



# ASSOCIATION FOR CONSUMER RESEARCH

---

Labovitz School of Business & Economics, University of Minnesota Duluth, 11 E. Superior Street, Suite 210, Duluth, MN 55802

## **Promoting Conspicuous Generosity: Justifying the “Brag” By Removing the Choice**

Adelle Yang, National University of Singapore, Singapore

Christopher Hsee, University of Chicago, USA

People often feel conflicted about publicizing their pro-social behaviors (aka the braggart’s dilemma). We show that while people do predict such social inferences, “brag-binding”, i.e, making the publicity of a pro-social behavior mandatory instead of voluntary, can resolve this dilemma and motivate people to engage in conspicuous prosocial behaviors.

### **[to cite]:**

Adelle Yang and Christopher Hsee (2017) ,"Promoting Conspicuous Generosity: Justifying the “Brag” By Removing the Choice", in NA - Advances in Consumer Research Volume 45, eds. Ayelet Gneezy, Vladas Griskevicius, and Patti Williams, Duluth, MN : Association for Consumer Research, Pages: 68-73.

### **[url]:**

<http://www.acrwebsite.org/volumes/1024800/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/>.

# Intended and Unintended Signals from Conspicuous Actions

Chair: Adelle Yang, National University of Singapore, Singapore

## **Paper #1: Prosocial Consequences of Counterfeits: Using Counterfeit Luxury Goods Can Lead to Prosocial Behavior**

Jinjie Chen, University of Minnesota, USA  
Deborah Roedder John, University of Minnesota, USA  
Yajin Wang, University of Maryland, USA  
Courtney A. Carufel, UnitedHealthcare, USA

## **Paper #2: When Modesty Pays**

Shalena Srna, University of Pennsylvania, USA  
Alixandra Barasch, New York University, USA  
Deborah Small, University of Pennsylvania, USA

## **Paper #3: Promoting Conspicuous Generosity: Justifying the “Brag” by Removing the Choice**

Adelle X. Yang, National University of Singapore, Singapore  
Christopher K. Hsee, University of Chicago, USA

## **Paper #4: Prosocial Referral Rewards**

Rachel Gershon, Washington University in St. Louis, USA  
Cynthia Cryder, Washington University in St. Louis, USA  
Leslie John, Harvard University, USA

### SESSION OVERVIEW

Because consumers want to be perceived well by others, they are motivated to signal status or generosity to others. However, such conspicuous actions may also convey information about consumers' self-serving motives (Berman et al. 2015, Newman and Cain 2014).

When do consumers' conspicuous actions lead to inferences that their motives are self-serving? And how do consumers strike a balance between their desire to do good deeds and to effectively communicate them to others? This special session explores how consumers manage these interactions between self-interested motives and prosocial behaviors in both directions. In particular, these papers examine how self-serving signals can affect one's own (paper 1) and others' (paper 2) prosocial responses, as well as how anticipating others' interpretation of self-serving signals can affect one's intention to engage in prosocial behaviors (papers 3 & 4). Each paper examines interpretations of conspicuous actions in a different social context, and identifies the corresponding social and prosocial consequences.

The first two papers examine how inferences about self-serving motives from conspicuous actions can affect prosocial responses. That is, status signaling can impact both how consumers feel about themselves and how others treat them. **Chen, John, Wang and Carufel** find that for owners of authentic status goods, using counterfeit goods poses a threat to their self-image and hence increases their willingness to engage in compensatory prosocial behaviors. In other words, consumers may attempt to signal generosity to atone for the inauthenticity of their status signals. Similarly, **Srna, Barasch and Small** show that consumers' use of status goods affects others' inferences of their prosociality. Those engaged in conspicuous consumption are perceived as less cooperative and generous and are thus avoided in situations where cooperation is desired.

The second two papers further investigate these strategic choices, showing how consumers anticipate negative consequences of conspicuous signals and adjust their behavior accordingly. Interestingly, these adjustments can actually result in more prosocial outcomes, with implications for charities and companies hoping to encourage these outcomes. **Yang and Hsee** examine anticipated social inferences of self-serving motives from conspicuous prosocial behaviors. They find that making the public display of a prosocial

behavior mandatory instead of voluntary can assuage consumers' concerns about negative social inferences and motivate them to engage in conspicuous prosocial behaviors they might otherwise avoid. **Gershon, Cryder and John** investigate the anticipated social inferences of self-serving motives in the context of referral programs. They demonstrate that consumers are more likely to refer friends when incentives are purely prosocial, rather than partially or purely self-serving, to avoid conveying the impression that they have self-interested motives.

These findings deepen our understanding of conspicuous actions and their interpretation in a dynamic social context. Together, these papers show how people's sensitivity to the inferences others make about their conspicuous behaviors can motivate them to engage in less status-signaling and more prosocial actions. All four working papers have at least three studies completed. We expect this session to attract researchers interested in a wide variety of topics, including conspicuous consumption, status, prosocial behavior, authenticity, and incentives.

### **Prosocial Consequences of Counterfeits: Using Counterfeit Luxury Goods Can Lead to Prosocial Behavior**

#### EXTENDED ABSTRACT

Counterfeit luxury products remain popular with consumers, who desire the status-signaling benefit associated with luxury goods at a fraction of the cost of authentic ones. However, there are psychological costs associated with using counterfeit goods. As demonstrated by Gino, Norton, and Ariely (2010), participants felt less authentic and behaved more unethically after using a counterfeit luxury product. For example, counterfeit users were more likely to cheat for a monetary award in a subsequent task.

In contrast, we show that using counterfeit luxury products can have positive consequences, specifically increasing prosocial behavior. In four studies, we give women a counterfeit luxury product to use, followed by an opportunity to engage in prosocial behavior. We find that counterfeit users are more likely to volunteer and donate money to charity (study 1 & 2). Further, we find that this effect is moderated by whether counterfeit users are owners of authentic luxury products. Counterfeit use increases charitable donations primarily among luxury owners versus non-owners (study 3), and these higher donation levels are diminished for luxury owners *if* they are given an opportunity to self-affirm their values in other ways (study 4).

We theorize that using a counterfeit product can constitute a threat to the moral identity of users, and when given an opportunity to compensate for this moral transgression, counterfeit users will engage in more prosocial behavior. This prediction is consistent with prior work on moral cleansing (Jordan et al. 2011; Sachdeva et al. 2009; Tetlock et al. 2000). However, we posit that moral cleansing in the counterfeit luxury context emerges primarily for counterfeit users who own authentic luxury goods and consider luxury goods to be part of their self-concept. This prediction agrees with prior research showing that self-threats are consequential only if individuals identify with the domain in which the threat occurs (Aronson et al. 1999). Thus, when given an opportunity to behave in a prosocial way, these counterfeit users respond in a very generous way to regain their moral self. Further, an opportunity for self-affirmation prior to donation eliminates this effect.

Our findings contribute to a better understanding of the consequences of using counterfeit luxury goods. Contrary to prior research, we show that counterfeit use can result in more positive and prosocial behaviors, particularly for owners of authentic luxury goods. We also contribute to the moral cleansing literature by showing that engaging in an unethical activity may be insufficient to trigger this process. The focus of the immoral/unethical behavior (luxury goods) must also be one where the consumer feels a personal connection to their self-concept, in our case, by having purchased authentic luxury products in the past.

### Study 1

We demonstrate that using a counterfeit product constitutes a threat to the user's moral self-image, and to compensate, counterfeit users are more willing to behave pro-socially. Female participants ( $n=62$ ) were randomly assigned to wear either a counterfeit Tiffany bracelet or an unbranded bracelet (control), and afterwards, were asked to indicate their feelings on several personal dimensions (including honest and genuine) and their willingness to help volunteer and donate to charities (6-item moral activity scale, adapted from Shelton and McAdams 1990). Counterfeit users indicated feeling less honest/genuine (6.12 vs. 6.48,  $p<0.05$ ) and were more willing to volunteer and donate to charity than control group participants (4.52 vs. 4.10,  $p<0.05$ ).

### Study 2

We replicated the findings from study 1 using actual monetary donation to charity as the measure of prosocial behavior. The procedure was identical to the one described for study 1, except that the moral activity scale was replaced by a real donation opportunity. Participants ( $n=58$ ) were told they would receive \$5 as compensation for participating in the study, and were encouraged to donate a portion of this money to a charity. As expected, counterfeit users donated more money to charity than control group participants (3.61 vs. 2.65,  $p<0.05$ ).

### Study 3

We show the effect of counterfeit use on prosocial behavior is moderated by ownership of authentic luxury goods. We predicted that counterfeit users who are luxury owners would donate more money to charity than counterfeit users who are not luxury owners. We reasoned that although use of counterfeit luxury products can be considered a threat to one's moral self-identity, this feeling is most likely to occur among consumers who own and feel a personal connection to authentic luxury goods. Thus, owners of luxury goods who use a counterfeit were expected to donate more money.

The procedure of the main study was similar to that of study 2, except all participants ( $n=126$ ) used a counterfeit luxury item (small Louis Vuitton handbag) and indicated whether they owned products from luxury brands. As predicted, owners of authentic luxury handbags donated more to charity after using the counterfeit handbag than did non-luxury owners (4.13 vs. 3.48,  $p<0.05$ ).

### Study 4

We provide additional process evidence by introducing a self-affirmation task, where participants ( $n=139$ ) are encouraged to affirm their personal values (Cohen et al. 2000). The procedure was similar to study 3, with a 2 (Luxury Ownership: owner vs. non-owner)  $\times$  2 (Self-affirmation task: yes, no) between-subjects design. A manipulation check using the self-integrity scale (Sherman et al. 2009) confirmed the efficacy of the self-affirmation task.

An analysis of donation amounts for participants who donated to charity revealed that, among luxury owners, donations were lower in the self-affirmation versus control condition (4.07 vs. 4.64,  $p<0.05$ ). This finding is consistent with our theorizing that counterfeit use is more likely to have consequences for luxury owners, who compensate by larger donations, *unless* they have an opportunity to self-affirm their values in another way. For non-owners, the self-affirmation task did not affect the amount of their donations (4.28 vs. 4.53  $p>0.19$ ), consistent with the idea that these individuals do not identify with the domain of luxury goods as do luxury owners, and thus feel less need to compensate for their counterfeit use through either prosocial behavior or self-affirmation. This experiment provides additional evidence that threat to the self-concept is what drives the prosocial behaviors among luxury owners after using counterfeit luxury products.

## When Modesty Pays

### EXTENDED ABSTRACT

The attainment of status, or being higher on dimensions that are valued by society, is a fundamental drive (Nelissen and Meijers 2011; Huberman, Loch and Onculer 2004). People signal status in order to reap the benefits afforded to people who have high status, such as wealth and social influence (e.g., Eastman, Goldsmith and Flynn 1999). A common way to signal status is through conspicuous consumption of luxury goods (e.g., Berger & Ward 2010; Han, Nunes and Dreze 2010), and the demand for luxury goods implies its advantages.

Yet, conspicuous consumption may be socially disadvantageous in certain contexts. Specifically, we propose that signaling status through conspicuous consumption signals self-interest, which is inherently at odds with cooperation (Barasch, Berman, and Small, 2016; Lin-Healy and Small, 2013). Across six studies (total  $N = 1,824$ ), we demonstrate that conspicuous consumers are perceived as less good and cooperative than modest consumers. As a result, people prefer to interact with modest partners in tasks requiring cooperation. We further show that people strategically avoid status signaling in cooperative contexts, suggesting some awareness that conspicuous consumption reduces cooperation.

### Studies 1a-1d

We examine judgments of individuals wearing clothes with either high-status brand logos or the same clothes without logos. For example, in Study 1a, participants ( $N = 401$ , MTurk, behavioral lab) were asked to evaluate a young man in one of two photos. The images were identical except for the presence of a Ralph Lauren logo on the man's shirt. As predicted, participants viewed the individual who was wearing the Ralph Lauren shirt as less good (nice, sincere, a good person, generous;  $\alpha = .922$ ;  $F = 6.981$ ,  $p = .009$ ), less cooperative (scale adapted from Cloninger et al. 1993;  $\alpha = .790$ ;  $F = 21.063$ ,  $p < .001$ ), and more of a show off ( $\alpha = .925$ ;  $F = 31.388$ ,  $p < .001$ ) than the man wearing a plain shirt. In Studies 1b-1d, we replicated these findings using different stimuli and brands (e.g. owning a Chanel handbag; all  $ps \leq .05$ )

### Study 2

We examine whether people prefer to interact with someone who is modest rather than someone who signals status. Participants ( $N = 202$ , MTurk) were told that they would be working with a virtual partner on a task that was a variant of the Prisoner's Dilemma game. Participants were told that they could choose either a partner who had made an "avatar" or a partner who had not made an ava-

tar. They were further told that the avatar partner chose whether to include luxury-branded clothing (e.g. Prada, Gucci) on their avatar. Participants were then randomly assigned to one of two conditions: in the *branded clothing* condition, the partner who made an avatar chose to dress their avatar in luxury-branded clothing, while in the *unbranded clothing* condition, the partner who made an avatar chose unbranded clothing.

Results showed that when the avatar partner chose unbranded clothing, 71% of participants preferred that partner to the neutral partner. However, when the avatar chose branded clothing, only 27% preferred that partner to the neutral partner ( $\chi^2 = 40.12, p < .001$ ). Replicating Study 1, the branded partner was evaluated as less good and cooperative ( $p$ 's  $< .001$ ) than the unbranded partner. Additionally, both measures of goodness (95% CI [-0.571, -0.124]) and cooperativeness (95% CI [-0.532, -0.084]) mediate the effect of clothing condition on participants' partner choice (PROCESS Model 4; Hayes 2013). Furthermore, when asked to predict whether the partner would cooperate or defect, 47% thought the avatar partner wearing unbranded clothing would defect, while 85% of participants thought the avatar partner wearing branded clothing would defect ( $\chi^2 = 33.48, p < .001$ ). Thus, the choice of branded clothing seems to signal that the person is less likely to cooperate, and people do not want to play a Prisoner's Dilemma game with someone who is going to defect.

So far we have examined how people judge others wearing brands that signal status, and how that impacts their behavior towards status-signalers. In the final study, we examine whether individuals choose these brands for themselves in a strategic manner. Specifically, we test if individuals are aware that it pays to signal modesty in cooperative contexts.

### Study 3

Participants ( $N = 214$ , MTurk) created an avatar of themselves by selecting their hair color, skin tone, and clothing in a web application. After generating their avatar, participants chose whether to put a brand on their selected clothing. They could choose between eight high-status logo options (e.g., Prada, Gucci) or they could choose not to put a logo on their clothing. Participants were then randomly assigned into one of two conditions. In the *neutral* condition, participants were told that their avatar choices would merely be shown to a partner, but that that partner would not make any decisions with regards to them. In the *cooperation* condition, prior to making the avatar, participants learned that they would subsequently play a Prisoner's Dilemma game with their partner, similar to Study 2. We reasoned that when anticipating a Prisoner's Dilemma, individuals would dress their avatar in a way that they believed would influence their partner to cooperate. Thus, if they correctly infer the advantage of remaining modest, then participants in the cooperation condition should be less likely to choose branded clothing compared to the neutral condition. Indeed, 50% chose branded clothing when there was no mention of a game, whereas in the cooperation condition, only 33% of participants chose branded clothing for their avatar ( $\chi^2 = 6.592, p = .010$ ).

In sum, although signaling status is often desirable and advantageous, we find that when the goal is cooperation, modesty pays. Conspicuous consumers are perceived as less good and more self-interested, and are thus less preferred as partners in cooperative tasks. Furthermore, individuals show some awareness of the benefits of modesty and refrain from signaling status when it is advantageous to do so. This work contributes to variety of areas in consumer behavior, including conspicuous consumption, status, and cooperation.

## Promoting Conspicuous Generosity: Justifying the "Brag" by Removing the Choice

### EXTENDED ABSTRACT

People often feel conflicted about publicizing their pro-social behaviors. Although people want to be considered generous (Ariely, Bracha, Meier 2007, Bénabou and Tirole 2010, Ellingsen and Johannesson 2011, Harbaugh 1998), publicizing one's good deed often leads others to attribute the good deed to the very desire to enhance their reputation (aka the braggart's dilemma, Berman, Levine, Barasch, and Small 2015, Scopelliti, Loewenstein and Vosgerau 2015). As a result, charity organizations often find it difficult to leverage these image motives to increase participation in, or voluntary broadcasting of, conspicuous charity campaigns.

How can this dilemma be resolved so that charity campaigns can be more successful and people's desire for conspicuous generosity can be fulfilled? We propose that, people may be more willing to participate in prosocial campaigns if they are provided with a justification for bragging about their prospective good deed. We term this strategy "brag-binding", that is, making the voluntary publicity of their participation mandatory instead, as a prerequisite for participation or a condition for additional prosocial benefits. We predict that brag-binding may alleviate people's concern for negative social attribution associated with conspicuous prosocial behaviors and hence, increase people's willingness to engage in such behaviors.

This proposition contradicts predictions of normative theories because the terms of a voluntary-brag are more attractive than a mandatory-brag for two reasons. First, before participation, those who dislike social attention may only wish to take part in the voluntary-brag campaign, but not the mandatory-brag campaign. Second, during participation, those in the voluntary-brag campaign will have the freedom to choose whether to publicize their good deed, unlike those in the mandatory-brag campaign.

We present four experiments including one field study. We first examine in Study 1 people's predictions of others' attribution of their prosocial behaviors. In a 3(no-brag, voluntary-brag, mandatory-brag) x 2(scenario replica) between-subjects design, 293 participants ( $M_{age} = 36, 49\%$  Male) read one of two scenarios in which they contributed to a charity and another person accidentally found out about their good deed. In all conditions, participants' contribution was posted on social media to further promote the charitable campaign. In addition, the other person either did not see the post (no-brag), or saw it and learned that it was participants' voluntary action (voluntary-brag), or saw it and learned that it was a prerequisite for contributing (mandatory-brag). Participants then answered how much they believe the other person would attribute their prosocial behavior to image motives (e.g., desire for reputation) vs. genuine generosity. There was no effect of scenario so we combined them. Overall, participants indicated that others would be more likely to attribute their good deed to genuine generosity in both the no-brag (3.2) and mandatory-brag (3.4) conditions than the voluntary-brag condition (4.2;  $F(1, 290) = 9.5, p < .001, \eta_p^2 = .06$ ). The difference between no-brag and voluntary-brag conditions (3.2 vs. 4.2,  $p < .001$ ) is consistent with actual social attribution found in prior work (Berman et al. 2015). More importantly, predicted social inference was more favorable for mandatory-brag than voluntary-brag (3.4 vs. 4.2,  $p = .001$ ). Therefore brag-binding can assuage participants' concern for negative social inference.

Then in a field experiment, students at a dining hall in a Midwestern University were approached by hypothesis-blind research assistants to fill out a one-page questionnaire about the St. Jude children's research hospital. Students who completed the questionnaire

( $N=162$ ,  $M_{\text{age}}=22$ , 57%Male) were asked if they would take another 4 minutes to color a cartoon image with encouraging messages (e.g., "Feel better soon!") to help cheer up the recovering children at the hospital. Volunteers for the task would receive a large fluorescent yellow sticker that says "I provided my creative help to St. Jude children's research hospital, have you?" to further promote campus awareness of the campaign. Participants either read that each volunteer could choose to wear the sticker for a day (voluntary-brag), or read that each volunteer must commit to wear the sticker for a day in order to participate (mandatory-brag). Every participant was told that the same information that they received was given to all students who were approached in the campaign. The results revealed that brag-binding was more effective in soliciting volunteers: more participants in the mandatory-brag condition agreed to help than those in the voluntary-brag condition (41.0% vs. 23.5%,  $\chi^2=4.5$ ,  $p=.045$ ,  $\eta_p^2=.17$ ).

Next, we further compare the effect of brag-binding (mandatory-brag) to no-brag and voluntary-brag conditions on donations (Study 3), and explore a theoretical moderator - information asymmetry between people considering prosocial actions and their potential audience (Study 4). In Study 3, we randomly assigned 661 mturkers ( $M_{\text{age}}=35$ , 55%Male) to 3(no-brag, voluntary-brag, mandatory-brag) conditions. Participants read that if they were to donate \$28 to a community charity, they would achieve VIP donor status and their donation would be matched. The manipulation across conditions was similar to earlier experiments. Participants donated more to the campaign in the mandatory-brag condition than no-brag or voluntary-brag conditions (\$24.0 vs. \$18.0, \$19.3;  $F(2, 658)=5.7$ ,  $p=.003$ ,  $\eta_p^2=.017$ ). Plus, more participants donated to achieve VIP status in the mandatory-brag condition (54.6% vs. 42.6%, 41.7%,  $\chi^2=9.3$ ,  $p=.009$ ).

In Study 4, 304 social media users ( $M_{\text{age}}=34$ , 36%Male) were randomly assigned to voluntary-brag or mandatory-brag conditions for a social-media campaign that solicits volunteers for a local animal shelter. We measured participants' frequency in using social media as a proxy for perceived information asymmetry between people and their audience on the social media platform - the more frequent, the greater overlap of information. We predicted that the effect of brag-binding would be stronger when participants believe that others have sufficient information to interpret their brag. Overall, participants indicated greater willingness to volunteer in mandatory-brag than voluntary-brag condition ( $M=5.3$  vs. 4.9,  $t(302)=2.0$ ,  $p=.049$ ). This effect was marginally stronger among heavy social media users ( $F(1, 298)=3.7$ ,  $p=.056$ ,  $\eta_p^2=.012$ ).

In sum, by removing contributors' choice about whether to brag and justifying their prospective conspicuous prosocial behavior, "brag-binding" makes people more willing to both help and to spread word about the charitable cause, and facilitates a win-win situation among contributors, charity organizations, and their recipients.

## Prosocial Referral Rewards

### EXTENDED ABSTRACT

Previous research has shown that incentives can effectively increase customer referrals, however, it remains unclear how companies can optimize their reward structure. Some research finds that referral rewards, while often beneficial to a firm, can also produce a negative effect in the form of psychological costs, whereby the addition of an incentive makes the recommender feel selfish or disingenuous (Ryu and Feick 2007).

In this research, we propose that consumers will be most likely to refer friends when there is no personal incentive, and instead, their

referred friend receives the entire referral reward. With such "prosocial" referral rewards, customers can reap all of the psychological benefits of helping a friend (Aknin et al. 2013; Dunn, Aknin, & Norton 2008), without incurring the psychological costs of feeling selfish. Our hypothesis has important implications because while many companies use referral rewards to increase customer acquisition, very few offer the full reward to the referred friend; instead they often opt to share the reward between the referrer and referee, or, to allocate the entire reward to the referrer.

### Study 1

Mechanical Turk participants ( $N=750$ ) were randomly assigned to one of 4 conditions: 1) No Reward, 2) Selfish Reward: Participants were told that they would receive \$10 for each friend that joined a new program, 3) Shared Reward: The participant and their friend would each receive \$5, or 4) Prosocial Reward: The referred friend would receive \$10. We also manipulated context sensitivity, using either a sensitive context (health clinic) or a non-sensitive context (Amazon loyalty program). We manipulated reward context both as a robustness check, and because previous research suggests that consumers may find (selfish) incentives particularly distasteful when the context is personal or sensitive (Kornish and Li 2010).

In the study, participants were asked to imagine that they were either members of an Amazon loyalty program or patients at a free health clinic. They were asked, "How likely are you to refer a friend to become a member of this program (go to this health clinic)?" There were no significant differences between consumer contexts, so moving forward those results are collapsed.

Across contexts, participants were most likely to refer a friend in the "Prosocial Reward" condition. The propensity to refer a friend was significantly higher for the Prosocial Reward condition (70.89% likelihood) versus No Reward (58.28%;  $p<.001$ ), Selfish Reward (52.04%;  $p<.001$ ) and Shared Reward (61.63%;  $p=.006$ ) conditions. In sum, study 1 suggests that consumers are most likely to refer when offered a generous rather than a selfish or shared reward.

### Study 2

Study 2 explores the process underlying this preference for prosocial referral rewards. Specifically, we manipulated the transparency of the referral in a 2(reward: selfish, generous) x 2(transparency: control, opaque) between-subjects design. Using the Amazon loyalty program from Study 1, we showed participants a sample referral email that Amazon was interested in sending to their friend. In the opaque condition, we mentioned after the e-mail that their friend would NOT be informed that the referrer will receive (or will not receive) a reward if they join. We then asked "How likely are you to refer your friend to Amazon BOLD?" along with additional questions designed to measure feelings of selfishness and generosity due to the referral.

There was a significant interaction between reward type and transparency ( $p < .001$ ). In the Control condition, participants were again more likely to refer their friend when the reward was prosocial (76.8%) versus selfish (66.3%,  $p=.006$ ). We find the opposite pattern in the opaque condition, however; in the opaque condition, where participants knew their friend would not learn of their generous role, participants were more likely to refer when the reward was selfish rather than prosocial. While psychological costs (feelings of selfishness) were higher for the selfish reward across conditions, feelings of generosity were only significantly higher in the control condition. This indicates that when participants believed their friend would not know whether they are being generous or selfish, participants preferred to gain the selfish reward.

**Study 3**

We further tested the degree to which the preference for prosocial referral rewards occurs because referrers seek social benefit. The study used a 2(reward: selfish, prosocial) x 2(recipient: friend, stranger) between-subjects design. 575 participants were asked to imagine that they were members of Amazon BOLD and again saw a sample referral email that Amazon is interested in sending to either 1) their close friend or 2) a potential customer (who the participant doesn't know). We then ask "How likely are you to refer your friend (this potential customer), to Amazon BOLD?"

We find a significant interaction between referral reward and referral recipient on referral likelihood ( $p < .001$ ). Consistent with our previous studies, participants were more likely to refer a friend when offered a prosocial (79.2) rather than a selfish referral reward (70.3%;  $p = .005$ ). However, when asked to refer a stranger, the selfish reward (64.8%) was more successful than the generous reward (41.7%;  $p < .001$ ). This suggests that consumers are not universally more motivated by prosocial referral rewards, but rather, prefer prosocial incentives when a meaningful social relationship is involved.

Currently, companies typically incentivize referrals by rewarding the referrer or both the referrer and their friend. We find evidence that consumers may instead be most likely to refer friends when the entire reward goes to their friend. However, this effect relies on social benefit; it reverses when the referred individual is a stranger (versus a close friend) or when the referred friend will not know the terms of the referral (whether the reward was selfish or generous). This preference was found in two different consumer contexts and provides both conceptual insight about prosocial rewards and practical insight into successful referral reward strategies.

**REFERENCES**

- Aknin, L. B., Barrington-Leigh, C. P., Dunn, E. W., Helliwell, J. F., Burns, J., Biswas-Diener, R., ... & Norton, M. I. (2013). Prosocial spending and well-being: Cross-cultural evidence for a psychological universal. *Journal of Personality and Social Psychology*, 104(4), 635.
- Ariely, Dan, Anat Bracha, and Stephan Meier. "Doing good or doing well? Image motivation and monetary incentives in behaving prosocially." (2007).
- Aronson, Joshua, Micheal J. Lustina, Catherine Good, Kelli Keough, Claude M. Steele, and Joseph Brown (1999), "When White Men Can't Do Math: Necessary and Sufficient Factors in Stereotype Threat," *Journal of Experimental Social Psychology*, 35 (1), 29-46.
- Barasch, Alixandra, Jonathan Z. Berman, and Deborah A. Small, (2016), "When payment undermines the pitch: On the persuasiveness of pure motives in fundraising," *Psychological Science*, 27, 1379-87.
- Bénabou, Roland, and Jean Tirole. "Individual and corporate social responsibility." *Economica* 77, no. 305 (2010): 1-19.
- Berger, Jonah and Morgan Ward (2010), "Subtle signals of inconspicuous consumption," *Journal of Consumer Research*, 37(4), 555-69.
- Berman, Jonathan Z., Emma E. Levine, Alixandra Barasch, and Deborah A. Small. "The braggart's dilemma: On the social rewards and penalties of advertising prosocial behavior." *Journal of Marketing Research* 52, no. 1 (2015): 90-104.
- Cloninger, C. Robert, Dragan M. Svrakic, and Thomas R. Przybeck (1993), "A psychobiological model of temperament and character," *Archives of general psychiatry*, 50(12), 975-90.
- Cohen, Geoffrey L., Joshua Aronson, and Claude M. Steele (2000), "When Beliefs Yield to Evidence: Reducing Biased Evaluation by Affirming the Self," *Personality and Social Psychology Bulletin*, 26 (9), 1151-64.
- Critcher, Clayton R., and David Dunning. "No good deed goes unquestioned: Cynical reconstructions maintain belief in the power of self-interest." *Journal of Experimental Social Psychology* 47, no. 6 (2011): 1207-1213.
- Dunn, E. W., Aknin, L. B., & Norton, M. I. (2008). Spending money on others promotes happiness. *Science*, 319(5870), 1687-1688.
- Eastman, Jaqueline K., Ronald E. Goldsmith, and Leisa Reinecke Flynn (1999), "Status consumption in consumer behavior: Scale development and validation," *Journal of Marketing Theory and Practice*, 7(3), 41-52.
- Effron, Justin. "Op-ed: Five Secrets to Uber's Success." CNBC. N.p., 04 Feb. 2016. Web. 18 July 2016.
- Ellingsen, Tore, and Magnus Johannesson. "Conspicuous generosity." *Journal of Public Economics* 95, no. 9 (2011): 1131-1143.
- Gino, Francesca, Michael I. Norton, and Dan Ariely (2010), "The Counterfeit Self: The Deceptive Costs of Faking It," *Psychological Science*, 21 (5), 712-20.
- Harbaugh, William T. (1998a), "The Prestige Motive for Making Charitable Transfers," *American Economic Review*, 88 (2), 277- 82.
- Harbaugh, W. T., Mayr, U., & Burghart, D. R. (2007). Neural responses to taxation and voluntary giving reveal motives for charitable donations. *Science*, 316(5831), 1622-1625.
- Han, Young Jee, Joseph C. Nunes, and Xavier Drèze (2010), "Signaling status with luxury goods: The role of brand prominence," *Journal of Marketing*, 74(4), 15-30.
- Hayes, Andrew F. (2013), *Introduction to mediation, moderation, and conditional process analysis: A regression-based approach*, Guilford Press.
- Huberman, Bernardo A., Christoph H. Loch, and Ayse Öncüler (2004), "Status as a valued resource," *Social Psychology Quarterly*, 67(1), 103-14.
- Jin, Liyin, and Yunhui Huang. "When giving money does not work: the differential effects of monetary versus in-kind rewards in referral reward programs." *International Journal of Research in Marketing*, 31.1 (2014): 107-116.
- Jordan, Jennifer, Elizabeth Mullen, and J. Keith Murnighan (2011), "Striving for the Moral Self: The Effects of Recalling Past Moral Actions on Future Moral Behavior," *Personality and Social Psychology Bulletin*, 37 (5), 701-13.
- Kornish, L. J., & Li, Q. (2010). Optimal referral bonuses with asymmetric information: Firm-offered and interpersonal incentives. *Marketing Science*, 29(1), 108-121.
- Lin-Healy, Fern and Deborah A. Small (2013), "Nice guys finish last and guys in last are nice: The clash between doing well and doing good," *Social Psychological and Personality Science*, 4(6), 693-99.
- Nelissen, Rob M.A. and Marijn H.C. Meijers (2011), "Social benefits of luxury brands as costly signals of wealth and status," *Evolution and Human Behavior*, 32(5), 343-55.
- Newman, George E., and Daylian M. Cain. "Tainted Altruism When Doing Some Good Is Evaluated as Worse Than Doing No Good at All." *Psychological science* 25, no. 3 (2014): 648-655.

- Ryu, G., & Feick, L. (2007). A penny for your thoughts: Referral reward programs and referral likelihood. *Journal of Marketing*, 71(1), 84-94.
- Sachdeva, Sonya, Rumen Iliev, and Douglas L. Medin (2009), "Sinning Saints and Sainly Sinners: The Paradox of Moral Self-Regulation," *Psychological Science*, 20 (4), 523-28.
- Scopelliti I., Loewenstein G., & Vosgerau J. (2015) You Call It 'Self-Exuberance,' I Call It 'Bragging.' Miscalibrated Predictions of Emotional Responses to Self-Promotion, *Psychological Science*, 26(6), 903-914.
- Shelton, Charles M. and Dan P. McAdams (1990), "In Search of an Everyday Morality: The Development of a Measure," *Adolescence*, 25 (100), 923-43.
- Sherman, David K., Geoffrey L. Cohen, Lief D. Nelson, A. David Nussbaum, Debra P. Bunyan, and Julio Garcia (2009), "Affirmed Yet Unaware: Exploring the Role of Awareness in the Process of Self-Affirmation," *Journal of Personality and Social Psychology*, 97 (5), 745-64.
- Tetlock, Philip E., Ori V. Kristel, S. Beth Elson, Melanie C. Green, and Jennifer S. Lerner (2000), "The Psychology of the Unthinkable: Taboo Trade-offs, Forbidden Base Rates, and Heretical Counterfactuals," *Journal of Personality and Social Psychology*, 78 (5), 853-70.
- Verlegh, Peeter WJ, et al. "Receiver responses to rewarded referrals: the motive inferences framework." *Journal of the Academy of Marketing Science*, 41.6 (2013): 669-682.