Close the Deal Now Or Later?: the Impact of Power Distance Belief on Choice Deferral

Hyejin Lee, Indiana University, USA
Ashok Lalwani, Indiana University, USA

The current research explores the link between power distance belief (PDB) – the extent to which people endorse hierarchy – and choice deferral. Results revealed that high (vs. low) PDB individuals are less likely to defer choice for products high (vs. low) in symbolism. The relationship is mediated by impression management.

[to cite]:

[url]:
http://www.acrwebsite.org/volumes/1024413/volumes/v45/NA-45

[copyright notice]:
This work is copyrighted by The Association for Consumer Research. For permission to copy or use this work in whole or in part, please contact the Copyright Clearance Center at http://www.copyright.com/.
Close the Deal Now or Later?: The Impact of Power Distance Belief on Choice Deferral

Hyejin Lee, Indiana University, USA
Ashok Lalwani, Indiana University, USA

EXTENDED ABSTRACT

The current research examines the link between power distance belief (PDB)—the extent to which people accept and endorse hierarchy and inequalities in society (Hofstede 2001; Zhang, Winterich, and Mittal 2010) and consumers’ tendency to postpone purchase (choice deferral). Previous research (Briley, Morris, and Simonson 2005) may suggest a positive association between PDB and choice deferral. However, the impact of PDB on choice deferral has not been explicitly examined so far. In contrast, we show in a series of three studies that high (vs. low) PDB individuals are less likely to defer choices for symbolic products—products which convey the user’s identity to other people such as watches or sunglasses (White and Dahl 2007)—and this is because of their lower tendency to engage in impression management, defined as people’s attempt to control others’ impressions of them (Leary and Kowalski 1990; Schlenker 1980).

Specifically, high (vs. low) PDB cultures tend to be rigid, inflexible, and discourage social mobility (Carl, Javidan, and Gupta 2004), and tend to be less generous and charitable toward others (Winterich and Zhang 2014). Moreover, the rigid nature of PDB may imply that people may be fixed, have firm opinions, and be less likely to change their opinion of others (Carl et al. 2004), which may reduce their perceived ability of changing others’ view of themselves. Because a primary reason people engage in impression management is to obtain rewards and benefits (Schlenker 1980), we suggest that people are less likely to engage in impression management when PDB is high (vs. low) because of the lower possibility of obtaining rewards and benefits in such contexts. In turn, the lower tendency to engage in impression management should reduce choice deferral for symbolic products. This is because people with higher impression management concerns consider more number of attributes (for example, they may not only consider utilitarian and functional attributes, but also symbolic and identity-enhancing attributes; Schlosser and Shavitt 2002; Shavitt 1990, 1992), have a higher threshold for accepting products, and prefer alternatives that can be easily justifiable to others especially when the products have the potential to signal their identity (i.e., symbolic products), which can lead to higher choice deferral for such products. Formally,

Hypothesis 1: High (vs. low) PDB individuals are less likely to defer choice and this effect is stronger for symbolic (vs. non-symbolic) products.

Hypothesis 2: The relationship between PDB and choice deferral for symbolic products is mediated by impression management.

We have argued that low (vs. high) PDB individuals are more likely to defer choice for symbolic products because they consider a greater number of product attributes, including symbolic and social identity related attributes as well as functional and utilitarian attributes. Because people often have minimum threshold expectations for each attribute considered (e.g., 25 miles per gallon; 8 GB RAM; Johnson, Meyer, and Ghose 1989; West, Brockett, and Golden 1997) the more the number of attributes considered, the greater is the likelihood that the brands under consideration will fall short of expectations on at least some attributes (Brandt 1988). In effect, the greater number of attributes increases the uncertainty that the brands will perform satisfactorily on key attributes, leading to a greater choice deferral for symbolic products among people low (vs. high) in PDB. We reasoned that when people are made to believe that products in the marketplace perform satisfactorily on key attributes (compared to when this belief is not induced), the tendency of low PDB individuals to defer choice will be significantly mitigated, but that of high PDB individuals (who are less likely to defer choice to start with) will be unchanged.

Hypothesis 3: When people believe that products in the marketplace perform satisfactorily on important attributes, low PDB individuals’ tendency to defer choice will be significantly mitigated, but that of high PDB individuals will be unchanged, compared to that in a control condition.

In study 1, we demonstrated that the effect of PDB on choice deferral is stronger for symbolic (briefcase, shoes, and sunglasses) versus non-symbolic (blender, detergent, and hand soap) products. We found a significant interaction between measured PDB and product type ($F(1, 203) = 4.371, p < .04$). For symbolic products, the slope of PDB was negative ($\beta = -.212, SE = .090, t(102) = -2.347, p < .03$), but, for non-symbolic products, the slope of PDB was not significant ($\beta = .013, SE = .06, t(101) = .211, p = .833$), suggesting that PDB decreases choice deferral for symbolic, but not non-symbolic products.

In study 2, we employed a bootstrapping procedure with 10,000 iterations (Model 4, Hayes 2012) and showed that the effect of PDB on a choice deferral is mediated by impression management ($b = .022, SE = .016, CI_{95} = .001, .067$).

In study 3, we demonstrated one important boundary condition.

Study 3: We predicted that when participants are explicitly told that most products in the marketplace meet the requisite standards on symbolic and social identity related attributes (manipulated belief condition) low (but not high) PDB individuals would be less likely to defer choice compared to the control condition. Floodlight analysis (Spiller et al. 2013) suggested that a significant negative effect of manipulated belief (vs. control condition) on choice deferral likelihood for participants whose PDB score were less than 3.304 ($b = -.261, SE = .133, p = .05$).

Collectively, these findings supported our prediction that high (vs. low) PDB individuals are less likely to defer choice for symbolic (vs. non-symbolic) products. Also, we found the evidence that these differences are attributed to high (vs. low) PDB individuals’ lower tendency to engage in impression management. This research contributes to impression management literature by showing the negative relationship between PDB and impression management and it also contributes to choice deferral literature by identifying an important but less explored factor related to cultural variables: power distance belief. We confirmed this effect by using various products across studies. Moreover, we demonstrated one important boundary condition that strengthens our proposed mechanism of impression management.

REFERENCES


