

MARKETING COLLOQUIA

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SELFISH AND KIND: AN EXAMINATION OF CONSUMER ELECTIVE PRICING

ABSTRACT: Social behavior is heavily influenced by the perception of the behaviors of others. We considered how perceptions (and misperceptions) of kindness can increase generosity in economic transactions. We investigated how these perceptions can alter behavior in a novel real-life situation that pitted kindness against selfishness. That situation, consumer elective pricing, is defined by an economic transaction allowing people to purchase goods or services for any price (including zero). Field and lab experiments compared how people behave in 2 financially identical circumstances: pay-what-you-want (in which people are ostensibly paying for themselves) and pay-it-forward (in which people are ostensibly paying on behalf of someone else). In 4 field experiments, people paid more under pay-it-forward than pay-what-you-want (Studies 1–4). Four subsequent lab studies assessed whether the salience of others explains the increased payments (Study 5), whether ability to justify lowered payments (Study 6), and whether the manipulation was operating through changing the perceptions of others (Studies 7 and 8). When people rely on ambiguous perceptions, pay-it-forward leads to overestimating the kindness of others and a corresponding increase in personal payment. When those perceptions are replaced with explicit descriptive norms (i.e., others' payment amounts), that effect is eliminated. Finally, subsequent studies confirmed that the effects were not driven by participant confusion (Studies 9A and 9B) and not limited by the specificity of the referent other in the pay-it-forward framing (Study 9C).