Marketplace Motives and Consumer Meta-Skepticism

Session Chair: Barbara Bickart, Rutgers University - Camden
Discussion Leader: Connie Pechmann, University of California-Irvine

Session Title: Marketplace Motives and Consumer Meta-Skepticism  When mental systems disbelieve: on consumers’ distrust Dan Ariely, MIT and Ayelet Gneezy, University of Chicago In social interaction it was shown that people first believe others, and disbelief is triggered only as a result of a correcting procedure. We hypothesize that, in contrast with the standard finding from social interaction, consumers are primarily disbelieving and distrusting of information provided by marketers. One field study and two lab studies support this hypothesis. The results of Study 1 show that when endorsed by a firm, unambiguous statements are judged as false more frequently compared to when they are endorsed by an anonymous source. Studies 2 and 3 present behavioral and attitudinal consequences of this distrust. Benefit Of Doubt Or Betrayal? The Effect Of Priors And Reasons On Response To Price Increases Priya Raghubir, University of California at Berkeley Margaret C. Campbell, University of Colorado at Boulder Abstract An important issue for many companies is to understand how existing customers will respond to price changes. We suggest that consumers can view fee increases as ambiguous events that are disambiguated as a function of consumers’ inferences of marketplace motives. Motives are influenced by prior experiences with the company and the information that the company provides for why a fee is increased. Raghubir and Corfman (1999) suggest that consumers may feel a sense of betrayal when a service provider for whom the customer has a positive prior violates that trust with a price increase. Campbell (1999) suggests that positive priors can lead to a benefit of doubt being given to the service provider. We propose that the consumer’s interpretation of the firm’s reasons for the price increase influences which of these two responses occurs by influencing consumers’ emotional response to the increase. A series of experiments examines this issue within the context of fee increases by financial institutions. Study 1 shows that priors exercise a strong influence on satisfaction, outweighing the effect of the size of the price increase. Study 2 shows that the reason for the fee increase moderates the emotions elicited – betrayal is greater when the fee increase is an infraction on the basis of the relationship. Study 3 shows that the fact, rather than the amount of the fee leads to worsened evaluations. Study 4 shows that attitudes towards a competitor’s bank can affect the manner in which a consumer attributes reasons for a fee for their own bank. Does it Pay to Beat Around the Bush? Salesperson Motives and the Effects of Obfuscation versus Honesty in Communications Barbara Bickart and Maureen Morrin, Rutgers University-Camden S. Ratneshwar, University of Missouri Communication between a salesperson and a consumer plays an important role in how long-term relationships are developed and maintained. In two studies, we show that consumers’ beliefs about a salesperson’s motives affect how consumers’ interpret communication with the agent. Specifically, when the salesperson’s motive is to earn a commission (versus provide information), consumers believe the agent is more likely to obfuscate versus admit not knowing the answer to a question. Further, when the agent is on commission, behavioral intentions and satisfaction are significantly higher when the agent admits to not knowing an answer relative to obfuscating. We discuss these findings in the context of the Persuasion Knowledge Model (i.e., Friestad and Wright 1994, 1995).

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SESSION OVERVIEW

Over the last ten years, there has been increasing attention focused on understanding how consumers’ beliefs about a firm’s motives affect consumer response to marketers’ actions. Much of this research has focused on beliefs about the persuasion process, or persuasion knowledge (Campbell and Kirmani 2000, Friestad and Wright 1994, 1995). Specifically, consumers often appear to question marketers’ motives, resulting in diminished trust and skepticism about relationships with firms (Fournier, Dobscha, and Mick 2000). Fournier et. al (2000) suggest that in order for companies to build strong relationships with consumers, they must be honest about their motives. Further, a consumer’s ability to accurately perceive a firm’s motive and respond accordingly is important from a consumer welfare perspective.

The papers in this session examine how consumers’ make inferences about a marketer’s motives and how skepticism about such motives affects consumers’ reactions to a firm’s marketing efforts. Building on an idea suggested by Wright (2002), the research in this session investigates theoretically and empirically how meta-skepticism influences the manner in which the consumer interprets a firm’s actions. In fact, the research presented in this session suggests that marketing tactics can have a very different impact depending on how the consumer views and interprets the motives of the influence agent.

The first paper, by Dan Ariely and Ayelet Gneezy establishes in a convincing way the extent of consumers’ meta-skepticism about marketers’ actions and statements. In three studies, they show that consumers’ default view is to be skeptical about marketers’ offers and to distrust statements made by companies. Importantly, this skepticism about marketers stands in contrast to peoples’ inherent trust of others in interpersonal relations. Skepticism about a firm’s motives can also influence how specific marketing tactics (i.e., changes in price) influence attitudes toward the company, as shown in the paper by Priya Raghurib and Meg Campbell. Their research shows that depending on the types of inferences consumers make about the marketer’s motives, price increase announcements can result in either positive or negative attitudes toward the firm. The third paper, by Barbara Bickart, Mimi Morrin, and Ratti Ratneshwar, examines salesperson communications. They show that the effect of admitting a lack of knowledge to a consumer’s question (versus obfuscation) depends on whether or not consumers question the salesperson’s motives. They also show that the effects of persuasion knowledge operate not only through skepticism (that is, lack of trust in the salesperson), but also via feelings towards the salesperson (i.e., the likeability of the agent).

To summarize, we hope that by presenting these papers in a single session, we encouraged further dialogue on the role of meta-skepticism in consumer behavior. The session included a lively discussion led by Connie Pechmann.

SHORT ABSTRACTS:

“Truth and False in Marketing”
Dan Ariely, MIT
Ayelet Gneezy, University of Chicago

In social interaction it was shown that people first believe others, and disbelief is triggered only as a result of a correcting procedure. We hypothesize that, in contrast with the standard finding from social interaction, consumers are primarily disbelieving and distrust of information provided by marketers. One field study and two lab studies support this hypothesis. The results show that ambiguous (experiment 1) and unambiguous (experiment 2) statements that are endorsed by a firm are judged as false more frequently, and that when they are judged as true, they are judged more slowly.

“Benefit of Doubt or Betrayal? The Effect of Priors And Reasons on Response to Price Increases”
Priya Raghurib, University of California at Berkeley
Margaret C. Campbell, University of Colorado at Boulder

Four studies show that fee increases are ambiguous events that can be perceived as positive depending on the customer’s inferences based on priors about the company and its competitors, and the reason provided for the fee increase. When reasons are perceived to be valid, then priors act as a buffer, allowing customers to give a company the benefit of the doubt. However, when the reasons appear to be an infraction, there is a feeling of betrayal. The fee amount has a limited downside, and a potential upside effect: with improved attitudes with higher fees for customers with a positive prior.

“Does it Pay to Beat Around the Bush? Salesperson Motives and the Effects of Obfuscation versus Honesty in Communications”
Barbara Bickart, Rutgers University-Camden
Maureen Morrin, Rutgers University-Camden
S. Ratneshwar, University of Missouri

Communication between a salesperson and a consumer plays an important role in how long-term relationships are developed and maintained. In two studies, we show that consumers’ beliefs about a salesperson’s motives affect how consumers’ interpret communication with the agent. Specifically, when the salesperson’s motive is to earn a commission (versus provide information), consumers believe the agent is more likely to obfuscate versus admit not knowing the answer to a question. Further, when the agent is on commission, behavioral intentions and satisfaction are significantly higher when the agent admits to not knowing an answer relative to obfuscating. We discuss these findings in the context of the Persuasion Knowledge Model (i.e., Friestad and Wright 1994, 1995).
SESSION OVERVIEW

In their everyday lives, consumers face many self-control dilemmas between immediate pleasures and long-term interests. There is growing evidence that consumers often fail to exercise the appropriate level of self-control. However, despite the voluminous and interdisciplinary research on self-control, there is still much to be learned about how consumers could improve their self-control decisions. The present session introduces three current programs of research that offer emerging perspectives on consumer self-control. The three presentations highlight the key role of construal level, justification, and mood-regulation and together offer descriptive and prescriptive insights into self-control failures and their possible remedies.

In the first paper, Fujita, Trope, and Liberman propose a model of self-control based on the tenets of construal level theory (Trope & Liberman, 2003). The authors propose that decisions that result in increased self-control involve acting in accordance with high level, rather than low level, construal. Therefore, the authors argue that activation of high level construal (which captures the primary, central features of an event) should lead to greater self-control than activation of low level construal (which captures secondary, incidental features). The authors demonstrate across three experiments that priming high level construal leads to increased self-control in the form of decreased preferences for immediate over delayed outcomes, greater physical endurance, and less positive evaluations of temptations.

In the second paper, Kivetz and Zheng build on an alternative perspective that suggests that people also experience a reverse self-control problem, namely excessive farsightedness and over-control — in short, “hyperopia” (Kivetz & Simonson, 2002a; Kivetz & Keinan, forthcoming). The authors examine two major justification routes that consumers can employ to relax their self-control and enjoy the pleasures of life. Specifically, they propose an “entitlement” route that involves working hard or excelling and another complementary route that entails indulging without depleting income. Consistent with these two justification routes, a series of experiments with actual effort tasks and real choices demonstrate that higher effort or (bogus) excellence feedback enhances choices of vice over virtue; further, these effects are reversed when the interchangeability of effort and income is implied (by providing the form of decreased preferences for immediate over delayed features of events, whereas low level construals capture the second-order representations, or construals, capture the primary, global, central features of the same event at multiple levels (Trope & Liberman, 2003)).

The third paper, by Zemack-Rugar, Bettman, and Fitzsimons, examines how consumers make self-control decisions in the service of mood-regulation and demonstrates several novel findings. The authors propose a strategic view of self-control, whereby self-control levels are increased or decreased in the service of emotion-regulation goals. As a result, contrary to the prevalent view that negative emotions lead to failures in self-control (e.g., Tice et al., 2001), it is demonstrated that negative emotions can sometimes lead to increases in self-control.

The papers presented in this session are unique in their conceptual treatment of consumer self-control. Overall, the session provides new insights into the key factors that affect consumer self-control and the mechanisms that consumers could employ to resolve such dilemmas more effectively. The session has both theoretical and practical implications in that it presents new theories regarding the conditions in which consumers succeed or fail at self-control; such consumer failures (both myopia and hyperopia) have particularly detrimental societal implications.

REFERENCES


EXTENDED ABSTRACTS:

“Construal Levels and Self-Control”
Kentaro Fujita, New York University
Yaakov Trope, New York University
Nira Liberman, Tel-Aviv University

People often fail to do what they want to do, despite possessing the knowledge, opportunity, and skills required. Such self-control failures are pervasive and the focus of a multi-disciplinary research effort. Most models of self-control posit conflicts between automatic versus controlled psychological processes (e.g., Baumeister & Heatherton, 1992), long-term versus short-term motives (e.g., Ainslie & Haslam, 1992), or impulsive affect versus rational cognition (e.g., Loewenstein, 1996; Metcalfe & Mischel, 1999). We propose a general theoretical framework based on the tenets of construal level theory (Trope & Liberman, 2003), which builds upon and integrates these previous approaches.

Construal level theory posits individuals can represent the same event at multiple levels (Trope & Liberman, 2003). High level representations, or construals, capture the primary, global, central features of events, whereas low level construals capture the secondary, local, peripheral aspects. As the valence of high and low level features is independent, individuals’ evaluations, preferences, and decisions can change systematically as a function of construal level. More weight is given to high level features in preferences and decisions when high level construals are activated, whereas more weight is given to low level features when low level construals are activated. Empirical research has supported these theoretical assertions, demonstrating that high and low level construals are distinct, and that they predict different preferences and decisions (Trope & Liberman, 2003).

A construal level analysis of self-control suggests that self-control conflicts arise when the valence of high and low level construals motivate opposing action tendencies. Self-control is defined as making decisions and acting in accordance with high levels construals rather than low level construals. Failures of self-
control, on the other hand, occur when individuals make decisions and act in accordance with low level construals rather than high level construals.

One implication of this model is that the activation of high level construals should promote self-control. We present three experiments designed to test this hypothesis. In all three studies, we enhanced the tendency to construe events at high versus low levels using an experimental priming manipulation. We then observed the “carry over” effects that these primed construal levels had on subsequent self-control tasks. Importantly, high level construals were activated without activating more deliberate, “cool,” rational, and long-term thinking. These studies thus directly test the unique effect of construals on self-control. High level construals, however, are frequently associated with these factors, which are proposed as critical variables by other approaches, and we believe they represent instantiations of the more general model of self-control we propose.

In Study 1, we manipulated the tendency to construe events at high versus low levels by having research participants consider why or how they engaged in some activity. Previous research has demonstrated that considering why one engages in an activity activates a tendency to construe at high levels, whereas thinking about how one engages in an activity activates a tendency to construe at low levels (Freitas et al., 2004). As a measure of self-control, we then observed participants’ preferences for immediate over delayed outcomes. As predicted, participants primed to high levels of construal demonstrated a reduced tendency to prefer immediate over delayed outcomes, suggesting greater self-control.

Using a similar manipulation of construal levels, we replicated these results in Study 2 with a behavioral measure of physical endurance. After primed to high versus low levels, participants were asked to hold a handgrip, an exercise tool that taxes one’s physical endurance, while connected to a computer with electrodes, ostensibly to receive feedback about their personality via a new psycho-physiological measure. Participants were told that although uncomfortable, holding the handgrip for longer durations would lead to more accurate feedback from the computer. Results revealed that participants primed to high levels of construal demonstrated a greater physical endurance, suggesting that they exerted greater self-control.

In Study 3, to manipulate construal levels, we had participants either generate category labels (high level representations) or exemplars (low level representations) for a series of common objects. Participants, who were all students, were then asked to evaluate a list of words, some of which were temptations that undermine the goal to study. Self-control would be revealed through less positive evaluations of temptations. We also had participants indicate how important the goal to study was for them, as the temptations we presented would represent self-control conflicts only to those who value studying. As expected, high levels of construal led to less positive evaluations of temptations (with no differences between levels on non-temptation words). Moreover, the effect was limited to those who experienced those temptations as self-control conflicts, i.e. those who valued studying. These results replicate the previous two studies, and provide evidence that impact of construal levels is indeed specific to self-control conflicts.

The results of these studies suggest that high level construals do lead to greater self-control. They provide preliminary support for a construal level analysis whereby self-control is defined as making decisions and acting in accordance with high level rather than low level construals. As factors that other models propose enhance self-control are often related to high level construals, whereas factors that impair self-control are often associated with low level construals, a construal level analysis provides a integrative theoretical framework for understanding the critical variables in self-control proposed by previous approaches. Although often highly correlated, however, low level construals are not necessarily affective, visceral, short-term, and automatic, nor are high level construals always cool, rational, long-term, and controlled. Both high and low level construals can be affective and visceral (versus cognitive and rational) and automatic (versus controlled). Moreover, a construal level analysis can capture self-control conflicts for which time is not an issue. A construal level analysis therefore represents a new approach to studying and understanding when and why individuals fail to exert self-control.

References

“Determinants of Justification and Self-Control”
Ran Kivetz, Columbia University
Yuhuang Zheng, Fordham University

Consumers often face a fundamental self-control dilemma between indulging and delaying gratification. How decision-makers resolve this dilemma is a central question in the voluminous and interdisciplinary literatures on self-control and time-inconsistency, which examine tradeoffs between immediate pleasures and long-term interests (vices versus virtues, respectively). Prior research and common sense suggest that people are more likely to relax their self-control and select vices when they have a compelling justification (e.g., Prelec & Herrnstein, 1991; Shafir, Simonson, & Tversky, 1993). However, a critical question that has not yet been studied is how such justifications are constructed. Accordingly, the main goal of the present research is to shed light on the antecedents of justification and their impact on self-control.

Building on prior analyses in the social sciences (e.g., Kivetz & Keinan, forthcoming; Kivetz & Simonson, 2002b; Maslow, 1970; Scitovsky, 1992; Thaler, 1985; Weber, 1958), we propose two complementary routes to justifying self-gratification: one through hard work or excellent performance (i.e., an entitlement or deservingness justification) and the second through the attainment of vices without the depletion of income. A synthesis of these two routes suggests that the preference for vice over virtue will increase with the expending of resources perceived as effort but will decrease with the expending of resources perceived as income or money. We test this and other related propositions in a series of studies with real effort activities (e.g., completing a computerized letter recognition task) and real choices between relative virtues and vices.
Studies 1a–1c show that perceiving oneself as having invested higher effort enhances the likelihood of choosing (a) to subsequently participate in a fun study with no delayed benefits rather than in a painful self-assessment study with long-term benefits; (b) lowbrow over highbrow movies; and (c) a delicious chocolate cake over a healthier fruit salad. Importantly, these self-control dilemmas were adopted from prior research on self-control (Fujito et al., in press; Read, Loewenstein, and Kalyanaraman, 1999; Mischel 1974; Shiv and Fedorikhin, 1999; Trope and Liberman, 2000; Trope and Neter, 1994). Studies 1a–1c also demonstrate that self-control choices are influenced by effort investment that is either absolute or relative (i.e., to the effort invested by others) and regardless of whether the effort activity and the self-control decision are related (as in effort-reward contingencies) or unrelated (as in two ostensibly separate studies). Further, consistent with the proposed conceptualization, higher effort is shown to have a stronger effect on people who perceive the choice as involving a conflict between short- and long-term interests.

In Study 2, we manipulate participants’ guilt by asking them to recall either few or many instances of choosing vice or virtue (see Schwarz et al., 1991). We find that stronger emotions of guilt magnify the impact of effort on subsequent self-control decisions. This finding is consistent with the conceptual framework because it implies that a greater need to justify self-gratification sensitizes people to the presence of justification cues.

Studies 3a and 3b show that, although greater effort enhances the preference for vices, this effect is reversed when the interchangeability of effort and income is implied (by providing the effort’s typical, yet unavailable wage). Study 4 extends the entitlement justification by demonstrating that participants who are led to believe that they excelled in an effort task are more likely to select vice compared to participants who are provided with mediocre or no performance feedback; we also re-examine the attenuating effect of alluding to the interchangeability of effort and income.

The last two studies investigate the implications of the two justification routes for willingness to expend different resources to attain either vices or virtues. In particular, Study 5 shows that people are willing to pay in effort more for luxury than for necessity but are willing to pay in money less for luxury than for necessity. Study 6 generalizes this finding by holding constant the actual resource investment and framing it as either effort (solving anagrams) or income (by providing the typical, yet unavailable wage per anagram solution). Consistent with the results of Study 2, in which we manipulated guilt, throughout Studies 3–6 we find that the predicted effects are more pronounced among individuals who suffer from stronger chronic guilt. The final section highlights the unconscious nature of the two justification routes and their ability to explain the findings of prior research on self-control.

References

“The Conscious and Nonconsciously Use of Self-Control for Emotion-Regulation”
Yael Zemack-Rugar, Duke University
James R. Bettman, Duke University
Gavan J. Fitzsimons, Duke University

Although self-control is a critical foundation of social and personal functioning (Baumeister 1997; Mischel 1996), we often fail at it. Existing research shows that we most often fail at self-control when we are in a bad mood (Baumeister 1997; Bushman et al. 2001; Heatherton et al. 1998; Leith & Baumeister 1996; Tice et al. 2001). Theories as to why this occurs range from distraction, to intentional self-harm, to inability to reason or assess risk (Leith and Baumeister 1996).

In this paper we present a strategic view of self-control and argue that people strategically increase or decrease self-control based on their need to regulate (different) negative emotions. The present theory and findings add to existing literature in several respects. First, existing theories argue emotion-regulation and self-control goals are antithetical and cannot coexist; whenever emotion-regulation goals are present, self-control goals are overridden (Tice et al., 2001). The present theory argues emotion-regulation and self-control goals not only coexist, but also interact strategically. That is, individuals adjust their self-control levels depending on whether self-control is deemed useful for emotion-regulation.

This “adjustment” of self-control depends on individuals’ beliefs regarding the degree to which self-control is useful for emotion-regulation. Our theory accounts for such beliefs regarding goal-achievement (Carver and Scheier 1998) and examines the moderators that affect both beliefs and behavior. A more nuanced picture of the effects of negative emotions on self-control is drawn by accounting for belief and behavior (self-control) moderators,
including emotion type, emotion strength, and individual coping characteristics.

Additionally, we demonstrate in 3 studies that individuals can either decrease or increase their self-control in negative emotional states. This finding is contrary to existing literature that argues self-control inevitably fails in negative emotions (Tice et al., 2001). Finally, in four additional studies we demonstrate that the use of self-control for emotion-regulation can be pursued automatically, without conscious awareness.

In our first study we vary the need to regulate emotion by using sad (salient emotion-regulation goal) vs. neutral (no emotion-regulation goal; Wilson et al. 2003) conditions. We then directly manipulate participants’ belief regarding whether self-control will help/hurt their emotion. We find a significant interaction of Emotion*Belief. Neutral consumers’ self-control is unaffected by self-control beliefs, as they have no active emotion-regulation goal. However, sad consumers increase or decrease self-control depending on whether they believe indulging (in a guilty-pleasure food item; Giner-Sorolla 2001) will help/hurt their emotion. Consequently, individuals in a sad mood who believe indulging will hurt their emotion show higher self-control than their neutral counterparts. These results support a strategic emotion-regulation view in which self-control is “recruited” to the service of emotion-regulation based on cognitions. Additionally, showing increased self-control in a negative emotion (i.e., sad) runs contrary to existing findings and theories.

In our second study we indirectly manipulate beliefs by eliciting two different negative emotions, sadness and guilt. In a pretest, we demonstrate that beliefs regarding the utility of self-control for emotion-regulation differ across these emotions. Consistent with these beliefs, guilty individuals indulged less than their sad and neutral counterparts (in a CD/DVD purchase coupon). As in study 1, individuals in a negative (guilty) mood show an increase in self-control as compared to the neutral baseline. Moreover, individuals in different negative moods espouse different cognitions regarding the utility of self-control for emotion-regulation, and these cognitions correspond to the level of self-control seen in those specific emotions.

In our third study we examine the moderating effect of emotion strength and individual coping characteristics. We examine guilty, sad, and neutral participants and measure guilt-proneness, an individual difference variable that measures coping with guilt (Tangney, Wagner, and Gramzow 1992). In this study, we induce a strong emotional state by requesting autobiographical stories for guilt and sadness. As predicted, we find an Emotion*Guilt-Proneness interaction for both beliefs and behaviors. Individuals low in guilt-proneness believe increasing self-control is useful for emotion-regulation and show increased self-control on a grim-necessity task (Boster et al. 1999; Bybee 1998; Estrada-Hollenbeck and Heatherton 1998; Giner-Sorolla 2001; Tangney 2001) compared to sad or neutral individuals. However, individuals high in guilt-proneness believe self-control will not help emotion-regulation and show less self-control than sad or neutral people. This backlash of high-guilt prone individuals is consistent with clinical literature suggesting that when high guilt-prone individuals experience acute guilt (as in this study), they tend to engage in denial and avoidance behaviors (Kubany and Watson 2003) and behave antisocially (Harder 1995; Harder and Lewis 1987) with low self-control. This backlash effect is neither predicted nor found in studies where guilt is milder, as presented next.

In four additional studies we demonstrate that the use of self-control for emotion-regulation can become automated. If individuals consistently enact the same behaviors in a given situation, the behavior can become automatic. We argue the emotion-behavior link between specific negative emotions and self-control should be activated even when individuals are not fully aware of their emotion-regulation goal. We examine both guilty and sad emotions and we include a measure of guilt-proneness.

In these studies we subliminally prime either guilt or sadness and measure behavior on either a guilty-pleasure or grim-necessity self-control task. We find no conscious reporting of an emotion-regulation goal. Moreover, we find no differences in the conscious, subjective emotion reported across the sad vs. guilty conditions (Winkielman et al. 2005). However, we find predictable differences in self-control behaviors. Specifically, we find a consistent Emotion*Guilt-proneness interaction. Guilty individuals high in guilt-proneness, who repeatedly tend to associate guilt with self-control behavior, show higher self-control than individuals in all other conditions. These results persist even following the addition of a time delay, suggesting they are not purely semantically driven, but rather are driven by a goal (Bargh et al. 2001).

In sum, this research suggests consumers can use self-control as a tool for emotion-regulation based on what they believe will make them feel better. As a result, self-control can and does increase in negative emotions. Moreover, self-control varies across different negative emotions, their strength, and individual coping characteristics. Finally, these emotion-regulation strategies can become automated over time and can be elicited non-consciously.

References


