Talking About What You Did and What You Have: the Differential Story Utility of Experiential and Material Purchases

Amit Kumar, Cornell University, USA
Thomas Gilovich, Cornell University, USA

We demonstrate that consumers talk more about experiential purchases than material purchases and they derive more happiness from doing so; that taking away the ability to talk about experiences would diminish the enjoyment they bring; and that being given the opportunity to talk about experiences increases the satisfaction they bring.

[to cite]:

[url]:
http://www.acrwebsite.org/volumes/1014578/volumes/v41/NA-41

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SESSION OVERVIEW

This session presents new research examining how people use and respond to word-of-mouth (WOM) in order to achieve their social goals. With the rise of written, online recommendations that function as word-of-mouth, we have the opportunity as a field to analyze massive amounts of word-of-mouth data. The data present exciting possibilities for new discoveries, but without a theoretical framework or understanding of the goals that motivate people to produce WOM and those that influence their responses to it, we are more likely to be overwhelmed than enlightened by such data. This session presents four papers, each of which looks at how people produce and respond to word-of-mouth to achieve their social goals.

The first paper, by Dr. Jonah Berger, presents a new goal-directed theoretical framework for understanding WOM, and the three other papers each examine a different goal that can be achieved by either the speaker or listener in a conversation about a particular product or experience. By first presenting a theoretical framework in the same session as three empirical papers, we are able to immediately address some of the questions and gaps in the literature that the framework raises. In particular, Berger finds that there is a relative lack of research on the causes of WOM and why people talk about certain things rather than others.

Two of the three other papers examine the social goals of the speaker and the third examines the social goals of the receiver. Kumar and Gilovich and Wiener, Bettman, and Luce explicitly examine new motives for engaging in particular types of word-of-mouth behavior. Kumar and Gilovich find that talking about experiences fulfills the speaker’s goal for happiness better than does talking about products, and so people talk about experiences more frequently than they talk about products. Wiener, Bettman, and Luce examine conversation pieces, or products that produce questions and interest from others, and find that people use unique, identity relevant and publically displayed products to encourage conversations that enable them to learn about their conversational partners, perhaps ultimately enabling them to find like-minded friends or partners. Presented together these papers suggest that conversation pieces blur the line between product and experience and suggest that a social goals approach has much to tell us about this distinction.

Of course not only do speakers have social goals, but recipients of word-of-mouth have social goals as well. Alexander and Moore examine how listeners may interpret word-of-mouth as social pressure and how word-of-mouth may activate their goal to appear competent to others. This goal may negatively influences how they interact with a product and undermine new product usage.

Together these four papers suggest that the production of and responses to word-of-mouth are quite strategic in pursuit of their social objectives. Given the apparently utility of word-of-mouth for achieving social goals, is it possible that the desire to produce or have a good response to another’s word-of-mouth may actually drive consumption behavior so that a consumer might have the “right” thing to say.

Word-of-Mouth and Interpersonal Communication:
An Organizing Framework and Directions for Future Research

EXTENDED ABSTRACT

There is currently huge popular interest in word-of-mouth and social media more broadly (e.g., Facebook and Twitter). But while quantitative research has demonstrated the causal impact of word-of-mouth on diffusion and sales, less is known about what drives word-of-mouth and why people talk about certain things rather than others.

Why do certain products get more word-of-mouth? Why do certain rumors spread faster than others? And why does certain online content go viral? Further, how does the audience people are communicating with, as well as the channel they are communicating through, impact what gets shared?

This talk addresses these, and related questions, as it integrates various research perspectives to shed light on the behavioral drivers of word-of-mouth. It provides an integrative framework to organize research on the causes and consequences of word-of-mouth and outlines additional questions that deserve further study.

In particular, I argue that interpersonal communication is goal driven and serves five key functions. These include:

1. Self-Presentation
2. Emotion Regulation
3. Information Acquisition
4. Social Bonding
5. Persuading Others

Self-presentation refers to the fact that people often share word of mouth to shape how others see them. This occurs through sharing self-enhancing things, things that signal desired identities, or even engaging in small talk to avoid sitting there in silence. Emotion regulation refers to the fact that people often share word of mouth to help manage or regulate their emotions. This includes venting, seeking social support, reducing dissonance, facilitating sense making, or encouraging rehearsal. Another important function of word of mouth is information acquisition. Talking and sharing to seek advice or figure out how to resolve problems. Word of mouth also serves a social bonding function, allowing people to connect or bond with others. Sharing can reduce feelings of loneliness and reinforce shared view. Finally, people use word of mouth to persuade others to their point of view.

It is worth noting that these goals are predominantly self-serving in nature. While communication almost always involves a recipient, I will argue that word of mouth is mostly self-serving rather other-serving. Though people certainly tune their message to their audience, and some acts of transmission can be interpreted as altru-
Finally, I will discuss how contextual factors, such as who people are talking to and what channel they are talking across, moderate these various motives. Talking to weak rather than strong ties, for example, should lead self-presentation motives to have a greater impact on transmission. But it is not only audience type that matters. Audience size may also play a role. Talking to larger audiences boosts self-presentation by encouraging people to focus on the self, while talking to smaller audiences may encourage sharing useful information by encouraging people to focus on others. Different channels should also play a role. Compared to oral communication (e.g., face-to-face discussion), for example, written communication (e.g., email or text) provides more time to construct and refine communication, and, as a result, leads self-presentation motives to play a greater role in transmission.

In sum, what we know about word of mouth is clearly dwarfed by what we don’t know. That said, this talk will attempt to review what we do know, provide a framework to organize this existing research, and outline potential directions for future work in the area.

Talking About What You Did and What You Have: The Differential Story Utility of Experiential and Material Purchases

EXTENDED ABSTRACT

Imagine you just returned from a week in the Caribbean or sampling the restaurants in New York City. How likely would you be to tell others about your trip? Would the telling enhance your experience? Now imagine you spent a similar sum of money on a home theater or some new living room furniture you’ve been eyeing. How likely would you be to tell others about these purchases, and would the telling increase how much enjoyment you get from them?

The research presented in this paper investigates one explanation for the fact that experiential purchases bring us more happiness than material purchases (Van Boven & Gilovich, 2003): consumers talk more about their experiences than their possessions and derive more value from doing so. Such conversations facilitate the re-living of the experience in question, they encourage embellishment, and they foster social connection—all of which serve to enhance enjoyment of the original event. Seven studies demonstrate that people are more inclined to talk about their experiences than their material purchases and they derive more happiness from doing so; that taking away the ability to talk about experiences (but not material goods) would diminish the enjoyment they bring; and that being given the opportunity to talk about experiences (but not material goods) increases the satisfaction they bring.

In Study 1a, we examined whether consumers tend to talk more about experiential purchases than material purchases. Ninety-six participants were given a definition of either experiential or material purchases, and then asked to list their most significant purchases over the past five years in the category in question. Participants indicated that they had talked more about experiential purchases, F(1, 94) = 12.54, p < 0.0001, and also indicated that they would be more likely to talk about experiential purchases in a hypothetical situation in which they had to make small talk, F(1, 94) = 15.46, p < 0.0001. In Study 1b, we explored whether this difference could explain differences in purchase satisfaction. Accordingly, 102 participants answered the same questions as those in Study 1a, and also indicated how much happiness they derived from their purchase. After replicating our finding from Experiment 1a, t(100) = 2.78, p < 0.01, and replicating the satisfaction findings from Van Boven & Gilovich (2003), t(100) = 1.99, p = 0.05, purchase satisfaction was regressed onto purchase condition and the talking composite. We found a significant mediational relationship, Sobel Z = 2.42, p < 0.02, suggesting that experiential purchases make consumers happier than material purchases, but this difference can be explained by the fact that experiential purchases are more likely to be talked about.

In Studies 2a and 2b, we looked into whether talking about experiential purchases boosts the teller’s happiness more than talking about material purchases. One hundred four participants in Study 2a were given a list of material and experiential purchases and asked what portion of the happiness derived from each purchase came from being able to talk about it. Participants reported that talking was a more important element of the enjoyment of experiential purchases, matched pairs t(103) = 4.80, p < 0.001. Experiment 2b was a close replication of 2a, but instead of asking about the percentage of happiness that came from talking about each purchase, 109 participants rated on a Likert scale how much talking about the purchase added to their overall enjoyment. As predicted, participants reported that talking about purchases with others added more to their enjoyment of experiential purchases than material purchases, matched pairs t(108) = 6.18, p < 0.0001.

One way to gauge the importance consumers attach to talking about their purchases is to examine what happens when they don’t have the opportunity to do so. That is, how much would not being able to talk about a purchase diminish the enjoyment of it, and is this amount different for experiential and material purchases? In Studies 3a and 3b, we hypothesized that consumers would be willing to accept a lesser experience rather than have a more enjoyable experience they couldn’t talk about—but that they would be disinclined to accept such a trade-off when it comes to material goods. In Study 3a, 98 participants provided the two purchases they would most want to make within the categories of beach vacations (experiential) or electronic goods (material) and were then presented with a hypothetical choice dilemma: they could either have their first choice, but without being allowed to talk about it, or they could have their second choice and be free to tell others about their purchase. Participants were more likely to report wanting to switch to a lesser alternative that they could talk about in the experiential condition than in the material condition, χ² (1, N=98) = 19.96, p < 0.001. In Study 3b, we replicated this result, but instead of being restricted to the categories of vacation destinations and gadgets, 98 participants made judgments about purchases from their own lives, χ² (1, N=98) = 3.86, p < 0.05. Consumers seem willing to take a hedonic hit on the purchase itself in order to be able to enjoy talking about experiences, something they are less willing to do for material purchases.

In Study 4, we tested whether having participants talk about their experiential purchases would increase their remembered enjoyment of the purchases in question—but that talking about a material purchase would not have a similar benefit. We asked 204 participants to recall the most recent vacation they had taken or the most recent item of clothing or jewelry they had purchased. They spent five minutes simply thinking about their purchase, or five minutes talking to another participant about it. When then asked to rate how much they liked their purchase, we found a significant purchase type x type of activity interaction, F(1, 97) = 5.37, p < 0.03, that indicated that participants given an opportunity to talk about their vacations reported higher levels of enjoyment than those who simply thought about them, while no such beneficial effect of storytelling was present for material purchases.
Conversation Pieces

EXTENDED ABSTRACT

People need people: they need people to talk to just for a moment—on a coffee break at work or at a party—and they need friends, people with whom they connect with more deeply (Baumeister & Leary, 1995). People invest time and effort in trying to create these short and long term relationships, but previous research has not examined how they may strategically enlist products to help them to create new social connections. This paper attempts to examine this behavior through examining conversation pieces, or products that produce questions and interest from others, literally ones that start conversations.

Previous research has found indirect ways that products can be used to achieve social goals. For example, excluded individuals may substitute products for people (Mead, et al., 2011) or use products to signal social status (Holt, 1998) or identity (Berger and Heath, 2007) to others. However, these articles have only looked at people using products for one-way communication rather than how products may facilitate interaction with another person. Given that conversation is a key way that people connect with each other, to study relationship development it is necessary to examine people talking about products, not just displaying them.

The word-of-mouth literature studies these conversations but focuses on their consequences for product liking or adoption rather than for social relationships. What research there is on the social motives for word-of-mouth suggests that it may not be motivated by social goals, but merely by what is accessible in the speaker’s environment (Berger and Schwartz, 2011). Other research has suggested that they talk positively about products to self-enhance, to help others, or to create feelings of excitement (Sundaram, Mitra, and Webster, 1998). These goals may be rooted in a desire to have positive social interactions with people, but the ability of word-of-mouth to directly build relationships has not been studied. In this paper we examine how people use conversation pieces to create conversations and thus to facilitate the development of relationships.

Given the lack of previous research on conversation pieces, study 1 examines their basic characteristics and the characteristics of the people who frequently use them. In this study, participants were asked to describe a wearable conversation piece that they had and to rate it on a variety of different characteristics. This study and the subsequent ones asked about wearable conversation pieces (as opposed to furniture or art at a person’s home) because the user has a choice of when to and when not to display the item, enabling us to understand the user’s display motives.

In this study several common characteristics of conversation pieces emerged. Qualitative analysis revealed that conversation pieces tended to be souvenirs (a shirt from Cambodia), items related to media (a Super Mario leather jacket), or simply “interesting” pieces of clothing (a necklace mad out of zippers). Almost all of the conversation pieces described were considered by their owners to be noticeable, unusual, identity relevant, and well liked. Since conversation pieces only inspire conversation if others notice them and think that they are worth commenting on, it is not surprising that they are noticeable and unusual.

Study 1 also examined the personality characteristics of people who frequently use conversation pieces. We find that conversation piece usage was relatively across all participants, but people who are higher in extraversion, possession-self connection, and need for uniqueness were more likely to use conversation pieces than those lower in these characteristics. Despite the fact that almost all of the conversation pieces described were clothing, jewelry or accessories, there were no differences in conversation piece usage between men and women.

In study 2A we investigated the motives behind displaying a conversation piece. In this study, participants answered open-ended questions about why they wore their conversation pieces. Participants identified both long and short term goals that they felt their conversation pieces helped them to achieve. Some conversation pieces make the wearer an easier target for another person to approach and initiate a conversation with—“I like your dress” is a very easy conversation starter. This enables the wearer to achieve a short term goal of not being ignored at a party.

Other participants described using their conversation pieces to achieve longer term goals, such as identifying which people they meet might be good friends. As found in study 1, conversation pieces frequently are identity-relevant and communicate a person’s interests or values. Therefore wearers can use them to identify which other people share or approve of those interests and thus might be potential friends. Approximately one third of participants reported using their conversation pieces as a mechanism for deciding which individuals they were interested in getting to know better. This is exemplified by a quote from a 27 year old male who wears a Ninja Turtles t-shirt and says, “If someone says that a Ninja Turtle shirt is childish or stupid or lame I know that they don’t have the same kind of sense of humor I do and we likely won’t get along.”

Study 2B followed up on the social motives behind conversation piece usage using an experimental design. Participants were first asked to think of a conversation piece they had and then were randomly assigned to have a goal to get to know new people or with a goal to talk to their friends. People were significantly more likely to wear their conversation piece when they had a relationship initiation goal than when they did not, suggesting that people may use conversation pieces to help them to cultivate relationships with new people. This study provides evidence that part of the function of conversation pieces is to create new social connections, and that when this motive is not active they are less useful and so less likely to be worn. In sum, in three studies we find evidence that people use products, specifically conversation pieces, to help them achieve both short and long term goals relevant to social connections.

You Gotta Try It! The Negative Side of Positive Word of Mouth

EXTENDED ABSTRACT

Word of mouth (WOM) is a fundamental process in the marketplace (Katz and Lazarsfeld 1955). Positive WOM can increase consumer attitudes (Bone 1995), switching behavior (Wangenheim and Bayon 2004), and trial and adoption of products (Arndt 1967); negative WOM does the opposite, with attendant consequences for firms (Chevalier and Mayzlin 2006). However, recent work has demonstrated that sharing positive WOM can have unintended negative consequences for the storyteller (Moore 2012). Building on this work, we examine the potential downside of positive WOM (PWOM) from the perspective of the receiver.

We ask whether receiving PWOM can ever be “bad” for consumers, and examine when and why this might be the case. We focus on the context of new products, where WOM is a key driver of diffusion (Arndt 1967; Mahajan, Muller, and Bass 1990), and where consumers might be particularly susceptible to the negative consequences of positive recommendations, given the risk and uncertainty surrounding new products (Taylor 1974; Herzenstein, Posavac, and Brokus 2007; Hirunyawipada and Paswan 2006).
Prior research shows that PWOM can elicit positive emotion by providing useful information and reducing risk (Ardit, 1967; Moldovan, Goldenberg, & Chattopadhyay, 2011; Murray, 1991; Söderlund & Rosengren, 2007). We make the novel prediction that PWOM might also be perceived as social pressure to use the adopted product competently and successfully, or else risk negative judgments from the recommender (Berger & Heath, 2008; Cialdini, Kallgren, & Reno, 1991; Schultz et al., 2007). Imagine a consumer who hears that the latest smartphone is the best yet. While this information should elicit positive emotion, we ask whether PWOM might also create social pressure for the consumer to have as positive an experience with the phone as the recommender. This PWOM-induced social pressure might elicit negative emotion such as worry or anxiety (Baumeister & Tice, 1990; Berthoz, Armony, Blair, & Dolan, 2002), with potential consequences for the consumer’s intentions toward the recommended product (Alexander, 2013; Wood & Moreau, 2006).

We explore when PWOM might elicit both positive and negative emotions in adopters and investigate the consequences of these emotions for usage intentions. Since prior work suggests that PWOM should consistently elicit positive emotion, we focus on identifying conditions under which PWOM also elicits negative emotion. To do so, we examine four moderating variables that should increase the social pressure exerted by PWOM and thereby elicit negative emotion in adopters.

Across three studies, we examine 1) volume of PWOM received (study 1); 2) type of PWOM: whether PWOM is liking-based or performance-based (studies 2 and 3); 3) social distance: whether the recommender is close to or distant from the receiver (study 2); 4) product difficulty: whether the product is easy- or difficult-to-use (study 3). We predict that when these moderators exert social pressure to competently use a new product—when volume is high, PWOM is performance-based, the recommender is close, and products are difficult-to-use—adopters receiving PWOM will feel negative as well as positive emotion.

In study 1, we examined how PWOM influenced emotions in a sample of real consumers (N = 299) adopting one of 21 new technological products. We surveyed consumers within one week of acquiring the new product and measured their receipt of PWOM and their positive and negative emotions. We found that the more PWOM consumers received about the product they adopted, the more positive and the more negative emotions they felt about this newly acquired product. However, study 1 is correlational, and consumers do not always receive WOM in such quantities. Thus, our next two studies use a controlled lab setting to explore additional moderators that might elicit negative emotion in single episodes of PWOM.

In study 2, we examined how social pressure affects negative emotion after receiving PWOM from a single consumer. We held product difficulty constant and manipulated type of PWOM and social distance. Undergraduates imagined receiving liking-based (participants were told their friends were “addicted” to the product) or performance-based PWOM (participants were told their friends were “masters” at using the product) from a close or distant social other (a friend or an exchange student). To ensure that our results were due to the social pressure exerted by PWOM, rather than to receipt of new information, we also manipulated whether participants adopted the app because of the PWOM or on their own initiative. This resulted in a 2 (type of PWOM: liking or performance) by 2 (social distance: close or distant) by 2 (adoption influence: own or other) design. We predicted that only in the other-adoption condition would performance-based PWOM from close others exert social pressure and therefore elicit negative. As expected, there were no significant effects on negative emotion in the own-adoption or in the liking-based PWOM conditions. However, as predicted, in the other-adoption conditions, participants who received performance-based PWOM felt more negative emotion when this recommendation came from a close compared to a distant other.

In study 3, undergraduate participants were informed that their school was adopting video editing software for use in class projects, and that the software was generally regarded as either easy- or difficult-to-use. They then imagined receiving PWOM from a close friend, who said the software was “incredibly cool”, and that they were either addicted to (liking-based PWOM) or masters at using it (performance-based PWOM). Thus, study 3 was a 2 (type of PWOM: liking or performance) by 2 (difficulty: easy or difficult) between-subjects design. We predicted that negative emotion would be elicited only when performance-based WOM was received about a difficult-to-use product. Consistent with this prediction, positive and negative emotions were simultaneously elicited only in the difficult-to-use conditions when participants received a performance-based WOM recommendation; type of PWOM did not influence emotions in the easy-to-use conditions. In this study, we also measured usage intentions. We found that positive emotion increased, while negative emotion decreased, usage intentions. We also found that negative emotion mediated the relationship between our social pressure variables (type of PWOM and difficulty) and usage intentions.

In sum, in one field survey and two lab studies, we find evidence of a downside of PWOM; PWOM can elicit negative as well as positive emotions in new product adopters, and negative emotions undermine adopters’ usage intentions.

REFERENCES


