When Doing Good Is Bad in Gift-Giving: Mispredicting Appreciation of Socially Responsible Gifts

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Gift givers mispredict appreciation for socially responsible gifts, and their mispredictions depend on the nature of their relationship to the recipient. Four studies find that givers overestimate their appreciation for distant others, i.e. those whom the giver has more to gain with by making better gift choices.

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The Pleasures and Perils of Gift-Giving
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Paper #1: Ensouling Gifts with Closeness
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Paper #2: When Doing Good Is Bad in Gift Giving: Mispredicting Appreciation of Socially Responsible Gifts
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Paper #3: Overly Specific Gift Giving: Givers Choose Personalized but Less-Versatile and Less-Preferred Gifts
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SESSION OVERVIEW
Consumers employ a variety of strategies to select gifts that will enable them to please and connect with their intended recipients, with varying results. Whereas some of these strategies can lead to success, others are more likely to lead givers astray. The purpose of this symposium is to identify the strategies that givers use to imbue gifts with value and meaning, understand how givers come to develop deft or deft intuitions, and predict how such strategies are likely to affect recipients' appreciation for the gifts they receive as well as for the givers who gave them. Together these four papers address those key questions.

First, Evan Polman and Sam J. Maglio propose that one way in which givers attempt to please and connect with recipients is by “companionizing” their gifts – whereby givers gift something that they also buy for themselves. This strategy generates greater feelings of closeness among recipients toward givers and increases their appreciation for their gifts, even when such gifts are less-than-desirable.

Next, Lisa Cavanaugh, Francesca Gino, and Gavan Fitzsimons examine another strategy that givers use: givers choose socially responsible gifts (e.g., a charitable donation in the recipient’s name) to make recipients feel good about supporting a worthy cause. Although this intuition is generally well-founded, givers underestimate close others’ appreciation for socially responsible gifts and overestimate distant others’ appreciation for such gifts.

Mary Steffel, Elanor F. Williams, and Robyn A. LeBoeuf investigate another way in which givers mispredict recipients' preferences: by choosing gifts that are more specific and less versatile than what recipients prefer. Givers focus on recipients’ stable traits and choose gifts that are specifically tailored to those qualities, whereas recipients focus on their multiple, varying wants and needs and prefer gifts that can fulfill whatever those might be. This mismatch is greatest when givers choose gifts for close versus distant others and can lead to gift nonuse.

Finally, Laurence Ashworth, Katherine White, and Darren Dahl show that, whereas givers may find it intuitive to convey to recipients why they chose certain gifts on their behalf, this strategy may often backfire. In the absence of an explanation, recipients tend to naturally attribute gifts to symbolic or sentimental motives. Thus, the presence of information that provides another possible reason for why the gift was chosen (e.g., the gift was on sale) can undermine the symbolic value of the gift and reduce recipients’ appreciation for it.

Together, these studies contribute to consumer theory by illuminating how consumers strive to gratify and connect with other people through the gifts that they give them, how such efforts may come to be well-placed or misguided, and how recipients respond to these gestures. It further identifies factors—such as relationship closeness, perspective taking, and behavioral attributions—that may bias givers’ perceptions and contribute to givers’ success or failure. This research is of broad interest to researchers in consumer psychology in general and to researchers in gift giving, prosocial behavior, and judgment and decision making in particular.

Ensouling Gifts with Closeness

EXTENDED ABSTRACT
When it comes to gift-giving, consumers often experience ambivalent feelings: Many relish the opportunity to buy gifts because gift-giving offers a means by which to build stronger bonds with one’s closest peers (Ward and Broniarczyk 2011), yet consumers are often inaccurate in what they think will delight their peers (Baskin, Waksłak, Trope, and Novemsky 2014; Flynn and Adams 2009; Gino and Flynn 2011; Steffel and LeBoeuf 2014). Typically, such deficits are discussed in terms of givers struggling to take the perspective of recipients (Zhang and Epley 2012) – indeed, much research has found that people are susceptible to egocentrism, social projection, and multiple attribution errors (Ross 1977).

In our research, we take a different approach to this topic. Rather than examining the effects of givers’ egocentrism dampening recipients’ satisfaction, we develop links between gift-giving and the separate literature streams on interpersonal closeness and a special type of sharing that we refer to as “companionizing.” In marketing research, sharing is usually viewed as jointly consuming something, like sharing the same dessert, or sharing a meal together – however, other instances of sharing have been documented as well. For example, sharing can also mean to use, occupy, or enjoy something jointly with others (e.g., sharing a house together in the Hamptons); to tell someone about something personal (e.g., sharing a secret); or to possess something in common with others (e.g., sharing the same sweater as someone else). It is this last example that is the focus of our work.

Broadly, we document a new type of sharing that results of owning the same product as others. Specifically, our studies build on past work on interpersonal closeness by proposing that this type of sharing also may play an important role in gift-giving. As a general pattern, sharing “goes hand in hand with trust and bonding” (Belk 2010, 717) – it is for this reason that when consumers want to fit in with others, they appropriate the same items as those others (Mead, Baumeister, Stillman, Rawn, and Vohs 2011); similarly, it is for this same reason that when consumers want to stand out from others, they deliberately avoid buying the same items as those others (Berger and Heath 2007, 2008). These examples show that sharing creates closeness – from sharing attitudes with others, to birthdays, or clothes, people feel closer to those similar others (Gentina 2014;
When Doing Good Is Bad in Gift Giving: Mispredicting Appreciation of Socially Responsible Gifts

EXTENDED ABSTRACT

As a socially important phenomenon, gift-giving helps individuals signal their commitment and caring in social relationships (Belk 1976; Caplow 1982). Individuals face numerous occasions in which they need to choose gifts for others with whom they have a personal (family, friends, neighbors) or professional (assistants, bosses, interns, co-workers) relationship. Often consumers find themselves in situations where they need to choose a gift for someone whose explicit preferences are unknown. An increasing number of gift givers are turning to “gifts that give twice”—that is, gifts supporting a worthy cause (Maciejewsky 2008). Such gift choices are often motivated by people’s desire to “do good” (Andreoni 1990) and identification with moral identity (Aquino and Reed 2002). We examine whether such gifts have the expected outcomes.

Most research on gift giving has focused on gifts that benefit the recipient directly, such as products, monetary gifts, or gift certificates. Past research has examined how a variety of gift characteristics impact appreciation, including whether a gift is requested (e.g., gift registry; Bradford and Sherry 2013; Gino and Flynn 2011; Ward and Broniaczyk 2011), expensive (Flynn and Adams 2009) or material vs. experiential (Van Boven and Gilovich 2003). Socially responsible gifts, such as a charitable donation made in the recipient’s name, do not benefit the recipient directly; rather, they are intended to produce an indirect psychological benefit to the recipient, namely a sense of satisfaction and happiness from helping a third party in need (e.g., a charity) and perhaps connoting recognition of an altruistic or moral identity. Moreover, socially responsible gifts are often intangible and their cost transparent (e.g., $50 donation in your name). As such, socially responsible gifts provide an interesting context for understanding when symbolic meaning is most likely to impact givers’ predicted and recipients’ actual appreciation.

Building on prior work documenting mispredictions in gift-giving (e.g., Adams, Flynn, and Norton 2012; Flynn and Adams 2009; Gino and Flynn 2011; Zhang and Epley 2012), we argue that, under certain conditions, socially responsible gifts are substantially less appreciated by recipients than giver anticipate. We propose that reactions to socially responsible gifts and interpretation of their meaning largely depend on relational closeness between the gift giver and the receiver. Specifically, we find that givers consistently mispredict appreciation of socially responsible gifts, underestimating appreciation for close and overestimating appreciation for more distant others.

Our research is the first to explore 1) whether socially responsible gifts are appreciated, 2) what socially responsible gifts communicate in the minds of those giving vs. receiving them, and 3) when mispredictions of appreciation are most likely to occur. We identify relational closeness as an important moderator to documented mispredictions in appreciation of symbolic gifts. We present four studies that support our hypotheses, comparing non-tangible, socially responsible gifts (e.g., a charitable donation in the recipient’s name) to both tangible and non-tangible gifts that produce direct benefits to the recipient (e.g., a gift basket or a gift certificate).

Study 1A & 1B

Participants (N=154) randomly assigned to a giver (vs. receiver) condition were asked to imagine that they (or a close friend) had selected a birthday gift: a $50 donation to Oxfam to support coffee growers. They then completed dependent measures for feelings of appreciation, thoughtfulness (Flynn and Adams 2009), offensiveness,
favorability, and symbolizing commitment to the recipient on 7pt scales. Study 1B (N=311) provided a conceptual replication with a 2 (role: giver vs. receiver) X 2 (alternative gift option: known vs. unknown) design and different gift stimuli. Results show that, in close relationships, givers do not accurately predict how much recipients will appreciate socially responsible gifts whether the alternative gift options are known or unknown (all ps < .01).

Study 2
To investigate the role of relationship closeness as an important moderator, participants (N=151) were randomly assigned to a 2 (role: giver vs. receiver) X 2 (relational closeness: close vs. not close) design. Results revealed the predicted role X relationship closeness interaction on all measures: appreciation, thoughtfulness, favorability, offensiveness and the gift symbolizing commitment to the relationship (all ps < .002). On all measures, givers predicted that the recipient would appreciate the socially responsible gift much more in the case of a distant rather than a close friend (p < .001). However, in close relationships, givers underestimated how much recipients would appreciate socially responsible gifts (p < .003). Moreover, givers believed receivers would appreciate the donation more when the recipient was a distant rather than a close friend.

Study 3
To test the generalizability and external validity of our findings, we examined the phenomenon using real gifts and real relationships (close and distant). University students (N=245) were randomly assigned to a 2 role (gift giver/ gift recipient) X 2 relationship closeness (close/ not close) X 2 gift type (socially responsible gift/ traditional gift) design, described as a gifting study in exchange for credit or $5 gift-card. In advance of their lab session, participants identified multiple friends, and we randomly selected and contacted one of the listed friends. Friends were contacted via email and asked to make a $25 gift choice from six options for the person named. After making their choice, gift-givers completed all the same dependent measures. When student participants arrived at the lab for their in-person session, the gift chosen by their friend was presented to them. After collapsing across gift type (traditional vs. socially responsible gift), results showed that 39.1% of givers chose the socially responsible gifts and 60.9% chose traditional gifts for friends. We found a significant relationship closeness by gift type interaction (p < .03) and a significant three-way role by gift type by relationship closeness interaction (p < .02). The simple role by relationship closeness interaction was significant for socially responsible gifts (p < .02), but not traditional gifts (p < .44). Probing with the Johnson-Neyman technique showed that givers significantly overestimated recipients’ appreciation for socially responsible gifts at low levels of closeness (below 3.1030), i.e. distant relationships. Together these four studies show that givers mispredict appreciation for socially responsible gifts, and that their mispredictions depend on the nature of their relationship to the recipient.

Overly Specific Gift Giving: Givers Choose Personalized But Less-Versatile And Less-Preferred Gifts

EXTENDED ABSTRACT

Gift givers often fail to anticipate that the gifts they prefer to give are not necessarily the ones recipients prefer to receive. We propose that one way in which givers misgauge recipients’ preferences is by favoring gifts that are specific and personalized to recipients but are less versatile than what recipients prefer to receive.

Givers frequently tailor gifts to recipients, as it is not just the act of giving a gift, but the meaning of that gift, that matters (Belk 1996; Schwartz 1967). When selecting and tailoring gifts, givers may focus on recipients’ stable and unique traits to select what seem like the most appropriate gifts, but recipients may be more aware that what they want may depend on the situation and may frequently change (e.g., Jones and Nisbett 1971; Nisbett et al. 1973). As a consequence, givers may gravitate toward gifts that are tailored to recipients’ traits but are too specific to meet recipients’ varying wants and needs.

Studies 1a, 1b, and 1c examine whether givers tend to choose gifts that are more specific than recipients prefer to receive. In Study 1, participants imagined either giving or receiving a gift card and chose between a Visa gift card or a gift card for the recipient’s favorite store. Recipients were more likely to receive the Visa gift card than givers were to give it (χ^2(1, N = 294) = 44.50, p < .001). Study 1b illustrates the generality of this discrepancy by showing that recipients are more likely than givers to prefer a gift card meant for several stores over one meant for a single store (t(115) = -2.36, p = .02, d = .43), a gift card over a gift (t(117) = -2.73, p = .007, d = .50), and cash over a gift (t(118) = -4.05, p < .001, d = .74). Study 1c shows that this discrepancy extends to tangible gifts as well: recipients preferred a multi-purpose gift over a single-purpose gift more than did givers (t(268.28) = -5.08, p < .001, d = .61).

Study 2 investigates whether givers persist in choosing overly specific gifts even when they first consider what they themselves would prefer to receive. Indeed, givers chose overly specific gift cards even when they assumed the roles of both recipient and giver sequentially (paired t(341) = 12.66, p < .001, d = .71). Study 3 shows that this is because givers and recipients have different ideas about which gifts are more thoughtful and better liked. Recipients were more likely to consider a Visa gift card to be more thoughtful (relative to a store gift card) than were givers (γ^2(1, N = 238) = 21.20, p < .001). Additionally, recipients liked the Visa gift card more than givers thought they would (t(255) = -4.04, p < .001), and liked the store gift card less than givers thought they would (t(213.36) = -2.77, p = .006).

Studies 4a and 4b show that this discrepancy is rooted in the tendency for givers to focus on recipients’ stable traits and for recipients to focus on their own variable wants and needs. In study 4a, givers rated themselves more likely to consider what their friend was like as a person when suggesting gifts they would prefer to receive than when they first thought about what their friend was like as a person when choosing a gift than recipients were to consider what they were like as a person when suggesting gifts they would want to receive (t(169) = 5.58, p < .001, d = .84). And, givers were less likely than recipients to consider the recipient’s current wants and needs when choosing gifts (t(169) = -2.30, p = .02, d = .35). In study 4b, givers rated themselves more likely to choose a Visa gift card over the store gift card when they first thought about what their recipient would like than when they first thought about what their recipient was like (t(206) = 2.33, p = .02, d = .32).

Study 5 shows that givers are more likely to choose overly specific gifts for close than distant others, presumably because they are especially motivated to be thoughtful and personalize gifts for close others. Givers preferred giving a tailored store gift card over a Visa gift card to a greater extent for a romantic partner than a friend (t(197) = 4.01, p < .001, d = .57), but recipients’ preferences between the gift cards did not vary based on their relationship to the giver (t(180.30) = .74, p = .46, d = .11).

Studies 6a and 6b show that this giver-recipient discrepancy can contribute to gift non-use. In study 6a, participants recalled a gift card that they gave [received] and indicated how long it took the recipient [them] to redeem it (if at all). Gift cards were coded for specificity based on the number of product categories for which they could be
redeemed. Recipients took longer to redeem gift cards (if at all) the more specific they were ($\beta = -3.1, t = -4.08, p < .001$), but givers failed to anticipate this ($\beta = -1.3, t = -1.61, p = .11$). In study 6b, we analyzed all gifts that were given in 2013 and redeemed via Giftly, a service that allows givers to give gift cards with a suggestion of what to get and where to get it and allows recipients to receive their gifts as a credit to their credit card or PayPal account. Controlling for gift value and method of receipt, recipients took longer to redeem gifts that came with a specific suggestion of an item or place where the gift should be used than ones that did not ($F(1, 9,355) = 75.89, p < .001$, $\eta^2_p = .008$).

This research contributes to a growing body of research showing that givers often fail to accurately anticipate what recipients would most like. It further suggests that giver-recipient discrepancies in judgment may be one reason why so many gift cards go unredeemed. It also suggests a solution: focusing on what recipients would like. It further suggests that giver-recipient discrepancies in judgment may be one reason why so many gift cards go unredeemed. May encourage givers to choose gifts that are more likely to be used and appreciated.

**How Reasons Can Undermine the Symbolic Value of Gifts**

**EXTENDED ABSTRACT**

Consumers' spend a great deal of money on gifts – by some estimates, over 4% of household income (Caplow 1982; Garner and Wagner 1991). A fair amount of research has explored the social function of gifts (e.g., Sherry 1983). Less, however, has examined how receivers respond to the gifts that they receive. The current work examines an attributional framework for understanding recipients’ reactions. Our basic premise is that recipients typically attribute gifts to positive giver sentiments. This makes recipients relatively forgiving when it comes to the quality of the gift, but it also means they should be sensitive to information that suggests alternative reasons for the givers’ choice. We examine this idea in the context of discounts, where we suggest that knowing a gift was bought on sale provides an alternative reason for the givers’ choice that undermines recipients’ appreciation.

Choosing the right gift is a difficult task. Givers appear to routinely misjudge what recipients would like (Flynn and Adams 2009; Gino and Flynn 2011), resulting in a deadweight loss (Waldofgel 1993) and many returned gifts (NRF 2015). Despite this, current evidence suggests that gift recipients are nevertheless appreciative of the gifts that they receive. Gino and Flynn (2011) found that recipients were happier to receive a solicited (vs. unsolicited) gift than givers believed they would be. Flynn and Adams (2009) found that recipients were insensitive to cost, despite givers’ beliefs that more expensive gifts would convey greater thoughtfulness. In short, recipients appear to be more appreciative of a wider variety of gifts than givers appear to recognize.

One suggestion for this is because recipients may be relatively unlikely to contemplate an alternative gift. Instead, they may compare their gift to the counterfactual of receiving no gift at all (Flynn and Adams 2009). This implies that recipients’ will be appreciative of a wide variety of gifts because relative to no gift, it is a thoughtful gesture. However, this also suggests that recipients might be sensitive to information that suggests alternative reasons for the givers’ behavior. Consistent with principles of attributional discounting (Morris and Larrick 1995), competing accounts of the behavior should undermine any one explanation. Specifically, we predict that recipients will discount their assumption that the gift reflects positive giver sentiments when there is information that suggests other reasons for givers’ choice. We test this in the context of discounts, where we predict that a discount provides an alternative reason for givers’ choice which should reduce the symbolic value of the gift, undermining recipients’ appreciation. Two studies test this basic prediction.

**Study 1**

Two-hundred and six students participated in a 2 (Price: $20 vs. $40) x 2 (Discounted: Yes vs. No) between-subjects experiment. Participants read a scenario in which they received a gift from a friend at their birthday party. The following day participants happen to see the gift while shopping for $20 (vs. $40) and discounted by 50% (vs. not). Six items measured participants’ happiness with the gift ($α = .90$). Consistent with past research, price did not affect happiness ($F(1, 202) = .01, p > .90$). The discount, however, did reduce happiness ($Ms = 4.62$ vs. $6.01; F(1, 202) = 97.75, p < .001$). A significant interaction ($F(1, 202) = 5.08, p < .05$) indicated this was enhanced for the more expensive gift ($Ms = 4.47$ vs. $6.18; M_{F,20} = 4.77$ vs. $5.84$). Note that a gift discounted from $40 to $20 was less appreciated than a non-discounted $20 gift ($Ms = 4.47$ vs. $5.84; p < .001$). Overall, there was no evidence that the absolute amount spent mattered (at least within the price range examined), but a discounted gift did lower recipients’ happiness.

**Study 2**

Study 2 examined whether the negative effect of the discount would be reduced in situations where the giver was less responsible for the discount. This was manipulated by having the gift come from the recipients’ wish list (vs. not). Some work suggests that recipients should be sensitive to this information, although the correspondence bias suggests they might not. Ninety-three students participated in a 2 (Wish List Item: Yes vs. No) x 2 (Discount: Yes vs. No) between-subjects experiment. The gift always cost $20 and was discounted from $40 (vs. not). Happiness with the gift was measured with the same items ($α = .90$). Consistent with the previous study, a discounted gift reduced recipients’ appreciation relative to a non-discounted gift ($Ms = 4.90$ vs. $5.59; F(1, 189) = 10.38, p < .01$), even when the gift came from the recipient’s wish list (no other effects were significant). Overall, discounted gifts reduced recipients’ appreciation. This occurred regardless of the price of the gift, and even when the recipient chose the gift.

**REFERENCES**


Advances in Consumer Research (Volume 43) / 233