Trading Between Effort and Money: Consumer Participation and Service Pricing

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Research in co-production suggests that businesses can treat consumers as partial employees and boost productivity. While some consumers are motivated to do the work by the higher perceived control and convenience, co-production does require consumer effort (i.e., non-monetary input). Little research has examined the process how consumers trade off their effort (i.e., work) with price. In this research we examine factors influencing consumers’ tradeoff between work and money. Using 4 experiments, we showed that for the same work, consumers want to save more but pay less. Further, this main effect is moderated by both consumer and service characteristics.

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Research in co-production suggests that businesses can treat consumers as partial employees and boost productivity. While some consumers are motivated to do the work by the higher perceived control and convenience, co-production does require consumer effort (i.e., non-monetary input). Little research has examined the process how consumers trade off their effort (i.e., work) with price. In this research we examine factors influencing consumers’ tradeoff between work and money. Using 4 experiments, we showed that for the same work, consumers want to save more but pay less. Further, this main effect is moderated by both consumer and service characteristics.

**Conditions Under Which “Trivial” Attributes Become Important in Consumer Judgment**

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We examine conditions under which attributes that have little or no impact on the performance of a product, known as “trivial attributes”, nevertheless have an important impact on product evaluation. Existing work on trivial attributes has shown that they can positively affect product evaluation when they serve to distinguish the product from other comparables (Carpenter et al., 1994) and when they help justify a particular choice (Brown and Carpenter, 2000; Schlosser and Shavitt, 2002). In a similar vein, attributes that are trivial because the meaning of the attribute is ambiguous or unknown can also positively impact product evaluation, primarily due to conditions, such as a positive brand reputation (Broniarczyk and Gershoff, 2003) or expectations that marketers will adhere to conversational norms, that cause consumers to draw positive inferences about the meaning of the attribute. Inferences based on trivial attributes have also been shown to lower product evaluations when they lower perceptions of the ability of the product to perform its core functions (Meyvis and Janiszewski, 2002).

In short, trivial attributes appear to impact product evaluations for two broad reasons: first, due to the inferences that consumers make based on those attributes; and second, when trivial attributes help consumers make or justify a choice. We suggest that the impact of trivial attributes in the latter case can be attributed more broadly to the ability of the attribute to fulfill contextually activated goals that are not directly related to the performance of the product. In choice contexts, such goals relate primarily to the ease of making a decision (see Bettman et al. 2008 for a discussion of choice goals). However, we argue that different contexts are likely to activate a broad array of different goals that can, under certain circumstances, render a trivial attribute meaningful.

We propose that contextual goals are most likely to cause trivial attributes to become influential when these goals are anxiety-provoking; that is, when they are important, unfulfilled, and their achievement is uncertain (Lazarus 1991). As individuals seek to reduce their anxiety, we expect them to pay special attention to any product information that does, or could, aid in the fulfillment of the anxiety-causing goal. In short, attributes that would ordinarily be ignored may take on special meaning when consumers are in a state of anxiety caused by contextual goals unrelated to the core functions of the product. Finally, we further predicted that this effect should be moderated by consumer self-confidence. Consumers who are particularly confident in their ability to fulfill their goals should be less likely to rely on trivial attributes to help achieve additional contextual goals. We tested this in Study 2.

These hypotheses were investigated in two experiments. We used the same experimental paradigm in both: participants chose between three different bottles of red wine. Four attributes were provided for each brand. Three of those were pretested to be non-trivial: price, vintage, and alcohol content. The forth was pretested to be trivial and included information on whether or not the label displayed the “picking time” of the grapes. Only one brand was said to include picking time information (participants were simply told whether the label included picking time information or not—they were not given specific picking times). Importantly, the brand was counterbalanced across participants, as was the order in which the attributes were presented.

Anxiety was manipulated in both experiments by varying aspects of the choice context designed to inspire impression management concerns. In the low anxiety condition, participants were told that they were choosing a wine to take to an informal party. In the high anxiety condition, the wine was for their future father-in-law. Manipulation checks across experiments showed anxiety levels did indeed vary across these situations.

**Study 1:** Ninety-seven students participated in a 2-level (anxiety: high, low) between subjects design. We measured how much participants thought about each attribute as they made their decision (along a 5-point scale). Participants also indicated how important each attribute was to their decision by dividing 100 points across the four attributes. Results indicated that participants thought more intensely about the trivial attribute ($M$s=3.44 vs. 2.67; $F(1, 95)=7.98$, $p<.05$) and that the trivial attribute was more important to their decision ($M$s