Encouraging Consumers to Consider Others’ Perspectives Helps Them Optimize Decisions About Scarce Resources

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Increased coordination between consumers other can improve general welfare. A simple reminder to consider what others are likely to do can help optimize scarce resources, because people do not naturally consider others’ motivations and behaviors enough and instead focus mainly on their own desires and preferences when making their choices.

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Understanding and Mitigating the Impact of Informational and Intentional Asymmetries in the Consumer Setting

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Paper #1: The Potential Benefits and Pitfalls of Poking Fun at Yourself: Self-Deprecating Humor as Impression Management
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Paper #2: Backhanded Compliments: Implicit Social Comparison Undermines Flattery
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Michael Norton, Harvard Business School, USA

Paper #3: Endorsing Help For Others That You Oppose For Yourself: Mind Perception Guides Support for Paternalism
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Paper #4: Encouraging Consumers to Consider Others’ Perspectives Helps Them Optimize Decisions about Scarce Resources
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SESSION OVERVIEW

Markets are replete with social interactions. Many of these interactions require impression management, either for the purposes of ingratiating service providers to clients, managers to employees, or consumers with one another. Some interactions regulate markets, and require a coordination of needs between the regulators and the regulated, and still others require coordination among consumers to achieve maximum utility. Given the differing goals and perspectives of consumers in the marketplace, there arises the possibility for asymmetry in how an action is intended and how it is perceived and reacted to. The papers in this session each take a critical look at actor-observer asymmetries in the consumer setting, and provide a cautionary tale for those who would attempt to influence others, as well as a strategy for overcoming these asymmetries and maximizing benefit for all parties.

The first two papers together demonstrate failures of two distinct impression management strategies. O’Donnell, Jung, and Critcher show that, although humor is a widely used tactic to engender liking, the use of self-deprecating humor has unintended negative consequences for the self-deprecator. Indeed, the reliable message is that self-deprecation is taken seriously, and is understood to be a diagnostic statement of one’s belief about one’s own ability, as well as a negative signal of self-esteem. Likewise, Sezer, Wood Brooks, and Norton investigate a similar failure of impression management through the use of backhanded compliments. Although flatterers who use backhanded compliments intend to simultaneously garner liking while also maintaining status distance, their compliments are viewed as insulting and draw social penalties from the ostensibly flattered. Importantly, those who use backhanded compliments as a means of being both liked and respected are often rewarded with neither.

The third paper demonstrates the complex interplay between would-be-regulators and the regulated in the marketplace. Schroeder, Waytz, and Epley show that regulators prefer to impose paternalistic policies on others (e.g., banning fatty foods) they themselves prefer to be less actively regulated. These asymmetries arise because the regulators underestimate the self-control and mental capacity of those being regulated. However, hinting at a possible reconciliation between each of the asymmetries detailed so far, when the regulators are reminded of their own shortcomings, their preferences for paternalistic policies increases.

Finally, the fourth paper shows how the costs of informational and motivational asymmetries can be mitigated. Williams, Amir, and Lieberman demonstrate that by reminding consumers to consider the choices of others, cooperation increases and positive outcomes are maximized. By focusing on the behavior of others, consumers coordinate over scarce resources and arrive at better outcomes. Indeed, the conclusions of this paper suggest that the breakdown between the intentions of actors and the reception of their actions detailed in each of the papers could be mitigated by inducing the actors to consider more carefully how others will act and respond. Taken together, attendees at our session will leave with a strong understanding of how informational asymmetries can have unintended consequences in the marketplace, but also learn how to avoid undesirable outcomes and maximize benefit in marketplace interactions.

The Potential Benefits and Pitfalls of Poking Fun at Yourself: Self-Deprecating Humor as Impression Management

EXTENDED ABSTRACT

Imagine a meeting between a contractor and a client. Just as the meeting is wrapping up and negotiations are finalized, the contractor makes a self-effacing remark, “Fortunately, every project I’ve ever done has been on time and under budget, if you double the estimates!” Even if the contractor is obviously joking, she has likely already formed a negative impression in the mind of the client. Impression management is the process by which people or organizations attempt to influence how others view them (Leary & Kowalski, 2012), and is under-studied in marketing. Grove & Fisk (2013) point out that impression management can be of great importance to firms and particularly service providers, where the individual is the firm.

Humor is a common tactic for impression management, as it reduces social distance (Ziv, 1984). However, there is no single definition of humor, and we propose that one type of humor, self-deprecation, can be especially fraught as a means of managing impressions. Self-deprecating humor is a favorite of standup comedians, but the limited literature on self-deprecation suggests that it is primarily a component of negative self-esteem (Owens, 1993). While self-deprecators might believe they are signaling confidence, Kruger et al. (2005) found that communicators often misperceive how observers will understand their meaning. Thus, within the context of self-deprecating humor, we investigate its impact as a signal for self-esteem, as well as its use as a buffer against others’ development of negative perceptions of the self.

In Study 1, we investigate how observers perceive self-deprecation. Four hundred thirty-eight participants took part in a study with a 2×2×2 design. We varied the attractiveness of the self-deprecator, using normed pictures from the Chicago Face database and we var-
ied intelligence by providing cues about the speaker’s intelligence (a surgeon/trash collector-in-training). Finally, we varied whether the speaker made a self-deprecating remark about his intelligence or attractiveness, with the following joke: “I’m so [ugly/stupid], a monkey looked at me and decided it’s proof that evolution sometimes works in reverse!” We find that participants consistently take self-deprecaters’ remarks at face value: observers think that the target believes himself to be less intelligent when joking about his intellect and he believes himself to be less attractive when joking about his appearance. While the self-deprecating joke is framed as a light-hearted remark among a group of friends, self-deprecating humor is seen as reflecting poor self-esteem, regardless of the target’s actual intelligence or attractiveness. This is likely not what a self-deprecator intends to achieve by making a self-deprecating remark.

In Study 1, the target always makes a self-deprecating remark. This approach allowed us to keep constant the effect of self-deprecation, while investigating its effects across multiple domains. Study 2 builds on Study 1 by varying whether or not the target self-deprecates, allowing us to test for the effect of self-deprecating humor itself. Five hundred fifty-two participants took part in a study with 2X2X2 design in which we varied whether the participant learns about either the target’s attractiveness or intelligence, whether the target is either high or low status on that dimension, and whether the target either does or does not self-deprecate on that dimension. Once again, we find a main effect of self-deprecation, such that self-deprecating targets are universally regarded as having lower self-esteem. Moreover, self-deprecators are seen as viewing themselves as less positively on the dimension about which they self-deprecate. Study 2 provides converging evidence that self-deprecators may be inadvertently conveying negative views about themselves when they make self-deprecating remarks.

Study 3 investigates the impact of self-deprecating humor on a novel dimension. Seven hundred fifty-seven participants took part in a study with a 2X2X2 design in which they read about somebody taking an art class at a local community center. We varied the target’s status (high or low ability), whether or not there was an image of his art, and whether or not he made a self-deprecating joke about his art (“I think my art is pretty bad, but I actually already have a buyer lined up…the local zoo want to line their birdcage with it!”). We again find that self-deprecation is taken at face value, such that when the target self-deprecates, he is assumed to have lower self-esteem and view himself as a worse artist. However, here we find evidence that self-deprecation can be effective in managing impressions, as evidenced by a self-deprecation by status interaction. When the target is a bad artist, self-deprecation is associated with higher self-esteem ratings, but this effect is reversed when the target is a good artist. Study 3 suggests that self-deprecation might be effective for certain domains.

Study 4 integrates the findings of Studies 1-3 to provide more insight into the circumstances under which self-deprecation can be useful and when it is not. Seven hundred sixty participants took part in a study with a 2X2X2 design. We varied the dimension (artistic ability or intelligence), the target’s status on the dimension, and whether or not the target self-deprecates (“Intelligence/Artistic ability may grow over time, but in my case, you can’t grow something from nothing!”). We again find that self-deprecators are seen as having lower self-esteem than those who do not self-deprecate. However, we do find a significant three-way interaction, such that for artistic ability, self-deprecation blunts the impact to self-esteem of being a bad artist, but for intelligence, self-deprecation is always associated with reduced ratings of self-esteem.

The results of four studies show that self-deprecation is taken at face value – self-deprecators transmit an unintended message in addition to the their intended humor. Indeed, even when self-deprecation mitigates the impact of being a bad artist on one’s self-esteem, observers think the target believes he is a bad artist. However, self-deprecation about one’s intelligence or appearance is always negative. Continuing work is underway to investigate whether the centrality of the dimension to a person’s self-esteem can explain the differing results for artistic ability and intelligence or appearance. Regardless, the results suggest caution for professionals—the self-deprecating contractor should know that her joking putdowns are taken at face value.

**Backhanded Compliments: Implicit Social Comparison Undermines Flattery**

**EXTENDED ABSTRACT**

Consider how you would feel at the end of a meeting – after you’d given a lengthy presentation – if a colleague turned to you and said: “Your ideas were good.” Now, consider your emotional reaction if your colleague tacked on just a few more words: “Your ideas were good…for an intern.” We explore the psychology of such backhanded compliments. Given their ubiquity in the workplace (You speak well... for a woman) in everyday life (Those clothes make you look thin), and in academia (This seems pretty rigorous for a social psychologist) we suspected that actors may believe that backhanded compliments are effective—but that targets might feel otherwise.

Giving compliments—communicating positive things about another person—is an important part of social and organizational life (Gordon, 1996, Zivnuska, Kacmar, Witt, Carlson, & Bratton, 2004). Several streams of research suggest that using flattery in social and professional interactions leads to positive outcomes, from likeability to evaluations of job performance to career success (Bolino, Varela, Bande, & Turnley, 2006; Wayne & Liden, 1995). Because flattery is egocentrically validating, people view those who compliment them in a favorable light (Gordon, 1996; Jones, Stires, Shaver, & Harris, 1968).

At the same time, however, flattery may come with costs. In particular, flattering someone may imply that the flatter is of lower status than the recipient – as with the phrase, “sucking up to the boss.” We suggest that one means by which flatterers seek to gain positive evaluations yet maintain their status is by deploying backhanded compliments: e.g. “You are smarter than I thought.” Backhanded compliments are a distinct, common, yet understudied type of praise. We examine whether flatterers believe that backhanded compliments are effective strategy for gaining liking and status – and also assess whether recipients actually grant that liking and status to flatterers.

Drawing from research on social comparison, we suggest that people perceive backhanded compliments as less flattering than straightforward compliments. An extensive body of research has shown that social comparison has affective and cognitive consequences (Buunk & Gibbons 2007; Dunn, Ruedy, & Schweitzer, 2011). In particular, while downward comparisons enhance one’s self-image, upward social comparisons are aversive (Achee, Tesser, & Pilkington, 1994), and evoke feelings of threat, envy, and anger (Cohen-Charash & Mueller, 2007). We suggest that targets perceive backhanded compliments as offensive because they induce an implicit social comparison between the target and another standard, reducing feelings of positive affect compared to straightforward compliments.
Building on psychology and management literatures on impression-management, we suggest that individuals use backhanded compliments to signal their status while simultaneously expressing praise for the target. The desire to gain and signal status is a fundamental and powerful driver of human behavior in social and organizational life (Argyle, 1994; Berger, Rosenholtz, & Zelditch, 1980). Individuals are motivated to acquire and signal status by attaining respect and admiration from others (Berger, Cohen, & Zelditch, 1972; Magee & Galinsky, 2008), because people with high status receive countless material and social rewards (Berger et al., 1980; Fennis, 2008). Based on the need to signal status, we suggest that people use backhanded compliments to signal their status while eliciting liking. Although people choose to give backhanded compliments when motivated to make a favorable impression by conveying status, we suggest that it backfires. We hypothesize that individuals who offer backhanded compliments will be perceived to have lower status than those who give straightforward compliments.

We tested our account in four studies. In Study 1, we participants to recall a backhanded compliment or a compliment they had received and rated the extent to which they felt they were being compared to another person or a group on a 7-point scale. As expected, ratings of implicit social comparison was higher for backhanded compliments than straightforward compliments, (154) = 7.71, p < .001.

In Study 2, we assessed recipients' evaluations of backhanded compliments compared to straightforward compliments. Participants were randomly assigned to one of the seven conditions to receive different types of compliments and backhanded compliments: “Your ideas were good.” (compliment) or “Your ideas were good for a [your gender].” (backhanded compliment). Participants' ratings of offensiveness (F(6, 708) = 62.10, p < .001, η² = .35), and experience of positive emotions (F(6, 708) = 49.38, p < .001, η² = .30) varied across conditions. Participants perceived backhanded compliments as more offensive and experienced lower positive emotions when receiving them compared to compliments.

In Study 3, we asked participants to choose which of two self-presentation strategies—giving a compliment or giving a backhanded compliment—would best elicit liking, convey status, or achieve both goals. In both conditions in which status was a goal, participants favored the backhanded compliment (χ²(2, N = 300) = 71.64, p < .001), reflecting their belief that backhanded compliments would signal status.

In Study 4, we tested the efficacy of giving straightforward compliments, backhanded compliments, and straightforward insults in garnering status. As predicted, an ANOVA revealed a significant effect on perceived status, conditions F(2, 233) = 124.61, p < .001, η² = .52. Most importantly, ratings of perceived status were lower in the backhanded compliment condition than in the compliment condition, (153) = -8.57, p < .001, d = 1.37.

Finally, in Study 5, we tested whether perceived self-presentation concern mediates the relationship between backhanded compliments and perceived lower status. As in Study 4, participants who received a backhanded compliment perceived their coworker to have lower status than those received a compliment, (247) = 14.68, p < .001, because targets who offer backhanded compliments are perceived to be more concerned about self-presentation.

By investigating backhanded compliments, we contribute to the impression management literature by identifying and examining a distinct self-presentation strategy that people use to signal status. Second, our work contributes to management and organizational behavior research by investigating boundary conditions of flattery. Finally, we extend research on status by highlighting the often-neglected conflict between signaling status and eliciting liking: would-be flatterers believe that backhanded compliments will garner them both liking and status, whereas the recipients of their efforts grant them neither.

**Endorsing Help For Others That You Oppose For Yourself: Mind Perception Guides Support for Paternalism**

**EXTENDED ABSTRACT**

As members of a highly interdependent species, people not only try to improve their own well-being, they also try to improve others' well-being. People can choose to help themselves and others in more or less paternalistic ways. For example, providing or banning specific goods is more paternalistic because it restricts the recipient's choice compared to giving cash or information. We propose that support for paternalistic aid depends in part on people's subtle inferences about the mental capacities—self-control and rationality—of those being helped.

Our proposal provides an explanation for why paternalistic aid is popular when giving to others but unpopular among those they are targeted to help (e.g., Conly, 2013; Hill, 2006; Mill, 1869). People tend to believe that others have weaker mental capacities than the self, at least in part because they experience their own minds directly but observe others' minds indirectly (Epley & Waytz, 2010; Haslam et al., 2005; Pronin, 2009; Waytz, Schroeder, & Epley, 2014). We propose that this difference in how people judge their own versus others' minds accounts for self-other differences in support for paternalism. Although other factors may also influence support for paternalism (e.g., ideology, need for autonomy; Costa & Kahn, 2013; Jung, Mellers, & Baron, 2015; Tannenbaum & Ditto, 2015), these do not predict a self-other difference in support for paternalism.

We tested our hypothesis in Experiment 1 by asking participants to choose the most effective policies either for themselves or for an “average citizen.” Participants made five sets of choices (avoiding unhealthy foods, avoiding credit card debt, not misusing a gun, saving for retirement, and avoiding mortgage debt) each with two options: a more or less paternalistic policy. For example, participants could either select a policy that banned unhealthy foods (more paternalistic) or provided information on calorie counts (less paternalistic). They also reported how capable they (and the average citizen) were of achieving each goal. As expected, participants were more likely to select paternalistic policies for the average citizen than for themselves, and this was fully mediated by perceived capacity to exert self-control.

Experiments 2-4 next tested how beliefs about the mental capacities of others in need affected paternalistic aid. In Experiment 2, the greater mental capacity that participants believed recipients of charity aid had, the more likely they were to donate their own earnings to a less paternalistic charity (GiveDirectly, which gives direct cash donations to recipients) compared to a more paternalistic charity (Red Cross) or no charity. In Experiments 3 and 4 we manipulated mental capacity beliefs about different groups of people (e.g., Kenyans), and again measured subsequent donations to more or less paternalistic charities. Donors who read information framed to make recipients seem less (vs. more) mentally capable were more likely to donate to the more paternalistic charity. Although beliefs about recipients' mental capacities predicted to which charity they gave, only beliefs about recipients’ magnitude of need predicted how much they gave.

Finally, we tested whether making people aware of their own mental shortcomings will increase support for paternalistic approaches to help themselves (Experiment 5). We asked participants...
to evaluate the effectiveness of four policies for reducing obesity either just before or just after a major cultural temptation for overeating: Thanksgiving dinner. Two of these policies were relatively paternalistic, and two were relatively agentic. Consistent with our hypothesis, participants thought that paternalistic approaches to obesity are more effective just after their Thanksgiving dinner then just before it, because they recognized more weakness in their own self-control after (vs. before) Thanksgiving.

Across five experiments examining beliefs about one’s own and others’ mental capacities, participants consistently preferred to provide paternalistic aid to those who seemed to have less mental capacity: other people (Experiments 1-2), those described as having diminished mental capacities (Experiments 2-4), or oneself after experiencing a moment of mental weakness (Experiment 5). Our findings have important theoretical and practical implications.

Theoretically, these results highlight how subtle inferences about others’ mental capacities can affect social life. In particular, our research suggests that the subtle tendency to dehumanize others (Haslam & Loughnan, 2014)—to think of their mental capacities as relatively diminished compared to one’s own (Prönin, 2009; Waytz et al., 2014)—matters because it can affect how people attempt to help each other. Thinking of others as being somewhat mentally incapable, perhaps more like children than like adults, can lead people to treat others as relatively childlike as well, preferring a more paternalistic approach to helping others rather than a more agentic approach that enables others to help themselves.

Practically, these results are important for policy makers, charitable organizations, and any others who are trying to improve people’s lives through different sources of aid. Decisions about how to help others should be guided by empirical evidence about the actual effectiveness of particular interventions. Our experiments, however, demonstrate that these decisions in the absence of evidence may actually be guided by a less useful source: potentially mistaken inferences about the minds of those being helped. Those who design policy, offer aid, or try to help those in need would be wise to remember that good intentions may be guided by mistaken assumptions about the very people whose lives they are trying to improve.

**Encouraging Consumers to Consider Others’ Perspectives Helps Them Optimize Decisions about Scarce Resources**

**EXTENDED ABSTRACT**

Consumers often converge on scarce resources, like money, time, space, and attention. If consumers better anticipated the behavior of others and slightly shifted their choices to coordinate with them, it would improve general welfare. Sometimes people can coordinate by basing choices on the same focal point (e.g., Camerer 2003), or by making choices sequentially rather than simultaneously (Rapoport 1997) or with one-sided communication (Cooper et al. 1989). But these approaches are not always possible. We address a particular understudied class of coordination problems, in which decision-makers must anticipate others’ actions while being unable to communicate with them, and avoid rather than match their behavior. We suspect that these coordination problems are challenging because people typically underweight or even fail to consider other people’s behavior, even though accounting for that behavior is inherently part of the coordination task. Across five studies we show that encouraging decision-makers to consider what others are likely to do can ameliorate these coordination problems by shifting consumers’ choices.

In an initial field experiment, individuals entered a lottery to participate in a study with a monetary incentive. Timeslots were limited; participants could enter the lottery for only one timeslot and one person was drawn per slot. Participants receiving a reminder to consider why others might select particular timeslots chose less popular timeslots, increasing their competitive advantage, and were thus more likely to be invited to participate (47.0%) than control participants who received no reminder (28.6%; β = .18, t = 2.81, p = .006). In study 2 we demonstrate this effect in a different domain. Participants imagined participating in a costume contest in which the goal was to stand out from the crowd and were given six potential costumes from which to choose, including two trendy costumes, two classic costumes, and two unusual costumes. Participants who were reminded to consider what others might wear to the contest were more likely to choose one of the unusual costumes (39.3%) than participants in the control condition who received no such reminder (25.7%; χ² (1, N = 298) = 6.33, p = .01, ϕ = .15).

Studies 3 and 4 suggest that these shifted choices do stem from an increased likelihood of considering others’ probable behavior. In study 3, participants imagined a trip to the bank on a busy day and chose when to go between four 15-minute timeslots: at the beginning of the workday, during lunch, in the midafternoon, or at the end of the workday. Participants were asked to choose a time that was most likely to allow them to complete the errand on time, and provided a reason for their choice. After they provided their reason, they self-rated how focused that reason was on their own time constraints and on other people’s behavior. Participants receiving a perspective-taking reminder were more likely to choose the less-busy midafternoon timeslot (55.8%) than control participants (30.8%; χ² (1, N = 419) = 26.60, p < .001, ϕ = .25). Perspective-taking participants also indicated that they were more focused on other people’s behavior (M = 6.17, SD = 1.38) than control participants (M = 5.39, SD = 1.96; t(370.82) = -4.68, p < .001, d = 47) and that they were less focused on their own constraints (M = 4.66, SD = 1.96) than control participants (M = 5.34, SD = 1.72; t(405.47) = 3.73, p < .001, d = .37). Study 4 demonstrates that people who are naturally inclined to consider others’ perspectives are more likely to optimize their social media use to get a large audience with less competition for users’ attention. Participants indicated how likely they would be to post on Twitter at seven different times (12:00am, 4:30am, 9:00am, 2:22pm, 5:00pm, 7:00pm, and 1:30am). They then completed versions of the Fantasy and Perspective-Taking subscales of the Interpersonal Reactivity Index (Davis 1981). Participants who scored higher on the perspective taking scale demonstrated increased variance in their posting times (β = .03, t(266) = 2.88, p = .004), suggesting that they are more responsive to when people are likely to be on Twitter and are therefore more discerning when they post.

Finally, in study 5, we demonstrate a boundary condition as well as provide further support for the idea that reminders facilitate coordination because people do not naturally consider others’ actions enough, by showing an exception for situations where those actions are inherently obvious. Specifically, when participants are asked to plan an outing to the beach that would avoid crowds during a busy holiday 3-day weekend, they were equally likely to go to the beach on the Friday of that weekend whether they were reminded to consider others (7.8%) or not (6.7%; χ² (1, N = 207) = .08, p = .77, ϕ = .02). However, participants deciding when to go to the beach on a weekend where they had a personal 3-day weekend were more likely to choose Friday for the beach day when they were asked to consider when other people would go to the beach (35.3%) than when they did not receive the perspective taking reminder (19.8%; χ² (1, N = 203) = 6.10, p = .01, ϕ = .17). The interaction between conditions is significant (χ² (1, N = 410) = 23.14, p < .001, ϕ = .24).
Employing both laboratory and consequential field situations, we demonstrate that consumers underutilize their ability to perspective-take, even though perspective-taking is intrinsically part of coordinating with other people. Encouragement to consider what others will do and why enhances coordination and improves outcomes. This insight offers potential solutions to consumers, marketers, and policy makers who aim to improve customer experience, satisfaction, and welfare.

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