Not Every Talk Follows a Walk: the Importance of Considering Sr Investors Over General Population When Analyzing SRI Behavior

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This study develops and validates segments of SR-investors of building-society based on varying SRI-selection motives. Additionally, it explores if similar segments appear when general-population is segmented on same basis. Findings support heterogeneity among SR-investors and highlight the significance of studying actual SR-investors over general population when exploring SRI.

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REFERENCES


The Moral Nature of Stigmatization: Mitigating the Negative Effects of Stigma on Helping
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EXTENDED ABSTRACT
A stigma is an undesirable characteristic, imperfection, or mark of dishonor that leads a person to be rejected by society (Goffman 1986). The stigmatized include the mentally ill, criminals, welfare recipients, undocumented immigrants, the obese, and those who abuse drugs and alcohol (Fiske, Cuddy, and Glick 2006; Overton and Medina 2008). Despite being among the neediest in society, the stigmatized are often the least likely to receive help (Latner and Stunkard 2003; Lundberg, Hansson, and Bjorkman 2007). Consequently, organizations have undertaken various promotional efforts designed to educate others and increase support for the stigmatized. Unfortunately, research suggests these campaigns are often ineffective (Corrigan 2012; Heijnders and van der Meij 2006) or even counterproductive by reinforcing negative attitudes (Korszun et al. 2012; Tolomiczenko, Goering, and Durbin 2001).

We propose that promotional efforts for stigmatized groups are likely to be ineffective if they do not address the group’s perceived deficit in moral character. We theorize that the stigmatized receive less help compared to other people in need because they are considered immoral, and therefore aversive, unworthy, and potentially harmful. Consistent with our theory, we find that people are less willing to help a homeless person who carries the stigma of a mental illness, a criminal record, or alcoholism compared to a homeless person who is a military veteran. However, we find that the negative effect of the stigma on helping is fully mitigated when the stigmatized person behaves virtuously. Importantly, we demonstrate that behaving in a virtuous manner is insufficient to redeem the stigmatized. It is only when the virtuous behavior is undertaken voluntarily and for an unselfish reason that it is diagnostic of moral character and consequently has the power to mitigate the negative effects of stigma on helping.

The relevant literature has not yet acknowledged the moral basis for stigmatization. However, previous research has considered how people respond to stigmatized groups (Gay and Whittington 2002; Harris and Fiske 2006). Harris and Fiske (2006), for example, examined how people respond neurally to the homeless and to drug addicts—two groups identified as stigmatized in other research (Dunlop and Tracy 2013; Phelan et al. 1997). They found that exposure to images of addicts and the homeless evoked not only intense dislike in participants, but also disgust and contempt, which are negative emotions reserved for those who are morally condemned (Haidt 2003; Hutson and Gross 2011). Furthermore, participants displayed a lower activation of the medial prefrontal cortex when exposed to images of the stigmatized compared to images of members of societal in-groups. The authors concluded that participants considered the homeless and drug addicts to be “less than human” (p. 847). The foregoing illustrates that stigmatization involves the most essential of all moral judgements—is a person good or bad?

Given the moral basis for stigmatization, we propose that a moral redemption is necessary to mitigate the negative effect of stigma on helping. We find evidence across four studies that a stigmatized person in need is helped significantly less than a non-stigmatized person in need. However, we find that the stigmatized individual is morally redeemed and offered more help when he or she behaves virtuously. Study 1 examined the effect of a virtuous behavior on the willingness to help a homeless person who is either a veteran or a criminal. We found that the virtuous act of returning a lost wallet to its rightful owner (vs. the control condition) significantly increased the willingness to help the homeless criminal. In contrast, the same virtuous act had no effect on the willingness to help the homeless veteran.

Study 2 examined the stigma of alcoholism and modified the virtuous behaviour manipulation. We used the same behavior across conditions and manipulated the motive to be either selfless or unselfish. We found that participants were more likely to help the homeless alcoholic when he returned the lost wallet for an unselfish reason (vs. selfish reason). However, there was no effect on the willingness to help the homeless veteran across levels of virtuous behavior; he was already perceived to be moral. This study demonstrates the importance of motive, even when the behavior is socially desirable.

Study 3 examined the stigma of mental illness and introduced a measure of moral character to directly test its hypothesized role. We found the expected pattern of results on moral character and willingness to help. Specifically, returning a lost wallet (vs. control) had a significant effect on helping responses, but only when the homeless person was mentally ill. We found that the moral character of the homeless person was a significant moderated mediator—it fully mediated the negative effect of stigma on helping responses in the virtue-absent condition. However, there was no effect in the virtue-present condition, suggesting that the virtuous act mitigated the negative effect of stigma on helping.

Study 4 replicated the results of study 3 using a new virtue manipulation in which a virtuous behavior (i.e., picking up trash) is carried out voluntarily or involuntarily. Specifically, voluntarily (vs. involuntarily) picking up trash had a significant positive effect on moral character and helping responses only when the homeless person was stigmatized. Again, moral character was a significant moderated mediator. This study also ruled out empathy (Batson et al. 1997; Batson et al. 2005; Fisher and Ma 2014) and Inclusion of Other in the Self (IOS; Aron, Aron, and Smollan 1992) as alternative explanations for the results.

To sum, four experiments provide evidence for the moral basis of stigma and the redeeming effect of moral behavior; the negative effect of stigma on moral character and helping is fully mitigated when the stigmatized person behaves virtuously. By demonstrating this effect, the current research contributes to the literature on stigmatization and non-profit marketing. Prior research has not yet recognized the link between stigmatization and morality. Our research offers theoretical and practical insights into why members of stigmatized groups are unlikely to receive help and how addressing this deficit in moral character in promotional efforts can increase societal acceptance and support for the stigmatized.

REFERENCES


Regret-Free Trials:
Asymmetric Effects of Price Promotions on New Product Trial
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EXTENDED ABSTRACT

Getting consumers to try and adopt new products is one of the fundamental challenges of marketing. Once consumers are happy with what they have, anticipated regret becomes a major barrier to the trial and adoption of new, even much better things (e.g., Kahneman, Knetsch, and Thaler, 1991; Ritov and Baron, 1995; Simonson, 1992). Once consumers find products they like, they anticipate regret forgoing what works for what may not, leading them to stick to the familiar and avoid the new. When deciding to try a new detergent or even a new way of preparing coffee, for instance, consumers worry that they may not like the new product and worry that they will feel regret for having forgone the chance to use or consume something they would have enjoyed for certain.

We suggest that price promotions may reduce the barrier to trial incurred by anticipated regret, if a discount is applied to both familiar and new products. A few points merit clarification. First, while prior research has examined the pricing strategy for new products (e.g., Krishnan, Bass, and Jain, 1999), none of this work examined consumers’ choices when they were offered a discount on both familiar and new products (e.g., “50% off any one regular price item”). Second, different from previous research examining the pricing strategy for durable goods and innovation adoption, we focus on consumers’ daily purchase decisions, such as the beverage purchased at a coffee shop.

In a pilot study, managers with an average of 6.4 years experience predicted the percentage of customers who would order an unfamiliar beverage at Starbucks, if the firm offered five levels of price promotion to any one beverage on the menu: 0% off, 33% off, 50% off, 67% off, or 100% off. In line with common theories of pricing and new product adoption, the results revealed that the managers predicted a linear uptake in trial of new products as the magnitude of price promotion increases.

Contrary to these predictions, in five experiments, we find that price promotions have asymmetric effects on new product adoption. Moreover, we find that this effect is mediated by consumers’ anticipated feelings of regret toward negative outcomes. In a field experiment in Boston, MA, we asked 300 Starbucks customers to name their usual order and a new beverage they considered trying. We then randomly assigned them to receive one of three price promotions for any one beverage ordered: 0% off (full price), 50% off, or 100% off (free). In the full price condition, the price of each beverage was its original price. In the 50% off condition, the price of each beverage was half of its original price. In the 100% off condition, the price of each beverage was $0. All participants then chose which beverage they would order: their usual beverage, the new beverage, or neither beverage. Results revealed no increase in choice share of new beverages from the full price to 50% off promotion conditions. Only in the 100% off condition was choice share of new beverages significantly higher in than the full price (and the 50% off) condition.

Our next four experiments tested the robustness and generalizability of the effect with regard to different promotion levels and products, and tested our proposed mechanism in online vignettes. Experiment 2A (N = 400) examined the asymmetric price effect on new product trial for Starbucks beverages at four different price promotion levels (full price, 33% off, 67% off, and 100% off). We found a significantly greater choice share for new beverages when beverages were free, but no difference of choice share for new beverages between the full price condition, the 33% off condition and the 67% off condition. In Experiment 2B, participants (N = 300) choose between usual and unusual toothpastes from Target at one of three price promotion levels: 0% off, 50% off and 100% off. Again, choice share of new toothpaste was significantly greater only when all toothpastes were free. There was no difference in demand for new toothpaste between the full price and 50% off promotion conditions.

In Experiment 3 (N = 298), participants indicated their usual Starbucks beverage order, a new beverage in which they were interested, and made a choice of beverage after assignment to one of the three price promotion levels in Experiment 1. Participants then reported the extent to which anticipated feeling regret if they did not enjoy their chosen beverage. The results replicated those of Experiment 1, such that choice share was only increased in the free promotion condition, and was no greater in the 50% off condition than the full price condition. Moreover, we found that price promotions only reduced anticipated regret in the free promotion condition, and this difference in anticipated regret mediated (explained) the increase in demand for new beverages when all beverages were free.

In Experiment 4 (N = 300), we tested our process account with moderation. In addition to full and zero price conditions, we included a full price condition with a money-back-guarantee (MBG). If anticipated regret indeed underlies the resistance to choose a new beverage, offering a MBG should eliminate anticipated regret and moderate the effect of the promotion on new product adoption. Consistent with our prediction, consumers in the 100% refund condition were significantly more likely to choose a new beverage than participants in the full price condition, and were just as likely to choose a new beverage as participants in the 100% off condition.

Taken together, findings from five experiments demonstrate an asymmetric effect of price promotions on new product trial. More important, we find that such consumer choice is driven by the asymmetry of reduction in anticipated regret. The results elucidate an actionable and important way to align marketing strategy with consumer psychology.

REFERENCES
Does the Organic Label Increase Consumption? How Food Type and Health Locus of Control Turn the Label Into a Double-Edged Sword

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EXTENDED ABSTRACT

Organic labels serve as a heuristic cue in food shopping decisions (Vega-Zamora, Torres-Ruiz, Murtago-Armenteros, and Parras-Rosa, 2014). Food companies desiring to encourage consumers to consume their products will be interested in understanding how an organic label can increase consumers’ food consumption. However, overconsumption can lead not only to weight gain but also to rapid satiation and delayed repurchasing (Inman, 2001). Given the susceptibility of consumption to contextual factors, we expect an organic label to affect consumers’ food consumption. Our questions of interest are as follows. Does an organic label always enhance consumers’ food consumption? Under what circumstances does an organic label actually reduce consumers’ food consumption? What is the underlying mechanism involved?

We are interested in boundary conditions that could amplify or dampen the effects of the organic label on food consumption. The extant literature has recognized two types of motivations that induce consumers to purchase organic food: contextual differences (e.g., food type) (van Doorn and Verhoef, 2011) and individual differences (e.g., consumers’ sociodemographics, health consciousness, ideology, and environmental concerns) (Grunert and Juhl, 1995; Hjelmjar, 2011; Honkanen, Verplanken, and Ottar, 2006; Hughner, McDonagh, Prothero, Shultz, and Stanton, 2007; McEachern and McClean, 2002; Michaud, and Hassan, 2008; Padel and Foster, 2005; Schifferstein and Oude Ophuis, 1998; Tarkiainen and Sundqvist, 2009). This article contributes to these evolving research streams by proposing that food type (virtue vs. vice) and individual differences in health locus-of-control (HLOC) simultaneously affect the impact of the organic label on food perceptions and food consumption.

Study 1 examined whether the effects of an organic label on food consumption were moderated by different food types and, if so, whether food consumption is based on the perceived healthiness of the food. We conducted a 2 (organic label: with organic label vs. without organic label) x 2 (food type: virtue vs. vice) between-subjects experiment to test the three hypotheses. However, a major limitation to this study was the self-reported measure for the dependent variable (i.e., intended food consumption). In Study 2, we adopted an objective measurement of the food intake amount to indicate the influence of the food consumption. Besides food type as a moderator, individual differences are recognized as influential in food perceptions. Study 2 examined whether and how the joint effects of organic label and food type on the food consumption may differ for people with an external vs. an internal HLOC. Thus, we conducted Study 2, a 2 (organic label: with organic label vs. without organic label) x 2 (food type: virtue vs. vice) x 2 (HLOC: externals vs. internals) between-subjects design.

Our results suggest that, first, an organic label increases externals’ consumption of virtue food. Second, an organic label decreases food consumption in the following two conditions: 1) when externals are exposed to virtue food, and when internals are exposed to vice food. Although an organic label provides a heuristic cue regarding the healthiness of the food, it does not increase the food consumption of health externals. 2) For health internals, vice food with an organic label induces a certain skepticism which leads to reluctance regarding its consumption. These results show different reasons why health externals and internals decrease their consumption of that has an organic label. Third, the presence or absence of an organic label makes no difference to internals facing virtue food. As discussed earlier, an organic label may not have a positive effect on health internals since such people take various factors into consideration in their food choices. Therefore, the organic label may not effectively induce health internals to increase their consumption of virtue food.

This research contributes to the literature streams regarding organic food in marketing, health perceptions, and food consumption. First, we examine how organic labels may serve as a heuristic cue to increase or decrease food consumption, subject to food type and individual differences in HLOC. Previous research has analyzed the meaning and interpretations placed on the term “organic,” and how those interpretations influence consumption behavior (Janssen and Hamm, 2012; van Doom and Verhoef, 2011; Vega-Zamora et al., 2014). Food consumption behavior with individual difference variables remains unexplored. Although perceived healthiness is strongly associated with organic food—and this important feature makes it superior to conventional food (Janssen and Hamm, 2012; Vega-Zamora et al., 2014)—this heuristic cue does not necessarily induce people to increase their consumption of such food. Results of Study 2 show that organic labels can be a double-edged sword on food consumption.

Second, previous research on organic food focused on self-reported data as dependent measures (e.g., WTP, attitudes toward the food, or purchase intentions) (Aschemann-Witzel, Maroscheck, and Hamm, 2013; D’Amato and Falzon, 2015; Janssen and Hamm, 2012; van Doom and Verhoef, 2011). The current research contributes to this evolving research stream by adopting both objective and attitudinal measures in its examination of food consumption behavior.

Third, it is interesting to compare our Study 1 with van Doom and Verhoef (2011), since both studies examined the interaction between organic label and food type. However, the patterns of our results in regards to intended consumption are somewhat in opposition to those found by van Doom and Verhoef (2011) regarding WTP. Van Doom and Verhoef (2011) did not find differences between vice and virtue food in regards to WTP, but they did observe that an organic label negatively affects quality perceptions regarding vice food. In our study, an organic label actually enhances participants’ intended consumption. When interpreting this inconsistency, it is important to recognize that food consumption behavior may not necessarily mean the same thing as quality perception (especially based on perceived monetary value). In our study, participants’ evaluations of their intention to eat were based entirely on their psychological feelings toward the product, thus making this an affect-driven decision. The cognition-based items used in van Doom and Verhoef (2011) caused their participants to evaluate perceived food healthiness based on cognitive information processing. On the other hand, the affect-based items used in our study might prime participants to perceive food healthiness based on affective information processing. Future validation will be needed.