Give Them What They Want: the Benefits of Explicitness in Gift Exchange

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Four studies demonstrate that gift-recipients are more appreciative of gifts they explicitly request than those they do not. In contrast, gift-givers assume that both solicited and unsolicited gifts will be equally appreciated. Gift-givers expect unsolicited gifts will be considered more thoughtful by their intended recipients than is the case.

It's Better to Give Than to Receive
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EXTENDED ABSTRACTS

"Ask and You Shall (Not) Receive: Choosing Between a Gift Registry Gift and Free Choice"

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Gift exchanges are complex transactions with relational and psychological implications for both giver and recipient. Givers strive to meet the needs and desires of the recipient with a gift that is both appealing and meaningful. When choosing a gift, the giver has three distinct goals: the item must 1) satisfy the recipient, and 2) reflect the relational intimacy between giver and recipient. The giver's task is complicated by the asymmetry of preference information between giver and recipient. Retailers have partnered to resolve this asymmetry in the form of gift registries, which provide perfect information about a recipient's preferences and preferred gifts to gift givers. However, while a registry reconciles the asymmetry, it may also constrain the giver from choosing a gift that signals relational intimacy.

We look at the circumstances in which givers are willing (vs. resistant) to choose from a registry. Our main hypothesis is that when choosing for a close (vs. distant) friend, the giver will discount the recipient's explicit preferences in favor of a gift that signals the giver's identity or the relationship between them. Further, we suggest that givers are more likely to make a free (vs. registry) choice for a close (vs. distant) friend, resulting in an increased likelihood of choosing a less desirable gift.

In Study 1, university staff members chose a gift for someone they knew in a professional setting and had rated on social closeness. Participants were presented with three lamps which had been pre-tested by a group similar to themselves. The pretest revealed that two lamps were equally liked and the third was significantly less liked than the others. Participants were told that the recipient had rated each of the three lamps either "good" or "excellent": the lamp liked the *least* in pretest was rated "excellent" by the recipient and the other two lamps (pre-tested as 'more liked') were rated "good" by the recipient. Thus, the recipient preferred one lamp and the givers preferred the other two. Givers chose a lamp to give to the recipient.

As predicted, givers indicating a closer relationship with the recipient were more likely to opt for one of their own preferred lamps (rated 'good' rather than 'excellent' by the recipient). Thus, we see evidence that givers are more likely to select a freely chosen gift and risk choosing something less liked when buying for a close friend.

In Study 2, we examine givers' specific strategies when choosing a gift for a close (vs. distant) friend. We primed givers with altruism (vs. no prime) as our presumption is that givers choosing for a close friend are motivated to choose something that will maximize the recipient's happiness. In order to manipulate social closeness between giver and recipient, close givers were told personal information (e.g. the recipient has "classic tastes") and distant givers were given no taste information about the recipient. The giver was then faced with three choices of lamps representing different aesthetic styles: classic, modern and plain. Pretests confirm that the modern lamp was the most preferred by givers, however, the plain lamp is designated by the recipient to be on the registry.

Thus, in this study setup, participants' preferences and recipients' expressed desires conflict, as givers know the recipient's registry choice but personally prefer the modern lamp. An added layer of complexity exists in close-friend conditions: the recipient has indicated the control lamp on the registry but the giver is aware that the recipient's tastes match the classic lamp. Thus, close givers perceive the wish list to be misaligned with the recipient's tastes while distant friends are unaware of his/her tastes.

The data reveal that distant givers display no effect of the altruistic prime. In both prime and no-prime conditions these givers' dominant strategy is to choose the registry lamp and secondarily, the modern lamp, which matches their own preferences. In close-friend conditions, the results are strikingly different. Givers in the no-prime condition again dominantly choose the registry gift. However, in the altruistic-prime condition, givers are equally likely to choose the registry lamp as the classic lamp.

It appears that when givers are focused on the goal of meeting recipients' needs (in altruistic conditions), they are more likely to achieve it when choosing for distant (vs. close) friends. Further, when choosing altruistically for close friends, givers appear to use their knowledge of the recipient to guide the choice rather than the recipient's explicit preferences.

In Study 3, we use a procedure similar to Study 2, to investigate givers' objectives in making a free-choice gift. In a 2 (Relationship Signaling: Signaling vs. Non Signaling) x 3 (Motivation Embodied by Gift: Explicit Recipient Preferences, Giver's Preferences, Relationship Intimacy) design, participants are told to imagine that they were exchanging gifts with friends who live far away using a "Secret Santa" paradigm. Importantly, participants are informed that after the gifts are given, their identity will be revealed (vs. not revealed) to the recipient, to remind the giver that s/he will (vs. not) receive attribution from the recipient for having chosen a well-liked gift. All participants are also told that the recipient has "classic tastes" and are faced with the same gift choices of lamps as described in Study 2.

The data reveal that givers make different choices when they receive (vs. do not receive) attribution from the recipient for the gift chosen: in the Relationship Signaling condition, givers were equally likely to choose from the registry as to choose the classic lamp, while in the Non-Relationship-Signaling condition, the registry choice was dominant. These results confirm that givers diverge from the registry to signal relational closeness rather than to match the recipient's inferred preferences.

These studies provide some insight into the paradox of gift-giving that well-intentioned givers are more likely to choose inappropriately for the people who matter to them most (i.e. close friends), as their needs to express themselves and the relationship supersede their goals of pleasing the recipient.

"For You or For Me? How the Intended Recipient Influences the Customization Experience and Valuations of Customized Products"

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While recent interest in customization is growing among academics (e.g., Franke, Keinz, and Steger 2009; Moreau and Herd

2010), researchers have focused exclusively on consumers who are designing products for themselves. Many customization firms, however, are successfully positioning themselves as sources for unique gifts, enabling consumers to create custom products for others.

In two studies, we examine how the intended product recipient (self versus other) interacts with the level of design support provided (Study 1) and brand (Study 2) to influence customer's product reactions to customized products. Using participants drawn from the relevant target market, both studies involve real customization tasks undertaken on live web sites. Customized tote bags were selected as the product category for both studies and in both studies, participants were able make a several design decisions including size, fabric for three different sections of the bag (from a collection of 37 patterns and colors), and embroidered personalization.

In the first study, two factors were manipulated between participants: (1) the intended recipient (self vs. other) and (2) design support (present vs. absent). Design support was manipulated both in the instruction packet and on the website itself. Participants' self-assessed design skill was measured.

Following Irwin and McClelland (2003), design skill was treated as a continuous measure, and regression was used to test the effects of the independent variables on participants' expectations of their bags at the time of design. The results revealed a significant interaction between the two manipulated factors (β=1.09, t=2.84, p<.01) as well as a three-way interaction among all of the independent variables (β=-.16, t=-2.67, p<.01). An ANOVA was used to interpret the two-way interaction. When the tote bag was intended as a gift, the presence of design support significantly increased participants' expectations ($M_{Other, Support Present}$=8.2 vs. $M_{Other, Support Absent}$=7.7, contrast: F(1, 41)=4.06, p<.05). However, when the bag was intended for the participant herself, design support had little influence on expectations ($M_{Self, Support Present}$=7.5 vs. $M_{Self, Support Absent}$=7.5, contrast n/s). We also find that when the tote bag was intended as a gift, design support significantly reduced participants' anxiety-related negative emotions ($M_{Other, Support Present}$=2.7 vs. $M_{Other, Support Absent}$=3.7, contrast: F(1, 41)=4.69, p<.05) However, when the bag was intended for the participant herself, design support had little influence on these feelings ($M_{Self, Support Present}$=3.6 vs. $M_{Self, Support Absent}$=4.0, contrast n/s).

Approximately six weeks later, the bags arrived and willingness to pay measures (WTP) were taken. Interestingly, participants were willing to pay more for a bag designed for someone else rather than for themselves (M_{Other}=$28.11 vs. M_{Self}=$25.52). This main effect was qualified by the interaction. The presence of design support had a significant, positive influence on participants' WTP when the bag was for themselves ($M_{Self, Support Present}$=$27.03 vs. $M_{Self, Support Absent}$=$23.00) yet a negative influence when it was for someone else ($M_{Other, Support Present}$=$26.13 vs. $M_{Other, Support Absent}$=$30.58).

To determine whether participants differentially valued the effort they put into designing the bags, the correlation between self-reported effort and willingness to pay were assessed separately for those in the self and other conditions. There was a positive, significant correlation between effort and willingness to pay for those designing the product as a gift (r=.41, p<.05). For those designing the bag for themselves, the correlation was negative and non-significant (r=-.13, p >.10).

In Study 2, no one received design support, participants did not expect to actually receive the bag they had designed, and the entire study was completed online. Both the intended recipient (self vs. other) and brand (present vs. absent) were manipulated between-participants in this 2x2 study. As a known brand (Vera Bradley) was used in the study, participants' attitude towards that brand was used as a covariate (see Moreau and Herd 2010) along with participants' self-reported design skill.

The results revealed a significant interaction between brand and the intended recipient (F(1, 75)=4.33, p<.05) on willingness to pay. The presence of the brand had a significant, positive effect on willingness to pay when the product was intended for the self ($M_{Self, No Brand}$=$30.05 vs. $M_{Self, Brand}$=$38.84, F(1, 36)=3.75, p=.05). However, when the product was intended as a gift, brand actually had a negative, but non-significant influence ($M_{Other, No Brand}$=$40.11 vs. $M_{Other, Brand}$=$35.41, F(1, 38)=1.46, n/s).

A similar ANOVA was used to test product expectations. The results reveal an interaction between brand and the intended recipient that was marginally significant (F(1, 75)=3.23, p=.07). Following the pattern observed for willingness to pay, brand had a significant, positive effect on expectations when the product was for the self ($M_{Self, No Brand}$=6.7 vs. $M_{Self, Brand}$=7.7, F(1, 36)=4.67, p<.05). However, when the product was intended as a gift, brand actually had a negative, but non-significant influence ($M_{Other, No Brand}$=7.7 vs. $M_{Other, Brand}$=7.3, F(1, 38)=.61, n/s).

We also find that when the tote was intended for the self, there was no significant correlation between time spent and willingness to pay (r=.02, n/s). However, when the tote was intended as a gift, this correlation was both positive and significant (r=.34, p<.05).

"Give Them What They Want: The Benefits of Explicitness in Gift Exchange"

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Gifts account for more than four percent of the typical household budget (Davis 1972; Garner & Wagner 1991), which suggests that gift-giving is a routine activity for most people. Nevertheless, research consistently shows that many individuals are poor gift-givers, often purchasing gifts that others would not choose to buy themselves (Waldfogel 1993) or focusing on the wrong criterion in attempting to select a meaningful gift (Flynn & Adams 2009). Thus, despite the fact that people spend a significant amount of time and money on gift-giving, their purchases often are less appreciated than they hope.

One means by which individuals attempt to facilitate gift exchange is by telling others explicitly what gifts they would like. To this end, people frequently organize registries for various occasions (e.g., baby showers, weddings) that list for potential gift-givers the items they should purchase. Is such transparency effective, or are gift-givers wary that gifts directly requested by the gift-recipient will not be appreciated as much? In anthropological studies, gift-giving is often described as a social exchange process, rife with symbolic meaning and interpersonal subtleties (e.g., Boas, 1895; Mauss, 1925). Accepting suggestions for gift purchases from the intended recipient could be interpreted as a sign that the giver does not know the recipient well enough to identify a meaningful gift, or does not wish to spend the time and effort needed to figure out what such a gift might look like.

Failures in gift-giving may reflect a problem in perspective-taking that afflicts many social exchanges. When predicting how others will evaluate their actions, people tend to focus too heavily on their own perspective (Epley, Savitsky, & Gilovich, 2002), and overestimate the extent to which others will share their point of view (Keysar, 1994; Van Boven, Dunning, & Loewenstein, 2000). Given this egocentric bias, gift-givers may fail to pay close attention to what a gift-recipient directly requests. Instead, they may believe that purchasing an unrequested item will signal a sincere concern for the recipient because they have gone out of their way to identify the gift. Yet, gift-recipients may be frustrated that the giver did not take note of the recipient's explicit suggestions. Indeed, gift recipients will likely report that gifts they requested are more

thoughtful and considerate of their needs than those not requested because the former indicate that the giver is attentive and responsive.

In the present research we investigate the role of explicitness in gift-giving. In Study 1, we examine personal gift registries and ask people to consider how much they would appreciate an item purchased off the registry versus a highly similar item that was not listed. In Study 2, we consider registry and non-registry gift purchases and examine whether gift-recipients appreciate the gifts they request more than the gifts they do not, and whether gift-givers can account for this important difference. In Study 3, we attempt to highlight the underlying psychological mechanism for this failure in perspective taking: whereas gift-givers believe that requested gifts will appear less thoughtful and considerate than non-requested gifts, gift-recipients maintain the opposite belief. Finally, in Study 4, we consider a boundary condition for this effect—the number of gifts requested.

The results of our four studies demonstrate that gift-recipients are more appreciative of gifts chosen from a set of desired items than they are of alternative gift choices (Studies 1-3), but that gift-givers believe both types of gifts will be equally appreciated (Studies 2-3). We also show that when the recipient explicitly highlights his or her preferred gift, givers are receptive to such suggestions (Studies 4). Thus, while gift-givers often attempt to be more thoughtful by choosing a gift not included on a given list, they do not realize that sticking to the list will elicit stronger feelings of appreciation.

Our findings contribute to the literature on egocentric biases and perspective taking in social judgments. Prior work has found that people often fail to take others' perspectives into account and struggle to read their minds (Epley et al., 2004). We go beyond this point to investigate the impact of explicitness in one pervasive perspective-taking context: gift exchange. We find that even when gift-recipients provide a list of what they would like, givers fail to heed this clear-cut advice. Instead, gift-givers think it would be better to ignore the gift-recipient's explicit requests. It remains unclear whether gift-givers eventually learn to respond to gift-recipient's explicit cues, and thereby become better at eliciting appreciation. Gift-recipients are reluctant to reveal their true feelings of disappointment with the gifts they receive (Mauss, 1925). As a result, gift-givers may be left in the dark about their failed attempts to elicit appreciation and many may believe that their gift purchases are more effective in eliciting appreciation than is actually the case.

According to Webley, Lea, and Portalska (1983), "Gift-giving clearly fulfills an important social function and it is the act of giving…which is of prime importance, not the actual gift itself" (p. 237). Our results offer a different point of view—that whether the act of gift-giving counts may depend largely on whether or not the giver is attentive and responsive to the recipient's explicit suggestions when they are made available. Gift-givers would be wise to pay attention to gift registries, wish lists, and explicit requests from friends or significant others. Nevertheless, they often ignore such solicitations and underestimate the costs of doing so. Conversely, gift-recipients can help facilitate the gift-giving process by not only being more direct in making suggestions for gifts, but being more specific as well. Rather than put together one big "wish list," they should instead list one big wish.

"Paying it Forward: Greed and Generosity in Upstream Reciprocity"
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Paying it forward is a heart-warming notion, one that has long captured the attention of luminaries such as Ralph Waldo Emerson (1841) and Benjamin Franklin (1784) as well as laypeople (Hyde 2000). The concept is simple: A is kind to B, and B–rather than pay that kindness back to A–pays it forward to C. C then pays that kindness forward to D, and so on, creating a chain of goodwill. On any given day, however, people are the recipients of both generous and selfish acts from others. If people pay forward these negative behaviors as well, then selfish acts may similarly create chains of ill will. In this paper, we examine whether people are more likely to pay forward generosity or greed, and how being the victim of greed or the beneficiary of generosity drives subsequent behavior.

In our first experiment, we examined paying it forward in the domain of money. In one of four conditions, participants completed a dictator game, splitting $6 between themselves and an anonymous future receiver (give-only condition). In the three pay it forward conditions, participants were told that a previous dictator had completed the same game, with the participant as the receiver. They first learned how much money the previous dictator had given them–a greedy ($0/$6), equitable ($3/$6), or generous ($6/$6) split–and then acted as the dictator in another game, splitting an additional $6 between themselves and a different future receiver. As expected, participants in the greedy condition gave the least (M=$1.36), followed by those in the give-only condition (M=$2.40), followed by those in the equal (M=$3.38) and generous conditions (M=$3.71).

Paying it forward in the real world, of course, often involves more informal exchanges than the disbursement of cash; in any workplace, for example, there are both enjoyable and onerous tasks, and co-workers may divide this labor more or less equitably. Experiment 2 investigates if those who receive greedy (vs. generous) divisions of labor are more likely to pay forward their treatment, as well as the roles of affect and perceptions of fairness in mediating the extent to which participants paid behavior forward.

This experiment was similar to Experiment 1, except that instead of receiving and giving money, participants completed enjoyable and irritating tasks. The enjoyable task involved making free associations to words, while the irritating task involved circling vowels in passages of Italian prose. All participants were given a set of eight tasks–four good and four bad–and were told to complete any four of them and pass on the remaining four to a future participant. Participants could leave any combination of good versus bad tasks for future participants. One group of participants (give-only condition) simply completed four tasks and passed on the remainder. In the three pay it forward conditions, participants first learned that a previous participant had been asked to split these eight tasks, and had left them either a generous (completing all four bad tasks themselves and leaving the four good tasks for the participant), greedy (completing all four good and leaving all four bad tasks), or equitable split (completing two of each kind and leaving two of each kind). In these conditions, participants completed the four tasks that the previous participant had ostensibly left for them, then divided eight additional tasks (four good and four bad) between themselves and an unknown future participant. After completing the four tasks that the previous participant had left for them, participants indicated the extent to which they were feeling a variety of positive (e.g., happy) and negative (e.g., upset) affective states.

Replicating Experiment 1, participants in the greedy condition (M=1.04) gave significantly fewer good tasks than participants in all other conditions. The give-only gave the next least (M=1.67), though not significantly less than the equitable (M=1.95) or generous conditions (M=1.91). The equitable and generous conditions again did not differ from each other. The four conditions also differed significantly on negative affect, such that participants in the greed condition experienced significantly more negative affect

than those in the other conditions. As we predicted, this incidental negative affect mediated the link between good tasks received and good tasks paid forward.

These results have both heartening and disheartening implications. We find that people do pass on some degree of kindness to others, but not to the same extent that they received it themselves. Thus the person who awakes to find his long driveway mysteriously cleared of snow and as a result holds the door for three seconds for a co-worker may feel he has "paid forward" a generous act, but the discount rate is sufficiently high that the perpetuation of this chain of good will likely ends there. On the other hand, the person who awakes to find his driveway blocked with snow from his neighbor's efforts to clear her own driveway may continue to pay forward bad deeds, creating a significantly longer chain of ill will.