Ties That Bind and Blind: the Negative Consequences of Using Social Capital to Facilitate Purchases

Bryan R. Johnson, Pennsylvania State University, USA
William T. Ross, Jr., Pennsylvania State University, USA

In this paper we examine consumers’ use of social relationships to facilitate purchases. Although social capital research tends to focus on the benefits of social relationships, our research identifies several classes of negative consequences obtained by consumers drawing upon personal relationships to make purchases: recourse bridling, trust decay, and relationship atrophy. Interestingly, consumers often underestimate the negative consequences associated with leveraging their relationships for personal gains, until they occur. Our findings refine and extend social capital theory, both in marketing and in the larger social science arena, by highlighting this previously hidden dimension of social capital behavior.

[to cite]:

[ url]:
http://www.acrwebsite.org/volumes/14433/volumes/v36/NA-36

[copyright notice]:
This work is copyrighted by The Association for Consumer Research. For permission to copy or use this work in whole or in part, please contact the Copyright Clearance Center at http://www.copyright.com/.
Ties that Bind and Blind: The Negative Consequences of Using Social Capital to Facilitate Purchases

Bryan R. Johnson, Pennsylvania State University, USA
William T. Ross, Jr., Pennsylvania State University, USA

EXTENDED ABSTRACT

Conceptualization

As the fabric of civilization, social relationships play an important, yet often subtle, role in society. Relationships bind individuals together by facilitating correspondence and collaboration among them. Because of their intrinsic function in social interactions, relationships have the capacity to impact numerous aspects of human behavior, including those related to consumption. Consequently, given the influence of these ties, many consumers draw upon social connections as they purchase everyday products and services (Beatty et al. 1996; DiMaggio and Louch 1998; Frenzen and Davis 1990). Accordingly, the purpose of this paper is to examine the impact of using these social relationships to make purchases. While scholars have recently begun to address the basic questions of whether and why consumers leverage personal relationships in the marketplace, very little has been done to determine the implications of such actions for consumers.

To highlight the consequences of incorporating social relationships into consumption experiences, we draw upon social capital theory, which posits that individuals obtain benefits or returns as a result of their social relationships with others (Lin 2001; Portes 1998). Generally speaking, social capital theory focuses on how the resources embedded in social relationships provide benefits to individuals. These resources, such as advice, information, and ideas, are considered social because they can only be accessed through direct and indirect ties with others. Hence, to possess social capital, one must possess relationships with others; it is only through social interactions that the benefits of social capital can be realized (Lin 2001; Portes 1998).

Like most social capital research conducted in the social sciences, research on social capital in the consumer domain has focused primarily on the positive benefits of this behavior, while largely ignoring the hidden liabilities that may be associated with leveraging social relationships for personal gains. Consequently, our main objective is to identify the negative outcomes of social capital mobilization for consumers drawing upon their relationships to make purchases in the marketplace. Ultimately, uncovering and explaining these negative outcomes is important if scholars are to understand this meaningful social dimension of consumer behavior.

Method

To understand the consequences of leveraging social relationships in the marketplace and to expand and refine social capital theory in the consumer domain, we utilize the grounded theory approach (Glaser and Strauss 1967; Strauss and Corbin 1998). We conducted semi-structured depth interviews with 19 U.S. consumers, who were purposively selected using established theoretical sampling techniques. Our analysis employed open coding to identify important concepts in the data and axial coding to identify how emerging codes related to larger categories of interest (Strauss and Corbin 1998). We followed the “constant comparative approach” (Glaser and Strauss 1967) to ensure that the emerging theory was well-grounded in the data. This method of data analysis led to rich conceptual density among our categories and allowed us to refine our code list, yielding a core set of categories regarding the consequences of social capital mobilization. In order to ensure trustworthiness of the data, we conducted member checks with study participants, as advocated in previous research (Belk, Sherry, and Wallendorf 1988; Lincoln and Guba 1985).

Findings

The fundamental premise of social capital theory is that individuals obtain returns from leveraging their social relationships. However, we have suggested that these returns may, at times, be negative. As expected, during the course of our interviews, we uncovered experiences in which negative outcomes unexpectedly occurred as a result of social capital mobilization.

Our analysis identified three categories of these negative outcomes: recourse bridling, trust decay, and relationship atrophy. These outcomes are important because they have not previously been connected to individual social capital theory. Identifying such experiences extends and refines social capital theory, both within marketing and in the larger social science arena.

Recourse bridling occurs when consumers face challenges during the consumption experience, yet they feel constrained from addressing them, given the relationships involved. This bridling effect likely occurs due to the perceived discomfort associated with confronting friends, as well as the perceived awkwardness that may result in future social interactions. Trust decay also results as a consequence of problems that arise when using personal relationships to facilitate purchases. When things do not work out as anticipated, many consumers lose trust in their friends’ judgments and subsequently discount their recommendations and opinions in future interactions. Finally, relationship atrophy occurs when problems associated with the transaction permanently tarnish the relationships involved. When problems arise and expected benefits fail to materialize, individuals are often put in the unfortunate position of making a choice between the anticipated benefits and the relationship. When anticipated benefits win out, relationships degenerate.

Surprisingly, we find that many consumers underestimate the risks involved with leveraging their relationships for personal gains. Nearly all participants failed to contemplate the possible impact of negative experiences on the relationships involved. Instead, they tended to fixate completely upon the potential benefits available to them. Our data suggest that consumers’ ability to foresee these negative consequences is a function of their experience using social capital. Consequently, those with more experience may be more adept at calculating the true cost of using their social connections, as they are more likely to have experienced negative consequences in the past.

Ultimately, this study makes several important contributions. It highlights the notion that social capital may not be the panacea it was once believed to be. Although social capital mobilization frequently results in positive outcomes for individuals, there are situations in which it has negative consequences. In addition, this study identifies the different categories of negative outcomes typically experienced by consumers when employing social capital in the marketplace.

Interestingly, these consequences are typically unanticipated and frequently take consumers by complete surprise. Ironically, the same social forces that facilitate access to resources can also
constrain and impair those who seek them. Collectively, these findings add depth to our understanding of social capital theory, both within marketing and in the larger social science arena.

REFERENCES


