Power and Decision Making: Exploring the Processes and Nuances

Selin A. Malkoc, Washington University in St. Louis, USA

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Power and Decision Making: Exploring the Processes and Nuances
Chair: Selin A. Malkoc, Washington University in St. Louis, USA

Paper #1: Power and Unconventional Choice
Mehdi Mourali, University of Calgary, Canada
Frank Pons, Université Laval, Canada

Yuwei Jiang, Hong Kong Polytechnic University, Hong Kong
Lingjing Zhan, Hong Kong Polytechnic University, Hong Kong
Derek D. Rucker, Northwestern University, USA

Paper #3: Not All Power is Created Equal: Role of Social and Personal Power in Decision Making
Selin A. Malkoc, Washington University in St. Louis, USA
Michelle M. Duguid, Washington University in St. Louis, USA

Paper #4: Experience Versus Expectations of Power: A Recipe for Altering the Effects of Power
Miao Hu, Northwestern University, USA
Derek D. Rucker, Northwestern University, USA
Adam D. Galinsky, Northwestern University, USA

SESSION OVERVIEW

Power is arguably one of the most fundamental features of our social world. As such, it has been the focus of a substantial amount of academic inquiry in the past decade (e.g., Briñol et al. 2007; Galinsky, Gruenfeld, and Magee 2003), which identified a variety of important consequences of feeling powerful versus powerless. However, to date, examination of the consumption decisions of the powerful has been rather scarce (for notable exceptions see Rucker and Galinsky 2008, 2009). These omissions are somewhat surprising because consumers routinely find themselves in the position of power, like when a mother makes decisions for the family dinner, when a leader of a department chooses the location of a retreat or when a graduating college student finally having the money to buy the computer she would like. As such, it is crucial to examine the consequences of feeling powerful and its effects on subsequent consumption decisions. The four papers in this session not only identify important consequences of power in the consumption domain, but also extend the current literature on power by identifying new processes, moderators and nuances that have not been previously proposed or demonstrated.

In particular, the first two papers in the session explore important outcomes of feeling powerful in the consumption domain by examining whether consumers who feel powerful make different choices (Mourali and Pons) and whether they are more or less likely to stick to their previous choices (Jiang et al). The remaining two papers introduce additional nuances above and beyond the dichotomy of powerful versus powerless, by distinguishing between personal and social power (Malkoc and Duguid) and experiences versus expectations of power (Hu et al).

The first paper by Mourali and Pons examines how the choices made by the powerful and powerless might be systematically different. To that end, they demonstrate that consumers who feel powerful are more likely to choose unconventional options. Their results indicate that this tendency is caused by the powerful wanting to signal their power to others. Accordingly, they show that if the choices are made in private or if the unconventional items are deemed popular, powerful consumers no longer prefer these options as they lose their signaling value.

The second paper by Jiang, Zhan and Rucker studies how consumers’ likelihood to switch away from their current brands is influenced by their sense of power. They demonstrate that while powerless consumers stick with their brands more, powerful consumers opt to switch more frequently. They argue that this tendency is due to an increased inclination of the power holders to take action. Supporting this idea, they show that if consumers take physical action before the switch/stay choice, the effect of power is eliminated.

In the third paper, Malkoc and Duguid critically distinguish between social power (over others) and personal power (over the self) and show the important implications of this distinction on a variety of context effects. In particular, their results demonstrate that personal (vs. social) power holders defer choice more and compromise less, while showing no difference with respect to the attraction effect. Furthermore, they theorize and show that these effects can be accounted by the increased level of freedom experienced by personal power holders compared to social power holders.

Finally, the fourth paper by Hu, Rucker and Galinsky introduces the important distinction between the experience of power and the expectation of power. Replicating prior research, they show that when focused on the experience of power, those who lack it show increased preference for status and process information to a greater extent. However, shifting people’s attention to what others expect of them in situations of power (vs. no power) reverses these findings by leading them to behave in a manner that meets those expectations.

Studying power across a variety of consumption contexts (unconventional choices, switching decisions, compromise and attraction effects, choice deferral and status products), the four papers in this session extend the boundaries of research on power by introducing previously untested consequences (unconventional choices (Mourali and Pons), switch/stay decision (Jiang et al), context effects (Malkoc and Duguid)), psychological mechanisms (signaling (Mourali and Pons), freedom (Malkoc and Duguid), expectation confirmation (Hu et al)) and moderators (private vs. public consumption (Mourali and Pons), physical actions (Jiang et al), personal vs. social nature of power (Malkoc and Duguid), experience vs. expectation of power (Hu et al)).

Taken together, these papers present new directions in power research. Given the growing impact of power in consumer research, we expect this session to generate a high level of interest among ACR attendees and spark future research directions, as well as engaging the audience to debate nuances of power in interpretation of its many consequences.

Power and Unconventional Choices

EXTENDED ABSTRACT

Despite a relatively late start, consumer researchers have recently shown considerable interest in the study of power and its influence on consumption behavior (see Rucker, Galinsky, and Dubois 2011 for a review). This follows a decade of extremely fertile psychological research on the consequences of having versus lacking power. At least three influential research streams currently describe power’s influence on decision making. One stream (Guinote 2007, 2008) argues that power affects process-related aspects of information processing, which in turn affect behavior. According to the Situated Focus Theory of Power (Guinote 2007), power increases the ability to process information selectively. Selective processing in...
turn increases the ability to behave in more focused and prioritized ways. A second stream of research focuses on content-based effects of power (Anderson and Berdahl 2002; Galinsky et al. 2003; Keltner et al. 2003). The approach/inhibition theory of power (Keltner et al. 2003) maintains that elevated power increases sensitivity to certain contents such as rewards and positive features, and signals to the individual that the environment is benign. Low power increases sensitivity to other types of contents (e.g., punishments, threats in the environment, and negative features). As a result, high power activates the behavioral approach system, leading to more positive affect, automatic information processing, and disinhibited behavior, whereas low power activates the behavioral inhibition system, leading to more negative affect, controlled information processing, and inhibited social behavior (Keltner et al. 2003). A third stream of research emphasizes the motivational effects of power (e.g., Rucker and Galinsky 2008, 2009; Rucker et al. 2011). The compensatory consumption model suggests that powerlessness is an aversive state that people are motivated to alleviate. As a result, when consumers feel powerless, they tend to exhibit a strong preference for acquiring and displaying status-related products to compensate for their lack of power.

We propose a fourth way in which power may influence decision making. We offer that powerful consumers often make unconventional choices to signal their power to others. Our conceptualization draws on Berger and Heath’s (2007) identity-signaling model, which posits that people often diverge in their choices to communicate a desired identity. We submit that high power is a desirable state that individuals feel compelled to communicate to others. One way to signal one’s power is to show that one is not afraid to make bold, unconventional, choices. We examine the signaling hypothesis in decision contexts involving choices between extreme vs. compromise options, safe vs. risky options, and gambles with known vs. unknown (ambiguous) probabilities. Consider the choice between compromise and extreme options. Maimaran and Simonson (2011) reasoned that selecting a compromise option represents a conventional choice because compromise options are seen as safer and less likely to be criticized. In contrast, selecting an extreme option represents a bold and unconventional choice because it reflects a willingness to take a stand and express one’s view. Similarly, selections of risky options and gambles with unknown probabilities reflect unconventional behavior to the extent that safe options and gambles with known probabilities are seen as the conventional defaults (Maimaran and Simonson 2011; Einhorn and Hogarth 1986).

We tested the signaling hypothesis in three experimental studies. Study 1 was designed to assess the general idea that power increases preference for unconventional options. We manipulated participants’ power using a role-based procedure adapted from Galinsky et al. (2003). Participants then responded to a total of 6 choice scenarios reflecting decisions between compromise and extreme options; risky and safe options; and gambles with known vs. unknown (ambiguous) probabilities. Consider the choice between compromise and extreme options. Maimaran and Simonson (2011) reasoned that selecting a compromise option represents a conventional choice because compromise options are seen as safer and less likely to be criticized. In contrast, selecting an extreme option represents a bold and unconventional choice because it reflects a willingness to take a stand and express one’s view. Similarly, selections of risky options and gambles with unknown probabilities reflect unconventional behavior to the extent that safe options and gambles with known probabilities are seen as the conventional defaults (Maimaran and Simonson 2011; Einhorn and Hogarth 1986).

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Study 2 was designed to test an important implication of the signaling hypothesis, namely that the effect of power on choice of unconventional options should be stronger when choices are public than when they are private. Study 2 consisted of a 3 (low power vs. control vs. high power) x 2 (public choice vs. private choice) x 3 (extreme vs. risky vs. ambiguous scenarios) mixed design, with choice scenarios manipulated within subjects. Power was primed using a writing task (Galinsky et al. 2003). The results indicate that high power led to increased preference for unconventional options when choices were public, but not when choices were private. There was no difference in choice patterns between the three scenarios, and between the low power and control groups.

Finally, study 3 was designed to test another important implication of the signaling hypothesis. We reasoned that power increases preference for unconventional options because of these options’ signaling value not their inherent qualities. Thus, these options should become less attractive to powerful consumers if selecting them no longer reflects a bold, unconventional choice. We tested this hypothesis by presenting half of the respondents with information suggesting that risky and ambiguous options are in fact popular options (i.e., options that most people choose). Indeed, suggesting that risky and ambiguous options are chosen by most people makes selecting them a rather conventional and timid behavior because they may now seem safer and less likely to be criticized. Study 3 found that presenting nominally unconventional options as popular not only reduced their perceived attractiveness in the eyes of powerful consumers, but also made them seem more attractive to consumers with less power.

The Power Switch: How Psychological Power Influences Brand Switching Decisions

EXTENDED ABSTRACT

Consumers’ brand switching is an inevitable, and represents a serious problem for most companies. Recent research finds that up to 33% of the unit sales increase is attributable to brand switching (Van Heerde, Gupta, and Wittink 2003). Surprisingly, there still remains much to understand with respect to consumers’ behavioral motivations to switch to new brands. To add a novel perspective on switching behavior, the current research examines the impact that incidental states of power have on brand switching decisions.

Defined as an individual’s ability to control own and others’ resources (Galinsky, Gruenfeld, and Magee 2003), power is a force that touches on most social interactions. Power also shapes consumer values in a variety of consumption decisions (Rucker, Galinsky, and Dubois 2011). A finding particularly relevant to the current research is that states of high power increases individuals’ action orientation. Keltner, Gruenfeld, and Anderson (2003) proposed that power activates a behavioral approach system. Specifically, high-power individuals possess more resources and pay more attention to rewards and opportunities in the environment, and thus show an approach-related tendency to pursue and obtain goals. Supporting this hypothesis, Galinsky, et al. (2003) showed that high-power participants were more likely to take an additional card in a simulated blackjack game, or to turn off an annoying fan in a room.

Sometimes consumers consider new options to replace the current product or service. For instance, an individual might think about changing their television provider when seeing an alternative cable package advertised. In this case, the consumer is facing two options involving different levels of action. Sticking with the current television provider requires minimal action, while changing to a new brand is associated with more action in the form of making a phone call, cancelling the current service, etc. Based on the link between power and action orientation, we propose that a state of high power will naturally lead to a tendency to engage in switching behavior as this allows people to fulfill the action orientation of a high-power state. We test this hypothesis in three experiments.

In experiment 1, participants were first asked to recall a past event during which they felt either powerful or powerless, a power-priming process used in past power literature (e.g. Galinsky et al. 2003). Participants then read a scenario and imagined that they just moved to a new apartment and needed to install internet service.
They were told that most residents in the building were using the default internet service provided by brand A and the residents were in general satisfied with brand A's service. There was also another company (brand B) available, but detailed information about brand B was unknown. Participants were then asked to indicate whether they would use brand A (the default) as the internet service provider, or reject brand A and consider switching to brand B. We found that more participants in the high-power condition (54%) considered switching to a new brand than in the low-power condition (40.6%; p < .05). Additional data showed that both perceptions of the current brand and expectation of the new brand did not differ across power conditions.

Experiment 2 replicated study 1’s findings in a real behavior context. At the beginning of experiment 2, all participants received a new pen and were asked to answer all the questionnaires using the pen. They were also told that they could keep the pen after the study. Feeling of power was then manipulated using the same recall task as in experiment 1. After the recall task, participants were told to decide either to keep their current pen, or to exchange it for a different but equally-priced pen. Consistent with our hypothesis, more participants in the high-power condition (40%) switched the pen than in the low-power condition (20.4%; p < .05). Again, additional data confirmed that this effect was not caused by different perceptions of the two pens.

If the previously observed effect of power on brand switching is indeed caused by a heightened action orientation, we proposed that real physical actions taken prior to the brand switching decision might sate the action orientation, and thus mitigate the effect of power on brand switching. Participants in experiment 3 were randomly assigned to conditions in a 2 (power: high vs. low) × 2 (physical action: action vs. no action) between-subject design. Similar to experiment 2, participants first received a new pen upon arrival. After a short demographics questionnaire, we manipulated participants’ feeling of power following the manager-subordinate role playing procedures adapted from Anderson and Berdahl (2002). While waiting for the task materials, participants completed an ostensibly unrelated task portrayed as evaluating a product, but in actuality introduced the manipulation of physical action. In the action conditions, each participant received a small rubber massage ball and was instructed to squeeze it for 30 seconds to test this product. In the control conditions, participants instead observed the same ball in a transparent, plastic box for 30 seconds without touching. After the squeezing/observing, participants evaluated the ball. Then as in experiment 2, participants were asked to indicate their intention of exchanging the current pen for another new and equally-priced pen by answering the question “how much do you want to change the current pen” using a 9-point scale. As shown in Figure 1, we found a significant interaction effect of power and physical action (F(1, 157) = 4.34, p < .05). Planned comparisons confirmed that high-power participants showed higher preferences for pen switching (M_{high-power} = 4.95 vs. M_{low-power} = 4.03; F(1, 157) = 4.65, p < .05) in the no-action control conditions. However, the effect disappeared in the physical action conditions (M_{high-power} = 3.55; M_{low-power} = 3.93, n.s.).

In summary, we examine a behavioral motivation that propels brand switching behavior in the form of psychological power. In doing so, we demonstrate that the action orientation associated with high power can be sated by a prior opportunity to engage in action. This has potentially important implications in better understanding psychological antecedents of brand switching.

**Not All Power is Created Equal: Role of Social and Personal Power in Decision Making**

**EXTENDED ABSTRACT**

Power has been the focus of much academic inquiry in the past decade (e.g., Briñol et al., 2007; Galinsky et al., 2003). Extant literature, however, primarily focuses on social power and overlooked personal power. In this paper, we empirically differentiate between personal and social power and examine its effects on commonly reported context effects.

Power is generally defined as the ability to control resources for oneself and others without interference. This definition has two distinct components: social and personal power. Social power is individuals’ ability to exercise control over others (French & Raven, 1959). Alternatively, personal power is the ability to control one’s own outcomes, without being influenced and constrained by others (Van Dijke & Poppe, 2006). Even though some researchers have acknowledged the existence of the social power and personal power distinction (Galinsky et al., 2003; Van Dijke & Poppe, 2006), most studies have treated power as a single construct (for an exception see Lammers, Stoker, & Stapel 2009).

We argue that one important distinction between social and personal power is the sense of freedom the power holder feels. High personal power individuals act independently, with little or no consideration of their social environment. As such, they have a high sense of freedom. Alternatively, social power is associated with interdependence (Fiske & DePret, 1996), which is associated with connection to others (Cross, Bacon & Morris, 2000), which presumably limits their sense of freedom. Therefore, we hypothesize that having personal power, compared to social power, leads to higher sense of freedom.

We further suggest that this sense of freedom (or lack thereof) has important implications for a host of context effects. We theorize that those who feel powerful have a desire to maintain this sense of freedom and they make decision that helps them achieve this goal. As such, we would expect feeling personal power to highlight a sense of freedom, making consumers wanting to maintain their freedom. Thus, we expect them to be more likely to choose extreme options that allow them to exercise their freedom, thus diminishing the compromise effect. One might suggest power, instead of operating through a need to maintain freedom, operates through an increased ability to cope with conflict. If this is the case, then we would expect those with personal (vs. social) power to also defer less and be less prone to the attraction effect. However, our theory predicts that since feeling personal (vs. social) power highlights freedom and the need to maintain it, those with personal power would be more likely to defer choice in an attempt to maintain their freedom. Similarly, since the choice of a dominating or dominated option does not allow for the maintenance of freedom, we would expect social versus personal power distinction to not influence the attraction effect.

A pilot study tested the basic premise our theory by having participants recall an event where they had social or personal power, and having an independent coder examining the written responses. We found that while those with personal power had more thoughts relating to freedom than those with social power, their responses did not differ in their stated confidence or mood.

Study 1 was designed to examine the compromise effect. Participants (N=113) first completed the power-inducing task. Next, they made a choice for a wine from three options. We varied the set composition so that option B would either be a compromise {ABC} or an extreme alternative {BCD}. We found that participants with social power chose option B more when it was the compromise op-
tion (79%) in set \{ABC\} than when it was the extreme option (38%) in set \{BCD\}. However, this compromise effect (difference of option B choice) was present only for those with high social power and not for those with personal power.

Study 2 examined the mediating role of experienced freedom. Participants (N = 89) completed the power-inducing task and then made a choice for an investment among three options, one of which was compromise. As predicted, we found that high personal power individuals chose the compromise option (57%) less than those with social power (77%). More importantly, we find that the feelings of elicited freedom mediated the effect of power type on the choice of compromise option.

Study 3 was designed to rule salience of others as an alternative explanation and examined the role of power type on attraction effect. Participants (N = 220) completed the power-inducing task and then made a choice between three cell phone plans. We varied the set composition so that the third option was either dominated by option A (A’) or by option B (B’). As predicted, we found that choice share of option A was higher (82%) in set \{A’AB\} than set \{ABB’\} (47%). More importantly, power type did not interact with decoy location and attraction effect was observed for both for personal power (\{A’AB\} = 69%; \{ABB’\} = 54%) and for social power (\{A’AB\} = 67%; \{ABB’\} = 47%).

In Study 4, participants (N = 138) completed a power-inducing task. Next, they made a choice between two CDs and had the option to either choose one of these CDs or to defer choice and search more. As predicted, we found participants who recalled an incident of personal power chose to defer their choice more (41%) than those who recalled an incident of social power (19%) or those in the control condition (28%). An examination of the verbal protocols revealed that having personal power increased the thoughts relating to freedom and that this heightened sense of freedom mediated the effect of power type on deferral.

Five studies demonstrate that the effect of power on context effects depends on its type: while personal power attenuates the compromise effect, it augments the choice deferral, having no effect on the attraction effect. We further demonstrate that it is the heightened sense of freedom those with personal power feel that drives these effects.

Experience Versus Expectations of Power: A Recipe for Altering the Effects of Power

EXTENDED ABSTRACT

The current research explores how both consumers’ state of power and a focus on the experience of power versus how others expect them to behave jointly influence their behavior in the forms of desire for status and information processing.

When focused on the experience of lacking power, as opposed to possessing power, consumers are known to exhibit an increased desire for status-related products (Rucker and Galinsky 2008, 2009) and greater information processing (Brilhol et al. 2007). However, we put forth a novel hypothesis that, when focused on the expectations of power (i.e., characteristics and stereotypes associated with power), a state of high power may lead to a greater willingness to acquire status-related products. Similarly, when focused on the expectations of power, it is predicted that the powerful people might process information more carefully compared to powerless people.

An expectation-confirmation perspective is offered as the foundation of this novel prediction. Specifically, it seems that people develop and hold different expectations of people who have low versus high power (Magee and Galinsky 2008). Elsewhere it has been shown that expectations shape people’s interpretation of social events and also people’s behaviors to conform to existing expectations and stereotypes (Kipnis 1972). In a similar vein, we suggest that focusing people who are in a low or high power state on the expectations associated with the low- or high-power position might lead them to behave in a manner that meets those expectations. Five experiments test our novel hypotheses.

Experiment 1: The Expectations of Power: The first experiment assessed the expectations people naturally hold with respect to how power should affect people’s behaviors. Participants saw descriptions of behaviors related to status consumption and information processing and were asked to identify if these behaviors were something they expected from either powerful or powerless people. Results showed that participants rated the behaviors of purchasing status products and processing information carefully as more consistent with powerful people compared to powerless people (ps < .01). Our remaining experiments examine whether focusing people on the expectations of others could shift their behavior to align with these expectations.

Experiment 2a and 2b: Power and Status Products. Experiment 2a adopted a 2 (level of power: high vs. low) × 2 (focus: experience vs. expectations) between-subject design. Participants’ level of power and focus were manipulated through an episodic recall task adapted from Galinsky et al. (2003). Subsequently, participants were asked to evaluate two status-related products. Results revealed a significant power × focus interaction (p = .002) such that, when focused on the experience of power, low-power participants had a higher willingness to pay for the status products compared to high-power participants (p = .02). In contrast, when focused on the expectations of power, high-power participants had a higher willingness to pay compared to low-power participants (p < .001), consistent with people’s expectations reported in experiment 1.

Experiment 2b adopted a 2 (level of power: high vs. low) × 2 (focus: experience vs. expectations) × 2 (brand status: high- vs. non-status) between-subject design. Participants’ level of power and focus were manipulated in a role-playing task (Dubois et al. 2010; Rucker et al. 2011). Subsequently, participants were asked to identify their purchase intentions for either a BMW or a Toyota. Results revealed a significant three-way interaction between power, focus, and brand status (p = .004). For participants evaluating a high-status brand (BMW), there was a significant two-way interaction between power and focus (p < .001) such that among participants focused on the experience of power, low-power participants showed a higher purchase intention compared to high-status participants (p = .009). In contrast, among participants who focused on the expectations of power, high-power participants had a higher purchase intention compared to low-power participants (p = .008). No effects were found for participants who evaluated a Toyota (F < 1).

Experiment 3a and 3b: Power and Information Processing. Experiment 3a adopted a 2 (level of power: high vs. low) × 2 (focus: experience vs. expectations) between-subject design in which power and focus were manipulated as in experiment 2a. After manipulating power and focus, participants rated two job candidates that differed in the strength of their profiles. A discrimination score was calculated by subtracting participant’s evaluation of the weak candidate from that of the strong candidate. Results revealed a significant power × focus interaction (p < .001) such that when focused on the experience of power, low-power participants showed greater discrimination compared with high-power participants (p = .01). In contrast, when focused on the expectations of power, high-power participants showed greater discrimination than low-power participants (p = .03).
Experiment 3b adopted a 2 (power: high vs. low) \times 2 (focus: experience vs. expectations) design in which power and focus were manipulated as in experiment 2b. Participants evaluated an ad for a snack that differed in argument strength. Results revealed a significant three-way interaction between power, focus, and argument strength \((p = .008)\). In the experience conditions, low-power participants liked the snack more after receiving strong compared to weak arguments \((p < .001)\) while high-power participants did not show any difference \((F < 1)\). In the expectation conditions, high-power participants liked the snack more after strong compared to weak arguments \((p = .02)\) while low-power participants showed no difference \((F < 1)\).

**Conclusion and Contributions.** Across experiments, the focus associated with power created different effects on consumers’ desire for status products and the depth of information processing. These findings add another important dimension to the research of power and consumption by suggesting a new and critical moderator for understanding how states of power affect consumption.

**REFERENCES**


