Sentimental Value and Gift Giving: a Giver-Recipient Mismatch

Julian Givi, Carnegie Mellon University, USA
Jeff Galak, Carnegie Mellon University, USA

Three studies demonstrate that when faced with the choice between sentimental and preference-matching gifts, givers do not give the former as often as recipients prefer. This appears to arise because givers feel certain that preference-matching gifts will be liked by recipients, but uncertain that this is true for sentimental gifts.

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Givers and Recipients: When and Why They Don’t See Eye-to-Eye
Chair: Julian Givi, Carnegie Mellon University, USA

Paper #1: Sentimental Value And Gift Giving: Givers’ Fears of Getting it Wrong Prevents Them From Getting it Right
Julian Givi, Carnegie Mellon University, USA
Jeff Galak, Carnegie Mellon University, USA

Paper #2: Sometimes It’s Okay to Give a Blender: Giver and Recipient Preferences for Hedonic and Utilitarian Gifts
Elanor F. Williams, Indiana University, USA
Emily Rosenzweig, University of Tulane, USA

Paper #3: The Quality Versus Quantity Trade-Off: A Dual-Risk Account For How Choices For The Self Versus Others Differ
Peggy Liu, University of Pittsburgh, USA
Ernest Baskin, St. Joseph’s University, USA

Lauren Grewal, University of Pittsburgh, USA
Mary Steffel, Northeastern University, USA
Dhruv Grewal, Babson College, USA

SESSION OVERVIEW
This past holiday season, the average U.S. adult planned to spend roughly $1,000 on gifts (American Research Group, Inc. 2016). Though undoubtedly with great intentions in mind, it seems that many of these givers missed their marks as UPS expected to ship 1.3 million gifts back to retailers on “National Returns Day” in early January (Farber 2017). Taken together, these statistics demonstrate that a) gift giving is a custom with major economic ramifications, and b) consumers often err in their gift choices. To that end, it is for good reason, then, that in recent years consumer researchers have devoted a considerable amount of time to studying gift giving – specifically asymmetries between givers and recipients. However, the field is only just beginning to develop an understanding of this tricky practice and there is still much to learn (Galak, Givi, and Williams 2016). Thus, in an effort to do just that, the papers in this session collectively ask: When and why do givers and recipients not see eye-to-eye?

The first two papers in the session examine asymmetries in the types of gifts givers give vs. the ones recipients prefer to receive. Specifically, Givi and Galak study givers’ and recipients’ views of sentimentally valuable gifts and gifts that match the explicit preferences of recipients. They demonstrate that givers overly-give the latter, relative to what recipients prefer, and that this arises because givers feel uncertain about whether sentimental gifts will be well-liked. Williams and Rosenzweig examine givers’ and recipients’ assessments of hedonic and utilitarian gifts, and show that givers give hedonic gifts more often than recipients prefer. Further, they demonstrate that this is the result of givers focusing more on the moment of the exchange vs. long-term ownership, than recipients, and that this mismatch contributes substantially to gift returns. Liu and Baskin study how the more general topic of self-other decision making can inform gifting errors, and investigate how consumers make the quality vs. quantity tradeoff when deciding for the self vs. others. Their results show that people choose quality over quantity more when choosing for others than for the self, and that this is driven by asymmetries in the perceived usage and social risks associated with choosing a lower quality option. To conclude the session, Grewal, Steffel, and Grewal (fittingly) examine how recipients are misguided in how they express gratitude after receiving a gift. Specifically, they find that recipients express their gratitude publicly less often than givers prefer, because recipients err in their perceptions of how personal public expressions are perceived.

In sum, these four papers examine novel asymmetries between givers and recipients (in both gift selection, and behavior after the gift is exchanged), identify the mechanisms driving these mismatch- es, and demonstrate important downstream economic consequences. Given the wide range of literature drawn on by the authors, this symposium is likely to be of great interest to a broad audience, including those interested in gift giving, self-other decision making, prosocial behavior, risk, attribute tradeoffs, and gratitude expressions.

Sentimental Value And Gift Giving: Givers’ Fears of Getting it Wrong Prevents Them From Getting it Right

EXTENDED ABSTRACT
The utility a consumer extracts from a possession can come in many different forms, however in the present research we focus on two: preference-matching utility and sentimental value. Preference-matching utility is the utility a consumer derives from an object because it has features, functions, and specifications that match the consumer’s hobbies and interests. Sentimental value is the value derived from an object’s associations with significant others or special events or times in one’s life (Yang and Galak 2015). We examine how givers and recipients weigh these two forms of utility when faced with the choice between preference-matching and sentimental gifts. We hypothesize, and empirically demonstrate, that givers do not give sentimental gifts as often as recipients would prefer.

Our logic as to why this might occur is as follows: Recipients should be able to relatively accurately predict their enjoyment from potential gifts, as they know their likes and dislikes, and uncertainty is minimal. Thus, when indicating which of potential gifts they would like to receive, recipients will simply pick the gift that maximizes their utility, whether it be a sentimental or preference-matching gift. On the other hand, there is uncertainty in givers’ decisions, and they must make educated guesses as to what recipients will like. Under these circumstances, preference-matching gifts allow givers to reduce the uncertainty in their choice, as givers are aware (from past observations) that recipients like these types of items. In contrast, sentimental gifts might be construed as relatively less certain to be liked by recipients. That is, givers have limited knowledge about recipients’ opinions of potential sentimental gifts, relative to their knowledge of recipients’ views of potential preference-matching gifts, and as a result, will feel less certain that the former will be liked. Thus, when choosing between a preference-matching and sentimental gift, givers’ choices will be biased towards the former, relative to what they would prefer as recipients.

Study 1 serves as an initial test of our predictions that givers do not give sentimental gifts as often as recipients would prefer, and that this is because givers feel uncertain that these gifts will be liked by recipients. Specifically, givers hypothesize to choose between a preference-matching gift (a framed picture of the recipient’s favorite band), and a sentimental gift (a framed picture of the giver and the recipient on a day they had a lot of fun together), and the occasion is manipulated to be either the recipient’s birthday or going away party. Recipients indicate which of these two items they would prefer to receive from the giver. We hypothesized that in both contexts, givers will perceive the sentimental gift as being less certain to be liked by recipients, compared to the preference-matching gift, and thus will

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give the latter more often than recipients will prefer to receive it; however, in the context of a going away party, the uncertainty associated with the sentimental gift should be reduced, and thus givers should be more likely to give it as a going away present, than as a birthday present. The results confirmed these predictions: At both the birthday party (63% vs. 79%; p = .02) and going away party (76% vs. 96%; p < .001), givers chose the sentimental gift less often than recipients preferred, and less givers chose the sentimental gift as a birthday gift, than as a going away gift, (63% vs. 76%; p = .07).

Study 2 serves to further rule in an uncertainty explanation for givers’ shunning of sentimental gifts. Specifically, givers are placed into a risk (seeking / aversion) mindset by writing about a time they took a risk and it (paid off / failed), and then choose between giving (as a birthday gift) a preference-matching gift (a bicycle made by the recipient’s favorite brand, and he/she has other products made by this brand), or a sentimentally valuable gift (a bicycle that looks identical to a bicycle the giver and the recipient rode as children, but is not made by the recipient’s favorite brand). We hypothesized that if givers are typically uncertain about whether sentimental gifts will be liked by recipients, then when givers think (positively / negatively) about risk, they should be (more / less) likely to give a sentimental gift. As expected, givers in the former condition chose the sentimental gift more often than givers in the latter condition (48% vs. 35%; p = .01)

To test whether our effect holds in a real-life setting, in study 3, we had romantic couples choose between gifts, and real gifts were exchanged. To begin, the couples were first asked to go into separate rooms, and then the giver (randomly assigned) started the first half of the study. Specifically, the giver wrote down the recipient’s favorite store, and then selected which of six sentimental items (e.g., a picture with their two names inside a heart) he/she thought the recipient would like the best. Next, givers were informed that after the study there would be a lottery, and that if their name was drawn, the researchers would give them one of two items so that they could give it to the recipient. a) A $25 gift card to the recipient’s favorite store; or b) The sentimental item selected earlier. After givers made their choice, recipients completed the second half of the study. Specifically, recipients imagined that the giver was choosing a gift for the recipient and narrowed his/her choice down to the two items mentioned above, and then chose which item they would prefer to receive from the giver. As expected, givers did not give the sentimental gift as often as recipients preferred to receive it (24% vs. 34%; p = .02)

In sum, these studies demonstrate a novel error in gift giving, and contribute theoretically to the literatures of gift giving and self-other decision making.

Sometimes It’s Okay to Give a Blender: Giver And Recipient Preferences For Hedonic And Utilitarian Gifts

EXTENDED ABSTRACT

Anticipating which gift will make someone happiest can be challenging. When choosing a gift, givers often find themselves torn between gifts that are fun but frivolous and gifts that are more useful but less enjoyable, too often opting for the former, as scores of dusty knickknacks, unwatched movies, and regrettably-eaten chocolates can attest. Adding to the literature that highlights situations when and reasons why giver and receiver preferences may be misaligned (e.g., Galak, Givi, and Williams 2016; Gino and Flynn 2011; Steffel and LeBoeuf 2014; Zhang and Epley 2012), we show that givers place undue emphasis on giving hedonic gifts, underestimating recipients’ preferences for more utilitarian ones.

Our first study examined people’s perceptions of the best gifts they had ever exchanged with a friend. Participants described the best gift they had ever given and the best gift they had ever received, and indicated how fun and enjoyable and how useful and necessary each was. People believed the best gift they had given was more hedonic than utilitarian, but this effect is attenuated for the best gift they had received, resulting in a significant interaction (F(1, 131) = 25.99, p < .001). Participants felt the best gift they had received was much more utilitarian than the best gift they had given (paired t(132) = 18.70, p < .001). Further, this difference held regardless of whether the other person in the exchange was a close other or a causal acquaintance, and was not driven by how material or experiential the gift was.

Study 2 investigated consumers’ prospective preferences for gifts. Participants considered a friend for whom they would buy a gift in the next few months, or who would buy them a gift. They indicated how important six dimensions (fun, enjoyable, attractive, useful, needed, practical) would be in determining what they give to their friend, or how important they would like those features to be in determining what their friend would give to them. Participants want their friend to take utilitarian factors into account more, and hedonic factors less, than givers plan to (F(1, 234) = 5.50, p = .02).

Next, study 3 shows that this asymmetry determines givers’ and recipients’ preferences for specific items. Participants imagined exchanging small stocking stuffer gifts with five friends, and chose which five gifts from a list of fourteen possible options they would opt to give or to receive from their friends. Half of the items were hedonic, like a book of crossword puzzles or a dance music CD, and half were utilitarian, like a corkscrew or set of coasters. Participants wanted to receive a higher proportion of the utilitarian items than they would choose to give to their friends (t(244) = -2.43, p = .02).

Study 4 examined why givers underestimate how much recipients appreciate utilitarian gifts and gift features. Participants imagined taking part in a Secret Santa exchange, in which they were going to give or to receive a flash drive. They or their coworker were choosing between either a plain flash drive or a snowman-shaped drive with slightly less storage capacity. Givers were more likely to prefer to give the less-useful-but-more-fun snowman drive than recipients were to receive it (t(278.72) = -2.80, p = .005). Givers were also more likely to report focusing on the moment of exchange (rather than the gift’s long-term value) when choosing the flash drive they preferred than were recipients (t(282) = -2.27, p = .02). This differential focus on exchanging the gift versus ownership of the gift mediated participants’ choice of flash drives (95% CI: .05 to .67).

Finally, we tested whether this mismatch in preferences for utilitarian gifts might drive gift returns. Ten days after Christmas, we asked participants to think about a gift they had or were planning to return, and to indicate their reasons for doing so by choosing from a list of potential reasons. These reasons included two about the gift being insufficiently hedonic (“The gift was something useful and I wanted something more fun” and “The gift wasn’t fun enough”) and two about the gift being insufficiently utilitarian (“The gift was something fun and I wanted something more useful” and “The gift wasn’t useful enough”). A sign test reveals that significantly more participants indicated that wanting something more utilitarian (12.9%) than wanting something more hedonic (2.3%; Z = -3.95, p < .001) was the reason why they returned a gift most recently. By erring on the side of hedonic gifts, givers not only mismatch their recipients’ preferences, but may even be more likely to give them gifts they wish they had not received.

Overall, our work suggests that to make their recipients happier, givers might consider more what their recipients might need and less
what they might enjoy. At the very least, givers underestimate the degree to which recipients often appreciate a gift with useful features. Givers might wish to remind themselves that sometimes, it’s okay to give that blender.

**The Quality Versus Quantity Trade-Off: A Dual-Risk Account For How Choices For The Self Versus Others Differ**

**EXTENDED ABSTRACT**

Imagine a consumer plans to spend $15 on a coffee shop gift card and is choosing between a coffee shop with higher quality but more expensive coffee, such that she can buy fewer cups of coffee for the same cost (the “quality” option for short), and another coffee shop with lower quality but less expensive coffee, such that she can buy more cups of coffee for the same cost (the “quantity” option). Or, imagine a consumer planning to spend $10 on either a smaller bottle of higher quality shampoo or a larger bottle of lower quality shampoo. Clearly, in both examples, the consumer faces a tradeoff between quality and quantity. Will her choice differ depending on whether she is choosing for herself or for another person and if so, why?

Drawing from a growing literature suggesting that choices for self and other differ in systematic ways (Choi et al. 2006; Laran 2010; Polman 2012a, 2012b), we examine the effect of choice recipient—self or other—on the quality-quantity tradeoff. We propose that consumers will be more likely to favor quality over quantity when choosing for another person versus for oneself.

We further propose that this effect will arise because of differences both in the perceived usage risk associated with choosing a lower quality option for other versus self and in the perceived social risk associated with choosing a lower quality option for other versus self. First, with regard to perceived usage risk, we propose that consumers will be fairly certain that they will like the lower quality option enough to use it, such that they can derive savings benefits from the larger quantity. In contrast, consumers will be more uncertain about whether another person will like the lower quality option enough to use it, such that they can derive savings benefits from the larger quantity. Second, with regard to social risk, we propose that consumers feel that sacrificing quality for quantity is more embarrassing when choosing for another person, based on literature indicating that “cheap” behavior is considered embarrassing (Ashworth, Darke, and Schaller 2005) and that embarrassment is heightened when thinking about the presence of others (Dahl, Manchanda, and Argo 2001).

Study 1 (N = 330) found support for our basic effect: consumers were more likely to choose quality over quantity for others than for the self (close other vs. self: p = .003; distant other vs. self: p = .005). There was no difference between choices for a close versus distant other (p = .864), providing some evidence against the alternative explanation that construal level differences might drive our effects because a construal level account predicts different effects when choosing for close versus distant others (Baskin et al. 2014).

Study 2 (N = 210) used two different product types (soap, coffee gift card) and replicated the main effect of choice recipient observed in study 1 (p < .001). Moreover, study 2 provided evidence for our proposed dual process account whereby the effect of choice recipient on preferences for the quality—quantity tradeoff was mediated both by perceived usage risk for the lower quality—higher quantity option (95% CI: -.5097, -.0679; Hayes 2013) and by social risk (95% CI: -.8996, -.2940; Hayes 2013), both of which were higher when choosing for other rather than self. Finally, we found further evidence against the potential alternative explanation that differences in construal level was explaining our results: whereas BIF was found to mediate effects of perspective (chooser, recipient) on choice of desirable (vs. feasible) product (Baskin et al. 2014), we found that BIF did not mediate effects of choice for self (vs. other) on choice of quality (vs. quantity) (95% CI: -1.607, .0473; Hayes 2013).

Study 3 (N = 304) generalized these findings to a non-gift-giving context, in which a consumer makes a product choice on behalf of another person who provides the money for the purchase. We again found that consumers were more likely to choose quality over quantity for others than for the self (p < .001). These findings suggest that it is not something special about the gift-giving context that leads to these effects and processes but rather about choosing for others more generally.

Study 4 (N = 1205) identified a boundary condition that further supported our process account. Specifically, study 4 had a 2 (choice recipient: self, other) × 2 (choice recipient has had prior positive experience with both options: unspecified, yes) between-subjects design. We found a significant interaction (p = .024), such that the effect of choice recipient on the quality-quantity tradeoff was eliminated when the chooser was aware that the choice recipient has previously had positive experience with both choice options. Presumably, this boundary condition occurs because the elevated risks associated with choosing a quantity option for another person are mitigated.

In sum, across four studies involving real and hypothetical choice, we present consumers with a quality-quantity conflict and show that consumers are more likely to favor quality over quantity when choosing for others (vs. themselves). Study 1 demonstrates the basic effect of choice recipient on choice in a gift-giving setting. Study 2 provides support for our proposed underlying process through parallel mediation. Study 3 extends our findings to a non-gift-giving context while replicating the parallel mediation findings from study 2. Study 4 identifies a boundary condition, showing that our effect is eliminated when the chooser is aware that the choice recipient has previously had positive experience with both choice options. Finally, we rule out a construal level account for our effect.

Our research offers contributions to two literatures. First, we contribute to the literature on attribute tradeoffs by identifying a new factor that affects the little-understood quality versus quantity tradeoff. Second, we contribute to the literature on choosing for others both by identifying a new difference in choice when choosing for self versus other. Moreover, we also identify two novel mechanisms that have not been identified in this literature to the best of our knowledge: usage risk (preference uncertainty) and social risk (purchase embarrassment).

**When Giving Thanks Means More: The Impact of Publicly Versus Privately Sharing Gratitude in Gift-Giving**

**EXTENDED ABSTRACT**

For anyone who has ever received a gift, one of the first responses is to properly express gratitude. Much of the research has focused on the asymmetries between gift-givers and recipients from the point of view of the gift itself (Belk 1976; Steffel and LeBoeuf 2014; Ward and Broniarczyk 2011). Our research, however, addresses the question of asymmetries that occur in the gift-giving experience from a novel angle—how gift-recipients inaccurately forecast how gift-givers will respond to gratitude expressions. As gift-givers continually spend increasingly large amounts of money on gifts, understanding how recipients can enhance the experience for not only themselves, but for the givers is important to understand. Gifts are
chosen to express some symbolic meaning to the recipient, thus the expression of “it’s the thought that counts” may extend to the response of the recipient in a gift exchange for when they contribute to the gift exchange through their reactions (Zhang and Epley 2012).

We predict that gift-recipients may fail to anticipate how givers prefer to be thanked. Recipients may believe that expressing gratitude publicly rather than privately may be seen as more impersonal as broadcasting is typically focused on self-presentation goals (Baumeister et al. 2001) while narrowcasting is focused on sharing useful information to others (Barasch and Berger 2014). Conversely, gift-givers may perceive all gratitude to be equally personal (as gratitude, regardless of audience size, seems focused and directed towards them), and thus will appreciate gratitude regardless of how it is shared. We explore this discrepancy regarding gratitude expressions in four studies.

In Study 1, participants (N=136) were asked to recall a recent gift-exchange and were randomly assigned to one of two conditions (giver, recipient). After walking through a gift-exchange, participants were asked to choose whether they would share (receive) thanks publicly on the gift giver’s Facebook wall or privately through a Facebook message. In line with our predictions, we found that gift-givers chose to be thanked publicly more often than recipients chose to express gratitude publicly (β = .710, χ²(1) = 3.88, p < .05). These findings imply that gift-recipients are possibly missing opportunities to express gratitude in the gift-givers preferred way. To understand why this discrepancy occurs, Study 2 tests our proposed process.

In Study 2, participants (N=395) were randomly assigned to a condition in a 2(role: giver or recipient) × 2(expression: public or private) design. Participants imagined either expressing or receiving gratitude in a private or public Facebook message after a gift-exchange. Using 7-point Likert-scales, gift-recipients predicted how the gift-giver would feel about the recipient (i.e., closeness) and about the expression itself (i.e., liking of expression, how the expression was perceived: personal, sincere, proud, comfortable) while givers predicted how they would feel.

There was a significant interaction between role and audience on expectations of givers’ felt closeness to the recipient and liking of the expression (both p < .001). Gift-givers equally liked the expression and felt equally close to recipients regardless of the gratitude expression (both p > .36). Alternatively, gift-recipients thought that gift-givers would like the expression less and feel less close to them when gratitude was expressed publicly (both p < .001).

We next examined the process underlying these discrepancies by testing for moderated mediation (Model 8, Hayes 2013) of liking and closeness as DVs (two separate models), expression type as IV, role as the moderator, and feelings regarding the expression (personal, sincere, proud, comfortable) as parallel mediators. We found that how personal the gratitude expression seemed positively predicted both liking (CI[.00, .27]) and closeness (CI[.21, 1.01]). This was not true for any of the other possible mediators (all 90% CI contain 0). The indirect pathways through personal-ness to gift-recipient liking and felt closeness were significant for public expressions of gratitude (CI[.07, .25] and CI[.08, .30], respectively) but not for private expressions (both 95% CI contain 0). The results of this study show that gift-recipients believe public displays of gratitude will be poorly received due to being seen as less personal (though gift-givers do not share this belief).

In Study 3 (N = 106), we explored why gift-recipients believe that public expressions of gratitude will be seen as less personal. Participants were randomly assigned to one of two conditions (giver, recipient). After walking through a gift-exchange, participants were asked, when considering a public Facebook expression of gratitude, how much they thought about the reactions/feelings of the other person in the exchange and how much they thought about the reactions/feelings of other people who could see the gratitude expression (measured on two sliding scales where the total percentage had to equal 100% between the two options). We found that gift recipients thought more about the reactions of others compared to gift-givers (p = .004). This finding supports the idea that gift-recipients believe public gratitude will be seen as more interpersonal due a focus on a larger audience (i.e., broadcasting) compared to gift-givers.

In Study 4 (N = 409), we explore a boundary condition to this discrepancy in gratitude expressions. As we have seen in previous studies that the discrepancy between gift-recipients and gift-givers occurs due to gift-recipients incorrectly believing public gratitude to be less personal due to a larger imagined audience, we believe this effect will be specific to gratitude shared virtually where there can be a larger audience. To test this prediction, participants were randomly assigned to a condition in a 2(role: giver or recipient) × 2(context of expression: offline or online) design. Participants imagined a gift-exchange and were asked to choose whether they would share [receive] thanks publicly or privately online [offline through Secret Santa scenario]. In line with our predictions, we found a significant interaction between role and context (β = .37, χ²(1) = 12.91, p < .001). Looking at the simple effects, givers chose to be thanked publicly significantly more than recipients chose to thank publicly online (p = .001) while offline, there were no differences between gift-givers and gift-recipients (p = .37).

We are currently running studies to determine situations when recipients will be more likely to share gratitude publicly online.

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