When Preferences Differ Among Friends: How Positive Affect Influences Choosing to Accommodate Others Vs. Choosing to Express Oneself

Cindy Chan, Cornell University, USA
Alice M. Isen, Cornell University, USA

Are people in positive affect more likely to accommodate the preferences expressed by their friend when making consumer choices? Or are they more likely to stay true to their own personal preferences? Indeed, the answer to both questions is yes. Results show people in positive affect are more likely than controls to accommodate their friend’s preference when their preferences are not extremely different, or when their decision affects both parties. Conversely, they are less likely than controls to accommodate their friend when their friend’s preference is very different, even when their choice is made in the company of their friend.

[to cite]:

[url]:
http://www.acrwebsite.org/volumes/15095/volumes/v37/NA-37

[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/.
are: Online consumer reviews (M=3.18); In-store displays (M=3.16); Newspaper ads (M=3.12); Email ads (M=3.08); Magazine ads (M=3.05); and TV ads (M=2.98). The bottom five types of advertisement (the least trustworthy), are as follows: Celebrity endorsements (M=2.29); Social networking site advertisements (M=2.28); Videogame ads (M=2.25); Blog ads (M=2.24); and Text cell ads (M=2.18).

Multiple regression analyses reveal that both age and gender significantly predict levels of trust in the six ad types (yellow page ads; online customer reviews; in-store displays; videogame ads; blog ads; and cell text ads). The older a respondent is, the more negative reviews will be for both ad types. Furthermore, females rate videogames ads more negatively, but rate online consumer reviews more positively. In addition, preliminary exploratory factor analyses have yielded several technology usage factors (e.g., New Tech Uses such as blogging, wikis, etc.; Online product research and Purchase; Traditional Ad Trust; Newer Tech Ad Trust).

Using AMOS 6.0, a path model also yielded many interesting findings (RMSEA=.024; CFI=.988). First, there were no significant differences among consumers that predicted trust levels in traditional media advertising such as TV, radio, newspapers or magazines. Second, the use of newer Internet technologies (such as blogs and wikis), Internet product use (i.e., the research and purchase of products online), and the overall reliance upon the Internet had a positive impact on trust levels for “controlled” forms of Internet media (e.g., consumer reviews, custom emails, etc).

Other demographic variables were also found to have an impact. Age had a negative impact on trust levels of “controlled” forms (i.e., forms that consumer typically controls exposure of such as blogs and consumer reviews) of Internet media and for new forms of Internet media. Females had higher trust level ratings for forms of media than males did. And finally, having a college degree negatively impacted a consumer’s trust level for most forms of media advertising.

The initial results show that there are differences among individuals who trust offline advertising and those who trust online advertising. The fact that there are no significant differences among consumers that will predict trust levels in traditional media advertising can be attributed to the established nature of these mediums. This only strengthens the need to further explore the predictors of trust among emerging advertising mediums so that consumers can be properly identified. Similarly, the apparent differences among controlled forms of Internet media versus un-controlled media should be explored as well. This is especially important with the rise of user-generated content on the Internet.

Creating a model of consumer ad trust will greatly empower marketers to make better choices about where to place messages. Further analyses will be connected to more deeply examine the predictors of online advertising trust. The end goal of the analyses will be to not only construct a model to illustrate the predictors of online trust but to create consumer profiles for each type of advertising. These consumer profiles will illustrate to marketers who is and who isn’t likely to trust each type of advertising.

References

When Preferences Differ Among Friends: How Positive Affect Influences Choosing to Accommodate Others vs. Choosing to Express Oneself
Cindy Chan, Cornell University, USA
Alice M. Isen, Cornell University, USA

Are people in positive affect more likely to accommodate the preferences expressed by their friend when making consumer choices? Or are they more likely to stay true to their own personal preferences? Indeed, the answer to both questions is yes. Results show people
in positive affect are more likely than controls to accommodate their friend’s preference when their preferences are not extremely different, or when their decision affects both parties. Conversely, they are less likely than controls to accommodate their friend when their friend’s preference is very different, even when their choice is made in the company of their friend.

Unintended Consequences of Fundraising Tactics
Zoe Chance, Harvard Business School, USA
Michael Norton, Harvard Business School, USA

Prosocial behavior has been correlated with happiness, with individuals who report a greater interest in helping others, an inclination to act in a prosocial manner, or intentions to perform altruistic or courteous behaviors being more likely to rate themselves as dispositionally happy (for a review, see Lyubomirsky, King, & Diener, 2005). Recent studies have shown that prosocial behavior leads to increased happiness (Lyubomirsky, Tkach, and Sheldon, 2004), and, more specifically, that spending money on others may make us even happier than spending the same amount of money on ourselves (Dunn, Aknin & Norton, 2008). Recently, 89% of American households have donated to one or more charitable causes (Independent Sector, 2001), totaling approximately 2% of GDP each year (Andreoni & Petrie 2004). Experimental results from laboratory and field settings finding that incremental giving tends to make people happier (Dunn, Aknin and Norton, 2008), and the uncontroversial assumption that increased funding for charities will have a positive impact on their beneficiaries lead us to believe that the optimal level of national giving has not yet been reached. With that in mind, we are interested in learning how to increase individual charitable donations beyond their current level. In particular, our studies provide warnings to charitable fundraisers that some familiar tactics for increasing donor participation may have the unintended consequences of reducing future contributions.

Charity fundraisers use a variety of methods to increase donations, with three of the most common ones being matching funds, seed money, and thank you gifts. Field experiments have shown that matching funds (Eckel and Grossman, 2008) and seed money (List and Lucking-Reiley, 2002) do, in fact, increase donations during the time of the fund drive. List and Lucking-Reiley, for example, found that increasing seed money from 10 percent to 67 percent of the campaign goal produced a nearly six-fold increase in contributions, with significant effects on both participation rates and average gift size. But few field researchers have examined the long-term results of any fundraising tactics (see Frey and Meier 2004, and Shang and Croson 2006 for exceptions), and we are unaware of any published studies investigating long-term impact of seed money or thank-you gifts.

In our laboratory experiments, we study the impact in future periods of using seed money, matching funds, and thank you gifts to increase giving in the present period, finding that certain levels of all these commonly used “sweeteners” can decrease giving in the long term. In our seed money study, we find that those who donate at the end of a successful capital campaign donate less money in the future—25 percent less than those who donate at the beginning or middle of the campaign, holding initial donation constant. We speculate that perhaps the “warm glow” of altruism (Andreoni 1989, 1990) can at times make us feel as though we have actually done more than we have, decreasing our motivation to give more, since we may feel we have given enough. This hypothesis could help explain our additional finding that high levels of matching funds can decrease future donations—those whose initial contributions were matched at 300 percent subsequently gave 18 percent less than those whose contributions were matched at 100 percent. We found that thank you gifts such as music CDs given away by public radio stations to encourage participation in their fund drives can backfire as well. When donors received a small thank you gift in exchange for their contribution, they gave 20 percent less when solicited again. We propose that the psychological mechanism underling this behavior may be that structuring the donation event as a trade turns it into an economic rather than a social transaction in the mind of the donor, and this may decrease one’s intrinsic motivation to donate. Many studies have shown that extrinsic motivation can undermine intrinsic motivation and impair performance (see Deci, Koestner and Ryan, 1999, for a review), and, in agreement with Gneezy and Rustichini (2000) we suggest this effect extends to charitable giving. We are currently investigating our hypotheses regarding the mechanisms behind the major drops in charitable giving that can result from seed money, matching funds, and thank you gift strategies.

Economists and psychologists have long been investigating the phenomenon of why people give, with crossover between disciplines making this a simultaneously fruitful and challenging line of inquiry. Economists models of giving, such as Andreoni’s heavily-cited “warm glow” model of altruism (1989, 1990), typically rely on psychological constructs; and psychologists often turn to evolutionary theories for rational explanations of generosity, such as kin selection and reciprocity (Penner et al, 2005). At the crux of this overlap in disciplines is the issue of motivation. As we explore this area further, we hope to shed some light on how and when using common fundraising strategies can be demotivating despite increasing participation rates. With greater understanding of how their strategies can backfire, charitable organizations may be able to employ similar tactics with less risk.

References