The Spirit of Giving: Impure Altruism in Funeral Contracts

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In an archival study of 385 funerals, we find that executors spend more on funerals they planned for others than for themselves. Considered with seven experiments addressing selection effects and supernatural, reciprocal, and reputational confounds, we identify the utility of giving itself ("warm-glow") as the driver of this self-other difference.

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You, Me, or We? Conceptualizing and Testing Consumer Choices for Others

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Paper #1: A Conceptual Framework for Understanding Consumer Choices for Others
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Paper #2: People Make More Informed Choices for Others
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Paper #3: The Spirit of Giving: Impure Altruism in Funeral Contracts
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Paper #4: Wine for the Table: Self-Construal and Choosing for Large Versus Small Groups
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SESSSIOIN OVERVIEW
Consumers choose for others daily: what to pack in a child’s lunch, what gift to purchase for a friend, what food to bring to a potluck, or what to order for a partner running late to dinner. These choices are fraught with difficulty: what does the recipient prefer? What does the chooser prefer? What are the consequences—for the recipient, the chooser, and their relationship—of making a poor choice? Despite their ubiquity and complexity, consumer research has neglected such choices (but see, e.g., Sherry 1983). Thus, this session offers conceptual and empirical insight into choosing for others.

To begin, Liu and colleagues develop a conceptual framework that describes choosing for others based on two critical dimensions: whether the chooser is focused on the recipient or the relationship, and whether they have a primary goal to please the recipient. The resulting four choice contexts are gift-giving (relationship-focus, goal to please is primary), absent-recipient (recipient-focus, goal to please is primary), joint consumption (relationship-focus, goal to please is secondary), and paternalistic (recipient-focus, goal to please is secondary).

The three empirical papers in this session fit into and expand on this framework. In three studies, Polman finds that in absent-recipient contexts, consumers gather more attribute and alternative information when choosing for others (vs. themselves). In eight studies, Garcia-Rada and colleagues examine spending on others in the paternalistic context of funerals, and test whether choosers are motivated by pure or impure altruism. In four studies, Moore and colleagues examine how group size and self-construal affect choice in a joint consumption context.

Each empirical paper explores a different choice context from Liu and colleagues’ framework. The contexts these papers explore are also the least researched; while there is a large and still-growing literature on gift-giving (Ward and Broniarczyk 2011; Steffel and Le Boeuf 2014), there is less research on choosing for others in absent-recipient, paternalistic, and joint consumption contexts. Further, each paper provides insight into—and helps to refine and expand—Liu and colleagues’ framework. Polman’s results suggest that information search is a critical outcome of making recipient-focused choices.

Garcia-Rada and colleagues’ findings highlight impure altruism as a driver of choice when pleasing the recipient is not a primary goal. Moore and colleagues identify situational and individual factors that affect consumers’ degree of relationship-focus and emphasis on pleasing the recipient in joint consumption contexts.

Given their advanced stages, these papers can integrate existing research on choosing for others and generate new research in this area. We expect this session to interest a diverse audience, including consumer psychologists studying social influence, motivation, and decision-making. We hope the session will spur discussion of theoretical and empirical questions for future research, including: 1) beyond outcomes such as search behavior and choice, what are the individual and relationship consequences of choosing for others? 2) what individual, relationship, or situational factors predict the strength of the chooser’s relationship- or recipient-focus? 3) If choosers are not focused on pleasing the recipient, what secondary goals might they adopt, with what outcomes?

A Conceptual Framework for Understanding Consumer Choices for Others

EXTENDED ABSTRACT
Consumers spend their lives surrounded by others and thus often make choices not just for themselves, but also for others. Yet most consumer behavior research, and the resulting marketing insights, has historically neglected to consider choices for others. Recently, however, consumer behavior researchers have increasingly focused on consumers’ choices for others. We consider the remaining gaps in this literature as well as the marketing implications of choosing for others. We do so by developing a new choosing-for-others conceptual framework with two fundamental dimensions.

We propose that thinking about another person in various ways is at the conceptual center of choosing for others. Thus, choosing-for-others situations can be differentiated on two fundamental dimensions—i) whether the chooser is focused on the relationship between self and other or whether the chooser is focused exclusively on the other person when choosing, and ii) whether the chooser’s primary goal is to maximize the recipient’s immediate happiness or to balance this goal against competing interests (i.e., the chooser’s own preferences or the recipient’s long-term welfare).

With regard to the first dimension, a relationship focus involves high concern with the self-other link, as choosers care considerably about the relational message they convey to the other person through their choice, as well as the relational expectations, dynamics, and implications of their choice (Cavanaugh 2016; Epp and Price 2011; Kelley and Thibaut 1978). In contrast, when consumers adopt a recipient focus, they are much less concerned with the self-other link and the relational implications of their choice (Barasz, Kim, and John 2016; Laran 2010), focusing mainly on the other person’s wants and needs instead.

With regard to the second dimension, when a chooser’s primary goal is to please the recipient, they consider the recipient’s preferences and choose the option that they believe will maximize the recipient’s immediate happiness (even if their beliefs about the recipient’s preferences are incorrect). By contrast, other situations exist in which beliefs about the other person’s preferences are a secondary input to choice, and the goal to please the recipient is not primary.
secondary, we mean that other concerns, such as what the other person ought to receive or what the chooser prefers to choose on his or her own, are similarly important or sometimes even more important than pleasing the recipient. However, this is not to say that the other person’s preferences do not matter at all.

Combining these two fundamental dimensions of choosing-for-others results in four “cells”. These cells or choice contexts are labeled to correspond to four major, distinct choosing-for-others literatures that can be considered prototypical situations for each cell: gift-giving, joint consumption, absent-recipient, and paternalistic. These labels may not and are not intended to be able to describe every situation that fits into a given cell based on its standing on the two fundamental framework dimensions. However, each context is labeled to improve comprehension, and these labels each represent common, important, prototypical contexts. Furthermore, established literature streams correspond to each label, which facilitates a deeper understanding of the main choice motives in each context and of the choice implications and managerial implications in each context. In our presentation, we will provide an overview of these motives, choice implications, and managerial implications, while acknowledging blurrier cases that are not perfectly described by one of the four labels.

The first cell is labeled the “gift-giving” context. This cell involves a considerable relationship focus (Belk 1979, 1996; Camerer 1988; Lowrey, Ottes, and Ruth 2004; Ottes, Lowrey, and Kim 1993; Ruth, Ottes, and Brunel 1999; Schwartz 1967; Sherry 1983) and pleasing the other person is a primary consideration of the chooser. The second cell is labeled the “joint consumption” context, which consists of making shared consumption choices for self and other (e.g., a shared restaurant choice, a shared vacation destination, or a shared car). This cell also involves a strong relationship focus, but pleasing the other person is not necessarily the primary goal, as the chooser also weighs his/her own preferences. The third and fourth cells are labeled the “absent-recipient” and “paternalistic” contexts. Unlike the gift-giving and joint consumption contexts, choosers in the absent-recipient and paternalistic contexts are more focused on the other person than on the self-other relationship. In the absent-recipient context, which consists of making consumption choices for an able-minded but physically absent recipient (e.g., picking up coffee for a fellow coworker, buying groceries for a spouse), there is a strong recipient-focus, and satisfying the other person’s preferences is the chooser’s primary goal. In the paternalistic context, on the other hand, the chooser makes consumption choices for another person who is for some reason less able to choose (e.g., children, the elderly). In other words, an absent-recipient context (vs. paternalistic context) involves another person who does not have the opportunity (vs. ability) to choose. Thus, in the paternalistic context, the chooser considers the welfare implications of each option—in addition to the recipient’s preferences—when deciding what to choose.

These four distinct contexts are both theoretically and empirically grounded in their relevance. Theoretically, these four contexts map onto the four main reasons why one consumer would make a choice for another consumer: desire to send a relational signal, sharing of the choice between chooser and recipient, the recipient’s lack of opportunity to choose, or the recipient’s lack of ability to choose. Empirically, a pilot study shows that this framework parsimoniously captures nearly all contexts in which consumers make choices for others and that each context encapsulates a considerable breadth of situations.

Given that this is a conceptual paper, in our presentation, we would discuss this framework, including the distinct profile of choosers’ motives, choice outcomes, and marketing implications within each of the four main choice contexts. Additionally, we would discuss novel insights of our framework and its generativity for new academic research.

**People Make More Informed Choices for Others**

**EXTENDED ABSTRACT**

Consider a recent study that measured how well participants respond to complicated problems, like the classic bat-and-ball problem (Mata, Fiedler, Ferreira, and Almeida 2013). In their examination of these problems, Mata and colleagues discovered that some people were more likely to solve them when the problems belonged to someone else. Why? The authors revealed that because people believe they are less biased than others (Prinon 2008), their confidence in others’ ability to identify the correct answer is relatively low, hence they subsequently scrutinize others’ choices more. Could this mean that people are “better” (more informed) at making choices for others? We believe so. Specifically, we predict that when making choices for others (vs. themselves), decision makers search for more information.

Several lines of research hint at this idea. For example, some research finds that when people decide for others, their choices are less biased compared to when they decide for themselves. That is, people who choose for others demonstrate less inter-temporal discounting, decoy effect, omission bias, betrayal bias, post-decisional distortion, choice overload, ego depletion, and loss aversion (Gershoff and Koehler 2011; Helgadóttir 2015; Pronin, Olivola, and Kennedy 2008; Polman 2010, 2012a, 2012b; Polman and Emich 2011; Polman and Vohs 2016; Ziegler and Tynney 2012; Zikmund-Fisher, Sarr, Fagerlin, and Ubel 2006).

Research also shows that people sometimes help others more than they help themselves. For example, people behave more assertively and less forgivingly toward transgressors who offend their friends than transgressors who offend them personally (Green, Burnette, and Davis 2008). People also pay more to stop other people’s pain than they pay to stop their own (Crockett et al. 2014). In this vein, it would appear as though people occasionally prioritize others’ well-being over their own. In support, research has shown that people value their close friends’ possessions more than their own (Greenstein and Xu 2015).

Together, these findings suggest that when people choose for others, they may think more about their choices (by considering more alternatives and attributes) than when making their own choices. Entirely consistent with this view, making a choice for someone else has been theorized as an instance of accountability (Tetlock 1992). Further, research by Lee, Herr, Kardes, and Kim (1999) showed that under the sway of accountability, people examine more information, employ multiple search criteria, and employ more compensatory choice strategies.

We therefore tested whether choosing for others increases the extent to which decision makers search for options (alternative-search) and pursue information about each alternative (attribute-search). We also focused on a theoretically-derived mediator—regulatory focus—which brings to bear a new prediction concerning alternative- and attribute-search. Polman (2012a, 2012b) established that choosing for others puts people into a more promotion- (vs. prevention-) focused state, whereas choosing for the self puts people into a more prevention- (vs. promotion-) focused state. Also, in a nutshell, the literature on regulatory focus reveals parallels with alternative- and attribute-search (Forster and Higgins 2005; Forster, Higgins, and Bianco 2003; Mantel and Kardes 1999; Pham and Avnet 2004; Sanbonmatst and Fazio 1990; Zhu and Myers-Levy 2007).

In our research, we develop a theoretical and empirical link between
self-other decision making, regulatory focus, and alternative/attribute-search, which highlights when and why decision makers pursue more information, and what kind of information they pursue.

In study 1, 124 participants chose between two college courses with ten attributes describing each course. For each attribute, we created three levels and assigned one level of each attribute to each course randomly. Following the initial display of one attribute (for both courses), participants were asked whether they were ready to make a choice or whether they wanted to see another attribute. We found participants making choices for others pursued more attributes than participants making choices for themselves, $d = .81$.

In study 2, 119 participants chose between ten restaurants, where they saw information about one restaurant at a time. Following the initial display of one restaurant, participants were asked whether they were ready to make a choice or whether they wanted to see another restaurant alternative. We found participants making choices for others considered more alternatives than participants making choices for themselves, $d = .54$.

Although the preceding studies provide evidence consistent with our hypothesis, they did not directly examine the trade-off between alternative- and attribute-search. In study 3, we addressed the conflict between alternative- and attribute-search by allowing participants to research information about both alternatives and attributes. In line with our investigation of regulatory focus, we predicted a higher promotion-focus (activated by choosing for others) would lead to trading off attribute information in favor of alternatives, and vice versa, a higher prevention-focus (activated by choosing for the self) would lead to trading off information about alternatives in favor of attributes.

In study 3, 137 participants received three attributes each about three college courses and were asked whether they were ready to make a final choice, or whether they wanted additional information and if so, what kind of information (attribute or alternative). Participants who chose to see more information were shown the requested information (attribute or alternative) until they were ready to make a final choice. We found a significant interaction between target and information type which demonstrates the trade-off between alternative- and attribute-search. Participants choosing for others considered more alternatives than attributes, $d = .62$. In contrast, participants choosing for themselves pursued more attributes than alternatives, $d = .77$.

We carried out two bootstrapping procedures to determine whether promotion/prevention focus mediated the relation between target and alternative/attribute search. For these respective indirect effects, results indicated that the 95% confidence intervals (with 1000 samples) were [-.0.49, -.10] and [0.24, 0.78].

Summing up, our results show that a path to self-help might include a dose of other-help. In fact, it is perhaps no coincidence that when it comes to offering advice, people sometimes say “here’s my two cents” yet when people ask for others’ advice, they might say “penny for your thoughts.” In line with our results, people can offer more to others.

The Spirit of Giving: Impure Altruism in Funeral Contracts

EXTENDED ABSTRACT

Giving to others is driven by many extrinsic motives, such as reciprocal and reputational benefits—but its most cryptic drivers are intrinsic, altruistic motives (Falk and Fischbacher 2006; Rabin 1993). People give to others because prosocial giving is pleasurable (Andreoni 1989, 1990), but identifying the source of this pleasure is difficult. Dictator games can remove reputational and reciprocal motives by making giving private (Haley and Fessler 2005; Nettle et al. 2013) and by anonymizing givers and recipients (Franzen and Pointner 2012; Hoffman, McCabe and Smith 1996). Yet, in almost all cases, giving can still benefit the recipient in some way. Thus, it is unclear whether the pleasure of giving requires that the recipient receives some benefit (i.e., pure altruism), or if pleasure can be derived solely from the act of giving itself (i.e., impure altruism).

Funeral contracts are an exceptional case in which prosocial giving does not benefit the recipient; they are dead. With industry sales of $14.2 billion per year (McGinley 2016) and an average cost of $6,500 in the United States, funeral contracts are important financial decisions that must be made by or for almost all persons. Moreover, for most funeral contracts, the recipient does not benefit from executor spending (contracts planned for deceased others), but there are contracts in which the executor is the recipient (contracts planned for the self). Comparing self-planned and other-planned funeral contracts can thus elucidate whether the “warm glow” derived from the act of giving itself influences the spirit of giving. Impure altruism should lead executors to spend more on expenses for others than themselves, particularly on expenses where the amount spent is only clear to the executor.

In Study 1, we used funeral contract data from a U.S. funeral home to test for differences in expenditures between people who pre-planned their own funeral and people who planned a funeral for another person. Total and itemized expenses were collected from 385 funeral contracts prepared between 2012 and 2014 (self-planned funerals=128; other-planned funerals=257). Two samples of funerals planned for others were collected: one matched by age and gender to self-planned funerals, and another randomly sampled from the target years (these groups did not differ and were collapsed in further analyses).

Overall, we find that people spend more on others’ funerals ($M_o$=$6,671.07$) than on their own ($M_o$=$5,779.49$; $b=471.47$, $SE=131.00$, $p<.001$), even when controlling for important covariates such as service type, gender, and age of the deceased. Additionally, we explored variation in expense category spending (public vs. private) to disentangle whether reputational effects also drive funeral spending in addition to a feeling of warm-glow. Twenty-four funeral expense categories were deemed public or private (based on the number of people who would notice the amount spent on the item, as indicated by 75 Mturk participants). Applying this categorization to our data, we find that people spend more on both public ($M_{diff}=489.08$; $b=246.32$, $SE=84.41$, $p=.004$) and private expenses ($M_{diff}=257.18$; $b=115.00$, $SE=56.70$, $p=.048$) when planning others’ funerals versus their own. These similar results between public and private funeral expenses address the alternative explanation that reputation or signaling motives drive funeral spending. In two lab studies when participants were assigned randomly to plan their own funeral or a loved one’s funeral, we replicate the self-other spending gap for both burial ($N=391$) and cremation services ($N=387$) and show that self-selection does not drive these differences (self-other spending gap: $p<.001$).

We next ruled out alternative explanations that might drive this self-other difference; participants were asked to read a scenario and make funeral choices, and we manipulated who the recipient was as well as conditions about the funeral. In Study 2 ($N=765$), we test whether ambiguity about what the deceased would have wanted motivated consumers’ greater spending for others’ funerals; scenarios providing participants with the deceased’s suggested spending amount versus no information about the deceased’s expectations did not differ. In Study 3 ($N=882$), we refute the explanation that
greater funeral spending for others compared to the self is driven by an expectation of future reciprocity (i.e., spending more on another’s funerals to have someone else do the same for you in the future). In Study 4 (N=580), we explore whether greater spending for others’ funerals is driven by decision makers’ expectations of utility from experiencing that recipients’ funeral ceremony. Results from this study reveal that funeral attendance did not affect the amount people spent on others’ funerals.

Finally, we conducted two additional studies to examine specific drivers of impure altruism (i.e., warm glow) that account for our effect. In Study 5 (N=799), we separate two drivers of impure altruism: positive affect felt from benefitting the recipient and utility from the act of giving itself. While funerals constitute a social exchange in which the recipient generally does not benefit due to their status, we test whether decision makers feel that a deceased recipient might still benefit in a supernatural sense. Using scenarios including funeral planning for others who were either alive or deceased at the time of planning, our results suggest that decision makers do not perceive recipients to benefit in a supernatural sense, thus supporting the claim that this prosocial spending on others’ funerals is driven by utility from the act of giving itself. Furthermore, in Study 6 (N=752), we compare whether decision makers truly engage in greater spending for others’ funerals out of utility from giving or due to a moral obligation. Results did not confirm the moral obligation account, further suggesting that greater funeral spending is driven by utility from the act of giving itself.

In sum, this research provides an in-depth look at the understudied and unique context of funeral decisions and the motivations that drive them. We find that people spend more on the funerals they plan for others than themselves, and demonstrate that this self-other gap is robust using archival data and experiments. More importantly, we identify a new driver of impure altruism that motivates prosocial spending when recipients do not receive material benefits: utility from the act of giving.

Wine for the Table: Self-Construal and Choosing for Large Versus Small Groups

EXTENDED ABSTRACT

Imagine that you are out to dinner with friends and you have been tasked with selecting wine for the table. How does the number of friends at dinner, in conjunction with your self-construal, affect your choice? Although recent research has begun to explore how consumers choose for others, little work has examined what role the characteristics of the choice recipient(s) might play in such choices.

The present research proposes that the number of choice recipients, in conjunction with self-construal, will affect consumers’ choices for themselves and others. Prior work shows that although individuals have a strong default tendency to focus on themselves (Chambers and Windschitl 2004), making others salient can shift attentional focus towards others (Alicke and Govorun 2005). Importantly, the number of others matters: interacting with a small number of others (e.g., a single other person) increases other-focus, whereas interacting with a larger group maintains individuals’ natural self-focus (Barasch and Berger 2014). In addition, research on self-construal suggests that consumers differ in their habitual focus on the self versus others. Independent individuals see themselves as distinct, autonomous beings, leading them to focus relatively more on the self than interdependent individuals. In contrast, interdependent individuals see themselves as intrinsically situated within relationships, leading them to focus relatively more on others than independent individuals (Markus and Kitayama 1991).

Combining these ideas, we propose that group size and self-construal will interact to determine choices for others. We focus on joint consumption choices, which have shared outcomes—for example, choosing a t-shirt design to be worn by oneself and other team members, or selecting a happy hour location for a group. In such contexts, the decision-maker must consider not just her own preferences, but also those of others, making the tension between weighing self and others’ preferences especially salient.

We propose that when choosing for themselves and a small group of others, independents and interdependents will make choices that account for others’ preferences along with their own. When choosing for themselves and a large group of others, however, we expect that independents and interdependents’ choice behavior will diverge. Specifically, we expect that while interdependents’ other-focus will lead them to continue making choices that account for everybody’s preferences, independents will switch to choices that prioritize their own preferences over others. We suggest that this occurs because small (but not large) group contexts heighten the chooser’s other-focus—that is, their attention to others.

In study 1A, we primed 297 participants with independence or interdependence and asked them to choose a movie package for viewing with a large or small group of friends. Participants were told that the group’s movie preferences were evenly split between drama and western movies. They then chose one of several movie packages with varying numbers of western and drama films. Participants also reported their preferences for both film genres. Choice was predicted by a three-way interaction between self-construal prime, group size, and self-preferences. When choosing for a small group, self-preferences did not do not drive choice for independents (β > .41). When choosing for a large group, while self-preferences did not drive choice for interdependents (p > .50), they did for independents (β = 0.19, t(287) = 3.88, p = .0001): as their preference for western movies increased, so did the relative proportion of western movies in the movie package they chose.

In study 1B, we primed 253 participants with independence or interdependence and asked them to choose one bottle each of red and white wine for dinner with a large or small group of friends. Participants were given a budget and a real wine menu to choose from. They also reported their preferences for red and white wine. Results replicated study 1A: when choosing for a small group, self-preferences did not predict choice for independents or interdependents (p > .61). When choosing for a large group, while self-preferences did not drive choice for interdependents (p > .61), they did for independents (β = 0.28, t(245) = 3.50, p = .0006), who spent more of their budget on their preferred wine (red or white).

In study 2, we examined the mechanism underlying this effect. We primed 276 participants with independence or interdependence and asked them to choose a book deal for their large or small book club. Participants chose one of several deals that contained varying proportions of fiction and non-fiction books, described what they thought reading the books with their club would be like, and reported their book preferences. When choosing for a small group, self-preferences did not predict choice for independents or interdependents (p > .34). When choosing for a large group, however, self-preferences predicted choice only for independents (β = 0.22, t(266) = 3.68, p = .0003) such that they chose more books of their preferred type (fiction or non-fiction). Supporting an attentional-focus hypothesis, mediation analysis revealed that independents used more other-focused pronouns (i.e., “we”) in their written descriptions in small versus large group contexts, and that pronoun use mediated the relationship between group size and choice (CI: 0.0023–0.3686, p < .05). This was not true for interdependents (p > .05).
Study 3 further tested our process, using wine choices in a small group context. Our prior studies suggest that despite their natural self-focus, small groups draw independents’ attention to others; thus, we interfered with their ability to pay attention. We first primed 433 participants with independence and then manipulated cognitive load. Replicating prior studies, when load was low, self-preferences did not predict wine choice \((p > .84)\). In contrast, and supporting our hypothesized attention-based process, when load was high, participants chose more expensive wines of their preferred type \((t(429) = 2.99, p < .003)\).

We show that group size and self-construal are key factors in predicting consumers’ choices on behalf of self and others. In doing so, we identify a context where independents adjust their choices for others—a finding that is in contrast to past work, which has largely shown when interdependents adjust for others (e.g., Morling, Kitayama and Miyamoto 2002).

REFERENCES

Session Overview


Paper 1


Paper 2


**Paper 3**


**Paper 4**


