It Is Not Whether You Win Or Lose, But How You Play the Game: the Role of Memory in How Consumers Feel After Lying

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In consumer research, deception has been considered a crime committed by the marketer, however, consumers also lie. How will telling a lie during a negotiation with a salesperson alter the consumer’s reaction to a good deal or an impasse? The results of this research reveal that the affective reactions and perceptions of fair play are different for consumers reporting a complete memory of the experience compared to consumers reporting an incomplete memory of the experience. Liars appear to be able to convince themselves that they played fair when they do not have a complete memory for the exchange.

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EXTENDED ABSTRACT

Sam is about to finalize the negotiation for the SUV he has had his eye on at ACME used car lot. He left the lot last time promising that he would look around for a better offer on a similar vehicle. Sam weighs his options, he can tell the truth, he was unsuccessful in finding a better deal, or he can lie by telling the dealer he found a comparable SUV on sale privately for $300 less than ACME’s asking price. He hates lying, but he believes the dealer is overcharging for the vehicle.

Research investigating deception in marketing has focused on acts of deception by marketers and their effect on the consumer (i.e. Burke et al. 1988; Gaeth and Heath 1987). There are at least two parties in every exchange of information. The objectives of this study are to investigate how lying during a negotiation with a salesperson can affect the consumer’s affective reactions to the encounter and whether the consumer’s memory of the exchange will moderate the relationship.

The Risks Involved with Lying

When entering into a negotiation with a salesperson, a consumer must choose a strategy for the exchange. At the most general level, the consumer must decide whether they will tell the truth about the information they have or not. Lying should reduce the risk of an unsuccessful outcome (Aquino 1998; Lewicki and Litterer 1985; Lewicki and Stark 1996; O’Connor and Carnevale 1997). However, lying during a negotiation may increase the risk of experiencing negative feelings such as guilt, shame and/or regret (Ellsworth and Tong 2006).

Affect and Perceptions of Fair Play Associated with the Outcome

Consumers that navigate the negotiation such that they get a good deal will feel positively toward the outcome of the negotiation while consumers that do not successfully negotiate an outcome will feel negative affect toward the experience. However, the strategy taken during the negotiation may moderate the affective reactions resulting from the positive or negative outcome. Truth tellers may feel no negative affect in a deal situation and plenty of negative affect when facing an unsuccessful outcome because they told the truth and did not receive the expected deal. Liars may not experience different levels of negative affect when they face an unsuccessful outcome compared to when they get a good deal. Why? When liars get a deal they should feel more negative affect because they got something they didn’t deserve (Baumeister, Stillwell, and Heatherton 1994; Skitka, Winquist, and Hutchinson 2003; Van den Bos et al. 2005). When liars face an unsuccessful outcome, they should feel relief because they didn’t get something they didn’t deserve.

The Role of Memory

After the outcome of a negotiation between a salesperson and a consumer has been established, the consumer will reflect back on the exchange to make sense of the outcome and to determine whether both actors were ‘playing fair.’ Remembering the details of the experience allows for an objective determination of the negotiators’ behavior.

If the details of the exchange are not remembered well, then truth telling consumers might not be willing to report that they were behaving in a fairer manner than the salesperson. Incomplete memory for liars, however, may provide an opportunity for them to convince themselves that they were playing by the rules (Cowley and Farrell 2007).

Method

One hundred and nine undergraduate students participated in a negotiation task. Students negotiated with a salesperson on-line. The outcome of the negotiation was associated with tickets to a lottery for a cash reward. The information provided to the participants for the negotiation task either encouraged them to tell the truth or to lie. The outcome of the negotiation was manipulated such that half the participants received a good deal, while the other half faced an impasse in the negotiation. After the negotiation, affective reactions and perceptions of fair play were collected, as well as memory for the exchange. Memory was measured with a free recall task which was coded and split into complete or incomplete memory.

Results

When memory is complete, truth telling consumers report a higher level of negative affect in the impasse condition. Truth telling consumers may be: i) regretting their tactical decision to tell the truth or ii) feeling indignation at the lack of ‘playing fair’ on the part of the salesperson. It appears that truth telling consumers felt indignation that the salesperson did not play by the rules. They were more irritated and angry, but not more regretful in the impasse condition. When memory is complete, truth telling consumers report that they played more fairly than the salesperson in the impasse condition compared to the deal condition. This is consistent with the suggestion that truth telling consumers felt indignation because they played by the rules and the salesperson did not.

When memory is incomplete, lying consumers report a higher level of negative affect in the impasse condition. The lying consumers may have convinced themselves that they were playing by the rules and may have felt the same indignation reported by remembering truth tellers because the salesperson was not perceived to be playing by the rules. Lying consumers felt more irritation and anger in the impasse condition. When memory is incomplete, lying consumers report that they are more satisfied with their choice of strategy than the salesperson’s choice in the impasse condition. Although the effect is only weakly significant, it suggests that the forgetful liar reacts the same way the remembering truth teller does to an impasse.

Discussion

Forgetful liars convince themselves that they were playing by the rules when they are faced with an unsuccessful outcome to the negotiation: they report the same pattern of affective reactions as the remembering truth tellers. Importantly, we did not manipulate the completeness of the consumer’s memory. It is unclear whether the forgetful liars were motivated to selectively remember the
experience or whether their incomplete memory affected their reactions to the outcome of the negotiation. This is a significant issue for future research.

The results also revealed that remembering liars reported similar levels of negative affect as forgetful truth tellers; both showed no difference between their level of negative affect for a deal and impasse. Remembering liars presumably experience more negative affect with a deal because they remember playing unfairly, while forgetful truth tellers may not be willing to judge the salesperson as playing less fairly without a detailed memory of the exchange. The inability to report themselves as fairer players may have been reflected in their reduced feelings of pride. The bottom line, both matter, whether you win or lose and how you play the game.

References