The Role of Power in Consumer Spending: Power and Compensatory Behavior

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Drawing upon three different literatures, one documenting that lack of power is an aversive state, one that status is a source of power, and another establishing the role of consumer products as signaling devices of status, the present research argues that experiencing a lack of power will lead consumers’ to allocate greater monetary resources to acquire products associated with status. The results of several experiments support this hypothesis. The present research holds novel implications for both consumer behavior and understanding compensatory motives evoked by feeling powerless.

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SESSION OVERVIEW
Power, defined as the capacity to control one’s own and others’ resources and outcomes (Hunt and Nevin 1974; Keltner et al., Gruenfeld and Anderson 2003), is perhaps one of the most omnipresent forces in consumers’ lives. Throughout the day consumers likely have experiences of feeling both powerful and powerless. For example, meeting with one’s boss might evoke feeling powerless, but interviewing a potential employee may evoke feeling powerful. What is the role of power in consumer behavior? Does feeling powerful lead to an increased willingness to pay a premium price for products, or might it have the opposite effect? Do momentary states of power affect consumers’ response to persuasive messages? Does power activate a single goal, or could there be different goals associated with power? This symposium unites under a common theme of providing understanding of the role of power in consumer behavior.

The first paper by Rucker and Galinsky examines how states of power affect consumers’ spending behavior. Recognizing powerlessness is an aversive state, these authors propose that powerlessness may serve a previously unexplored role of motivating consumers to restore power. Because status is one source of power, they suggest consumers would be willing to pay a premium for status-related products in an effort to restore power. In three experiments, these authors find evidence that placing consumers in a state of low power provokes a greater willingness to pay for products associated with status, but not with products unassociated with status. This work provides insights into the role of power in consumer behavior, and provides evidence for a novel compensatory process evoked by power.

The second paper by Bristol and colleagues explores how power affects consumers’ attitudes towards a persuasive message and whether this is dependent upon when power is induced—before or after a persuasive communication. Bristol and colleagues suggest power validates whatever mental constructs are accessible to consumers. They hypothesize that before persuasion power produces a general sense of confidence in one’s views that leads consumers to process subsequent information less carefully. However, after persuasion, they suggest power enhances consumers’ reliance on their thoughts. These authors provide evidence for both of these effects and demonstrate how power can differentially affect persuasion depending on whether it is induced before or after persuasion. This stream of research provides an important insight into how power affects consumers’ attitudes, intentions, and information processing.

The final paper by Torelli and Shavitt enhances our understanding of power by distinguishing between notions of power as status and power for the benefit of others. In three experiments, the authors find that consumers’ information processing efforts are not dependent solely on the activation of power, but the particular notion of power held by consumers. Specifically, those who are relatively high in vertical-individualism engage in more stereotyping, presumably to preserve their power identity, whereas those who are relatively high in horizontal-collectivism engage in more individuating, presumably in order to form careful impressions that could be helpful to others.

This session discusses a topic that has received little prior research attention in the consumer behavior literature, but has amazing potential to both inform consumer research and stimulate future research efforts. We anticipate this session will attract not only those interested in attitudes and information processing, but those interested in studying the topic of power that is beginning to emerge in consumer research. Joseph Priester, an expert in information processing and persuasion, will weave together the implications of the three streams of research and paint a picture of the future research questions for research in power and consumer behavior.

EXTENDED ABSTRACTS
“Power and Consumer Spending: The Compensatory Hypothesis.”
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How does power affect consumers’ spending habits? Past research suggests that power tends to be associated with action (Galinsky, Gruenfeld, and Magee 2003) such that states of feeling powerful prompt greater action and greater risk-taking (Anderson and Galinsky 2006). Thus, one potential role for power in consumer spending is that power would lead to greater spending (i.e., paying whatever it takes to acquire an item). Indeed, such a prediction might also be hypothesized based on a general association of power with resources (e.g., Keltner et al. 2003), indicating those feeling powerful may perceive themselves as having more resources to allocate to obtaining consumer products.

We propose, however, that power may play a very different role in consumer spending. Several research streams suggest that power is an aversive state such that people often have a more negative response when in a state of low power (Keltner et al. 2003). As an aversive state, we hypothesize that consumers are likely to want to reduce feelings of powerlessness. Past research suggests that status is one form of power (e.g., French and Raven 1959). Furthermore, research suggests that consumer products serve the function of communicating information about one’s status (e.g., Belk, Bahn, and Mayer 1982). For instance, Belk and colleagues (1982) discuss the notion that consumer products may signal or convey one’s status. Belk and colleagues note, “It may be that concern with demonstrating status to others comes to dominate other consumption message interests sometime after the eighth grade and that this concern then continues.”

Power and Consumer Spending: The Compensatory Hypothesis. Given low power is often an aversive psychological state, we hypothesize that consumers may seek to compensate for feelings of powerlessness by obtaining or signaling status. Further, we suggest acquiring consumer products and goods represent one means by which consumers may attempt to restore their lost power. Status has often been viewed as one basis of power (French and Raven 1959) and indeed, status often determines the resources or control one is given or able to allocate within a group (Kemper 1991). Consequently, we hypothesize that, when placed in a psychological state of low power, consumers may be attracted to and seek to acquire products that are naturally associated with status (e.g., business attire, executive pens). By acquiring products associated with status, consumers may compensate for their feelings of powerlessness. If true, we hypothesize that consumers’ willingness to spend money on products associated with status should increase when they are in a state of low power. This increased expenditure should stem from a greater perceived psychological benefit of the product in addressing their needs.
In experiment 1, we examined the extent to which power affects participants’ willingness to pay for products that have an association to status. Power was induced by instructing participants to write about a time they either had low or high power, a manipulation clearly established to affect participants’ state of power (Galinsky et al., 2003). In addition, a control group was included where participants simply described their last trip to the grocery store. Then, as part of an ostensibly unrelated study, participants were asked to indicate their willingness to pay for various consumer products. Results revealed that low-power participants compared to high-power or control participants, indicated a greater willingness to pay for items associated with status (e.g., Italian suit, briefcase, silk tie) but there were no differences in items unassociated with status (e.g., sofa, t-shirt, minivan).

In experiment 2, we examined whether the effects hold for the same consumer product by simply framing the product as being associated with or unassociated with status. Specifically, after receiving the power manipulation used in experiment 1, all participants were asked to indicate their willingness to pay for a portrait of their university. However, the product was either described as common and conveying no status or special association or as rare and conveying prestige and status. Replicating experiment 1, we found participants placed in a state of low power, compared to high power and control conditions, were significantly higher in their willingness to pay for the same item, but only when the product was framed as having status.

In a third experiment, we found that consumers’ increased willingness to pay for items associated with status is due to the perception that obtaining those items will provide a sense of power to them. In addition, throughout the experiments we included items to assess competing interpretations of the data (e.g., mood), and find little evidence for alternative accounts.

Conclusion and Contributions. The present research provides evidence for a new mechanism by which power can affect behavior. We believe the present findings offer advances in understanding the role of power in consumer behavior and, more generally, the various processes that are activated by changes in one’s psychological state of power. Theoretical and practical implications of this work in understanding power in consumer behavior are discussed.

“The Validating Effects of Power: Implications for Consumer Persuasion”

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Building on previous research demonstrating that power is associated with approach tendencies (Galinsky, et al. 2003), we argue that greater levels of power might be associated with increased confidence in whatever mental constructs are accessible at the time. We provide an initial experiment to demonstrate the existence of a power-confidence link. We subsequently hypothesized power, via its relationship with confidence, would have divergent effects depending on whether power was induced before or after persuasion because of the mental constructs likely activated.

First, we hypothesized before information processing consumers’ must decide how carefully to process information. As a consequence, we anticipated that inducing power before information processing would affect consumers’ decision of how carefully to process subsequent information. Feeling powerful, compared to powerless, should induce confidence in one’s position, and past research has shown that states of confidence lead people to process subsequent information less thoroughly (e.g., Tiedens and Linton 2001). If consumers’ process information less carefully when they feel powerful, this should lead to a poorer discrimination between weak and strong arguments (Petty and Cacioppo 1986) due to differences in information processing.

Second, we hypothesized that after information processing consumers’ no longer need to decide whether to process but whether to rely upon or trust their own thoughts in response to the message. As a result, we hypothesized that feeling powerful, compared to powerless, should induce greater confidence in one’s thoughts, and past research has shown that people are more likely to rely upon their thoughts when those thoughts are held with confidence (Briñol, Petty, and Tormala 2004). Importantly, if consumers’ rely upon their thoughts more when they are feeling powerful, this should lead to a great distinction between weak and strong arguments (Briñol et al., 2004) due to differential thought reliance.

Experiment 1: Linking Power and Confidence. Participants were randomly assigned to the high-power or low-power conditions. Power was manipulated by asking participants to play the role of a supervisor or an employee in a work simulation game (Galinsky, et al. 2003). Following this induction, participants rated their confidence and feelings of power. We predicted and found that participants in the high-power condition felt more confident and powerful that low-power individuals. This supported our hypothesized link between power and confidence.

Experiment 2: Manipulating Power Before Information Processing. Power was manipulated between participants using the same manipulation as in experiment 1. After completing the power induction task, as part of a supposedly unrelated study, participants were asked to evaluate a printed advertisement promoting a new cell phone containing either strong or weak arguments. Argument quality was varied in this study to assess consumers’ information processing activity. Specifically, the greater information processing, the more (less) favorable consumers should be when receiving strong (weak) arguments. Finally, all participants reported their attitudes toward the product. If power does influence participants’ confidence in their views when deciding whether to process a message, participants who are powerful should show less information processing than participants who are less powerful. Consistent with predictions, we found that the effect of argument quality on consumer attitudes was smaller when consumers had been induced into a state of high, as opposed to low, power.

Experiment 3: Manipulating Power After Information Processing. Participants were first exposed to a printed advertisement promoting a new cell phone containing either strong or weak arguments. Prior to providing their attitudes, however, participants were told the experimenter need to make copies of the dependent measures and thus they should work on a new experimental task. Power was then experimentally induced using the same role-playing technique described in prior experiments. After completing the power manipulation, the experimenter returned with the final measures and participants reported their attitudes toward the product. If, when induced after information processing, power does influence the confidence with which people hold their thoughts, we would expect high power to increase the argument quality effects, that is, more persuasion with the strong than the weak ad. In line with this hypothesis, we found that the effect of argument quality on consumers’ attitudes was greater when consumers had high rather than low confidence in their cognitive responses. Thus, with relatively high confidence, consumers relied on their thoughts in forming attitudes, but with relatively low confidence, consumers did not use their thoughts to judge the product (producing a lower attitude-thought correspondence).
Discussion. In the present work we not only demonstrate a link
between power and confidence, but demonstrated that power could
have different effects on persuasion depending on when power is
induced. Specifically, when induced prior to information processing
power affected how carefully consumers processed a message.
However, when induced after information processing power af-
fected the confidence consumers placed in their thoughts. As a
result, a strong message was more persuasive for low power
participants when power was induced before information process-
ing, but a strong message was more persuasive for high power
participants when power was induced after information processing.
Taken together, these findings are important because they identify
new roles for power in the persuasion process.

“Culture and Mental Representations of Power Goals:
Consequences for Information Processing”
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Sharon Shavitt, University of Illinois

This research investigates the consequences of activating
different types of power goals on consumer information-processing
strategies. People’s culturally-related values and beliefs are used to
predict the types of power-goals activated when power is made
salient. We examine the role of cultural orientation in consumer
texts that make power salient, the types of power goals that
individuals bring to mind in those contexts, and the information
processing consequences of activating those goals.

In the present research, we focus here on 2 types of power
goals: 1) personalized power (i.e., self-focused) goals of seeking
status in order to gain recognition and admiration from others and,
2) socialized power (i.e., other-focused) goals of helping and
having a positive effect on others (McClelland 1973). In previous
studies, we have found that whether people pursue personalized vs.
socialized power goals is predicted by their culturally-related
values and beliefs. We separate different cultural orientations using
the vertical-horizontal distinction nested within the broader indi-
vidualism-collectivism classification (Triandis and Gelfand 1998).
We find that individuals high in vertical-individualism (VI) associ-
ate power with personal goals of seeking status, whereas
individuals high in horizontal-collectivism (HC) associate power
with prosocial goals of helping others. We use the goals that high-
VI and -HC individuals associate with power to better predict how
they process information when power is salient.

Previous research indicates that powerholders frequently use
stereotypes for their judgments. Stereotyping protects relevant
beliefs about who should have control and protects existing power
identities (e.g., Fiske 2001). However, powerholders who focus on
their effects on the well-being of others often attend to individuating
information (Goodwin et al. 2000). We propose that the way in
which people process information when power is salient will be
impacted by the culturally-nurtured associations they have estab-
lished with power. Powerholders relatively high in VI, who associ-
ate power with personalized goals of seeking status, would engage
in more stereotyping. In contrast, powerholders relatively high in
HC, who associate power with prosocial goals of helping others,
would attend more to individuating information.

Results from 3 experiments support the notion that, when
power is salient, individuals relatively high in VI stereotype more.
They attend more to and remember better information that is
congruent with their prior expectations about target products,
whereas such effects are absent among low-VI participants. In
contrast, individuals high (vs. low) in HC attend more to and
remember better the information incongruent with their prior ex-
pectations about target products. In all experiments, cultural orient-
tation was measured using Triandis and Gelfand’s (1998) scale.

In experiment 1, we examined the effects of personalized
(status-enhancing) versus socialized (helping-others) power cues
embedded in product messages on the way participants processed
the messages. Participants read initial information about either a
status enhancing (i.e., facilitates achieving high-status) or a nurtur-
ing product (i.e., that impacts others positively). Along with this
initial information, participants read additional information both
congruent and incongruent with the initial description of the prod-
and, after a filler task, they received a surprise recognition task for
the product information. As expected, people high in VI stereo-
typed more after reading information about the status-enhancing
(and not about the nurturing) product. That is, they remembered
better the congruent (relative to incongruent) information, whereas
such effects were absent among participants low in VI. We argue
that status-seeking goals activated by the product description led
high-VI individuals to stereotype more. In contrast, individuals
high (vs. low) in HC processed in a more individuating manner after
reading information about the nurturing product (but not the status-
enhancing product). That is, high-HC individuals had higher recog-
nition for incongruent information. We argue that prosocial goals
activated by the product description led high-HC participants to
individuate more.

In experiment 2, participants recalled events associated with
exercises of either personalized or socialized power. Subsequently,
they received messages about a known brand (McDonald’s). We
measured attention and memory for attributes congruent and incon-
gruent with the McDonald’s stereotype of unhealthiness and con-
venience. Results showed that individuals high (vs. low) in HC,
after being primed with socialized power, were more likely to
emphasize the incongruent attributes when writing a product re-
view about McDonald’s and had higher recognition for these
attributes. We argue that helping-others goals activated by high HC
participants after being primed with socialized (and not with
personalized) power led them to individuate more. In contrast,
participants high (vs. low) in VI stereotyped more after being
primed with personalized power. They emphasized more congruent
(relative to incongruent) attributes when writing a product review
about McDonald’s. In addition, they were the only ones who
showed an advantage in recognition of information congruent with
McDonald’s stereotype.

Finally, experiment 3 followed a similar procedure to experi-
ment 2, but used alternative power primes. The same pattern of
results from the previous experiment emerged using new power
primes. Furthermore, the results were contrasted with a control (no
power) condition in which the stereotyping and individuating
effects were absent. In summary, this research addresses the infor-
mation processing strategies used by individuals with different
cultural orientations in consumer settings that make power salient.
It highlights the important role of culturally-nurtured associations
with power for determining the effects of power primes on basic
cognitive processes. Ultimately, a focus on the distinction between
personalized and socialized power goals can enhance our under-
standing of the role of power in consumer behavior. We discuss
consequences for consumers’ judgments, preferences, and influ-
ence attempts.

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