

MARKETING COLLOQUIA

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Where: 741 JMHH

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TOO CONSTRAINED TO CONVERSE: THE EFFECT OF FINANCIAL CONSTRAINTS ON WORD-OF-MOUTH

ABSTRACT: Existing research demonstrates that financial constraints are widespread and influence consumer attention, preference, choice, and consumption in a variety of ways. Despite the growing knowledge of how financial constraints affect the consumer decision making process, less is known about its impact on post-purchase behavior. This work examines whether financial constraints impact an important post-purchase behavior—word-of-mouth—and in what direction. Seven studies show that financial constraints reduce purchase-related word-of-mouth. This effect emerges across consumers' reported frequencies of discussing their purchases with friends and family, as well as their intentions, desires, and real decisions to engage in online word-of-mouth. This effect is explained by reduced anticipated pleasure of engaging in purchase-related word-of-mouth, which results from financially constrained consumers' belief that rehearsing their monetary expenditures will reinforce negative feelings about their limited financial situation. This effect cannot be similarly explained by other accounts such as impression management or the desire to hoard informational resources. Further, the authors show that the reduction in anticipated pleasure from word-of-mouth is specific to sharing about one's monetary expenditures. Thus, financial constraints reduce purchase-related word-of-mouth, but they do not universally decrease one's propensity to share.