The Cross-Cultural Effect of Trust on Subjective Well-Being

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This study investigates whether trust impacts subjective well-being on a national level within an international cross-cultural context when controlling for variables such as income, savings, and age. Based on work done by Zak and Knack (2001) which developed a general equilibrium model establishing a relationship between trust and subjective well-being across countries, this study hopes to find additional evidence of a relationship between these two variables. The model established in this study finds that there is a strong relationship between trust and subjective well-being even when controlling for income, savings, age and the sense of freedom in each country.

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because they are atypical, are less likely to be viewed as outright persuasion attempts and so may generate less message claim skepticism and increase message elaboration.

Participants (drawn from a national, Internet-based panel) will be shown a set of new cell phone services using either balanced or biased descriptions. Their perceptions of product newness, product curiosity, and message claim skepticism are then measured and participants are given the opportunity to examine more information about each service as an indicator of message elaboration. Product newness is expected to increase participant’s skepticism less and increase message elaboration more for balanced vs. biased messages.

Study 2 investigates how marketers may lower consumers’ message claim skepticism by reducing the social distance between the source and recipient of a new product message. For consumers encountering a new product, the compatibility of that product with their existing social system can have a significant effect on their new product adoption decision (Rogers 2003). Receiving new product information through word-of-mouth (WOM) from a close friend can be valuable because information about its compatibility with the recipient’s social system may be conveyed along with product details reducing skepticism about those details.

Participants (from a small Midwestern university) will be shown product messages said to originate from a close friend or a marketer for a set of either really new or incrementally new products. Their thoughts while viewing the product messages will be collected for coding for message elaboration. Their perceptions of product newness, product curiosity, and message claim skepticism are then measured. After a filler task, participants are asked to recall the information in the message for each new product as another measure of message elaboration.

Product newness is expected to increase participant’s skepticism less and increase message elaboration more when the message originates from a close friend than when it originates with a marketer.

Study 3 investigates how changes in consumers’ time frame for adopting new products affect their perceptions of the product and their skepticism about message claims. When consumers’ expect to buy a product in the distant future they likely focus on the product’s potential benefits while underweighting the potential costs and constraints of its adoption (Trope and Liberman 2003). Consumers encountering messages for a really new product likely see its extreme benefits as more feasible when adoption will occur in the distant rather than near future, reducing message claim skepticism. Procedures for Study 3 are the same as those for Study 2 except that participants are shown a set of print ad mock-ups rather than new product messages from different sources. Participants are told to look at the ads expecting that they would purchase the products in the ad in either one year or one day. Product newness is expected to increase participant’s skepticism less and increase message elaboration more when the time frame to new product adoption is temporally distant vs. temporally near.

The extreme benefits and costs characterizing really new products create a challenge for marketers—maximize the advantages derived from the benefits while minimizing the disadvantages resulting from the costs. Three planned studies are expected to validate the proposed curiosity/skepticism framework for predicting the effect of a product’s psychological newness on consumers’ elaboration of new product information while also identifying contexts where the link between a product’s psychological newness and message claim skepticism is moderated. These results would provide new product marketers important new insights into how consumers initially learn about their products and how a product’s psychological newness can be used to increase that learning.

References

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Trust is an extremely important element of human social behavior and is critical to the development of economically stable civil societies. At the heart of all social, institutional, market and financial transactions is the level of trust that people perceive of their partners. This sense of trust is predicated on a number of antecedents found in common place, daily interactions. The level of trust found within a society would presumably have a significant effect on the level of subjective well-being in the society. Subjective well-being (SWB) is defined as a field of analytical study that attempts to understand how positively or negatively people evaluate their lives (Diener, Suh, and Oishi 1997). Researchers try to understand both the negative set of emotions that people experience (i.e. depression, compulsion) and the positive ones (i.e. joy, happiness, satisfaction) in order to measure the relative ratio between the two emotional poles.

This study investigates the relationship between trust and subjective well-being in a cross-cultural context. This is based on a general equilibrium growth model by Zak and Knack (2001) which states that as the level of trust varies among countries there is a correlation with wealth and prosperity for that country. There are large differences between countries in their propensity to trust others. This trust is believed to allow for lower transaction costs among agents. In addition, it is believed that high trust societies may be able to devote more resources to productive activities versus low trust societies. The model developed by Zak and Knack predicts that trust may be positively correlated to the level of SWB across-cultural groups or countries.

This study will look at the relationship between trust and subjective well-being, or life satisfaction. This impact is analyzed, controlling for other variables such as income, savings, freedom of choice and age in order to better understand how the relationship between trust and SWB is moderated by these variables. The study seeks to look at the effect of trust on well-being or, more specifically, life satisfaction and the moderating effects of income, family savings, freedom of choice and age. We are including these additional independent variables in order to rule out any other explanations for the effect of trust on life satisfaction.