Compensatory Consumption As Self- and Social-Signaling

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This research examines how self-signaling versus social-signaling influence compensatory consumption. Self-signaling motivates people to repair insecurities by seeking products that signal strength in the domain of threat. In contrast, social-signaling motivates people to impress others by focusing on their strengths, and thus enhances preference for products unrelated to the threat.

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Compensatory Consumption: Triggers and Strategies
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**Paper #1: Feeling Physically Short Increases Compensatory Consumption**

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**Paper #2: That’s Not How I Should Feel: Emotion Profile-Inconsistent Emotions as Identity Threats**

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**Paper #3: Compensatory Consumption as Self- and Social-Signaling**

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**Paper #4: Socially Excluded People Value Money for What it Can Do for Them—Restore Belongingness or Control**

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**SESSION OVERVIEW**

Consumers seek products not only for their functional properties, but also for their symbolic value (Belk 1988; Levy 1959). Indeed, consumers often use products to signal to the self and to others that they possess a desired trait or identity. For example, a person who wants to be perceived as high in status might drive a luxury car. Although consumers naturally use products that are imbued with symbolic properties, their propensity to do so intensifies when they feel threatened. After experiencing a threat, consumers have been shown to acquire, consume, and display products that boost a desired trait or identity. This broad set of behaviors is referred to as compensatory consumption (Lee and Shrum 2013; Rucker and Galinsky 2013).

Growing interest has focused on how compensatory consumption unfolds. That is, how do people use consumption to compensate for threats, and what principles guide their compensatory efforts? This session contributes to this body of research by a) investigating new triggers of compensatory consumption (Paolacci, Ordabayeva, and Stuppy; Coleman and Williams), and b) elucidating principles that guide people’s compensatory efforts (Lisjak, Levav, and Rucker; Wan, Chen, and Vohs).

Paolacci and Ordabayeva examine a novel source of threat: experiencing physical shortness. They find that people who feel chronically or temporarily short (vs. tall) prefer products high in status. But, allowing these individuals to reinforce their identity buffers them against seeking status-related products. This suggests that perceived physical shortness poses a threat that consumers are motivated to repair. Coleman and Williams examine another source of threat: experiencing an emotion that is inconsistent with the emotion profile of the salient social identity. They show that when people experience an emotion that is inconsistent with their salient identity, they prefer and consume products that boost that identity, relative to individuals who experience an emotion that is consistent with their salient identity.

Lisjak and colleagues examine factors that influence how people compensate for threat. They show that when people are motivated to self-signal their self-worth following a threat, they prefer products that boost the self in the domain of the threat. In contrast, when people are motivated to signal their self-worth to others, they focus on their strengths and thus prefer products that boost the self in domains unrelated to the threat. Finally, Wan and colleagues build upon the first three papers by introducing the idea that sometimes people are motivated to compensate for a self-threat by preferring to keep rather than spend money. They show that when people feel socially excluded (vs. not) they experience a loss of their sense of personal control and save money as a means to regain control.

Together, these papers (all in advanced stages, comprising 14 completed experiments) provide value by exploring when and how people use consumption in a compensatory manner, and by providing insights that benefit consumers, marketers, and policy makers. We expect that this session will appeal to a broad audience interested in compensatory consumption, social identity, social status, goals and emotions.

**Feeling Physically Short Increases Compensatory Consumption**

**EXTENDED ABSTRACT**

Recent research has documented that physical height significantly impacts outcomes in people’s personal and social life. However, no research has yet investigated whether and how the psychological experiences associated with physical height can affect people’s decisions. We study whether feeling short can pose a threat to people’s identity, and ultimately affect their behavior in the marketplace.

Height is a physical feature that is crucial for evolutionary fitness. In the ancestral past, being small was detrimental for survival as it entailed being inferior in the ability to gather resources and fight enemies (Freedman, 1979). Although these disadvantages are less critical today, even in modern day societies being short seems to negatively affect several life outcomes. Specifically, shorter people tend to have lower salaries, lower ranking jobs, and are generally less likely to become leaders (Egolf and Corder 1991; Frieze, Olson and Good 1990; Highman and Carment 1992; Melamed and Bozionelos 1992; Young and French 1996). Moreover, shortness triggers negative social perceptions, with studies reporting that short people are judged as less competent, confident, and successful compared to taller people (Jackson and Ervin 1992; Judge and Cable 2004; Lindeman 1999; Melamed and French 1996). Shorter people, finally, tend to have a more negative self-image compared to their taller peers (Brewer and Hood 1963; Riley 2009). In sum, large evidence indicates that shorter people might suffer from the actual and psychological experience of physical shortness.

In this research, we propose that feeling physically shorter than others can threaten a person’s identity and social status. This feeling, that can be chronic or momentarily active, can in turn trigger compensatory behavior, such as privileging status-enhancing products in a consumption context and seeking high-power positions while interacting with others.

In Study 1 we explored whether chronic perceived height is associated with compensatory purchases of high-status products. Participants went through three scenarios in which they chose...
between spending a certain amount of money on a high-status product (e.g., Armani sunglasses) and saving the money. In each scenario the participants expressed their relative preference between the two options on a scale from 1 (definitely save the money) to 7 (definitely spend the money). Afterwards the participants reported how short/tall they considered themselves to be (1 = very short, 7 = very tall) and how short/tall they felt relative to their peers (1 = much shorter, 7 = much taller). The results showed that participants who perceived themselves to be shorter had stronger preferences for spending money on high-status products as opposed to saving money. Importantly, participants also reported their actual height. Although actual height and perceived height were correlated, only perceived height predicted participants' preferences for conspicuous spending.

In Study 2 we examined the causal relationship between perceived height and compensatory behavior by considering people’s preferences for a high-status role in an economic game. We manipulated perceived height by asking participants to recall three situations in which they felt short vs. tall. Participants were then explained the rules of the dictator game. These include that a sender can decide how much of her endowment to give to the receiver, who has no choice but to accept what she is given. We observed participants’ preference for participating in the game as senders (a high-status role) or receivers (a low-status role). Reflecting their hypothesized stronger need to compensate, participants in the short condition were more likely to choose the role of a sender than participants in the tall condition.

In Study 3 we examined whether the opportunity to engage in self-affirmation can serve as a buffer against the identity threat induced by perceived shortness and thereby attenuate the effects of perceived shortness on compensatory consumption. We manipulated self-affirmation by asking one group of participants to rank and elaborate on personal values that are important to them in life (e.g., work, religion). Participants in the control condition were asked to rank and elaborate on several features of office chairs (e.g., cushion material, mobility). Afterwards, participants indicated their preferences for spending money on high-status products (=7) vs. low-status products (=1) in three categories (luxury vs. economy car, home decoration vs. maintenance, upscale vs. local restaurant). At the end of the survey we measured chronic perceptions of height with the measures used in Study 1. As expected, self-affirmation reduced preferences for high-status products for individuals who felt short, but not for individuals who felt tall.

Our findings contribute to the recent literature on the effects of physical and genetic traits on decision-making (Gorlin et al. 2011; Simonson and Sela 2011), by showing that physical height affects consumer decision-making. In particular, we showed that the experience of physical shortness threatens people’s identity and leads to compensatory choices in the marketplace. This finding paints a less pessimistic picture of the psychological and social consequences of height. While previous work outlined that shortness seems to (inevitably) lead to detrimental life outcomes (Judge and Cable 2004), and counterproductive interpersonal coping-strategies, like aggression (Willoughby and Blount 1985), the present work illustrates compensatory strategies that are less socially harmful and could provide potent means to bolster people against the threat of feeling short. Importantly for our understanding the genetic and social causes of this phenomenon, feeling short affects status-seeking behaviors above and beyond being short. Future research should investigate the nature of the psychological process behind this effect (e.g., whether it operates with or without individuals’ awareness) and whether and how the psychological experience of physical shortness compares to other known identity threats (e.g., social exclusion). Additionally, it seems promising to identify situation- and person-dependent variables that aggravate or attenuate the threat of feeling and being physically short. This could enable researchers to suggest useful coping strategies for the consumers affected.

**That’s Not How I Should Feel: Emotion Profile-Inconsistent Emotions as Identity Threats**

**EXTENDED ABSTRACT**

Individuals possess identities—group level self-labels which can activate beliefs, attitudes, emotions, and behaviors providing behavioral guidance and reinforcing identity ownership (Reed et al. 2012). Research shows that consumers prefer and consume more of identity-consistent brands and products (Ahuvia 2005; Reed 2004). Recently researchers have investigated what happens when a consumer’s identity is questioned or threatened. Undermining a consumer’s belief in her identity performance encourages consumption to reinforce the threatened attribute (Gao, Wheeler, and Shiv 2009), as well as preferences for products that demonstrate possession of that attribute (Rucker and Galinsky 2008). Thus, when a consumer experiences an identity threat, she may engage in behaviors to “compensate” for the perceived lack of identity enactment.

We examine a new source of identity threats: experiencing an emotion that is inconsistent with the emotion profile of that identity. Social identities contain identity-relevant emotion profiles; consumers will engage in processes of emotion regulation to seek out consistent emotions while avoiding inconsistent emotions (Coleman and Williams 2013). In this research, we argue that experiencing identity-inconsistent emotions undermines identity enactment, creating a threat. We demonstrate that, compared to consumers experiencing emotion profile-consistent emotions, experiencing identity-inconsistent emotions creates greater preference for and consumption of identity-consistent products. Additionally, when consumers self-affirm (White and Argo 2009), “buffering” against the threat, these effects are attenuated. Across 3 studies, we see effects consistent with the proposition that emotion profile-inconsistency is threatening to a consumer’s identity, prompting compensatory self-verification behaviors.

Study 1 used a 3 identity (athlete, volunteer, control) by 2 emotion (anger, sadness) design, to leverage the athlete-anger and volunteer-sadness emotion profiles (Coleman and Williams 2013). Participants completed a writing task, activating their athlete or volunteer identities (Reed 2004). Participants’ emotions were manipulated via facial/bodily feedback (Duclos et al. 2007), generating anger or sadness. Finally, participants evaluated pairs of products; each included an identity-relevant (e.g., Adidas t-shirt, United Way hat) and identity-neutral (e.g., sunglasses) product. Relative preference for identity-relevant products measured compensatory consumption (Rucker and Galinsky 2008). A significant interaction between identity and emotion ($F(2, 218) = 6.175$, $p < .05$) on evaluations of the athlete-relevant products emerged; when athletes experienced the emotion profile-inconsistent emotion of sadness, they had greater preference for athletic products than when they experienced anger ($p = .034$). Similarly volunteers experiencing emotion profile-inconsistent anger had greater preference for volunteerism products than those experiencing the consistent emotion of sadness ($F(2, 218) = 2.973$, $p < .05$; contrast $p = .046$).

Study 2 examines whether self-affirmation (asserting personal values) will protect individuals when experiencing identity-inconsistent emotions. The study was a 2 self-affirmation (yes, no) by
3 identity (athlete, volunteer, control) by 2 emotion (anger, sadness) design, where identity and emotion were activated as in Study 1. Prior to the identity prime, self-affirmation condition participants wrote about values (Shrira and Martin 2005). The predicted three-way interaction emerged ($F(2, 346) = 7.003, p = .001$); in the no self-affirmation condition, athletes experiencing sadness had a significantly greater preference for athletic products than those experiencing anger ($p = .039$), while volunteers experiencing anger engaged in greater compensatory consumption than those experiencing sadness ($p = .003$). However, individuals who had self-affirmed their values revealed no difference in preferences for identity-relevant products regardless of experienced emotion ($p = .86$).

The final study examines the implications of identity-inconsistent emotions as a threat with actual consumption, using a 3 identity (athlete, volunteer, control) by 2 emotions (anger, sadness) by 2 water brands ($H_2$Help, $H_2$Sport) design. Participants’ identities were activated with the writing task, then they experienced both the emotion induction (watching a 4-minute film clip pretreated to elicit anger or sadness) and the consumption opportunity. During the film, they could freely drink an 8-ounce bottle of water, labeled $H_2$Help (volunteer brand) or $H_2$Sport (athlete brand). Water consumed (grams) was the dependent variable. The predicted three-way interaction of identity, emotion, and brand ($F(2, 280) = 3.107, p = .046$) emerged. Athlete identity participants who viewed the identity-inconsistent sad clip consumed more of the athletic water ($H_2$Sport) than the volunteer water ($H_2$Help; $F(1, 280) = 18.176, p < .0001$). When they watched the identity-consistent angry clip, this disappears; they drank equal amounts of athlete and volunteer water ($F(1, 280) = 1.107, p > .25$). Further, those with an athlete identity and given $H_2$Sport consumed significantly more when experiencing sadness than anger ($F(1, 280) = 4.400, p < .05$). These results indicate athletes consumed more identity-consistent ($H_2$Sport) water when experiencing an identity threat: viewing the sad clip.

Similarly, participants with a volunteer identity also strategically consumed water to compensate for an emotion profile-induced identity threat. Those who saw the (inconsistent) angry clip consumed more of the volunteer-oriented ($H_2$Help) water than athletic water ($F(1, 280) = 10.537, p < .001$). In contrast, when they viewed the identity-consistent (sad) clip, there was no difference in their consumption ($F(1, 280) = .084, p > .75$). Those with a volunteer identity given $H_2$Help drank more when experiencing anger than sadness ($F(1, 280) = 7.057, p < .01$). Within the control identity conditions, there were no differences in consumption of the water based on either emotion or brand ($p > .2$).

Across 3 studies, with different emotion manipulations, two identities, and measures of preferences and actual consumption, we find consistent evidence that experiencing an emotion that is inconsistent with a salient identity’s emotion profile can be a source of identity threat. This research demonstrates that emotion profile-inconsistency is threatening to a consumer’s identity, prompting compensatory consumption. Just as with negative group stereotypes (Steele and Aronson 1995), doubting possession of an identity-associated trait (Gao, Wheeler, and Shiv 2009), or making unflattering cross-group comparisons (White and Argo 2009), emotions too can undermine identity-performance and incite compensatory consumption.

**Compensatory Consumption as Self- and Social-Signaling**

**EXTENDED ABSTRACT**

Consumers engage in signaling on a daily basis: they seek products, hold attitudes, and engage in behaviors to communicate information about themselves to others. This is referred to as social-signaling (Batra et al. 2000). Consumption can also be used to self-signal information (Quattrone and Tversky 1984). Thus, people occasionally consume in order to bolster their sense of self.

Consumers’ propensity to engage in signaling behaviors increases when they feel threatened or insecure. Indeed, several studies have shown that after experiencing a self-threat, people are more likely to buy, use and display products that are associated with desirable traits, presumably in an effort to compensate for the threat (Lee and Shrum 2013; Rucker and Galinsky 2013; Wicklund and Gollwitzer 1981). Prior work has often examined how people respond when they feel insecure in private settings, such as receiving negative feedback in a lab experiment, which can be linked to a self-signaling motive—people want to affirm who they are to themselves. However, little is known about how people cope when they are made to feel insecure in public settings, which may elicit concerns both about the self and about how others view them. The objective of this research is to address this issue by examining how self-versus social-signaling influence the way people compensate for self-threats.

One approach people use to compensate for self-threats is to seek products that signal accomplishments and success in the domain of the threat. We term this approach within-domain compensation, as consumers seek to associate themselves with products or brands that signal strengths within the domain of the threat (Gao, Wheeler, and Shiv 2009; Levav and Zhu 2009; Rucker and Galinsky 2008; Stone et al. 1997). To illustrate, after participants received negative feedback about their intelligence, they were willing to pay more for products that signaled intelligence, relative to those who did not receive negative feedback (Kim and Rucker 2012). A second approach people use to compensate for self-threats is to associate themselves with products or brands that signal strengths in alternative important domains, unrelated to the threat (Steele 1988; Stone et al. 1997). We refer to this second approach as across-domain compensation. To illustrate, after receiving feedback that made salient their hypocritical behavior of practicing unsafe sex (vs. not), participants were more likely to donate money to a charity organization for homeless people in an effort to boost their views as altruistic and generous individuals (Stone et al. 1997).

We propose that when people feel insecure in private settings they will be motivated to self-signal repair and will thus prefer to compensate within-domain, relative to control participants (see also Gao et al. 2009; Stone et al. 1997). This is because within-domain compensation provides the most aligned means of addressing the threat. However, products that can self-signal repair may signal to others one’s vulnerabilities. Indeed, if one were to engage in within-domain compensation others may question their competencies in the domain of the threat. Thus, we suggest that when people feel insecure in public settings, they will be more inclined to compensate across-domain because of their motivation to impress others.

**Experiment 1.** Participants were first threatened in the domain of intelligence either in a public or private setting. Specifically, participants were asked to recall a time in which they did not feel as intelligent as they wanted to either when they were with others or when they were alone. Participants in the control conditions were asked to recall a neutral episode that occurred either when they were with others or when they were alone. Next, as part of
an ostensibly unrelated task, participants were asked to indicate their preference between an intelligence-related product (within-domain compensation) and a status-related product (across-domain compensation). Compared to control participants, those who felt insecure about their intelligence and were in the private condition, preferred the intelligence-related product more. However, participants who felt insecure about their intelligence and were in the public condition preferred the across-domain product more, relative to control participants.

Experiment 2. Experiment 2 provides evidence for the psychological process that underlies our findings in Experiment 1 by showing that social-signaling motivates people to compensate across-domain only among those who are concerned with how they appear in front of others (i.e., high self-monitors), but not among those who are less concerned with how they appear in front of others (i.e., low self-monitors). Participants were either publicly threatened in the domain of intelligence or not. They were then asked to indicate their preference between an intelligence-related product (within-domain compensation) and a status-related product (across-domain compensation). Finally, participants completed the self-monitoring scale (Snyder and Gangestad 1986). Participants who were threatened publicly showed a greater preference for the across-domain product relative to control participants, but only when high in self-monitoring and not when low in self-monitoring.

Experiment 3. The final experiment provides further evidence for the underlying process by measuring people’s concern to impress others. Participants were either publicly threatened in the domain of intelligence or not. Then, they were asked to indicate their motivation to impress others. Finally, participants indicate their preference between an intelligence-related product (within-domain compensation) and a creativity-related product (across-domain compensation). Results showed that when people experienced a threat publicly they preferred to compensate across-domain relative to control participants. Furthermore, the motivation to impress others mediated this effect in the public threat condition but not in the control condition.

As a whole, this research provides a first attempt to systematically examine the effects of self-signaling and social-signaling on compensatory consumption. The implications of this research for the broader topic of compensatory consumption and signaling are discussed.

Socially Excluded People Value Money for What it Can Do for Them—Restore Belongingness or Control

EXTENDED ABSTRACT

The experience of being socially excluded, isolated, or alone is unfortunate and pervasive in daily life (Baumeister et al. 2005; Williams 2007). The current research tests how social exclusion influences consumers’ spending by presenting a comprehensive model whereby social exclusion threats and therefore heightens needs for both belongingness and control.

Prior research has suggested that social exclusion fundamentally threatens one’s need for belonging and often motivates people to engage in behavior that can yield new social relationships (Baumeister et al. 2005; Maner et al. 2007). For example, Maner et al. (2007) found that social exclusion increases people’s interest in making new friends and working with others, and that this effect did not occur when the contexts lacked the opportunity for social connection. Along this line, Mead et al. (2011) found that excluded participants were more likely than non-excluded participants to use their money to purchase a product favored by their interaction partner, and that this effect was not observed when there was little chance of interacting with the partner. However, by far the existing research is mute on whether or how social exclusion might affect money spending when purchasing does not present opportunities for social affiliation.

We departed from prior work by proposing that in fact being socially excluded has significant implications for spending, due to a shift in attitudes about money. We predicted that social exclusion would reduce spending when consumers perceive that a purchase will not provide the chance for social inclusion, and that this reduction in spending would be due to an intention to compensate for the loss in personal control because money is seen as a source for control.

As a basic human motivation, personal control is defined as the capacity to change events, and perceptions of personal control are closely related to perceptions of competence and mastery over the environment (Burger 1989; DeCharms 1968). Prior research has found that social exclusion robs people of a sense of personal control (Lee and Shrum 2012; Williams 2007) and motivates them to boost their sense of control (Warburton, Williams, and Cairns 2006). For example, Warburton et al. (2006) found that social exclusion increases aggression - a coercive tool used to restore a sense of control, and that allowing participants to fortify their sense of control in other means diminished this effect.

Money enables people to work the social system to obtain their needs and wants. Having money means having the ability to secure what one needs and in doing so to gain some mastery over life. The concept of money might be linked to the concept of control (Lea and Webley 2006). For example, Lachman and Weaver (1998) found that low-income (vs. high-income) people reported poorer health and lower life satisfaction and feelings of low personal control. Suggestive of the power of control, however, low-income people who felt a high sense of personal control reported health and well-being patterns on a par with high-income people. Price, Choi, and Vinokur (2002) found in a longitudinal study that reduced personal control statistically accounted for the adverse effects of financial strain on poor health. A diverse set of research indicates that people see money as a symbol and source of power (Tang 1995; Yamauchi and Temple 1982), a concept associated with control (Fast and Chen 2009).

Drawing on the two sets of literature, we posited that social exclusion would decrease spending because socially excluded people would hold on to their money to compensate for the threats to their personal control. Money in these cases is seen as a means for personal control. Moreover, we predicted that social exclusion would increase spending on products that are seen as helpful for achieving social affiliation. Here money is viewed as a means for acquiring social affiliation through the product. Five experiments tested and supported our hypotheses.

In Experiment 1 participants first played a Cyberball game that manipulated social exclusion versus inclusion (van Beest and Williams 2006), and then indicated their willingness to pay for a computer and for having a casual meal in a restaurant based on customer review about the computer and the restaurant. Socially excluded participants were willing to pay less than included participants for the computer (Mexclusion = HK$3950 vs. Minclusion = HK$5625, F(1, 36) = 11.95, p = .001 ) and for the meal (Mexclusion = HK$55.55 vs. Minclusion = HK$67.90, F(1, 36) = 5.28, p < .03).

Experiment 2 replicated the result in experiment 1 by 1) using a recall task (Pickett, Gardner, and Knowles 2004) to manipulate social exclusion and 2) assessing willingness to pay involving a genuine purchase of a snack. Socially excluded participants offered less money for the snack (Mexclusion = HK$6.34 vs. Minclusion
Experiment 3 tested the mechanism using a moderation approach. When participants did not fortify their personal control before spending, excluded participants were willing to pay less (Mexclusion = US$5.57 vs. Minclusion = US$6.80, F(1, 152) = 4.06, p < .05). However, when this product provided the affiliation opportunity, excluded participants were willing to pay more (Mexclusion = US$8.20 vs. Minclusion = US$7.33, F(1, 152) = 2.89, p = .09). Participants’ social affiliation aspiration mediated this moderation effect.

Experiment 5 replicated the results in experiment 4 using a measure equivalent to Becker, DeGroot, and Marschak’s (1964) procedure to assess willingness to pay.

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