Read the Signal But Don’T Mention It: How Conspicuous Consumption Embarrasses the Signaler

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Consumers who engage in conspicuous consumption intend for others to read their signals and interpret them correctly (e.g., wealth, taste). Accordingly, many consumers choose to signal loudly, with products displaying the brand prominently. When recipients of this signal respond positively, the signaler is expected to feel pleased and proud. This research reveals how those who signal with status brands are more likely to feel embarrassed when their signal is acknowledged directly. Ironically, this negative reaction is more likely when the signal is loud (i.e. easily detected and interpreted). As expected, acknowledging inauthentic signals is shown to elicit a profoundly negative response.

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Special Session Summary
Is Identity Signaling so Great? Limitations and Negative Consequences
Rosellina Ferraro, University of Maryland, USA

Session Overview
People often buy products and brands for signaling who they are or who they want to be. Prior research has provided evidence for the phenomenon of identity signaling and shown how it affects choices. The four papers in this session expand the theory related to identity signaling by exploring boundary conditions, such as negative consequences and abandonment. Two of the papers propose that engaging in identity-signaling can backfire in its purpose. One of the papers explores the functioning of identity signaling when there is a competing goal. Finally, the fourth paper explores the abandonment of culturally created tastes as a form of identity signaling.

Ferraro, et al., argue that since identity-signaling serves an important communication function, it should be perceived positively by observers. Instead, it is perceived negatively as observers view identity signaling as extrinsically motivated and a reflection of an inauthentic self. Thus perceptions of authenticity mediate how much an observer likes the signaler. The authors also show that the signaler’s perceived similarity to the observer moderates this effect. Han and Nunes also examine the response to identity signaling via the interactive dynamic between the signaler and the receiver. The authors propose that while the signaler expects to feel positive from engaging in signaling, she may instead feel embarrassment under certain conditions; specifically when the signal is more conspicuous and easy to recognize and when there is explicit acknowledgement of the signal by others. Chan and Van Boven examine the tension that exists between conflicting motives of signaling group membership and expressing uniqueness. Research suggests that people express uniqueness by opting for products that are owned by fewer others, which contrasts with identity signaling research that indicates people signal social identity by behaving similarly to in-group members. The authors propose that the conflict may be reconciled via confluence at the brand level and divergence at the product level. Finally, Berger and Le Mens examine the abandonment of cultural tastes. They propose that the speed with which a taste is adopted (i.e., its popularity) determines how quickly that taste is abandoned. The speed reflects whether the taste is a fad and thus has symbolic value. The negative signal that would come from adopting a perceived fad leads to a greater likelihood that the taste is abandoned.

Each presenter (R. Ferraro, Y. Han, C. Chan, and G. Le Mens) has agreed to serve if the proposal is accepted. Questions will be taken at the end of the session. All data have been collected. This session will have wide appeal, including to scholars of self-identity, brand relationships, and product adoption.

Extended Abstracts

“Signaling Identity through Brands: The Role of Perceived Authenticity”
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Consumers frequently purchase brands for the purpose of communicating information about the qualities they possess or the categories to which they belong. In other words, people use brands for identity signaling. Prior research suggests that identity signaling can satisfy consumers’ association and communication goals. This research, however, says little about how observers react to identity signaling. If identity signaling serves as an effective means of communication, recipients should interpret the signal as intended and should view the person favorably (assuming that the signaled trait is valued positively). We propose, instead, that identity signaling is perceived negatively by observers. This is because observers view identity signaling as an inauthentic means by which someone represents the self. Buying a brand for the sole purpose of conveying a particular identity may be seen to be motivated by extrinsic rewards, such as social approval, and thus a reflection of an inauthentic self. In contrast, buying a brand for intrinsic motives, such as for utilitarian benefits, is viewed as more authentic. Higher perceived authenticity is expected to translate into more favorable attitudes toward the signaler. We propose, however, that similarity to the signaler moderates the effects of purchase motives on perceived authenticity and attitude.

Study 1 examines perceptions of a target who uses a brand to signal identity compared to a target who uses the brand for utilitarian reasons or whose reason for using the brand is unspecified. Participants read about the motivation behind the target’s purchase of a Toyota Prius. We expected that the target would be perceived as more authentic and likable when he bought the brand for utilitarian than for signaling reasons. The results indicate that a target engaged in identity signaling was perceived less favorably than the target whose brand usage was motivated by utilitarian reasons. Moreover, perceived authenticity appears to underlie these effects. The signaling motivation decreased perceptions of the target’s authenticity, coolness, and intrinsic motivation, and increased perceptions that the target was extrinsically motivated.

Study 2 examines whether negative perceptions of identity signaling will be attenuated when the signaler is perceived to be similar to the observer. Research has found that people judge their own actions more positively than those of others, but that this asymmetry can be eliminated when the other person is perceived as similar. In our context, this is manifested in the belief that one behaves in a manner consistent with one’s authentic self while others do not. We predict that this unfavorable perception of others’ authenticity will be attenuated by perceptions of similarity to those others. Participants read a description of a target who recently bought an Apple computer. Motive was manipulated by varying the stated reason behind the target’s purchase. Similarity was indicated via ownership of the brand. Brand users rated the target favorably regardless of his motive for buying the brand. Nonusers, however, liked the target less when he engaged in identity signaling. Authenticity, as measured by innovativeness, mediated the interactive effect of motivation and similarity on attitude.

The goal of study 3 was to test the predictions in a context in which the target’s signaling motive is inferred rather than explicitly stated; specifically, in a public versus private setting. Because others can observe the target’s behavior, the target is more likely to be actively managing the impression she is making when in public and as a consequence, an observer is more likely to infer an identity signaling motive. Participants read about the target, including details about the target’s demographic information. This information was expected to serve as the basis for perceived similarity to the target. Motive was manipulated by varying whether the target read The New York Times in a public or private setting. Participants who felt highly similar to the target liked her equally across condition,
while participants who did not feel similar to the target liked her more when she was not engaged in identity-signaling than when she was engaged in identity-signaling. A similar pattern of results emerged for the perceived intelligence of the target. Authenticity mediated the interaction effect of motive and perceived similarity on liking and perceptions of intelligence.

In sum, observers respond negatively to identity signaling, and authenticity underlies this effect. However, the data also show that as the signaler is seen as more similar, the attitude becomes positive in nature.

“Read the Signal but Don’t Mention It: How Conspicuous Consumption Embarrasses the Signaler”
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Research has shown consumers use products as communication devices when they express their desired self-identity and image to others. Among the most popular meanings consumers convey using products are wealth and status, what has been dubbed conspicuous consumption (Veblen 1899). Research on conspicuous consumption has focused on the intentions of the signaler, and has left the interaction between the signal provider and the recipient relatively unexplored. This research is a first step towards filling that gap.

When consumers engage in conspicuous consumption, they expect others to recognize and interpret their signals as they had intended. It is natural to expect that when an observer recognizes the sender’s signal and provides positive feedback, the sender should feel positive, both pleased and proud. However, across several studies we find when the targets of these signals acknowledge the signal, the sender is more likely to respond negatively, specifically by feeling embarrassed. Traditionally, embarrassment arises when a person believes their demeanor has been inappropriate and judged negatively by others (Edelman 1981). Or it can occur when someone feels his behavior, or some aspects of the self, needs to be carefully monitored, hidden, or changed (Goffman 1956). In other words, embarrassment can be elicited by sensitivity to social norms. Hence, if positive feedback on leads the signaler to worry about unexpressed and potentially negative judgments, the acknowledgement of a signal should lead to embarrassment.

This occurs in two ways. First, acknowledging a signal with a compliment may lead the signaler to believe their signal was too conspicuous because it encouraged an uncommon response. Compliments typically express goodwill toward the addressee and the primary response is affective. However, compliments can convey a referential meaning in that a particular aspect of the signaler was chosen for the speaker’s attention (Johnson and Roen 1992). In turn, the signaler may infer the speaker believes the signaler is being manipulative in attempting to make a particular impression. We hypothesize that the more conspicuous the signal, the more likely the signaler is to feel embarrassed when complimented by others. Second, if the signaler is communicating an inauthentic identity, explicit acknowledgement makes the false nature of the signal salient. When people are highly motivated to impress others and doubt their ability to do so, high social anxiety results, including the appearance of nervousness (Leary 1983). We explore how signalers respond to acknowledgement in four studies.

In Study 1, we test whether the false nature of signals influence a signaler’s level of embarrassment upon being complimented using a thought experiment. Respondents read a scenario that either described a woman who purchased a conspicuous designer handbag, or a bag that is far more subtle. We varied the extent to which the purchase was a financial stretch. Results reveal an interaction such that respondents expected the woman to feel more embarrassed when the signal was loud andinauthentic and more proud and pleased when the signal was quiet and authentic. Study 2 is a field study focusing on the differential response by people identified and interviewed carrying either a conspicuous or an inconspicuous luxury handbag. During the interview the experimenter complimented the handbag. A recording of their emotional reaction was subsequently analyzed using Layered Voice Analysis (LVA) technology. Respondents also completed a survey designed to test the authenticity of the signal. Study 2 provides a real-world replication of Study 1 – women carrying loud handbags were more embarrassed by the compliment and this effect was magnified if the signal was deemed inauthentic.

Study 3 examines the dynamic interaction between two signalers. Focusing on consumers utilizing a conspicuous signal, we focused on a signaler’s response to acknowledgement from someone else also signaling, either conspicuously or inconspicuously. Upon being complimented, the signaler is less likely to become embarrassed or believe the recipient is being judgmental when the recipient is signaling conspicuously. Finally, study 4 examines the connection between conspicuousness and the authenticity perception of signaling behavior. In this study, we examine whether people possess inherent beliefs about the authenticity of a signal which depends on its relative conspicuousness. People were found to be more doubtful about the authenticity of a conspicuous signal. The results help explain why conspicuous signalers become anxious when their signal is acknowledged, even when it is legitimate.

Taken together, this research documents how consumers who deliberately signal more conspicuously, respond more negatively (i.e., are more embarrassed) when their signal is acknowledged. However, we find this embarrassment is attenuated when the recognition giver was also observed signaling loudly. Furthermore, the results reveal that even consumers who signal their true identity can feel embarrassed. The extent to which they feel this way is shown to depend on their beliefs about the interpretation of the signal and the authenticity of the signal.

“Satisfying Identity-Signaling and Uniqueness Motives through Consumer Choice”
Cindy Chan, Cornell University, USA
Jonah Berger, Wharton School of Business, USA
Leaf Van Boven, University of Colorado–Boulder, USA

Consumers concerned with conveying their social identity may often experience tension between communicating their group membership and communicating what makes them unique. Different research streams have separately examined different identity motives. Work on uniqueness suggests that people want to be (at least somewhat) unique (Snyder and Fromkin 1980). People with higher needs for differentiation, for example, prefer products owned by fewer others (Tian, Bearden, and Hunter 2001). Work on identity-signaling, in contrast, suggests that people behave similarly to in-group members to effectively communicate social identity. By converging on in-group preferences (and diverging on out-group preferences), people can signal group affiliation (Berger and Heath 2007).

Because uniqueness and identity-signaling are studied independently, however, little is known about how people integrate these motives through consumer choice. Are there systematic ways in which people signal identity while still differentiating themselves? Optimal Distinctiveness (Brewer 1991) suggests that by activating social identities, people simultaneously meet needs for assimilation (by identification with an in-group) and differentiation (by comparisons to out-groups). People do not behave identically to
in-group members, however, and thus we argue the need for distinctiveness continues at the intra-group level.

In particular, we focus on how choice at multiple product levels may allow consumers to satisfy both motives simultaneously. Consumers may select the same brand as their in-group, for example, but pick a slightly different product. Most research has taken a one-dimensional view of similarity and differentiation: people either select the same product as another person, or a different one. Real choice, however, is more nuanced and we explicitly allow for this. We argue that while consumers generally conform to in-group members on one level to effectively communicate social identity, they often simultaneously diverge at another level allowing them to also feel unique.

Experiments 1 and 2 provided a preliminary investigation of how consumers satisfy these different motives through choice. We asked people to identify an in-group and, across five consumer domains (e.g., shoes), to list two brands: one that was strongly associated with their in-group (Brand A), and one that was also liked by the group, but was a weaker signal of group identity (Brand B). They were then given information about the preferences of their in-group and asked to choose among four options. Specifically, they were told to imagine that out of 100 group members, 60 preferred Product 1 from Brand A, 17 preferred Product 2 from Brand A, 17 preferred Product 3 from Brand B, and 6 preferred Product 4 from Brand B. Thus, there was a majority (Product 1 and 3) and minority (Product 2 and 4) option from both a brand that would signal group identity, and a brand that would not. Participants also completed the Consumer Need for Uniqueness scale (CNFU; Tian et al. 2001).

As predicted, we found that people conformed on markers of group membership but differentiated within their group. At the brand level, people tended to choose brands that were more strongly associated with their in-group (i.e., Brand A). At the product level, however, people with higher CNFU strategically chose the less popular product from that brand (i.e., Product 2 from Brand A).

In Experiment 3, we varied the identity of the reference group by asking half of participants to list an in-group and half to list an out-group (the rest of the study was similar to Experiments 1 and 2). Consistent with an identity-signaling perspective, at the brand level, participants only tended to choose brands linked to their reference group when that group was their in-group, and this was mediated by their desire to signal that identity to others. People who had a greater desire to be associated with their reference group tended to choose options from brands linked to that group. At the product level, on the other hand, we again found that choice was driven by individual needs for differentiation. Participants with higher CNFU tended to select the minority option from the brand associated with their in-group.

Rather than measuring individual differences, Experiment 4 directly manipulated uniqueness-seeking with an image exposure task that primed half of participants with uniqueness (adapted from Maimaran and Wheeler 2008). They then completed the same choice task as in the prior studies. As predicted, uniqueness priming did not affect choices at the brand level—this was again driven by how much they wanted to be associated with that group. Instead, the uniqueness prime impacted product choice. Among participants who had conformed to the in-group at the brand level, those primed with uniqueness were more likely to select differentiating options at the product level.

Overall, these results provide insight into how people integrate identity-signaling and uniqueness motives through consumer choice. Importantly, these motives need not act in competition; by strategically conforming on one level while differentiating on another, people can effectively communicate social identity while also being unique.

References

“Why Do Products Become Unpopular? Adoption Velocity and the Death of Cultural Tastes”
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Gaël Le Mens, Stanford University, USA

Products become unpopular and styles fall out of favor. But while researchers have long been interested in why cultural tastes and practices catch on and become popular, much less attention has been given to why these items are abandoned. Why do particular music artists become unpopular or popular names drop out of the cultural repertoire? More broadly, when and why do cultural tastes and practices die out?

We suggest that tastes which quickly increase in popularity die faster. In addition to functional benefits, the decision to adopt a particular product or cultural taste often depends on symbolic meaning, or what consuming the item communicates about the user. People may avoid products that are too popular, for example, or linked to dissociative reference groups) because of what that consumption would signal about them. Similarly, we argue that potential adopters may avoid items that catch on quickly because of symbolic concerns. Things not only have a particular level of popularity, but vary in how quickly that popularity has changed over time. Two styles may have each been adopted by 1000 people last year, for example, but one may have slowly increased in popularity (900 adopters the prior year) while the other shot up in quickly (100 adopters the prior year). We argue that high rates of change may lead items to die out or drop out of the cultural repertoire. Fads are often perceived negatively, and if people think that sharply increasing items will be short lived, they may avoid such items to avoid doing something that may later be seen as a flash in the pan. We test this possibility using both experimental and historical data. In particular, we focus our analysis on first names. There relatively little influence of technology or commercial effort on name choice, making it easier to tease out the effect of social dynamics. Further, data is available on the popularity of names over time, making it possible to examine the effect of popularity dynamics on cultural abandonment.

Study 1 used over 100 years of data on the number of children born each year with different names (this includes over 10,000 names). We use survival analyses (hazard modeling) to examine how adoption velocity and various control factors (e.g., time or how long a name has been around, novelty, and popularity) influence the hazard of abandonment, or likelihood that the name will no longer be used. Results demonstrate a strong positive relationship between
adoption velocity and abandonment: even when controls are included, names that experience sharper increases in popularity tend to die faster. This result persists across a host of robustness checks. The effect is not simply driven by a few names that come and go very quickly (e.g., due to brief attention associated with passing celebrities). Rather, even non-extreme rates of adoption have a positive effect on the death rate. The result also holds using alternate strategies to control for time, various thresholds for defining abandonment, and data from both the United States and France, which speaks to the generalizability of the effect.

To strengthen our suggestion that adoption velocity is driving cultural abandonment, Study 2 examined this relationship at the individual level. Cultural abandonment is a collective outcome, but relies on the aggregation of individual behavior. If sharper increases in adoption really drive abandonment at the aggregate level, they should also have detrimental effects on attitudes at the individual level. To test this possibility, we gave expecting parents a sample of first names and asked them how likely they would be to give each to their child. We then computed the actual adoption velocity for each name, along with its popularity. As expected, expecting parents were more hesitant to adopt names that had sharply increased. (This persisted controlling for recent and cumulative popularity of the names).

We also investigated the mechanism behind the observed effects. We suggested that people avoid identity relevant items which spike in popularity because they do not want to adopt things that may be short lived fads. To test this possibility, we also had participants rate their perception of whether each name was a fad. As predicted, fad perceptions mediated the effect of adoption velocity on preferences. Names which were adopted more quickly were seen as more likely to be short lived fads, which decreased future parents’ likelihood of adopting them.

Overall, these findings shed light on how identity and the meaning of consumption contribute to the abandonment of cultural tastes.