# The Timing Effects of Reward, Business Longevity, and Involvement on Consumers Responses to a Reward Program

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Abstrak

Managers could elicit customers repeat purchase behavior through a well-designed reward program. This study examines two extrinsic cues - business longevity and timing effects of reward ? to determine the consumers? perceived risk and intention to participate in this kind of program. Moreover, this study discusses how different levels of involvement might interact with these two cues. An experiment with a 2 (business longevity: long vs. short) x 2 (timing of reward: delayed vs. immediate) x 2 (involvement: high vs. low) between-subject factorial design is conducted to validate the proposed research hypotheses. The results show that an immediate reward offered by an older, more established, firm for a highly-involved product, make loyalty programs less risky and consequently attract consumers to participate. Interestingly, immediate rewards that are offered by older firms for a product that customers are less involved in has the opposite effects. Managerial and academic implications are further presented in this study