Beyond Demographics and Stereotypes: Effects of Urban Identification on Responses to Actor Race in Advertising

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The current study examines the effects of urban identification on majority population responses to ads and finds that non-urban identifiers prefer ads featuring white actors; however, majority urban identifiers prefer ads featuring black actors. Results call into question current advertising industry belief and practice, which focuses on demographics – specifically race – as opposed to lifestyle – specifically urban identification - as the basis for market segmentation and ad strategy.

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Results of these two studies demonstrate the opposing effects that public presence can have on the prevalence of racial stereotypes in the evaluation of services. Findings show that public presence can result in more or less politically correct evaluations, depending on individual differences in the sensitivity to social desirability concerns (self-monitoring). We expect that this pattern of results would extend beyond the context of service evaluations, to contexts such as judgments of foreign products or advertising messages involving minority members. The studies presented here reflect the multifaceted influence that public presence can have on consumers’ judgments.

“Beyond Demographics and Stereotypes: Effects of Urban Identification on Responses to Actor Race in Advertising”
Marlene Morris, University of Georgetown

Consumer behavior researchers have identified many criteria by which to segment consumers to explain and predict their behavior (Zaichkowski 1985; Bettman 1979). While marketers have historically viewed the marketplace in terms of demographics such as race, consumers are increasingly identifying themselves on lifestyle rather than demographic terms. Marketing research has also historically focused on segmentation based upon ethnicity to understand and predict consumer behavior, including specific measures of degree of ethnic identification, examining subcultures such as blacks (Whittler 1991, Williams & Qualls 1989, etc.), Hispanics (Webster 1994) and Jews (Hirschman 1981). In recent years, researchers have begun to follow marketers’ shift from the use of demographic data as the primary basis for understanding and categorizing consumers and predicting their behavior, to segmentation variables with more explanatory power such as subculture and lifestyle. One particular lifestyle segment that crosses racial, ethnic, age and geographic boundaries in an unprecedented fashion is the urban subculture. Despite the great deal of attention that the urban segment has received from marketing and advertising practitioners in recent years, there is currently little understanding of its effects on consumer behavior and effectiveness of marketing communications. The urban segment generally takes multiculturalism for granted and sees things less in terms of black and white than cool or un-cool, making demographic and ethnicity-based segmentation less insightful for newer generations of consumers and behavioral research. Identification with this segment and its characteristic ethnic diversity also creates some confusion about which cultural cues are now seen as stereotypically representative of a particular ethnic group.

Marketers have only recently identified and acknowledged the urban population as a lucrative consumer lifestyle and sociopolitical segment in and of itself, as well as a powerful mechanism for reaching and influencing broader audiences of consumers. The pervasiveness of this segment along with over $890 billion per year in buying power in the U.S. alone (Stavraka 2001) makes it a highly sought-after one for marketers. The current research seeks to examine the effects of urban identification on evaluations of advertising and shows that urban identification mitigates previous findings regarding similarity effects in advertisements.

Existing research in advertising has examined subjects’ responses to ads featuring same- and other-race actors. While studies consistently show that minority (i.e. black) subjects respond more positively to ads featuring same-race actors and related race cues (Appiah 2001), results for the larger majority population are inconclusive, with researchers assuming that there is no significant effect of actor race or race cues on non-black populations. The current study examines the effects of urban identification on majority populations’ responses to ads and finds that within a non-black population, non-urban identifiers prefer ads featuring white actors; however, non-black urban identifiers prefer ads featuring black actors with preference measured in terms of ad liking, similarity of ad to self, identifying with the actor, perceiving a similar style, personality, culture and style of actor’s dress and liking for the actor.

Study results call into question current advertising industry belief and practice, which focuses on demographics–specifically race–as the basis for market segmentation. It also challenges existing notions of stereotypes and effectiveness of in-group and out-group categorizations and cues by showing that particular psychographic and lifestyle variables–urban identification in this instance–mediate the effects of racial stereotypes on consumers’ responses to advertising.

“Ladies and Gentlemen, Lend Me Your Attitudes….Implicit Attitude Formation As a Result of Group Membership and Consumption Stereotypes”
Andrew Perkins, Rice University
Brad Pinter, Penn State Altoona
Anthony G. Greenwald, University of Washington
Mark Forehand, University of Washington

Previous research has established that individuals’ cognitions and attitudes may form as a result of membership in a group to which that the individual belongs. This minimal group effect (Tajfel, Billig, Bundy and Flament 1971) suggested that the mere assignment of an individual to a randomly selected group resulted in discrimination against other competing groups. Recent research suggest that implicit partisanship may be unconscious in nature, in that individuals automatically self-associate with groups, leading to feelings of in-group bias and out-group discrimination (Greenwald et al 2002, Pinter and Greenwald 2004). Pinter and Greenwald found this robust effect across numerous experimental settings suggesting that implicit partisanship is a category level effect, such that a meaningful group membership is created automatically, with the potential to influence behavior. The current research extends these findings by exploring the formation of attitudes toward target objects that have been randomly associated with a novel group and consumption stereotypes tied to that group.

Two experiments were conducted to explore the potential for attitude formation toward novel objects (experiment 1) and fictitious brand names (experiment 2). Participants were initially told that they would be participating in a campus-wide scavenger hunt, and would be randomly assigned to one of two groups, designated as either team Triangle or Circle. Following random assignment to one of the groups, participants were instructed to complete a simple categorization task that prompted them to first examine a list of ten names of the other students who were members of the two five-member competing groups. Within the group that the participant was assigned, one of the names was replaced with “yourself”, an indication that the participant was a member of that group. Following a thirty second exposure to the list of fictitious student names, participants then completed a trivial categorization task that compelled them to separate the two groups of names using two behavioral responses, in this case, pressing either the ‘d’ key or the ‘k’ key on a computer keyboard. Thus, a participant who was assigned to the Circle team might be required to press the ‘d’ key whenever the name of his team was presented on the screen (as well as the word “yourself”), and press ‘k’ whenever the names of the other team members were presented on the screen. Following this task, participants were then instructed that they would be looking for the scavenger hunt targets: either analog or digital clocks described as present on campus (experiment 1) or fictitious automobile brands
said to be located around campus as part of a vehicle manufacturer’s promotion. In order to learn which target category of objects was to be scavenged, participants completed another categorization task that required the same behavioral response (again, pressing either the ‘d’ or ‘k’ key) when presented with either the target object or names of their own team. The work “yourself” was omitted in this task, so that the participant never directly associated a self-representative word with the target objects. Following the manipulations, participants completed two Implicit Association Tests (IATs; Greenwald, McGhee and Schwartz 1998) that measured self association and attitude toward the target object or brand. The experiments differed only with regards to the target object.

The results suggested that subjects spontaneously generated positive implicit self-associations as well as positive implicit attitudes toward the target objects that were sorted together with their group during the experimental treatments. Specifically, a participant assigned to the circle group, who categorized their group members with the Ace brand model names, subsequently self-associated with and generated a positive implicit attitude toward the Ace brand, even though there was no direct linkage of self with the Ace brand during the experiment. The formation of these types of attitudes may be explained within a cognitive consistency framework (Greenwald et al. 2002). Greenwald and colleagues suggest that links in memory spontaneously form in order to balance identity triads in memory. Extending these findings, the current findings suggest that these triads may be more complex than the relationships between three objects in memory. In essence, the current project posits that a link should form in memory between the self and a target object as a result of that individual’s group membership, and the subsequent association of that target object to the group, but not directly to the individual. These results suggest that consumers have an implicit bias toward products that are stereotypical for their in-groups, even when that stereotype is arbitrary and is not based on personal experience. Moreover, the findings suggest that consumption stereotypes (beliefs about the appropriateness of products and brands for a particular group) may drive preference without conscious deliberation. A third experiment is currently underway to assess whether attitudes formed in the way described above influence purchase intention and other explicitly stated behavioral outcomes.
ROUNDTABLE
Philosophy and Consumption
Janet Borgerson, University of Exeter, UK

Conversations continue around Philosophy and Consumption after last year’s roundtable attracted 45 participants, encouraging consumer researchers to reflect on philosophical concepts, frameworks, or philosophical figures that have impacted, and continue to impact, the way each of us asks questions, conceptualizes problems, and carries out our arguments and analysis. This session spurs interaction between scholars with a variety of interests and research paradigms who are engaged—whether implicitly or explicitly—in philosophically informed consumer research.

The session’s purpose is to continue conversations around recent efforts that draw upon philosophical and ethical concepts and theories in accomplishing consumer research. Examples include research on tragedy; consumer objects as resources for consumer identity work; constructions of “consumers that matter”; and consumer subjectivities constituted through interaction with brands and marketing representations. Just as crucial was the issue of inspiration: that is, certain ideas or the way things are said or connected together can inspire us to look at and engage with a question, or the world, differently. The goal is to gather together scholars who are engaged in philosophically informed consumer research, and to provide theoretical resources for interested researchers and consumers. The session’s organizer holds a Ph.D. in Philosophy and writes on consumer identity constitution, consumer agency, and ethical concerns in marketing and consumer behavior.

Some of last year’s group, and some new people as well, have been asked to provide insight into their own experience and contribute to this on-going conversation. Whereas last year every attendee (all 45!) introduced him or herself and said a bit about their interests, this year each of the invited ‘panel’ will prepare a five minute elaboration of a philosopher/thinker or a philosophical perspective, or a single concept or notion that has contributed, disrupted, or encouraged certain aspects of their own writing, questioning, and/or research. This brief presentation is not meant to provoke anxiety or suggest the need for deep and extensive knowledge about philosophers or history of ideas, etc. Rather, we each get to hear a little more about how others think, what creates a lasting, or only momentary, influence that makes a difference, as well as, opening up discussion around a diversity of interests and methodologies. Questions and discussion among all attending researchers will follow.

Clearly, the concerns of philosophy and the marketplace intersect. Moreover, turning to philosophy can help clarify assumptions, theory, and methods within consumer research. Philosophy questions, and thus adds rigor to, the coherence of arguments. At a pragmatic level, philosophical considerations and ethical investigations, and the ability to undertake both, allow for thoughtful, careful, and aware research, including an understanding of epistemological and ontological issues regarding, e.g. consumer identity, corporate social responsibility, and consumption generally.
SESSION OVERVIEW

Consumers are constantly faced with decisions about the timing of their consumption. Consumers evaluate investments and savings (costs incurred now for future gain), redemption of cash refunds and rebates (a wait period followed by earnings) and indulgent consumption (benefits experienced now but with a cost (e.g., to one’s health) incurred later). Prior research has consistently shown that people have a preference toward the present, overweighting near outcomes compared to later outcomes. Furthermore, this impulsivity has been shown to decline with time (i.e., hyperbolic discounting or present bias; Thaler 1981). That is, when making a decision between smaller-sooner and larger-later rewards, individuals’ implied rate of discounting (or preference for smaller-sooner outcomes) is higher over a short compared to a long time horizon. This pattern of behavior has been attributed to impulsivity (Loewenstein 1996), to differences in cognitive representations between near and future events (e.g., Zauberman and Lynch 2005) or to an individual difference in time orientation (e.g., Zimbardo and Boyd 1999).

The papers in this special session propose new perspectives for understanding present-biased preferences. These papers challenge current theorizing in this domain and provide boundary conditions for existing findings. In particular, they demonstrate that impatience (1) is better measured by a motivational present value approach, (2) is better understood if prior consumer decisions are taken into account and (3) might not always be as robust as previous research has suggested.

The first paper, by Ebert and Prelec, argues that conventional measures of intertemporal preference systematically underestimate consumers’ present value of future outcomes. They develop a motivational measure that is based on the exerted effort to obtain outcomes at different times, and show that the traditional measures of time preference (e.g., WTA) systematically underestimates present value. The authors suggest that this may reflect how people assess rewards using a monetary scale and discuss the psychological differences in monetary and motivational measures.

The second paper, by Malkoc, Zauberman and Bettman, explores the role of previous tasks in consumer impatience. The authors demonstrate that prior decisions change processing concreteness (focus on the big picture versus details) and systematically affect present bias. Their results indicate that consumers show less present bias when in abstract mindsets, compared to when they think concretely (even when the prior task is unrelated)—introducing a new conceptualization and showing that present bias is moderated by the extent of context-dependent thinking.

The third paper, by Read and Frederick, examines the longitudinal aspect of present bias. The authors note the cross-sectional nature of the experiments that demonstrated present bias and examine such intertemporal preference reversals in three longitudinal studies. They find support for preference reversals in line with hyperbolic discounting only when the sooner outcome is immediate. These findings suggest that present-biased preferences support a quasi-hyperbolic form. In addition, these results provide boundary conditions for present bias, indicating the importance of temporal proximity to the outcome.

Collectively, the three papers in this special session provide new insights about consumer impatience and time discounting, by offering new measurement, conceptualizations, and psychological drivers for present-biased preferences.

Following presentations, Drazen Prelec, the session discussant, provided an overview of how these papers inform and qualify the findings of previous research, as well as noting some of the ways in which the session offers diverging perspectives on intertemporal preferences.

EXTENDED ABSTRACTS

“A New Method of Measuring Temporal Discounting: The Motivational Present Value of Future Rewards”

Jane Ebert, University of Minnesota

Drazen Prelec, Massachusetts Institute of Technology

A wide range of people’s behaviors in the present are motivated by longer-term or future concerns: employees work for future bonuses or to invest for retirement; students study to obtain a degree; and people exercise for future health. Many researchers and policy-makers are interested in the rates at which people discount such future concerns, or the value they place on them relative to the present, with the underlying assumption that this present value provides a measure of the importance or motivational power of people’s future concerns on their present behavior (e.g., Chapman et al. 2001; Kirby et al. 1999).

Measures of present value most commonly used ask people to explicitly state the present value of a future reward, such as “What is the equivalent value to you today of $120 in one year?” Obtained discount rates using such measures vary considerably, but overall they tend to be positive and rather high (see Frederick et al. 2002 for a review). If our goal is to use discounting measures to understand or predict those behaviors that are motivated by future concerns, then a present value should, ideally, represent the equivalent motivational power in the present of an event in the future. So, for example, a future reward of $25 that a person assigns a present value of $20 should have the same motivational power for that person as a present reward of $20. However, for several reasons we suspect that conventional explicit discounting measures may provide a poor measure of the present motivational value of future rewards, and, if anything, are likely to overestimate this present value and so underestimate the discount rate. So, even if people explicitly say that a future reward of $25 has a present value of $20, they may nonetheless behave, and even expect to behave, as if it has a present value of, say, $10. I.e., the discount rates people will demonstrate in their behavior, and even in how they expect to behave, will be higher than those measured using conventional discounting measures. We attempt to demonstrate and examine this in the current research, through the development of a new measure of discounting that assesses the motivational present value of a future reward.

In our first study, we develop a method that 1) pits effort against a future reward to assess the motivational value of the future reward (specifically, we assess how long people exert effort working on a simple task in the present in order to gain a future reward), and 2) calibrates the effort expended for the future reward against the effort expended for different immediate rewards to assess the motivational present value of the future reward. We compare the present value we obtain using this motivational measure with that obtained for the same participants using a conventional discounting
measure, and find that the present motivational values we obtain are lower than the present “explicit” values obtained on the conventional discounting measure: i.e., the future has less motivational force than we might expect given conventional discounting measures. This suggests that the present value captured by the conventional discounting measure is not the present motivational value we might wish to assess.

Two important features of our comparison of the motivational and explicit present values are: first, the same future rewards are used for both measures precluding arguments that people simply value different future quantities differently, and second, the calibration of the effort people expend for future rewards against the effort they expend on the same task for immediate rewards precludes arguments that people simply value different present quantities, e.g., effort versus money, differently.

In the second of our studies, we replicate this finding for future rewards and demonstrate that people are similarly inconsistent in their present values for uncertain or probabilistic rewards, where again the conventionally obtained explicit present values are lower than the motivational present values. In two subsequent studies we strengthen the conclusion of the first two studies, that participants’ motivational present values are inconsistent with their explicit present values, where the motivational values are systematically lower. We also examine whether the presence of effort in our motivational measure may account for this result and we compare participants’ motivational present value with the present values obtained on several alternative discounting or present value measures. In study 3, we develop a within-subjects version of our task, which aids consistent responding across the motivational and conventional discounting measure and so provides a stricter test of our result. In addition, we show that the presence of effort in our motivational measure of present value is unlikely to be responsible for our finding that present motivational values for future rewards are lower than people’s present explicit values. In study 4, we replicate these findings and examine the differences in present value obtained between several alternative discounting measures that resemble our motivational and explicit measures in different respects.

By attempting to measure the motivational force of a future reward, this research has taken a novel approach to understanding the myopic behavior people show in their day-to-day lives. Previous work interested in the motivational power of rewards in choices that trade-off desires in the present and the future has generally focused on the motivational power of immediate rewards, e.g., work on visceral effects (Loewenstein 1996) or mental effort (Baumeister and Vohs 2003) on self-control. In contrast, the current work on visceral effects (Loewenstein 1996) or mental effort focused on the motivational power of immediate rewards, e.g., effort versus money, differently.

In the current work, we suggest that the tasks people have previously engaged in have systematic effects on processing concreteness and that these changes in concreteness of processing might be sufficient to explain dynamic inconsistencies in preferences. Building upon ideas from the psychology of verbal processing (e.g., Paivio 1971) and processing orientation (e.g., Navon 1977), we argue that when in concrete processing mode, individuals are more myopic and context dependent, leading to present bias. When the processing mode is more abstract, however, preferences show more intertemporal consistency, attenuating present bias. Three studies manipulating processing specificity with prior tasks provide support for this prediction.

Based on research showing that abstract thinking is facilitated when evaluating non-comparable options (Johnson 1984; Malkoc et al., 2005), in Experiment 1 participants (N=102) were provided with two cameras presented on seven attributes (either alignable or non-alignable) and were asked to compare them. Next, they were told to imagine shipping the camera and were asked how much they would need to save to delay its receipt by 3 and 10 days. As expected, we found a 2-way interaction between time horizon and alignability \((F(1, 106)=5.653, p<.05)\), demonstrating an attenuation in present bias when participants evaluated non-alignable options.

Experiment 2 (123 participants) manipulated abstraction with an unrelated elaboration task. Participants first wrote their thoughts about the Digital Millennium Copyright Act and were directed to think either about implications for a specific and concrete consumer (their roommate) or for the more abstract notion of consumers in general. Next, participants completed a separate cash refund study where they delayed the receipt date of a $75 cash refund by 4 or 10 weeks. The analyses again found an interaction between abstractness of mindset and time horizon \((F(1, 120)=4.309, p<.05)\), with less present bias shown when thinking about the broad implications compared to a specific exemplar.

In experiment 3 (231 participants), we manipulated processing concreteness with a supraliminal priming task to further test the boundaries of our effect. Participants first completed a word search puzzle that had either concrete or abstract words embedded in it. Presented as an unrelated task, participants next indicated their WTA to delay the redemption of a $75 gift certificate by 3 and 12 months. Results replicated the two previous studies, with a significant 2-way interaction \((F(1, 229)=4.66, p<.05)\) indicating diminished present bias when participants were primed with abstract words.

In sum, the current work demonstrates that intertemporal decisions are systematically influenced by the previous tasks people engage in. That is, prior decisions change the specificity (concreteness vs. abstractness) of processing and have systematic effects on present-biased preferences. Specifically, we show that when in abstract mind sets, people act less present-biased compared to when they think more concretely, suggesting that the extent of present bias depends on the abstractness of mindset, which can be influenced via prior experiences.

“Longitudinal Time Inconsistency”
Daniel Read, University of Durham
Shane Frederick, Massachusetts Institute of Technology
We investigated the hyperbolic discounting model of intertemporal choice, according to which the discount rate is a function of delay-to-outcome, with shorter delays being associated with a higher discount rate. Its major prediction is that people will predictably change their prior plans with the passage of time.
Specifically, if we hold the interval separating two outcomes constant, preference will often switch from a larger-later outcome (LL) to a smaller-sooner one (SS) as the two options move closer in time. The general idea is illustrated below. Figure 1 shows that as time passes, SS becomes increasingly attractive relative to LL. Preferences always move in the direction of SS, and sometimes they will ‘reverse,’ as in the illustration, when SS becomes superior to the formerly preferred LL.

Most experimental tests of this prediction have not investigated it in the dynamic form just described. Rather, they have relied on a potentially misleading cross-sectional design involving many choices over different pairs of dated outcomes, taken from the vantage point of a single date, rather than a longitudinal design involving many choices between a single pair of dated outcomes, made from the vantage point of different dates. We conducted three experiments using a longitudinal design. These experiments were done over email with an international sample, mostly from the United States.

Respondents made choices at multiple times between Amazon gift certificates to be received at specific future dates outcomes, one smaller-sooner (SS) and one larger-later (LL). The dependent measure was the choice between SS or LL, and whether preferences shifted as time to receipt diminished. The delay between the final choice and SS differed across experiments, from less than a day to less than an hour. This is important because the quasi-hyperbolic discounting model, predicts preference reversals will occur if the time to earliest SS is very short, as shown in Figure 2.

In our experiment, the measure of interest was the ratio of preference reversals in the LL?SS to those in the SS?LL direction—the shift ratio. Models of hyperbolic discounting predict this shift ratio will be greater than 1. In our studies, we observed the following as shown in Table 1.

In Experiment 1, when SS was delayed by about one day, we observed no net tendency for “hyperbolic” preference reversals. In fact, there was a weak but clear tendency for preferences to reverse in the opposite direction. In Experiment 2, when SS was delayed by
less than one day, there was a slight tendency for hyperbolic reversals. Only in Experiment 3, when the more immediate reward could be obtained in one hour, did evidence for hyperbolic reversals clearly emerge. Thus, these three studies provide support for the quasi-hyperbolic model.

In Experiment 3, we also asked people to explain their choices. Two reasons were frequently and clearly given for the LL?SS switches. Some offered remarkably explicit psychophysical explanations for hyperbolic discounting, pertaining to the perceived similarity of the two time points, as Rubinstein (2003) has postulated. Others referred to a desire to satisfy immediate spending needs. Usually, these needs were imminent, and often discovered over the course of the experiment—leading those who initially chose LL to switch to SS. Such explanations suggest an explanation for preference reversals and for various other phenomena in intertemporal choice. People are more likely to think of earlier needs than later ones. They are typically impatient because they are usually thinking of earlier needs. They become more patient with longer intervals because the delayed payoffs aren’t pertinent to imminent needs. However, as time to rewards elapses, imminent needs again become salient, causing an impatient shift. We also believe that the differential salience of needs can explain the magnitude effect, the delay-speedup asymmetry, and other empirical regularities.

REFERENCES


SPECIAL SESSION SUMMARY
Changing Colors of My Thinking Hat: Influence of Situational and Task-Related Factors on Thinking Styles
Monica Wadhwa, Stanford University, USA

SESSION OVERVIEW
Much research in consumer information processing and decision making has been devoted to differences in thinking styles. Consumer behavior theorists and psychologists from different persuasions have distinguished between various thinking styles such as experiential versus rational modes of thinking (Epstein 1983, 1985), system-1 versus system-2 thinking styles (Kahneman 2003, Kahneman and Frederick 2002, Stanovich and West 1998, 2000), analytic versus holistic thinking styles (Nisbett 2001) and broad versus narrow thinking styles (Martindale 1985, Mednick 1962). Differences in thinking styles have been mostly attributed to dispositional differences (Martindale 1985, Mednick 1962) and cultural factors (Chiu 1972, Nisbett 2003, Nisbett and Miyamoto 2005). In contrast, little effort has been devoted to other important facilitators of thinking styles, particularly situational and task-related characteristics, which often guide consumer behavior (Belk 1975). A broad purpose of this session, therefore, is to push forward the boundaries of research on thinking styles by exploring situational and task-related factors that impact consumer information processing and thinking styles.

The specific objectives of this session are a) to outline new measures of experiential versus rational thinking styles engendered by the nature of task and b) to examine how task-related factors (e.g., constraints) and consumer environment can impact thinking process, specifically creative thinking process. Keeping in mind the broad range of audience that ACR conference attracts, the three papers in this session represent a diversity of topics in the domain of thinking styles that are relevant for marketers and consumers, ranging from the “task-specific thinking styles” (Novak and Hoffman), to the role of constrained thinking process on creative enjoyment and motivation (Dahl and Moreau), to overt visual attention and creative thinking (Shiv and Wadhwa).

The session will begin with a focus on “task-specific thinking styles”. Thomas Novak and Donna Hoffman will present their work that focuses on tasks as elicitors of thinking styles. More specifically, Novak and Hoffman develop a two-dimensional scale to measure the task specific thinking style. Novak and Hoffman demonstrate the importance of task specific thinking style over and above the dispositional thinking style for task performance. Furthermore, they show that the congruence of the task and task specific thinking style improves task performance, while incongruence between the task and task specific thinking style worsens performance on the task.

The focus of this session will then shift to the role of constraints on creative thinking on the enjoyment of and motivation on creative experiences. Page Moreau will present her work with Darren Dahl that examines how constraints imposed on creative thinking influence consumers’ motivation and overall task enjoyment. More specifically, Dahl and Moreau demonstrate that consumers enjoy the creative experience more in the presence of constraints such as receiving step-by-step instructions. However, they demonstrate that constraints imposed on the target outcome lower the enjoyment of the creative experience for high-skill individuals.

Finally, Monica Wadhwa will present her work with Baba Shiv focusing on the role of overt attention on creative thinking process. Shiv and Wadhwa demonstrate that the breadth of overt attention engendered in the process of scanning an external visual field impacts the breadth of covert attention (i.e., internal attention), which subsequently impacts creative thinking in a subsequent unrelated consumer creativity task. More specifically, the authors argue that scanning a broad versus a narrow visual field (e.g., watching a movie on a 40-inch versus a 17-inch screen) can broaden the scope of covert attention, which, in turn bolsters creativity on a subsequent consumer creativity task of coming up with creative gift ideas.

In an effort to increase audience participation, the session will have the services of Amitava Chattopadhyay as a discussant. Amitava has expertise in the areas of creativity, consumer decision making, branding and marketing communication. His work has appeared in several journals including the Journal of Marketing Research, Journal of Consumer Research, Journal of Marketing, Marketing Science and Management Science. Amitava, thus, has a unique perspective for discussing these papers and leading a discussion about an appropriate research agenda for continued work in this area.

EXTENDED ABSTRACT
“New Measures of Task-Specific Experiential and Rational Cognition”
Thomas P. Novak and Donna L. Hoffman

Decades of theoretical and empirical research in social and cognitive psychology provide strong evidence that consumers process information in two distinct and qualitatively different ways: rational and experiential (Epstein 1994; Hogarth 2005; Kahneman and Frederick 2002, Kahneman 2003; Sloman 1996; Smith and DeCoster 2000; Stanovich and West 1998, 2000; and Strack and Deutsch 2004). A key commonality among modern dual process theories is the existence of two qualitatively different and interoperating systems, each best suited to its own purpose.

Despite this growing body of research, there has been surprisingly little research attention devoted to directly measuring how different tasks directly impact thinking style. Further, attempts to simultaneously measure the two dimensions of thinking style as either situation-specific or as an enduring state are even fewer and lack validation in a broad context.

To that end, we conducted three comprehensive studies. First, we developed and cross-validated new two-dimensional scales to measure what we term task-specific thinking style (TSTS) using a series of experimental tasks designed to induce primarily rational or experiential thinking. Our highly reliable TSTS measure was, as predicted, best fit by a two-dimensional factor structure. Rational TSTS was higher for rational tasks and experiential TSTS was higher for experiential tasks, providing empirical support for the idea that cognitive tasks can be arrayed along a continuum of cognition. Congruence of task and TSTS improved task performance, and incongruence worsened task performance; thus TSTS is an important process variable in understanding task performance. Both the task itself, as well as dispositional tendencies to adopt a particular thinking style, predicts TSTS. As expected, the TSTS adopted for a task is explained more by the task itself than by
dispositional differences in thinking style, supporting the use of experimental tasks to prime thinking styles and suggesting TSTS as a manipulation check for such tasks. Since dispositional tendencies predict TSTS, disposition influences the degree to which a priming task is likely to be effective, and thus disposition should be measured as a covariate when attempting to prime thinking style.

More importantly, we use TSTS to systematically test congruence effects between the demands of a task and the thinking style adopted when performing the task. We examine when congruence between thinking style and task increases actual and perceived task performance, decreases task difficulty, increases involvement, and improves mood—and if congruence effects are found for both rational and experiential tasks that require qualitatively different processing styles. Our findings contribute to the literature on congruence effects involving thinking styles, and argue for task specific thinking style being routinely measured as a process variable when considering performance on a broad range of consumer activities. For example, we find that for experiential tasks, a “low cognitive engagement” strategy results in relatively high performance, but at a personal cost to the respondent. This is a particularly interesting result since although low effort strategies hurt performance (accuracy) on rational tasks (e.g. Payne et al. 1993), but not on the experiential task–low effort strategies are psychologically detrimental as respondents employing a low effort strategy perceive the experiential task as more difficult and their mood and involvement suffers. This suggests that the effort-accuracy tradeoff may not apply to experiential tasks–thinking “too much” hurts performance, while thinking “too little” seems to help.

We also hypothesized that dispositional thinking style, an enduring predisposition toward predominantly rational or experiential thinking, plays a key role in determining the thinking style employed in a given task, beyond the demands of the task itself. Dispositional tendencies create heterogeneity in how different individuals approach the same task, contributing to congruence or incongruence of TSTS with the task. The results show that some of the variation in whether an experiential or rational thinking style is adopted for a task will result from dispositional tendencies. Thus, TSTS provides an important mediating link between a broad, dispositional cross-situational thinking style, and performance on tasks that are congruent or incongruent with a thinking style.

Our TSTS scales may also prove useful in reconciling apparent observed conflicts in thinking style. Some theories assume the two thinking styles work in a mutually exclusive manner (Brewer 1988; Fazio 1986). Others assume sequential processing, with the more rapid experiential thinking preceding rational thinking (Fiske and Neuberg 1988; Gilbert 1989; Wegener and Petty 1995). Our approach, following Epstein (1991) and other modern dual process theories, assumes the two operate both simultaneously and sequentially. While our experimental tasks indicated largely oppositional effects of the two styles, it is likely that other tasks might demonstrate synergistic effects, with both experiential and rational TSTS correlating positively with task performance (in this case, the “dual thinking styles” strategy we observed in some of our experiments would be optimal). For example, Donovan and Epstein (1997) demonstrated that priming intuitive knowledge can facilitate intellectual performance, and Norris and Epstein (2003a) demonstrated numerous situations in which both thinking styles predict in the same direction.

Our findings are also relevant for everyday activities consumers engage in. The thinking style differences we observed on laboratory performance tasks suggest we can and should expect to find differences in rational compared to experiential task-specific thinking for work vs. play (Babin, Darden and Griffin 1994; Hammond, McWilliam and Diaz 1998; Wolfimbarger and Gilly 2001), directed vs. nondirected search (Bloch Sherrell and Ridgway 1986; Bloch, Ridgway and Sherrell 1989), choice among specific alternatives vs. navigational choice (Hoffman and Novak 1996; Deci and Ryan 1985), and planned purchases vs. impulse buys (Rook 1987).

Recently, cognitive neuropsychologists have utilized brain imaging tools such as fMRI to support the presence in the brain of dual thinking styles (Goel 2003; Goel and Dolan 2003) and biochemical theories of emotion speculate that “gut reactions,” for example, may literally reside in one’s stomach (Pert 1997). Our empirical results demonstrating the importance of task-specific thinking style over and above dispositional thinking style for task performance may provide further impetus to scientists seeking neurological and chemical pathways that correspond to human cognition and task performance.

References


“Thinking Inside the Box: Why Consumers Enjoy Constrained Creative Experiences” Darren W. Dahl and C. Page Moreau

Since paint-by-number kits surged in popularity in the 1950’s, consumers have sought out products designed to assist them in being creative. “Self-expression for the time deprived” has created demand for products offered by firms ranging from specialty crafts (e.g., Martha Stewart) to home improvement (e.g., Lowe’s). Among the many products offering constrained creative experiences are kits (e.g., model trains, needlepoint), how-to guides (e.g., cook books, home repair, landscaping), and inspirational sources (e.g., home improvement programs). We consider these products as offering “constrained” creative opportunities because the products themselves explicitly constrain elements of the process (via a set of instructions) and/or the outcome (via a visual representation of the end product). The recent sales growth in these categories suggests that consumers value these constraints, and a central objective of this research is to understand why.

More specifically, the goals of this research are first, to understand consumers’ motivations for engaging in creative tasks and second, to examine how constraints influence the quality of those experiences. A qualitative study is initially used to address these goals. Two experiments then build on the qualitative results, offering the first experimental evidence documenting the conditions under which consumers enjoy creative activities. The experiments also measure and test specific mediators to explain why consumers enjoy such tasks.

In the qualitative study, twelve respondents from eight different hobby areas (woodworking, scrap-booking, sewing, cooking, model building, card-making, quilting, jewelry-making) discussed their motivations for undertaking their hobbies. They also explained how products in their areas (e.g., kits, books, classes) influenced their experiences. Data analysis from these interviews revealed seven different basic motivations for undertaking the creative tasks, with the needs of competence and autonomy the most frequently discussed. The data also helped to identify the key pros and cons offered by creativity products. Interestingly, most of the products influenced the needs for competence (positively) and autonomy (negatively).

The findings from the qualitative study suggested the relevance for cognitive evaluation theory (CET) for further studies of consumers’ creative experiences (Ryan and Deci 2000). The theory focuses specifically on two important determinants of self-motivation, the needs for autonomy and competence. Thus, we derive a series of hypotheses based on the theory to predict how the constraints imposed by creativity products (e.g., step-by-step instructions and target outcomes) will influence consumers’ motivations during and enjoyment of creative experiences. In the experimental studies, participants engaged in hands-on creative tasks: cookie-making and decorating.

In the first experimental study, two factors were manipulated between-subjects: (1) instructions (step-by-step provided vs. not provided) and (2) target outcome (picture of the final product provided vs. no picture provided). Participants were 100 undergraduate students who were each shown to their own cookie-making station which contained a set of tools, pre-made dough, pre-made white icing, food coloring, and cookie decorations. At that point, both experimental manipulations occurred and all participants proceeded in making their cookies. After completing the cookie-making process, participants completed a survey instrument that contained the dependent variables of interest: competence, autonomy, and task enjoyment.

The results reveal an interaction between the two constraints (instructions and target outcome) on task enjoyment, such that participants reported the highest levels of task enjoyment when a full set of instructions was provided without a target outcome. To better understand this interaction, we performed mediation tests which revealed that perceived competence fully mediated and perceived autonomy partially mediated the effect. When instructions were provided without a target outcome, perceived competence was at its highest. Perceived autonomy was also high under these conditions, and the relatively high levels of both of these factors resulted in the greatest enjoyment. Those receiving no target outcome and a set of instructions had both the ability to successfully follow task guidance (competence) and the freedom to create an individualized design (autonomy).

The first experimental study assumed no level of prior experience in the study participants, and through randomization, miti-
gated any effects that such differences would have on motivation and enjoyment. However, prior skill levels are likely to have an important influence, not only on one’s likelihood of purchasing a creative product, but also on the likelihood of enjoying the experience offered. Thus, the second experimental study examined the influence of skill level and one constraint (target outcome) on motivation and enjoyment. In this second study, all participants were provided with a full set of instructions. Target outcome was manipulated between-subjects, and prior baking skill was measured and subsequently dichotomized to create a high and a low skill group. The task and procedure was largely the same as that described in the first experimental study.

The results from this second study revealed that prior skill level may be a critical segmentation variable for manufacturers of creativity products. Those participants with low skill levels were able to achieve levels of perceived competence and task enjoyment comparable to those experienced by the high skill participants when a target outcome was dictated. Under these conditions, people of all skill levels had similar perceptions of task difficulty. For those with high skill levels, however, perceptions of competence and autonomy declined significantly when a target outcome was specified and consequently, task enjoyment declined as well.

While the study of creativity has received growing attention, Sternberg and Dess (2001) note that “we do not know enough about this important psychological process” (p. 332). Certainly this statement also applies to our understanding of consumers’ experiences during and motivations underlying creative tasks. While restricted in its scope, our research is designed to initiate a more thorough examination of consumers’ creative experiences.

**References**


“The Eye’s Mind and the Mind’s Eye: Impact of Overt Visual Attention on Creative Thinking” *Baba Shiv and Monica Wadhwa*

“Eyes cannot be held responsible when the mind does the seeing”…*Publius Syrus*

Scanning our visual environment is an activity, which human beings engage in most of our waking lives. As consumers, we constantly scan our market-environment for information. Furthermore, depending on the size of the visual field, scanning the market environment might involve either a broad or a narrow scope of overt attention. For instance, one could shop for a particular wine (say, Merlot) from an online wine market with all the wines cluttered in a narrow visual area, thereby requiring a narrow scope of overt attention. Or, one could shop for the same wine from an online market with all the wines widespread in a broad visual area, which would require a broad scope of overt-attention. Take another example, that of watching a movie on a weekend. One could watch a movie on a 17-inch TV screen, which would require focusing on a narrow visual area, or one could watch it on a 50-inch TV screen, which would entail focusing on a broad visual area. A question that arises is, would scanning a broad visual field versus a narrow visual field to search for a wine, or watching a movie on a 50-inch rather than on a 17-inch screen make one more creative in a subsequent task of coming up with creative gift ideas for a friend? We posed this question in a short survey to twenty consumers. All the survey respondents replied to this question in the negative, suggesting that based on common intuition, scanning the environment in one task should not impact creativity on a subsequent unrelated task.

Contrary to the common intuition, however, we argue that the way we scan our consumer environment can impact our creativity on a subsequent unrelated task. Specifically, we propose that a broad scope of overt attention can broaden the scope of covert attention, which, in turn can bolster creativity on a subsequent task. Our predictions are consistent with literature on visual perception, which suggests that the mechanisms underlying perceptual and conceptual attention are high correlated (Grosbras and Paus 2002; Kosslyn 1980). Furthermore, research on creativity suggests that a broad versus a narrow scope of internal attention is likely to bolster creativity (Mednick 1962). Thus, drawing upon the two streams of research, creativity and visual perception, we hypothesize that a broad overt attention associated with scanning a broad visual field is likely to enhance the covert breadth of attention, which can be beneficially applied to a subsequent consumer creativity task.

The results from our three studies support our predictions. In study-1, we utilized a movie-consumption (movie clips from the movie Top-Gun) task. Specifically, we manipulated the overt scope of attention by manipulating the size of the screen on which participants watched the movie. In the broad overt-attention, respondents watched the movie on a 50-inch screen, while in the narrow overt-attention respondents watched the movie on a 17-inch screen. Consistent with our predictions, respondents in the broad overt-attention condition generated more creative ideas than those in the narrow overt-attention condition. More interestingly, those in the broad overt-attention condition drew gift ideas from a significantly broader range of product categories than those in narrow overt-attention.

We replicated our results of study-1 in study-2 using a different consumption scenario. In study-2, respondents engaged in an online wine search task, and thereafter participated in the creative gift ideas task. Respondents were asked to search for Merlot wine from an online wine-market containing ten different wines. We manipulated overt attention by manipulating the size of the wine market. In the broad overt-attention condition, the wines were scattered across the screen covering the entire 15-inch display, while in the narrow overt-attention condition, all the wines appeared in the center of the screen in a small circle. Thereafter, as in study-1, all respondents participated in the creative gift-idea task. As in study-1, those in the broad overt-attention condition generated more creative ideas and drew ideas from a significantly broader range of product categories than those in narrow overt-attention condition. These results suggest that overt-attention impacts covert-attention, thereby impacting creativity on a subsequent task.

Our exposition thus far suggests that the breadth of covert attention with its concomitant effects on creativity is influenced by the overt attention associated with the size of the external visual field. Specifically, we suggest that the broad scope of overt attention bolsters the breadth of covert attention, which can be beneficially applied to a subsequent consumer creativity task. If our exposition is valid, then narrowing covert attention by asking respondents to restrict eye-movement and focus on one object in the scene versus focusing on the entire scene during the external attention task should attenuate the visual field effects on creativity in the broad-overt attention condition. This logic formed the basis to provide stronger evidence for our conceptualization in experiment 3. In experiment-3, respondents engaged in a car race task. Respondents were shown cartoon-car race clips on either an 8-inch or a 30-inch screen. Half of the respondents were made to restrict eye-movement by asking them to focus on a specific car in the
center of the screen, while others were asked to pay attention to all the cars on the screen. Consistent with our predictions, we show that in the broad-overt attention condition, the effects of scope of overt-attention on subsequent creativity task were attenuated when respondents were asked to restrict eye-movement. However, restricting eye movement did not impact performance on the subsequent creativity task in the narrow overt-attention condition.

Our results from the three studies suggest that a broad overt attention associated with scanning a broad visual field as opposed to narrow overt attention associated with scanning a narrow visual field enhances the scope of covert attention, which can be beneficially applied to a subsequent consumer creativity task. Our results have important implications for marketers’ merchandising strategies. In these studies, we manipulated broad versus narrow visual attention using three different strategies—a movie consumption task, an online wine market task and a car-race task. However, broad versus narrow visual attention can be activated using various in-store strategies such as store placement. Moreover, a lot of time retailers end up with an overstock of goods that they put on sale. It is likely that just manipulating the size of display could help consumers think of more creative uses for such items and therefore buy more of the assorted on-sale items.

References
The Process by Which Brand Committed Consumers Evaluate Competitive Brands: The Case for Similarity and Dissimilarity Testing

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EXTENDED ABSTRACT

Most research on brand commitment has focused on how people defend their attitudes when faced with information that undermines their attitudinal position. However, the effects of attitudinal commitment may not be limited to mounting defenses only when an individual’s attitude is challenged. As Chaiken, Liberman and Eagly (1989) observe, individuals not only resist information that is counter to their preferred positions, but may also actively undermine information that “supports non-preferred positions.” The process by which committed consumers evaluate competitive brands even when those brands do not attack one’s preferred brand is studied in this research. Specifically, the cognitive processes that are involved in generating the bias is examined.

When asked to make a judgment about an object, it is not made in isolation, but is made with reference to some other object or a standard. We first argue that high commitment consumers will choose the brand that they are committed to as the comparison standard while low commitment consumers are more likely to select an exemplar, or a prototype as the standard (See Raghunathan and Irwin 2001).

Next, since low commitment consumers are not ‘attached’ to any one brand they are likely to be more ‘inclusive’ in their focus while high commitment consumers are ‘exclusive’ in their intent since their focus is on preserving the existing brand attachment and have a reason to limit their consideration set. This inclusive versus exclusive focus of low versus high commitment consumers should translate to how they evaluate an advertised brand. Low commitment consumers, because of their interest in including other brands, will tend to look at the similarities between the advertised brand and their current set of preferred brands. On the other hand, high commitment consumers, because of their interest in excluding other brands, will focus on the differences between the advertised brand and their preferred brand. These differences in the type of processing that an advertised brand is subjected to will translate into differences in attitudes toward the brand for high versus low commitment consumers. The focus on similarities will make low commitment consumers assimilate the advertised brand toward their preferred brand (assuming the advertisement message is strong and persuasive). The focus on differences will make the high commitment consumers contrast the advertised brand away from their preferred brand (e.g., Mussweiler 2003). Three studies are reported that examine these predictions.

In the first study, the objective was to show that consumers who are more versus less committed to a brand will rate a new competitive brand differently due to differences in the level of similarity or dissimilarity they focus on. As expected, when provided an advertisement for a new brand, high commitment participants seemed to generate more dissimilar thoughts while low commitment consumers seemed to generate more similarity thoughts.

In the second study, a more specific test for similarity/dissimilarity testing was adopted. It was argued that if both high and low commitment consumers are instructed to focus on the similarities between their preferred brand and the advertised brand, the effect of the instructions on low commitment consumers should be marginal because they already focus on the similarities, but the effect of the instructions on high commitment consumers should be greater because it changes the nature of their processing and makes them focus more on the similarities between the two brands. The focus on similarities should lead the high commitment consumers to report greater similarity between the advertised and their preferred brand than they would do in the absence of such instructions. Thus, compared to a control condition, high commitment consumers who are instructed to focus on the similarities between an advertised brand and their preferred brand would report greater similarity between the two brands and more positive attitudes toward the advertised brand, whereas there would be minimal effect of such instructions on low commitment consumers. The results of this study confirmed these expectations.

Finally, the third study was conducted to test the proposition that high commitment individuals invoke their preferred brand as the standard while low commitment individuals invoke either an exemplar or prototype as the standard for comparison. Using a priming manipulation and argumentation similar to that we employed in study 2 we find that high commitment individuals have a more positive evaluation of the advertised brand when asked to focus on the differences between an advertised brand and a less preferred brand (rather than their most preferred, and therefore committed brand) However, since low commitment individuals are more inclusive and use an exemplar or prototype brand for comparison purposes, having them focus on the differences between a less preferred brand and the advertised brand had a less effect on their brand evaluations.

These set of studies suggest that committed consumers are more likely to invoke their preferred brand and focus on how the advertised brand is different from it. This process, we find, results in committed individuals contrasting the advertised brand away from their preferred brand, and thus lower their evaluations. On the other hand, we find that less committed individuals’ focus is on the similarities between the advertised brand and the brand they invoke. Due to the focus on similarities, less committed individuals are more likely to assimilate the advertised brand towards the brand that comes to their mind, and thus generate more positive evaluations.

While Ahluwalia (2000) found that high commitment consumers employ various biased processing mechanisms to counter information that attacks their attitudes, it appears that the biased processing mechanisms that are employed by high commitment consumers are different when faced with information about competitive brands. When faced with an advertisement for a competitive brand, high commitment consumers instinctively appear to adopt a ‘rejection’ mode of processing where they are seeking out ways to undermine the brand. This is accomplished primarily by contrasting the advertised brand away from one’s preferred brand by focusing on how the new brand is different from their preferred brand.

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Agent Gender and Sex-Typed Social Influenceability in Online Communication
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Past research in gender and social influence has repeatedly found that men are generally more influential than women in most persuasion settings (Carli 2001). Men have power and status based on expertise and authority; the typical role of men is to lead, direct, and accomplish goals through job-related competence; thus, men are “agentic.” Since persuasion is about changing attitudes and dominating over other’s issue positions, persuasive attempts could basically be considered a masculine, rather than a feminine, task. Thus, it is not surprising that men exert more social influence when it comes to hard-core persuasion than women do. However, women might achieve social influence differently. The traditional social role of women is that of care-taker. Women are expected to be domestic, communal, and submissive. Having relatively lower social status and less power than men do, women are expected to be nice and benevolent, not necessarily display power, assertiveness, and dominance. Having genuine interest in others well being, benevolent and feminine individuals are trusted by others and their recommendations can be accepted equally well.

To date, gender research has found ample evidence that gender-stereotypical sex roles are prevalent in interpersonal relationships. In this study, I revisit gender influenceability in the e-commerce context where consumers interact with a computer agent while shopping. The context of human-computer interaction (HCI) provides a unique environment where social characteristics, such as personality, of a computer agent can be created or even manipulated (Moon and Nass 1996). For example, a computer agent can be given an artificial gender identity that emulates that of a human being. How would people treat a computer agent when the agent assumes a human-like gender identity?

In this study, a computer agent simulation is conducted where a computer agent with a contrived male or a female gender identity (the first experimental factor) interacts with consumers who are in the market for digital cameras. The “gendered” agent provides product information and shows four cameras with detailed attribute descriptions. During the consumer shopping process, the gendered agent uses two different levels of sales aggressiveness (the second experimental factor). I argue that an agent’s counter product recommendation for a more expensive item could be interpreted as a display of confidence, aggressiveness and even self-interest, all of which are strong male stereotypes (Bem 1974). Based on sex-role stereotypes, a male agent’s use of aggressive sales tactic may be viewed as more acceptable than a female agent’s use of the same sales tactic. An overtly dominating and aggressive sales tactic used by a female agent may likely face consumer distrust because such behavior violates the traditional female sex-role.

The social influenceability of a computer agent in online communication is enhanced through consumers’ perceptions of the agent’s competence and benevolence. The more competent and the more benevolent the agent is perceived to be, the more likely consumers are to have intentions to trust the agent. Thus, I associate the influenceability of a (male or female) computer agent with subjects’ trust in the agent. Next, I discuss the multi-dimensionality of consumer trust by examining cognitive, affective, and intentional aspects.

**CONCEPTUAL BACKGROUND**

In this paper, I examine agent influenceability in terms of consumer trust. The basic premise of this paper is that a communicator can achieve higher social influence when one is trusted than not. Therefore, earning consumer trust means acquiring social influence. The importance of trust in interpersonal relationships as well as online-based relationships cannot be overstated in marketing, Golembiewski and McConkie (1975) note that “perhaps there is no single variable which so thoroughly influences interpersonal and group behaviour as does trust...”. Trust is the fundamental driver of interpersonal relationships and social order (and disorder) and has been studied extensively. Trust facilitates one’s decision-making when finding relationship and/or business partners. In the sales literature, the dependability of a retail salesperson is among the buyer’s most critical concerns. Furthermore, trustworthiness is found to be of the greatest importance among the many characteristics of a salesperson (e.g., friendly relationship, personable style, patient buying assistance, and quick service) for the buyer to determine future business with the salesperson (Hawes, Rao, and Baker 1993).

Consumer trust is multidimensional—having cognitive, affective, and intentional aspects (Lee 2002). Cognitive trust is based on an agent’s competence. Lewis and Weigert (1985) views trust as predictions and expectations that an agent will perform a job competently. The definition of trust by Rempel, Holmes, and Zanna (1985) suggests that trust is merely the degree of confidence one thinks about a relationship. Another definition by Zaltman and Moorman (1988) suggests that trust represents the extent to which the parties can predict one another’s performance; having faith that the other party will perform in a responsive manner with expertise and knowledge.

Trust also has an affective component. Luhmann (1979) suggests that true trust begins where (cognitive) knowledge ends. Benevolence refers to genuine interests in the other party’s welfare (Rempel, Holmes, and Zanna 1985), and a “genuine responsiveness” to the needs of the other party (Friedland 1990). In close interpersonal relationships, trust is often conceptualized in terms of attributions concerning the partner’s benevolence (Deutsch 1962; Giffin 1967; Pearce 1974). Benevolent partners have genuine, friendly interests in the other party’s welfare (Rempel and Holmes 1986), aside from their egocentric motives (Mayer, David, and Schoorman 1995). Thus, perceiving a partner’s benevolence includes feeling close to and cared by a partner who is on the trustor’s side, because the partner cares about the trustor’s best interest, not his or her self-interest.

Finally, trust is intention. Giffin (1967) cites risk as an essential element of trust. When one trusts another, something is risked by the trustor. Zaltman and Moorman’s (1988) definition of trust adds the “intentional” dimension to the meaning of “trusting.” Often trust represents the trustor’s willingness to depend on the trustee in a complex, uncertain, and risky situation. According to Rousseau et al. (1998), trust is better understood as the intention to rely on a partner-a psychological state to accept vulnerability based on positive feelings (affective basis) and expectations (cognitive basis) (Rousseau et al. 1998, p. 395). If one truly trusts an agent, one must be willing to rely on the agent in the decision-making process (Moorman, Zaltman, and Deshpande 1992), and willingly be ready to place one’s resources at the disposal of the agent (Coleman 1990; Rempel, Holmes, and Zanna 1985; Zand 1972). Accordingly, trusting intentions can be defined as the willingness to delegate decision power to the party to be trusted.

Given that consumer trust can have three aspects (competence, benevolence, and trusting intention), if a “gendered” agent demon-
strates a recognizable aggressiveness in his/her sales tactic, what role does the agent’s sex play in subjects’ evaluation of the competence and benevolence of the agent, and the intention to trust the agent?

**HYPOTHESIS**

Past research in gender influence has found that in general men are perceived to be more influential than women. Gender stereotyping includes greater scrutiny of women’s assertive leadership behaviors and greater acceptance of men’s display of competence and knowledge. Carli (2001) notes that “men have more right to act as authorities as than women do, and that women must communicate communal motivation more than men. As a result, not only would people generally be more open to the influence of men than that of women, but women’s influence would be more conditional than men’s, dependent on the use of an influence style that corresponds prescriptively to the stereotypical female role” (p.726).

As noted earlier, empirical evidence shows that women are in general less influential than men are in persuasive communication setting. Such influenceability differential by agent gender depends on the context of interaction with various moderating influences in operation. People are more open to the influence of men than that of women, and more importantly, whatever influence women can achieve may be more conditional than men’s. Gender-typing of the task is one example; women’s influence is found only in feminine and domestic tasks (Carli 2001). The importance of masculine competence might become more pronounced in masculine areas such as technology and management than in feminine areas (Carli 2001). The Persuasion Knowledge Model (Friestad and Wright 1994) also suggests that consumers expect the content and type of message (e.g., information on masculine products) to be consistent with the characteristics of a communicator (e.g., male gender identity).

Since competence and power are masculine traits, unless women temper their expertise or agency with displays of communality, warmth, and niceness, prescriptive sex stereotypes can reduce competent women’s likeability and influenceability (Rudman and Glick 2001). Such prescriptive sex stereotype can penalize women whose communication style appears to be too agentic and masculine (Rudman and Glick 2001). A male communicators’ display self-confidence can be taken as competence; while similar presentation of masculine assertiveness by a female communicator can create a backlash effect in the form of losing audience trust (Rudman and Glick 2001).

Agent’s sex and sales aggressiveness are the two focal manipulation factors in this experimental study. The experimental procedure and simulation protocols are as follows. Agent’s sex was manipulated using gender-typical names (John or Jane) and faces (a male or a female cartoon face with the warm script). In order to vary the levels of aggressiveness in sales tactic, recommendation price and a display of agent’s self-confidence were used. Under a more aggressive condition, the agent would counter the consumer’s original choice of camera with another camera that was 10% more expensive and said “I am sure that this is a superior choice than your earlier choice of camera.” In a less aggressive condition, the agent quoted a price that was 10% less expensive for the same camera and said “I think you might like this camera better than your earlier choice of camera.” In both conditions, the cameras recommended by the agent were identical except for the price.

Making a recommendation that can invalidate a subject’s own choice is a dominating behavior in itself and can trigger reactance to the invasive recommendation (Fitzsimmons and Lehmann 2004). When the sales recommendation involves a price upgrade, it can be considered a display of confidence, independence, dominance, and even self-interest, all of which are strong male stereotypes (Bem 1974). Therefore, I hypothesize that when a female agent makes a price upgrade recommendation, she will suffer from significant loss of consumer trust in terms of deterioration of perceived competence, benevolence, and trusting intention—due to the mismatch of her dominating/aggressive behavior with the submissive and compliant female stereotype. However, a male agent’s identical behavior will less likely result in the loss of his trustworthiness as a result of the male stereotypes of self-assurance and dominance. Accordingly, my research hypothesis addresses these sensitivity differentials based on agent gender on all three dimensions of consumer trust, when the agent makes an aggressive price upgrade recommendation.

H1: As the agent adopts a higher, as opposed to a lower, level of aggressiveness in sales tactic:

(a) the perceived competence of a female agent will diminish to a greater extent than the perceived competence of a male agent will;
(b) the perceived benevolence of a female agent will diminish to a greater extent than the perceived benevolence of a male agent will; and
(c) subjects’ intention to trust a female agent will diminish to a greater extent than their intention to trust a male agent will.

In the next section, I explain the experimental procedure that tests the aforementioned research hypotheses using a computer agent simulation.

**METHODOLOGY**

This study employed a 2 (agent gender: male and female) X 2 (aggressive price recommendation: 10% less expensive and 10% more expensive) between-subject design. Subjects were recruited from a population of young adults (undergraduate college students) in a large land-grant US University. Undergraduate students were deemed appropriate for this online consumer behavior experiment, because they generally spend considerable time on the Internet. A total of 95 students participated in the experiment. Students were randomly assigned to one of the four conditions.

**Interface Protocol.** The experiment required some computer-programming resources in order to enable different social characteristics of the computer agent, e.g., agent gender. Macromedia’s Authorware 5.2 was utilized to create the prototype of the agent program. The base protocol of the shopping simulation included several sections including (1) a brief introduction of the agent (in the male agent condition, a male face with the name of John was projected on screen; in the female agent condition, a female face introduced her as Jane); (2) provision of information about important features of digital cameras (e.g., resolution, screen size, and zoom size) (3) Agent’s request for subject input regarding the importance of each feature when purchasing a digital camera; (4) Agent’s presentation of four cameras that could match the respondent’s preferences revealed from the preference inquiry in section #3; (5) subject choice of one camera among the four cameras shown in section #4; and (6) Agent’s recommendation of a different camera that had two levels of upgraded features and was 10% more (or less) expensive than the subject’s earlier choice of camera in section #5.

**Measures.** Competence is the confidence in the agent’s capability with respect to the role performance. The following measurement items were adopted and modified from what had been origin-
nally proposed by Smith and Barclay (1997), Geller (1999), and Moorman, Zaltman, and Deshpande (1992): (1) When it came to camera, [Agent name] knew enough to give me a good advice; (2) I trust [Agent name]’s expertise in cameras; (3) I had confidence in [Agent name]’s knowledge about cameras.

The following measure for benevolence were modified from the previously published scales by Ganesan (1994), Hawes, Rao, and Baker (1993), and Price and Arnold (1999): (1) [Agent name] seemed to care about me; (2) [Agent name] made me feel good; (3) [Agent name] was like a friend during the shopping experience; I felt close to [Agent name] during the shopping; and (5) [Agent name] responded to my needs in a caring way (a new item created for this study).

Trust intentions were measured using the following items modified from by Moorman, Zaltman, and Deshpande’s measures (1992): (1) I was willing to let [Agent name] make important choice decisions for me; (2) I was willing to trust [Agent name] to make camera purchases even when I was unable to monitor his/her activities; and (3) I would be comfortable giving [Agent name] responsibility to make camera purchase decisions for me. At the end of experiment, respondents were debriefed and thanked for their participation. Reliability for the three trust scales was acceptable (Competence Chronbach’s alpha=0.77; Benevolence Chronbach’s alpha=0.90; Trusting Intention=0.74) and thus a summed score of each trust construct was used for subsequent statistical analyses.

Manipulation Check. All subjects answered correctly when asked about the gender of the agent they interacted with while shopping for cameras. Subjects were also asked to choose from the following whether the camera recommended by [Agent name: John or Jane] was (1) more expensive; (2) the same price; or (3) less expensive than their own choice. All subjects answered correctly. Respondents then evaluated the level of aggressiveness of agent’s sales tactic using a 5-point scale ranging from “not at all aggressive” (=1) to “extremely aggressive” (=5). Respondents evaluated the agent recommending a 10% price upgrade with strong self-confidence to be more aggressive (M=2.98) than the agent recommending a 10% price discount (M=2.58, t=2.06, p=0.04). In order to check for potential confounding, the agent’s attractiveness and likeability were measured using a seven-point semantic differential scale. The results of t-tests demonstrated that the male and female agents did not differ significantly in terms of attractiveness (t=0.29, p=0.76), likeability (t=0.08, p=0.93), attitude toward agent (t=-0.51, p=0.60), perceived agent warmth (t=-0.77, p=0.44), or perceived agent coldness (t=-0.32, p=0.74). In addition, for the items of “I was confident about the agent’s expertise,” the male and female agents did not differ significantly (t=1.41, p=0.16), although the male agent received a slightly higher mark (M<sub>male</sub>=3.66, M<sub>female</sub>=3.44).

RESULTS

A multivariate analysis of variance (MANOVA) was conducted using the three summed scores of agent competence, agent benevolence, and trusting intention as dependent variables and two manipulation factors (agent gender and aggressive price recommendation). The mean figures are shown in Table 1. The multivariate test showed that the MANOVA model was overall significant (Wilks’ Lambda=0.02, p=0.00; Hotelling’s T<sup>2</sup>=36.81, p=0.00). The multivariate main effect of agent gender on the three trust scales was only marginally significant (Wilks’ Lambda=0.92, p=0.00; Hotelling’s T<sup>2</sup>=0.08, p=0.06), and the multivariate main effect of aggressive price recommendation was insignificant (Wilks’ Lambda=0.93, p=0.12; Hotelling’s T<sup>2</sup>=0.06, p=0.12).

In order to test the research hypothesis, I examined the interaction effect between agent gender and aggressive price recommendation on each trust construct. Given the sex role stereotype, female agent’s aggressive product recommendation (i.e., recommending a product that is more expensive than the anchor price) is incongruous with the typical female sex role, it was earlier hypothesized that subjects’ trust perceptions about the female agent’s competence, benevolence and trusting intention would erode to a greater extent than their perceptions about the male agent would.

The results of planned contrast tests showed that H1 was overall supported. For the female agent, the perceived competence diminished significantly (F<sub>1, 46</sub>=4.03, p=0.05) when the agent adopted a more aggressive sales tactic (M=13.47) than when the agent adopted a less aggressive sales tactic (M=14.70). However, for the male agent, the difference in perception of the agent’s competence by the higher recommendation price (M=15.20) compared to the lower recommendation price (M=14.29) was not significant (F<sub>1, 46</sub>=1.29, p=0.26). Thus, H1a was supported. Interestingly, there was directional evidence, while insignificant, that the male agent could be perceived to be more competent when he recommended a higher-priced camera compared to when he recommended a lower-priced camera, which was opposite to what was observed with the female agent, because her attempt at up-selling did weaken subjects’ perception about the female agent’s competence. For the male agent, the perceived benevolence did not diminish significantly (F<sub>1, 46</sub>=0.30, p=0.58) as a result of increasing sales aggressiveness (M<sub>high price</sub>=14.25 vs. M<sub>low price</sub>=15.03). However, the same attempt to switch subjects to a higher-priced item resulted in a significant weakening of the perceived benevolence of the female agent (F<sub>1, 46</sub>=5.28, p=0.02, M<sub>low price</sub>=16.59 vs. M<sub>high price</sub>=14.28), thereby supporting H1b. The contrast test between the male and female agents again demonstrated female vulnerability in terms of trusting intention. A more aggressive sales tactic did not affect subjects’ intention to trust the male agent (F<sub>1, 45</sub>=0.79, p=0.37; M<sub>high price</sub>=8.50 vs. M<sub>low price</sub>=9.18), but it negatively affected subjects’ intention to trust the female agent (F<sub>1, 45</sub>=4.03, p=0.05).

<table>
<thead>
<tr>
<th>Agent Gender</th>
<th>Sales Tactic</th>
<th>Competence</th>
<th>Benevolence</th>
<th>Trusting Intention</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>Non-Aggressive</td>
<td>14.29</td>
<td>15.03</td>
<td>9.18</td>
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<tr>
<td>Male</td>
<td>Aggressive</td>
<td>15.20</td>
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<td>Female</td>
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<tr>
<td>Female</td>
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<td>13.47</td>
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I also checked for potential influences of subject sex on three trust constructs and found no significant main effect of subject sex, nor was the interaction effect between subject sex and agent gender on competence, benevolence, and trusting intention found to be significant.

DISCUSSION

Among various communicator attributes that enhance influenceability, competence and benevolence are essential factors people use to assess the validity of information provided by the communicator. A competent agent can provide valid information because s/he knows what is right and wrong based on expertise and knowledge. A benevolent agent will provide the best information within his/her knowledge based on genuine willingness to help and serve customers. Biernat and Fuegen (2001) note that “the very essence of gender stereotype defines men to be instrumentally competent and agentic compared to women” (p.707).

The gender stereotypes also prescribe women to be less task-competent and more submissive than men because women are traditionally associated with the homemaker role (Fuegen et al. 2004). Leadership traits are also gendered (Kawakami, White, and Langer 2000). Since leaders are expected to be competent, task-oriented, masculine, and even “charismatic,” a successful leadership role may conflict with the traditional female gender stereotype. Carli (2001) notes that since people are more open to the influence of men than that of women, whatever influence women can achieve is more volatile than men’s. Kawakami, White and Langer (2000) describe a women’s paradox. If women adopt a masculine leadership style, they will be disliked and if they adopt a nurturing female leadership style, they will be liked, but deemed incompetent. Thus, when women hold leadership positions, they are vulnerable to “prejudiced evaluations and lowered effectiveness” (Eagly et al 1995, p.126).

While the gender of a communicator could be a peripheral cue (background variable) rather than central (issue-relevant) information in the context of the Elaboration Likelihood Model (ELM, Petty, Cacioppo, and Schumann 1983), subjects often associate communicator gender with content expertise, such as men have more expertise than women, for example in technology arena. The Persuasion Knowledge Model (Friesdant and Wright 1994) proposes that experts deliver strong messages and non-experts deliver weak messages. Thus, male salesmen are expected to make strong recommendations based on competence and confidence, whereas female sales associates are expected to deliver weaker (and benevolent) product recommendations. When these expectations are violated, consumers might engage in deep cognition to look for an answer. If the source (a female agent) has an apparent self-interest (e.g., seeking more profits) in her advocacy for higher priced products, “the inconsistency between message and source is interpreted as a manipulative mal-intent and evokes a negative response” (Arzt and Tybout 1999, p.52). My experiment results suggest that male communicators’ display self-confidence in technology can be taken as competence; a display of masculine assertiveness by female communicators can engender a backlash effect in the form of her losing consumer trust.

IMPLICATIONS

The results of this study shed light on salesmanship and leadership for both genders. For male salesperson, competence is the major influence factor and a male agent who is perceived to possess sufficient expertise and competence can make a strong sales recommendation to upgrade consumers’ product choice without losing his credibility. Introduction of higher-priced items by a male agent can be even viewed as a display of expertise and self-confidence in content knowledge especially in the sales of male-oriented products. On the other hand, women stereotypically are not expected to have much expertise in technology. Therefore, a female (and supposedly non-expert) agent’s recommendation of higher-priced cameras could have triggered consumer doubt of her hidden motives, and as a result, consumers might have readjusted their evaluation of her based on this evidence of dishonesty and self-interest. A better sales technique for a female agent that could have been a recommendation of an alternative which provides a better value to a customer. A subtle delivery of non-aggressive product recommendations by a female agent could have been taken as a sign that she is honest and cares about the customer, thereby possibly enhancing her influenceability via a display of feminine benevolence.

Given the fact that during the past decade, the number of women occupying and seeking managerial and leadership positions have grown exponentially, my results have important implications for women in leadership positions. Women in leadership positions in male-dominated areas should not lose benevolence and genuineness while they seek higher social influenceability through masculine charisma. A woman leader in a managerial position who appears to be competent and benevolent at the same time, demonstrating an androgynous leadership style may likely achieve higher social influence than a female leader who is simply masculine and dominating (Bem 1974).

CONCLUSION

The purpose of this experiment was to examine the sex-typed influenceability of male and female agents when a computer agent utilizes two different product recommendation styles. In one condition the agent attempted to switch consumers to a more expensive alternative, and in the other condition, to a less expensive product. If the agent were an effective persuader, subjects would likely trust the agent even after the price upgrade attempts. On the other hand, if the agent were not an effective persuader, such attempt would be detrimental to the agent’s credibility. How would the agent’s gender interact with individuals’ evaluation of the agent competence, agent benevolence, and their intentions to trust the agent?

This study revisited the issue of gender and social influence in the e-commerce context where consumers interacted with a computer agent program that had a contrived gender identity. The results of my study confirmed female vulnerability when she assumed an assertive salesman style that is inconsistent with typical female stereotype. It was found that the female agent suffered from a significant loss of influenceability when she adopted an aggressive recommendation style. Subjects thought that the more aggressive female agent was less competent, less benevolent, and thus they were less likely to trust her.

Based on the experimental findings that subjects’ judgment of agent’s trustworthiness was affected solely by the contrived gender identity, not by what the agent did or said, I argue that male and female agents could achieve social influence differently because an individual’s initial assessment of the agent’s trustworthiness is socially constructed, being affected by prevailing sex role stereotypes. Male salespersons could enhance their competence and product expertise to increase their influenceability. Female salespeople should communicate their genuine interest in the customer’s welfare and their willingness to serve the customer. In male-
dominated product areas, a female agent might not want to make aggressive product recommendations hastily, because the gender stereotype could cause a backlash and harm her credibility.

The limitation of this experiment is that I used only one consumer electronics product that could be rather male-oriented. Eagly, Karau, Makhijani (1995) found, in their meta-analysis, that leadership effectiveness depended on the gender-typing of a task, i.e., men are more competent than women in male-oriented domains, and women are more effective than men in female-oriented arenas. Future research should examine how gender product-typing can interact with communicator gender identity in achieving high social influence. For example, if a female product (e.g., lipstick) is used, a female, as opposed to a male, agent has higher content expertise. In such a case, will a female agent still be penalized for an aggressive upgrade recommendation? How will a male agent be viewed if he makes aggressive recommendations for the products he does not have much expertise? Since the current experiment provides evidentiary data of online viewers’ discriminatory practice toward female-gendered computer agents who behaved in a masculine style, future research needs to investigate whether online viewers would seek the same level of gender-norm compliance from male-gendered agents in online sales encounter.

In conclusion, by adopting a unique research context in which a computer agent interacts with human consumers, I found that computer agents in human-computer interaction (HCI) are not free from sex-role stereotypes, even if the gender identity of the computer agent is contrived. Female identity becomes a disadvantage when the job description requires an assertive salesman style that is inconsistent with typical female stereotype. Therefore, marketers are advised to select different sales technique if their online agents are “gendered.”

REFERENCES


Let Your Workspace Speak for Itself: The Impact of Material Objects on Impression Formation and Service Quality Perception

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ABSTRACT

Inspired by studies exploring the role of material objects in impression formation, the impact of personal and professional objects on person perception and service quality evaluation were investigated in a healthcare setting. Results showed that material objects affect service quality perceptions through a cognitive route, incorporating office professionalism and perceived competence of the physician, and through an affect-driven route, incorporating attractiveness of the office, agreeableness of the physician and experienced affect. In healthcare services, this affect-driven route seems to be of particular importance.

INTRODUCTION

Among consumer researchers, environmental psychologists, and marketers it is well established that products and material objects present meanings beyond their appearance and function; people surround themselves with possessions that express and reinforce a personal identity (Belk 1988). Schlenker (1985) assumed that by creating and altering their environments, people may try to display a more glorified picture of themselves. Not only do we use objects as a means for self-expression, but other people use such information in everyday settings to form impressions of what occupants of specific environments, e.g., houses or offices, are like (Gosling et al. 2002).

In order to explain the mechanisms through which individuals impact their personal environments and the ways in which observers draw inferences about occupants of such environments, Brunswik (1956) proposed his ‘lens model’. In his view, physical objects in the personal environment can serve as a lens through which observers perceive underlying constructs such as the occupant’s interests, personality or values. A framed picture of a happy family in an office, for instance, can serve as a lens ‘through’ which an observer perceives the occupant as empathetic or warm. Similarly, an observer may infer from a baseball hat on a cabinet that the occupant is interested in sports. Naturally, observers will try to attend to those cues that are most accurate in conveying the true identity of the target person.

The degree to which people attend to environmental cues is likely to vary with the type of setting. Particularly in novel or ambiguous situations, i.e., situations in which standardized scripts or clear-cut information are lacking, people are likely to form impressions, judgments and perceptions based on objects present in the physical environment (Kay et al. 2004). In order to reduce uncertainty, resulting from the absence of clear-cut information, customers are likely to attend to aspects of the tangible environment (Verhoeven, Pieterse, and Pruyn 2006). In services marketing literature, uncertainty is often assumed to vary with information verifiability. In credence services, dominant attributes cannot be verified by the average consumer (even after purchase and consumption), because (s)he lacks the technical expertise or the means to make a reliable assessment, or because claim verification would take an unrealistically long time (Darby and Karni 1973; Zeithaml 1981). It can be argued, therefore, that the effects of the physical environment on impression formation are more pronounced for services characterized by low information verifiability (i.e., credence services) than they are for services with high information verifiability (i.e., experience services).

Although the significance of environmental cues in commercial (Turley and Milliman 2000) and healthcare settings (Dijkstra, Pieterse, and Pruyn 2006) is well established, less is known about the effects of particular objects and the processes underlying this type of impression formation. Do objects in a doctor’s office, for instance, primarily affect us on an affective level or do they first and foremost impact our cognitions? To provide an answer to these questions, we employed an experimental design, using simulations of service environments, to study the effects of two types of objects commonplace in offices: objects relevant to the profession of the occupant and objects expressive of personal tastes and interests. It is our contention that these types of objects are particularly influential with respect to ratings of doctors on perceived competence and perceived friendliness or empathy: attributes referred to as ‘hard’ and ‘soft’ respectively (Driver and Johnston 2001). Since these constructs are considered primary determinants of service quality perceptions (Driver and Johnston 2001), we will also assess the relative contributions of these attributes on perceived quality of care. Before elaborating on our design, however, we will discuss studies that have explored the role of specific types of objects in organizational contexts.

THEORETICAL BACKGROUND

Several studies have assessed the role of overall office design on perceived traits of office occupants (Cherulnik and Sounders 1984; Tedeschi and Melburg 1984). Cherulnik and Sounders (1984), for instance, showed that occupants of high-status offices are judged as more neat, critical, sincere, intelligent, proud, responsible, ambitious and less superstitious, gullible, lazy and noisy than occupants of low-status offices. Of particular interest to our present purpose are studies that have explored the role of particular objects using experimentally manipulated slides of offices (Campbell 1979; McElroy, Morrow and Wall 1983; Morrow and McElroy 1981). Morrow and McElroy (1981), for instance, showed that the presence of status symbols (e.g., diplomas) led to higher ratings on occupants’ achievement orientation and rank. They further found that friendliness, extroversion and feelings of welcomingness in office settings in part relate to the arrangement of furniture, mirrored in an ‘open’ (desk against the wall) or ‘closed’ (desk between occupant and visitor) setup (Morrow and McElroy 1981).

Although in these studies the effects of specific kinds of objects or set-ups were studied, environmental cues are not perceived in isolation; rather, their combined effects give rise to a holistic image that shapes subsequent consumer experiences, comprising both affective and cognitive components (Bloch 1995). In this process, observers ‘transfer’ perceived characteristics of the physical environment to the occupant. Clearly, design aspects of offices can, in line with the needs of office occupants, convey different ‘messages’ (Ornstein 1989). People may in some situa-

1 The authors gratefully thank Johan Jonker, Albert Polman and Dr. Job van der Palen for their assistance in developing the panorama photos.
tions desire to be looked upon as high-status or powerful (hard attributes), but at other times as involved, caring or friendly (soft attributes). Arguably, office professionalism impacts perceptions of physicians in terms of hard attributes whereas office attractiveness shapes perceptions of physicians in terms of soft attributes. With respect to financial services, e.g., a bank, it may be crucial (from a managerial point of view) to foremost foster impressions of competence or professional success, whereas our choice for a general practitioner may sooner be based on perceptions of the personnel’s friendliness or involvement.

This process of impression formation has been shown to play a particularly important role in Service Quality appraisal (Grove and Fisk 1989). As services are actions or performances rather than products, in the eyes of customers the employees delivering the service are the service (Zeithaml, Bitner, and Gremler 2006). As a result, the evaluation of the service hinges on the consumer’s impression of the service provider. A similar line of reasoning holds that services are hard to evaluate due to the specific characteristics (i.e., intangibility, heterogeneity, simultaneous production and consumption and perishability), and that therefore customers form expectations about the quality of service based on their impressions of the organization and the employees (Parasuraman, Zeithaml and Berry 1985). Several studies indicate that emotions arising from interactions with personnel and the environment (Mehrabian and Russell 1974) shape such expectations and are thus critical factors in the appraisal of service quality (Chebat, Davidow, and Codjovi 2005; Laroche et al. 2005). In line with these studies, we propose that affect positively influences perceived service quality. The foregoing discussion leads us to propose the conceptual model depicted in Figure 1.

**METHOD**

**Pretest**

To make an informed decision regarding the selection of stimulus materials for our study, a pretest was conducted among 54 students (13 males, 41 females; mean age 19.7) of the University of Twente. They were instructed to carefully watch 10 pictures of objects commonplace in a physician’s office and imagine what a male physician with the displayed object in his room would be like. For each of the 10 pictures, they were asked to rate the personality of the physician on a 39-item personality scale. The questionnaire consisted of the 35 items in the Big Five personality questionnaire (Goldberg 1992) and some traits typically relevant for physicians: ‘professional’, ‘expert’, ‘reliable’ and ‘involved’. For each of the 39 traits, participants indicated on a nine-point scale to what extent they considered these applicable to the physician. Each participant rated 10 pictures. In total, 20 pictures of objects were tested.

Exploratory factor analysis was conducted on the 39 personality traits. Based on the total explained variance and the interpretability of the factor structure, a five factor solution was adopted. An examination of the terms composing each factor led to naming them as follows: Competence (e.g., professional, responsible, intelligent; α=.91), Agreeableness (e.g., warm, kind, involved; α=.90), Extraversion (e.g., energetic, talkative, assertive; α=.85), Emotional stability (e.g., calm, relaxed, at ease; α=.83) and Creativity (e.g., imaginative, creative, curious; α=.73). On the whole, this factor structure resembles the structure reported by Goldberg (1992). However, some traits of the original intelligence factor (‘intelligent’, ‘analytical’ and ‘reflective’) and some of the added items (‘professional’, ‘expert’ and ‘reliable’) loaded on the conscientiousness factor, broadening the meaning of the factor to ‘competence’. For this study, only the first two factors, deemed most important, will be discussed and elaborated on.

Out of the 20 objects, the six objects that received the highest scores on competence were selected for the professional condition: scientific articles, a medical illustration, professional books, a framed master’s certificate, a mockup of lungs and a mockup of respiratory organs. The six objects that scored highest on agreeableness were selected for the personally expressive condition: a miniature ship, African sculptures, toy cars, a speaker set, a soccer team shawl and a decorative hat. Interestingly, objects receiving

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**FIGURE 1**

A conceptual model of cognitive and emotional effects of material objects
high scores on competence received low scores on agreeableness and vice versa: a physician displaying a professional object was judged as more competent ($\eta^2=.38$, $p<.001$) and less agreeable ($\eta^2=.09$, $p<.001$) than a physician displaying a personally expressive object.

In addition, participants were asked to rate four scenarios in order to check the verifiability manipulation (i.e., the degree to which a procedure can be evaluated after its completion). Based on these results, a 'credence' scenario (describing a procedure that cannot be evaluated after service delivery) and an 'experience' scenario (describing a procedure that can easily be evaluated) were selected. Participants indicated that, after the treatment, they were better able to evaluate the success of the 'scar treatment' (the experience scenario) than the success of the 'Hepatitis B treatment' (the credence scenario) ($\alpha=.93$, $p<.001$). Both scenarios are presented in the next section.

**Design and Procedure**

A two (professional vs. personally expressive objects) x two (experience vs. credence service) scenario design was employed for the purpose of this study. All 81 participants were individually invited into the research lab. The instructions and scenarios were displayed on a computer screen and read as follows:

**Scar treatment (experience condition):**
A scar on your cheek has been bothering you for quite a while. Now you really want to have it removed, so you decide to call for an appointment with a doctor. Not knowing what to expect, you search for information on the Internet. As it turns out, you will be able to evaluate the result of the surgery right after the procedure. At the time of the appointment you check in at the hospital. As the physician is not quite ready to see you yet, an assistant takes you into his office and asks you to wait. While waiting you take a good look at the physician’s room.

**Hepatitis B treatment (credence condition):**
You’ve recently paid a visit to a blood bank for the very first time. They tested your blood on several diseases. As it turns out, you are suffering from Hepatitis B, an infection of the liver. You never noticed anything and you don’t know what needs to be done. You decide to call for an appointment with a doctor. Not knowing what to expect, you search for information on the Internet. You learn that you won’t be able to evaluate the result of the intervention after the procedure since you did not, and will not, have any noticeable symptoms. At the time of the appointment you check in at the hospital. As the physician is not quite ready to see you yet, an assistant takes you into his office and asks you to wait. While waiting you take a good look at the physician’s room.

Prompted by the instructions, participants next explored a QuickTime 360 degree panorama photo of a room containing either the professional objects or the personally expressive objects (see Figure 2). Using the mouse, participants were able to control speed and angle of presentation. After 70 seconds, the view switched to a 6-second movie presentation of a doctor stepping into the office apologizing for the wait. Subsequently participants were asked to fill out the questionnaire.

**Measures**

To assess the impact of the experimental manipulation on participants’ impressions of the physician, participants were asked to rate his personality on a computer-administered 39-item personality questionnaire (identical to the one used in the pretest). In line with the results from the pretest, exploratory factor analyses revealed the same factorial structure. Cronbach’s alphas for the five factors ranged from .71 for Creativity to .94 for Competence.

The cognitive evaluation of the service environment was measured using a 13-item environmental appraisal scale, including the 10-item environmental appraisal scale (Bitner 1990) and the items 'appearing friendly', 'comfortable', and 'clean'. Two factors emerged from an exploratory factor analysis conducted on these items: Professional (e.g. efficient, organized, professional; $\alpha=.82$) and Attractive (e.g. pleasant, attractive, comfortable; $\alpha=.92$). The emotional response was assessed with a 6-item pleasure scale (Mehrabian and Russell 1974). This scale proved to be one-dimensional and reliable ($\alpha=.93$). An adjusted SERVQUAL questionnaire (Parasuraman, Zeithaml, and Berry 1988) was used to determine the evaluation of the service ($\alpha=.93$).

**RESULTS**

Analysis of variance showed that participants in the professional condition rated the office as more professional ($M_{professional}=5.18$) in comparison to participants in the personally expressive condition ($M_{personally expressive}=4.67$, $F(1, 79)=4.09$, $p<.05$, $\eta^2=.049$). However, the office manipulation did not have a direct effect on perceived physician’s competence ($F(1, 79)=.23$, NS) or agreeableness ($F(1, 79)=.55$, NS). The office containing professional objects was judged as less attractive ($M_{professional}=2.76$) than the office containing personally expressive objects ($M_{personally expressive}=4.67$, $F(1, 79)=7.41$, $p<.01$, $\eta^2=.086$). Consistent with the latter finding, participants in the professional condition reported to have less positive emotions ($F(1, 79)=5.97$, $p<.04$, $\eta^2=.070$), and a lower perceived service quality ($F(1, 79)=7.26$, $p<.01$, $\eta^2=.084$) than participants in the personally expressive condition. Contrary to our expectations, none of these effects were qualified by the experience-credence manipulation.

To better understand the relationship between these variables, Structural Equation Modeling was used to test the theoretical model. The direct and indirect effects were estimated by means of path-analysis using Amos. The model shown in Figure 3 has a very good fit ($\chi^2(10)=14.45$, $p=.15$, CMIN/df=1.45, GFI=.96, TLI=.96, CFI=.98, RMSEA=.075). All relationships are significant at $p<.05$.

Not surprisingly, a positive relationship ($\beta=.35$) exists between the objects in the office and perceived professionalism of the office, indicating that the office containing professional objects is perceived as more professional than the office containing personally expressive objects. The negative relationship between the objects in the office and perceived attractiveness ($\beta=-.29$) implies that the office in the personally expressive condition is perceived as more attractive than the office in the professional condition. However, the object manipulation accounts for only 9% of the variance in office attractiveness.

A direct relationship emerges between the two dimensions of service environment appraisal, suggesting that office attractiveness is a significant predictor of office professionalism ($\beta=.45$). Office professionalism in turn strongly affects the degree to which the physician is perceived as competent ($\beta=.64$), whereas office attractiveness strongly affects the perceived agreeableness of the physician ($\beta=.48$). In line with our predictions, these results indicate that observers indeed project specific attributes of the environment onto the physician. It should be noted that, as was the case with the environmental attributes, the physician’s personality traits are not unrelated: perceived agreeableness affects perceived competence ($\beta=.25$).

The emotional experience is greatly affected by both the perceived attractiveness of the office ($\beta=.70$) and to a much lesser degree by the perceived agreeableness of the physician ($\beta=.25$).
Let Your Workspace Speak for Itself

These two variables account for 73% of the variance in emotion. The significant relationship between perceived physician’s competence and perceived service quality ($\beta=.33$) confirms our hypothesis that consumers evaluate service quality based on their impression of the service provider. The attractiveness of the service environment also directly affects service quality evaluation ($\beta=.28$).

**DISCUSSION**

The results of this study confirm our hypotheses about particular types of objects in a healthcare setting, thereby further advanc-
ing our understanding of the ways in which environmental factors impact consumer experience. Although research assessing effects of "interior design on customers' responses is not new, many studies suffer from a lack of experimental control, making it hard to demonstrate relations between specific types of environmental stimuli and consumer experience.

The presented model suggests two different response 'routes' in consumers' evaluations of service encounters: a cognitive 'hard' route through which the physician's competence is assessed, and a more affect-laden 'soft' route centered on perceived friendliness or agreeableness (c.f., Driver and Johnston, 2001). Perceived competence was shown to be primarily affected by professionalism of the office, and thus dependent on the presence of profession-related objects. Perceived friendliness, on the other hand, was shown to be primarily affected by the attractiveness of the office. Thus, offices containing objects expressive of personal tastes and interests were perceived as more attractive and elicited a more positive emotional response in comparison to offices containing profession-related objects. Interestingly, these findings are in line with findings reported by Pruyn and Smidts (Pruyn and Smidts 1998) indicating that perceived attractiveness of waiting rooms in healthcare settings primarily impacts consumers' emotional response. These combined findings corroborate our assumptions that perceived attractiveness can be considered a soft attribute whereas perceived professionalism constitutes a hard attribute.

Perceived competence of the physician turns out to be an important predictor of perceived service quality. Attractiveness of the environment and perceived agreeableness of the service provider influence perceived service quality indirectly through experienced affect. The importance of such soft attributes is further underscored by the positive relation between office attractiveness and office professionalism, indicating that soft attributes also impact hard attributes. In literature, the relative importance of hard and soft attributes with respect to service quality appraisal is expected to vary with the type of service (Cronin and Taylor 1994; Parasuraman, Zeithaml, and Berry 1994). As one would expect, in high anxiety and high contact services, soft attributes play a greater role in service quality appraisal than hard attributes. For this reason, participants generate more favorable expectations with respect to service quality in the personally expressive condition than in the professional condition.

Contrary to our expectations, the effects of objects were not moderated by information verifiability. Although information verifiability was successfully manipulated, the scenarios may have failed to generate differences in perceived uncertainty. After all, it is this experienced uncertainty (arising from low information variability) that is expected to moderate the effects of the environment on service provider- and service quality evaluation. Another explanation relates to the fact that most consumers are unfamiliar with (technical) procedures in healthcare services, the outcome of which will always be somewhat uncertain. As such, healthcare services in general carry predominantly credence characteristics. Although it was clear in the experience scenario that the outcome could be evaluated after the treatment, no information regarding the outcome of the scar treatment was given, and the two service encounters might not have been distinctive enough along the verifiability continuum.

The ecological validity of our study was increased by simulating the office using QuickTime 360 degree panoramas rather than 'standard' photos and by introducing the target of impression formation (i.e., the physician) by means of a short movie presentation. In doing so we hoped to portray a realistic service encounter. In bringing physician and environment together (as is the case in "real life"), an interesting avenue for future research opens up. That is, in addition to investigating the impact of the physical environment on person perception, it would also be of interest to study the impact of person characteristics on environmental appraisal and consequent service quality appraisal. Variations in person characteristics such as age or self-assuredness may prompt consumers to attend to different aspects of the environment or lead them to evaluate environmental factors differently in terms of cue validity (Brunswick, 1956). The impact of profession-related objects (communicating competence), for instance, may vary depending on the degree to which the physician is perceived as confident or insecure; status symbols may trigger an image of high standing for an elderly man radiating confidence, whereas adverse effects may be anticipated if the office is occupied by a young inexperienced person.

Finally, our results are of interest in the light of recent findings in priming research. As Kay et.al. (2004) have shown, objects can subconsciously influence people's behavior and evaluations. Future research will have to address the question to what extent and under what conditions (sub-)conscious processes underlie the effects of objects in servicescapes. With respect to healthcare settings, for instance, one could argue that soft (i.e., affect-related) attributes are activated without consumers being aware of the relevant influence, whereas awareness is needed for observers to draw conclusions about hard attributes. But regardless of how, and under what conditions, objects impact consumer experience, present research demonstrates the importance of attending to physical objects in service settings and the messages they convey.

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A Two-Step Model of Service Dissatisfaction: Theory and Evidence
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EXTENDED ABSTRACT

The literature on consumer (dis)satisfaction has largely focused on its antecedents, notably, expectations, disconfirmation of expectations, performance, attributions, and equity. Few empirical studies have addressed the consequences of (dis)satisfaction, let alone the consequences of service (dis)satisfaction. In addition, individual-difference variables rarely appear in previous (dis)satisfaction models.

This paper presents a two-step model (see figure 1) that highlights the moderating influences of two individual-difference variables, both on service dissatisfaction and on the ensuing complaining behaviors. It also reports a study that examined several hypotheses based on the proposed model.

Research Hypotheses

Previous research (e.g., Smith, Bolton, and Wagner 1999) has distinguished between process and outcome failures in service encounters. From the perspective of the consumer, the former involves the loss of social resources (e.g., status, esteem), whereas the latter involves the loss of nonsocial resources (e.g., money, time). We propose that the two types of service failure would trigger different patterns of consumer behavior, subject to individual differences in concern for face (CFF) and belief in fate (BIF).

Concern for face is defined as the extent to which an individual shows regard for and interest in the protection and enhancement of face (i.e., public self-image) in social interactions. Since services are performed for people by people, service failures are inherently face-threatening (Brown and Levinson 1987). Given the fundamental difference between a process failure and an outcome failure, however, face issues should be more salient in the former than in the latter. We thus predict an aggravating effect of CFF on service dissatisfaction, and that this effect would be stronger for a process failure than for an outcome failure.

Belief in fate is defined as the extent to which an individual believes in fate/luck as an impersonal force shaping events and outcomes. When service failures occur, the notion that “it is meant to be” or “I am just unlucky” would help alleviate discontent. However, fatalistic notions are seldom invoked when an obvious interpretation is available (Pepitone and Saffiotti 1997). Relative to an outcome failure, a process failure involves an unambiguous causal agent, namely, the service provider. Hence, we predict a mitigating effect of BIF on service dissatisfaction, and that this effect would be stronger for an outcome failure than for a process failure.

According to Singh’s (1988) taxonomy of consumer complaint behavior (CCB), dissatisfied consumers may engage in public actions (e.g., complaining to management) or private actions (e.g., negative WOM). Both CFF and BIF are expected to affect CCB over and above their influences on dissatisfaction.

Given the same level of service dissatisfaction, consumers higher (vs. lower) in CFF may be more motivated to restore “self-face” by complaining to management. Alternatively, however, they may be more restrained because of their concern for “other-face.” As far as private actions are concerned, consumers higher (vs. lower) in CFF are likely more motivated to spread negative WOM because it may signal to others their exquisite taste, thereby enhancing face.

The effects of BIF on CCB are predicted to be uniformly mitigatory. Consumers higher (vs. lower) in BIF should be less likely to complain to management or engage in negative WOM, by virtue of the perceived futility of attempts to change the status quo. The research hypotheses are summarized as follows:

H1: When a service failure occurs, consumers who are higher (vs. lower) in CFF will be more dissatisfied.
H2: The aggravating effect of CFF on service dissatisfaction will be stronger for a process failure than for an outcome failure.
H3: When a service failure occurs, consumers who are higher (vs. lower) in BIF will be less dissatisfied.
H4: The mitigating effect of BIF on service dissatisfaction will be stronger for an outcome failure than for a process failure.
H5a: Given the same level of dissatisfaction, consumers who are higher (vs. lower) in CFF will be more likely to complain to management.
H5b: Given the same level of dissatisfaction, consumers who are higher (vs. lower) in CFF will be less likely to complain to management.
H6: Given the same level of dissatisfaction, consumers who are higher (vs. lower) in CFF will be more likely to engage in negative WOM.
H7: Given the same level of dissatisfaction, consumers who are higher (vs. lower) in BIF will be more likely to engage in negative WOM.
H8: Given the same level of dissatisfaction, consumers who are higher (vs. lower) in BIF will be less likely to engage in negative WOM.

Method and Results

The hypotheses were tested with a scenario-based experiment. Participants were 108 business executives from a part-time MBA program at a large, international university. They were randomly assigned to either a process failure or an outcome failure condition in a hotel scenario, and their CFF and BIF scores were measured after they gave their dissatisfaction ratings. The hotel scenarios and the measurement scales were adapted from previous research.

Confirming hypotheses 1 and 2, we found a CFF main effect and a CFF x failure type interaction. Participants higher in CFF were more dissatisfied, and this effect was more pronounced in the process failure condition. Nonetheless, the data supported hypothesis 4 but not hypothesis 3. There was no BIF main effect, despite a BIF x failure type interaction. Specifically, participants higher in BIF were less dissatisfied only in the outcome failure condition. With the level of dissatisfaction controlled for, CFF had a negative (i.e., mitigating) effect on the intention to complain to
management but a positive (i.e., aggravating) effect on negative WOM intention. This pattern supported hypotheses 5b and 6. On the other hand, BIF had a marginally negative effect on the intention to complain to management, lending some support to hypothesis 7. This variable also showed an attenuating effect on negative WOM intention, thus confirming hypothesis 8.

Conclusion
This paper extends consumer (dis)satisfaction research by showing that CFF and BIF impact the (dis)satisfaction process at two junctures. They first interact with failure type to influence service dissatisfaction, and then affect the ensuing CCB. The two-step model has important theoretical and managerial implications, and points to many avenues for future research.

References
Consumers’ Arrogance: Construct Conceptualization and Preliminary Validation Evidence

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EXTENDED ABSTRACT

People engage in self-promotion to impress others. Self-promotion can help achieve one’s goals when received positively but can lead to perceptions of arrogance when received negatively (Hareli and Weiner 2000). Consumer arrogance (CA) is more specific than general arrogance and is conceptualized as a multidimensional construct reflecting individuals’ tendency to communicate achievements via possessions and the abilities related to their acquisition. This definition recognizes that possessions can convey arrogance when used to symbolize success and achievements (O’Cass and McEwen 2004).

Research in psychology viewed arrogance as a dimension of narcissism (Emmons 1984) and conceptualized it as reflecting one’s belief of being a special person, who should only be associated with likewise individuals (Boyd and Helms 2005). Other lines of research focused on what makes individuals seem arrogant to others and showed that people seem arrogant when they communicate their quality publicly (Ben-Ze’ev 1993; Hareli, Weiner, and Yee 2006). Likewise, such a perception is enhanced when individuals communicate that their achievements were attained thanks to their desirable qualities. Although high achievers are admired, such communications are received negatively as arrogant people are disliked (Hareli and Weiner 2000; Wosinska et al. 1996).

We use the theoretical lens of possessions as an extension of the self to conceptualize CA as a trait. Possessions are a safe means to convey one’s image to express identity publicly (Tian et al. 2001). They symbolically signal accomplishments, making them a form of communication of owners’ superiority (Hirschman and LaBarbera 1990). Thus, we conceptualize CA as a communicated exhibition of superiority through products and consumption. Individuals use verbal and non-verbal self-presentational CA strategies to impress others—the wider their range and the higher their frequency the higher their perceived CA (Baumeister 1982).

Verbally, individuals can exhibit superiority by stating their accomplishments or showing-off their possessions (Gaud and Shotter 1977). Hence, high-CA individuals should present their purchases as superior to others’ (purchase superiority) and show them off (showing-off through purchases). Third, high-CA individuals will perceive themselves as experts, opinion leaders, or market mavens (Feick and Price 1987). Thus, verbal CA includes perceived and expressed “I know best” mentality compared to others.

Non-verbally, consumers can use branded products (brand-name self-assertion), valued because of their inherent status (Dawson and Cavell 1987), to communicate superiority (O’Cass and McEwen 2004). Additionally, exhibitionism-based purchasing signifies individuals’ increasing conspicuous consumption (Powderly and MacNutly 1990; Riesman 1950; Vigneron & Johnson 1999).

Having conceptualized CA as a five-dimensional trait, we embarked on a study to develop a CA scale. An open-ended elicitation procedure was used first to generate an initial item pool which will be consistent with the public’s view of CA. Students (n=67) were queried about their perception of the expression of arrogance through buying, consuming, or using products. Then, in the second phase, an experienced editor reviewed all responses. She eliminated ambiguous/repeated statements. Three scholars reviewed the remaining 76 statements independently to identify dimensions and assign statements. This stage required agreement by all three. The dimensions were labeled brand-name self-assertion, exhibitionism-based purchases, “I know best” mentality, showing-off through purchases, purchase superiority, and unnecessary purchases. Except for unnecessary purchases, all CA dimensions were pre-conceptualized. However, since unnecessary purchases emerged, we incorporated it post-hoc and the final list included 46 items.

The purification stage was designed to meet the challenge of item parsimony and maintenance of the structure of CA. Data were collected from 130 students on the CA items and the CSII, status consumption, and price–prestige relationship scales. Reliability analyses and uni-dimensionality tests of CA dimensions reduced the list to 29 items corresponding to our five-dimensional structure with one new dimension. This phase also tested the CA scale for nomological validity and found that it was related positively to CSII, status consumption, and price-prestige sensitivity.

Since the motivation for CA is to elevate the possessor’s social status, future research should examine high-CA individuals’ tendency to consume products that can communicate superiority and achievements to others preferably using representative samples. Future research should also test the discriminant and nomological validity of CA through constructs such as vanity and materialism, preferably cross-culturally since CA is an individual trait, exhibiting it might be considered less desirable in collectivist cultures.

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Sustained Consumer Fascination

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ABSTRACT

While product involvement is a central concept used to define intense product-consumer interactions, recent researchers are contributing new constructs to better understand highly engaged brand relationships. In this study, the concept of sustained consumer fascination is introduced to help understand the intense and enduring relationships that arise among consumers and consumption activities. Based on online gardening diaries and in-depth interviews with avid gardeners, we propose that the concept of sustained consumer fascination is composed of surprise, creative engagement, restorative escape, and insight.
The Brand Dislike Construct: Scale Development and Application to Actual Brands
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EXTENDED ABSTRACT

Brand dislike occurs when consumers express explicit negative judgments toward a brand that can be either formed during the evaluation task or retrieved from a negative attitude stored in memory. There are several factors that lead to the emergence of brand dislike and even theoretical explanations are sparse and fragmented: the first section of the paper reviews the main research approaches that have addressed this topic, trying to integrate them in a single framework.

Specifically, three distinct stream of research will be reviewed and organized: customer/brand relationship (Fournier, 1998; Fajer, Schouten, 1995), the metaphoric, symbolic and relational properties of negative opinions and judgements (Wilk, 1997; Bourdieu, 1987; Douglas, 1996; Douglas and Isherwood, 1996) and finally, political consumption and consumer resistance (among others, Ozanne and Murray, 1995; Firat and Venkatesh, 1995 and Holt, 2002).

With this framework in mind, we have started the development of a research project to understand the brand dislike construct and to create the basis for measuring it. In detail, our research objectives in this paper are:

• A preliminary explorative qualitative analysis directed at understanding the concept of brand dislike from the consumer’s perspective (Dalli et al., 2006);
• the development and validation of a brand dislike scale integrating the dimensions emerging from the literature review and the results of the qualitative analysis;
• the application of the validated scale to actual brands to test the relevance of the dislike factors identified in the previous phase.

The main result that emerged from the qualitative analysis is a complex but coherent picture that is broken down into three levels (product, user and corporate) and several factors, each of which can relate to the corporate level, broken down into three different factors: as we found in the previous phase of analysis, these three factors are “manipulation and deceit”, “carelessness toward the environment” and “outdated communication”. Five additional items relate to the user level and, differently from the previous phase of analysis, we found only one factor collecting all the items related to the user level. Finally, as we found in the scale validation analysis, two items relate to the product level and, particularly, to “poor product performance”.

Therefore, the factors identified seem quite stable and able to almost completely cover the theoretical model on which the empirical analysis is grounded.

The main contribution of the paper is in the direction of the development of a specific measurement tool for negative brand attitudes, provided that no special methods like this do exist, and that it’s a long time that attitude literature is claiming for the development of specific instruments to measure negative attitudes.

In addition, this new scale adds to the extant literature by establishing a basis for further theoretical advances on the relationship between brand dislike and buying behavior; the focus in this case should be on the nature and strength of this relationship, given the different impact of the six identified and verified factors on overall brand dislike. In fact, according to whether or not the consumer dislikes the brand because of one or another of the identified factors, the implications in behavioral terms are not necessarily the same and of the same intensity.

Finally, the application of the scale to actual brands has lead to interesting results and seems promising not only from a theoretical point of view but also from a managerial one. The 15 item scale can serve as a useful diagnostic tool; it allows to identify the factors on which consumers build negative evaluations and to set up the necessary countermeasures.

REFERENCES


Toward a Theory on the Content and Structure of Money Attitudes
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EXTENDED ABSTRACT

Rising consumer debt, compulsive buying, credit card abuse, and bankruptcy have focused attention on money attitudes, which are beliefs people hold about money and exchange situations. In this paper, we address the important need for systematic work toward a comprehensive theory on the content and structure of money attitudes. Building on work by Yamauchi and Templer (1982), we propose a theory on the contents and structure of money attitudes, develop a new measurement scale, and rigorously test its psychometric properties.

We define money attitudes as interpersonal, attitudinal [affective, behavioral, cognitive] beliefs that express [individual, collective, mixed] values concerned with money [independence...quality] and are evaluated in importance [very important to very unimportant] in order to guide behavior within the context of money and money situations. Our definition relies on the assumption that money is by its nature a medium that is intended to facilitate interpersonal exchange. Money situations, like all interpersonal situations, involve complex fields in which past and present interpersonal influences are embedded in an equally influential sociocultural matrix (Wiggins and Trobst 1997). We posit that money attitudes are attitudinal beliefs that are operant in money contexts and express individual, collective, and mixed values.

Yamauchi and Templer (1982) proposed five money attitudes: power-prestige, retention-time, distrust, anxiety, and quality. In our work, we note the value-expressive role of attitudes and their less central position in the human belief system, in which hierarchically-held values and attitudes are managed for consistency. We draw on Schwartz (1992) widely-accepted values theory to propose the motivational contents of money attitudes, noting our expectation that money attitudes will serve the same the same universal requirements of existence identified by Schwartz: needs of individuals as biological organisms, requisites of coordinated social conduct, and requirements for the smooth functioning and survival of groups. Our conceptual approach allows us to distinguish nine money attitudes that are derived by refining and extending Yamauchi and Templer’s (1982) money attitudes.

We postulate that money attitudes will have a circumplex structure. The circumplex is the product of a motivational continuum at a more basic level, even though we discriminate among individual money attitudes in our theory. Consequently, following the logic employed by Schwartz (1994), we partition the circumplex into individual money attitudes that represent conceptually-insightful choices about boundaries between fuzzy sets. An examination of the content of our money attitudes suggests two underlying and possibly orthogonal bipolar dimensions underlie their structure. One bipolar dimension pits self-assurance (independence) against insecurity (anxiety, distrust, power). The other bipolar dimension opposes conservation (conservatism, ubuntu) and consumption (time-simplicity, stimulation, quality).

We construct a 49-item scale, the Money Portraits Survey (MPS), to assess the structure and contents of the theory, following the textual portraits approach of Schwartz’ Portraits Value Questionnaire (Schwartz et al. 2001). The approach asks respondents to compare textual portraits of people, who implicitly place priority on a particular money attitude. The direction of comparison is important, because it increases the likelihood that the respondent’s similarity judgment will focus on the implied values.

In study 1, which was a pretest, the MPS and PVQ were administered to 117 MBA students. Coefficient alpha internal reliabilities of the subscales were in the range .63-.87, with only two scales below .70. Following the procedure of Schwartz (Schwartz et al. 2001), we assess whether items intended to measure money attitudes are located in contiguous regions in the space (i.e., content) and whether the regions are located relative to one another as expected (i.e., structure). Thus, we adopt a confirmatory, configurational verification approach using similarity structure analysis (SSA), a nonmetric multidimensional scaling technique that is especially appropriate when testing hypotheses that array the constructs of interest on a continuum in space (Davison 1983; Dillon and Goldstein 1984). The money attitudes emerged in the hypothesized order. Forty-one items were located in the hypothesized regions while only seven items were located in regions adjacent to the hypothesized region. Just one item emerged in an unexpected region not adjacent to its hypothesized region. Money attitudes had expected relations with the PVQ values. After careful inspection, we selected 33 items for inclusion in two field assessments of the new scale.

In Study 2, we administered the MPS to 200 people using mall intercepts outside cinemas in major metropolitan areas. The money attitudes emerged in the hypothesized order, except that one emerged on the periphery of another (which is consistent with the theory). Thirty-one items emerged in hypothesized regions and only two items were located in adjacent regions. The fit of the SSA model was good (i.e., the model fit index, stress=.16, c.f. Johnson and Wichern 2002). When data parcels were created by averaging the scores of items intended to measure each money attitude and the model was assessed, the fit was excellent (stress=.04).

In Study 3, a professional marketing research company administered the MPS to 415 bookstore customers. SSA results was similar to Study 2 and fit to the hypothesized structure was acceptable (stress=.18). The hypothesized structure emerged, although two money attitudes reversed order, which is consistent with the theory. All items are located in hypothesized regions except two items located in regions adjacent to their hypothesized location. An SSA of the data parcels suggests an excellent fit (stress=.05).

The larger sample size in Study 3 allowed us to assess the fit of these data to a more rigorous circumplex structure using Browne’s covariance structure modeling approach (Browne 1992). The approach is analogous to the confirmatory factor analysis and provides information about model fit to a circumplex structure using some of the same indices. The results present an acceptable fit ($\chi^2(17)=79.06$, RMSEA=.097, RMSEA 95% confidence interval (.074-.115) (c.f. Browne and Cudeck 1992). The hypothesized structure is confirmed by the 95% confidence intervals of the polar angles.

The new MPS emerges as a reliable and valid tool to measure money attitudes that is easy to administer and analyze. Future work should focus on the antecedents and consequences of money attitudes.

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REFERENCES


Does a Medium Context Have a Priming or an Interference Effect? It Depends on How You Look At It

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EXTENDED ABSTRACT

Previous literature has found that a medium context can have an effect on the responses to an embedded ad (e.g., Moorman et al. 2005). Some authors find a congruency effect between context and embedded ad (priming effect, e.g. Yi 1990a) and others find no effect or even opposing effects and this latter is attributed to the interference and/or contrast theory (Bryant and Zillman 1994). In case readers follow the page lay-out, the medium context is processed first and subsequently the embedded ad. However, most often no formal check for this is done, i.e. how people really read the magazine or newspaper pages is not traced. Hence, several questions can be raised: did people read the context first and subsequently the ad, did the ad attract so much attention that the ad was read first and subsequently the context, did people switch from medium context to ad and vice versa a number of times, and do these different reading sequences have an impact on whether congruency or contrast effects occur? If these reading sequences do matter, they could perhaps explain why previous results in mainly print setting were not robust with respect to the congruency and contrast effects that were found. Indeed, whether priming (a context serves as a primer, resulting in more positive ad responses) or interference (the target ad ‘melts down’ in the medium context, resulting in less positive ad responses) occurs may depend on the context-ad sequence (Furnham, Bergland, and Gunter 2002).

In this paper, by means of three studies, the priming as well as interference effects are studied. By means of eye-tracking we specifically focus on the attention path that respondents have when there is simultaneous exposure (i.e., context and ad are shown at the same time). The studies were operationalized in a medium in which different presentation orders of the stimuli (ad and medium context) are realistic, namely the web. More precisely, a computer ad was combined with a congruent computer web page or an incongruent car web page. Impact was measured by attitude towards the ad (four items) and click intention.

In the first study, we found that in a pure priming setting (a prime, followed by the web ad) the expected congruency effect was present for both attitude towards the ad and click intention. When the web ad and prime (web page) were shown simultaneously after the prime, this congruency effect vanished and for click intention, it even turned into a contrast effect. This finding warrants further research into the effect of context after an ad as well as the effect of being simultaneously exposed to web ad and web page. Therefore, a second study was done. It was shown that when the web page appeared after the ad (‘pop before’) a contrast effect was found, in a condition of continuous simultaneous exposure of web ad and web page (banner-like condition), no effect was found, and in a condition of a web page, followed by a web page with ad, followed by web page, a congruency effect was found (which can be called a ‘backward priming the prime’ effect) for both attitude towards the ad and click intention. Eye-tracking information showed that in the third condition, respondents only switched a minimal number of times between web site and web ad (i.e., twice: from web page to ad and back to web page). This condition does not differ much from the second condition in study 1 (web page only, followed by web ad and web page). The differences between these two conditions were the extra web page after the web ad and web page, and the fact that in the ‘web page-web page with web ad’ condition almost half of the respondents switched more than two times between web site and web ad. In the third study it was indeed shown that the number of switches is a moderating factor. In this study, respondents were only exposed to the ‘continuous simultaneous exposure to web ad and web page’ condition. Our results indicated that when the number of switches was low, congruency effects were found, while as the number of switches increased, this congruency effect diminished and even reversed into a contrast effect. A possible explanation for this finding is that the number of switches between ad and medium context can be seen as a reverse indicator of attentive processing. Hence, the way people look at the medium context and the ad (even when simultaneously exposed) may impact the type of ‘medium context-ad’ effect that will occur.

These findings are relevant because the type of medium context effect may depend on the way people watch medium context and ad. For example, our results suggest that banner ads may not be the most appropriate advertising strategy as it depends on the number of switches between medium context and ad (which is difficult to know a priori), whether a congruent or a contrasting medium context is recommended. A thematically congruent context is recommended in case of a pop-under or a pop-up (which people look at and subsequently close).

With respect to the discussion on the viewing behaviour influencing the type of medium context effect that occurs, further research could try to focus on the suggested ‘backward priming the prime’ principle in order to study the possible effect of the time that the last prime is seen. Such a study may be operationalized in a realistic study, where exposure times to medium context and ad are not forced. Hence, a clickable version of the experiment is recommended to find robustness for our results, although possible confounding effects must be taken care of. Further research could also examine the moderating role of context liking and context-evoked arousal, in websites as well as in other media (e.g., television).

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When Advertising Integration with Media Content Fails and Succeeds
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ABSTRACT
Consumers are exposed on a daily basis to more and more advertising. A key strategy that some advertisers have embraced in the face of this increasing level of media clutter is to integrate their advertising with media content. In Study 1, we show that if the viewer is highly engaged by the content and transported into the world of the program, then an integrated ad can be more intrusive to consumers’ transportation experience. In such cases, advertising effectiveness is reduced when consumers are more transported into the media content. However, Study 2 shows that if the advertising does not intrude on the transportation experience, an integrated ad could benefit from having similar themes as the media contents. Therefore, a high level of media transportation leads to increased advertising effectiveness.
EXTENDED ABSTRACT

This paper examines the social and business benefits of a Corporate Social Responsibility (CSR) initiative and explicates the link between the social and business benefits. Social benefits refer to the impact of a CSR initiative on society, most notably on the intended beneficiaries of the initiative. The business benefits include both transactional outcomes such as purchase, and relational outcomes such as consumer advocacy behaviors toward the company/brand (e.g., word-of-mouth). We posit that trust, the key determinant of relational commitment (Garbarino and Johnson 1999; Ganesan 1994), is the mediating variable linking the social and business benefits.

We define trust as the perceived credibility and benevolence of a company (cf. Doney and Cannon 1997; Ganesan 1994). By making a difference to the social cause (i.e., generating social benefits), a CSR initiative could build consumer trust as it signals that the company is serious about bettering social welfare (the benevolence dimension of trust) and is competent in effecting positive social change (the credibility dimension of trust). Greater trust then leads to consumer loyalty and greater support for the company, as indicated by product purchase and consumer advocacy behaviors.

Persuasion knowledge model (Friestad and Wright 1994) suggests that consumers will naturally make attributions about the motives underlying a CSR initiative. Drawing upon literature on interpersonal trust (McAllister 1995; Rempel, Holmes and Zanna 1985), we posit that only intrinsic motives (i.e., a genuine concern for social welfare) are diagnostic of the company’s trustworthiness and therefore are likely to mediate the relationship between perceived social benefits and trust. Extrinsic motives (i.e., a desire to increase sales, to improve reputation, etc.) are unlikely to play a role in cultivating trust.

We use a quasi-experiment involving a real-world CSR initiative to test our hypotheses. Our empirical context is the Crest Healthy Smiles 2010 program, which is sponsored by Crest to address disparity in oral health by providing education, tools and access to dental care services to children in economically disadvantaged neighborhoods across the country. A key component of this initiative is the “Cavity Free Zones program”, in which Crest partnered with a national non-profit organization, Boys and Girls Club of America (BGCA), to teach dental health as well as provide dental care tools to underprivileged children. Our treatment group consists of Hispanic parents whose children have participated in the “Cavity Free Zones program”, and therefore have benefited from the initiative. The control group consists of Hispanic families who have not participated in the program, but have similar demographic characteristics and are selected from the same neighborhoods (i.e., as indicated by zip codes) as the treatment group. Difficulties in contacting members of the treatment group via BGCA organization resulted in a lower than desired sample size, a total of 53 complete surveys, as compared to 305 respondents in the control group. In the survey, we used several methods to reduce demand effects and the social desirability bias, such as putting questions about the Crest Health Smiles program at the very end, and when asking questions about Crest, we ask the same questions about Colgate so as to conceal our research purpose. Prior to conducting the survey, we did several focus groups with both the treatment group and the control group to get a richer understanding of the social initiative and to yield measurement items for our constructs.

Findings from the quasi-experiment provide support for most of our hypotheses. ANOVA analysis with group as the independent variable shows that, relative to the control group, the respondents in the treatment group reported that their children have greater motivation to engage in dental care behavior, and indeed are likely to floss and visit dentists more frequently. Such difference in health motivation and health behavior is indicative of the social benefits the Crest Health Smiles program has generated. Regarding the business benefits, we find that, relative to the control group, the respondents in the treatment group display greater trust in the sponsoring brand Crest, are more likely to purchase Crest products, and express greater intention to engage in relational behaviors toward Crest. Further, mediational analysis indicates that, as we expected, trust mediates the relationship between participation in the initiative and brand behaviors. To examine the dynamics of trust, we analyzed the data of the treatment group only. Consistent with our expectation, perceived social benefits of the CSR initiative are positively related to trust in the sponsoring brand Crest. In addition, intrinsic attributions mediate the link between perceived social benefits and brand trust, whereas extrinsic attributions are not related to either perceived social benefits or brand trust.

This research provides important insights into the phenomena of corporate social initiatives. It highlights the role of social benefits as a key antecedent to business benefits of a CSR initiative, showing social and business interests can be complementary. It provides a process explanation of how CSR initiatives generate business benefits: CSR initiatives yield business benefits via cultivating consumer trust, increasing consumer purchase and advocacy behaviors and thus improving the long-term business prospects of the sponsoring company/brand.

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The Effects of Different Category Context on Target Brand Evaluations
Myungwoo Nam, INSEAD, Singapore
Brian Sternthal, Northwestern University, USA

EXTENDED ABSTRACT

Contrary to previous studies of contextual priming effects, which focus on the effects of priming same category exemplars or traits, the current study examines how the evaluation of a target brand is affected when the context is a brand from a category other than the one in which the target holds membership.

Only a few studies have investigated the effects of priming other category products on target evaluation. The predominant finding is an assimilation effect (e.g., Stapel et al. 1998; Raghunathan and Irwin 2001). However, Meyers-Levy and Sternthal (1993) found a contrast effect when resource allocation was substantial. These observations raise the question of when a contextual prime from a different category will prompt assimilation and when it will stimulate contrast.

In understanding how other category products affect the evaluation of a target product, we posit that consumers evaluate a target product in a two-stage process: interpretation and judgment. At the interpretation stage, consumers first attempt to form a cognitive representation of ambiguous target information. If the information associated with another category product is accessible at this time, consumers are more likely to interpret the ambiguous target information as consistent with the context. This process will result in an assimilation effect. Assimilation is not the only possible effect of context that might occur during encoding. Making the context highly accessible may prompt consumers to recognize that the context influenced their representation of the target, and thus prompt them to correct for this bias. The process of correcting for the effect of context may result in a contrast effect if individuals overcorrect for the bias.

The judgment process is defined as locating the value of a stimulus along a specified dimension. To locate the value of the target interpreted at interpretation stage, it has to be compared to some referent or standard. If context information is used as a comparison standard at the judgment stage, the evaluation of the target is likely to be contrasted away from the context because the target and context are members of different categories.

Three experiments provide empirical support for the hypothesis. Experiment 1 investigates the moderating role of expertise on the impact of a contextual prime from a different category on target evaluations. We anticipated that experts would use a contextual prime when interpreting the target stimulus and exhibit an assimilation effect. Novices were expected to use a contextual prime as a comparison standard that is manifested in a contrast effect. The results were consistent with this hypothesis. Novices exhibited a contrast effect whereas experts exhibited an assimilation effect when a different category context was primed.

In Experiments 2, the effects of increasing the accessibilities of the benefits associated with the prime on target evaluations were investigated. The notion is that increasing the accessibilities of the benefits will have different effects on novices and experts. We expected novices to include the benefits activated by the context prime when the benefits are highly accessible. On the other hand, experts were expected to correct their initial judgments because highly accessible benefits are likely to alert them of a biasing influence of the prime. The accessibility of benefits associated with the prime was manipulated by asking participants to write an appropriate word that best described the brand that was presented in the context. The results in the low accessibility condition replicated our previous findings. Consistent with our previous findings, experts exhibited assimilation and novices exhibited contrast. Different outcomes emerged when the benefits implied by prime were made accessible. Here, novices exhibited assimilation. They responded in the same manner as experts did in the control condition. On the other hand, increased accessibility of information related to the prime alerted experts to correct their initial judgments. In the process they overcorrected and thus exhibited a correction contrast.

Experiment 3 shows that even when the contextual prime is made highly accessible, reducing the resources available for the processing task results in a comparison contrast for novices and an assimilation effect for experts. To examine this possibility, respondents were asked to engage in a secondary task while evaluating the target product.

These findings have important implications for contextual priming literature. They suggest that contexts from other categories can affect a target evaluation and that the specific context effect found is influenced by the respondent’s knowledge of the target category and the accessibility of the contextual prime. The data also provide a means of distinguishing comparison and correction contrast by manipulating availability of cognitive resources. In so doing, the research questions whether factors such as the type of contextual prime (exemplar vs. trait) and the extremity of the prime are uniquely related to specific contrast effects, as has been suggested in the literature (Moskowitz and Skurnik 1999).

REFERENCES


SESSION OVERVIEW

Generally speaking, the longer a gambler plays in a casino, the more likely that gambler will lose. What motivates consumers to gamble in casinos? How and why do gamblers play the games that they do? What is likely to trigger their urge to gamble? What role does the casino marketer play in gambling consumption? What aspects of the casino servicescape contribute to problem-gambling behavior?

These are important questions, given the massive increase in commercial gambling in North America. In 2003, there were 443 commercial casinos in the United States (not including racetrack casinos, or ‘racinos’). From 1993 to 2003, U.S. consumer spending in commercial casinos rose from $11 billion to $27 billion. This means that in the U.S., consumers spend more in casinos than they spend on movies or amusement parks (American Gaming Association 2004). In terms of visits to casinos, about 53 million Americans visited a commercial casino in 2004, and the average number of trips to a casino, for those who have been, is almost 6 trips per year (American Gaming Association 2004). This means that Americans now make more visits to casinos than they do to major league baseball games. Although actual numbers in Canada are smaller (there are 60 government run casinos in Canada), the proportional increase in casino gambling is about the same. This seems particularly striking, as casino gambling basically began in Canada about 1993, yet casino revenues climbed to CDN$4 billion by 2003 (Statistics Canada 2004).

There is a long history of research into gambling, across many disciplines. Historically, researchers focused on the pernicious effects of gambling, particular on the lower classes (see, for example, Veblen, 1899). Studying the underlying motives for gambling has also been popular across many social science disciplines: sociology (Bloch 1951; Fisher 1993; Frey 1984; Goffman 1967; Martinez 1983; Zola 1963), psychoanalytic theory (Bergler 1957; Fuller 1974), psychology (Custer 1982; Kusyszyn 1984; Montgomery and Kreitzer 1968; Moody 1992; Skinner 1953; Walker 1992), and the interdisciplinary study of play and leisure (Brenner and Brenner 1990; Caulois 1979; Csikszentmihalyi 1990; Herman 1967, 1976; Huizinga 1955; Smith and Abt 1984). As Cotte (1997) points out, the variously studied motives for gambling can be categorized into three general groups: economic (e.g., gambling as rational utility-seeking), symbolic (e.g., gambling as risk-taking, gambling as symbolic control, gambling as love), and hedonic (e.g., self-esteem enhancement, pure-pleasure-seeking and play). What is still missing, however, is study on gambling as consumption (one exception is Loroz 2004). That is, gambling is more than a leisure behavior. It is a consumption site, albeit a unique one, and a place to explore consumer identity negotiation and the role of the market system (and marketers) in consumer behavior, at both more meso and individual levels. In short, casino gambling offers a fruitful opportunity to study consumer culture and its societal implications, making a contribution to consumer culture theory (CCT) (Arnould and Thompson 2005).

This session brings together three sets of researchers who have investigated the topic of casino gambling from a variety of very different perspectives, and with diverse methods. The first presenters take a public policy perspective, demonstrating the impact of casino design on resultant gambling behavior. From a different methodological perspective than traditional CCT projects, these researchers are nonetheless focused on how consumers interpret the casino servicescape, and the possibly pathological outcome of a failure to deal well with the marketer-designed aspects of the casino environment. The second group of researchers takes a more managerial perspective, examining the meanings of casino gambling loyalty programs to consumers. The final presentation does not directly address societal implications, or managerial implications, but is focused on uncovering the identity projects gambling consumers are engaged in as they integrate regular gambling into their day-to-day lives.

In the first presentation, Finlay et al. examine the effects of varying environmental elements in casino design on the resultant emotional experiences of both problem and non-problem gamblers. The effects of casino lighting and color scheme were tested in two very different styles of casino theming: the playground design and the gaming design. They discuss the important implications for both casino design and treatment programs for problem gamblers. Their study adds to our understanding of the impact of the casino servicescape on dark-side consumption behavior.

From a more managerial perspective, Hendler and Brau-LaTour study whether casino loyalty programs create emotional commitment to a casino resort, or simply generate a feeling of entitlement to discounts and benefits. Casino slot clubs are the entities in the casinos that operationalize the collection of customer data and the delivery of loyalty program benefits. Seeking to better understand the impact of slot clubs on casino loyalty, these researchers investigate the deep meanings and emotions associated with such clubs. Their work is at the intersection of marketer-intended meanings, and the understood and enacted meaning of the consumer (Cotte and Ligas 1998). Within a theoretical framework of loyalty behavior, their work could help casinos—and perhaps other industries—to foster commitment to a brand or product, and perhaps avoid costly efforts that do not translate into attitudinal and behavioral loyalty.

Finally, Braun-Latour and Cotte present ZMET-style data on regular, local, casino gamblers in Las Vegas, Nevada. They examine three types of gamblers (slots vs. table gamers vs. internet gamers). They suggest that regular casino gamblers are a unique consumption subculture. With the increasing access and prevalence of casino gambling, both on-line and live, a better understanding of this subculture is important. Consumer research can benefit from a focus in this area because the nature of the marketer/casino and consumer exchange relationship is adversarial. Consumers know that casinos seek to gain their money, and consumers seek to beat the marketer; they consume to win. Consumption here is not as straightforward as exchanging money for experience (as in movie-going). The actual co-creation of the experience involves an explicit recognition that each party seeks to gain at the expense of the other. So studying the creation of consumer identity in this consumption domain can unearth unusual insights not possible in other sites.

The session also includes a discussion leader (David Sprott) with expertise in public policy and gambling. His comments concerning the potential societal implications of casino gambling should add a provocative conclusion to an engaging discussion. The proposed session should be quite attractive to at least four groups of ACR researchers: (1) those interested in transformative consumer research, particularly concerning “dark-side” behaviors, (2) those...
researchers who work in the area of consumer motivation and goals, (3) researchers interesting in aspects of service provider loyalty, and (4) CCT researchers interested in a multi-method, multi-perspective approach to this unique consumption practice. We anticipate a very fruitful interchange of ideas among the various authors who will be presenting the three papers, the discussion leader, and with the audience members as well.

**EXTENDED ABSTRACTS**

“The Effect of Visual Stimuli in Casinos on Emotional Responses and Problem Gambling Behavior”
Karen Finlay, University of Guelph
Vinay Kanetkar, University of Guelph
Jane Londerville, University of Guelph
Harvey H. C. Marmurek, University of Guelph

We present the results of an experiment examining whether manipulations of environmental variables within gambling venues elicit emotions that influence problem gambling behaviour. We introduced the manipulations within two contrasting macro casino designs. The Kranes (1995) “playground” design is intended to be inviting and energizing, properties induced by thematic combinations of sunlight, warm colors, accessible green space and moving water. The Friedman (2000) “gaming” design places the gambling machines as the dominant decorative feature in a casino, relegating décor to highlight and enhance the equipment layout.

Within each macro casino design, it is possible to vary specific environmental elements that impact on emotional reactions to the gambling setting. In this study, we varied lighting (flashing versus static) and color scheme (bright versus monotone) that were expected to impact perceived levels of arousal. The index of gambling behavior was the stated intention to gamble beyond planned levels of time and money. It was hypothesized that flashing lights and the use of bright colors would increase arousal and the propensity to gamble irresponsibly in both the playground and gaming designs.

We ran two studies. In the lighting study, each participant viewed two videos of a gambling casino. One video represented a playground design and the other a gaming design (order was counterbalanced across participants). For half of the participants, both videos had static lighting; for the others, both videos had flashing lights. In the color study, each participant also viewed two videos of a gambling casino (playground; gaming). For half of the participants, both videos had bright coloring; for the others, both videos had monotone coloring. Thus, for each study, the design was a 2 x 2 mixed factorial where the between-subjects factor was the treatment (lighting or coloring) and the within-subjects factor was the design (playground and gaming).

Eight videos of a variety of casino settings were edited to 3-minute scenarios representing the following conditions: playground flashing; playground static; gaming flashing; gaming static; playground bright; playground monotone; gaming bright; gaming monotone. The participants were 188 gamblers who received $30. Testing took place in small groups (3-10) in a mini theatre-style setting. Participants were asked to imagine how they would feel in the casino setting they were about to see.

Following each of two videos they viewed, participants completed 7-point scales measuring arousal and intention to gamble irresponsibly. Intention to gamble irresponsibly was gauged using a five-item, 7-point scale anchored by “totally disagree” and “totally agree.” Statements included, “I would have trouble quitting without placing one more bet at this place,” and “I would gamble play more money than I intended at this place.” Arousal was measured with a 6-item scale (Mehrabian and Russell, 1974).

Respondents were asked to mark the spot on a -3 to +3 scale closer to the adjective anchor that better described their feelings about the casino simulation they had just viewed. Adjective descriptors for arousal included “calm” versus “excited” and “unaroused” versus “aroused.”

The intention to gamble excessively was stronger for the playground design (M=3.88) than for the gaming design (M=3.28), F (1,90)=14.13, p=.00. Gambling intention was marginally higher for flashing lights (M=3.61) than for static lighting (M=3.28), F (1,90)=2.87, p=.09. The interaction between design and lighting treatment was not significant. Arousal was significantly higher for playground than for gaming designs, F (1,94)=17.05, p=.00, and for flashing lights than for static lighting, F (1,94)=6.75, p=.01. The interaction of design and lighting approached significance, F (1,94)=3.62, p=.06. Flashing lights led to a greater increase in arousal for the gaming design (flashing M=4.90; static M=4.16) than for the playground design (flashing M=5.19; static M=4.93).

The interaction of macro design and color significantly affected excessive gambling intent, F (1,89)=7.08, p=.01. Whereas coloring had no effect on gambling intentions in the playground design (monotone M=3.60; bright M=3.75), the intention to gamble excessively was significantly higher for monotone (M=3.49) than for bright (M=2.82) colors in the gaming design.

Our research indicates that the incremental information afforded by flashing lights and bright colors impact emotions and gambling behavior. In both the playground and gaming designs, heightened arousal induced by flashing lights appears to exaggerate poor decisions made by gamblers who may be chasing losses by betting more than planned, spending more money than planned or by engaging in unplanned additional games.

Although coloring did not affect arousal, bright colors reduced negative gambling intentions in a gaming casino. This unexpected outcome may be related to the typical coloring within a casino. For the playground design, a variety of color formats may be typical. For the gaming design, bright coloring may be more common. Monotone coloring in the gaming casino may be incongruent leading to distraction and loss of control. Further research is required to test that hypothesis. At the conference, we will discuss the implications of these effects for public policy.

“An Assessment of the Value of Slot Clubs as Drivers of Casino Loyalty”
Flavia Hendler, University of Nevada–Las Vegas
Kathryn A. Braun-LaTour, University of Nevada–Las Vegas

Previous research has indicated that loyalty programs may not generate attitudinal loyalty or repeat purchases. In fact, some loyalty programs offer financial benefits and complimentary offers that basically translate into price discounts. Within particular markets, firms may be obliged to match benefits offered by its competitors in a form of price war, turning those programs into costly liabilities that do not necessarily strengthen their relationship with customers. A question that arises is whether loyalty programs, as they are currently structured, create emotional commitment to a brand or simply generate a feeling of entitlement to discounts and benefits. Another important question is what, in fact, creates loyalty.

The goal of our research is to better understand the impact of slot clubs on casino loyalty, where loyalty is defined as “a level of commitment to an organization or product that exclude competitors from the consideration set.” Casino slot clubs are the entities in the casinos that operationalize the collection of customer data and the delivery of loyalty program benefits. We investigate the deep meanings and emotions associated with such clubs using qualita-
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tively-derived perceptual maps of mental models of slot clubs and casinos and their underlying constructs. Our findings enrich our understanding of the loyalty construct and reveal personal meanings associated with slot clubs and casino mega-resorts.

Traditional research methods are unable to fully evaluate the efficacy of loyalty programs. For example, when faced with a questionnaire, consumers may indicate that some benefits are important simply because they are widely offered within an industry, even if they do not necessarily impact the purchase decision. A methodology that explores emotions and unconscious motives will provide a better picture of the underlying dimensions of loyalty towards a casino brand and a loyalty program. Therefore, we used a qualitative methodology, namely the ZMET technique. By using images, metaphor elicitation, and laddering probes, this research focuses on the deep and multi-faceted meanings of a slot club from a consumer standpoint.

We will present data on Las Vegas slot customers, including local (Las Vegas residents) and non-local customers of a casino resort. High-rollers usually receive highly personalized treatment, while gamblers with low levels of play do not receive significant benefits. For this reason, this research focuses mainly on mid-range customers. Using Backman and Crompton’s (1991) categorization to classify customers according to their level of loyalty, only truly loyal customers (displaying attitudinal and behavioral loyalty) are included in the sample.

The study of the deep emotional meanings of loyalty in casinos is particularly interesting because intuitively the purchase motives in gaming are highly emotional and perhaps even irrational. At the same time, casino customers may be highly value-driven, taking full advantage of the benefits provided in the clubs. In addition, each Las Vegas mega-resort is unique in terms of theme, location on the strip, and target market. In this sense, the casino product is not a commodity, and every property has potentially a different appeal to each customer. Furthermore, casinos track highly detailed information on customers. Particularly on slot machines, even penny transactions are recorded as long as customers use their loyalty cards. Having this information allows casinos to customize offers and benefits to players according to the amount wagered and behavioral data (preferences, frequency of visit, etc.). However, the club loyalty benefits are generally quite similar among different establishments, resulting in the loyalty club becoming simply a form of discounting. For all the reasons above, the Las Vegas slot clubs are a good terrain to explore the deeper meanings of loyalty and reward programs more generally. Thus, this study should help casinos—and perhaps other industries—to foster commitment to a brand or product, and perhaps avoid costly efforts that do not translate into attitudinal and behavioral loyalty.

“Not Leaving Las Vegas: Identity Projects of Local Vegas Gamblers”

Kathryn A. Braun-LaTour, University of Nevada–Las Vegas
June Cotte, University of Western Ontario

Traditionally the gambling literature has treated slot machine and table gamers similarly, and on-line gambling has not been investigated at present. Observation shows that these three types of gamblers exert very different behaviors; the slot player tends to be more introspective, focusing on their machine and winnings, whereas the table gamer has to be more social, interacting with the dealer as well as other players. On-line gamblers need not leave their homes, although they enter a simulated casino environment.

But how does one get into the mind of a gambler? Observation does not reveal gamblers’ inner motivations. Focus groups and surveys, while they may try to understand the gambler’s behavior, are subject to all sorts of biases which are likely to skew the results. For instance, a gambler may not consciously know or be able to articulate why they gamble or, in many cases, they may not want to admit why they gamble. For these reasons we allow participants to express themselves through images, the language of the brain, which helps reveal their underlying emotions and motivations. Using as a template the methodology developed by Gerald Zaltman (ZMET), we ask participants about their thoughts and feelings about gambling, using participant-supplied pictures as visual cues. Using techniques adapted from psychotherapy, cognitive neuroscience, psychology, and sociology, interviewers take participants through a series of exercises designed to reveal the fundamental feelings and beliefs that drive their actions.

We completed thirty one-on-one interviews that, on average, lasted about 75 minutes. We asked ten regular slot machine gamblers, ten on-line gamers, and ten table gamers to bring in pictures of what gambling meant to them. The resulting interviews were driven by the pictures, as well as by some structured (primarily projective and sensory-related) questions we developed beforehand. The resulting data was about 900 pages of transcribed interview text and 150 scanned images. We coded the data, both verbal and visual, for important ideas and themes, and constructed maps connecting these ideas to form a comprehensive understanding of gambling and its role in gamblers’ self-identity.

We uncover some intriguing findings about gamblers’ interpretative strategies as they confront the marketplace culture of casino gambling, both live and on-line. In particular, we answer Arnold and Thompson’s (2005) call for more examination of the use of localized cultural capital (gambling expertise) in defining self, and in-group/out-group status. Our results are organized as juxtaposed themes, including: social vs. anti-social; “brain-flushing” escape vs. active mental engagement; things that matter vs. things that don’t; genuine vs. contrived environments; chasing highs vs. avoiding lows; tourists vs. “real” gamblers; winners vs. losers. Our presentation will use the images as well as the text to communicate the nuances and implications of our research.
SESSION OVERVIEW

By now it is accepted in consumer research that preferences are not innate, but instead are constructed in specific contexts (Bettman, Luce and Payne 1998). This view is amply evidenced in research demonstrating the instantaneous processes of preference construction, such as how people use information contained in a decision context to make choices. What is less understood, however, are preference construction processes that take place over time. That is, instead of making instant choices, people often develop preferences over time. How are preferences developed over time, and what are the characteristics of such processes? This session presents four papers that consider the dynamic course of preferences. Two of the papers—Amir and Levav, and Hoefl er et al.—focus on preference learning and change during the process of making multiple, successive choices and evaluations. The other two papers—Dijksterhuis, and Liu—discuss preference development during extended decision-making occasions.

Amir and Levav study how people develop preferences from making choices. They distinguish between learning of tradeoffs between conflicting attributes and learning a preference within a given context. They find that when people are forced to tradeoff attributes, they are more likely to develop preferences that are stable across contexts. In contrast, when people choose within contexts that avoid tradeoffs, they form a preference for that context only and show less preference stability across different contexts. The latter point suggests that sometimes repeated choices of the same option do not mean that a subjective attribute value has been learned, but that the decision-maker has simply learned that he or she prefers an option within a certain context. Hoefl er et al. investigate the impact of experience with options on preference learning by juxtaposing intensiveness (number of repetitions) and extensiveness (variety of options) in experience with options, and show that extensiveness leads to greater learning and better developed preferences for the products.

The next two projects turn to preference development in extended decision-making episodes. Liu examines the changes in preferences that occur when the consideration of the options is interrupted. Specifically, an interrupting interval causes changes in the processing of the options such that greater attention is given to the desirability rather than feasibility of the options, resulting in preferences drifting towards attractive but less feasible options such as high-risk high-return, and high-quality high-price options. Dijksterhuis on the other hand notes that over time, people may have the opportunity to process options offline, i.e., through non-conscious processes. The author contrasts conscious contemplation and non-conscious processing, and demonstrate periods of non-conscious processing can result in preferences for objectively superior options, and greater satisfaction over time.

The four projects together seek to present new perspectives on consumer preferences by focusing on the dynamic dimension of preference formation and change.

EXTENDED ABSTRACTS

“Choice Construction versus Preference Construction: The Instability of Preferences Learned in Context”

On Amir, University of California San Diego
Jonathan Levav, Columbia University

A relatively common interpretation of preference stability is that it reflects a condition in which the decision-maker has learned the value he or she places on each attribute. A consumer with stable preferences is, by this view, less likely to fall “prey” to the influence of contextual variables on choice. In this paper we argue that preference stability does not necessarily reflect a process of learning tradeoffs or some understanding of one’s subjective value for attributes. Instead, we suggest that when preferences are learned in context, e.g., when repeated choices are made from a set that includes an asymmetrically dominated (decoy) option, people simply learn their preference for generic properties of a choice set, rather than their preferences about the attributes themselves. We call this choice construction. In contrast, if a person is asked to make repeated choices between two options, he or she will be forced to make a tradeoff between one attribute and the other. This process will induce preference construction, and should yield preferences that are stable across contexts.

Our experiments included two phases for all participants. In the first phase, the “tradeoff learning task,” participants made six successive choices between equally priced options that varied only on two attributes; every choice required a tradeoff between these attributes. Each successive set of options became increasingly stronger along one attribute rather than the other, thus requiring increasingly difficult tradeoffs.

Experiment 1’s tradeoff learning task was structured in one of three ways. In the control (Binary Choice) condition participants made repeated choices between two options. In the Attraction condition participants made repeated choices between the same two options plus a third, asymmetrically dominated decoy option. In the Compromise condition the third option included an attribute level combination that placed it exactly between the attribute level combinations of the binary set. The objective of the Attraction and Compromise conditions was to create a choice situation in which participants would be more likely to use contextual cues to make their decision, rather than having to learn their subjective attribute importance weights.

The learning task was followed by a filler task and then a “target choice phase.” The target choice in all experiments presented participants with three options in an attraction effect setup. The choice set included options representing a trade-off more extreme than the last decision of the learning phase. In order to test for preference stability, the decoy was set to be asymmetrically dominated by the option at the opposite extreme from the participant’s last selection in the learning phase (i.e., their sixth decision). We assumed that this last selection reflected a strong preference for one attribute over the other. Our key dependent variable was whether participants were “tempted” by the decoy, and thus “switched” away from their previously preferred attribute combination. We expected that participants in the Attraction and Compromise conditions would switch more than their control condition counterparts.
because the trinary choice sets would enable them to develop a preference for contextual cues rather than engage in the difficult act of trading-off one attribute for another. We also asked participants to indicate how strongly they preferred their chosen (target) option on a one to nine scale. We expected strength of preference to be greater for participants in the control condition because their preferences should be relatively more stable than experimental condition participants.

Our predicted data pattern emerged as expected. The proportion of participants who were “lured” by the decoy in the final, target choice was significantly lower in the control condition (31.2% switched) than either the Attraction (47.3%) or Compromise (59.3%) conditions. Additionally, mean preference strength was greater for non-switchers than switchers. This pattern becomes more extreme when we differentiate those participants who fell prey to the context from those who did not.

In our second experiment we confirm our interpretation that participants in our binary conditions learned trade-off values but that trinary condition participants did not. In this experiment we replicate the Binary Choice and Attraction condition procedures from Experiment 1 but also add a pair of similar conditions where we manipulate the difficult of learning trade-offs in the experiment’s learning phase by presenting participants ranges of attribute values, rather than a precise number (e.g., “restaurant food quality: 3-3.5 stars”). We find that in both range conditions—Binary and Attraction—participants are more likely to be tempted by the decoy in the target choice. That is, when attributes are described in ranges, the Binary condition participants behave more like those in the trinary condition. We argue that this is because the range manipulation made attribute trade-off learning more difficult, which ultimately led to less stable preferences.

In our third experiment we demonstrate that when participants are prodded to pay special attention to the tradeoffs inherent in their choices, they produce more stable preferences even when the choices are made in (a trinary choice) context. We replicate our procedure and basic result from the Binary and Attraction conditions of experiments 1 and 2, but find relatively high and equal preference stability irrespective of the presence of a contextual cue in the choice set when we give the simple instruction to pay special attention to the tradeoffs among the attributes. Thus, in study 1 we present the finding that preferences are less stable when learning in context. In study 2 we are able to exacerbate this difference, and in study 3 we are able to attenuate the difference. Throughout we replicate the basic difference between choice and preference construction that we find initially in study 1.

In summary, we present evidence distinguishing preference construction from choice construction. This perspective offers a new approach to understanding the persistence of context effects. Finally, we propose a more nuanced way to think about what choices imply about underlying preferences.

“Preference Exploration and Learning: The Role of Intensiveness and Extensiveness of Experience”

Steve Hoeflir, University of North Carolina
Dan Ariely, Massachusetts Institute of Technology
Pat West, Ohio State University
Rod Duclos, University of North Carolina

“Not alone age matures one, but breadth of experience and depth of reflection.” —Ross (1948, p. 214)

People’s preferences change dramatically over time. In most cases, the changes are too slow to draw attention, but when people look back at their past preferences, they sometimes find it shocking to realize how much they have changed. These changes occur in most consumption domains. In addition, they include aspects for which people both increased and decreased their liking over time. A few examples of such changes are realizing that grilled cheese sandwiches are no longer the culinary ideal, developing a taste for beer, and looking forward to visiting a modern art museum. Yet knowing that preferences change is different from understanding how and why they change.

Prior research has focused on two broad classes of factors that exert influence on preference learning. One class of factors (e.g., biology and exposure) has a direct influence, whereby preferences respond to lower-order forces such as biological adaptation and sensory feedback. The second class of factors (e.g., informational goals and social learning) has an indirect influence, whereby preferences are subject to higher-order forces such as cognitive representations of (un)desirable end states. Both classes are important because they relate to the way a person learns about and constructs preferences. Despite the wide range of literature covered, however, we found a dearth of research on the role of breadth of experience in the preference formation process. Thus, we attempt to remedy this shortcoming by refining/partitioning the “experience” construct by introducing two new subconstructs: intensiveness and extensiveness of experience.

We succinctly define intensiveness of experience as the amount or frequency with which a person has been exposed to a product category. Alternatively, we define extensiveness of experience as the breadth or the variety of exposure a person has accumulated in a product environment throughout his or her consumption history. Intensiveness and extensiveness of experience are likely to be positively correlated in the real world, yet they need not accrue simultaneously. As suggested previously, it is possible to develop one aspect of experience (e.g., intensiveness) without necessarily enriching the other (e.g., extensiveness).

In light of this argument, we contend that a person’s preference formation will be influenced by the nature of prior experience. More specifically, the primary goal of this research (studies 1-2) is to examine whether preference learning (as indicated by the ability to identify, predict, and appreciate higher-quality products) is afforded more readily by intensiveness or extensiveness of experience. Our secondary goal is to identify some of the factors and mechanisms impacting extensiveness of experience and preference exploration (studies 3-5).

In study 1, to examine the relationship between experience and preference learning, we surveyed the intensiveness (e.g., number of years drinking beer, and number of beers consumed in a typical week) and extensiveness (e.g., number of brands regularly consumed, number of beer types experienced, and number of brands experienced) of experience of our research participants. Following this initial questionnaire, we tested participants’ knowledge of the category in a series of semantic tasks. From the performance exhibited on these tasks, we inferred the amount of preference learning accrued over time. We find that, while intensiveness of experience could not predict preference learning, extensiveness of experience did. Participants with higher breadth were better able to discriminate quality, knew a greater number of countries legitimately famous for producing high-quality beer, and were better able to estimate the alcohol content of beers.

In study 2, we used similar questions to estimate intensiveness and extensiveness of experience, but adopted a new set of dependent variables. In addition to the semantic measures of preference learning, we used sensory measures (e.g., blind taste tests). Again, we find that high-extensiveness participants were better able to identify and appreciate high-quality products and accurately predict their preferences than low-extensiveness participants. Inten-
siveness of experience, on the other hand, did not confer any benefit. To the extent that preferences are the product of both sensory and semantic knowledge, we infer that extensiveness of experience enhances both understanding of the product category and preference learning.

After identifying the advantages associated with extensiveness of experience, we next examine three mechanisms impacting the decision to experiment with novel alternatives in the real world. We use the term “preference exploration” to describe the very selection of novel options and the corresponding increase in people’s extensiveness of experience. So what are the factors that affect preference exploration?

The first factor we identify is the availability of a quality signal favoring novel options. In study 3, participants who were led to believe that novel juices (e.g., tamarind, guanabana, maracuja, and guava) were more popular in a foreign country were more likely to select those juices for trial. The second factor is the similarity of an advocate of a novel option. In study 4, when a similar model (i.e., a person of same age and gender) promoted the selection of a novel option, participants were more likely to demonstrate a willingness to try the item. The third factor is the favorability of a novel experience. In study 5, participants who had a negative initial experience with a novel juice were more likely to stay with familiar options in subsequent trials.

Far from construing intensiveness and extensiveness of experience as ends of one continuum, we present these constructs as two correlated, but potentially separable, dimensions along which individual experiences vary. Furthermore, we believe that both constructs can sometimes interact to influence the preference formation process. Finally, inspired by recent research in neuroscience (Munakata and O’Reilly 2003), we conjecture that, to the extent that preferences are the product of both semantic and sensory knowledge, intensiveness can play a preference-solidifying role by strengthening the linkages between the knowledge acquired through sensory exploration and that acquired through semantic exploration.

“Instant Choices versus Slow-Developing Preferences: How Preferences Form and Change over Time”

Wendy Liu, University of California Los Angeles

Previous research in judgment and decision making has mainly focused on decisions made in one continuous manner—the person is presented with a choice, thinks through it, and selects the course of action. However, in real life, decisions are often interrupted or suspended. For example, a multitasking manager may be juggling several issues on the same work day. Thus when he/she faces a decision problem, he/she may need to attend to other businesses before returning to make the decision. Similarly, a consumer may be considering a purchase, but may sit on the decision for some time while pursuing other things in life.

Do interruptions and suspensions in decision making change people’s preferences? In this research, I focus on the change in information processing due to an interruption or suspension. Specifically, I propose two modes of attribute processing, namely, compulsory processing versus voluntary processing, and argue that when a decision is considered for the first time, the attributes of options are processed under compulsory mode such that they receive attention proportional to their perceived relevance to the decision. However, an interruption stops this processing, and when the decision resumes, the processing of the problem switches from compulsory mode to voluntary mode—upon a “revisit” to the problem, people (unintentionally) become more focused on aspects of the problem they are more naturally drawn to. In particular, I propose that compared to compulsory processing in which an option’s desirability (benefits, rewards) and feasibility (costs, constraints) are equally relevant, people voluntarily give greater attention to the desirability of options, and less attention to the feasibility of options, resulting in systematic shifts in preferences. I examine this possibility in two decision contexts, namely, risky choice, and price-quality tradeoffs, and show that an interruption or suspension makes people more risk-seeking, and more likely to choose high-price high-quality options.

Study 1 examines the effect of decision suspension on risky choice. Participants were given 6 decisions involving one option with a larger but less probable gain and another with a smaller but more probable (sometimes sure) gain. Consistent with prior research, winning is desirable, while the probability of winning indicates its feasibility (Sagristano, Trope and Liberman 2002). For each decision, half the participants were told that they should first learn about the choice, but not make a decision; instead they would turn to a different task. The interrupting filler task asked the participants to count backwards (e.g., “count backwards by 4 from 92 to 8”), typing down each step to make sure they followed instructions. Upon completion of the filler task, they were shown the risky choice again and asked to make a decision. The other half completed the filler task prior to the risky choice (thus equating any potential “priming” effect of fillers), and then made the choice at once without suspending it. In all 6 decisions, those who suspended their decisions were more likely to choose the risky option; the increases range from 7% to 14%, pooled average=10%, p<.005. Further analysis shows that the total amount of time spent on the decisions did not differ between conditions, and did not account for the effect.

Study 2 extends the result of study 1 on risky choice to unexpected interruptions. Specifically, this computerized study controls the process of reading about the options and deciding, by introducing information about the options gradually. After the last option’s information was presented, the no-interruption subjects spent an average of 8 seconds to come up with a decision. The interruption subjects were interrupted unexpectedly 3 seconds after the last information was presented (and hence have not made up their mind) and were asked to perform a filler task. Again, when they resumed, they were more likely to choose the riskier option (increase=23%, p<.005).

Study 3 conceptually extends the effect of interruption to another domain, namely, price-quality tradeoff. Because high quality is desirable while price serves as a feasibility constraint, interruption shifted preferences towards the high-quality high-price option over the low-quality low-price option (increase=8%, p<.05). Further analysis suggests consistent with the underlying mechanism of voluntary attention to desirability, the effect is stronger for hedonic products (11% increase) than for utilitarian products (4% increase), the later being instrumental to other goals but lack desirability in and of themselves.

In summary, this research examines the effect of decision interruption and suspension on preferences, and demonstrates a shift towards desirable but less feasible options due to a switch from compulsory to voluntary mode of information processing. This research has significant implications for marketers and consumers.

“New Insights on the Benefits of Unconscious Thought”

Ap Dijksterhuis, University of Amsterdam

Common knowledge dictates that conscious deliberation is the best strategy for making choices. Thorough contemplation, it is usually argued, leads to choices that are objectively better. We show that choosers can also engage in unconscious thought: After people have gathered information about various choice alternatives, they leave the development of a preference for one of the alternatives to the unconscious. In lay terms, people can “sleep on it”. We present
research showing that unconscious thought is often superior to conscious thought. In addition, we present research that sheds more light on how unconscious thought works, and we present some preliminary evidence about the moderating role of expertise in the fruitfulness of unconscious thought.

We base our recent research on the recently posited Unconscious Thought Theory (UTT; Dijksterhuis & Nordgren, in press). This theory postulates various characteristics about conscious thought and about unconscious thought. We argued that conscious thought is essentially very precise, but also suffers from low capacity. Unconscious thought, on the other hand, is less precise but also has no (or at least less) capacity issues. This led us to formulate and test the “deliberation-without-attention” hypothesis about the relation between mode of thought (conscious versus unconscious thought), complexity of choice and quality of choice. We hypothesize that simple decisions are made better after conscious thought, whereas complex decisions are made better after unconscious thought. We indeed found evidence for this, both in the laboratory as well as among actual shoppers (Dijksterhuis, Bos, Nordgren, & van Baaren, 2006).

In our laboratory studies, we presented our participants with information about four choice alternatives (e.g., four different cars) differing in overall attractiveness. These cars were either described by few aspects (4) or by a lot of aspects (12). After participants had read the information, they were either given time to consciously think about the four cars, or they were distracted so they could only engage in unconscious thought. We repeatedly showed that conscious thinkers more often chose the best car than unconscious thinkers when the choice context was simple (i.e., 4 aspects per car), but that unconscious thinkers made a better choice than conscious thinkers under conditions of complex decisions (12 aspects per car). We also have evidence that unconscious thought leads to more post-choice satisfaction among actual shoppers who bought complex products (e.g., furniture) but that conscious thought leads to more satisfaction for simple products (e.g., small appliances).

Recent research also shows that unconscious thought is goal-directed. We only engage in it when we are motivated to do so. In various experiments, we gave people a information about various alternatives, before dividing people into two conditions. In one condition, we distracted people for a few minutes but told them beforehand that they later had to choose between the alternatives. In another condition, we merely distracted people and told them they could forget about the choice alternatives. Only in the first condition we found effects of unconscious thought. That is, only people who knew they would have to make a choice later on made good decisions.

In all experiments that we had done until recently, participants were given all information relevant for making a choice. But what if people do not have this information? Is unconscious thought still helpful? In order to examine this, we looked at the role of expertise. In an 8-week period, participants were asked to predict scores in the Dutch soccer league every week (games are played each weekend). Participants either predicted without hardly any thought at all, or after conscious thought, or after unconscious thought. Participants were furthermore divided into two groups on the basis of their knowledge of soccer: Experts and non-experts. Again, unconscious thinkers made the most accurate predictions, but this was only true for experts. They could recruit relevant knowledge during unconscious thought to arrive at sound predictions. However, as the non-experts showed, unconscious thought is not helpful without having relevant information.

REFERENCES
SESSION OVERVIEW

This session sought to explore the distinction between access and ownership in consumption practices. We brought together three presentations that examined a paradigm shift from ownership to access organized consumer discourses, practices and theory. Within a paradigm of ownership, consumption objects are clearly defined, and the role of the consumer is circumscribed as simultaneous owner and user. Within a paradigm of access, however, property boundaries become blurred, and consumers play a more ambiguous role in constituting the consumption object by using objects that are not owned. As marketing paradigms evolve from a product-based orientation to a service-based orientation, these tensions between ownership and access have become more prominent in the marketplace (Vargo and Lusch 2005). Examining the relationships between access and ownership allows us to (1) explore the relationship between material and immaterial dimensions of consumption, (2) add to our understanding of how cultural values and interpretations are formulated and shared, and (3) document how consumers and producers collectively negotiate social and legal norms of access and ownership.

The applicability of this theoretical distinction was explored in three papers. Markus Giesler and Ashlee Humphreys examined the two conflicting paradigms in two consumption contexts: retail bookselling and music downloading. These two cases allow us the opportunity to theorize the dynamics between ownership and access, and its results at two levels of consumer-producer conflict, one cooperative and the other agonistic.

Clinton Lanier, Hope Schau, and Albert Muniz discussed the distinction’s place in the consumer co-creation process in the case of three fan fictions (Harry Potter, Xena: Warrior Princess, and Tom Petty and the Heartbreakers). Although producers legally maintain the rights to the material aspects of mass culture, consumers co-create and disseminate the immaterial meanings and interpretations of popular culture. Who owns the “meaning” of these co-created texts is hotly contested between fans and producers. Traditional notions of ownership break down as we move from considering value as residing in the product to residing in the experience surrounding the product. The only way for producers to maintain ownership of the experience of the product is to restrict access to the product itself.

Eric Arnould, Carolyn Curasi, and Linda Price explored the interplay between access and ownership in a context in which access is historically privileged over ownership, and likewise takes precedence over ownership in several meaningful ways. In the context of Nebraska Century farms and ranches, access precedes ownership and flows uncontested into ownership. However, ownership must be earned via demonstration of guardianship skills. Ownership is a responsibility that entails considerable lifestyle trade-offs. A priority for agents occupying the guardianship role is securing access to the farm for existing and future generations of potential owners. Loss of the farm, which curtails future access, is a great ill, all guardians seek to avoid. Century farm families employ a variety of strategies to pass their farms forward into the future. A variety of economic and policy factors threaten the access/guardianship model of the Century farm.

Russell Belk then tied together the presented empirical work and drew conclusions using a framework of sharing and owning and contrasted them to previous work on material possessions. All three presentations use the access/ownership distinction to theorize social relations between consumers and producers and between consumers themselves. By convening this session we tried to advance the understanding of these two modes of consumption and their interrelation in the marketplace.

EXTENDED ABSTRACTS

“Tensions between Access and Ownership in the Media Marketplace”
Markus Giesler, York University
Ashlee Humphreys, Northwestern University

When and why will a social actor use a framework of access over one of ownership? To answer this question, we examine ownership/access dynamics in the context of media consumption and production. Media products present us with a valuable opportunity to study the conflict between access, a viewpoint generally taken by the consumers of media that entails the sharing of goods and services, and ownership, the viewpoint more commonly taken by producers of media that entails placing restrictions on the circulation of goods and services. This paper seeks to organize and explain the tensions that arise between media producers and consumers based on divergent perspectives of the marketplace in two consumption domains, books and music.

Two ethnographic field studies of book and music consumption were undertaken including depth interviews, archival data, and extended experiential participation in a cultural context (Pettigrew 1990; Arnould and Wallendorf 1994; Stewart 1998). In the case of the bookselling industry, the transition from ownership to access, while on-going, has been relatively smooth and takes place through a process of continual gifting between company and consumer. In the case of the music industry, the transition from ownership has been contentious, heavily debated in popular and industry circles, and has taken the form of a social drama (Turner 1969).

In the case of bookselling, consumers have the option to read or ‘access’ titles in the store rather than to buy them outright. They view this access as a free service offered by the bookstore and use the service to read things they would not otherwise buy. Book producers, on the other hand, are structurally oriented toward selling media in material form. While they may offer free access to materials, they do so in order to entice consumers to buy and ‘own’ the book. The tension between access and ownership plays out as consumers try to maximize ‘access’ while producers try to place barriers on access in order to promote ownership.

In the case of music, downloaders, who are access-oriented, and music producers, who are ownership-oriented, are drawn into dramatic presentation efforts to legitimate their own cultural standpoint (Goffman 1959; Turner 1969). Members of each dramatic stakeholder group exert a moral demand upon their rivals and cultural bystanders to accept the cultural standpoint encoded in their dramatic performances as the most desirable, proper, or appropriate. Through their dramatic performances, consumers and producers invest themselves and others into a particular music marketplace ideology, legitimate their divergent cultural standpoint on music access and ownership, and reinforce their own sources of cultural identity and power.

In summary, this presentation contributes to our understanding of the access-ownership distinction in marketing in three
important ways. First, we profile media access and ownership as two fundamentally different perspectives in the marketplace. Second, we develop how these fundamental but abstract perspectives serve as a springboard for the construction of divergent dramatic narratives, roles, and behaviors. Finally, we show how marketplace stakeholders seek to manipulate the relationship between access and ownership to guide media consumption in particular directions. In summary, the two cases allow us to examine the multiple ways in which the tension between access and ownership can be negotiated, with more or less conflict between producers and consumers.

“Write and Wrong: Ownership, Access and Value In Consumer Co-Created Online Fan Fiction”

Clinton D. Lanier, Jr., University of Nebraska-Lincoln
Hope Jensen Schau, The University of Arizona
Albert M. Muñiz, Jr., DePaul University

This presentation specifically addresses issues of ownership and access in relation to fan community appropriation and alteration of media-based products through the writing of fan fiction (Bond and Michelson 2003; Caudill 2003). As marketing continues to evolve from a goods-centric to a service- and experience-centric dominant logic (Prahalad and Ramaswamy 2004, Vargo and Lusch 2004), the role of consumer involvement in the value and meaning creation process takes on greater importance. This active participation by the consumer exposes many of the limitations of our traditional understanding of property rights in marketing. It also raises many questions and concerns about the nature of products, consumer engagement, and the boundaries of consumer participation as they relate to access and ownership.

Copyrights protect intellectual property and lead to a legally legitimate and authenticated genealogy, but what happens when the protected property is subject to “textual poaching,” or the process in which people write around and through the “meta-text” of the protected property to meet their unique desires (Jenkins 1992)? The most common form of textual poaching by consumers is the writing of fan fiction. Because fans write stories that are based both on the primary text and the consumers’ imagination, we consider the writing of fan fiction as a form of active co-creation analogous to Vargo and Lusch’s (2004) new paradigm of marketing where consumers create both value and meaning, and are considered inextricable from the firm’s offering. Combining aspects of both the producers and consumers, the writing of fan fiction is considered a co-creation phenomenon in which consumers use the focal texts of mass culture as “cultural resources” to co-create the cultural meanings of popular culture (Fiske 1989). We interrogate the implicit assumption in this consumer orientation towards mass and popular culture, asserting that popular culture cannot be unilaterally produced or owned. We posit that media producers manufacture mass commodities (e.g., television programs, movies, music, fiction) and consumers turn them into popular culture through a co-creative process of access, interpretation, and identity negotiation (individual and collective).

In order to explore issues of ownership and access associated with the phenomenon of fan co-creation of media-based products, we examine three organically formed fan communities (Harry Potter, Xena: Warrior Princess, and Tom Petty and the Heartbreakers) and their interaction with three different types of media “texts” (i.e., novels, television shows, and music). We monitor ten online forums that contain fan fiction in a manner analogous to naturalistic observation: four devoted to Harry Potter fan fiction, four centered on Xena: Warrior Princess, and two related (directly and indirectly) to Tom Petty and the Heartbreakers. We analyze the content of the fan fiction on each site, the manner in which it is disseminated, and discussions surrounding its interpretation and meanings to the fan communities and their various factions.

Through examination of these three fan communities, we find that fans engage in co-creation of meaning and value through the writing of fan fiction that involves the focal texts of the community. We find that this access-oriented form of co-creation is a transformative process that converts the commodities of mass culture into meta-texts of popular culture. That is, although producers legally maintain the rights to the “material” aspects of mass culture, consumers co-create and disseminate the “immaterial” meanings and interpretations of popular culture. Who owns the “meaning” of these co-created texts is hotly contested between fans and producers. We also find that the success of fan co-creation is based on the richness of the focal text, what is left unwritten in the focal text, and the degree to which the focal text can be appropriated and reconstructed by the consumer. Harry Potter, Xena and Tom Petty fan fiction writers all adore the focal texts, are intrigued by what is not contained in these texts, and engage in poaching and refashioning these texts to create broader meanings that meet their individual needs and the needs of the fan community.

We also find that the writing of fan fiction allows consumers to mitigate the cultural tensions between mass culture and popular culture. Although the products of mass culture are often described as the primary hegemonic tool of capitalist society to oppress and pacify the masses (Adorno and Horkheimer 1979), this co-creative process allows consumers to alleviate their feelings of being exploited and alienated by actively engaging these “texts” to produce the meanings of popular culture. Interestingly, although consumers are able to carve out a separate cultural space (i.e., popular culture) in which to create their own symbolic meanings and build their own communities, they replace one form of tension (mass culture vs. popular culture) for another (the tensions that exist between equally adoring fans with disparate reads of the focal storyline). In a sense, after transcending the issue of ownership, consumers wage their own internal battles concerning access and the degree of transformation of the focal text. We posit that the latter tension is preferable to consumers because it is a byproduct of the co-creation process and part of the tensions that consumers actively employ between individual and collective identities (Arnould and Price 2000; Schau and Muniz 2002).

In addition, these communities also face anxieties as some producers try to wrest control of the focal text away from highly involved fan consumers. Some producers of mediated-texts (e.g., Anne Rice) attempt to strictly control both the material and immaterial aspects of the focal text. This typically does not stop the fan community from co-creating their own texts and meanings, but usually forces them underground. Other producers attempt to put boundaries on how far the characters, meanings, etc. of their texts can be extended (e.g., many producers forbid the creation of sexually explicit stories based on their characters). A few producers actually invite consumers to suggest ways to extend the meaning of the focal text in upcoming productions. Since there are obvious advantages to producers from encouraging consumers to co-create with their products (e.g., the transformation of products from mass to popular culture), the issue of how much access and control to provide to consumers will need to be carefully considered.

We contribute to the existing literature by arguing that traditional notions of ownership break down as we move from considering value as residing in the product to residing in the experience and meaning surrounding the product. The only way for producers to maintain ownership of the “immaterial” aspects of the product is to restrict access to the product itself. Obviously, this defeats the purpose of any market offering and is almost impossible to control.
Likewise, although Holt (2004) asserts that it is the cohesive myth that binds people to a community, we find that it is precisely what is left unwritten in the focal text that inspires fans to actively engage in co-creation and form fan communities. Lastly, although the co-creation literature views this process as between producers and consumers (or consumption communities), it does not really address how co-creation goes on between consumers. Members of these fan communities not only engage the focal text (i.e., meaning creation and interpretation), but also co-create texts with other consumers (i.e., meaning development). This process generates the “meta-text,” which in turn provides consumers with more “cultural resources” to continue their creative endeavors.

“Guardianship and Access on Nebraska Century Farms”
Eric Arnould, University of Arizona
Carolyn Curasi, Georgia State University
Linda Price, University of Arizona

Nebraska “Century Farm” families have owned a farm or ranch for at least one hundred years. Perhaps paradoxically, our research with these families extends our understanding of a paradigm of object relationships highlighting access, where property is in some sense shared, and the agents involved have complex roles in constituting consumption objects imbued with relational symbolism within kinship groups (Curasi, Price and Arnould 2004; McGraw, Tetlock and Kristel 2003). Our research exposes cultural tensions agents experience between guardianship of something inalienable and loss through alienation, as well as the way these tensions shape their “curatorial” consumption (McCracken 1988). Access to and transfer of Century farms illustrate the interplay between alienability and inalienability across generations of farm families. Our paper exposes a variety of tactics for establishing and maintaining guardianship of the farm as site of production and consumption.

The Aksarben Foundation recognizes over 5000 Century Farms in Nebraska. Given the history of settlement, this often means a single family has held title to these farms since the original homesteading in the 1870s and 1880s, which was itself an access gaining process. In other words, Century farms have been transferred between four and six generations of farm family members. We conducted long interviews with over 30 families and participant observation with two of them to investigate contemporary management practices, curatorial consumption and family farm culture.

For individual agents, access to the farm precedes ownership and typically is mediated by kinship, that is, nuclear or extended family membership. It is enacted over time through expressions of interest that senior guardians recognize in more junior kinsfolk, and through their investment of productive labor in farming operations. Access may lead to increasing levels of agent’s engagement or desire for ownership/guardianship. Engagement is effortful. It is expressed through obtaining educational qualifications. It is further expressed through farmers’ commitment to what they term stewardship, care of the land and steps taken to improve it, such as sustainable management practices with a view to preserving access for future generations. In some cases, rescuing a failing family member’s farm operation may entitle one to greater say in the eventual disposition of the heritage farm removed from risk. Heirs are not simply designated, but become heirs through long-term demonstration of effort, worth, and ability.

Guardianship entails lifestyle commitments involving trade-offs between investments in the farm and additional land (rent and purchase) and consumption attractions available to city dwellers such as vacations, nice clothing, and the like (Machum 2005). Those who enjoy current guardianship/ownership make choices to have access to the farm and the way of life it entails instead of something else (due to time, money, etc). A jack of all trades’ ethos with regard to production, and an attitude disparaging of farmers who engage in conspicuous consumption of new agricultural equipment or materialistic lifestyles was common among Century farms owners/guardians.

In this context, access has preeminence over ownership. As a necessary precursor to guardianship/ownership, access flows naturally into guardianship. Absentee owners, i.e., those without day-to-day access, even cash renters are suspect, even resented. This may be because absenteeism and alienated relationships to the land threaten the access-guardianship pathway. Access to the farm induces positive identity claims and symbolism that are shared with younger family members. Through the length of time they’re on their land, many Century farm families feel they have earned a type of distinction that resonates with the concept of ‘patina’ associated with inherited family possessions before the industrial revolution. Many informants seem to feel that Century Farm families have earned a level of distinction (good character, dependability, strong work ethic, faith, etc.) due in part to the longevity of their guardianship, and that these distinctions are lost when access is lost, but may be regained if access is renewed.

Guardians go to some lengths to preserve access for themselves and future generations (Coyne 2005). Developing niche markets and blending farm and off-farm income sources are tactics some employ (Edgcomb and Thetford 2004). A legacy of cautious innovation is common among these families. Nevertheless, market pressures lead some families to expand the scale of farmland and farm operations at the expense of other harder-pressed farm families. Guardians that are unable to actively farm the land due to financial reversals or advancing age may rent their farm to others family members preferentially but not necessarily, but resist the temptation to sell it out of the family. In these cases, they trade off their own access to the land against the responsibility to act as guardians for future generations. They express the hope that some family member will be able and willing to take over access and guardianship of the farm. Guardians also gift access of the farm to family members who have migrated to town or to other states, and encourage members of the migrants’ families to return for the agricultural summer season or important family holidays. In this way, ownership is symbolically shared and future guardians are sometimes even recruited. Those who see an off-farm future ahead express regret and misgivings.

Century farm families engage in creative strategies to retain family farms within the family and across generations. Farm transfer practices are quite complex from family to family. Engagement is expressed in an array of everyday practices such as ongoing labor commitments in the absence of ownership guarantees. This behavior is characteristic of younger family members who may hope to assume guardianship of the farm at some future point. Living trusts, intergenerational gifting, intergenerational installment purchase, investments of labor and even capital investments by younger family members in the farm to which they do not have title, are among the tactics employed to transfer guardianship between generations of farm families. Older guardians may signal progressive transfers and their change in status by moving from the main house to a secondary home either built on the property or at its margin, or in some cases in nearby small towns. Overall, progressive intergenerational transfer of limited rights characterizes these practices.

We found many cases where the burden of guardianship (Curasi, Price and Arnould 2004) had become great; farming is just “no fun” anymore, and selling out appears to be the only option.
Still, many informants indicate that an important goal is to pass the farm forward into the future, and they desire at all costs to avoid being the one who “lost the farm.” These behaviors resonate with those of the guardians of inalienable wealth in other contexts (Curasi, Price and Arnould 2004). In other words, curatorial behavior is a key factor distinguishing the behavioral models of family and corporate farming in the minds of our informants.

Today, working century farm families operate within a complex and highly competitive market economy that imposes a host of threats to the guardianship/ownership model (Hassebrook 1999; Salamon and Toratore 1994). But family farms persist, and Nebraska Century farmers recognize significant distinctions between the logic of family farm operations and those of corporate farms.

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SESSION OVERVIEW

Objective. Despite a booming multi-billion dollar global market for counterfeit goods, academic research on the consumption of such goods remains sparse. Who are the consumers of counterfeit goods? Why do they engage in such illegal consumption behaviors, even when they can afford the genuine goods? How do others view those who engage in such questionable but, at the same time, often de rigueur actions? These are the questions that motivate this session, the objective of which is to further our understanding of this increasingly important but largely overlooked domain of consumption behavior.

Content. This session comprises four papers that together shed light on the individual and product-specific determinants, the motivational underpinnings, and the social and product-specific consequences of counterfeit good consumption. The papers are in advanced stages of completion, each containing empirical findings from one or more studies. The session’s scope is both broad and deep: the papers draw on a diversity of theoretical and empirical perspectives to contribute towards an incipient but persuasive, coherent understanding of how the social environment interacts with individual motivations to influence the consumption of counterfeit goods.

The first two papers examine the nature and extent of social sanction for counterfeit consumption behavior. The Geiger-Oneto paper draws on social identity theory to implicate the counterfeit buyer’s social distance as a determinant of others’ reactions of such a person. While counterfeit buyers are in general evaluated less favorably than buyers of genuine brands, the former are evaluated more favorably when they are members of an in-group than of an out-group. The Chang, Keinan and Lehman paper examines the moderating role of product type on such social perceptions by undertaking a product-specific (i.e., hedonic versus utilitarian) investigation of people’s opinions of counterfeit good buyers on dimensions of morality, likeability and attractiveness as a social other (e.g., friend, fellow shopper, etc.). Interestingly, while buyers of counterfeit utilitarian goods (e.g., software) are viewed as less moral, fair and considerate compared to buyers of the genuine versions, buyers of counterfeit hedonic goods (e.g., fashion) are views as more moral, fair and considerate compared to buyers of the real goods.

The final two papers complement the first set by investigating the socially-driven motivations guiding consumers’ pre- and post-counterfeit good purchase psychologies. The McCabe & Rosenbaum paper draws on sociological research on delinquent behavior to examine how consumers rationalize this illegal consumption behavior. Their findings suggest that consumers of counterfeit luxury branded goods not only employ multiple rationalizations to justify their purchases but also do not, paradoxically, desire the real brands any less. The Wilcox, Kim and Sen paper draws on theories of self-monitoring and accompanying attitude functions (social-adjustive vs. value-expressive) to demonstrate a consumer by product interaction in the motivations underlying purchases of counterfeit luxury brands: the purchase decision of low versus high self-monitors is differentially influenced by the extent to which the counterfeit product is identifiable as a desired luxury brand.

Structure. Each presentation will be 20 minutes long. As with most fruitful sessions on emerging topics, this session is likely to generate more questions than answers and the final 10 minutes of the session will be devoted to a discussion of worthy research directions in this domain of consumer behavior.

Audience. The potential audience for this session is quite broad. It will appeal to researchers interested in illegal/aberrant consumption behaviors as well as, more broadly, to those interested in consumer decision making, motivation, and social norms and influences. Equally importantly, the session will be of interest to practitioners and regulators seeking to formulate effective anti-counterfeiting or piracy policies/strategies grounded in consumer insights.

Contributions. The contributions of this session are four-fold. First, it enhances our substantive understanding of the motivational and social underpinnings of an increasingly important domain of consumption behavior. Second, it draws on relevant theories of motivation, perception, preference and groups to advance our theoretical understanding of counterfeit good consumption. Third, this session combines the internal control of experimental work with the external validity of field surveys and ethnography to yield a methodologically robust set of insights into the consumption of counterfeit goods. Finally, this session brings together a diverse set of researchers whose research efforts in the area of counterfeit good consumption complement each other in the articulation of a fruitful research agenda on this important but under-examined consumer behavior topic.
EXTENDED ABSTRACT

The appeal for social marketing research to serve consumers’ and society’s long term well-being and address sustainable consumption issues has been put forward since the early 70’s (Andreasen 1995; Kotler and Zaltman 1971). The promotion of sustainable consumption behavior has shown to be an arduous task for governments and organization acting as behavioral managers, despite an increased interest of the general public in sustainable development. An often cited reason for this phenomenon is that people associate sustainable behavior with behavioral costs like money, time, effort and inconvenience (Pieters et al. 1998; Thøgersen 1994). In the present paper we focus on ecological behavior in specific and propose a technique, which aims to improve consumers’ attitude towards specific environmental acts, and to increase their adoption of environmental behaviors.

Bem’s self-perception theory (1972) proposed that attitudes may be inferred from previous behavior, especially when attitudes are to be constructed on the spot, or when existing attitudes are ambiguous or weak (Holland, Verplanken, and Van Knippenberg 2002). When deriving one’s attitude towards pro-environmental behaviors, an individual can base his or her judgment on the availability of instances of previously performed environmental behaviors in memory (e.g., Tversky & Kahneman’s availability heuristic (1973)). Increasing this perceived availability may thus render people’s attitudes more favorable.

We propose that cueing people with commonly performed environmental behaviors may therefore render their attitude towards ecological behavior more positive. First, showing that they actually do perform environmental acts quite frequently in their daily lives increases the perceived availability of these behaviors. Second, cueing may render behaviors more relevant as a source of information to infer one’s attitudes from. As a matter of fact, people may not perceive certain environmental acts as being informative when deriving their attitudes. This is the case when the behavior is seen as a social norm or when they attribute it to other motives than their green ethics, like financial reasons. This conjecture was supported by a first pre-study (N=32). From a ‘logic of conversation’-perspective, cueing these behaviors as environmental acts will render them relevant as information to derive attitudes from (Grice 1975; Schwarz 1994).

A second pre-study (N=42) confirmed the assumption that the perceived ease with which participants could generate instances of previous environmental acts is correlated with their attitude towards environmental acts. In Study 1 (N=160) we examined the effect of cueing commonly performed environmental behaviors on attitudes. We constructed three sets of behaviors. One set contained environmental behaviors which people usually perform. These were the eight most often mentioned behaviors of this type, by participants in the second pre-study. Similarly, the second set was constructed to contain eight environmental behaviors which people usually do not perform. A control set contained eight behaviors, unrelated to ecology. Participants were randomly assigned to one of three groups, each of which received one of the three sets of behaviors. They were asked to indicate how frequently they engage in each of them. This way we created an ecologically cued group, a non-ecologically cued group and a control group. The results indicated that the ecologically cued group indeed showed more favorable attitudes towards environmental behavior, perceived themselves more as ecological consumers and indicated a higher feeling or moral obligation to protect the environment than participants in either of the other two groups. Between the non-ecologically cued group and control group, no significant effects were obtained on any of the measures.

In Study 2 (N=66) we verified whether this increase in favorability of people’s attitudes also renders their consumption decisions more ecologically sound. The manipulation used was identical to the one of Study 1. After the cueing manipulation, participants had to make several eco-related decisions. First, they were asked to imagine being in a shopping environment and had to make purchase decisions. They were presented with ten product pairs: five filler pairs and five critical pairs. In each critical pair, one product was a more environmentally friendly but more expensive alternative of the other. We counted the number of environmentally friendly choices, which was higher for the ecologically cued group. A second task measured environmental conduct in a more subtle way. Participants were asked making notes for a task supposedly investigating the type of information consumers deem most important when reading product claims. We actually measured the efficiency with which participants used scratch paper. Again the ecologically cued group showed to behave in a more environmentally friendly way by using the available scratch paper more efficiently, and writing smaller than both other groups. Finally, to measure behavior in a more involving task, we offered participants to take a notepad home. They had to choose between a notepad containing the less appealing brownish recycled paper and a notepad with normal white paper. A higher percentage of participants in the ecologically cued group (81 %) and a smaller percentage of participants in the non-ecologically cued group (23 %), chose the recycled paper, compared to the control condition (52 %). On both other behavioral measures, these last two groups did not differ.

Our data suggest that drawing attention to the ecological acts people already engage in, improves people’s attitudes towards ecological behaviors, with an analog effect on their behavior.

These results allow us to propose some guidelines for designing effective social marketing efforts for other sustainable behaviors as well.

Traditional campaigns are known to elicit aversive feelings towards the request, by creating guilt and using a paternalistic approach. Our technique approaches people in a more positive way, which is more likely to be accepted by the public. Second, traditional campaigns usually provide an external motivation for behavioral change, asking people to make a personal sacrifice for the benefit of society in general. However, external motivation usually results in reduced performance and reduced persistence of a behavior (Ryan and Dieci 2000). To the extent that our cueing approach causes a greener perception of self, this might lead to internally motivated behavior, resulting in better performance and persistence of the promoted behavior.

REFERENCES


Progressing a Taxonomy of Possible Reflexivities: Guidelines for Reflexive Practice in Consumer Research

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EXTENDED ABSTRACT

Reflexivity has been identified in consumer research (Wallendorf and Brucks, 1993; Hirschman 1993; Thompson 2002) and in the wider social sciences (e.g. Wasserfall, 1993; Mauthner and Doucet, 1998, 2003) as a way to address power and control in the research encounter, to attend to the researcher/researched dynamic and to give insightful commentaries into the research process itself. The ‘reflexive turn’ (Weick 1999) has emerged in the social sciences largely as a response to the notion that data collection and analysis is a neutral activity, a technology of knowledge making in which the researcher can take a disinterested, objective position in relation to their research. Reflexivity instead is used to highlight the personal, interpersonal, emotional, institutional, disciplinary and pragmatic influences on the research, as well as the methodological, epistemological and ontological assumptions built in to specific approaches (Mauthner and Doucet 2003). As such, reflexivity has been seen as a route to more accountable and responsible research, and as a stimulus to better accounts of the social and cultural world.

Researcher reflexivity has been conceptualised in consumer research discourse as a sub type of introspection. It is argued that there is much to recommend reflexivity as a practice in consumer research as it will ‘improve our understanding of the actual research process’ and act as such to develop consumer research theory (Wallendorf and Brucks 1993:355). Additionally it has been seen as a way to address the power issues in consumer research and specifically the instrumentality of the researcher/respondent relationship. For example, Hirschman (1993:551) advocates a more reflexive approach to research, and argues against the use of detached and ‘objective’ methods in consumer research. She exhorts consumer researchers to ‘choose to abandon any method or practice that is premised on power inequalities between researcher and subject’ she argues that research should be designed which recognises respondents as ‘equal sentient beings’.

Although it is clear that consumer researchers have found the idea of reflexivity attractive and recognised its potentials, there is a need to develop the discourses already apparent in consumer research and formalise the conceptualisation and operation of this research approach. Currently, despite significant discourse around the issue in the wider social sciences there seems to be a lack of discourse around reflexivity in consumer behaviour research and although reflexive practice is evident in some work, the research processes around reflexive research are not articulated clearly, and a plethora of different approaches are evident. The aim of this paper is to stimulate essential new discourse around the practice of reflexivity. In order to do this it is necessary to formalise and structure reflexive practices as a foundation and basis for discussion. This work examines the many different reflexivities which might be enacted within consumer research and their concomitant implications and foundations. To accomplish this it provides a taxonomy of ‘possible reflexivities’ to structure the debate around this element of consumer research and to guide the potentially reflexive consumer researcher. The possible reflexivities which emerge from this study are envisaged as ‘Objectivist Reflexivity’, ‘Experiential Reflexivity’, ‘Perspectival Reflexivity’ and ‘Multidimensional Reflexivity’. The possibilities we have identified are distinguished by the dimensions of ontology and power in the research encounter; this position, we believe, reflects closely key issues in contemporary consumer research. In terms of ontology, we reflect upon reflexivity as it has been seen as a route to better knowledge and enhanced theory building through reflection on the process of research. This to us suggested questions and challenges arising pertaining to the ‘reality’ of the research process, not just in terms of what ‘really’ happened, but the models of reality implied in different reflexive approaches. Different types of reflexivity, like different research approaches, carry their own ontological assumptions about the nature of subjects (researcher and researched) and what knowledge is and how it is constructed. These assumptions are clearly crucial to the conceptualisation of multiple reflexivities and the attempts to achieve closure around the notion of reflexivity as a singular concept highly problematic. Attending to ontology as one of the axes in our taxonomy allowed us to structure our theorising to account for this multiplicity of reflexivities and the constitutive and generated realities they imply. In terms of power, this pertains to reflexivity as a route to addressing the power imbalances and issues inherent in any research encounter, whether that be conceptualised in terms of an overt remit for an emancipatory research politics, or as a way to direct the researcher encounter towards one with less of a dominating and instrumental dynamic.

For us, reflexivity is inherently political; our exposure to it initially emerged from our own engagement with feminist theory and our identification as feminist researchers. Reflexivity has been seen by feminist researchers (and other critical researchers) as a political tool for critically engaging with power issues in research (Ramazanoglu and Holland 2002). Underpinning the different types of reflexivity in our taxonomy are assumptions relating to the nature of power in the researcher/respondent relationship and these different reflexivities also generate different (and sometimes ambivalent) power relations in the research encounter. In terms of this constitutive and generative relation to power we found that the taxonomy of reflexivities was a useful tool to reflect in a more structured manner upon the shifts in the researcher/respondent power dynamic which occurred at different parts of our own research. As Wolf (1996) has argued, power differentials are an inevitable part of research, and the necessity is to critically reflect upon these inevitable differentials and the way that these shifts and transform as the research progresses. Attending to power as one axis of our taxonomy allowed us to structure our thinking about reflexivity in terms of these shifting power relations.

This paper progresses the authors’ recent work on researcher reflexivity which has been developed and augmented with practical guidelines for the different approaches to reflexivity. Guidelines for practical action and points for reflection are given which relate to each of the possible reflexivities outlined in the taxonomy.
The sacred, described as “more significant, powerful and extraordinary than the self” (Belk, Wallendorf and Sherry, 1989, p.13) is distinguished from the merely special by the key characteristic of efficacy. Belk et al. (1989) also note that the sacred should be approached with care, because the sacred has kratophanous power. Kratophany—the simultaneous devotion to, and fear of, the sacred (Pimentel and Reynolds 2004)—is experienced by consumers because the efficacious power of the sacred is unpredictably multi-valenced: it can be manifest in a benevolent and/or malevolent way (Belk and Wallendorf 1990). Accordingly, when consumers seek the benevolence of the good-sacred, they likely also expose themselves to the malevolence of the bad-sacred (Belk and Wallendorf 1990). Consequently, consumers can simultaneously experience strong positive feelings (e.g. devotion) and strong negative feelings (e.g. fear) towards the sacred (Belk et al. 1989; Pimentel and Reynolds 2004).

Belk et al. (1989, p.8) suggest that ritual prepares profane persons to approach the sacred, and surrounds the contact of these profane persons with the sacred to forestall the unleashing of the evil powers of the sacred. We believe this implies that consumers require ways to cope, when faced with the kratophanous power of the sacred. Consumer researchers have not yet devoted much attention to discovering these coping mechanisms. Consequently, we begin to fill this gap in the consumer research literature by examining how Hindu Indians use auspiciousness to cope when faced with the tension inherent in their kratophanous reactions to the sacred.

THEORETICAL FOUNDATIONS

The Meaning of Kratophany

The term kratophany was introduced into the English language by Mircea Eliade, as a technical term meaning “an appearance of the sacred in which the experience of power dominates” (Miller 2005). Belk et al. (1989) introduced kratophany to the consumer literature as one of the twelve properties of the sacred, and explained kratophany as the ability of the sacred to elicit both strong approach and strong avoidance tendencies. More recently, Pimentel and Reynolds (2004) defined kratophany as the simultaneous devotion to, and fear of, the sacred. This later definition, which focuses on consumers’ reactions to the sacred, is consistent with the way the term has been used in more recent consumer research (e.g. Curasi, Price and Arnould 2004). Our reading of the relevant extant literature suggests that consumer researchers’ progress in understanding of kratophany may have been impeded because kratophany has been used to describe both the sacred, and consumers reactions to the sacred. We adopt Pimentel and Reynolds’s (2004) definition of kratophany, and carefully distinguish between “the kratophanous power of the sacred” (a property of the sacred) and kratophany (consumers’ strong, mixed reactions when faced with the sacred’s kratophanous power), throughout this paper.

Coping with Kratophany

Although Belk et al. (1989) give different examples of sacred entities associated with the benevolent good-sacred (e.g. gods) and malevolent bad-sacred (e.g. corpses) powers respectively, they then note that consumers fear malevolence, at the same time as they seek benevolence. Although some entities may be largely seen as benevolent, and some may be largely seen as malevolent, all sacred entities have the potential to be both benevolent and malevolent, provoking mixed feelings of awe and terror (Belk et al. 1989). We surmise from this that kratophany exists because the power of the sacred does not operate on a simple continuum. Instead, sacred power can be manifest along two orthogonal dimensions—a dimension of good-sacredness and a dimension of bad-sacredness. It is the two-dimensional nature of sacred power, coupled with its unpredictability, which generates the tension inherent in kratophany. Furthermore, even when particular sacred entities are usually perceived of as wholly benevolent, these entities tend to be approached with care, because the power of the sacred, irrespective of its valence, is understood to be dangerous to ordinary beings. It seems logical that consumers would employ coping mechanisms to deal the kratophanous power of the sacred. Accordingly, we ask what these forms these coping mechanisms might take.

Belk and Wallendorf (1990) examine one such kratophanous sacred entity—money—in depth, and suggest that money can be perceived as kratophanous by consumers because it is viewed as having both malevolent and benevolent powers. We surmise from their work that if sacred power is NOT understood or perceived as multi-valenced (for example a child’s faith in a wholly benevolent God), then kratophany may be considerably lessened. Hence it is possible that consumers could cope with kratophany by choosing to view the sacred entity is purely benevolent (leading to a pure approach orientation) or by viewing the sacred entity as purely malevolent (leading to a pure avoidance orientation). To be precise, in these situations, choosing to perceive the sacred entity as wholly positive or wholly negative collapses the good-sacred bad-sacred dialectic to a simple continuum anchored on either end by the benevolent good-sacred and the malevolent bad-sacred respectively. However, a consumer with an approach orientation to the sacred would still need to undertake further preparatory rituals such as self-cleansing, because of the danger inherent in any contact with sacred power.

Two other consumer research studies have briefly discussed kratophany using the illustration of consumers’ relationships with inherited family heirlooms (Curasi, Price and Arnould 2004) and their college football teams (Pimentel and Reynolds 2004) respectively. In both cases, consumers highly value something (the heirloom or the team’s victory) while simultaneously fearing the loss of that thing. These two examples attest to the tension caused by the simultaneous antithetical reactions to the sacred, suggesting that when consumers do perceive sacred power as valenced, it is this uncertainty as to the outcome in a particular instance that causes the tension associated kratophany. For example, a confident custodian of family heirlooms or a devoted fan who is aware that loss can occur but who is sure that loss will not occur, will likely not experience kratophany. This suggests to us that a more sophisticated coping mechanism might involve attempts to reduce uncertainty. We believe that the Hindu Indian (“Hindu”) concern with auspiciousness may shed light on how consumers cope with kratophany by reducing uncertainty.

Auspiciousness

Auspiciousness is a favorable state that bodes well for the future (Inden 1985). According to Inden, the Roman Empire practice of augury—interpreting signs from nature in order to
determine the will of the gods—gave us the word auspicious, which comes from the Latin noun avis (bird) and the Latin verb spicere (to look at). Although we shall use the Hindu notion of auspiciousness to illustrate our discussion, we note for the record that auspiciousness is also an important conceptual category in other Asian cultures. Furthermore, we note that in contrast to Western consumers’ idiosyncratic use of rituals designed to generate favorable outcomes (such as personalized pre-game rituals undertaken by some professional sportspeople), auspiciousness systematically pervades Hindu Indians’ daily lives. Hindu Indians’ shared understanding of auspiciousness also suggests that such rituals are more likely to be publicly employed in India, as compared to the West. Almost every thing, creature, person, act, or event can be described in Hindu discourse as either auspicious or inauspicious. Anything that predisposes the gods to favor a human undertaking is auspicious. People, events, objects, words, numbers and points in time can be more or less auspicious.

Table 1 draws on the work of Indian sociologists to present examples of auspicious and inauspicious elements in Hindu discourse. As indicated in the table, Das (1982) points out that among Hindus, marriage and other rituals pertaining to life are regarded as auspicious while cremation and other rituals pertaining to death are viewed as inauspicious. Consequently in her view, auspiciousness is defined as pertaining to life and inauspiciousness as pertaining to death. In a similar vein, Marglin (1985) suggests that auspiciousness is reflected in festivities and inauspiciousness in mourning. Narayanan’s (1985) more nuanced example of the auspicious death of an elderly man pre-deceased by his wife and survived by his progeny suggests that inauspiciousness is anything that prevents the extended family from carrying out its dharma or destiny of biological immortality (Channa 2000).

Every married Hindu woman, during her husband’s lifetime, is perceived to be the concrete embodiment of temporal auspiciousness, as shown in her colorful attire, jewelry and the red dot on her forehead (Carman 1985). But, as soon as she becomes a widow, she is viewed as inauspicious, and generally avoided (Srinivas 1952). Yagi explains the difference in auspiciousness between the two as a function of their ability to bear “fruit” (1999 p.275). Hence Yagi (1999) views auspiciousness as conduciveness to future prosperity, much like the concept of “lucky” numbers found elsewhere. In a similar vein, Inden and Nicholas (1977) define the Hindu term mangala to mean luck or well-being. Srinivas, on the other hand, writes that “mangala [an emic term referring to the marriage ceremony which involves the tying of a sacred thread or mangala sutra around the bride’s neck] is an auspicious or good-sacred ceremony” (1952, p.74), and later implies that inauspiciousness relates to bad-sacredness. Thus, we seek to clarify the relationship of auspiciousness to the Western concept of “luck” and its relationship(s) to the benevolent and the malevolent sacred.

**METHOD**

We utilize data from depth interviews conducted with twelve Hindu Indian informants. Two of our informants were resident in India, two were resident in Australia, and eight were resident in New Zealand. The ten non-resident Hindu Indians we interviewed had spent the majority of their adult lives in India, had married Hindu Indian spouses in India, and continued to maintain strong ties with India after immigrating to Australasia. Our informants, eight of whom were female, ranged in age from 24 to 77. In keeping with interpretive research norms, we utilize the use of pseudonyms to preserve our informants’ anonymity. We employed the constant comparative method of analysis, engaging in open ended and axial coding of interview transcripts and fieldnotes and developing interpretations after each wave of data collection. Our emergent insights then informed and directed the next phase of data collection. Our interpretations in each phase were informed by the relevant literature.

**FINDINGS**

Hindus utilize as many auspicious elements and signs as possible, and avoid anything remotely inauspicious. Auspicious times, places, persons, colors, and objects seem to be valued by Hindus because they attract the benevolence of cosmic powers.

**Auspiciousness is a control mechanism**

Our informants found it easy to list objects, times or places that are auspicious and those which are inauspicious. We spoke to Sudha (IF 77) and her daughter-in-law Shaila (IF 39) about the meaning of auspiciousness.

**TABLE 1**

Auspicious and Inauspicious Elements in Hindu Discourse

<table>
<thead>
<tr>
<th>Auspicious</th>
<th>Inauspicious</th>
</tr>
</thead>
<tbody>
<tr>
<td>Days</td>
<td></td>
</tr>
<tr>
<td>Monday, Wednesday.</td>
<td>Tuesday, Thursday</td>
</tr>
<tr>
<td>Colors</td>
<td></td>
</tr>
<tr>
<td>Red</td>
<td>Black</td>
</tr>
<tr>
<td>Numbers</td>
<td></td>
</tr>
<tr>
<td>Odd (“Uneven”)</td>
<td>Even</td>
</tr>
<tr>
<td>Directions</td>
<td></td>
</tr>
<tr>
<td>East</td>
<td>South</td>
</tr>
<tr>
<td>People</td>
<td></td>
</tr>
<tr>
<td>Pregnant Woman</td>
<td>Widow</td>
</tr>
<tr>
<td>Rituals</td>
<td></td>
</tr>
<tr>
<td>Marriage</td>
<td>Funeral</td>
</tr>
</tbody>
</table>

1Based on information in Das 1982; Srinivas 1952; and Yagi (1999)
Sudha: auspicious events mean something good…
Shaila: good
Sudha: …inauspicious events are the opposite of that.”
Shaila: “if we want to do something, we note it from the
calendar—in India we get calendars that show certain
dates that are auspicious…lucky days! It’s something
to do with lucky and unlucky.
Int: lucky and unlucky?
Sudha: we may see from the calendar which days are good.
Shaila: we do the same with numbers too. Some are lucky and
some are unlucky. Nine is a lucky number…
Sudha: seven also.

According to these comments, auspicious bears some relation-
ship to “lucky” and “good”. However, another informant was
careful to distinguish the concept of auspiciousness from that of
luck. To Geeta (IF 44) an auspicious object is more than a lucky
object, as luck implied (to her) something that cannot be controlled.
Instead, auspiciousness was explained as something that helped a
person increase the chances of a favorable outcome by increasing
the probability the gods would approve of their undertaking.
This seems to imply that Hindus attempt to exert control over their lives
by using auspicious elements and signs. According to Geeta,
“a Hindu believes that there are definitely some things that are
better than others and some times that are far better than other
times, they are the auspicious times. There are definitely times
that are bad or things that are bad that as a Hindu we must
avoid. These are the things that have not met with God’s
approval. Who are we to decide for ourselves what we want to
do? Inauspicious times are the worst times or things possible—
yes there are ‘neutral’ times or things but they are avoided for
the big decisions as they can be seen as just as bad as the
inauspicious times. If we have three choices, have God on our
side; have him against us or have him not care, I would like
God on our side all the time. If he does not care about our
decision either way then it is not auspicious, he is not against
us so it is not inauspicious or dirty, but he is not in approval—
therefore for the big decisions we cannot go forward.”

Geeta’s observation—that small tasks can be undertaken in neutral
times, but important tasks cannot—implies to us that while it may be
acceptable to risk failure with regard to trivial tasks, important
tasks need every assistance possible, so as to ensure success. As
Dinesh (IM 55) put it, auspicious objects are like “…runway lights
for a plane—the better the light, the more chance there is that Ganesh
[a Hindu god] will visit us and give us success.” We surmise from
Dinesh’s observation that auspiciousness can serve to beckon the
benevolence of the sacred.

Later Vijay (IM 25) elaborated, “…the gods are often called
upon for daily as well as life altering events. However, the big
decisions require far more effort and planning—the women are the
‘prayer warriors’ for the family and are seen as responsible for
the[ir] husbands’ health.” As we shall show, this is because auspi-
ciousness can be transferred from one entity to another, and hence
allowing the task of generating auspiciousness to be sub-contracted
to another.

Auspiciousness can protect
In traditional Hindu belief, the bride and groom ascend to a
temporary elevated state, and are believed to be the embodiment of
deities (in the case of Brahmmins) or royalty (in the case of non-
Brahmins) during the marriage ceremony (Dumont 1972). Situating
a ritual performance in an auspicious space and time while employing
the use of auspicious artifacts facilitates this movement between
liminal and bounded states (Das 1982). Accordingly, several of our
informants described preparations for a typical wedding. First, a
priest is consulted to select the most auspicious date and time for the
wedding, with respect to the birthdays of the bride and groom. Prior
to the wedding, the bride, groom, and any ritual objects to be used
in the ceremony are purified while the selected venue is physically
and ritually cleansed and decorated. Often a dais is erected in a hall
or under an awning outside the home. The location in physical space
that houses the birth, marriage or death acts as what Eliade (1959)
terms an imago mundi (a representation of the cosmos on the earth).
For example, during the ceremony, the bride and groom often sit on
a mandap, a raised platform, under a canopy with four pillars. The
material directly over the place where the bride and groom sit is
often an auspicious red color. The Hindu bride is most often dressed
in a new, auspiciously red sari, and adorned with auspicious
jewelry. Other ritual attempts to generate auspiciousness are made.
Vijay, recalled his own wedding day in India:

“The hawan [sacred fire altar] was prepared in the center of the
largest room in my ancestral home. As the wedding began,
Anita [the bride] and I were seated in front of the hawan … and
we added ghee [clarified butter] to it when instructed by the
pandit [priest]. He would sing mantras [invocations] and after
each one we’d add some ghee and the guests would add
sawdust [sweet smelling wood grains].”

Just as the central mall in Heritage Village was designed to allow its
visitors to experience a time and space separate from the profane
world without (O’Guinn and Belk 1989), the transcendence of
spatio-temporal boundaries is also experienced at the focal point of
the Hindu wedding ceremony, the hawan. The perfumed smoke of
the fire, the burning of incense and the chanting of mantras all serve
to transport the participants to the liminal zone of the axis mundi,
where they may commune with the sacred. The hawan is sacralized
by the addition of ghee [clarified butter] which is considered the
most distilled essence of the cow which is revered as sacred by
Hindus (Korom 2000).

Sudha explained to us that the date for a marriage is fixed after
checking that it is an auspicious date for both groom and bride (as
determined from their respective birthdates). However, she elabo-
rated “Fate picks the date of death but within that you can pick your
timings [for the cremation]. But if possible they do the cremation on
the day of death. But they can pick mornings or evenings depending
on which is more auspicious.” We learnt from Sudha that since the
date of births and deaths cannot usually be chosen, special care must be
taken to removed auspiciousness e.g. by engaging a religious
leader to engage in special prayers in order to “stop bad things from
happening”.

We surmise from Sudha’s comments that during dangerous
times of transition such as birth, marriage and death, auspicious
symbols do more than just attract the benevolent attentions of the
good-sacred—they also serve to repel the malevolent attentions of
the bad-sacred and/or protect from the danger inherent in sacred
power.

Auspiciousness can be sub-contracted
Many Hindu marriages involve the tying of a sacred necklace
made of gold and black beads, called a Mangal Sutra—literally
“auspicious thread”—(in North India) or a tali (in South India)
around the bride’s neck. Maya (IF 44), a medical professional now
residing in Australasia, was asked about her Mangal Sutra. Maya
told the interviewer that she was planning to buy a bigger and more
expensive one when she made her next trip to India. This more
elaborate Mangal Sutra was to be purchased to serve as evidence of her now improved financial status. When asked how she would dispose of the old one, she reacted in surprise, “Oh you can NEVER [emphasis present] sell it, you have to melt the old one and use the gold to help make the new one. If not the new one will not be genuine...it will not be auspicious”. It appears that the sacred powers contained in the Mangal Sutra reside in the gold and black beads it is made of, and can be transported by incorporating said gold and beads into another Mangal Sutra.

This ability to transfer auspiciousness from one element to another, coupled with Vijay’s remark that “women were the prayer warriors of the family” led us to ask whether auspiciousness be transferred between individuals as well. Can auspiciousness be generated by one party, while its benefits are enjoyed by another? Further probing elicited that Hindu women’s responsibilities extend well beyond the modern Western notion of women ensuring their husband’s good health by managing their nutrition and medical care. Hindu women are also expected to pray, fast and wear auspicious symbols in order to ensure their husbands’ longevity.

This “sub-contracting” of auspiciousness—generation to the women of the family begins at marriage. One informant, Tara (IF 42) explained that once married, a bride’s new focus was expected to be the well-being of her husband. According to Tara,

“These glass bangles ...are rings of glass with a bit of silver. They are a symbol for maternity...after marriage, in India, glass bangles are a must for every married woman. And you must be very careful that you don’t break them...glass bangles give long life to your husband...The toe rings as such, that is also part of married...uh...uniform that you have to wear...this Mangal Sutra [pointing to the gold necklace she was wearing] is another thing that every Indian woman wears, these black beads are what we call a symbol of marriage. Every married woman wears these...This ...is also for the longevity of your husband...everything for the husband, so we...we’re happy.”

The tinkling sounds made by jewelry such as bangles and anklets are believed to be pleasant to the gods. According to Shukla (2000), a bride not wearing the marriage jewelry of toe rings, anklets, and most importantly, bangles, can become a bad omen for the husband. Wearing the jewelry does not just generate positive outcomes for the husband, it avoids the negative outcomes generated by not wearing the jewelry. We surmise from this that auspiciousness simultaneously functions to approach the good-sacred and repel the bad-sacred.

The relationship between auspiciousness and sacredness can be further unpacked by looking at the kratophanous power gold jewelry such as the Mangal Sutra. These strong, ambivalent reactions inherent in kratophany, are evident when we consider the reversal of the rituals involved in marriage when a woman becomes a widow. During the marriage, the adorning of the bride with auspicious gold jewelry prepares the bride to join the groom in a temporary elevated state, as they are believed to be the embodiment of a god/goddess (in the case of Brahmans) or royalty (in the case of non-Brahmans) during the ceremony (Dumont 1972). While the couple is in this common state of elevation, the bride is incorporated into her husband by virtue of the marriage rites which usually include the groom or the officiating priest tying a golden thread bearing the Mangal Sutra pendant around her neck. Since Hindus view the wife as incorporated into her husband’s body, his death means that she is permanently associated with death and bad-sacredness. Thus the voluntary removal (Srinivas 1952) or forcible stripping (Firth 2001) of auspicious wedding jewelry from a widow, is an obvious reversal of the adorning of the bride, to prevent attracting the attention of bad-sacred powers.

The new bride is adorned by the groom’s family with auspicious jewelry to anchor her to her new identity. Once the bride is absorbed into the groom’s self, she is does not need to transcend the boundaries of the groom’s extended family but enters it as part of the groom. Consequently, the extended family’s boundaries are maintained intact throughout the process—the groom ascends to a higher cosmic plane temporarily and returns to the extended family augmented with the bride as his “half-body.” When the new wife utilizes auspicious symbols to attract the benevolence of the gods for the benefit of her husband and his extended family, she is also helping to ensure her own favorable destiny since she is now as one with them. Thus selection of auspicious dates, times, and spaces, and the use of auspicious symbols are motivated by the desire to attract the benevolent attentions of the good-sacred while repelling the malevolent attentions of the bad-sacred.

DISCUSSION

Hindus believe in karma—that one’s present social status is prescribed by one’s actions in a previous incarnation (Channa 2000). Thus Hindus are commonly thought of as Fatalists and perceived to be very different from North American societies where the majority of individuals are believed to seek to control their own destiny. Yet, Hindus’ concern with generating auspiciousness is second only to their concern with attaining and maintaining purity. When we recognize that purity is viewed as the absence of pollution, which in turn is viewed as “essentially that which cannot be controlled” (Hershman 1974, p.290), we begin to understand that the Hindu attempt to be pure and auspicious is an attempt to control one’s condition by avoiding or removing that which cannot be controlled.

Hindus are concerned with using auspicious symbols to attract the benevolence of the gods and avoiding inauspicious symbols to avoid attracting the attention of malevolent beings. We note that this concern with auspiciousness is heightened at times of birth, marriage and death—all dangerous transitions where we are forced to face the kratophanous power of the sacred. We view this concern with auspiciousness as an attempt to indirectly control (via the superior powers of the gods) what one cannot control directly. Thus, Hindus are, after all, concerned with control. The need to exert control over one’s destiny is universal- and it will find expression in some way, despite the constraints of society and religion. Consequently, even those in the West who seek to exert personal control over their lives, may seek to indirectly control those aspects of their lives cannot be directly controlled. For example, the popular media abounds with stories of people fighting a terminal disease who seek to dominate the uncontrollable by using science, litigation, religion or even, magic. Like purity and pollution, science and litigation operate on a social plane. Like the sacred gods, religion and magic operate on a cosmic plane. Our Western equivalents of auspicious symbols, such as lucky numbers, prayerbooks, magic crystals, and inalienable jewelry, are used to attract benevolent cosmic powers to control what we cannot control, on our behalf. Thus marketers are increasingly faced with consumers who seek to control every aspect of the consumption experience but then may be dissatisfied when the product, service, or experience consumed is not exactly what they had anticipated. For example, while awaiting the discovery of a magical weight-loss pill or elixir of life, some consumers seek to transform their bodies or regain their youth with the aid of a surgeon’s scalpel (Schouten 1991) in an attempt to control their appearance, and perhaps, their destinies.
How does the Hindu conceptualization of auspiciousness inform consumer research on luck, chance, and negotiation? Our realization that consumers employ auspiciousness in attempt to indirectly control their destiny offers insights into the kratophanous power of the sacred. Krataphony may explain the revulsion and vindictiveness consumers experience when omnipotent surgeons and revered ballplayers fail to provide them with the favorable outcomes they seek. We call for research that looks at if, and how, science, religion and magic inter-relate in the lives of postmodern consumers actively seeking to participate in production and consumption processes (Firat and Venkatesh 1995).

Thus our explication of auspiciousness sheds light on the distinction between the good-sacred and the bad-sacred. Sacred powers, whether benevolent or malevolent, cannot be controlled by mere humans. Hence the use of auspiciousness represents a way of manifesting attempts to attract benevolent powers and the removal of inauspiciousness is an attempt to forestall malevolent powers while also protecting oneself from the danger inherent in sacred power. What other coping mechanisms do consumers employ, when faced with the kratophany of the sacred? Research into these coping mechanisms may shed further light on the nature of the kratophanous power of the sacred, and the impact kratophany on consumers.

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EXTENDED ABSTRACT

This paper explores multiplicity in consumers’ self-concepts and their relationship with consumption experiences. It builds upon recent streams of consumer research that recognize multiplicity in self-concepts and examine multiple selves in different consumption contexts. It addresses the question, what is the meaning of consumption experiences from the perspective of multiple selves? More specifically, does a consumption experience entail one set of attitudes and feelings that are consistent across selves or does it involve many sets of attitudes and feelings that vary across selves?

This research draws from dialogical self theory, which views multiple selves as narrative voices that occupy multiple self-positions (Hermans and Kempen 1993; Raggatt 2000, 2002). This theoretical perspective relies on people’s life stories centered on important attachments to people, historic events, beliefs, and consumption activities as the basis for their self-positions. This theory assumes a natural state of multiplicity and allows multiple selves to enter into dialogical relationships. By grounding our study in this theory we are able to gain a broader understanding of the consumer selves, which then can be applied to better understand consumption experiences from the perspective of the different selves.

In this paper, the term multiple selves is used to mean multiple voices that speak from different positions, which is very different from schizophrenia or multiple personality disorder. Moreover, we choose to use the word “multiple selves” instead of “self positions,” “multiple voices” or “dialogical self” as it is a more generic term that is consistent with current marketing literature on self-concept.

The dialogical self differs from other more commonly used perspectives in consumer behavior. It is different from the situational self (Schenk and Holman 1980) in that the focus is on the position from which the person is narrating an experience, which is not necessarily tied to a particular situation. Dialogical self is more of an internal perspective based on affective attachments as opposed to a self image that is desirable in a particular situation. It also varies from identity theory, and social identity theory. The dialogical self is a broader construct that subsumes roles and social memberships. While social identities gain salience through positive affirmations, dialogical self emerges from positive and negative attachments. Dialogical self also differs from other conceptualizations as it allows for dialogical relationships. Consequently, the consumption choices would be different from what they would be in the absence of dialogical relationships.

This study employed a mixed-method approach in order to understand consumers within a larger context over and above current explanations of multiple selves as role identities, social identities, and narrators of consumption stories. Raggatt’s (2002) personality web protocol, comprising narratives and multi-dimensional scaling, was adapted and used in combination with metaphors in order to discern multiple selves. Metaphor analysis was used to get a further understanding of the feelings attached to the selves discerned and to understand informants’ consumption experiences at the overall and self levels.

There were 12 hours of data collection for each of the study’s six informants. In this paper we report data from two individuals.

The findings illustrate that the same consumption object or experience can evoke different sets of feelings for different selves. This has significant implications on how we study consumer behavior and also for market researchers in their endeavors to understand consumers’ attitudes and opinions. Further, by examining positive and negative consumption experiences from the lens of multiple selves, this research contributes to current literature in post purchase evaluation.

Current research suggests that products that evoke primarily positive emotions during the consumption experience are positively evaluated (Oliver 1993; Stokmans 1998; Westbrook and Oliver 1991), which was also found in our study. However, when understood from perspective of certain selves, even positive experiences could involve primarily negative emotions. More interestingly, some products and experiences that were considered negative and evoked overall negative feelings were described as very positive experiences when understood from perspective of certain selves. These findings suggest that researchers would benefit from examining consumption attitudes and feelings from perspective of the consuming selves in order to understand complex consumer processes such as post purchase emotions and evaluations.

The findings in this study, consistent with dialogical theory, suggest that decisions are not based on overall feelings or attitude towards a product, but based on feelings of the self that is dominant at the time. The idea of dominant self is similar to that of identity salience (Arnett et al 2003; Dimofte, Forehand, and Deshpande 2003; Forehand, Deshpande and Reed 2002; Kleine et al 1993; Laverie et al 2002). Yet, an important difference is that the sphere of influence for the dominant self extends beyond that of salient identities, which are primarily concerned with identity-related consumption behaviors. Further, we found that the dialogical self perspective allowed us to study products that are not clearly related to any identity and may be outside the purview of identity studies.

We also found that overall metaphorical feelings were different from feelings expressed by the different selves. This reveals limitations of research methods that do not take into account feelings and attitudes of the different selves. By looking through the lens of multiple selves as a dialog between multiple self positions, we can gain a richer understanding of consumption patterns in consumers. Instead of relying on compensatory reasoning as is done in multi-attribute models, we see that consumption is often based on dominant feelings of one self which may not be congruent with other self perspectives.

The findings in this paper reiterate the importance of studying consumer behavior from the perspective of multiple selves. Other research programs can adapt the methodology used in this study to examine multiple selves in other consumption contexts such as brand loyalty. Further, this study demonstrates the use of dialogical self theory, which can also be used to understand other consumer topics such as ambivalence, conflict resolution, addictions, and self-control.

BIBLIOGRAPHY


Lines in the Sand: Using Category Widths to Define and Pursue Self-Control Goals
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EXTENDED ABSTRACT

Much of the recent media attention on issues such as obesity in children and adults (Brownell and Yach 2005), rising bankruptcies caused by overextension of credit (Fetterman 2005), and the lack of savings by Americans (Colvin 2005), focuses on individuals’ inability to regulate their own behavior. That is, many people seem to repeatedly give in to temptations in an impulsive manner (Baumeister 2002). While this lack of control may well account for many societal ills, lack of control alone does not tell the full story. Rather, failure to properly categorize alternatives is likely a contributing factor to the problems associated with such issues as obesity and consumer debt. In fact, the road to addressing many of the dark issues associated with today’s society begins with individual consumers setting goals and creating plans to achieve those goals. One of the first steps in creating such plans is to define the category of goal-consistent options and behaviors. For example, a consumer embarking on a dieting plan needs to determine if buying a McDonald’s hamburger should be categorized as a goal-consistent alternative or not. Similarly, a consumer creating a plan to reduce personal debt will need to determine if “buying groceries” using credit should be categorized as an appropriate expenditure that constitutes an acceptable or unacceptable behavior. Ill-defined plans in this early categorization phase can contribute to self-control failure in a variety of consumption domains.

Categorization theory provides insight into the ways that individuals define and group stimuli in their environment. However, despite the realization that self-control goals are contingent upon delineation of target behaviors and outcomes (Gollwitzer 2003), little research has focused on the goal-consistent and goal-inconsistent option categorization process as it relates to goal pursuit. Specifically, category width has long been viewed as an individual difference factor (Huang 1981; Pettigrew 1958), such that individuals are chronically either broad or narrow categorizers of various stimuli in their environments. In this tradition, neither goals nor beliefs about one’s own self-control ability should normatively impact the way in which a given set of options is categorized. More recent research has demonstrated that category width can be altered by situational factors (Ülkümen, Morwitz and Chakravarti 2006).

In the present research, we are primarily interested in exploring the relationship between self-control goals, individuals’ perceptions of their ability to meet self-control goals, and the widths of their categories of goal-consistent and goal-inconsistent alternatives. Importantly, we are interested in the ways that categories of goal-consistent and goal-inconsistent options are subjectively defined by individuals. Options included in the goal-consistent category are, conceptually, those alternatives the individual feels will facilitate the accomplishment of her/his goal(s). On the contrary, goal-inconsistent options are potential choices that hamper efforts toward goal achievement, based on the individual’s interpretation. Our research illuminates issues involving category construction and self-control by showing that variation in the construction of goal-consistent and goal-inconsistent option categories can be explained by examining individuals’ trait level self-control as well as their particular consumption goals. Furthermore, we demonstrate that the construction of these categories can differentially impact subsequent choice behavior.

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Stress and Eating: Disentangling the Effects of Psychological, Autonomic and Endocrine Components of Stress Response
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ABSTRACT
Using a psychophysiological approach to stress, this study examines the joint effects of psychological, autonomic and endocrine reactivity on consumer food preference under stress through a randomized controlled study. Stress was manipulated using guided mental imagery technique. Consumer showed increased preference for high energy-density snack foods in the stress vs. control condition. The changes in food preference were jointly predicted by psychological, autonomic and endocrine responses. A model comparison approach shows that the inclusion of autonomic and endocrine responses contributed incrementally to the prediction of food preference. Theoretical and practical implications are discussed.
**EXTENDED ABSTRACT**

One of the vexing conundrums in everyday life is our inability to say “no” to actions that we would ideally like to say “no” to. It is common for people to profess ‘healthy eating’ goals and yet repeatedly succumb to temptations in the form of foods high in calories, fat, sugar etc. Such instances of goal-behavior inconsistency represent failures of self-regulation (Heatherton and Baumeister, 1996).

Research in consumer behavior has long been interested in strategies aimed at reducing self-regulation failures (Hoch and Loewenstein, 1991). In this research, we examine whether having mental accounts (Thaler, 1980, Thaler and Johnson, 1985; Tversky and Kahneman, 1981), defined as self-specified allowances for action, will lead to improved self-regulation. Why should mental account influence self-regulation? According to Baumeister (2002), effective self-regulation depends on three principal factors which are (a) clear standards for the behaviors to be regulated, (b) ability to monitor one’s status with regard to the standards, and (c) capacity, i.e., resources to alter one’s own behavior should it be warranted.

Mental accounts appear to satisfy all the three criteria outlined by Baumeister (2002) that are necessary for self-regulation. First, mental accounts are set around active goals (Brendl, Markman, and Higgins, 1998), so they inherently provide the necessary standards/goals for behavior. Second, mental accounts enable a person to evaluate current choice in terms of previous choices (Kahneman and Tversky, 1984); therefore, mental accounts enable one to monitor one’s own behavior. Finally, mental accounts have been thought of as instances of categorization (Henderson and Peterson, 1992), which results in resource-efficient decision-making. Thus, having a mental account leaves the decision-maker with more resources to exert self-control. Although the connection between mental accounts and categorization has been made, its connection to the amount of resources needed for decision-making has neither been demonstrated nor been made before in the literature. Since the capacity to change behavior, i.e., having enough resources to change, is a critical element without which having standards or monitoring is less likely to be useful (Baumeister, 2002), we believe it is important to assess whether having a mental account renders decision-making more efficient. Based on the notion that speed of decision is an index of the efficiency, we hypothesize that people with a mental account will make quicker decisions regarding actions relating to the mental account than people without a mental account.

Does this mean that whenever people have mental accounts, they will be able to achieve improved self-regulation? We argue that mental accounts are likely to facilitate self-control only when the task frame adopted by the decision-maker, choose versus reject (Shafir, 1993), is compatible with the goal. Specifically, if the goal is to limit behavior, we argue that a reject task is more compatible with the goal, allowing the mental account to exert its influence. A choose task, on the other hand, orients the person to look for reasons to adopt the behavior, and therefore is less compatible with the goal of limiting the behavior. Based on this reasoning, we suggest that there is reason to expect that the effect of mental accounts in limiting indulgent behaviors will be more pronounced in a reject task rather than in a choose task.

Two studies were conducted as part of a program of research focused on the self-regulatory effectiveness of mental accounts. The first study manipulated presence of mental accounts and task frame, and found that decision time was considerably faster when the decision-maker had a mental account. However, this study found only directionally consistent effects on self-regulation on account of limited variability in the dependent variable. The second study involved the same manipulations and found that mental accounts are successful in facilitating self-regulation only when the task was compatible with the goal of the mental account. Thus, having a mental account significantly reduced the likelihood of engaging in indulgent behaviors, but only when the participant was in a reject task, not in a choose task.

The contribution of this research is threefold. First, we investigate this phenomenon in a non-monetary context, in contrast with the vast majority of the research on mental accounting which focuses on monetary decision contexts. Second, we let the participants estimate the size of their mental account. Majority of the research in mental accounting examines this phenomenon by presenting participants with scenarios that involve pre-set mental accounts (both in terms of size and context). Third, and most important, the connection with self-regulation situates mental accounting as a factor that shapes the cognitive process underlying decision-making rather than as an evaluation frame that affects economic outcomes.

In summary, mental accounts offer an ecologically relevant way of exerting self-control when faced with tempting choices. However, they do so only when the task adopted by the decision-maker is compatible with the goal of the account. We believe that one of the salient features of this research is that it bridges the knowledge from three well researched genres, mental accounting, self-regulation and task framing, to indicate conditions under which people can bring their behavior in line with their own goals.

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Making Prudent vs. Impulsive Choices: The Role of Anticipated Shame and Guilt on Consumer Self-Control
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ABSTRACT
We examine the differential effects of anticipating shame vs. guilt on choice likelihood of a hedonic product. The results demonstrate that when offered a hedonic snack (chocolate cake) consumers who anticipate shame are significantly less likely to choose to consume it compared to those who anticipate guilt. Anticipating guilt also has a more circumscribed effect, impacting choice likelihood only for those consumers who are not attitudinally inclined toward the hedonic product. The results also show that anticipating guilt versus shame has different effects on anticipated happiness after lapses in self-control.

INTRODUCTION
Maria was dismayed at how much weight she had gained. It seemed that no matter how hard she tried, she just couldn’t resist indulging in high calorie desserts. Vowing to remember how bad her overeating made her feel, she put a note on the box of left-over cake from her daughter’s birthday party that reads “if you eat this, you will feel bad.”

Two powerful negative emotions of self-condemnation are shame and guilt. While commonsense knowledge reminds us that these emotions are reactions to self-control failures, little is known about whether anticipating these emotions as a consequence of consumption will impact self-control. Hence, one objective of this paper is to examine whether anticipating shame and guilt from lapses in self-control influences actual self-control. Although a limited body of literature has examined the impact of guilt on self-control, knowledge of the impact of anticipated shame is lacking. Thus, a second objective of this research is to assess whether shame and guilt exert differential effects on consumer self-control. Finally, while many consumers are beset by problems of self-regulation as evidenced by overeating, overspending, compulsive shopping, gambling, smoking and drug use, not all consumers experience problems with self-control naturally. Thus, the third and final objective of this research is to examine whether shame and guilt have a differential impact on consumers whose personality or preferences make them differentially vulnerable to self-control lapses.

THEORY AND HYPOTHESES
Anticipated Affect and Self-Control
Recent work in psychology and marketing has begun to examine anticipated or forecasted emotions and their impact on choice. Anticipated emotions (also called affective forecasts) refer to the prediction of the emotional consequences of decision outcomes (Gilbert et al. 1998; MacInnis et al. 2005), in this case, to the affective consequences of giving in or not giving in to an impulse.

Though research on anticipated affect and self-control is limited, the little that exists is intriguing. Bagozzi et al. (1998) found that anticipating positive emotions (including pride, joy and satisfaction) from self-regulatory success and negative emotions (including guilt, regret and sadness) from self-regulatory failure predicted dieting intentions, plans, and dieting-related actions. Other studies have addressed the relative impact of anticipated positive emotions associated with achieving a goal (e.g., delighted, happy, proud) versus negative emotions from not achieving a goal (e.g., guilty, regretful, sad) on impulse control (Bagozzi et al. 2003; Perugini and Bagozzi 2001; Giner-Sorolla 2003; Perugini et al. 1998, 2001) found that anticipating negative emotions like shame and guilt can facilitate impulse control, they did not assess whether each emotion can itself impact self-control. Because both are negative emotions induced from moral transgressions, one might expect that either shame or guilt can impact self-control compared to not anticipating any emotions.

H1: Compared to consumers who do not anticipate the emotions presumed to arise from a hedonic choice, those who anticipate the (a) shame or (b) guilt from hedonic consumption will be more likely to exert self-control (and less likely to choose (consume) the hedonic product).

The Differential Impact of Shame vs. Guilt on Self-Control
Lack of understanding of the potentially differential impact of shame vs. guilt on self-control is perhaps understandable because the two emotions are sometimes used interchangeably (Tangney and Dearing 2002). This lack of distinction is likely due to the fact that both are negative self-conscious emotions of self-condemnation that result in response to a moral transgression.

Notably though, cumulative empirical studies reveal that these two emotions are distinct. Shame is evoked from a perceived transgression of the ‘self’ (e.g., I am a horrible person), whereas guilt is evoked from a perceived transgression of one’s ‘behavior’ (e.g., I did that horrible thing) (Lewis 1971). Shame evokes counterfactuals of the self (“If only I weren’t”), whereas guilt evokes counterfactuals for actions (“If only I hadn’t” for guilt) (Niedenthal et al. 1994). Finally, shame induces a behavioral motivation to hide, escape, sink or disappear from others and the situation (Lewis 1971). Guilt, on the other hand, induces a behavioral motivation to restore or make amends or atone for transgressions (Wicker et al. 1983; Tangney et al. 1996).

Notably these differences between shame and guilt are with regard to an experienced emotion. We theorize that these differences between shame and guilt manifest themselves even in anticipation, differentially influencing self-control. Past research finds that shame is a more powerful and intense emotional experience than guilt (e.g., Tangney et al. 1996; Roseman et al. 1994). Shame is often associated with a stronger physiological response and is more powerful by its implication of the self as the reason for the transgression. Guilt on the other hand involves a less potent physiological response and is a result of an appraisal that implicates one’s behavior in the transgression. Furthermore, while guilt evokes the possibility of atonement for one’s wrongdoing, shame evokes no such potential, and indeed further implicates the self for one’s weakness. Hence, we predict that anticipating the accusation of the
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Individual Differences in Impulsivity

Self-control is more difficult for consumers with chronic tendencies toward impulsive behavior. Consumer impulsivity has been widely regarded as an important individual difference variable in self-control (Puri 1996). The impact of shame and guilt on the effects noted above would be noteworthy if they remained robust even after controlling for individual differences in impulsivity.

EMPIRICAL INVESTIGATION

Method

H1-H5 were examined in a 3 (anticipated emotion: shame, guilt, no emotion control) X 2 (attitude toward the hedonic product: positive vs. neutral) experiment. Ninety-one participants were randomly assigned to one of the three anticipated emotion conditions. Attitude toward the hedonic product served as a measured variable.

Respondents were shown a delicious-looking chocolate cake at the start of a computer-based questionnaire and were asked to imagine that it was placed in front of them. To manipulate anticipated emotion, respondents were then told that although they wanted to reach out and take a bite of the cake, they stopped for a moment to anticipate how guilty (vs. ashamed) eating the cake would make them feel. The control condition was not given any instructions to anticipate emotions.

Respondents then completed a set of questions designed to measure how likely they were to eat the cake (1=not at all likely; 9=very likely), their anticipated happiness from eating the cake (1=not at all; 9=very much) and manipulation checks for anticipated shame and guilt (1=not at all; 9=very much). Individual differences in attitudes toward eating chocolate cake were also measured using a 3-item 9-point scale (favorable, positive, good; Cronbach’s α=.92). The three items were averaged to yield a scale of attitude toward eating cake. A median split divided participants into positive vs. neutral attitude conditions. To control for individual differences in consumer impulsivity, a scale adapted from Puri (1996) was used as a covariate in the results presented below.

H2: Consumers who anticipate shame from consuming a hedonic product will be more likely to engage in self-control (e.g., choose to forego the consumption of a hedonic product) than will consumers who anticipate guilt from consuming the hedonic product.

H3: For consumers with neutral attitudes toward consuming the hedonic product, anticipating either shame or guilt from consumption will have a greater impact on self-control than will not anticipating either emotion.

H4: For consumers who have a positive attitude toward consuming a hedonic product, anticipating shame from consumption will have a greater impact on self-control than will anticipating guilt.

H5: Consumers who anticipate guilt from consuming a hedonic product will be more likely to anticipate happiness following hedonic consumption compared to consumers who anticipate shame.

Attitude toward Consuming the Hedonic Stimulus

Notably, exerting self-control may be more or less important depending on consumers’ apriori predisposition to engage in hedonic choice. The same hedonic choice (e.g., eating chocolate cake) may be extremely appealing to some consumers and less appealing to others given apriori attitudes toward the hedonic product. Hence, an interesting extension to H1 and H2 concerns whether shame and guilt exert an equivalent impact on self-control for consumers with positive vs. neutral attitudes toward the hedonic product.

We predict that for consumers for whom positive attitudes toward the hedonic product anticipating either shame or guilt will impact self-control. Because the consumption item induces limited attraction, anticipating either negative emotion should induce greater self-control than not anticipating these negative emotions.

H3: For consumers with neutral attitudes toward consuming the hedonic product, anticipating either shame or guilt from consumption will have a greater impact on self-control than will not anticipating either emotion.

However, for consumers who are most vulnerable to self-control lapses—those with a positive attitude toward consuming the hedonic product—shame may exert a greater impact on self-control than will guilt. Because attitudes are more positive, the allure of the product is greater, requiring a strong emotion like shame to induce self control. We thus hypothesize that:

H4: For consumers who have a positive attitude toward consuming a hedonic product, anticipating shame from consumption will have a greater impact on self-control than will anticipating guilt.

Anticipated Happiness from Self-Control or Lack Thereof

Self-control in the context of hedonic choice involves a trade-off between short-term vs. long-term happiness. This notion is consistent with the idea that preferences can be time inconsistent (Hoch and Lowenstein 1991; Metcalf and Mischel 1999; Giner-Sorolla 2001). Lapses in self-control brings about short-term happiness as impulses are indulged—which presumably will induce greater happiness than would succumbing to short-term gratifications.

An interesting question regarding anticipated shame and guilt is whether they evoke similar effects on anticipated happiness in the short term as a consequence of giving in to impulses and engaging in hedonic consumption. Once consumers decide to commit themselves to indulge even after anticipating guilt associated with consumption, it is more likely that they justify their decision to consume with inflated anticipatory happiness. The fact that guilt implicates the transgression of the specific behavior also implies the motivational readiness to discount their transgression as a one-time, transient incident. As the term, guilty pleasure (Giner-Sorolla 2001), signifies, anticipating guilt, once committed to indulge, may inflate anticipated happiness about consuming the impulse-laden product as a (consequence of) post-decision justification.

On the other hand, since shame is a more intense emotion that arises from the appraisal of the transgression of the self (Lewis 1971), it is likely that one’s decision to indulge cannot be easily justified. Moreover, the transgression is less easily discounted as a one-time, fleeting misbehavior since it implicates the self, tarnishing one’s self-image. Therefore, we predict that consumers who anticipated shame, but still consume the hedonic product, are likely to anticipate less happiness from consumption than are consumers who anticipate guilt.

H5: Consumers who anticipate guilt from consuming a hedonic product will be more likely to anticipate happiness following hedonic consumption compared to consumers who anticipate shame.

Respondents then completed a set of questions designed to measure how likely they were to eat the cake (1=not at all likely; 9=very likely), their anticipated happiness from eating the cake (1=not at all; 9=very much) and manipulation checks for anticipated shame and guilt (1=not at all; 9=very much). Individual differences in attitudes toward eating chocolate cake were also measured using a 3-item 9-point scale (favorable, positive, good; Cronbach’s α=.92). The three items were averaged to yield a scale of attitude toward eating cake. A median split divided participants into positive vs. neutral attitude conditions (Median=6.33; M=7.99 for positive and M=4.38 for neutral). To control for individual differences in consumer impulsivity, a scale adapted from Puri (1996) was used as a covariate in the results presented below.
Results

Manipulation Check. The results confirmed that participants in the experimental conditions anticipated the emotions they were instructed to anticipate (M’s=4.58 and 4.61 for anticipated guilt and shame respectively) in the context of eating the cake.

Choice Likelihood. A 3 (anticipated emotion) X 2 (attitude toward consuming chocolate cake) ANCOVA on the choice likelihood as the dependent variable and consumer impulsivity as a covariate revealed a significant main effect for anticipated emotion ($F(2, 84)=4.77, p<.05$) and a significant main effect for prior attitudes toward cake ($F(1, 84)=18.50, p<.001$). As expected, the main effect of attitudes showed that consumers who had positive attitudes toward eating cake were more likely to choose it (and forego impulse control; M=6.93) compared to consumers who had a neutral attitude toward consuming the hedonic product (M=4.65). The main effect for anticipated emotion showed that anticipating shame (M=4.66) resulted in greater self-control than anticipating either guilt (M=6.04) or the control condition (M=6.68). These results support H1a and H2.

However, we observed no support for H1b. Consumers who anticipated guilt did not show greater self-control (M=6.04) than consumers in the no emotion control condition (M=6.68).

Post-hoc contrasts showed that for consumers with neutral attitudes toward the hedonic product showed reduced choice likelihood when they anticipated guilt (M=4.55) or shame (M=3.62) compared to consumers in the no emotion control condition (M=5.78). These results support H3.

The results also support H4. For consumers with positive attitudes toward consuming the hedonic product, anticipating shame had a greater impact on self-control (M=5.7) than did anticipating guilt (M=7.53) or not anticipating emotion (M=7.57).

Collectively, these results suggest that while anticipating shame has a consistently positive effect on self-control, the anticipation of guilt impacts self-control only for consumers who have a neutral attitude toward the hedonic product and are thus less predisposed to making an impulsive choice.

Predicted Happiness. Respondents who experienced a lapse in self-control and decided to choose the cake were asked to predict how happy they would be after eating the cake. A 3 (anticipated emotion) X 2 (attitude toward eating chocolate cake) ANCOVA with consumer impulsivity as a covariate revealed a significant main effect for anticipated emotions ($F(2, 48)=4.29, p<.05$) and a significant main effect for prior attitudes toward cake ($F(1, 84)=7.55, p<.01$). The results were replicated in a regression analysis which used a continuous measure of attitudes (vs. a median split).

The main effect of anticipated emotions showed that consumers who anticipated guilt anticipated feelings significantly happier (M=7.34) after consuming the cake than consumers who anticipated shame (M=5.86) or control consumers (M=6.36). These effects support H5. The main effect of prior attitudes toward cake showed that consumers who held a positive attitude toward cake (M=7.13) anticipated feeling happier following hedonic consumption than consumers who held a neutral attitude toward cake (M=5.91).

Post-hoc contrasts shown in Figure 2 revealed several interesting effects. First, consumers who anticipated guilt from consumption also anticipated greater happiness from consumption than did consumers who anticipated shame—regardless of their prior attitudes toward cake. Second, for consumers with neutral attitudes toward cake anticipating guilt led to higher anticipated happiness from consumption than did not anticipating any emotion. Third, and most interestingly, even consumers who were not favorably disposed toward the hedonic product but who anticipated guilt showed just as much anticipated happiness from consumption as those who were favorably disposed toward the product. The fact that both consumers with favorable and neutral attitudes toward cake anticipated equivalent levels of post-consumption happiness from hedonic consumption suggests a potential association between guilt and pleasure (Giner-Sorolla 2001). The results are also consistent with the recent finding that showed the association between the concepts of “unhealthy” and “tasty” operates on an implicit level (Raghunathan et al. 2006).
DISCUSSION

Although prior research suggests that anticipating the emotions that might result from consumption impacts choice of hedonic products, our results extend this research by suggesting that two negative emotions of the same valence (shame vs. guilt) have different effects on both self-control and anticipated happiness from self-control failures.

We find that compared to conditions where consumers do not anticipate emotions from choice, those who anticipate shame are significantly less likely to make a hedonic choice (and hence are significantly more likely to engage in self-control). The impact of anticipated guilt on self-control, however, appears to depend on whether consumers have positive or neutral attitudes toward the hedonic product. Anticipating guilt seems to facilitate self-control, but only for those consumers who need it least—those who have neutral attitudes toward the hedonic product. For those who are pro-attitudinally inclined toward the hedonic product, anticipating guilt has no effect on self-control.

From the standpoint of happiness from consumption, we find that for consumers who chose to engage in hedonic consumption anticipated happiness with this decision varied as a function of both anticipated shame/guilt and attitudes. Consumers felt least happy with their decision to engage in hedonic consumption when they had a neutral attitude toward the hedonic product and anticipated feeling shame. Consumers who anticipated feeling guilty anticipated they would feel just as happy as consumers who did not anticipate any negative emotions when their attitudes were neutral. Therefore, anticipating guilt does not appear to deter anticipated happiness from choice for those who chose to engage in consumption.

The results provide an opportunity to revisit the conceptual distinction between experienced and anticipated emotions. We should note that affective forecasting is distinct from experienced affect. Anticipated emotions are cognitions about how one is likely to feel in the future. A rather constructive consequence of experienced guilt (e.g., motivation to undo the error) may exert less influence when anticipated. In the same way, shame can exert a more powerful influence when anticipated than when experienced in the context of self-control. Anticipating negative consequences of shame such as passivity and desire to escape and hide can serve as a more powerful means to regulate impulses. We weigh the emotional consequences of the events and direct our motivation and behavior in line with our affective prediction.

Interestingly, while shame is a far more intense negative emotion than guilt, anticipating future feelings of shame could potentially decrease the likelihood of experiencing future negative feelings by increasing self-control. Notably though, one wonders about the effects of anticipating shame on outcomes like depression or self-hatred when hedonic choice is rendered despite anticipated shame. In this sense, anticipating shame from consumption may make consumers more vulnerable to negative feelings and self-hatred.

Another limitation concerns the fact that we did not assess how much guilt or shame consumers in the control condition anticipated. It is possible that consumers in this condition naturally anticipated guilt (or shame). This might explain lack of difference in results between the control and the anticipated guilt conditions.

The results of our study provide several opportunities for extension. Anthropologist Ruth Benedict (1946) classifies cultures according to whether they use shame or guilt to regulate the social activities of their members. She posits that some Asian cultures are considered shame cultures whereas European and modern American cultures are considered to be guilt cultures. Future research might investigate cross-cultural differences anticipating shame vs. guilt has on self-control.

The results of our study, while intriguing, are limited by virtue of the fact that self-control was assessed in terms of self-reports of choice likelihood. A stronger test would examine whether the effects we observe here are observed in the context of actual choice. On the other hand, these results were obtained even though a
relatively non-powerful inducement—a photo of a chocolate cake (as opposed to an actual real-life temptation) was used as the stimulus (see Shiv and Fedorikhin 1999). Future research might examine the impact of anticipated shame and guilt in the context of real stimuli and actual choices. By comparing respondents’ behavioral responses of the current study with those using actual stimuli, we can tell how far off people can predict the behavior as a result of anticipated shame vs. guilt. Another interesting extension concerns the long-term impact of anticipated shame vs. guilt on self-control. Prior studies showed that self-regulatory strength can in fact be “worn out” like a muscle when mental efforts are prolonged (e.g., Muraven and Baumeister 2000; Schmeichel and Baumeister 2004). Considering that shame is a more powerful and intense emotion than guilt, anticipating shame over time may wear consumer’s self-regulatory resources out more easily than anticipating guilt. One wonders whether a greater self-control ability induced by anticipating shame in the short-term can be extended to the long-term. Anticipating shame may make one more vulnerable to relapse over the long term due to its intense mental efforts. The future research should examine the long-term impact of anticipated shame and guilt.

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Building Customer Relationships: A Comparison Across Multiple Service Encounters
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ABSTRACT

The purpose of this study is to investigate the impacts of relational bonds on customer loyalty in various service encounters. Data were obtained from a sample of 621 Taiwanese customers in the securities industry. The findings are threefold. First, financial bonds have little impact on customer loyalty, social bonds create an intermediate impact on customer loyalty, and structural bonds have the greatest impact on customer loyalty. Second, social bonds influence customer loyalty more in person-to-person encounters than in interactive voice response systems or Internet encounters. Third, structural bonds affect customer loyalty more on the Internet than in person-to-person or interactive voice response system situations.

INTRODUCTION

Relationship marketing has emerged as a critical tool in the current marketing climate, where managers must seek new ways to create sustainable competitive advantage (Dibb and Meadows 2001). By emphasizing a focus on the ways that companies can build, develop, and maintain successful relational exchanges, relationship marketing represents an important means to build customer loyalty to an organization (Morris et al. 1999). Recently, a body of research surfaced that attempts to discern the types of bonds that enhance relationship marketing (e.g., Berry 1995; Peltier and Westfall 2000; Williams et al. 1998). These bonds have been categorized as financial (e.g., price incentives), social (e.g., interpersonal relationships), and structural (e.g., services that are designed into the system). However, despite the increasing importance of relationship marketing, the effects of these three relational bonds on customer loyalty have not been sufficiently studied empirically.

Service encounters, defined as the moment of interaction between a customer and a firm, are increasingly critical in all industries and may take place in an actual service setting, over the telephone, through the mail, or over the Internet (Bitner et al. 2000). Prior studies have recognized the importance of service encounters in creating and maintaining good relationships between service firms and their customers (e.g., Haring and Mattsson 1999). As customers and businesses interact over time, the opportunity rises for this aggregation of encounters to transform into an exchange relationship (Morgan and Chada 1993).

Although it is increasingly evident that technological advances will continue to be critical components of customer–firm interactions, little is known about how interactions with such technological options affect customer evaluations and behavior (Meuter et al. 2000). In different service encounters, the ways that customers interact with a business may also differ. For example, customers must personally visit some service facilities and engage in interactions with employees for person-to-person encounters. Therefore, developing buyer–seller relationships through interpersonal interactions or friendships between customers and employees may be more useful for these customers. However, for Internet encounters, customers can easily access high-quality information from the Web site (Detlor 2003). Using a service-delivery system, rather than relying on the relationship-building skills of individual service providers, allows firms to customize their offerings and may also give customers greater satisfaction. Accordingly, to produce results that can be interpreted at a theoretical level, investigations must encompass a range of interfaces and consider the effectiveness of customer relationships in different encounters. In this study, we attempt to determine whether the impacts of relational bonds on customer loyalty differ for customers in person-to-person, interactive voice response system, and Internet encounters.

THEORETICAL ISSUES

Customer Loyalty

In Oliver’s (1999, p. 34) study, loyalty is defined as “a deeply held commitment to rebuy or repatronize a preferred product/service consistently in the future.” Customer loyalty is considered one of the several means by which a firm can build a sustainable competitive advantage. Loyalty plays an important role in influencing consumers’ repeat purchases (Jacoby and Kyner 1973) and creating substantial income for companies (Jones and Farquhar 2003). From a business perspective, structuring consumer retention mechanisms to enhance profits has become more important than ever.

Relational Bonds

Previous literature has indicated that a customer retention strategy can focus on three types of bonds: financial, social, and structural (Berry 1995). Subsequent studies, including Berry (1995), Peltier and Westfall (2000), and Williams et al. (1998), have adopted this typology to discuss the effects of such bonds.

Researchers have argued that one motivation for customers to engage in relational exchanges is money savings (e.g., Berry 1995; Gwinner et al. 1998). However, although financial bonds seem useful in securing customer loyalty, some researchers have suggested that these bonds belong at the lowest level of the relationship hierarchy because price is the most easily imitated element (e.g., Peltier and Westfall 2000; Zeithaml and Bitner 2003).

Social bonds are defined as personal ties pertaining to service dimensions that include interpersonal interaction, relationship building (Wilson 1995), and identifications (Turner 1970). From the customer perspective, a social bonding strategy benefits them significantly through strong service relationships (Gwinner et al. 1998). These social bonds positively influence customers’ emotions or feelings associated with the service experience and contribute to the formation of the affective component of attitude, all of which are salient aspects of intimate, high-quality relationships (Thorbjørnsen et al. 2002). Therefore, though social bonds alone may not bind a customer permanently to a company, they will ultimately prove more difficult for competitors to imitate (Zeithaml and Bitner 2003). Some researchers (e.g., Berry 1995; Peltier and Westfall 2000) in turn suggest that social bonds sit at the intermediate level in the relationship hierarchy and help companies protect against competitive pricing pressures.

Finally, Berry (1995, p. 241) suggests that marketers practice relationship marketing, which depends on structural bonds when “the solution to the customer’s problem is designed into the service-delivery system.” The structural bonds “offer target customers value-adding benefits that are difficult or expensive for customers to provide and that are not readily available elsewhere” (Berry...
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1995, p. 240). From the industrial marketing perspective, Turnbull and Wilson (1989, p. 233) argue that effective structural bonds “create value to the customer and either require investment by the buyer that cannot be salvaged if the relationship ends or may be expensive if the buyer must supply this service themselves if they change sources.” Accordingly, structural bonds refer to the valueadding services that are contained in the service-delivery system, including knowledge and information about the industry and product customization; that are not readily available elsewhere; and that are expensive for customers to supply if they terminate the relationship.

In addition, because customers regard the provision of information, knowledge, and goods/services by the business and their participation in this provision as a mutual relationship investment and adaptation, these valuable services forge customer loyalty by creating a psychological barrier to terminating the relationship (Wilson 1995). In turn, some studies suggest that structural bonds belong in the highest level of the hierarchy of relational bonds (Peltier and Westfall 2000). Accordingly, we propose that:

\[ H1: \] The impacts of financial, social, and structural bonds on customer loyalty differ.

\[ H1_a: \] The positive impact of social bonds on customer loyalty will be greater than that of financial bonds.

\[ H1_b: \] The positive impact of structural bonds on customer loyalty will be greater than that of social bonds.

The Role of the Type of Service Encounter

Prior studies have demonstrated the importance of service encounters to businesses. For example, encounters affect critical outcomes such as customers’ intention to repurchase, relationship quality, and loyalty (Bitner et al. 2000). A service encounter, defined as a period of time during which customers interact directly with a service (Lovelock 2001), may take place in an actual service setting, over the telephone, through the mail, or even over the Internet (Bitner et al. 2000).

Prior research about service encounters focused on person-to-person encounters or interpersonal interactions (Morgan and Chadha 1993). However, to reduce costs and improve customers’ convenience, many companies have redesigned their customer flows. Instead of encouraging situations where customers deal with the company representative in a person-to-person setting, these companies encourage lower contact levels where customers have remote contact with company representatives (Lovelock 2001). Accordingly, recent research has investigated person-to-machine encounters (e.g., Bitner et al. 2000; Meuter et al. 2000).

In all of these settings, the same three types of bonds may apply to the company’s attempts to retain its long-term customer relationships. Because financial bonds are easily imitated and do not offer any differences with competitors in the long run (Peltier and Westfall 2000), we omit any discussion of their effects on customer loyalty across service encounters.

Social bonds, however, may affect customers in these types of encounters (i.e., person-to-person, interactive voice response system, and Internet) differently. In person-to-machine encounters, customers obtain services primarily through self-service technologies, which, according to Sauer and Burton (1999), are hard-to-reproduce social elements. In Donthu and Garcia’s (1999) study, they reveal that Internet shoppers’ socioeconomic, motivational, and attitudinal characteristics differ from those of non-Internet shoppers; furthermore, decreased pressure from salespeople contributes to why consumers make online purchases (GVU 1997). In this context, interactive voice response systems are easily accessible and provide timely information, but they seldom offer interpersonal interaction or friendship elements to customers. Similarly, in a virtual environment, though the interactivity of the Internet can initiate a two-way conversation, online shoppers are hampered by the lack of personal contact inherent in remote transactions (Croft 1998). In summary, though e-retailers may build social bonds with individual customers through personalized e-mails or customer-to-customer interactions and friendships (Zeithaml and Bitner 2003), many consumers may still prefer the social component of a service encounter.

Because repeated interactions between customers and service suppliers help customers assess the service firm’s credibility and benevolence (Donney and Cannon 1997), more interactions may lead to an emotional attachment through the customer’s developing a sense of mutual trustworthiness. Therefore, social bonds that stress interpersonal interactions may be more useful for customers in person-to-person encounters than in person-to-machine encounters. In turn, we posit that:

\[ H2: \] The effect of social bonds on customer loyalty is moderated by the types of customers in the service encounter, such that the effect is greater for customers of person-to-person encounters than for those of Internet and interactive voice response encounters.

Finally, structural bonds also may affect customers of the three types of encounters differently. The development of electronic technologies has dramatically reduced the time and cost of information exchange, effectively linked processes, and enabled close integration of different parties in the value chain (Tang et al. 2001). Through the Internet, customers may receive personalized services (Wilson 1995). By building fast, well-structured hyperlinks with Web sites of strategic partners, businesses can also provide more integrated services to their customers, which may lead to improved customer loyalty.

In addition, online customers generally want to access product specifications, usage instructions, warranty information, and lists of products on sale (Burke 2002). They also want to be able to receive an e-mail message confirming that the order was received and shipped, and then track their shipment on the Web.

Compared to an Internet encounter, salespersons offer some similar benefits as they visit customers regularly to provide product information and resolve customer concerns, particularly in industries like financial services. From the customer’s perspective, however, structural bonds developed through salespeople are probably less timely and less convenient than Internet encounters. Similarly, though interactive voice response systems are easily accessible and provide timely information, they are not customized for each customer and are therefore likely to offer a weaker structural bond. Accordingly, we propose that the impact of structural bonds on customer loyalty is lower for customers in person-to-person encounters and interactive voice response systems than for those in Internet encounters. In turn, we posit that:

\[ H3: \] The effect of structural bonds on customer loyalty is moderated by the type of customers in service encounter, such that the effect is greater for customers of the Internet encounter than those of person-to-person and interactive voice response encounters.

METHODOLOGY

Sample

To examine H1–H3, we conducted a field study in the securities industry in Taiwan. Questionnaires were distributed to one...
thousand securities customers who experienced person-to-person, interactive voice response systems, and Internet encounters. To recruit respondents we used customer lists obtained from sponsor securities companies and employees of high-tech or service industries with experience in stock exchanges. A total of 621 responses were gathered, which represents a response rate of 62.1%. T-test results reveal there are no significant differences across these demographics between these two samples.

Each respondent was asked to select one of the three encounters he or she confronted most frequently. Then the respondent selected one securities company in the context of this type of encounter that he or she had patronized previously to purchase the good/service. Finally, the respondent indicated his or her perceptions of the company.

According to the received questionnaires, the sample of respondents consists of approximately the same percentage of women and men (50.1% and 49.9%, respectively), who range in age from 15 to 60 years. The sample sizes for the three types of encounters were as follows: 387 person-to-person encounters, 116 interactive voice response system encounters, and 118 Internet encounters.

**Measures**

We conducted three separate in-depth interviews with two entry-level managers in the securities industry to determine how they implemented their relationship strategies. From these investigations, we identified 20 measurement items that we categorized as financial (4 items such as “The company provides cumulative points programs” and “The company offers more rebates if I trade beyond a certain amount.”), social (7 items such as “The company is concerned with my needs,” “Service providers help resolve my problem even if it is not related to the business,” and “The company sends me greeting cards or gifts on special days.”), or structural (9 items such as “The company suggests suitable investment options according to my records and assets,” “The company integrates services from other sources to solve my problem,” and “The company provides professional knowledge in the financial area.”). Each item was scored on a seven-point Likert scale (1=strongly disagree; 7=strongly agree).

We refined the instrument through a pilot test. We applied an item-to-total correlation analysis to find any items that needed to be dropped at this stage, but because we could not improve any alpha coefficients in the financial, social, or structural dimensions by deleting any items, we did not remove any.

The loyalty construct often is gauged by the relative attitude that a consumer has toward a company and his or her intention to purchase again from the same company (e.g., Jones and Farquhar 2003; Peltier and Westfall 2000). To measure the dependent variable of customer loyalty, we adopted three indicators in accordance with the literature: “I am willing to repurchase” (Peltier and Westfall 2000), “I am willing to purchase other products or services from this firm” (Sirohi et al. 1998), and “I am willing to recommend this firm to others” (Peltier and Westfall 2000). Again, respondents used a seven-point scale to respond to these items.

**DATA ANALYSIS**

**Reliability and Construct Validity**

To investigate the reliability of the scale, we computed the Cronbach’s alphas for the financial, social, and structural bonds as .85, .93, and .94, respectively. For the dependent variable of customer loyalty, the coefficient alpha was .83. These values suggest reasonable internal consistency.

To test the construct validity of the three relational bonds, we conducted a confirmatory factor analysis (CFA) using LISREL 8.54. Although the χ² values of the CFA models of the three relational bonds were 408 (d.f.=167, p<.05), the χ²/d.f., CFI, GFI, SRMR, and RMSEA were 2.48, .87, .86, .05, and .06, respectively. These latter values suggest an adequate fit of the model to the data.

Furthermore, convergent and discriminant validity should be examined for construct validity, which is supported when the average variance extracted (AVE) between the constructs and their measures is greater than .50 (Fornell and Larcker 1981) and the loading on the hypothesized construct is significant. Here, the AVEs for the financial, social, and structural factors were .59, .64, and .68, respectively, and the factor loadings were all significant at p<.05. Thus, convergent validity is supported. The AVE value also can be used to assess discriminant validity (Fornell and Larcker 1981); discriminant validity is supported if the AVE for each factor and its measures is greater than the square of the estimated correlation between factors. Discrimination was evident in this study because the largest shared variance among the three factors (.46) was less than the lowest AVE value for each factor and its measures (.59).

**Relationship between Relational Bonds and Customer Loyalty**

To investigate the impacts of the three relational bonds on customer loyalty, we calculated composite scores for each bond by summing its measurement items. These composite (or simple factor) scores often are highly correlated with factor scores obtained by the more complex least squares and regression methods (Johnson and Wichern 1992). In addition, the variance inflation factors (VIF) values were much below the threshold of 10. Therefore, the effects of multicollinearity can be ignored in this study. We then conducted a regression using customer loyalty as a dependent variable and the three relational bonds as predictors. The results indicate that the structural bond and the social bond significantly influence customer loyalty (β=.50 and .18, p<.05), whereas the financial bond has an insignificant impact on customer loyalty (β=.05, p>.05). Therefore, H1a is supported.

To further investigate whether the unstandardized regression coefficients of structural bonds and social bonds (which were significantly greater than 0) can be treated as equal, we conducted a t-test. The results indicate that the coefficient of the structural bonds is significantly larger than that of the social bonds (t=3.81, p<.05), in support of H1b. As we have already discussed, the insignificant financial bond effect may reflect the ease with which competitors can imitate a financial bond strategy (Berry 1995). Virtually every securities company provides financial bonds to its customers, which decreases their effectiveness. In addition, we find that structural bonds are the most effective in enhancing customer loyalty, in line with Berry’s (1995) suggestion that structural bonds create strong foundations for customer relationships.

Furthermore, to examine the moderating effects of the service encounters, we tested H2–H3 through hierarchical regression analyses, with customer loyalty as the dependent variable and a specific relational bond as the predictor. We employed hierarchical regression analyses in which we mean centered all the variables to reduce the risk of multicollinearity. If there is a significant change in R² when the interaction between a relational bond and the encounter is added, moderation is supported (Arnold 1982). In this study, because our service encounter variable has three levels (i.e., person-to-person, interactive voice response system, and Internet), we code two dummy variables that provide qualitative information.

In table 1, we report a series of hierarchical models for H2–H3. Moderation is supported for social (ΔR²=.012, p<.05) and structural (ΔR²=.01, p<.05) bonds; moderation is not supported for financial bonds (ΔR²=.002, p>.05).

To further investigate whether a specific relational bond has a differential impact on loyalty for a specific encounter, we tested
three separate regression models with customer loyalty as the dependent variable and each type of relational bond as the predictor for three different encounters. To avoid the issues related to high levels of multicollinearity among independent variables, which make it difficult to draw inferences about regression estimates, we determined whether the data fit the condition of multicollinearity prior to the regression. The variance inflation factors values ranged from 1.52 to 2.29 and thus are below the suggested threshold of 10. Therefore, the effects of multicollinearity can be ignored in this study.

Table 2 also indicates the relationships between the three relational bonds and customer loyalty during different encounters. The social bond has a significantly positive impact on customer loyalty only in person-to-person encounters ($\beta=.26, p<.05$), in support of H2. The structural bond has the greatest impact on customer loyalty in Internet encounters ($\beta=.63, p<.05$). To investigate the significance of H3, we also compare the unstandardized regression coefficients between structural bonds and customer loyalty across service encounters (Arnold 1982). The results indicate that the impact of structural bonds on loyalty is significantly higher in Internet than in person-to-person ($p<.05$) or interactive voice response system ($p<.05$) encounters in one-tailed tests. H3 is therefore supported. Because the Internet provides an inexpensive means to search, organize, and disseminate complete, relevant, timely, up-to-date, and accessible information, it may be more effective for companies to deliver structural bonds to customers through Internet encounters.

**DISCUSSION**

Service encounters constitute critical moments of truth where a firm leaves an indelible impression on the customer (Bitner et al. 2000). Recently, because growing numbers of customers are interacting with self-service technologies rather than employees to create service outcomes, Meuter et al. (2000) suggested that research should compare the underlying differences in how customers respond to telephone- versus Internet-based self-service technologies. We responded to this suggestion by investigating the impacts of the three relational bonds on loyalty for customers in different types of encounters.

The empirical results indicate that financial bonds have no significant impact on loyalty for customers in any type of encounter. Social bonds, however, have a significantly positive impact on customer loyalty, but only in person-to-person encounters. Finally, structural bonds are effective in gaining customer loyalty in every type of encounter, though they are more useful in Internet situations than in other types of encounters. This finding suggests that e-tailers should leverage structural bonds to strengthen their customers’ loyalty.

**Managerial Implications**

Loyal customers buy more, are willing to spend more, are easier to reach, and act as enthusiastic advocates for firms (Harris and Goode 2004). The results of this study therefore provide some key strategic implications for managers, especially those in the securities industry, who seek to build customer loyalty.

Identify the nature of the bonds between consumers and businesses. When there is effectively none or little difference between suppliers, customer switching is very possible because one service or supplier is essentially equivalent to another (Turnbull and Wilson 1989). If, as recent research argued, the main purpose of managing customers is to improve long-term profitability, businesses must identify their most profitable customers and strengthen those relationships through relational bonds. Therefore, understanding the key factors that bond customers to firms is important for
customer loyalty efforts and, in turn, for businesses’ profit. Managers and employees must be aware of the three types of relationship strategies to enhance customer loyalty. According to the results of this study, structural bonds are the most effective and financial bonds are the least effective ways to enhance customer loyalty overall.

**Differentiate relational bonds in service encounters.** Traditionally, research about service encounters has focused on person-to-person encounters. However, to reduce costs and achieve greater customer convenience, many companies have turned to person-to-machine encounters. The results of our study indicate that customers in person-to-person encounters find both social and structural bonds useful; however, the structural bond is the most effective for those in the Internet encounters. According to Garvin (1987), managers tend to employ only a few strategies in their drive to compete with other companies, so these findings should help companies identify attributes that they should prioritize in their encounters with their customers.

The careful development of a relationship investment strategy makes a company more venerable to attack from competitors (Turnbull and Wilson 1989), but careful allocation of the marketing budget can be planned according to the results of this study. For example, a business might use the measurement items developed in this research to benchmark its relationship activities with those of competitors and identify comparative strengths and weaknesses from a customer standpoint. The company then could develop a bonding strategy based on the customers that appear in each type of encounter. For example, customers in person-to-person encounters place a great deal of importance on personal ties, so the company should invest more to develop personal ties with this group. However, for customers in an Internet situation, value-added services should constitute the primary investments the company uses to manage its customer relationships. The business might focus on building technologies that record customer preferences and then provide detailed information and customized services to them.

**Future Research Directions**

Additional research might take some of the following directions. First, further research might study the problems of cross-channels in different buying stages. To enhance customer loyalty, firms likely use a combination of relational bonds at different customer decision stages. For example, customers may use the Internet to search for information but eventually make the purchase from local brick-and-mortar stores. Alternatively, a salesperson might send an e-mail to a customer to provide relevant information before his or her visit to the store, or Web sites might offer contact information for service/sales personnel, which interested customers can use. Therefore, research should investigate the effects of a combination of relational bonds and service encounters at different buying stages.

Second, some studies have suggested that organizations should analyze the position of their customers according to a continuum of transactional to collaborative exchanges and then apply transactional or relational marketing to those customers on the basis of their orientation (e.g., Garbarino and Johnson 1999). Further, research might examine the relationship between the three relational bonds and customer loyalty for low versus high relational customers. For example, might social bonds be more effective in developing customer loyalty than using structural bonds for newer customers?

Third and finally, Hofstede (1980) proposes four dimensions of culture: power distance, uncertainty avoidance, individualism/collectivism, and masculinity/femininity. The primary characteristic of Chinese culture appears to be a more collectivistic orientation, whereas North American culture is typically characterized as individualistic (Hofstede, 1980; Williams et al. 1998). According to Williams et al. (1998), structural bonds have a greater influence on customer commitment in individualistic countries than in collectivistic countries, whereas social bonds are more significant for collectivistic countries than for individualistic countries. Although this article sheds light on how different types of relational bonds affect customer loyalty in the Taiwan securities industry, additional research should also examine the generalizedizability of our results to other countries—possibly those considered more individualistic—and compare the results with this study.

**REFERENCES**


ABSTRACT

Oliver (1997) suggests a four-stage loyalty model proposing that loyalty consists of belief, affect, intentions, and action. Although this model has recently been subject to empirical examination, the issue of moderator variables has been largely neglected. This article fills that void by analyzing the moderating effects of switching barriers, using a sample of 589 customers of a large do-it-yourself (DIY) retailer. The results suggest that these moderators exert an influence on the development of the different stages of the loyalty sequence. Specifically, switching costs, social benefits, and the attractiveness of alternatives are found to be important moderators of the links in the four-stage loyalty model.

CONCEPTUAL FRAMEWORK

Until the 1970s, loyalty was understood as repeat purchase behavior, primarily considering repeat purchase cycles (Bass 1974). Following that, a behavioral approach toward explaining purchase patterns emerged. Among the first proponents of such a behavioral approach was Jacoby (1973, 1978). Loyalty was defined as a biased (nonrandom) repeat purchase of a specific brand (from a set of alternatives) over time by a consumer, using a deliberate evaluation process (Jacoby and Kyner 1973). Later, Jacoby and Chestnut (1978) note that the belief, affect, and intention structure of a consumer must be examined in order to analyze loyalty.

Despite these seminal works, there is still no universal agreement on the definition of loyalty (Dick and Basu 1994; Jacoby and Chestnut 1978; Oliver 1999; Uncles, Dowling, and Hammond 2003). According to Uncles et al. (2003), three popular conceptualizations of loyalty exist: loyalty as an attitude that leads to a relationship with the brand; loyalty expressed mainly in terms of revealed behavior; and buying moderated by the individual’s characteristics, circumstances, and/or the purchase situation.

We use Oliver’s (1997) definition, because it includes both attitudinal and behavioral aspects of loyalty. Oliver (1997) defines loyalty as a deeply held commitment to rebuy or repatronize a preferred product or service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts that have the potential to cause switching behavior. He introduces a four-stage loyalty model, implying that different aspects of loyalty do not emerge simultaneously, but rather consecutively over time (Oliver 1999). More than a clarification, this model extends the loyalty sequence “cognitive-affective-conative” by including an observable behavior, for example actual purchase behavior. At each loyalty stage, different factors influencing loyalty can be detected.

Cognitive Loyalty

At this stage, consumer loyalty is determined by information relating to the offering, such as price, quality, and so forth. It is the weakest type of loyalty, since it is directed at costs and benefits of an offering and not at the brand itself. Therefore, consumers are likely to switch once they perceive alternative offerings as being superior with respect to the cost-benefit ratio (Kalyanaram and Little 1994; Sivakumar and Raj 1997). Cognitive loyalty is influenced largely by the consumer’s evaluative response to an experience, in particular to the perceived performance of an offering relative to price (= value).

Affective Loyalty

Affective loyalty relates to a favorable attitude towards a specific brand. Attitude itself is a function of cognition (e.g., expectation). Satisfaction is a global affect evaluation or feeling state which can be predicted from perceived performance as the cognitive component of the evaluation (Oliver 1993; Phillips and Baumgartner 2002; Westbrook and Oliver 1991). Expectancy confirmation leads to satisfaction, which in turn effectuates affec-
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tive loyalty (Bitner 1990). Oliver (1997) defines satisfaction as “the consumer’s fulfillment response, the degree to which the level of fulfillment is pleasant or unpleasant.” Affective loyalty is also subject to deterioration, caused primarily by an increased attractiveness of competitive offerings (Sambandam and Lord 1995) and an enhanced liking for competitive brands. This can be, for instance, conveyed through imagery and association used in competitive communications (Oliver 1999).

Conative Loyalty
Conative loyalty implies that attitudinal loyalty must be accompanied by a desire to intend an action, for example repurchase a particular brand. It is stronger than affective loyalty, but has vulnerabilities as well. Repeated delivery failures are a particularly strong factor in diminishing conative loyalty. Consumers are more likely to try alternative offerings if they experience frequent service failures. Even though the consumer is conatively loyal, he has not developed the resolve to avoid considering alternative offerings (Oliver 1999).

Action Loyalty
Action control studies imply that not all intentions are transformed into action (Kuhl and Beckmann 1985). The three previous loyalty states may result in a readiness to act (in this case, to buy). This readiness is accompanied by the consumer’s willingness to search for the favorite offering despite considerable effort necessary to do so. Competitive offerings are not considered as alternatives.

Despite the many attempts to consider selected links between different loyalty phases, relatively little empirical research has been conducted on testing the total four-stage loyalty model. Our study tries to fill that void by empirically testing Oliver’s (1997) loyalty model and possible moderators affecting the links between the loyalty phases in a retail setting.

SWITCHING BARRIERS AND CUSTOMER LOYALTY
In the last decade, a substantial body of research has been conducted to investigate moderating variables influencing the formation of customer loyalty (Bloemer and Kasper 1995; Homburg and Giering 2001; Homburg, Giering, and Menon 2003). In this context, some studies focus explicitly on the moderating effects of switching barriers (Bell, Auh, and Smalley 2005; Jones, Moth ersbaugh, and Beatty 2000; Lam et al. 2004). Switching barriers are defined as “any factor, which makes it more difficult or costly for consumers to change providers” (Jones et al. 2000). In line with the literature (Caruana 2003; Jones et al. 2000), we examine the following switching barriers: social benefits, attractiveness of alternatives, and perceived switching costs.

Social Benefits
Customers build interpersonal relationships with service personnel. These bonds between the customers and the firm result in the former receiving social benefits (Berry and Parasuraman 1991). The same interactions can lead consumers to develop strong personal relationships with the company (Grönroos 1990; Parasuraman, Zeithaml, and Berry 1985) and bind customers (Bateson and Hoffman 1999). As interactions between provider employees and customers are repeated over time, the motivation for the development of a social aspect to the relationship necessarily increases (Czepiel, Solomon, and Suprenant 1985). In addition, the more customers rely on the personnel, and the more trust the customers develop, the less risky customers perceive variations in quality. Therefore the customers will not seek alternatives to their current provider, even if quality varies. Hence, consumers with higher social bonds rely more on past experiences with a particular retailer as a key information cue. Since it is riskier to switch a provider and to try something new, customers with lower social bonds should be less likely to remain affectively loyal if their satisfaction levels change. Empirical evidence in the context of loyalty shows that social benefits moderate the relationship between various aspects of satisfaction and selected measures of loyalty. For instance, Jones et al. (2000) found that the relationship between satisfaction and repurchase behavior is moderated by social benefits. Similarly, Crosby, Evans, and Cowles (1990) offer some support for such a moderating effect. They were able to demonstrate that the quality of the relationship between salesperson and the customer determines the probability of continued interchange. Holloway (2003) discusses social bonds as switching barriers, which especially influence the relationship between the perception of service quality and satisfaction. Based on these findings, a moderating effect of social benefits on the four-stage loyalty model can be assumed.

H1: As perceived social benefits increase, the link between cognitive and affective loyalty will become stronger.

Attractiveness of Alternatives
Depending on the quality of competing alternatives, the customer perceives a benefit in changing the provider (Oliver 1997). The more attractive the alternatives are, the higher the perceived benefits when switching (Jones et al. 2000). Therefore, consumers are likely to switch once they perceive alternative offerings as being superior with respect to the cost-benefit ratio (Kalyanaram and Little 1994; Sivakumar and Raj 1997). There is also empirical evidence from Rus bulb, Zembrod, and Gunn (1982), reporting that the quality of alternatives is associated positively with exiting and negatively with loyalty. In addition to possible direct effects of attractiveness of alternatives on loyalty, moderating effects can be anticipated: In line with Oliver (1997), it can be expected that the link between cognitive and affective loyalty will be stronger under the condition of unattractive alternatives. Hence:

H2a: As the attractiveness of competing alternatives decreases, the link between cognitive and affective loyalty will become stronger.

Furthermore, the deterioration of loyalty at the conative stage of Oliver’s (1997) model is caused primarily by an increased attractiveness of competitive offerings (Sambandam and Lord 1995). Conversely, the less attractive the alternatives, the more favorably customers perceive the offers of its current provider (Jacoby, Speller, and Kohn 1974). Consumers who generally prefer shopping at a certain retailer might therefore differ in their intention to repurchase, depending on the perception of the attractiveness of alternatives. In line with Oliver (1997), we conclude:

H2b: As the attractiveness of competing alternatives decreases, the link between affective and conative loyalty will become stronger.

Perceived Switching Costs
In many instances, customers are loyal to a provider, because of the difficulty of changing to a different firm. In accordance with Jones et al. (2000), switching is likely to involve various behavioral and psychological aspects, given that switching costs include the time, money and effort the customer perceives, when changing
Switching Barriers in the Four-Stage Loyalty Model

from one provider to another, more specifically, they entail search and learning costs (Jones, Mothersbaugh, and Beatty 2002). The consumers already know the routines of their current provider, acting as a kind of specific investment, whereas these investments were lost when changing to another provider. Switching costs can affect loyalty, such as with increasing perceived costs of an activity, the probability of a consumer acting that way diminishes.

The impact of switching costs on loyalty has received relatively little attention in the literature (Burnham, Frels, and Mahajan 2003; Dick and Basu 1994; Guiltinan 1989). Aaker (1991) suggests that the analysis of switching costs can provide a basis for brand loyalty. There is empirical evidence that higher switching costs positively influence customer loyalty (Burnham et al. 2003). Furthermore, switching costs are believed to moderate the link between satisfaction and repurchase intention (Jones et al. 2002). Therefore, in addition to the possible direct effects, we believe that switching costs moderate the link between conative loyalty and action loyalty. Comparing two consumers who intend to purchase at a certain retailer, with one perceiving high switching costs while the other does not, the “locked-in” customer is much more likely to purchase at that retailer, since the consumer is faced with additional time and effort associated with a change. Switching costs explicitly foster transferring intentions into action—as suggested by the theory of planned behavior—instead of influencing earlier stages of the four-stage loyalty model (Bansal and Taylor 2002). Hence, the link between conative and action loyalty is stronger for customers perceiving higher switching costs. This reasoning is again consistent with that of Oliver (1997), who noted that key sustainers of action loyalty are, in fact, sunk costs, and actual purchase will be more likely for consumers faced with sunk costs, as opposed to those with no sunk costs which are associated with switching. In this respect, switching costs might serve as an aid to transform intention into action. Therefore, we expect:

\[ H_3: \] As perceived switching costs increase, the link between conative and action loyalty will become stronger.

Figure 1 summarizes the conceptual model of our study and the hypotheses we derived.

METHOD

Data Collection Procedure and Sample

We drew our sample for a retailer in the German DIY market in the summer of 2005. This retail market is highly competitive, with the top ten retailers accounting for roughly 80% of total sales. The retailer in our study is quite representative for this market in terms of size and success. We randomly selected 2,500 customers of that retailer and mailed them questionnaires with pre-paid return envelopes. To avoid any bias, the return envelopes were addressed to the researchers’ university. A total of 589 respondents send back usable questionnaires, resulting in a satisfactory response rate of 23.6%. Comparing early and late responses, as suggested by Armstrong and Overton (1981), no signs of non-response bias were found.

Since the data for dependent and independent variables were obtained from the same respondents, there is a possibility of common method bias (CMB). We applied the methods suggested by Podsakoff et al. (2003) to test for CMB, particularly the “single-method-factor approach.” We estimated the model with a single-method first-order factor added to the indicators of the constructs. The results reveal that even with common-method variance con-
trolled, fit-indices and the proportion of variance explained were almost unchanged in both models, and all path coefficients remain significant. Therefore, we conclude that CMB is not a significant issue in our study.

Analysis

We use multi-group structural equation modeling to test our hypotheses. Mediation-splits based on the values of the moderator variables were used to create the groups. Testing for moderation, we first looked at a non-restricted model and then restricted three paths in the four stage loyalty model so that they are equal across subgroups. Chi-square differences with three degrees of freedom (critical chi-square value \( df=3; p=.05): 7.81 \) were assessed. After confirming a general moderating effect, we compared two models that only differ in one effect of one loyalty stage to the next, as suggested by our hypotheses. One model restricts the parameter so as to be equal across groups, while the second model allows variation in one of these parameters across groups. The restricted model has one more degree of freedom than the general model. A moderating effect would be present when the improvement in chi-square, moving for the restricted to the non-restricted model is significant, meaning the chi-square difference between the two models (and one degree of freedom) is larger than 3.84 (\( p=.05 \)).

Measures

A conceptualization and items for measuring the constructs were developed, drawing on prior research in the loyalty literature. Except for attractiveness of alternatives, multi-item seven-point Likert scales (anchored at 1=strongly agree, 7=strongly disagree) adapted from previous studies were used.

Cognitive Loyalty. Cognitive loyalty was defined and measured as evaluation of perceived value associated with the retail outlet. In accordance with the operationalization of Verhoef, Langerak, and Donkers (2004), Sirdeshmukh, Singh, and Sabol (2002) and Baker et al. (2002), the respondents were asked to rate the perceived value.

Affective Loyalty. Affective loyalty was defined as a person’s global affect evaluation or feeling state. As proposed by Oliver (1997), we used “Overall Satisfaction” and “Liking” to cover affective loyalty.

Conative Loyalty. Conative loyalty was defined as a customer’s behavioral intention to continue buying at a retail store in the future, accompanied by a deep commitment to that store. The scale was adapted from the behavioral intention battery developed by Zeithaml, Berry, and Parasuraman (1996), and included the items: willingness to recommend, and repurchase intention.

Action Loyalty. Action loyalty focuses on (purchase) behavior. Hence, we do not focus on attitudes such as intention to purchase or intention to overcome an obstacle. In accordance with Harris and Goode’s (2004), we operationalize “action loyalty” as displayed choice preference, and not as “overcoming obstacle.” The most common assessments of behavioral loyalty are repurchasing patterns or behavioral frequency like word-of-mouth behavior, purchase frequency, and actual money spent per year, as used here.

Attractiveness of Alternatives. The attractiveness of alternatives was measured with one item, accounting for the evaluation of existing alternatives. Research in the field of neuron science has shown that the first choice is a good indicator for evaluating the attractiveness of alternative brands (Deppe et al. 2005).

Social Benefit. The social benefits measure was adapted from Henning-Thurau, Gwinner, and Gremler (2002), measuring the social benefits resulting from interpersonal relationships with the service personnel.

Switching Costs. Finally, the switching costs measure, adapted from Jones et al. (2000), captures costs across a variety of dimensions and focuses on the overall perceptions of time, money, and effort associated with changing providers.

Measurement reliability was examined through confirmatory factor analysis and Cronbach’s alpha coefficient.

It can be noted that the coefficient alpha exceeds .7, the threshold generally proposed in the literature (Nunnally 1978). Also, composite reliabilities exceed .6 for all constructs (Bagozzi and Yi 1988). The discriminant validity of the constructs was assessed using the criterion proposed by Fornell and Larcker (1981) and this criterion was met. Therefore, reliability and validity of the constructs in this study are acceptable.

RESULTS

Firstly, it is evident that the links between the various stages of the loyalty model are all significant (\( p<.01 \)) and the model displays a good overall fit (\( \chi^2=4.312; CFI=.941; TLI=.926; SRMR=.073; RMSEA=.078 \)). Therefore, we can continue analyzing the moderating effects.

After confirming the influence of the main effects in the model, we tested for moderator effects. A chi-square difference test was conducted for the three possible moderator effects, comparing a restricted and a non-restricted model. As can be seen, “attractiveness of alternatives” (at .01-level) and “switching costs” (at .05-level) have a significant, general moderating effect on all links in the loyalty model, whereas “social benefits” displays only a week moderating effect at .1-level. Nevertheless, we continue analyzing the specific moderator effects suggested by our hypotheses.

As can be seen from table 4, each moderator only moderates one link in the loyalty model. “Attractiveness of alternatives” moderates the link between affective and conative loyalty, “social benefits” moderates the link between cognitive and affective loyalty, and “switching costs” moderates the link between conative and action loyalty.

Hence, three of four hypothesized moderating effects in the four-stage loyalty model were supported by these findings. It only seems that only “attractiveness of alternatives” fails to moderate the link between cognitive and affective loyalty as hypothesized in H2a. Furthermore, a smaller random sample of 250 respondents confirmed these results.1

DISCUSSION, LIMITATION, FURTHER RESEARCH

Gaining customer loyalty is less straightforward and more complex than several previous studies have suggested. Using Oliver’s (1997) model of loyalty, it is not until a customer shows high consistency through the four distinct stages that loyalty is achieved. In such case, customers possess not only a stable disposition but also a stable, routine purchase pattern, making them relatively resistant to competitive offers. Therefore, examining moderator variables of the links in the four-stage loyalty model leads to a clearer understanding of how to build loyalty.

The results of our empirical study suggest that there are in indeed moderator variables that display conditions under which a customer moves from one loyalty stage to the next. In particular, high perceived social benefits from a relationship with a retailer are likely to turn cognitively loyal customers into affectively loyal customers. If the attractiveness of alternatives is relatively low, a customers liking (affective loyalty) of a particular retailer can be

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1 We thank one anonymous reviewer for suggesting this test.
### TABLE 1
DESCRIPTION OF ITEMS USED TO MEASURE THE CONSTRUCTS

<table>
<thead>
<tr>
<th>Scale/Item</th>
<th>Coefficient</th>
<th>Composite Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Coefficient</strong></td>
<td>Alpha</td>
<td>Reliability</td>
</tr>
<tr>
<td><strong>Cognitive Loyalty</strong> (Baker et al. 2002; Sirdeshmukh et al. 2002; Verhoef et al. 2004)*</td>
<td>.862</td>
<td>.869</td>
</tr>
<tr>
<td>1. How would you rate your overall shopping experience at this store?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. The quality/price ratio with the dealer is good (merchandise).</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. The quality/price ratio with dealer is good (service).</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. For the time you spent in order to shop at this store, would you say shopping at this store is highly reasonable/highly unreasonable?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. For the effort involved in shopping at this store, would you say shopping at this store is not at all worthwhile/very worthwhile?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. The store is attractive.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. For the prices you pay for DIY-items at this store, would you say shopping at this store is a very poor deal/very good deal?</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Affective Loyalty</strong> (Bettencourt 1997; Oliver 1997)*</td>
<td>.883</td>
<td>.885</td>
</tr>
<tr>
<td>1. Based on all my experience with this store, I am very satisfied.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. My shopping experiences at this store have always been pleasant.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Compared to other stores, I am very satisfied with this store.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Conative Loyalty</strong> (Zeithaml et al. 1996)*</td>
<td>.804</td>
<td>.802</td>
</tr>
<tr>
<td>1. Repurchase intention</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Word-of-mouth intention</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Action Loyalty</strong> (De Wulf, Odekerken-Schröder, and Iacobucci 2001)</td>
<td>.850</td>
<td>.858</td>
</tr>
<tr>
<td>1. How often do you buy DIY things in this store compared to other stores where you buy DIY things?*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. What percentage of your total expenditures for DIY do you spend in this store?**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Of the 10 times you select a store to buy DIY at, how many times do you select this store?***</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>MODERATORS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Switching Costs (Jones et al. 2000)*</td>
<td>.863</td>
<td>.932</td>
</tr>
<tr>
<td>1. In general, it would be a hassle changing DIY-retailers.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. It takes me a great deal of time and effort to get used to a new company.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social Benefits (Henning-Thurau et al. 2002)*</td>
<td>.848</td>
<td>.958</td>
</tr>
<tr>
<td>1. This store offers high-quality service.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Customers could expect to be treated well in this shop.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Employees of this store could be expected to give customers personal attention.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. This store’s employees would be willing to help customers.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Employees of this store would not be too busy to respond to customers’ requests promptly.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Attractiveness of Alternatives*</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>1. This store will be my first choice for my DIY needs.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Measured using seven-point Likert scales anchored by 1=strongly agree; 7=strongly disagree.
** Measured in percentage of total expenditures.
*** Measured in times of selection.
transformed into a strong intention to repurchase. If retailers are able to create switching costs, those customers intended to purchase, are very likely to do their actual purchase at that retailer. Our results did not, however, find a moderating effect of the attractiveness of alternatives on the link between cognitive and affective loyalty. A possible explanation could be that both satisfaction and liking are still just attitudes and consumers may not consider an actual purchase situation. However, we acknowledge that more research is needed to test this link in particular.

As with all empirical studies, our study suffers from limitations. First, our object of analysis was a particular retailer from one industry. Second, we analyzed data from one point in time only. By doing so, we assume there is no time-lag between a customer’s feeling of being satisfied and the attitudinal and behavioral consequences. Thirdly, we considered only linear relations between the four loyalty stages. However, as indicated in the literature (Anderson and Mittal 2000; Keiningham, Perkins-Munn, and Evans 2003), these relationships might in fact be curvilinear. Furthermore, some scholars are skeptical about the use of median split, due to the loss of information. Further research might consider alternative ways to split the sample in appropriate sub-samples. Moreover, we only use self-reported measures for the action loyalty. Furthermore, longitudinal data would further improve our understanding of the mechanisms influencing the link between satisfaction and loyalty in general, and the effect of certain moderators in particular.

REFERENCES

### TABLE 2
CORRELATION MATRIX

<table>
<thead>
<tr>
<th></th>
<th>Cognitive Loyalty</th>
<th>Affective Loyalty</th>
<th>Conative Loyalty</th>
<th>Action Loyalty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cognitive Loyalty</td>
<td>1</td>
<td>.692</td>
<td>.622</td>
<td>.455</td>
</tr>
<tr>
<td>Affective Loyalty</td>
<td></td>
<td>1</td>
<td>.707</td>
<td>.526</td>
</tr>
<tr>
<td>Conative Loyalty</td>
<td></td>
<td></td>
<td>1</td>
<td>.505</td>
</tr>
<tr>
<td>Action Loyalty</td>
<td></td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Average Variance Extracted</td>
<td>.571</td>
<td>.720</td>
<td>.670</td>
<td>.673</td>
</tr>
</tbody>
</table>

### TABLE 3
PATH COEFFICIENTS (“FOUR-STAGES OF LOYALTY”)

<table>
<thead>
<tr>
<th>Four-Stages of Loyalty</th>
<th>Coefficient</th>
<th>$R^2$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cognitive Loyalty → Affective Loyalty</td>
<td>.786*</td>
<td>.618</td>
</tr>
<tr>
<td>Affective Loyalty → Conative Loyalty</td>
<td>.799*</td>
<td>.639</td>
</tr>
<tr>
<td>Conative Loyalty → Action Loyalty</td>
<td>.604*</td>
<td>.365</td>
</tr>
</tbody>
</table>

* = .01-level.
Switching Barriers in the Four-Stage Loyalty Model

## TABLE 4
RESULTS OF MULTI-GROUP ANALYSIS

<table>
<thead>
<tr>
<th>Attractiveness of Alternatives</th>
<th>Low</th>
<th>High</th>
<th>$\chi^2$</th>
<th>$\Delta \chi^2$ ($df=1$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cognitive Loyalty $\rightarrow$ Affective Loyalty</td>
<td>.745</td>
<td>.618</td>
<td>413.476</td>
<td>1.006</td>
</tr>
<tr>
<td>Affective Loyalty $\rightarrow$ Conative Loyalty</td>
<td>.808</td>
<td>.589</td>
<td>404.281</td>
<td>10.261***</td>
</tr>
<tr>
<td>Conative Loyalty $\rightarrow$ Action Loyalty</td>
<td>.380</td>
<td>.422</td>
<td>413.489</td>
<td>1.053</td>
</tr>
</tbody>
</table>

$\Delta \chi^2$ ($df=3$): 12.654***

<table>
<thead>
<tr>
<th>Social Benefits</th>
<th>Low</th>
<th>High</th>
<th>$\chi^2$</th>
<th>$\Delta \chi^2$ ($df=1$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cognitive Loyalty $\rightarrow$ Affective Loyalty</td>
<td>.644</td>
<td>.798</td>
<td>707.977</td>
<td>5.085**</td>
</tr>
<tr>
<td>Affective Loyalty $\rightarrow$ Conative Loyalty</td>
<td>.797</td>
<td>.716</td>
<td>711.271</td>
<td>1.791</td>
</tr>
<tr>
<td>Conative Loyalty $\rightarrow$ Action Loyalty</td>
<td>.583</td>
<td>.569</td>
<td>713.062</td>
<td>.001</td>
</tr>
</tbody>
</table>

$\Delta \chi^2$ ($df=3$): 6.437*

<table>
<thead>
<tr>
<th>Switching Costs</th>
<th>Low</th>
<th>High</th>
<th>$\chi^2$</th>
<th>$\Delta \chi^2$ ($df=1$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cognitive Loyalty $\rightarrow$ Affective Loyalty</td>
<td>.777</td>
<td>.702</td>
<td>445.766</td>
<td>.131</td>
</tr>
<tr>
<td>Affective Loyalty $\rightarrow$ Conative Loyalty</td>
<td>.829</td>
<td>.716</td>
<td>445.617</td>
<td>.280</td>
</tr>
<tr>
<td>Conative Loyalty $\rightarrow$ Action Loyalty</td>
<td>.365</td>
<td>.581</td>
<td>439.056</td>
<td>6.841***</td>
</tr>
</tbody>
</table>

$\Delta \chi^2$ ($df=3$): 7.836**

*=.1-level.

**=.05-level.

***=.01-level.


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Why Companies Should Make Their Customers Happy: The Neural Correlates of Customer Loyalty

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Peter Kenning, University of Muenster, Germany
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INTRODUCTION

The relevance of customer loyalty for company success is widely acknowledged in the literature as well as in practice (Chaudhuri and Holbrook 2001; Dick and Basu 1994; Gwinner, Gremler, and Bitner 1998; Oliver 1999; Reichheld and Sasser 1990). While relationship marketing approaches have emphasized the importance of building personal relationships with their customers, the affective foundations of customer loyalty has received less attention and is less understood than the cognitive or rational basis of customer loyalty (Chaudhuri and Holbrook 2001; Fullerton 2003). However, initial studies could show that for customer loyalty the relative strength of affective loyalty antecedents is more significant as compared to normative or “rational” ones (Fullerton 2003, Evanschitzky and Plassmann 2005). Given the homogeneity of most of today’s product and service markets and other characteristics that may constrict the customer’s use of “rational” criteria for product evaluation, brand-induced affect may represent a global evaluation measure more readily used by customers as empirical evidences from neighboring disciplines suggest (e.g. Bechara et al. 1997; Bechara and Damasio 2005 and also Slovic, Finucane, Peters and MacGregor 2002, 2004; Yeung and Wyer 2005).

In this paper, we attempt to expand our understanding of the basis of emotional bonds customers built with companies and brands. Past research could show that people sometimes use affective reactions to a stimulus as information about its reward value (Schwarz and Clore 1988, Yeung and Wyer 2004). As recent studies on consumer decision-making propose that most information processing and, in particular, the processing of emotions is subconscious (see for reviews Bargh, 2002; Fitzsimons et al., 2002; Woodside, 2004; Zaltman, 2003) we followed the approaches from Ambler et al., Deppe et al., McClure et al. and Yoon et al. and employed functional brain imaging techniques to investigate the neural correlates of customer loyalty (Ambler, Braeutigam, Slims, Rose, & Swithinby, 2004; Deppe, Schwindt, Kugel, Plassmann & Kenning, 2005; McClure et al., 2004; Yoon, Gutchess, Feinberg, & Polk, 2006).

The paper is organized as follows. First, we review concepts of customer loyalty and the role of emotions within these concepts. Then, we provide a review of neuropsychological literature on the neural foundations of emotion-based decision-making and offer hypotheses on their implications for customer loyalty. In the following, we describe our empirical study and present our results. We conclude with implications for managers and suggestions for future research.

CONCEPTUAL FRAMEWORK

Loyalty Concept

Historically, loyalty was understood as observable repurchase behavior. It was defined as a biased (nonrandom) repeat purchase of a specific brand (from a set of alternatives) over time by a consumer using a deliberate evaluation process (Jacoby and Kyner 1973). Jacoby and Chestnut (1978) later asserted that also psychological states of a consumer had to be examined to analyze loyalty. In accordance with this reasoning, customer loyalty has been defined by Oliver (1999) as “a deeply held commitment to rebuy or repatronize a preferred product/service consistently in the future.” The repetitive same-brand or same-brand-set purchasing would occur among loyal customers, despite situational influences and marketing efforts that could potentially enable switching behavior. Accordingly, commitment, i.e. the extent to which the customer desires to maintain a continued relationship with the firm or brand, is understood as the underlying psychological mechanism of loyalty (Allen and Meyer 1990; Morgan and Hunt 1994). Recently, customer commitment was found to be composed of different dimensions (Bansal, Irving, and Taylor 2004; Fullerton 2003). On the one hand, these are more rational aspects such as a lack of alternatives and institutional or technical requirements to use a specific product (Bendapudi and Berry 1997). On the other hand, these are affective aspects understood as an emotional attachment customers built with companies and brands (Fournier 1997; Fullerton 2003; Thomson, MacInnis, and Park 2005).

In contrast to traditional studies we attempted here to gain complementing insights by separating behavioral and psychological aspects through the use of two different data sources. Firstly, we extracted “real” purchasing behavior from a club card database of a department store including customers’ monthly spending and number of purchase days within a period of 6 months. Secondly, we investigated the underlying psychological states by means of functional brain imaging. In the neuropsychological literature a great body of studies is devoted to the impact of emotions on behavior and decision-making (for reviews, see for example O’Doherty 2004; Schultz 2006). In the following we attempt to give an introductory overview about these studies.

Neuropsychological Background

One initial common conclusion relating to the neuropsychological foundations of decision-making refers to the role of emotion in human decision-making (e. g. Bechara 2004; Bechara and Damasio 2005; Bechara, Damasio, and Damasio 2004; Paulus 2005). It is suggested that “rational” or advantageous decision-making depends on prior emotional processing related to the specific decision parameters (Bechara et al. 1997). This notion is based on neurobiological evidence that seeking rewards and avoiding punishments guides the behavior of both, humans and animals (for reviews, see for example O’Doherty 2004; Schultz 2006). In constantly changing environments, it is necessary to adapt decision-making strategies by updating changes of reward contingencies. Thus, central to the organization of such behavior is the ability to estimate the reward value of stimuli, predict when rewards will occur and integrate these predictions into decision-making strategies.

Two areas found to be involved in the representation of rewards and punishments are the orbitofrontal cortex (OFC) and the amygdala. Human (O’Doherty, Kringelbach, Rolls, Hornak, Andrews 2001) and animal (Rolls, Sienkiewicz, Yakley 1989) studies have confirmed the role of OFC in coding for stimulus reward from a variety of sensory modalities, such as taste (Kringelbach, O’Doherty, Rolls, and Andrews 2003), olfaction (Gottfried, Deichmann, Winston, Dolan 2002), somatosensory (Rolls, O’Doherty, Kringelbach, Francis, Bowtell McGlone 2003), auditory (Blood, Zatorre, Bermudez, Evans 1999), and vision...
(Aharon, Etcoff, Ariely, Chabris, O’Connor, Breiter 2001) as well as for more abstract rewards such as money (Elliott, Newman, Longe, Deakin 2003) or sports cars (Erk, Spitzer, Wunderlich, Galley, Walter 2002). Furthermore, various studies have revealed that the amygdala is involved in the processing of aversive (Morris et al. 1996) and pleasant (Canli et al. 2002) stimuli.

In most consumption decision situations, however, rewards are not received immediately, but at a later point in time and can be understood as a consequence of the decision. Thus, the ability to predict future rewards is crucial for consumer decision-making. Neuroimaging studies have found brain regions such as the amygdala, OFC, and striatum to be correlated with reward predictions (Gottfried, O’Doherty, and Dolan 2003; Knutson and Cooper 2005; O’Doherty et al. 2004; Schultz, Dayan, and Montague, 1997).

Then, the learning of stimulus-reward-response associations is required to integrate anticipated and experienced values into the decision-making process. Neuroscientific studies in this context have revealed that the dorsal striatum might play a crucial role in processing contingencies between responses and rewards (O’Doherty 2004; Zink et al. 2005). Additionally, areas of emotional memory such as the ventromedial prefrontal cortex (VMPFC) need to be involved in order to retrieve rewarding memories and relate them to the stimulus (Bechara and Damasio 2005; Paulus 2005). In the context of consumption decisions an initial study by Deppe et al. at al. 2005 could show that an activation network linking the ventromedial prefrontal cortex, the striatum and anterior cingulate cortex (ACC) is involved in brand preference judgments (Deppe, Schwindt, Kugel, Plassmann, Kenning 2005). Deppe et al. (2005) described the network as an affective and self-referencing path during brand choice. Against this background our hypothesis was that the underlying neural activation patterns of reward attribution to stimuli customers feel emotionally attached to would be similar to Deppe et al.’s findings.

Thus, we hypothesize:

H: During brand choice, loyal customers as compared to disloyal customer will show a greater activity in the striatum, VMPFC and ACC.

In the following, we describe our empirical study to test this hypothesis.

EMPIRICAL STUDY

The empirical study was designed to investigate differences in brain activity of loyal customers as compared to disloyal customers of a department store.

Participants and Study Design

A total of 300 customers of a local department store were chosen randomly from a department store’s club card database of which 22 (9 females, 13 males, median age 46) were recruited, after several screening procedures, to participate in an fMRI study. Exclusion criteria were relating to fMRI safety (e.g., metal or implanted devices in the body, claustrophobia), factors known to affect brain organization, function, or blood flow (such as handedness, pharmaceutical / drug use, psychiatric, neuropsychological and medical disorders). Furthermore, participants were selected to proceed to the fMRI task only if they were either classified for the last six month as “A” customer (monthly spending of 250 EUR or more for clothing and 5 or more monthly shopping days) or “C” customers (monthly spending of 50 EUR or less for clothing and 1 or less monthly shopping days).

All participants were healthy, right-handed and, gave their written consent to participate in the study in accordance with the guidelines of the University Medical School Ethical Committee. The sample size is smaller than in typical in behavioral studies, however, it is representative of fMRI studies (see e.g. Desmond and Glover 2002; Murphy and Garavan 2004).

Experimental Procedure and Design

Participants were imaged during one functional run while making choices between two out of four department stores where they would buy different types of clothing. The experimental paradigm was designed to investigate systematic differences of neural processing during purchase decisions in the presence or absence of the specific target department store (T, the department store from which we extracted the subject pool), in contrast to three other department stores, which were classified as diverse (D1, D2, D3). Nine different pieces of clothing (P1, P2, ..., P9) were chosen, that could be bought in all four department stores. They were neutral in the sense that no brand name or other criteria that allow an identification of a special brand were visible. The stimuli were presented as follows. In middle of each stimulation, a piece of clothing (P1, P2, ..., P9) was shown. Slightly above that piece of clothing, on the left and on the right side, the logos of two department stores were presented. These were either the target store brand (T) and one of the diverse store brands (D1, D2, or D3), or two of the diverse store brands, resulting in sequences of TDPz and DDPz stimuli (or simplified TD and DD). The order of the stimuli was randomized referring to brands as well as to pieces of clothing. Each subject had to make a total of 120 decisions (60 TD and 60 DD).

We employed a one-factorial event related design (Bandettini & Cox, 2000; Buckner, 2003; Dale, 1999; Friston, Zarahn, Josephs, Henson, & Dale, 1999) with an inter-stimulus-interval (ISI) of 5 seconds each and a randomized stimulus presentation. In order to avoid response-related activations and movement artifacts we did not request for any feedback during scanning (Deppe et al. 2005).

The subjects were instructed to choose between two stores, according to where they would prefer to buy the piece of clothing shown on the screen. Thus, the store brand itself functions as the only selection criterion. After the fMRI scan, participants were asked to provide general personal information. Then, participants were compensated EUR 25 per hour, thanked and debriefed.

Data Acquisition

All fMRI data were acquired from a 3.0 Tesla whole body scanner (Intera T30, Philips, Best, NL). Prior to the functional data acquisition structural T1 weighted datasets were acquired for anatomical identification. The functional T2* images were acquired using single-shot gradient echo-planar imaging (EPI) sequence that covered nearly the whole brain. The data set consisted of 36 transversal slices of 3.6 mm thickness without gap. Images were acquired every three seconds (TR).

In combination with the fMRI measurement, data about the subjects’ monthly spending at the target store and the number of shopping days per month in the fashion segment, were extracted from the department’s store club card database.

Data Analysis

All acquired fMRI data were preprocessed using Statistical Parametric Mapping (SPM2; Wellcome Department of Cognitive Neurology, London, UK). For the statistical analysis, we specified regressors of a General Linear Model (GLM) according to our experimental design at the single-subject level. We then calculated contrast images for the events when T was present (TD) compared to when the T was not present (DD). These single-subject contrast images were used for a random effects analysis at the group level.
The sample was divided into two groups (A- and C-customers) based on a customer value index (monthly spending and number of monthly shopping days). A two-sample t-test was calculated on the group level to compare neural activations patterns of the two groups when T was present.

**Results**

The most pronounced increased activation in the presence of T in the group of A-customers compared to C-customers was found in the striatum (see Figure 1A). This area was revealed to be involved in the representation of reward prediction (Gottfried, O’Doherty, and Dolan 2003; Knutson and Cooper 2005; O’Doherty et al. 2004; Schultz, Dayan, and Montague, 1997). Zink, Pagnoni, Martin, Dhamala, & Berns (2003) found increased activity in the particular part of the striatum that we are reporting here, in response to the prediction of behaviorally relevant rewards, as compared to “only” unexpected rewards which are represented in other parts of the striatum.

Furthermore, other areas involved in the TD decision of A-customers as compared to C-customers, confirm to Deppe et al.’s First-Choice-Brand activation pattern (Deppe et al. 2005, see Figure 1B).

The brain areas shown in Figure 1 are the activation network linking VMPFC, striatum, and ACC. Deppe et al. (2005) described the network as an emotion-based and self-referencing information processing mode during brand choice. This network was found to be involved in decisions when the subject’s first choice brand was present. Conversely, where only second or lower-ranked brands were available, the underlying neural network represents an analytical weighing of alternatives, mathematical calculation, strategic thinking and object recognition (Deppe et al., 2005). In particular in the present study, both the latter and areas involved in semantically processing such as reading and speaking were found to be activated increasingly.

**DISCUSSION**

In this paper, we attempt to expand our understanding of the basis of emotional bonds customers built with companies and brands. We conducted an fMRI study to assess differences in neural activations between loyal and disloyal customers of a department store. Based on prior findings in the literature, we assumed that for loyal customers the store brand would modulate the underlying information processing via an emotion-based decision path, as compared to disloyal of the respective store.

As a result, we were able to replicate Deppe et al.’s neural correlate of brand preference for the particular case of store brands (Deppe et al., 2005). In addition to Deppe et al.’s findings (Deppe et al., 2005), we linked the neural activation patterns to the actual buying behavior of the subjects. We showed that, for customers with a high monetary customer value (A-customers) the presence of the specific store brand acts as a rewarding signal during the choice task, whereas customers with a low monetary customer value (C-customers) do not reveal such a rewarding activation pattern.

**Implications for relationship management**

Our findings offer some important insights for management. It can be noted that for a company, it is not sufficient to concentrate on ‘bounding’ customers for instance with technical requirements (e.g. hard- and software which is only compatible with specific operating systems) or general price promotions, but encourage customers in creating affective bonds to the company or its brands. This could be achieved by for example personalizing the commu-
nformation with the customer and provide the basis for emotional events the customers links to the company or brand.

Limitations and future research

The interpretation of our empirical findings are based on binary decision making tasks conducted in a controlled laboratory environment and thus, do not reflect the richness of brand choices in a real-world shopping situation. Hence, further refinement of the experimental design, such as integrating more mobile brain imaging methods, will be needed in the future.

Furthermore, we focused only on the link between one department store and their customers’ loyalty. Future studies should broaden our findings by investigating multi-brand-loyalty linkages.

In addition, we linked the neural activation patterns to past buying behavior. In following studies it might be useful to investigate whether the rewarding store brand effects can also predict future purchasing behavior. This could be implemented either by a panel data analysis over a longer period of time before and after the fMRI scanning or by including customers’ purchasing intentions (i.e. attitudinal loyalty).

In conclusion, we could deepen the understanding of the psychological states underlying customer loyalty by providing initial neurobiological evidences of “the tie that binds” customers to companies and brands.

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Optimizing Variety in Mass Customization: A Theoretical Perspective
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EXTENDED ABSTRACT

Markets today are fragmenting with individual needs and wants increasingly prone to shifts and changes (Hart 1995) necessitating products that are mass customized and customerized (Simonson 2005; Wind and Rangaswamy 2001). Although considerable literature has examined mass customization from a production perspective (e.g., Papathanassiou 2004, Jiao, Ma, and Tseng 2003), it is only recently that marketing scholars have begun to examine this phenomenon (e.g., Murthi and Sarkar 2003; Simonson 2005; Wind and Rangaswamy 2001).

Typically, in mass customization, customers are provided varying options of a product’s attributes to select and thus “build” their product. A major managerial challenge in such cases is to determine the optimal variety of options to offer (Simonson 2005). Too many options would be expensive, and confusing to customers, while too few options may annoy the customers who may be unable to configure the product based on their true preferences (e.g., Huffman and Kahn 1998).

We build on the work of Sherman et al. (1984) on human qualities to classify product attributes as universally or variably evaluated. According to Sherman et al (1984), for universally-evaluated qualities, there is consensus in a population about whether a particular level is good or bad, regardless of individuals’ preferences for the level. For example, people would agree that being honest is good and being dishonest is bad whether they themselves are honest or not. In contrast, there is more variability and personal specificity in variably-evaluated qualities. For example, opponents of abortion may think of a pro-choice political candidate as undesirable (“low quality”) whereas pro-choice individuals may find that candidate very appealing. Thus, for universally-evaluated qualities there exists a widely accepted evaluation basis, whereas for variably-evaluated qualities, the evaluation schemes are more individual-specific.

Similarly, in a consumption context, universally-evaluated product attributes (universal attributes), such as battery life in cell phones, would have a common and widely accepted evaluation, whereas the evaluation schemes for variable attributes, such as exterior color of cell phones, would be more consumer-specific. In laptops, consumers would generally agree that 40 Giga Bytes (GB) of hard disk space (a universal attribute) is better than 20 GB of hard disk space. In contrast, the color kit options in laptops (a variable attribute) are likely to be evaluated based on personal preferences—‘Charcoal Leather’ may be evaluated positively by one while another consumer may prefer ‘Mediterranean Blue.’

We suggest that this difference in evaluation schemes would result in consumers using different strategies for evaluating the two types of attributes.1 Specifically, we suggest that, since consumers’ knowledge of the product category would influence how they search and utilize attribute information, consumer knowledge would affect the processing of information related to variable attributes. In particular, we examine the moderating effects of two constructs related to consumer knowledge, i.e., (1) objective knowledge, (Alba and Hutchinson 1987), and (2) knowledge function of attitudes, (Katz 1960, Grewal, Mehta, and Kardes 2004), for the influence of the levels of universal and variable attributes on consumer satisfaction with mass customization platforms. Objective knowledge refers to how knowledge with respect to the object (e.g. cell phones) may influence attribute processing. The knowledge function of attitudes pertains to the most basic function of attitudes that enables individuals to make better sense of their world (Shavitt 1989). While the former refers to the use of knowledge with respect to the object (e.g. cell phone), the latter refers to the use of the object (cell phone) as a means of knowledge. Thus these two knowledge related constructs represent two sides of a coin concerning consumer knowledge. We suggest that, since a variable attribute is more personal and more likely to serve as a peripheral cue than a universal attribute (Huffman and Houston 1993; Park and Lessig 1981), variable attributes would be more important for novices than for experts such that the positive effect of increasing variable attribute options on satisfaction with the customization platform would be stronger for novices than for experts. Further, we posit that if a product serves the knowledge function of attitudes (Katz 1960; Locander and Spivey 1978), consumers are likely to have a stronger personal relationship with the product, thereby increasing the importance of variable attributes such that the positive effect of increasing variable attribute options on satisfaction with the customization platform would be stronger when the product serves the product knowledge than when it does not.

We test these propositions with two experiments set in the context of customizing cell phones. In the first experiment, we examine the moderating role of objective knowledge and find that variable attributes are more important for novices as opposed to experts. In the second experiment, we study the moderating role of the knowledge function of attitudes towards cell phones and find that variable attributes are likely to generate higher satisfaction with the mass customization platform if cell phones perform the knowledge function of attitudes than if the cell phones do not perform the knowledge function of attitudes. The results of the two experiments also suggest, as hypothesized, that objective knowledge and knowledge function of attitudes do not influence the evaluation of universal attributes.

There are several important theoretical implications of this research. We distinguish between universal and variable attributes and show their differential effects on consumer evaluation of a mass customization platform. Future research might study the criticality of this categorization in other consumption contexts, such as evaluation of competing offerings of durable goods. It would be also worthwhile to examine how this attribute classification influences satisfaction with the product or service. Additionally, we have identified important moderators (objective knowledge and knowledge function of attitudes) in consumers’ assessment of universal and variable attributes. From a managerial standpoint, our

1Customization platform represents an interface where the product options are presented as attributes and options of those attributes are also listed. For example, a hypothetical customization platform can have two attributes—color and quality, with three options for color—red, green, and blue, and two options for quality—high and medium.
results should help marketers in deciding the number of attribute options that would provide the optimal variety in customization platforms. Also, the moderators we have identified, (namely, objective knowledge and knowledge function of attitudes), offer insights for segmenting the customers for design of mass customization platforms.

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Temporal Sequence Effects: A Memory Framework
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EXTENDED ABSTRACT

While much attention has been given recently to studying temporal sequences of events, few have offered explanations to account for how people integrate these events into a holistic evaluation of the experience, and virtually no attention has been given to the underlying mechanism involved. A temporal sequence refers to an experience that consists of a series of outcomes spaced over time. The findings from the temporal sequence literature indicate that people form global retrospective ratings of an experience using salient characteristics of the experience, such as the peak intensity, the end intensity, and the trend (Ariely, Kahneman, and Loewenstein 2000). The current explanations that have been proposed to account for temporal sequence findings (e.g., Ariely and Carmon 2000; Baumgartner, Sujan, and Padgett 1997) tend to be ad hoc in nature and are limited to explaining reported findings rather than offering a comprehensive account of the findings in the literature. We propose that adopting a memory-based framework can provide a parsimonious explanation for the findings on retrospective evaluations of temporal sequence.

Retrospective evaluations inherently require that people recall aspects of the experience. Past research suggests that information that is easily accessible in memory will impact judgments the most (e.g., Hamilton and Gifford 1976; Tversky and Kahneman 1973). Accessibility of information has been studied in the memory literature using a free recall task in which people are presented with a list of words that they may recall in any order (Ashcraft 2002). Findings from this research show that respondents have higher recall performance on early items on a list (primacy) because these items receive sufficient rehearsals to transfer them to long-term memory and final items on a list (recency) because these items are temporarily available in short-term memory. Though a temporal sequence is affective in nature and a free recall task is cognitive in nature, we suggest that there are parallels between an affective experience and the experience of learning a list. Thus, memory findings on free recall are expected to explain current findings in the temporal sequence literature and predict findings that would otherwise not be predicted by the temporal sequence literature.

In studies 1 and 2, we test whether a memory-based framework, utilizing primacy and recency effects, can account for the impact of the beginning, end, and trend of an experience on retrospective evaluations of the experience (e.g., Ariely 1998; Redelmeier and Kahneman 1996). Specifically, we argue that assuming that a memory-based structure is responsible for temporal sequence findings, then introducing a delay between an affective experience and evaluations of the experience should diminish the impact of the end of an experience and enhance the impact of the beginning of an experience on retrospective evaluations, reversing consumer preferences for improving versus declining trends. Consistent with expectations, in study 1 we show that an improving vacation experience is evaluated more favorably immediately than after a delay. Consistent with primacy and recency effects, recall of the early instances was not affected by the delay; however, recall of the final incidents declined following a delay. Study 2 replicates the findings from study 1 using both an improving and declining vacation trend and demonstrates that the differential memory for events is based on their temporal location, not their valence. Consistent with a memory-based explanation, the final events in the vacation are heavily weighted when the experience is evaluated immediately, replicating the findings from Redelmeier and Kahneman (1996). However, the initial events are heavily weighted when the experience is evaluated following a delay, resulting in higher evaluations for the improving trend immediately but a preference for the declining trend following a delay, a finding which is predicted by proposed framework but contrary to previous findings in the temporal sequence literature (e.g., Ariely 1998; Redelmeier and Kahneman 1996).

Studies 3 and 4 further confirm the role of memory by manipulating the uniqueness of one event in a vacation experience to test whether a memory-based structure can account for the impact of the peak of an experience on retrospective evaluations of the experience (e.g., Kahneman et al. 1993). Uniqueness is examined because past research using diary studies suggests that intense emotional experiences are unique (Bower 1981), leading to the expectation that peak intensity incidents are more accessible than other incidents because they are uncommon, consistent with the von Restorff effect in memory (Wallace 1965). We argue that if a peak intensity event occurs in a temporal location of an experience that impedes memory, such as the center or end of an experience that is evaluated following a delay (Ashcraft 2002), then making that event unique will facilitate recall of the event and result in that event being heavily weighted in retrospective evaluations of the experience. Consistent with expectations, study 3 shows that making the peak intensity final event in an improving vacation experience atypical enhances the recall of this event following a delay relative to a common event with the same affective intensity, demonstrating a recovery of the recency effect previously shown to diminish after a delay. Additionally, study 3 shows that evaluations are based on the peak intensity final event when the event is unique, consistent with Kahneman et al. (1993), while evaluations are based on the initial events when the peak intensity final event is common, contrary to previous findings (e.g., Fredrickson and Kahneman 1993). Study 4 further confirms these findings by replicating the results with the peak incident in the center of an experience and by demonstrating the robustness of the effects for both positively and negatively-valenced peak incidents.

In sum, the findings from this research demonstrate that a conventional memory-based framework appears to provide a coherent structure to account for consumers’ use of specific aspects of a temporal sequence when forming retrospective evaluations of an experience. In addition to accounting for past findings such as a preference for improving over declining temporal sequences and the important role of peak (both high intensity and unique) experiences, our findings demonstrate that imposing a delay prior to retrospective evaluations can create a preference reversal due to the reduced accessibility of final or common instances.

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Mood and Comparative Judgment
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EXTENDED ABSTRACT

Previous research has shown that consumers’ affective experience, regardless of whether it is a genuine integral affective response to a target, or a feeling arising incidentally from a transient mood state, can influence their evaluations of products (e.g., Adaval 2001; Pham 1998; Schwarz and Clore 1996). While we know mood can influence consumers’ absolute judgments of products, we are less clear about how it would influence consumers’ comparative judgments and choices among products. Consider a consumer who is choosing among a number of options. Suppose s/he happens to be experiencing a mood state when s/he receives information on each of these options one by one, would mood influence his/her evaluations of each of the options to a similar extent, and hence have no net effect on choice? Alternatively, would mood influence evaluations of only one of the options, and lead to changes of his/her choice? If so, which particular option would be influenced? Our research provides answers to this series of questions.

We suggest that mood can have a differential effect on comparative judgment because consumers are likely to incorporate their mood into the first evaluation being constructed during the comparison process. Moreover, once incorporated, mood will cease to influence evaluations of the latter options because its informational value for these options will be discounted. Note, however, consumers may form the first evaluation at different points in time during the comparison process. When the timing of the first evaluation varies, the influence of mood on comparison may vary accordingly. Suppose consumers evaluate the very first option from a set (e.g., the item shown on the first page of a catalog) right away when they encounter it, before they see the other options. Their mood is likely to be incorporated into the evaluation of this first option rather than into those of the subsequent ones. Alternatively, suppose consumers deliberately wait until they encounter the last option before beginning their evaluation and take a perspective focusing on the last encountered option. In this case, the evaluation into which mood is incorporated may “shift” to the last option. As such, we expect mood to influence the evaluation of the last option, rather than those of the preceding ones.

We further show that the timing of constructing the first evaluation may vary systematically as a function of choice set characteristics. For example, it may depend on whether the alternatives are differentiated by descriptive features or by their global appearance. When consumers choose among options that have similar descriptive features but differ in external appearance, they are likely to form an evaluation of the first option very quickly once they come across it, without waiting to see the comparison options. Consequently, their mood is likely to influence their evaluations of the first encountered option, and hence their choices of this option. In contrast, when consumers choose among options that are differentiated by descriptive features, they tend to wait until they have encountered all the options and to know about their features before making any comparison. Consequently, their mood is likely to influence their evaluations of the last encountered option, and hence their choices of this option.

Three experiments were conducted to test the above predictions regarding (a) how the influence of mood on comparison may vary as a function of the timing of the first evaluation and choice set characteristics and (b) the underlying mechanism through which the influence occurs.

Experiment 1. We examined the influence of mood on choices among options that only differed in global, aesthetic aspects. We induced participants’ mood by asking them to write a piece of happy or unhappy personal experience. Then they moved on to the second (ostensibly unrelated) task where they saw pictures of three mango-flavored desserts sequentially. After that, they indicated their choices and absolute evaluations of the options. As predicted, the choice share of the first option was higher when participants were happy than when they were unhappy. Absolute evaluation data confirmed that happy participants liked the first option more than the unhappy participants did.

Experiment 2. In experiment 2, the timing of the first evaluation was delayed to the last option due to changes in choice set characteristics. The procedure was essentially the same as experiment 1. However, participants chose among three desserts that differed in flavor (which is presumably an important descriptive feature for desserts). Consistent with our prediction, choice share of the last option was higher when participants were happy than when they were unhappy. Happy participants also liked the last option more than their unhappy counterparts.

Experiment 3. In experiments 1 and 2, we assumed the timing of the first evaluation would change as a function of choice set characteristics. While the literature provides theoretical supports for the assumptions, we validated these assumptions empirically in experiment 3 by manipulating the timing of the first evaluation through experimental instructions. This experiment had a 2 (induced mood: positive vs. negative) by 2 (flavor: same-flavor vs. different-flavor) by 3 (instruction on the timing of the first evaluation: no-instruction vs. immediate-judgment vs. deferred-judgment) factorial design. Participants either received no instruction or an instruction as to when to start making their evaluations before they saw pictures of two desserts. After seeing the two options one by one, they indicated their relative preferences. As predicted, happy participants in the immediate-judgment group of conditions (i.e., the “no-instruction, same-flavor” condition and the two “immediate-judgment” conditions) had a stronger preference for the first option, whereas their unhappy counterparts had a weaker preference for the first option. A reversed pattern was observed in the deferred-judgment group of conditions (i.e., the “no-instruction, different-flavor” condition and the two “deferred-judgment” conditions).

In combination, findings from experiments 1-3 support the notion that mood is likely to be incorporated into the first evaluation consumers make during a comparison process, and this evaluation could be the evaluation of the initial option or the final option of a choice set.

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EXTENDED ABSTRACT

The consistency with which consumers make product choices has important consequences for organizations interacting with consumers. If consumer choices are not very consistent (i.e., if consumers do not make the same choices in otherwise identical choice situations), the impact of changes in marketing mix variables on choice will be lowered. This situation may be harmful to for example innovative producers that develop products that are superior to existing alternatives. The reason is that if consumers do not respond consistently to the new product’s strengths in their decisions, market share of the new product will be lower than it could otherwise have been. For consumers also it may be undesirable to make inconsistent choices, for example if it leads them to ignore beneficial product attributes in making product purchase decisions.

In this study we focus on choice set complexity as a potentially important driver of consumer choice consistency. Recent empirical work on the relationship between effort and consistency (Haaijer et al. 2000), and on the effects of choice set composition on the level of error in consumer choice models (Caussade et al. 2005, Swait and Adamowicz 2001) suggests that consumer choice consistency may vary with complexity. We add to this research an analysis of observed consistency in consumers’ repeated choices and how it is affected by task-based and context-based complexity.

Task-based complexity refers to the number of cognitive steps a consumer needs to choose an optimal product (Johnson and Payne, 1985). It is expressed as the combined effect of the number of attributes and the number of alternatives in the choice set. Context-based complexity refers to the difficulty of the trade-offs that consumers have to make. We express this effect using three variables based on Shugan (1980): the variability of the attribute utilities of the products in the choice set (VAR), the covariance between the attribute utilities of these products (COV), and the difference in total utility between these products (DIF).

The effects of choice set complexity on choice consistency are not straightforward. The simulation analysis of Johnson and Payne (1985) shows that with equal effort, consumer choice consistency is inversely related to choice complexity. The effect of complexity on consistency then depends on how consumers adapt their choice strategy and their effort level. In particular, if consumers respond to increased complexity by increasing their effort, the consistency of their decisions may be stable (or even improve) if complexity increases.

Results of Haaijer et al. (2000) suggest that in general consumers’ effort responses to increases in choice set complexity are not sufficient to maintain equal choice consistency. Fischer et al. (2000) analyze consumer preference judgments. They find that, if judgment tasks become more complex in terms of variance, responses take more effort and become less accurate. The latter finding suggests that increases in VAR in a choice context may also lead to less consistent choice behavior. Dellaert et al. (1999) find that logit model error increases when price based utility trade-offs increase. This effect also suggests that increases in VAR (i.e., higher price variance), and possibly decreases in COV (i.e., lower correlations between price and other attributes), lead to less accurate choices. An opposing effect of increases in VAR may be that the differences between the products become larger, increasing the incentives to perform well in the choice task. Hence, VAR could also increase choice consistency as more effort is exerted. With respect to task complexity, Caussade et al (2005) investigate the effects of the number of alternatives and the number of attributes, finding a positive effect of the number of alternatives and a negative effect on the number of attributes, implying a mixed result for the effect of task complexity (TASK). We are not aware of previous research on the effect of DIF, but greater differences in utility make the best alternative stand out from the rest, we expect it to facilitate consistency in choosing the best alternative from a set.

To investigate the proposed effects of complexity on consistency, data was collected through a stated choice experiment where each one of the 1114 respondents was randomly assigned to two of twelve possible choice complexity conditions. These twelve choice conditions were composed of different numbers of alternatives, different numbers of attributes, and different attribute levels, resulting in substantial variation in task and context complexity across conditions.

To quantify context-based complexity and its effects on choice consistency we first estimate a heteroskedastic mixed logit model. The variance of the error component in the mixed logit model is allowed to vary across choice sets, permitting the level of error in the choice model estimates to vary freely on choice set composition. In the next step, we obtain individual level preference parameters. These parameters are used to compute attribute utilities for each alternative for each respondent in each condition. Based on these utilities we calculate measures VAR, COV and DIF for each choice set. TASK is a function of the number of attributes and alternatives only, and varies only across choice sets.

In our main analysis, we empirically test the effects of choice set complexity on choice consistency using a Logit model. The dependent variable is whether the repeated choice task is performed consistently, i.e. the same alternative is chosen twice or not, and the independent variables are the complexity measures introduced above. The results show that TASK complexity decreases consistency and we conclude that increases in task complexity are not sufficiently compensated by increased effort to maintain the same level of accuracy. For context complexity, we find that differences in utility between the alternatives in the choice set increased choice consistency. Variance of the attribute utilities in the choice set alternatives also increased choice consistency, and the effect of covariance between the attribute utilities in the choice set alternatives was not significant. These results suggest that increased differences in utility between alternatives and greater variability in the attribute levels raise the stakes to the decision maker, resulting in more effort being exerted in the choice task and higher choice consistency.

REFERENCES
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Recollections of Pleasure and Pain: When Losers are Motivated to Edit their Retrospective Evaluations

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EXTENDED ABSTRACT

People have unrealistically positive views of self and are unrealistically optimistic about the future (Taylor and Brown 1988). For instance, they believe they will be more likely than their peers to like their first job, earn a good salary, and have a ‘gifted’ child (Weinstein 1980). On the other hand, people believe that they are much less likely than their peers to be a victim of crime (Perloff and Fetzer 1986) or contract the HIV virus (Raghubir and Menon 1998). All of these examples show that people are optimistic when they predict the outcome of future events. Will the same biases occur when people reflect back on events that have already occurred? Are people motivated to make the past seem better than it was? Autobiographical memory research shows that the intensity of negative affect associated with memories fades faster over time than positive affect (Walker, Vogl, and Thompson 1997). Additionally, hedonic editing suggests that people focus on the ‘silver lining’ in a loss frame (Thaler 1985) to maximize their happiness. However, to date there is no evidence that people in a loss frame edit their retrospective evaluations of an experience to be more positive.

We propose that gamblers in a loss frame are motivated to hedonically edit their evaluation of the experience such that the gambling experience will be remembered more positively. We show that losers use the peak win to improve the retrospective evaluation of a gambling session. In particular, gamblers that believe that winning at gambling is a skill they possess are motivated to edit their retrospective evaluation of a losing gambling episode. We also propose that gamblers are not motivated to hedonically edit their evaluation of a winning gambling episode. Instead, we show that the retrospective evaluation of the winners is determined by the amount of cash they won, regardless of their belief that gambling is a skill that they possess.

In study 1, participants were given 30 opportunities to bet on the future outcome of a coin toss. Once each outcome was revealed, the study administrator distributed winnings and collected losses based on the outcome of the coin toss. Participants were asked to report how the outcome of the bet made them feel by marking an ‘X’ on a 125 mm continuous scale anchored with a happy face and a sad face. A time series cross sectional regression analysis was run on moment-by-moment evaluations with the outcome for each bet as the independent variable as an additional test of whether the current outcome explained the current moment-by-moment evaluation. To check for the independence of moment-by-moment evaluations, a lagged outcome variable and a lagged evaluation variable were included to test whether current moment-by-moment evaluations were affected by the previous outcome or the evaluation associated with the previous outcome. The results indicate that the current outcome explained the moment-by-moment evaluation, that there were no remnants of the previous outcome, and that there were only slight remnants of previous evaluations. This is an important finding because study 2 is based on an assumption that the outcome of each gamble (amount won or lost) determines the moment-by-moment evaluations.

In Study 2, 102 gamblers bet on 20 coin toss games. After the gambling experience, gamblers were asked to report their evaluations of the experience and their intention to replay the game, and the illusion of control scale.

The retrospective evaluations of winners and losers were tested with separate regressions including the amount of money won on the peak win, the amount of money lost on the peak loss, the trend of outcomes (winning, losing), the final cash position, and their score on the illusion of control scale. The retrospective evaluation of the experience for winners was determined by the final cash position only, a larger win resulted in a more positive retrospective evaluation. The retrospective evaluation for losers was determined by the peak win. Losers appear to look for the silver lining (i.e. something positive) in an otherwise negative situation. The illusion of control score was also significant: the higher the illusion of control, the more positive the retrospective evaluation.

We also ran an ANOVA on the retrospective evaluation with final outcome (winner, loser) and the illusion of control score (high, low). The ANOVA revealed a significant interaction. It is the losers with a high score on the illusion of control scale that edit the retrospective evaluation to be more positive. The losers with a low illusion of control score were significantly less positive than the winners with a low illusion of control score. The losers with a high illusion of control were not significantly different in their evaluation of the experience.

Previous research has found that the peak moment and the final moments of an experience play an important role in the construction of retrospective evaluations of purely painful experiences. An opportunity to use an optimizing strategy in the construction of a retrospective evaluation is present when reflecting back on a mixed experience that is not available when remembering a purely painful experience. We found that when people are asked about a past gambling experience, the peak win is important in the memory of losers and the final cash outcome is important in the memory of winners: facilitating the construction of a most positive retrospective evaluation. Interestingly, we found that the illusion of control did not affect the retrospective evaluation of the winners, but it did affect the losers. It was the losers with a high illusion of control score that edited their retrospective evaluation.

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