Reward Or Punish: Willingness to Pay For Ethically-Produced Goods

Remi Trudel, University of Western Ontario, Canada
June Cotte, University of Western Ontario, Canada

Two experimental studies reveal a strong relationship between ethical behavior and willingness to pay. Participants were willing to pay substantially more for an ethically produced good than they were willing to pay for an unethically produced good, suggesting that there may be financial reward for socially responsible behavior. In addition, the relationship is consistent with asymmetry of information effects that posit greater influences of negative versus positive information.

[to cite]:

[url]:
http://www.acrwebsite.org/volumes/13144/volumes/v35/NA-35

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SESSION OVERVIEW

There has been a renewal of interest in motivational explanations of consumer behavior. A primary driver of this renewed interest has been the field’s recognition that consumer motivation should be conceived not only in terms of motivational intensity (cf. the popular concept of involvement) but also in terms of motivational content. As recently outlined by Pham and Higgins (2005), regulatory focus theory (Higgins 1997) provides a powerful framework for studying the role of motivational content in consumer behavior. Regulatory focus theory suggests fundamental differences between two modes of self-regulation called promotion and prevention that primarily differ in terms of strategic means during goal pursuit. Whereas promotion uses primarily approach means to attain desired end-states, prevention uses primarily avoidance means to attain desired end-states. This theory has achieved a great deal of attention from consumer researchers, and has proven to be a powerful predictor of how consumers respond to marketing communication and how they make decisions.

Recent research on the concept of regulatory fit (Higgins 2000) indicates that the pursuit of a goal in a manner that “fits” the person’s regulatory orientation creates a subjective experience of “feeling right” that increases the person’s motivational engagement and enhances the perceived value of the goal pursuit (e.g., Avnet and Higgins 2006; Wang and Lee, 2006). Regulatory fit theory implies a broader conception of the notion of value. Whereas value has historically been associated with the hedonic experiences of pleasure and pain, there is growing evidence that value also accrues from the strength of engagement (Higgins 2006). A person’s strength of engagement, and the perceived value, increases under conditions of regulatory fit.

The four presentations in this session further extend our understanding of how regulatory focus and regulatory fit influence consumer decision making, self-regulation, and value. The first presentation by Tory Higgins, the father of regulatory focus and regulatory fit theory, examines value as not only a hedonic experience, but also as an experience of motivational force whereby strength of engagement contributes to the intensity of the motivational force experience. The contribution to value by strength of engagement provides important new insights on what value is and how it is created. Tory Higgins will consider two sources of engagement strength in his presentation—the use of proper means when making a decision (What is right), and regulatory fit between the regulatory orientation of decision makers and the strategic ways they make their decision (What feels right). Experimental evidence demonstrates how these sources of engagement strength can intensify people’s value reactions to their choices, including how much money they are willing to offer to buy their choices.

The second presentation Michel Pham and Hannah Chang examines the effects of regulatory focus on consumer search and consideration sets in decision environments with a large number of alternatives. The findings from four experiments show that promotion- and prevention-focused consumers do not differ in total amount of information searched, but promotion-focused consumers tend to search for alternatives in a more global, top-down fashion, whereas prevention-focused consumers tend to search for alternatives in a more local, serial fashion. In addition, promotion-focused consumers tend to have larger consideration sets than prevention-focused consumers. Finally, they find found that aligning the decision environment with the search and consideration inclinations of promotion- and prevention-focused consumers produces an experience of regulatory fit that increases the subjective value that the consumers attach to the offer.

In the third paper, Remi Trudel, Kyle Murray and June Cotte investigate the relationship between motivation and satisfaction—more specifically—how consumer satisfaction with a product is affected by an individual’s regulatory focus. In two experiments, the authors demonstrate that differences in regulatory focus ultimately influence consumer satisfaction, and that post-consumption evaluations are different under promotion than under prevention. The results from both studies show a significant disconfirmation x goal interaction. More specifically, participants reported greater levels of satisfaction as a result of a positive product experience under promotion than under prevention, and greater levels of dissatisfaction with a negative product experience under promotion than under prevention. The findings from this research demonstrate the importance of motivation and goal orientation on post-consumption evaluations of products and consumer satisfaction.

Finally, Jiewen Hong will report an investigation on how regulatory fit contributes to self-regulatory success. The findings form four studies demonstrate how regulatory fit improves self-regulatory performance whereas nonfit decreases and impairs self-regulatory performance. Convergent evidence as demonstrated by participants’ physical endurance, their willpower to resist temptation, and their intention to comply with disease detection behaviors support the hypothesis that regulatory fit improves self-regulation whereas regulatory nonfit impairs self-regulation. This research highlights the impact and importance of regulatory fit on self-regulation and further sheds light on how self-regulation effectiveness may be improved or impaired.

All presentations will be 15-20 minutes long with 3 minutes of questions after each presentation. The empirical work for all four presentations has been completed and all authors have agreed to attend and present their work. We believe that the session will appeal to a broad range of consumer researchers. In particular it should appeal to those interested in: (a) regulatory focus and regulatory fit theory, (b) more broadly, motivational approaches to consumer behavior, (c) consumer judgment and decision making, and (d) consumer self-control and self-regulation processes.

“Where Does Value Come From”
E. Tory Higgins, Columbia University

What is value? Where does value come from? For centuries, these questions have been central to understanding people’s motivation and decision-making. Not surprisingly, there have been many different answers to these questions, including that value is the experience of pleasure and pain. I propose that value is, indeed, a hedonic experience, but it is not only that. It is also an experience of motivational force—experiencing the force of attraction toward something or repulsion away from something. Because it is a motivational force experience and not only a hedonic experience,
there can be contributions to the overall experience of value other than hedonic experience. Specifically, I propose that strength of engagement contributes to the intensity of the motivational force experience—the intensity of attraction to or repulsion from something. The hedonic properties of a value target contribute to engagement strength, but there are also other factors—separate from the target’s hedonic properties—that influence engagement strength and thus contribute to the intensity of attraction or repulsion. Because their contribution derives from their effect on engagement strength, these additional factors can contribute to a value target’s attractiveness or repulsiveness regardless of whether they themselves are pleasant or unpleasant. For example, the unpleasant experience of opposing an interfering force while moving toward a positive target, such as removing a barrier that is blocking the path to a goal, can intensify the target’s attractiveness. It is the contribution to value of these additional sources of engagement strength that provides new insights on what is value and how it is created.

In conceptualizing value, my starting point is the position of Kurt Lewin. For Lewin, value is a force that has direction and strength. I follow Lewin’s lead but postulate a force experience that has direction and strength. Experiencing something as having positive value corresponds to experiencing attraction toward it (i.e., trying to move in the direction toward it), and experiencing something as having negative value corresponds to experiencing repulsion from it (i.e., trying to move in a direction away from it). The directional component of the value force experience (i.e., attraction versus repulsion) is critical to the psychology of value. This is why the hedonic experiences of pleasure or pain are so important. “Cognitive” sources of value can also influence the direction of experience. For example, shared beliefs about what is desirable and what is undesirable—both social values and personal ideals and oughts—directly determine what has positive value and what has negative value. But value experiences have more than direction. They also vary in strength or intensity so that the experience of attraction can be relatively weak or strong (low or high positive value), and the experience of repulsion can be relatively weak or strong (low or high negative value). The contribution of strength of engagement to the value force experience is not through an influence on direction but through its influence on the intensity of attraction or repulsion. The hedonic nature of a value target also contributes to value intensity through its impact on engagement strength, but it is not the only determinant of engagement strength. The purpose of this paper is to highlight the contribution to engagement strength, and thus to value intensity, from sources other than the value target’s hedonic properties.

What is critical here is the notion that value is not just an experience of pleasure or pain but an experience of the force of attraction toward or repulsion away from something. Value involves an experience of the intensity of a motivational force and not just a directional experience of pleasure versus pain. Although the hedonic nature of a value target contributes to the intensity experience through its influence on engagement strength, there are other sources of engagement strength that are independent of the value target’s hedonic properties.

Two sources of engagement strength are investigated; the use of proper means when making a decision (What is right), and regulatory fit between the regulatory orientation of decision makers and the strategic ways they make their decision (What feels right). Experimental evidence of how these sources of engagement strength can intensify people’s value reactions to their choices, including how much money they are willing to offer, are presented.

“Regulatory Focus and Regulatory Fit in Consumer Search and Consideration of Alternatives”
Michel Tuan Pham, Columbia University
Hannah Chang, Columbia University

Regulatory focus theory (Higgins 1997) provides a powerful framework for studying the role of motivational content in consumer behavior. The theory has proven to be a powerful predictor of how consumers make decisions. However, such investigations have generally focused on the later stages of the decision making process, especially the formal evaluation and the choice stages. Much less is known about the effects of promotion and prevention on earlier stages of the decision making process. This research examines the effects of regulatory focus on consumer search and consideration of alternatives in decision environments with a large number of alternatives. We focus on these environments because they are becoming increasingly common and by their very nature make the analysis of search and consideration processes particularly instructive.

Consistent with theoretical propositions recently advanced by Pham and Higgins (2005), results from four experiments show that (a) promotion- and prevention-oriented consumers do not differ in sheer amount of information searched, but (b) promotion-oriented consumers tend to search for alternatives in a more global, “top-down” fashion, whereas prevention-oriented consumers tend to search for alternatives in a more local, serial fashion, and (c) promotion-oriented consumers tend to have larger consideration sets than prevention-oriented consumers. In addition, making the decision environment more consistent with the search and consideration inclinations of promotion- and prevention-oriented consumers increases the subjective value that these consumers attach to the offer, apparently because of the decision environment “feels right”—a phenomenon known as regulatory fit (Higgins 2000).

In the first experiment, participants who were put in a promotion or prevention focus by a situational prime were asked to make a three-course dinner selection from a fictitious restaurant’s “prix-fixe” menu. The selections were done with a computerized version of the menu that allowed unobtrusive tracing of participants’ search. As predicted, promotion- and prevention-focus participants searched equivalent amounts of information, but allocated their search effort differently. Promotion-focus participants searched the menu in a more global, “top-down” manner, whereas prevention-focused participants tended to search in a more local, serial fashion. In addition, promotion-focused participants had larger consideration sets than prevention-focused participants. The second experiment successfully generalized the results of the first experiment (a) with a separate and even more subtle prime of regulatory focus, asking participants to reflect on their personal ideals or personal duties (see Pham and Avnet 2004), and (b) in a different product domain: movie choices, asking participants to search for two movie rentals from the actual Blockbuster.com website.

Experiment 3 tested the prediction that promotion-focused consumers would value alternatives more when presented in a decision environment conducive of a global, top-down search than when presented in an environment consistent with a local, serial search, and the opposite pattern for prevention-focused consumers. As in Experiment 1, participants who were put in a promotion- or prevention-focus were asked to make a three-course dinner selection from a restaurant’s prix-fixe menu. Two versions of the menu were used, presenting the same dishes either (1) in its original hierarchical structure (as in Experiment 1), or (2) in a list format. It was predicted that, among promotion-focused participants, the hierarchically-structured menu would “feel right,” which would lead them to assign greater values to menu offering than an
equivalent menu organized in a list format. In contrast, among prevention-focused participants, it is the menu in a list format that would “feel right” and lead them to assign greater value to the offering compared to a hierarchically structured menu. As predicted, respondents in either regulatory focus were willing to pay significantly more when the offered menu was structured in a way that fit their search inclinations than one that did not fit these inclinations.

Experiment 4 demonstrated that promotion-focused consumers value alternatives more favorably when part of larger sets of offerings than when part of smaller sets, whereas prevention-focused consumers exhibit the opposite pattern. As in experiment 1, participants who were put in a promotion- or prevention-focus were asked to make a three-course dinner selection from a restaurant’s prix-fixe menu, featuring either 3 possible dishes per course or 12 possible dishes per course. (A careful counterbalancing scheme was followed to ensure that the dishes remain statistically equivalent across conditions.) Results showed that participants in either regulatory focus were willing to pay a higher price when given a menu offering option set sizes consistent with their consideration set sizes than inconsistent ones.

“The Effect of Regulatory Focus on Satisfaction”

Remi Trudel, University of Western Ontario
Kyle Murray, University of Western Ontario
June Cotte, University of Western Ontario

The extant satisfaction literature offers little insight into the effects of motivation and consumer goals on satisfaction. Yet it should be obvious that motivations and goals are important antecedents to any purchase; we argue these antecedents also ultimately affect consumer satisfaction. The purpose of our research is to investigate the relationship between motivation and satisfaction. More specifically, this research investigates how consumer satisfaction with a product is affected by an individual’s regulatory focus.

Higgins (1997) distinguishes between two types of regulatory focus: promotion and prevention. The two types of regulatory focus result in fundamentally different goals toward a desired end state-satisfaction. Promotion is characterized by approach-oriented regulation, and the eager pursuit of goals of advancement, aspiration and accomplishment (what Higgins calls “maximal” goals). Prevention, on the other hand, is characterized by avoidance-oriented regulation, and the vigilant pursuit of goals of security, protection and responsibility (“minimal” goals). Its argued that pleasure from a positive outcome is more intense under promotion than under prevention, based on the notion that the attainment of maximal goals should lead to higher levels of satisfaction than the attainment of minimal goals. Regulatory focus theory also suggests that post-consumption evaluations of dissatisfaction and regret will be different under promotion versus prevention. Outcome-regret levels are expected to be different, depending on regulatory orientation, since promotion-focused individuals are more concerned with errors of omission and prevention-focused individuals are more concerned with errors of commission (Pham and Higgins 2005). Prevention should therefore lead to conservative evaluations in both positive and negative outcome situations in an effort to avoid errors of commission. In two experiments we demonstrate that these differences in regulatory focus ultimately influence consumer satisfaction, and that post-consumption evaluations are different under promotion than under prevention. Both experiments use a priming manipulation of ideals and oughts developed in prior research to access the participant’s temporary promotion and prevention focus (Pham and Avnet 2004). Both experiments also employ the confirmation/disconfirmation paradigm commonly used in prior satisfaction research (Fournier and Mick 1999).

In experiment one, satisfaction with a common consumption good, coffee, was investigated using a 2 (disconfirmation: positive vs. negative) X 2 (goal orientation: ideals vs. oughts) between subjects design. The positive disconfirmation (PD) manipulation involved serving a hot cup of premium coffee. The negative disconfirmation (ND) manipulation involved serving very weak warm coffee to which baking soda had been added. As hypothesized, the results showed a significant disconfirmation X goal interaction. More specifically, participants reported greater levels of satisfaction with good coffee under promotion than under prevention, and greater levels of dissatisfaction with bad coffee under promotion than under prevention.

In experiment two, participants reported their satisfaction with a camera by evaluating photos allegedly taken with the camera. Three key attributes were selected and manipulated: color, clarity, and sharpness. Each attribute varied on only two levels to operationalize performance, and hence disconfirmation. In the positive disconfirmation condition photo quality in all three photos was consistently good, whereas in the negative disconfirmation condition photo quality was consistently poor. The results from experiment two are consistent with the findings of our initial experiment, and provide more convincing evidence that motivation and goal orientation influence post-consumption evaluations of satisfaction. Participants reported higher product performance evaluations, were happier with the product, and more satisfied with a positive product experience under promotion than prevention. We also found that participants reported lower product performance, were less happy with the product, and less satisfied with a negative product experience under promotion than prevention.

The central tenet of regulatory focus theory suggests that individual decision makers assign different importance to the same decision, depending on their regulatory orientation or their means of goal pursuit. For the first time, the findings from our research demonstrate how this effect carries over into the domain of consumer satisfaction. This research provides strong support for the need to integrate motivational dimensions of decision-making in future research investigating consumer satisfaction.

“Be Fit and Be Strong: Mastering Self-Regulation through Regulatory Fit”

Jiewen Hong, Northwestern University
Angela Y. Lee, Northwestern University

Regulatory fit (nonfit) occurs when the manner of goal pursuit sustains (disrupts) the individual’s regulatory orientation; as a result, their motivational intensity during goal pursuit is intensified (Idson, Liberman, and Higgins 2004). Recent research shows that motivation plays an important role in successful self-regulation. Motivation can compensate for a depletion of regulatory resources (Muraven and Slessareva 2003); and when people are de-motivated, they show a deficit in self-regulation (Baumeister et al. 2005). The current research extends prior research by examining how regulatory fit contributes to self-regulatory success. Four studies tested the hypothesis that regulatory fit improves self-regulatory performance whereas regulatory nonfit impairs self-regulation.

Study 1 tested this hypothesis using a physical endurance task. Regulatory fit is operationalized using the regulatory fit questionaire (Freitas and Higgins 2002). Participants were first asked to squeeze a handgrip and hold it for as long as they could. They were then instructed to do a free thought-listing task with the condition that they were to not think about a white bear during the task
(Wegner et al. 1987), which served to deplete their regulatory resources. Afterwards, participants performed the handgrip task again. The regulatory fit manipulation was introduced at this point, after which participants performed the handgrip task again. Results showed that participants’ handgrip performance was facilitated by the fit manipulation, but impaired by the nonfit manipulation.

Study 2 replicated the findings in the context of resisting temptations. Participants were randomly assigned to one of three conditions: regulatory fit, regulatory nonfit, or control. The same regulatory fit manipulation as in study 1 was used. After participants completed the manipulations, they were offered a choice between a chocolate bar and an apple for a snack as a token of appreciation for their participation. Consistent with our hypothesis, participants in the fit condition were more likely to choose the apple over the chocolate bar as compared to those in the control condition, whereas participants in the nonfit condition were more likely to choose the chocolate bar.

Study 3 tested our hypothesis using a different operationalization of regulatory fit in a consumer-relevant context. Another objective was to examine whether individuals would naturally choose goal pursuit strategies that fit with their regulatory focus. Research has shown that promotion-focused individuals experience fit when they make decisions based on feelings whereas prevention-focused individuals experience fit when they make their decisions based on reasons (Avnet and Higgins 2006; Pham and Avnet 2004). We first measure participants’ chronic regulatory focus, and then asked them to evaluate an advertisement based either on their feelings or on reasons. Some of the participants were given the opportunity to choose how they evaluate the advertisement, and others were assigned to one of the two conditions. After evaluating the advertisement, participants were offered a choice between a chocolate bar and an apple, which served as our dependent variable. We found that in the free choice condition the probability of participants choosing to evaluate the advertisement in a “fit” way was no better than chance. However, regardless of whether they were assigned or chose the evaluation strategy, those who evaluated the advertisement in a (non)fit way were more (less) likely to choose the apple over the chocolate bar compared to the control.

Finally, study 4 examined the mechanism and the boundary conditions of the fit effect in a health-related context. We hypothesized that the effects of regulatory fit on self-regulation operate through increased motivational intensity. This suggests that the effect of regulatory fit should be most apparent when people are less involved. Thus, we manipulated involvement by varying participants’ perceived risk of contracting hepatitis and observed how regulatory (non)fit influence their willingness to get tested. All participants first read a message regarding the importance of being tested for hepatitis, which contains the perceived risk manipulation. This was followed by the same regulatory fit manipulation as in study 1. Persuasiveness of the message did not differ across the four conditions. Finally, participants’ intention to get tested for hepatitis was measured. Consistent with our hypothesis, when participants perceived themselves to be at risk, regulatory fit had no effect on their intention to get tested for hepatitis. However, when participants did not perceive themselves to be vulnerable, those who experienced fit were more likely to get tested for hepatitis than those who experienced nonfit. We found that this effect was mediated by intensified motivation and could not be explained by message persuasiveness.

REFERENCES