Intra- and Interpersonal Commitment Mechanisms to Encourage Regular Savings

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The present study uses a survey of participants of a community-based savings initiative to examine the impact that selected interpersonal and intrapersonal commitment devices have on the achievement of savings goals. In particular, the study addresses two commitment mechanisms to combat both the lack of self-control and the procrastination that arise from time-inconsistent preferences: (1) the use of implementation intentions as an intrapersonal commitment mechanism and (2) the influence of “wealth coaches” as a means of interpersonal pressure. An initial survey and two follow-up surveys are going to be conducted in March and April 2006.

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The Alpha-Discount condition consisted of an advertisement that again presented the symphony experience as “enjoyable, exciting and dramatic” but also offered a second subscription to the symphony for half-price with the purchase of one subscription at full price. The Omega-Guarantee condition promised a money-back guarantee if the performance was not enjoyed. Both conditions were framed in a proximal (in the present) and distal (several months from the present) temporal frame. Ego-control (Block 1980, 2002) was a measured variable.

Results from Study 2 indicated that the Omega-Guarantee condition elicited stronger behavioral intentions than the Alpha-Discount condition ($M=3.53$ and $M=3.07$, $p<.05$). There was no significant moderating effect between temporal frame (proximal/distal) and ego control; however, those individuals that exhibited higher levels of ego-control expressed more favorable attitudes towards attending the symphony orchestra than those low in ego-control ($M=4.27$ and $M=3.75$, $p<.01$).

These findings could have implications for marketing managers at symphony orchestras as well as those responsible for developing marketing communications for products that are emotionally provocative, hedonic and experiential in nature. Specifically, targeting consumers that exhibit higher levels of affect intensity might be prudent. These high affect intensity individuals might include more socially active consumers that belong to various clubs and organizations, as well as enjoy activities that are emotionally stimulating. In developing marketing communications targeted at these consumers, employing self-referencing techniques might be an effective strategy for increasing the persuasive impact of the message.

Also, either providing incentives for attendance or addressing some form of resistance that these individuals might have could yield better results than just emphasizing the features and benefits of a product or experience.

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**Are Good Intentions Enough? Encouraging Regular Savings Through Implementation Intentions**

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**Introduction and Hypotheses**

This study concerns the implications of Gollwitzer’s (1993) concept of implementation intentions. Intention, attitude, subjective norm, perceived behavioral control and past behavior from for Ajzen’s (1985) Theory of Planned Behavior were used to measure the motivation of participants’ of an “America Saves” campaign to save regularly prior to an intervention in which participants made implementation intentions concerning when, how, how much, and from what source of income they will deposit money into their savings accounts in the next month. The study suggests the following testable hypotheses:

Participants who form implementation intentions concerning when, how, how much, and from what source of income they will deposit money into their America Saves account will be more likely to deposit money into their America Saves account than participants who do not form such intentions.

Participants who form implementation intentions will save in a manner consistent with their intentions.

**Procedures**

We are collecting data of three points in time: one baseline and two follow-up surveys. For the present paper, we present the results of the first two data collections. The third data collection is currently ongoing. One hundred and fifty-six participants completed the questionnaire at Time 1, N=68 completed the questionnaire at Time 2. The data collections for Time 2 and Time 3 are not yet completed but will be available for the conference presentation.

**Measures**

The standard “Theory of Planned Behavior” measures followed closely the description in Ajzen (2002). The implementation intention intervention was designed following the procedure described by Gollwitzer (1993) and Orbell, Hodgkins, and Sheeran (1997). Participants in the treatment group were asked to make implementation intentions specifying first, when they would deposit into their America Saves account will be more likely to deposit money into their America Saves account than participants who do not form such intentions.

Participants who form implementation intentions will save in a manner consistent with their intentions.

**Results**

Sixty-nine per cent of this sample were women (N=47) and 31 per cent were men (N=21). Participants’ mean age was 40.06 years (SD=12.66), most were white (66%), had a college degree (66.2%), were married (42.6%), employed full time (80.9%). The mean family size was 2.71 people (SD=1.39), the mean household income was $42,000 (SD=$2,760). The primary savings goals are saving for emergencies (30.3%) and for retirement (15.2%). The 47 responses are divided into 57.4 per cent treatment group (N=39) and 42.6 per cent control group responses (N=29).

All scale reliabilities were satisfactory, ranging from .689 (Past behavior) to .937 (Intention).

A MANOVA showed no significant differences between the two groups on preintervention measures of intention, attitude, subjective norm, perceived behavioral control, or previous behavior, $F(5, 64)=0.562, ns$. These findings indicate that prior to the intervention, the two groups held similar beliefs concerning regular savings.

Univariate $F$-tests confirmed that there were no differences between the groups on preintervention measures of intention, attitude, subjective norm, perceived behavioral control, or past behavior. Similarly, there were no significant differences in age, family size, household income, employment status, education (t-test not significant) between the groups and there were equivalent proportions of men
and women, races, marital status in the control and treatment group. We also inspected the correlations between past behavior and intention for the two groups. Past behavior is significantly associated with intentions for both the treatment group (r=.758, p=.000) and the control group (r=.766, p=.000).

In sum, both groups had positive intentions, attitudes, subjective norms, and perceived behavioral control. Behavioral intentions were strong in both conditions, with mean scores greater than 14 on a 3 to 21 scale. We can conclude that both groups base their intentions to save regularly upon their previous savings behavior and that both groups are motivated to save regularly.

Overall, the effect of the implementation intervention is not yet obvious from the data currently available. At the 1-month follow-up, 83 per cent of the respondents reported that they had deposited money into their savings account compared to 86 per cent of the control group (Chi-square=27.499, ns.). Thus, our first hypothesis cannot be supported. The effect of implementation intention manipulation may emerge on the second follow-up only as described in Sheeran and Orbell (1999).

At follow-up, participants were also asked to report when, how, and from what source they have deposited money into their savings accounts, and these responses were compared with their implementation intentions. At both time-points, most participants intended to and actually deposited on payday (baseline: 74.4%, follow-up: 71.4%) or on a specific day during the month (baseline: 23.1%, follow-up: 21.4%). At follow-up, all respondents in the treatment group reported to take the savings from their paycheck (100%), compared to 92.3 per cent in the implementation intentions. The responses differed for the mode of deposit. While about half of the respondents (54.1%) intended to use direct deposit, only 14.8 per cent did so, responding to an increase in payroll deduction, electronically/internet deposit, and mailing. About one-third of the respondents intended and actually deposited the funds in person (baseline: 29.7%, follow-up: 29.6%).

In conclusion, the ongoing data collection will provide further evidence of the usefulness of implementation intentions to increase the likelihood of action among people motivated to save.

References

Consumers’ Appreciation of Product Personalization
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Extended Abstract
Due to consumers’ individual preferences, many consumers are unfulfilled with standard goods (Piller and Müller 2004). A promising strategy for companies is to offer consumers the opportunity to personalize their products (Franke and Piller 2003). Based on the definition of Blom (2000), product personalization is defined as a process that defines or changes the appearance or functionality of a product to increase its personal relevance to an individual. By implementing product personalization, consumers are offered a certain degree of design authority (Fox 2001). An example of product personalization is mass customization. Mass customization allows consumers to create a personalized product by choosing different options (e.g., colors) from lists that are predefined by the manufacturer. For example, Nike enables consumers to design their own personalized shoes (http://nikeid.nike.com). This study investigates consumers’ attitude to and purchase intention for personalized products. Specifically, we focus on personalizing a product’s appearance.

Consumers may want to personalize a product’s appearance in such a way that the product becomes expressive of their identity (Blom and Monk 2003; Mugge, Schifferstein, and Schoormans 2004). If consumers are only offered a relatively low degree of design authority, the options to create a product that fits one’s unique identity are limited, resulting in a suboptimal solution. In contrast, personalizing a product with unlimited options enables consumers to create a product with a supreme fit to their identity. It is likely that consumers have a more positive attitude and a higher purchase intention for personalized products if they are offered a higher degree of design authority.

Offering consumers a higher degree of design authority in product personalization also has a downside: Personalizing a product requires consumers’ time and effort. Therefore, the outcome of the personalization process has to provide enough additional value for the owner. Otherwise, the required time and effort will negatively affect consumers’ attitude to and purchase intention for the product. Expressing one’s identity may have both a personal and a social goal. People have a need to define their identity to themselves (personal goal), but also to others (social goal). The social goal of self-expression is reduced if the personalization is only visible to the owner. Therefore, we hypothesize that the visibility of the personalization moderates the effect of design authority on attitude and purchase intention.

Our study had a 2 (design authority: low vs. high) x 2 (visibility: low vs. high) between-subjects full factorial design. In each condition, subjects read about a company that sells wireless home phones with an opportunity to personalize the phone’s appearance. The personalization process was illustrated by a written description and several color pictures of examples of personalized phones. To
operationalize design authority, the number of personalization options was varied. In the low design authority condition, subjects could personalize the home phone by choosing a color out of a palette of 99 options. In addition, they could select one of the 24 possible patterns, resulting in a total of 2376 personalization options for the high design authority condition. Visibility was operationalized by varying the component of the home phone that was personalized (display vs. cover). Subsequently, subjects filled out a questionnaire in which measures were obtained for attitude, purchase intention, design authority, and visibility of the personalization. All variables were measured using multiple items on seven-point Likert scales.

The questionnaire was sent to 100 members of a consumer household panel. Sixty-one subjects (51% males, Mage=41) returned the questionnaire, resulting in 14 to 17 subjects per condition. Both manipulations were satisfactory and no confounding effects were found. The results revealed a significant design authority x visibility interaction effect for attitude (F(1, 57)=4.52, p<.05) and purchase intention (F(1, 55)=4.32, p<.05). If the personalization concerned a highly visible product component, subjects in the high design authority condition had a more positive attitude towards the product (MlowDA=4.60 vs. MhighDA=5.56) and a stronger purchase intention (MlowDA=4.21 vs. MhighDA=5.11) compared to the subjects in the low design authority condition. However, if the personalization concerned a hardly visible product component, the opposite pattern was found: Subjects in the high design authority condition had a more negative attitude towards the product (MlowDA=4.78 vs. MhighDA=4.24) and a weaker purchase intention (MlowDA=4.23 vs. MhighDA=3.43) compared to the subjects in the low design authority condition.

Our findings suggest that although offering consumers a higher degree of design authority in product personalization enables them to create products that better fit their identity, consumers may in some cases actually prefer to have less freedom. Personalizing products only provides value for consumers if the personalization concerns a highly visible product component. Personalizing a visible aspect enables them to create a more self-expressive product to define their identity to themselves and to others. If the personalization is only visible to the owner, the social goal of self-expression is reduced, and consumers refuse to invest their time and effort in the personalization process.

References