Choosing to Conceal: an Investigation of the Impact of Social Influence on Luxury Consumption

Christine M. Bennett, University of Minnesota
Jane EJ Ebert, University of Minnesota

Prior research finds people buy luxury items to signal status and wealth. In contrast the present research investigates when people conceal luxury purchases. Study 1 finds that consumers often conceal luxury purchases from others, especially when the item is expensive or an indulgence. Study 2 investigates the influence of type of friend (friend seen day-to-day or less often) on concealment and finds participants conceal a luxury purchase more from friends they see day-to-day than from those they see less often. Two additional studies explore the influence of effort expended by someone and their friend’s awareness of that effort on a person’s decision to conceal.

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investigates the process by which counterfactual thinking influences the interpretation and use of health related claims and nutrition information.

References

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Christine M. Bennett, University of Minnesota, USA
Jane E J Ebert, University of Minnesota, USA

Extended Abstract
Throughout the years various theories have been proposed to explain why people engage in conspicuous consumption. Veblen (1912) suggested that the purchase of expensive goods and services is used to signal status and wealth to others. McCormick (1983) suggests that people buy expensive items in an attempt to “keep up with the Joneses” due to a desire to maintain their self-esteem. Regardless of the motivation, both theories suggest that when people buy luxury goods they intend to make their purchase known by either talking about it or showing it off in some way. However, the current research investigates occasions when people may conceal their luxury purchases from others. In four studies, we examine whether and under what conditions the concealment of luxury purchases from others occurs.

Prior research by Kivetz and Simonson (2002) indicates that people need to force themselves to indulge through pre-commitment and that they need to earn the right to indulge through higher levels of expended effort. This stream of research prompts questions concerning what people do when indulgences have not been earned–will they indulge anyway and conceal their indulgences? In the first of two completed studies we explored the circumstances under which people tend to conceal purchases from others. Findings from this study indicate that consumers were more likely to conceal their purchases from others when the item purchased was a luxury or high-priced item. Also, participants tended to conceal from some friends and not other friends. For example, one participant indicated that she paid $100 for a pair of jeans because they were an excellent fit. However, this participant decided to conceal the purchase from her boyfriend because “he’d think they were too much money” yet she revealed the purchase to her girlfriends because “they would understand how hard it is trying to find a pair of jeans that fit.” Similarly, another participant indicated that he concealed the purchase of a $400 cell phone from his friends because “it was expensive”; however, this participant revealed the purchase to his parents because he felt “closer to his parents.” Overall, the findings from this exploratory study suggest that people do not always want to attract attention to the amount of money they spend on an item and that luxury good consumption does not always occur in order to signal wealth and impress others.

The second study investigated whether type of friend (e.g., friend seen day to day versus a friend seen less often) influenced whether or not participants concealed a luxury purchase. We expected that a friend seen day to day would be more aware of the participant’s past purchase behavior and may be more judgmental than a friend seen less often. In general, participants in the day to day condition reported they normally told each other about the products they purchased for themselves to a greater degree than participants in the less often condition shared this information with each other. This is reasonable since participants in the day to day condition have more interaction with their friend as well as more opportunities to disclose information about their lives and consumption patterns. In the experiment, however, after purchasing a luxury good, participants in the day to day condition were more likely to conceal the luxury purchase from their friends than were participants in the less often condition. An investigation of the open-ended responses indicates that participants were particularly concerned about their friends knowing how much they paid for the luxury good. Here, we have converging evidence that concealment of luxury occurs and that people are not always trying to signal status or wealth with their luxury goods purchases. Specifically, people would prefer that their friends not know how expensive an item happens to be.

Prior research suggests that people will allow themselves indulgences when those indulgences can be justified (Prelec and Herrnstein, 1991; Shafir, Simonson and Tversky, 1993). Kivetz and Zheng propose two routes to justification: through effort or excellent performance or without depleting income. This research raises the question of whether justification needs to be made to self, others or both. In two more studies we explore this question and examine whether effort (high vs. low) and a friend’s awareness (public vs. private) of said effort influences the decision to conceal the purchase of a luxury good. In study 3, our manipulation of high effort is a natural one in that the survey was administered during the week of midterms, a demanding time for undergraduates. Low effort will be manipulated by administering the survey during a normal week. Whether the friend is aware or not (public vs. private) of the effort is measured asking participants about their friend’s level of awareness. In study 4, both effort and awareness are manipulated. The public versus private factors are included to examine whether indulgence needs to be justified to self, to others or both. We expect that participants will be least likely to conceal a luxury purchase when effort is high and public and expect that participants will conceal most when effort is low and public. In the high effort condition we expect participants to conceal more when the effort is private versus public because participants are less
A field study demonstrates the influence of implicit egotism in Internet auction participant behavior. Data was collected from the popular Internet auction site eBay from November 2005 through January 2006. The set included 123,639 unique auction-bidder-seller combinations and 59,208 unique auction-winner-seller combinations. To ensure that we were studying a truly implicit effect, we examined condi-

References

From Egotism to Averseness: The Role of Implicit Self Judgments in Seller Choice
Luke Kachersky, Baruch College, City University of New York, USA
Hyeong Min Kim, Baruch College, City University of New York, USA

Abstract
Actual bidders in Internet auctions were more likely to participate in auctions when sellers’ screen names had the same first character as their own screen name. This is a case of implicit egotism, whereby people gravitate toward things that resemble the self, and the first such case to be driven by a non-birth given characteristic. However, bidders were less likely to win higher-priced auctions under the same conditions. We propose that this reversal of implicit egotism is due to the salience of risk that may have negative implications for the self.

John enjoys participating in Internet auctions. His screen name is pguy111. One day he comes across two auctions for a new DVD. One seller’s screen name is patrick6, while the other’s is matman. Judging from information like the sellers’ feedback ratings, John believes both are equally trustworthy and that neither one’s auction represents a potential cost savings over the other. In which auction will John participate? It may be expected that John will be indifferent. In this paper we propose that John will be more likely to participate in patrick6’s auction than matman’s auction. Further, we propose that if the auction was not for a DVD, but for a more expensive item such as a DVD player, then John might tacitly avoid patrick6’s auction.

One reason John may choose to participate in patrick6’s auction is because of John’s apparent self association with the letter P, as indicated by the choice of his own screen name. Research on implicit egotism indicates that for the most part people feel good about themselves and that these positive associations spill over into judgments of stimuli that share even the most superfluous characteristic with the self such as the initial of their first name (Jones, Pelham, and Mirenberg 2002; Pelham, Mirenberg, and Jones 2002). The implicit egotism effect has been shown to be truly implicit, outside of conscious awareness (Jones et al. 2004). Implicit egotism has been shown to influence major life decisions including choices of professions (Pelham, Mirenberg, and Jones 2002; e.g. Dennis is likely to be a dentist.), living locations (Pelham et al. 2003; e.g. Florence is likely to live in Florida.), and romantic partners (Jones et al. 2004; e.g. Jennifer is likely to marry Jesse.). It has also been shown to influence brand choices (Brendl et al. 2005).

Based on this line of research, if John associates himself with the letter P, then he should have positive associations about sellers who also use the letter P to represent themselves. Thus, while his conscious comparison of matman’s and patrick6’s auctions may deem them equal, we argue that John should be more likely to participate in the latter’s auction because his implicit judgment of patrick6 should be more positive than that of matman. This is an important contribution because extant research shows that implicit egotism stems only from a person’s birth-given characteristics. This research shows that the effect of implicit egotism is more prevalent than previously thought because other types of self-associations (e.g., pseudonym) may lead to implicit egotism.

To date, research has shown only positive effects of implicit egotism. However, negative effects are theoretically possible. For example, if John encounters someone who resembles himself, like patrick6, and that person potentially has negative attributes, would John still gravitate toward this person? Prior research indicates that an individual will distance oneself from a group when the group exhibits undesirable attributes that might reflect negatively on oneself (Cialdini et al. 1976; Snyder, Lassegard, and Ford 1986; Schimel et al. 2000).

When John bids on Internet auctions, he is aware that sellers might act fraudulently. When auction prices are high, the threat of fraud should loom particularly large. John should not want to associate his self-concept with the negative attributes that sellers may possess. Therefore, if auctions for an item have high prices, then John should avoid those auctions in which the seller’s screen name shares characteristics with his own. If matman and patrick6’s auctions are for a DVD player, then John should avoid patrick6’s auction because he does not want to associate potentially negative characteristics with his self-concept. As discussed next, our data support this argument. Thus, this research makes another important contribution by demonstrating the reversal of implicit egotism for the first time.
the likelihood of bidding on an auction when only the first character of the seller’s screen name matched the first character of the bidder’s screen name. Indeed, bidders had a greater than chance likelihood of participating in an auction when the first character of the seller’s screen name matched the first character of their own. To examine the hypothesis that the implicit egotism effect would reverse for high priced auctions, we looked at winner-seller pairs because auction winners are financially committed to the transaction. Consistent with our theorizing, for auctions with high bids over $50, bidders had a less than chance likelihood of winning an auction when the first character of the seller’s screen name matched their own. Experimental data currently being collected will replicate and extend these findings.

This research has a number of implications. Implicit egotism not only causes people to gravitate toward things that resemble the self. It also drives people away from self-reminding entities when those entities have potentially negative implications for the self. This opens up a new line of questioning in implicit egotism research. For example, would people named Carl have a higher than chance likelihood of living in Compton, California, notorious for its housing projects and gang activity? Additionally, implicit egotism had been primarily demonstrated through birth-given characteristics (name, birthday). This study shows that implicit egotism can also work via characteristics one selects to represent oneself (e.g., job title).

References

An Exploratory Study on Attitude Toward Luxury Products, Counterfeits and Imitations
Brigitte Muller, HEC Lausanne, Switzerland
Bruno Kocher, HEC Lausanne, Switzerland

EXTENDED ABSTRACT
This research investigates how individual and company-controlled variables affect attitudes toward original luxury goods, counterfeits and imitations. We distinguish original products, which are “goods for which the mere use or display of a particular branded product confers prestige on their owners” (Grossman & Shapiro 1988, p.82), from counterfeits, which are strict copies of genuine products (Kay 1990) and from imitations “designed as to look like and make consumers think of the original brand” (d’Astous & Gargouri 2001, p.153). Consumer’s attitude toward brand imitations and counterfeits has a great impact on brand management decisions and has been recognised as an important stream of research (Keller, 1998). Although several academicians (e.g. d’Astous & Gargouri, 2001; Warlop & Alba, 2004) studied this field, the literature remains scarce and largely incomplete.

The purpose of this research is to study a main effect (the impact of product type on consumers’ attitude), a potential moderator (conformity) and several items that may hinder the purchase of counterfeits or imitations.

Hypotheses

Our main proposition is that consumers will respond differently to original products than to counterfeits or imitations. The purchase of luxury goods is primarily intended to “satisfy buyers’ appetite for symbolic meanings” (Dubois & Duquesne 1993, p.37). Since originals and counterfeits look exactly the same, the attitude toward these two types of products should not differ. However, imitations may be distinguished quite easily from an original or a counterfeit and should therefore be less liked. We propose:

H1: Attitude toward original luxury products will be different from counterfeits and imitations. Specifically, attitude toward:
(a): originals is the same as toward counterfeits
(b): originals is more positive than toward imitations
(c): counterfeits is more positive than toward imitations

However, this first hypothesis is moderated by a personal variable. “Individual behavior is motivated in large part by social factors [desire for prestige, esteem, popularity, acceptance... which] tend to produce conformism” (Bernheim 1994, p.842), defined as an