of social comparison on consumers not receiving the VIP membership. This is an important group to study because non-VIPs comprise the majority of consumers in service environments. The more visible the VIP experience is to non-VIPs, the less satisfied we expect them to be. In study 4, we compare the overall satisfaction of VIPs and non-VIPs in the same study, which is a notable departure from our procedure in studies 2 and 3. We also test how the visibility of the VIP experience affects non-VIPs' favorability toward the experience. Therefore, we test H4a and H4b using the same procedures before. In this study, we manipulate the visibility of the VIP experience (private, see-out, and public) and the assigned consumer group (VIP and non-VIP).

6.1. Experimental design

Participants were 404 undergraduate students who completed the study as a voluntary class activity and were randomly assigned to study conditions. Consistent with earlier studies, participants on average had visited a club 12.56 times in the past year. Half the participants were presented with the same three VIP scenarios as in studies 2 and 3, forming the VIP group. The other half were presented with the same three basic scenarios as in studies 2 and 3 but were asked to adopt the perspective of the non-VIPs, forming the non-VIP group. A fourth non-VIP scenario made no mention of any VIP experience; we added this control group to the non-VIPs to examine a non-VIP experience without any VIP comparison target. After reading one of the seven scenarios, participants responded to the measures regarding their experience.

In addition to the same satisfaction and desire to return questions as in study 3, we included a question about participants' willingness to pay to gain access to the club's VIP section. Past research has argued that marketers, economists, and psychologists alike rely on measures of consumers' willingness to pay in estimating demand for private and public services and goods (Wertenbroch & Skiera, 2002). The question included was “Compared to the amount of money you would normally spend for a club, how much money would you be willing to spend to get into the VIP section of the club next time you came to the club?” We also measured this on a nine-point scale (1 = “not at all,” 9 = “very much”).

6.2. Results

As in study 3, we analyzed the data using a MANOVA, with the three scales as the univariate dependent measures. For the first analysis, our
focal interest was comparing VIPs with non-VIPs. Therefore, we analyzed the results across all three types of visibility (private, see-out, and public). As expected, the analysis produced a main effect for overall satisfaction; the VIPs (M = 6.42; See Fig. 4) were more satisfied with the experience than the non-VIPs (M = 5.87; F(1, 435) = 5.48, p < .05; for full results, see Table 1). Similarly, there was also a significant effect for desire to return (F(1, 435) = 12.60, p < .001) and willingness to pay for VIP and non-VIPs. 

Interestingly, these results show that the non-VIPs (M = 5.42) were willing to pay more than the VIPs (M = 4.56) to gain access to the club’s VIP area on their next visit. The non-VIPs (M = 6.98) were also more likely to return another time if they had access to the VIP room on their next visit than the VIPs (M = 6.32), compared to those who had already experienced the VIP room. Also known as “keeping up with the Joneses” (Ordabayeva & Chandon, 2011), those who observed others receiving the VIP experience (upward social comparison) were more motivated to gain that membership in the future. Note that satisfaction of the control group (in which there was no mention of the VIP room) was not significantly different from satisfaction of those who received the VIP experience (F(1, 402) = .013, p = .91). This suggests that a consumer’s experience as a non-VIP can be just as satisfying as that of a VIP if upward social comparison is not a factor, which is a notable finding. Therefore, we find support that social comparison plays a large role in consumers’ satisfaction with a VIP experience.

Because the overall comparison between VIPs and non-VIPs was significant, we specifically examined how the various manipulations of VIP visibility affected the non-VIPs’ experience. The VIP group comparisons replicated the previous results, and thus we do not report the full results here. Next, to examine the non-VIPs, similar to the first analysis in study 4, we analyzed the data using a MANOVA, with the same three scales (satisfaction, desire to return, and willingness to pay) as the univariate dependent measures and the same three VIP room configurations (private, see-out, and public). This analysis produced a significant effect for satisfaction; the non-VIPs who could not see the VIPs rated their experience more satisfying than both the non-VIPs who could see the VIPs (public) and the non-VIPs who knew that the VIPs could see them (see-out) (F(2, 175) = 4.49, p < .05; see Fig. 5). There was also a significant similar effect for desire to return (F(2, 175) = 5.14, p < .01). Finally, willingness to pay, though following the same pattern of results as the other two main effects, was not significant (F(2, 175) = .31, p = .73).

The results for all three main effects showed that the condition that allowed the least amount of visibility (private) led to the highest satisfaction for those in the non-VIP group. These results confirm H4b. The scenario that allowed both-way vision was more desirable than the see-out condition, which permitted the VIPs to see the non-
VIPs, but not vice versa. Thus, it appears that if non-VIPs know that they are being observed by the VIPs, they also want to be able to see the VIPs. This result provides partial support for H4a. We hypothesized that because the both-way scenario offered the opportunity for the most social comparison, it would yield the lowest satisfaction scores. Similar to the overall effect of this study, those in the private scenario condition were more likely to desire to return to the club another time.

Overall, the results of study 4 indicate that upward social comparison in a VIP setting has a negative effect on non-VIPs' satisfaction with the experience. When consumers are aware that others are receiving special access that they are not granted, a negative upward social comparison results. Simply not being a VIP negatively affected non-VIPs' overall perceptions of the experience, regardless of their actual experience in the club. When we specifically examined the visibility of the VIP experience, we found that the private condition, which had no visibility in either direction, was more desirable to non-VIPS. This finding suggests that if others are receiving status benefits, it is beneficial to limit or eliminate consumers’ ability to engage in social comparison. In addition, if non-VIPs understand that VIPs can see them, they should also be given the opportunity to do the same. The see-out scenario had the lowest satisfaction scores.

7. General discussion

Regardless of their economic status, many consumers seek VIP offerings to attain self-perceptions of prosperity or status (Gimbel, 2006). As the VIP phenomenon gains momentum, marketing managers must understand how to optimally implement a VIP program so that both VIP and non-VIP consumers are satisfied with their experiences. Study 2 shows that there are counterevative findings in the design and marketing of an ideal VIP experience. Ultra-private VIP experiences, which are often the most costly, yield lower satisfaction scores than VIP experiences that are readily visible to non-VIPs. Study 2 shows that VIPs prefer that others witness them receiving VIP membership. Thus, we suggest that clubs consider charging a premium for tables near the front of VIP rooms in clear view of non-VIPs. Further, as study 1 shows, this type of experience functions to enhance perceptions of face for VIPs and thus increases their satisfaction with their group membership. In general, service and operations managers should ensure that VIPs are able to engage in social comparison with those not in a position to receive the VIP membership.

In study 3, our findings demonstrated that consumers’ past experience as a VIP moderates this effect. In this study, novice VIPs wanted to actively participate in social comparison and experienced more satisfaction because they could see the non-VIPs. In contrast, the experienced VIPs were more passive in their desire for social comparison; they simply enjoyed the idea that the non-VIPs could see them. Therefore, for firms targeting novice VIPs, managers may need to create a more public VIP experience, so that these VIPs can actively participate in social comparison. Study 3 also demonstrated that consumers’ past experience with VIP membership resulted in no significant difference in satisfaction for the public conditions. Similarly, the private conditions scored the lowest on satisfaction for both experienced and novice VIPs. This result suggests that regardless of the VIPs’ experience level, they still desire to participate in social comparison.

The experience moderator also has implications for relationship building with key consumers. As VIPs become more experienced, they demonstrate a preference for more private, less outwardly visible VIP offerings. Managers should seek to create tiered offerings that are tailored to the experience level of the individual. Fostering growth up the various tiered offerings would allow the individual the specific type of social comparison deemed important and create lasting relationships.

It is also important to note that offering a VIP experience may have a negative effect on a firm’s non-VIPs; the results from study 1 indicate that non-VIPs view their group membership as a face-reducing experience. Thus, it follows that “general admission” consumers would be more satisfied with their experiences if they were oblivious to other consumers receiving VIP membership. Because firms cannot always keep non-VIPs in the dark, according to the results in study 4, managers can use either private or both-way rooms, both of which yielded higher satisfaction scores for non-VIPs than the see-out scenario. Furthermore, the more managers can limit the amount of upward social comparison from non-VIPs to VIPs, the more satisfied the general public will be. One way that clubs have managed this dilemma is locating the VIP entrance far from the non-VIP entrance. This finding has clear implications for boarding procedures on airlines, as first class seats may be perceived by many as a VIP experience.

Our results also showed that non-VIPs were willing to pay more to be a VIP on their next visit than those who already experienced as VIPs. If service managers cannot design an offering in which non-VIPs cannot easily see and compare themselves with the VIPs, another viable strategy would be to use the visible social comparison as a marketing tool for the non-VIPs next visit. That is, managers could highlight the benefits of buying a VIP package in the future. People engage in social comparison on a daily basis both consciously and subconsciously. This research suggests that consumers’ desire to be VIPs is largely driven by the need to favorably compare themselves with others. When non-VIPs had no knowledge of others receiving special membership, they were just as satisfied as VIPs. The satisfaction that consumers receive from VIP experiences is often not from the experience itself but from the knowledge that they are receiving something while others are not.

Although our research contributes to theory in marketing and social comparison, we recognize several limitations that must be considered when generalizing our results. One limitation pertains to the laboratory manipulations of VIP experiences used in our experiments. Although the live re-creation of a club experience (study 1) and the scenario-based experiences (studies 2–4) were realistic for study participants, it remains unclear whether a field study would yield similar findings. In addition, future studies should seek to examine the impact of including additional luxuries such as gourmet food or a personal wait staff. Moreover, collecting data in a field setting might enable researchers to observe how social comparison influences more negative consumer behavior not typically captured in a laboratory (e.g., complaining, negative word-of-mouth reviews). Next, future research should seek alternative analytical methods for understanding the complexities of VIP seeking behaviors and their impact on non-VIPs. For instance, a qualitative method using a fuzzy set approach (Schneider & Wagemann, 2010; Woodside, 2010) could yield interesting insights for further research and business application.

Despite its limitations, we argue that the current investigation lays a foundation for future research regarding VIP and other firm-generated, status-oriented consumer experiences. While additional inquiry is needed to more completely understand the nature of status-related social comparison within service environments, the results of the present research suggest that the design of VIP offerings has substantial consequences on both VIP and non-VIP consumer groups’ perceptions of self-worth and overall satisfaction.

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Appendix A. Scenario manipulations from studies 2–4

**Condition 1: Both can see (public)**

A brand new night club has just opened, and it has quickly earned a reputation for being one of the hottest clubs in the area. You are able to gain access to the exclusive VIP room. Upon arrival, there are two lines to get into the club. You soon find the VIP line and wait to get in. The club opens up into a large dance floor with vaulted ceilings reaching several stories high. You quickly notice that a glass wall separates about one quarter of the club from the main section, forming the VIP room. This glass wall separates you from the rest of the club. The glass wall also divides the main bar in two, giving you direct access to the main bar. You can see others through the transparent glass wall who were not able to get into the VIP room. They can also see you in the VIP section of the bar. The transparent glass gives you a good view of the partying happening on the outside while providing some privacy.

**Condition 2: Only VIP can see (see-out)**

A brand new night club has just opened, and it has quickly earned a reputation for being one of the hottest clubs in the area. You are able to gain access to the exclusive VIP room. Upon arrival, you are able to get into the club. You soon find the VIP line and wait to get in. The club opens up into a large dance floor with vaulted ceilings reaching several stories high. You quickly notice that a glass wall separates about one quarter of the club from the main section, forming the VIP room. The glass wall also divides the main bar in two, giving you direct access to the main bar. The glass wall acts as a one-way mirror, allowing you to see out into the main club, but those on the outside can not see you enjoying the VIP room. The one-way glass gives you a good view of the partying happening on the outside while providing some privacy.

**Condition 3: Neither can see (private)**

A brand new night club has just opened, and it has quickly earned a reputation for being one of the hottest clubs in the area. You are able to gain access to the exclusive VIP room. Upon arrival, there are two lines to get into the club. You soon find the VIP line and wait to get in. The club opens up into a large dance floor with vaulted ceilings reaching several stories high. You quickly notice that a glass wall separates about one quarter of the club from the main section, forming the VIP room. The glass wall also divides the main bar in two, giving you direct access to the main bar. The glass wall is grayed out, preventing anyone from seeing in or out. The exclusive room was created so that the VIPs could enjoy the club in the privacy of their own room.

References


Fortune, 153, 115–117.


