Social and Material Concerns in Paying It Forward: People Are Selfish, But Only in Secret

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We explore the effects of two often-competing incentives—material gain and social reputation—on paying-it-forward in real-world networks. People asymmetrically pay forward negative outcomes, but only when behavior is anonymous and their gains are directly tied to others’ losses. Even minimal social cues lead people to forsake greed for generosity.

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Paying-it-Forward: How Greed, Generosity, and (un)Fairness Spread Through Social Networks
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Paper #1: Social and Material Concerns in Paying it Forward: People are Selfish, But Only in Secret
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Paper #2: When is it Better to Give or Receive? Kindness, Happiness, and Reciprocity in the Chain of Giving
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Silva K. Kurtis, Georgetown University, USA
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Paper #4: Moral Responsibility and Paying it Forward: The Effects of Social Distance and Queue Length on Paying Forward Generosity
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SESSION OVERVIEW
The concept of “paying it forward” is prevalent in game theory, psychology, and popular culture. This concept is a simple one: A is kind to B, and B—rather than paying that kindness back to A—pays it forward to C. C then pays that kindness forward to D, D pays it forward to E, and so on, creating a never-ending chain of good will. However, reality is not so simple. On any given day, consumers may receive not just kindness, but also cruelty. They may be motivated by self-interest, pressured by social norms, or influenced by individual differences. In this session, we look at how various internal and external factors may influence the likelihood of paying forward both positive and negative outcomes. In so doing, we shed light on how greed and generosity, fairness and unfairness, and prosocial and antisocial behavior may spread through social networks.

The first paper (Ward, Norton, and Gray) investigates how two potential incentives—material gain and reputational concerns—may influence the likelihood of paying forward both positive and negative outcomes; results suggest that adults use sophisticated cognitive abilities to maximize material benefits while minimizing social costs. The second paper (Jung, Nelson, and Kurtis) analyzes the separate influences of reciprocity and generosity on paying-it-forward; results from this work shed light on multiple components motivating pay-it-forward behavior and suggest that prosocial behavior may often be motivated by misguided beliefs about the effects of one’s actions on others’ happiness.

The third paper (Janakiraman, Yang, and Winterich) investigates how individual differences in communal vs. exchange orientation and differences in potential recipients’ perceived needs interact to produce different levels of paying-it-forward; results from this work indicate that individuals who are sensitive to others’ needs are affected by the salience of these needs, while those who are relatively insensitive to others are not.

Finally, the fourth paper (Yang, Janakiraman, and Ward) investigates the perceived importance of individuals’ actions in a different light. This work suggests that longer chains of recipients—which objectively increase the potential effectiveness of a prosocial action—ironically reduce the likelihood of paying forward positive outcomes due to a diffused sense of moral responsibility.

Together, these papers add to a growing area of research acknowledging that prosocial (and antisocial) behavior such as giving (and taking) is often determined by social context; both the outcomes people experience and the impact they believe they might have feed into their decisions about how to treat others. These data provide evidence that consumer behavior cannot be considered in a social vacuum; rather, pay-it-forward chains connect consumers’ actions to the actions of those around them.

Social and Material Concerns in Paying it Forward: People are Selfish, But Only in Secret

EXTENDED ABSTRACT
Daily life is filled with opportunities to be greedy or generous, cruel or kind, antisocial or prosocial. A growing body of research suggests that one of the most powerful influences on people’s choices between these alternatives is the way they have been treated in the immediate past (e.g., Gray, Ward, and Norton 2014; Leimgruber, et al. 2014), and that people may be more likely to pay this treatment forward (AàBàC) than to pay it back (AàBàA) (e.g., Herne, Lappalainen, and Kestilä-Kekkonen 2013; Stanca 2007).

In two experiments, we investigate the effects of both material (financial) and social (reputational) concerns on paying forward both positive and negative outcomes. These experiments add to a growing body of literature that recognizes the potential ripple effects of both pro- and antisocial interactions (e.g., Gray, Ward, and Norton 2014), contribute to theory by providing new insights into the determinants of paying-it-forward (PIF), and reveal broad principles for both maximizing prosocial and minimizing antisocial PIF behavior—principles that may be particularly relevant in a world increasingly defined by anonymous interactions.

Each participant in each experiment served as the central link in a PIF chain of financial allocation decisions. Participants first played the role of “receiver,” accepting some amount of money left to them by a previous participant, then played the role of “decider,” choosing how much money from a second endowment to leave for a future participant. Participants’ behavior in the “decider” phase served as our measure of “paying it forward.”

Both prior treatment and social/reputational concerns were manipulated within each experiment according to a 2 (receive: negative, positive) × 2 (anonymity: anonymous, non-anonymous) design. Participants in the anonymous condition never saw the future participant. Participants in the non-anonymous condition experienced only minimal contact with the future participant; they stood in this person’s presence for a few seconds, but were not introduced or allowed to speak.

Material/financial concerns varied across the two experiments. Experiment 1 utilized a zero-sum dictator game; participants in the “decider” phase were endowed with $6 to split between themselves and a future participant. Because leaving money for future others required participants to sacrifice a portion of their own endowments, generosity in this experiment represented materially costly prosocial behavior. Experiment 2 utilized a non-zero-sum dictator game;
participants in the “decider” phase received the same amount ($4) regardless of whether they chose to leave a negative ($1) or positive ($4) outcome for a future participant. This design allowed participants to engage in material costless prosocial behavior.

The constellation of results across these two experiments provides insight into the effects of all possible combinations of negative vs. positive prior treatment, salient vs. non-salient social concerns, and present vs. absent material concerns on PIF behavior.

In experiment 1 (N = 91; M = 26.15 years), the material costs of generosity were pitted against the potential social costs of greed for participants in the non-anonymous condition; for participants in the anonymous condition, however, social concerns were irrelevant. Results from this experiment revealed two significant main effects on the amount of money paid forward: one of receive condition, M\text{negative} = $2.19 vs. M\text{positive} = $3.93, F(1, 87) = 21.59, p < .001, and one of anonymity condition, M\text{anonymous} = $2.42 vs. M\text{non-anonymous} = $3.71, F(1, 87) = 11.93, p < .001; there was no interaction effect, p = .80.

Participants in anonymous situations behaved consistently with prior research indicating that people asymmetrically pay forward negative outcomes (e.g., Gray, Ward, and Norton 2014). Participants who received negative outcomes paid this greedy forward, leaving significantly less than an equitable split for the future participant, M = $1.59, t(21) = 4.71, p < .001; participants who received positive outcomes did not pay generosity forward, although they did leave future participants an amount statistically indistinguishable from an equitable split, M = $3.24, t(20) = .44, p = .67. Participants in non-anonymous situations, on the other hand, were moderately generous. Those who received negative outcomes treated future others better than they themselves had been treated, paying forward an amount statistically indistinguishable from an equitable split ($3), M = $2.79, t(23) = .82, p = .42; those who received positive outcomes paid this generosity forward, paying forward significantly more than an equitable split, M = $4.63, t(23) = 4.39, p < .001.

Experiment 1 pitted material gains against social costs; in experiment 2, we removed the possibility of material gains by examining PIF behavior in the context of a non-zero-sum dictator game. This design removed both the material costs associated with allocating positive outcomes to a future participant and the material benefits associated with allocating negative outcomes to this participant. Like in experiment 1, social concerns were only relevant for those in the non-anonymous condition. Results from this experiment suggest that when prosociality is costless, people pay forward positive outcomes regardless of how they have been treated in the past. A logistic regression with anonymity, received outcome, gender, and age as predictors revealed no effect of anonymity (Wald’s X^2(1) = 0.099, p = .753) or received outcome (Wald’s X^2(1) = 0.00, p = .997) on allocation decisions. Received outcomes (negative, positive) did not affect PIF behavior in either the anonymous (n = 40, Fisher’s exact, p = .49) or the non-anonymous conditions (n = 35, Fisher’s exact, p = .13).

Taken together, the results of these two experiments suggest that removing material concerns by holding outcomes constant for “deciders” may stop people from paying forward negative outcomes even under conditions of anonymity; across all conditions in experiment 2, 94.67% of participants paid forward positive outcomes. However, such an approach is not always feasible in practice; a more tractable method for maximizing prosocial behavior in PIF settings may be to increase social concerns by providing social cues. When collapsing across receive conditions in experiment 1, participants in non-anonymous situations paid forward an average of $1.29 more than those in anonymous situations; simply introducing minimal social contact induced people to pay forward 79.46% more than they would have under conditions of anonymity.

When is it Better to Give or Receive? Kindness, Happiness, and Reciprocity in the Chain of Giving

EXTENDED ABSTRACT

People are kinder when paying for someone else than for themselves (Jung, Nelson, Gneezy, and Gneezy, 2014). This effect is at least partially driven by people’s incorrect perceptions of others’ behavioral tendencies; people tend to overestimate others’ kindness and raise their own payment to match their perception of social norms.

Paying-it-forward (PIF) has two quite different stages: receiving a gift and giving a gift. These stages are associated with reciprocation and generosity (respectively), and each stage may both have an influence on and be influenced by misperceptions of others’ behavioral tendencies. In three studies, we examined the underlying mechanisms behind PIF by disenchanting the social forces of reciprocation and generosity.

There is some evidence suggesting that generosity toward others might be a more powerful force than reciprocation. Grant and Dutton (2012) argued that people were kinder when they reflected on giving benefits to others than receiving because giving enforces a prosocial identity as a caring and capable person, while receiving makes the people feel indebted and incompetent. Study 1 tested this argument in the PIF framework by manipulating the salience of reciprocation vs. generosity.

We conducted Study 1 at a local Indian restaurant. Karma Kitchen has been using the PIF model for its Sunday lunch operation for many years. In this study, we varied the salience of the giving vs. receiving feature of PIF and recorded customers’ payments for their meals. All diners (N=94) were informed that their meals had been paid for by another customer and they had a chance to pay-it-forward to another customer. At the end of their meal, each group of diners received their check with a card that said either “Someone who came earlier paid for your meal as a gift.” or “Now you have a chance to pay for the meal for as a gift for someone who will come later.” All participants indicated their payment amount on the card. Customers paid more when their card emphasized giving than when it emphasized receiving, (M=20.42 vs. $11.09).

The results of Study 1 suggest that generosity might be a stronger force than reciprocation in influencing consumers’ PIF behavior. It could be that the social pressure from the reciprocation emphasis might induce customers to pay the minimum amount that was considered appropriate, whereas the generosity emphasis might leads them to pay an amount that sufficiently makes them feel generous (DellaVigna, List, and Malmendier 2009). That is, the salience of reciprocation vs. generosity might be invoking different norms. Study 2 aimed to further examine how these forces operated in the presence or absence of direct social pressure. We conducted our experiment at an art museum using the same salience manipulation as in Study 1. Museum visitors (N=836 individuals; 470 groups) were asked to pay-it-forward either anonymously by placing their payment in an envelope or directly to the receptionist. Visitors paid more paying anonymously (M=3.42 vs. $2.82). But they paid similar amounts regardless of the receiving and giving salience (M=3.18 vs. $3.06). The interaction between these two variables was significant; in the giving condition, people paid forward a similar amount whether they were paying anonymously or directly, (M=3.08 vs. $3.27), but in the receiving condition, people paid significantly more when paying directly than anonymously, (M=3.76 vs. $2.37). When reminded of reciprocation, people were sensitive to the presence of