What Hiding Reveals: Ironic Effects of Withholding Information

Leslie John, Harvard Business School, USA
Michael Norton, Harvard Business School, USA

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The Psychology of Being Untrue: The Processes and Consequences of Consumer Dishonesty

Chairs: Yajin Wang, University of Minnesota, USA
Deborah Roedder-John, University of Minnesota, USA

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Leslie K. John, Harvard Business School, USA
Michael I. Norton, Harvard Business School, USA

Paper #2: Faking It with Luxury Counterfeit Products: How Social Feedback Can Make Us More or Less Dishonest
Yajin Wang, University of Minnesota, USA
Deborah Roedder-John, University of Minnesota, USA

Paper #3: The Effects of Construal Level on Consumers’ Anticipations Involving Dishonest Behavior
Nelson Amaral, University of Minnesota, USA
Joan Meyers-Levy, University of Minnesota, USA

Paper #4: Brand (In)fidelity: When Flirting with the Competition Strengthens Brand Relationships
Irene Consiglio, Erasmus University Rotterdam, The Netherlands
Daniella Kupor, Stanford University, USA
Michael I. Norton, Harvard Business School, USA
Francesca Gino, Harvard Business School, USA

SESSION OVERVIEW
Although we would like to believe that dishonest behavior is limited to a small group of unscrupulous individuals, the fact is that most of us engage in these behaviors (Ariely 2012). This session explores three overarching and important questions about dishonesty: (1) What are the interpersonal dynamics that influence dishonest behavior? (2) What are the psychological processes that govern unethical behavior? (3) What are the consequences of dishonest behavior? Existing research, published in marketing and psychology, has not explored this combination of themes. Further, we examine these questions in consumer situations, such as using counterfeit products, failing to disclose information on surveys, and being unethical to a favorite brand.

The first two papers examine interpersonal dynamics and consequences. Both papers examine how people respond to situations where being honest might elicit negative judgments from others. John and Norton show that individuals prefer to withhold information (e.g., recreational drug use) that could cause others to judge them in a negative way. But, paradoxically, individuals who chose to withhold information (and not tell the truth) are judged more negatively than individuals who chose to reveal the information. Wang and John examine the use of counterfeit luxury goods, and explore how consumers respond when others either compliment (“That looks nice on you”) or question (“Is that real?”) the counterfeit user. Compliments encourage more dishonest behavior (hiding the fact it’s a counterfeit; interest in buying more counterfeits), whereas a simple question deters subsequent dishonest behavior.

The last two papers examine psychological processes and consequences. Amaral and Meyers-Levy study how construal level influences expectations of unethical behavior. When judging an unknown person, individuals adopt a high construal level, leading them to anticipate this person will engage in more unethical behavior. However, when individuals consider their own behavior, which encourages an extremely low construal level, they anticipate much less unethical behavior. Consiglio, Kuper, Norton, and Gino explore a new type of dishonest behavior—being unfaithful to one’s favorite brand by flirting with a competing brand. They find that flirting with a competing brand raises arousal levels, and arousal is misattributed to their favorite brand, which results in an even greater desire for the brand. Interestingly, being “unfaithful” to the favorite brand has a positive impact on one’s relationship with the brand.

Taken together, this set of papers opens up several new avenues of research on dishonesty. Each paper includes a completed set of experiments. Given the variety of settings and questions, this session is likely to appeal to a broad set of conference attendees interested in morality and ethics, self-presentation, social signaling, and branding. Further, this session fits well with the theme of the 2013 ACR conference, “Making a Difference.” Dishonest behaviors are pervasive among consumers, yet there is a need for further understanding of how these behaviors emerge, and how they negatively impact individuals.

What Hiding Reveals: Ironic Effects of Withholding Information

EXTENDED ABSTRACT
Imagine being asked about your recreational drug habits by your employer, and realizing that in order to be completely truthful you’ll have to admit that you have occasionally indulged. In four experiments, we show that people believe that the best way to deal with such situations is to opt out of answering at all—but that this strategy is costly, because observers often infer the very worst when consumers choose not to answer such questions: “If he refuses to answer this question, he must have a serious drug problem.” The internet has created a fundamental shift toward openness, and with this shift, consumers are increasingly facing choices of whether to share or withhold information. Previous research shows that consumers tend to “infer the worst” about products when marketers fail to provide information on the products’ key attributes (e.g., Kivetz & Simonsohn 2000; Huber & McCann, 1982; Simmons & Lynch 1991). In contrast however, we focus on consumers’ decisions of whether to share or withhold their personal data—and the wisdom or error of such decisions.

In Study 1, participants were asked which of two individuals they would prefer to date. They were shown, side-by-side, each “prospective date’s” response to multiple choice questions about their frequency of engagement in six taboo or illegal behaviors (such as failing to inform a partner about a sexually transmitted disease): the response options were “never,” “once,” “sometimes,” “frequently,” and “choose not to answer.” One of the prospective dates answered all six questions; the other prospective date answered four questions but selected “choose not to answer” for the remaining two. We also varied the prospective dates’ responses to the questions: in the “never” condition, for example, one of the prospective dates endorsed “never” for all six questions, while the other prospective date endorsed “never” for four questions and “choose not to answer” for the other two. We included similar conditions using “once,” “sometimes,” and “frequently.” In all conditions, participants expressed greater interest in the prospective date who had answered all six questions— even in the “frequently” condition. In other words, relative to a prospective
date who had left two questions blank, participants were more interested in dating someone who had admitted to frequently neglecting to tell a partner about a sexually transmitted disease and to frequently stealing goods worth more than $100.

Study 1 shows that omitting information can lead to more negative judgments; Studies 2A and 2B begin to address whether consumers understand this process, or erroneously believe that leaving questions blank is an effective impression management strategy. In Study 2A, participants were asked to indicate how frequently, if at all, they engage in two behaviors – one desirable (donating to charity), the other undesirable (fantasizing about doing terrible things (e.g., torturing) others). They were told that their response to only one of the questions would be shown to a rater, who would rate their attractiveness as a date. The other question would simply be displayed without the participant’s response. Participants were asked which of the two responses they would like to display. The majority of participants (62%) chose to display their answer to the desirable question, leaving the undesirable question blank.

Study 2B tests whether this choice is a mistake. Both questions from Study 2A were displayed and participants were shown how a prospective date had answered one of them (the modal response from Study 2A was used); the other question was purportedly left blank by the prospective date. We manipulated whether the desirable or undesirable question was unanswered. In contrast to choices in Study 2A, participants in Study 2B expressed greater interest in the prospective date when s/he had answered the undesirable question, relative to when s/he had answered the desirable question (and left the undesirable question blank). Moreover, when we asked participants to guess the prospective date’s answers to a series of new questions, results were consistent with the dating interest ratings, suggesting that non-disclosure may have enduring effects on person perception. Taken together, Studies 2A and B show that ironically, participants choose to opt out of answering questions about undesirable behaviors even though doing so makes them less attractive in the eyes of others.

Finally, Study 3 tests a moderator for observers’ negative judgments of non-disclosers. We predicted that people who have recently withheld information – and therefore are more likely to understand that non-disclosure may not be driven only by desires to hide horrible information – are less likely to subsequently judge non-disclosers harshly. Participants were first asked to answer sensitive questions about themselves; for each question, they had the option of selecting “choose not to answer.” We manipulated participants’ propensity to select “choose not to answer” by varying the other available response options (i.e., sometimes / frequently / always VS. never / once / sometimes); participants were more likely to select “choose not to answer” for the former response scale than the latter. Next, participants were shown a prospective date’s answers to the same questions and rated their interest in dating the person. We again manipulated whether the prospective date had chosen not to answer some of the questions. As predicted, the negative judgments of prospective dates who had left questions blank were buffered when the raters themselves had been induced to leave questions blank.

Taken together, these results suggest consumers can be prone to withholding information when they would be better off sharing it, and point to situations in which this tendency may be exacerbated (e.g. when those who are judging them have not, themselves, recently withheld information). Moreover, the internet’s fundamental shift toward openness may exacerbate these issues, as withholding information becomes more anomalous, and hence, more conspicuous.

EXTENDED ABSTRACT

Purchase of counterfeit luxury goods is a worldwide phenomenon. Past research in marketing has mostly focused on why consumers purchase counterfeit luxury goods (e.g., Han, Nunes, and Dreze 2010; Wilcox, Kim and Sen 2009). However, little attention has been directed toward understanding how consumers feel, think, and respond to wearing luxury counterfeits. A notable exception is research by Gino, Norton and Ariely (2010), who found that wearing luxury counterfeits made users feel less authentic and resulted in more subsequent episodes of cheating.

We examine the social context of wearing luxury counterfeit goods. We propose that consumers feel and respond differently to the experience of wearing luxury counterfeit goods when it takes place in a social context. The first two experiments (Study 1A & 1B) show the social context of purchasing luxury counterfeits influences the way people feel about wearing counterfeits. We find a reversal of Gino, et al.’s results when consumers purchase counterfeit goods in a social setting. The next two experiments (Study 2 & 3) show that social feedback from others regarding luxury counterfeits influences whether users will engage in further dishonest behavior. We find that consumers engage in further dishonest behaviors—lying about the luxury good being real and being interested in buying more counterfeits—only when others compliment them on their fake luxury product. When others ask a simple question (“Is it real?”), we show a reversal of Gino, et al.’s results. Subsequent dishonest behavior is diminished.

Study 1A & 1B

In study 1A, female participants were randomly assigned to wear (1) an authentic Tiffany’s bracelet (2) an authentic Tiffany’s bracelet labeled as counterfeit or (3) control unbranded bracelet. Participants wore the bracelet for 15 minutes while filling out a survey of filler questions. After 15 minutes, participants rated themselves on different personality traits, including “honest” and “genuine” (focal measure), on a scale from 1 (not at all) to 9 (extremely). Results replicate previous research (Gino, Norton and Ariely, 2010), showing participants in the counterfeit condition felt less honest and less genuine than participants in the authentic condition (M = 6.41 vs. 6.12, p < .05).

In study 1B, we followed the same procedure, except participants were told to imagine the bracelet was purchased while overseas in a study abroad program (social setting). We expected the social setting would provide a way for users to rationalize their purchase of a counterfeit, which would eliminate negative feelings about themselves. As predicted, we found no differences in feelings of “honest” and “genuine” between participants who wore the counterfeit versus authentic Tiffany’s bracelet (p > .90). Interestingly, participants in the counterfeit bracelet condition reported themselves to be significantly more honest and genuine than participants wearing the control bracelet (M = 6.05 vs. 5.50, p = .01). Thus, the results from Study 1A and 1B suggest that wearing counterfeits without a social context elicits negative self feelings, but wearing counterfeits purchased in a social setting eliminates these negative feelings.

Study 2

In this study, we examine how social feedback while wearing counterfeits influences subsequent dishonest behavior. Participants were randomly assigned to one of the following experimental conditions: 2 (bracelet: counterfeit vs. control) x 2 (social feedback: com-
pliment vs. question). The bracelet conditions and basic procedures were the same as Study 1B. However, after wearing the bracelets for a period of 20 minutes, all participants were asked to imagine themselves wearing a counterfeit Tiffany’s bracelet to a shopping mall, where they are approached by a salesperson who comments on the bracelet in a complimentary way (e.g., “I really like your Tiffany bracelet. It looks so cute on you!”) or a questioning way (e.g., “I really like your Tiffany bracelet. Is it real?”). Participants were then asked to write down how they would respond to the salesperson, and these responses were coded in terms of honesty on a 5-point scale (1=confess it’s a counterfeit; 3=intentional ambiguous response; 5=lie and hide the fact that it’s a counterfeit). Results showed that social feedback mattered. For participants in the counterfeit bracelet condition, those receiving a question (vs. complement) were more likely to be honest and confess the bracelet is not real (M = 3.26 vs. 1.55, p < .001). Moreover, these participants were also more likely to confess than participants in the control condition who received a question from the salesperson (M = 3.26 vs. 2.47, p = .04). Thus, receiving a compliment while wearing a luxury counterfeit product encouraged users to engage in more dishonest behavior.

Study 4

We continued to examine how social feedback influences subsequent dishonest behavior. Participants were randomly assigned to one of three conditions: compliment, question, or no feedback (control). Each participant was brought to a private interviewing room and was asked to wear a Burberry scarf (which was labeled as a counterfeit) and complete filler tasks. After 15 minutes, a female confederate entered the room pretending to look for a lost cell phone. She made a quick comment about the Burberry scarf in the compliment and question conditions consistent with Study 3, or made no comment at all (control). After this brief interruption, participants completed a survey, including an assessment of attitudes toward counterfeit products (4 items, e.g., “It is okay to buy a counterfeit product as long as I buy the real authentic product someday”). Finally, participants were taken to another private room which had different “counterfeit” luxury products displayed. Participants evaluated them in private and indicated their interest in purchasing these products in the future (1-9 scale). Results showed that participants who received a compliment when wearing a fake luxury scarf were more likely to engage in subsequent dishonest behavior involving counterfeits. Compared to participants in the question condition, participants receiving a compliment exhibited more positive attitudes towards counterfeit products (M = 4.22 vs. 3.27, p = .02), as well as more interest in purchasing counterfeit products in the future (M = 7.19 vs. 4.09, p < .001). Counterfeit purchase intention was also higher for participants receiving a compliment versus those in the control condition (M = 7.19 vs. 5.89, p = .07).

The Effect of Construal Level on Consumers’ Anticipations Involving Ethical Behavior

EXTENDED ABSTRACT

Despite the many lapses in ethical behavior that have attracted widespread attention in recent years, little is known about the cognitive processes that shape people’s (un)ethical behavior and expectations of when it will occur. This lack of understanding exists despite substantial research on this topic within marketing. One factor that has contributed to this state of affairs is that most of the research has focused simply on the practical implications and applications of ethics in marketing. Limited attention has focused on theory-driven inquiry.

This research offers an initial attempt to fill this void by drawing on a corpus of work concerning both psychological distance and construal level theory (Liberman and Trope, 2008). Psychological distance refers to the gap that often exists in time, space, or likelihood that separates an event or object from the personally experienced reality of the here and now. Moreover, variations in psychological distance have been found to affect people’s construal level, which refers to the level of abstraction at which people think about and mentally represent an event in memory (Trope, Liberman, and Waks slak, 2007). Increases in an event’s psychological distance (e.g., an event will happen in the more distant future or to a person other than oneself) prompts individuals to think about an event in a more abstract, less detailed manner, while decreases in psychological distance elicit thoughts about the event in a more concrete or specific manner. Social distance would seem to be of importance in ethical situations for at least two reasons. First, ethical issues generally emerge in social contexts, making it likely that variation in social distance could be germane in ethical situations. Second, and more critically, because psychological distance regards the self, here and now as its lowest endpoint or anchor, assessing one’s own behavior should stimulate exceptionally concrete representations of the situation.

Importantly, prior research has demonstrated that adoption of a high construal level prompts people to place greater priority on the desirability of pertinent end-states or goals. In contrast, adoption of a low construal level leads people to place higher priority on the feasibility and means used to achieve the end-state or goal. We found these observations particularly pertinent to ethical contexts because in such contexts people aspire to achieve a desirable end-state or higher level goal by employing a means that is unethical. The theory that underlies our hypotheses integrates the preceding two notions, namely, (a) a high (low) construal level increases the relative importance assigned to desirability (feasibility) aspects of ethics-related situations, and (b) a focus on desirability encourages unethical behavior by fostering a desire to attain end-states/goals irrespective of ethical considerations, yet a focus on feasibility/means promotes more ethical behavior by heightening the salience of unethical actions. Combining the aforementioned premises we derived the following hypotheses. When individuals consider the behavior of an unknown (distal) person and thereby adopt a relatively high construal level, they should anticipate that this person will engage in more unethical behavior when the event’s psychological distance is greater. But when individuals consider the behavior of the self -- an individual that fosters adoption of an extremely low construal level -- they anticipate that the self will eschew unethical behavior, irrespective of other less potent factors that alter construal level.

The first two experiments found support for this hypothesis in nine different ethical scenarios that varied construal level in a number of ways. In both experiments, construal level was manipulated by altering the focal actor (i.e., social distance: the self or an unknown other). In experiment 1, it was also manipulated through the temporal distance (i.e., close vs. far distance) of the event; in experiment 2, changes in temporal distance were replaced by a fluency manipulation that varied a novel dimension of psychological distance (see Alter and Oppenheimer, 2008). In both experiments a significant two-way interaction revealed that for an unknown other, a higher construal level (i.e. more temporal distance or reduced reading fluency) increased the expectation of unethical behavior, but expectations that the self would behave unethically were low regardless of variation in the event’s temporal distance or fluency.

Experiment 3 sought to extend our research from the cognitive to the behavioral domain. This was accomplished by providing participants with an opportunity to behave dishonestly (Gino and Ariely,
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2010). In this experiment, participants were primed to process information at a higher or lower level through a series of categorization tasks (Fujita, et al., 2006). The results indicated that participants who were exposed to the high (low) construal-level prime cheated more (less).

Finally, study 4 sought evidence of the mechanisms that underlie the preceding effects. Consistent with our theorizing, by relying on a design very similar to that used in experiment 1, we found that participants generated more desirability-related thoughts when the expected behavior concerned an unknown other and a temporal distance manipulation prompted participants to further process the scenarios at a higher construal level. But, participants produced more feasibility-related thoughts (i.e., thoughts about the unethical means) when the event concerned one’s own anticipated behavior (i.e., which prompted use of a very low construal level), and this occurred regardless of variation in the temporal distance factor. Further, analyses of mediated moderation and mediation found that the number of participants’ desirability and feasibility related thoughts accounted for the effects of the social and temporal distance factors on participants’ expectations of unethical behavior.

Brand (In)fidelity: When Flirting with the Competition Strengthens Brand Relationships

EXTENDED ABSTRACT

The consequences of infidelity are detrimental to the continuity of romantic relationships. In order to shield themselves against temptations, individuals who are committed to a relationship devalue the attractiveness of alternatives or pay less attention to them (Johnson and Rusbult 1989; Lydon, Fitzsimons, and Naidoo 2003). Such defensive tactics are more difficult to implement in the context of marketing relationships. In the marketing world, numerous brands are available and actively try to lure consumers away from their competitors by means of commercials, promotions, free samples, and other attempts to win consumers’ preferences. Even the most loyal consumers are exposed to positive information about attractive alternatives, and may even find themselves appreciating other products and brands that compete with their favored brands. What happens when loyal consumers are tempted by other brands? In five studies, we demonstrate that a temporary interest spurred by a competitor positively impacts committed brand relationships. We propose that flirting with a competing brand induces arousal, and this arousal increases consumers’ commitment with their favorite brands through a misattribution process: consumers who flirt with a competitive brand feel more aroused than participants who do not flirt, and they misattribute this arousal to their favorite brand.

We test the positive effect of being unfaithful to brands in a series of studies using a diverse array of paradigms. In study 1, we show that appreciating a competitive brand’s favorable characteristics induces loyal participants to consume greater amounts of their favorite brand in the near future. We presented participants with four favorable features of a soft drink and asked them to evaluate each of them. As predicted, participants loyal to Coca-Cola (Pepsi) who rated favorable features of Pepsi (Coca-Cola) intended to consume more of their favorite soft drink in the upcoming week, compared to loyal participants who rated the same favorable features of Coca-Cola (Pepsi).

In study 2, we provide initial evidence in support of the misattribution hypothesis by examining if the effect of flirting depends on the similarity between one’s favorite brand and a competing brand. The reason for this prediction is that flirting with a similar brand may facilitate the misattribution of flirting-induced arousal from the similar brand to the favorite brand. Participants listed their favorite beer as well as other five beers, and then ranked these five other beers from the most similar to the most dissimilar to their favorite beer. Subsequently, they were asked to imagine that their favorite beer, a beer that was similar or dissimilar to their favorite beer, or red wine (control) was chosen by experts as the best beverage to complement a plate of smoked meats in a food tasting event. Analysis revealed that loyal participants who read a positive scenario about a similar beer expressed even greater love for their favorite beer compared to participants who read the same scenario involving their favorite beer, a dissimilar beer, or wine.

In study 3a and 3b, we investigated the role of perceived agency in flirting, and examined whether the brand flirting effect could influence real behavior. In both studies 3a and 3b, participants in a control condition were instructed to watch a 30-second advertisement for their non-preferred brand. Participants in the experimental condition were given a choice between watching either a 10-minute advertisement for a favorite brand or a 30-second advertisement for a competing brand in the same product category. We predicted that the vast majority of participants in the experimental condition would choose to watch the shorter advertisement – in other words, we predicted the majority of participants would choose to flirt with a brand competing with the brand to which they were loyal. The 30-second advertisements presented in the experimental condition and control condition were identical. Specifically, participants in study 3a watched a 30-second advertisement for their non-preferred soft drink (either Coca-Cola or Pepsi). As additional compensation for their participation in the survey, participants were then instructed that they would be entered into a lottery to win a 2-Liter bottle of a soft drink. Participants indicated whether they would like to receive a bottle of Coca-Cola or Pepsi if they won the lottery. In study 3b, participants watched a 30-second advertisement of Starbucks or Dunkin’ Donuts and were told that they would be asked to watch another advertisement later in the survey, and that they could choose which one of two 30-second advertisements they preferred to watch. Participants were further instructed that one of the advertisements was for Dunkin’ Donuts, and that the other advertisement was for Starbucks. In both studies, participants expressed a greater preference for their favorite brand when they chose to watch an ad for a competitive product, compared to when they were forced to do so, indicating that perceived initiation of flirting is an important antecedent of its effect.

Our last study shows that excitement mediates the effect of flirting on the desire to consume one’s favorite brand. In this study, participants were asked to imagine consuming their favorite potato chips, or a similar brand of potato chips. Participants next indicated how exciting it would be to eat those chips and the extent to which they intended to consume their favorite brand of chips in the near future. Consistent with the proposed misattribution process, mediation analysis indicated that flirting with a similar brand elicits excitement, and this excitement, in turn, leads to higher desire to consume a favorite brand in loyal consumers.

In short, this research offers important new insight into the consequences of flirting with a non-favored brand on consumers’ subsequent attitudes and behavior. Taken together, our findings suggest that being unfaithful does not damage committed brand relationships - on the contrary, it can even strengthen the bond between loyal consumers and their favorite brands. We conclude by discussing the implications of this research for competition dynamics and customer retention.
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