HOW CONSUMERS USE AND PROPAGATE INFORMATION IN DIGITAL WORLD

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DISSERTATION

Submitted in partial fulfillment of the requirements for the degree of Doctor of Philosophy in

Marketing at The University of Texas at Arlington August, 2020

Arlington, Texas

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ABSTRACT

HOW CONSUMERS USE AND PROPAGATE INFORMATION IN DIGITAL WORLD

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With the advent of technology and the emergence of social media, information-sharing amongst consumers has increased exponentially. Consumers now can discuss their purchases with different people in different formats, in person or online (Hennig-Thurau et al., 2010; Berger and Iyengar, 2013). Both researchers and marketers have acknowledged word of mouth (WOM) as a significant driver for consumption decisions (Akpinar & Berger, 2017). However, research regarding how consumer will use or share information in the digital world is still unclear.

This dissertation research is trying to investigate the drivers of how consumers use, or share, information in digital environment – and how this is different from such behavior in offline environments. My first essay focuses on examining how consumers utilize information received from others in the digital world. Specifically, I investigate why, under certain conditions, consumers are more likely to utilize information received from socially distant others more than that received from close others.

While the first essay examined how consumers use information from others, the next two essays investigate the key drivers of information generation by consumers.

My second essay examines how purchase-type differentially moderates information-generation by consumers on offline vs online platforms.

My third essay centers on the effect of social exclusion, an impactful all-pervasive online phenomenon, on consumer's information sharing behavior.

ACKNOWLEDGEMENTS

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**Essay 1: Staying Away from the Joneses-The Role of Close- versus Distant-Others'**

**Recommendations on Conspicuous Consumption**

Prior research has demonstrated that people often seek out and use information from others to inform their consumption decisions (Shugan,1980; Gino & Moore, 2006). In this process, the source of this information influences how much it is utilized. Recommendations from close-others generally have greater impact on consumer's decision-making (Duhan et al, 1997). The reasons for this are obvious: compared to distant-others, close-others are more similar to us (Mashek & Boncimino, 2003). This resemblance also translates into similar preferences in consumption domains (Childers & Rao,1992). Besides this primary functional advantage of listening to close-others, there may be other secondary benefits as well. Conformity to others' recommendations is driven by a motive to gain group acceptance and avoid social cost (Cialdini & Goldstein 2004; Kruglanski & Webster 1991). And since the target audience for this display of conformity is likely to be one's in-group, recommendations from close-others should be most instrumental.

But will consumers always prefer recommendations from close-others? In the present research, we propose that this may not always be the case. We argue that, in the case of conspicuous consumption, driven by distinctiveness signaling motivation, consumers will display less conformity to the recommendations of close-others.

Oftentimes, consumption choices are guided by extrinsic social-signaling motivations (Kasser & Ryan 1993). Pozharliev, Verbeke, Strien, & Bagozzi (2015) have shown that merely being with others enhances people's focal attention towards luxury products. Shopping with friends may lead to greater spending on more expensive items (Kurt, Inman, & Argo 2011). Deprivation of social power triggers display of material possessions over experiences (Dubois & Ruvio 2014). All these results give strength to Veblen's (1899) classic view of conspicuous consumption, where people

seek status through ostentatious spending and display of material possessions. This is what leads to the proverbial "Keeping up with the Joneses" phenomenon, where individuals are part of a consumerist rat-race in trying to keep up with all the material comforts that their neighbors and peers have come to possess. Veblen, and many others, suggest that people will be perennially engaged in this conformist consumption culture in an effort to avoid relegation to an inferior social status. More recently however, non-traditional versions of conspicuous consumption have been isolated. Instead of conforming to a majoritarian ideal, displaying nonconformity can be status enhancing (Baumeister 1982). At first glance, this is surprising. Traditionally, nonconformity has often been associated with social costs (Schachter, 1951). However, research has demonstrated that, under certain conditions, nonconformity can be socially beneficial (Snyder & Fromkin, 1980). For instance, adhering to a deliberately unconventional dress code can be inferred as status enhancing by the observers (Bellezza, Gino, & Keinan, 2013). Some consumers with cultural capital deliberately choose inconspicuous luxury product designs to deviate from mainstream consumers who are more likely to choose conspicuous brand logos (Berger & Ward, 2010). In variety seeking contexts, divergence from popular choices is also higher when consumers have impression management motives, or are making choices under public scrutiny (Ariely & Levav 2000; Ratner & Kahn 2002).

We extend this logic of advantageous social nonconformity to the context of close- (vs. distant-) others. We argue that deviating away from the recommendations or choices of close-others can have status-enhancing consequence. Therefore, consumers will relatively ignore information from close-others in conspicuous consumption contexts. In non-conspicuous contexts, where status-signaling opportunities are rare, such disregard of close-others will not occur.

# THEORETICAL FOUNDATIONS

## WOM and Sources of WOM

Katz & Lazarsfeld (1966) describe word of mouth (WOM) as the exchanging of marketing information between consumers which has significant downstream effects such as attitude transformation and eventual choice. Word-of-mouth has been established as a strong determinant of product sales (You, Vadakkepatt & Joshi 2015). Existing WOM research suggests that people are likely to seek recommendations when facing difficult decisions (Gino & Moore, 2006). Such recommendations can come from close- or distant-others. Close-others are considered similar to self, such as friends and others within the proximate social network. Distant-others can be mere acquaintances or strangers who have weaker social connections with the consumer. Expectedly, consumers should be more susceptible to close-other's recommendations, since in-group peers understand us better, and are more likely to share similar tastes and habits (Duhan, Johnson, Wilcox, & Harrell 1997; Brown & Reingen 1987).

However, there is also some evidence that close-others may not be influential in all situations (Weenig & Midden 1991). Research in interpersonal network influences has also suggested a similar counterintuitive phenomenon – Burt (2009) suggests that, at the level of aggregate societies,  distant others may in fact be more influential than close other because the former serve the role of connecting different isolated social groups. According to this view of interpersonal influence, while close others largely manage to influence only people within their group operating in a proverbial echo chamber, information transmitted from distant others manages to facilitate information diffusion more effectively. There may also be several contextual influences that impinge upon the relative influence of word-of-mouth from close others. For instance, when consumers make a purchase decision for the distant future, recommendations from

distant-others is often more persuasive (Zhao & Xie, 2011). Similarly, there may be other situational moderators that influence the relative influence of close- versus distant-others on consumer choice. In what follows, we examine how the conspicuousness of consumption may emerge as one such key determinant.

**Conspicuous Consumption & Status Signaling**

Conspicuous consumption has been described as an attempt to signal status and competence through a socially transparent display of consumption (Veblen, 1899). Recent workhas demonstrated that status signaling does not always require materialistic displays of luxury. Instead status can also be effectively brandished in other forms, such as exhibiting "busyness" (Gershuny 2005; Belleza, Paharia, & Keinan, 2016); or by nonconforming behaviors, such as nuanced violations of dress codes or etiquettes (Belleza et al, 2013), or exhibition of experiential instead of material consumption (Valsesia & Diehl 2017). In comparison to traditional forms of conformist conspicuous consumption, these behaviors, by signaling a strong sense of autonomy and self-worth, may in fact be more effective in displaying status (Baumeister 1982).

**Nonconformity and the Pursuit of Distinctiveness**

Social conformity is motived by the desire for acceptance by others (Berscheid & Walster, 1983). In consumption contexts, conformity can be demonstrated by following others' recommendations or emulating their behavior. Since nonconformity is costly and may even lead to social disapproval (Anderson, Srivastava, Beer, Spataro, & Chatman, 2006; Anderson, Ames, & Gosling, 2008), consumers are driven to perform conforming behaviors. Although prior research has examined nonconformity, that work has mostly focused on consumers' divergent behaviors from dissimilar others, or undesired identities (Berger & Heath, 2007, 2008; White & Dahl 2006; 2007).

We examine domains where the pursuit of distinctiveness, via nonconformity to close-others, may have positive social signaling benefits (Ariely & Levav, 2000; Snyder & Fromkin 1977). As indicated earlier, adhering to a deliberately unconventional dress code, choosing inconspicuous luxury product designs, or choosing distinctive options can be inferred as status enhancing by the observers (Bellezza et al. 2013; Berger & Ward, 2010, Ariely & Levav 2000). These behaviors are further amplified in the presence of others (Linder, Corwin, & Cialdini 1977; Ariely & Levav 2000, Ratner & Kahn 2002). In fact, people may often go to great lengths to hide the fact that their behavior has been influenced by their peers (Nolan, Schultz, Cialdini, Goldstein & Griskevicius, 2008).

Given all this, it is evident that the motivation of status-enhancement propels consumers to diverge from the recommendations of close-others. But this does not imply that the advice from close-others has no value. After all, being similar to self, advice from close-others is likely to be intrinsically more utilitarian, and lead to choices that better fit a consumer's tastes and needs (Mashek & Boncimino, 2003; Childers & Rao,1992).

So, while extrinsic motives to signal distinctiveness drive consumers to diverge away from the recommendations of close-others, intrinsic utilitarian motives of choosing a more useful product bring them back to be more compliant with the advice of their in-group peers. The admixture of these two conflicting motivations eventually shapes the consumer's final choice.

This gives us a foundation for proposing a situation-specific hypothesis of when consumers are more likely to rely on recommendation of close-others, and under which other conditions are they more likely to ignore close-others. We posit that the crucial situational moderator will be the transparency, or conspicuousness, of consumption.

When consumption is confined to the privacy of one's own home or in isolation of others, there are fewer opportunities for social signaling (Ratner & Kahn 2002; Ordabayeva & Chandon 2010). Thus, extrinsic signaling motivation of being distinctive from others is lower, and therefore consumer choice is primarily driven by the intrinsic-utilitarian goal of purchasing a more functionally effective product. We posit that under such settings they will adhere to the recommendations from close-others. However, under socially visible consumption situations, such intrinsic motivation will be relatively marginalized in favor of extrinsic signaling goals of displaying distinctiveness. Thus, in conspicuous consumption settings, in pursuit of displaying distinctiveness, consumers will be less likely to rely on recommendations from close-others.

More formally, we propose:

H1: Consumers will be less likely to rely on recommendations from close- (vs. distant) others in conspicuous (vs. inconspicuous) consumption situations.

Relatedly, we also propose the underlying process hypothesis that:

H2: Greater reliance on recommendations from distant- (vs. close-) others in conspicuous consumption settings is driven by the underlying motivation of pursuing distinctiveness.

**"Compensatory" Distinctiveness through Atypical Product Design**

In the discussion above, we propose that, in conspicuous consumption settings, driven by distinctiveness signaling motivation, consumers will relatively ignore the recommendations from close-others. But what if this need for signaling distinctiveness is somehow satiated through other means? Will consumers continue to diverge from close-others even then?

While nonconformity to close-others may be one form of displaying divergence, there may be other consumption behaviors as well which serve to signal distinctiveness. One such behavior may be the choice of atypical products (Schoormans & Robben 1997).

Product designs that are typical of their category have been found to elicit more positive responses than designs that are atypical (Landwehr, Labroo, & Herrmann 2011; Veryzer & Hutchinson 1998). But exceptions to this do exist. Landwehr, Wentzel and Hermann (2015) showed how greater exposure boosts preference for atypical designs. Similarly, lower perceived product risk enhances preference for atypicality (Celhay & Trinquecoste 2015). Unconventional product designs are often perceived as more attractive than highly typical designs (Schoormans & Robben 1997). Atypical products also heighten brand excitement and likely send a strong signal of distinctiveness (Schnurr 2017).

Based on this logic, we argue that under conspicuous consumption setting, if consumers are choosing from an array of atypical products, they will be less likely to seek out additional distinctiveness by ignoring the recommendations of close-others. This is suggestive of a compensatory behavioral system where the pursuit of distinctiveness can be satiated through multiple compensating sources: diverging from close-others, or through the choice of atypical products. Such compensations have been observed in other consumption contexts: when consumers choose greater variety in one consumption episode, they seem to less variety in subsequent unrelated product choices (Menon & Kahn 1995). Other compensatory models in consumer behavior (Khan & Dhar 2006; Mandel, Rucker, Levav, & Galinsky, 2017) also show similar effects.

Thus, we formally propose that:

H3: Consumers will be less likely to rely on recommendations from close- (vs. distant) others when choosing from a set of typical (vs. atypical) design products.

Please note that here, and elsewhere in the paper, we equate conspicuous consumption as a transparent, socially observable form of consumer behavior. This is in line with previous work in

the area (Veblen 1899; Ordabayeva & Chandon 2010). Also, we investigate close- versus distant-others as two categories of a social continuum. It is likely that there are other categories as well – most notably family or extremely close friends may evoke a different response than both close-others or distant-others (Childers & Rao 1992). For example, it is possible that extrinsic-signaling motivation may be muted when dealing with such close peers. We have not examined these dynamics in this paper.

Our findings contribute to the emerging understanding of word-of-mouth influences, and also towards conspicuous consumption research. In five studies, we provide evidence in support of our proposed effect (Studies 1-2), reveal the underlying mechanism (Studies 3-4), establish its boundary conditions (Study 5), and draw implications for marketing practitioners.

## RESEARCH DESIGN AND FINDINGS

### Study 1

Study 1 tests our primary hypothesis using six different product categories as exemplars of conspicuous and inconspicuous consumption.

**Method**

188 undergraduate students completed the study for partial course credit (41.5% female, $M_{age}$=23.4 yr., sd=2.3). We employed 2(Consumption types: conspicuous vs. inconspicuous) × 2(WOM sources: close-others vs. distant-others) mixed design, using consumption type (i.e. product categories) as a within-subject factor, and WOM sources as a between-subject factor. Following Gierl & Huettl (2010), three conspicuous (car, shoes, wristwatch) and three inconspicuous (alarm-clock, kitchen-knife, washing-machine) items were isolated. The three chosen conspicuous (inconspicuous) products were rated the highest (least) in terms of perceived

visibility in a separate pre-test. Participants were presented all six items in a random order, and were asked to indicate the likelihood of following their friend's recommendation (or online reviews) for each product category (See Appendix).

**Results**

First, we averaged three conspicuous products' and three inconspicuous products' scores respectively to generate two indices for conspicuous and inconspicuous consumption. These were employed as the within-subject repeated measures dependent variable. A repeated-measures ANOVA revealed a significant interaction effect between consumption type and WOM source ($F(1,186)=5.49$, $p=.02$). Separate planned contrasts confirmed that for conspicuous consumption items, consumers were more susceptible to recommendations from distant-(vs. close-others) ($M_{dist}=4.64$ vs. $M_{close}=3.92$, $F(1,186)=15.45$, $p<.001$).

Figure 2
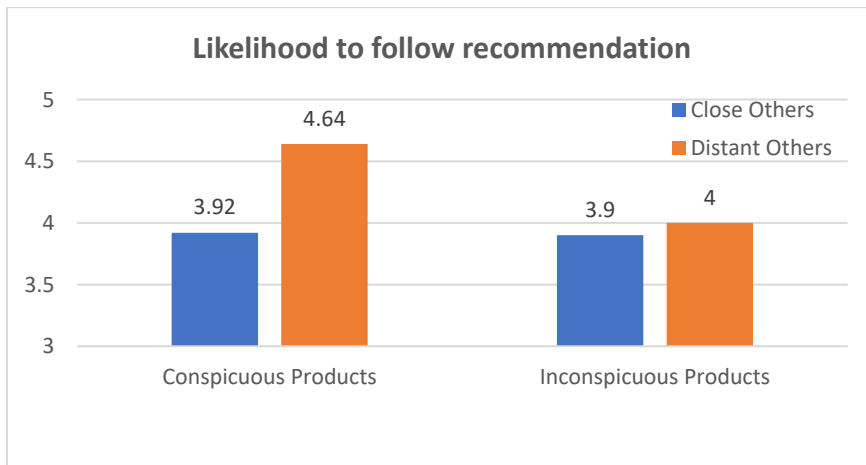


This study confirmed our hypothesis H1 that recommendation from close others are relatively ignored in conspicuous consumption settings. However, this could be a mere artifact of omitted confounding variables across the set of conspicuous and inconspicuous products we selected for our study. Also, we asked participants to indicate how much they will listen to the advice of other in a highly abstract setting. This may not translate to actual concrete decisions. In the next study

we attempt to control for these shortcomings by manipulating conspicuousness within the same product category, and also by using a more concrete setting to test the relative influence of recommendations from close vs. distant other on consumer choice.

## Study 2

**Method**

203 undergraduate students (48.4% female, $M_{age}$=23.3 years old, sd=5.2) completed the study. The design was a 2(WOM sources: close-others vs. distant-others) × 2(Consumption types: conspicuous vs. inconspicuous) between-subject design.

In all four conditions, participants were given a choice scenario where they were presented with two planting options for their front-garden (or back-yard). One of these options was recommended by close-(or distant-) others, while the other was not. Neighbors were classified as close-others, while people posting on a social media forum, were classified as distant-others. Participants were then asked to indicate their likelihood of choosing the option recommended by others (7-point scale). Conspicuousness was manipulated using stimuli adapted from Ordabayeva & Chandon (2010). In their Study X, Ordabayeva & Chandon (2010) employed the planting of fauna in the front-garden (vs backyard) of the house as a manipulation of conspicuousness - the front-garden, relative to the back-yard, of the house is likely to be more visible and conspicuous (See Appendix). A pre-test of the stimuli confirmed our conspicuousness manipulation. Consumers viewed front-yard planting as more conspicuous, and prominently viewed by outsiders, than planting in the back-yard ($M_{conspicous}$=5.90 vs. $M_{inconspicuous}$=4.71, $F(1,54)$=8.58, p=0.005).

For manipulation check, participants were also asked to rate their closeness to the WOM source (1= not at all close/connected; 7= very close/connected) (Zhao and Xie, 2012).

**Results**

*Manipulation check.* There was a significant difference in perceived closeness between the two manipulated WOM sources ($M_{close}=3.65$ vs. $M_{distant}=3.17$, $F(1, 201)=4.45$, $p=.036$).

*Likelihood to Follow Others' Recommendation.* The ANOVA confirmed our hypothesis. There was a significant interaction effect of WOM-source and consumption-type ($F(1,199)=8.16$, $p=.005$). Planned contrasts indicated that, for conspicuous consumption, participants are less likely to follow the recommendation from close-(vs. distant-) others ($M_{close}=3.94$ vs. $M_{distant}=4.67$, $F(1, 103)=5.06$, $p=.027$, see figure 1).

Figure 1.



Likelihood to purchase recommended products
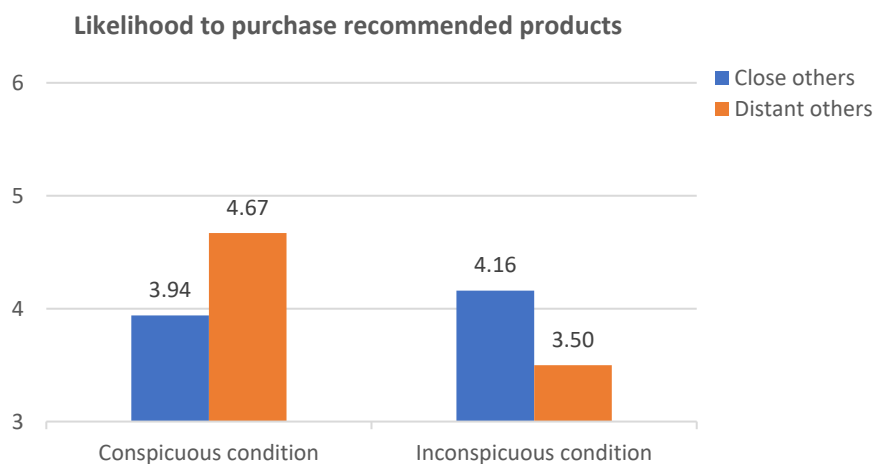
The results of Study 2 confirm our findings from Study 1 in a controlled, realistic setting. As proposed in H1, consumers are more likely to rely on recommendations from close- (vs. distant) others in conspicuous (vs. inconspicuous) consumption situations.

Next, we investigate the underlying process responsible for our observed effect (H2) in the first two studies. Additionally, we also rule out alternative explanations.

## Study 3: The Mediating Role of Distinctiveness

Our proposed mechanism is that WOM from distant-others is viewed as more distinct, and that this characteristic is valued more in conspicuous consumption contexts. But it is alternatively

possible that such recommendations are viewed as modern, prestigious, warm, or glamorous, and it is one of these perceptions, and not distinctiveness per se, which is leading to the observed results. To effectively address these concerns, we measure distinctiveness and all these other suspect attributes concurrently with your purchase decision in this study, and examine if they play any mediating role. This was done to rule out a fallacy that plagues most mediation analysis exercises, where researchers focus too narrowly on a singular mediation candidate and ignore several others that may explain the relationship even more robustly (Fiedler, Harris & Schott 2018).

**Method**

431 participants from Mechanical Turk completed the study for monetary compensation (52% female, $M_{age}$=35.5yr., sd=4.8). A 2(Consumption type: conspicuous vs. inconspicuous) × 2(WOM sources: close-others vs. distant-others) between-subject design was used. Public display of consumption has been considered a conspicuous signal (Griskevicius Tybur & Van den Bergh, 2010). In current study, we use a picture frame in a living room (vs.in a private study) as a way of manipulating conspicuous (vs. inconspicuous) consumption. Participants were randomly assigned to one of the four conditions. All participants were asked to imagine that they were considering purchasing a picture frame. In *conspicuous* (*inconspicuous*) conditions, participants were presented two picture frames, a black one and a white one, and were asked to choose one *for the living room where all visitors (for the private study where only they themselves)* will see the picture frame. Participants were then told that they were initially personally inclined to choose the white picture frame, but a close friend (an acquaintance of a distant friend) had posted a similar picture frame in black and recommended it on his Facebook page (See Appendix).

After reading the scenario, participants were asked to choose between the white frame and the black frame. They were then asked to indicate the distinctiveness of the black color picture

frame, adapted from White & Argo (2011)along with measures of the other alternative explanations (in a counterbalanced order), namely, the black picture frame's level of modernity, prestige, warmth, and glamorousness (1=extremely low; 7=extremely high) (See Appendix). Finally, participants rated their closeness to the WOM source (close friend vs. an acquaintance of distant friend).

**Results**

*Manipulation check.* The measure of closeness with the WOM source confirmed that participants did feel closer to their friends than the acquaintances of distant friends, thereby confirming successful manipulation of close- vs. distant-other ($M_{close}$=5.04 vs. $M_{distant}$=4.68, $F(1,429)$=6.78, p=.01).

*Purchase decision.* A logistic regression of the purchase decision revealed a significant main effect of consumption type (Exp(b)=7.52, SE=.62, p=.001) and WOM source (Exp(b)=12.68, SE=.64, p<.001). More pertinent to our hypothesis, there was also a significant interaction effect between consumption type and WOM source (Exp(b)=.22, SE=.40, p<.001). Planned contrasts revealed that consumers were influenced more by distant (vs. close-) others in conspicuous consumption-conditions ($M_{dist}$=70.1% vs. $M_{close}$=45.8%, $\chi^2$ statistic=12.96, p<.001). However, for inconspicuous conditions, there was a marginally higher influence of close-others ($M_{dist}$=45.8% vs. $M_{close}$=58.2%, $\chi^2$ statistic=3.34, p=.07; see figure 2).

Figure 3.

Choice Share of Recommended Option
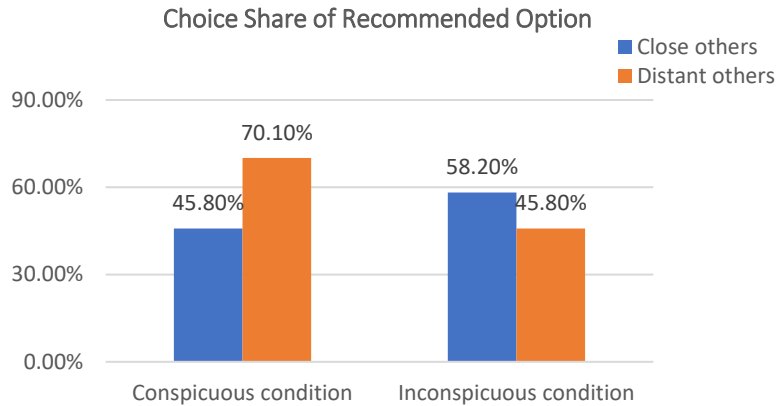
*Mediation.* A moderated mediation (with IV= WOM source, Moderator= Consumption type, Mediator= Perceived distinctiveness, and DV= Purchase decision, Hayes, 2013, model 7 with 5000 bootstrapped samples) demonstrated that consumption type moderated the effect of WOM source on the consumer's perceived distinctiveness (b=-1.20, SE=.29, t=-4.08, p<.001) and that perceived distinctiveness of the recommended option was positively related to consumer's purchase decision (b=.63, SE=.08, p<.001). Compared to inconspicuous condition (Conditional indirect effect=-.20, Boot SE=0.14, 95% CI[-.48 to .06], conspicuous condition was more likely to drive consumer's pursuit of distinctiveness, and in-turn make them less conforming to recommendation from close-others (Conditional indirect effect=.55, Boot SE=.16, 95% CI[.28 to .88]). Index of moderated-mediation confirmed that conspicuousness moderated the mediating effect of consumer's perceived distinctiveness (95% CI [-1.22, -0.37], see figure 3).

Figure 4. DISTINCTIVENESS MODERATED-MEDIATION
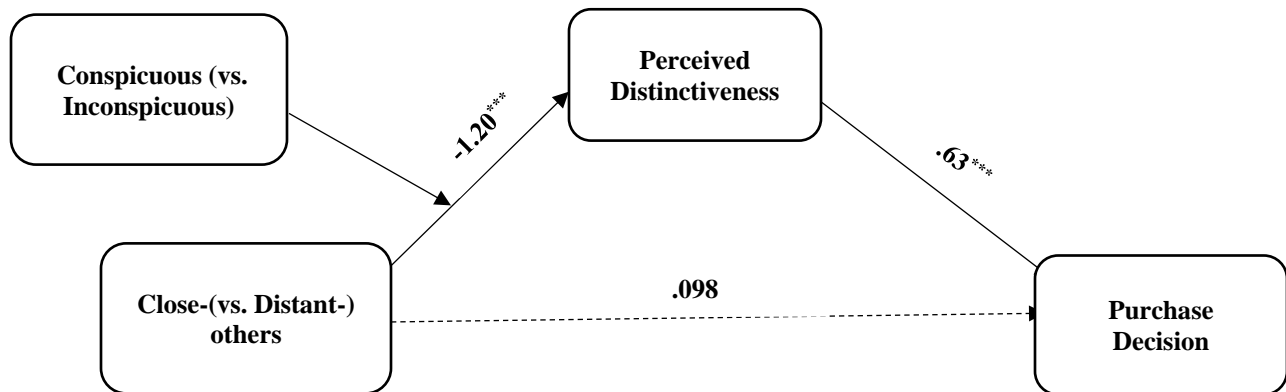
Significance level: ***p<.001; **p<0.01; *p<.05

*Other alternative explanation.* In addition to testing perceived-distinctiveness, we also tested the moderated-mediating effect of perceived prestige, glamorousness, warmth, and modernity respectively to investigate whether these alternative perceptions could explain our effect by the Hayes (2013), model 7 with 5000 bootstrapped samples. None of these measures mediated our findings (prestigiousness [-.27 to .26]; warmth [-.23 to.22]; glamorousness [-.0038 to .38]; and modern [-.19 to .20]).

Study 3 confirmed the mediating role of distinctiveness, and that consumers perceive greater distinctiveness in choices of distant-others. In the next study we continue to gather evidence for our underlying process that it is indeed enhanced extrinsic motivation for distinctiveness which prompts consumers to recommendations from close-others.

Please recall that our proposed underlying process is that distinctiveness signaling motivation is higher for conspicuous consumption, which leads consumer to diverge from recommendation by close-others. Because consumers are unlikely to acknowledge that signaling motivation drove their behavior (Nolan et al 2008), conducting a direct mediation test may not be the most

appropriate method to test the proposed mechanism. Such testing may also be inadvisable due to recent concerns about spurious mediation analysis (Spencer, Zanna & Fong 2005; Pieters 2017). Therefore, in the next study, we explicitly manipulate consumer's motives within the same consumption context. Please note that our primary theory is premised on the fact that conspicuous consumption leads to greater status signaling motivation, which in turn makes consumers seek distinctiveness by deviating away from the recommendation of close-others. In contrast, inconspicuous consumption leads to greater regard for the intrinsic motive of satisfaction with product functionality, which in turn makes consumers pay more regard to the recommendation of close-others.

But in the next study we specifically manipulate both these motivations – extrinsic motives (signaling to others) and intrinsic motives (satisfaction with product functionality) – in the same conspicuous consumption setting. In doing so, we attempt to manipulate the mediator as prescribed by recent methodological commentators (Pirlott & MacKinnon 2016) If our underlying mechanism is credible, then consumers should not ignore the advice of close-others, even in the case of conspicuous consumption, if intrinsic motivation is dominant.

## Study 4: Extrinsic vs. Intrinsic Motives

**Method**

141 undergraduates completed the study for partial course credit (34.8 % female, $M_{age}$=24.5yr., sd=4.2). A 2(Consumption motive: extrinsic cue vs. intrinsic cue) $\times$ 2(WOM sources: close-others vs. distant-others) between-subject design was used. Extrinsic motivation was cued by the close- (or distant-) others commenting on the visual appeal of the product ("looks much better"), and intrinsic motivation was cued by the close- (or distant-) other commenting on product's functional characteristics ("is warmer and cozier"). Participants were asked to indicate

their purchase likelihood between a brand they trusted, and a brand recommended by close- (or distant-) others (See Appendix).

**Results**

The ANOVA result revealed a significant main effect of the motive ($F(1,137)=6.28$, $p=.013$). More pertinent to our hypothesis, a significant interaction effect ($F(1,137)=4.86$, $p=.029$) between consumption motive and WOM sources was found. Planned contrasts show when extrinsic motives were cued, participants were more likely to value recommendation from distant (vs. close) others ($M_{dist}=5.49$ vs. $M_{close}=4.53$, $F(1,69)=4.54$, $p=.037$, see figure 4), thereby replicating our previous findings. However, when intrinsic motives were cued, there was no significant difference between the two WOM sources ($M_{dist}=3.94$ vs. $M_{close}=4.42$, $F(1, 68)=1.04$, $p>.30$). These findings further confirm our theory that consumers' nonconforming behavior was driven by their extrinsic signaling motives.

Figure 5.



Likelihood to purchase recommended products
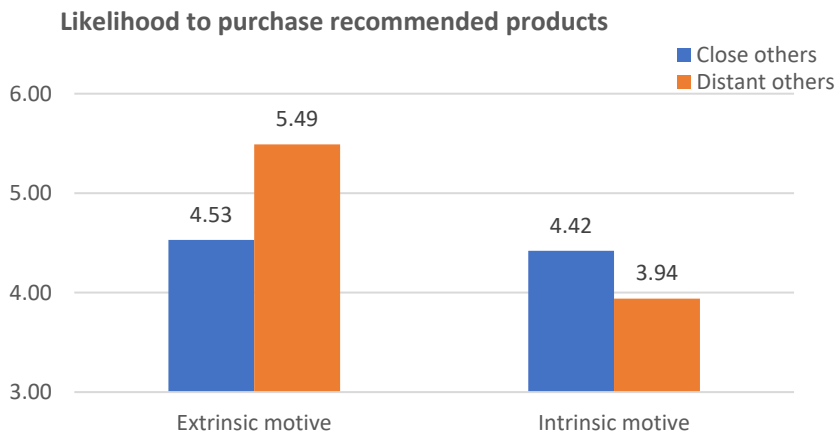
In study 5, we try to examine a boundary condition for our current finding. More specifically, we investigate whether the effect would attenuate or disappear when consumer's perceived distinctiveness has been satisfied through other means.

**Atypical Products**

While nonconformity to close-others may be one form of displaying divergence, there may be other consumption behaviors as well which serve to signal distinctiveness. One such behavior may be the choice of atypical products.

Based on this logic, the proposed hypothesis H3 argued that under conspicuous consumption setting, if consumers are choosing from an array of atypical products, they will be less likely to seek out additional distinctiveness by ignoring the recommendations of close-others. This is suggestive of a compensatory behavioral system where the pursuit of distinctiveness can be satiated through multiple compensating sources: diverging from close-others, or through the choice of atypical products.

## Study 5: Atypical Product Designs

**Method**

Four wrist-watch designs were used in this experiment (See Appendix). A pretest with 50 participants confirmed that, compared to watches C and D, watches A and B were considered to have a more typical design ($M_A=2.25$, $M_B=2.21$, vs. $M_C=5.25$, $M_D=5.17$, $F(1,46)=29.00$, $p<.001$; post-hoc: $M_A=2.25$ vs. $M_B=2.21$, $p=.936$; $M_C=5.25$ vs. $M_D=5.17$, $p=.857$). (See Appendix)

In the main study, a total of 135 undergraduate student completed the study for partial course credit (46.5 % female, $M_{age}=25.5$ yr., sd=2.9). We used a 2(Product type: atypical vs. typical) $\times$ 2(WOM sources: close-others vs. distant-others) between-subject design.

Participants were asked to read a scenario about buying a wristwatch. In all conditions, participants were told that they were considering two wristwatches. In "typical" conditions, both watches (C & D) had a typical design, while in the "atypical" conditions, both watches (A & B)

had a distinct, atypical design. This choice of atypical product design was similar to the approach used in previous work in this area (Campbell & Goodstein 2001). In the close-(distant-)other condition, participants were told that a close friend (distant acquaintance) recommends one of the two watches. In all conditions, the dependent variable was their likelihood to purchase the recommended watch (7-point scale).

**Results**

There was a significant main effect of product type ($F(1,131)=8.80$, $p=.004$) and marginal interaction effect ($F(1,131)=2.96$, $p=.088$). A follow-up planned contrast suggests that when choosing amongst typical products, consumers are less likely to follow recommendation from close others ($M_{close}=3.38$ vs. $M_{dist}=4.23$, $F(1,61)=4.22$, $p=.04$, see figure 5), thereby replicating our previous findings. However, when choosing amongst atypical products, there was no significant difference between close and distant WOM sources ($M_{close}=4.78$ vs. $M_{dist}=4.60$, $F(1,70)=.18$, $p=.67$).

Figure 6.
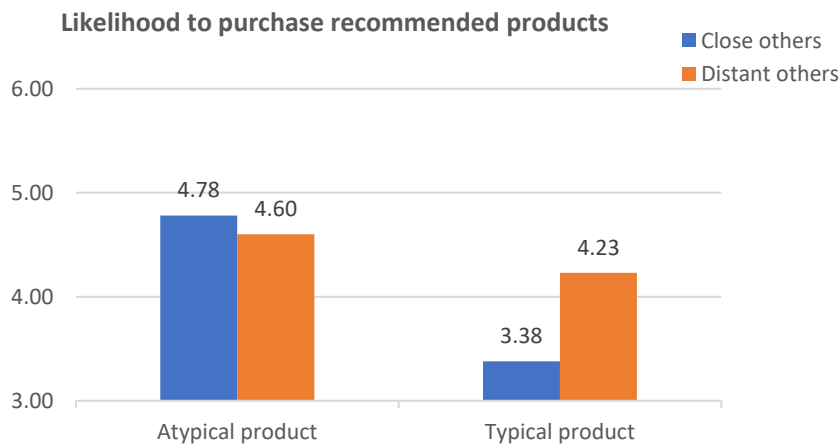


**GENERAL DISCUSSION**

Our studies provide converging evidence to establish that consumers exhibit nonconformity to the opinion of close-others in conspicuous consumption choices (Studies 1 and 2). Further we establish that this behavior is motivated by extrinsic distinctiveness signaling goals (Study 3). When such motives are absent (Study 4) or achieved through other means of exhibiting distinctiveness (Study 5), consumers revert back to displaying conformity to their peers.

**Theoretical and Managerial Implications**

Our work contributes to the growing Word-of-Mouth literature, and in developing a more nuanced understanding of conspicuous consumption. We propose that consumers may engage in conspicuous consumption by diverging from popular choices of their social peers.

These findings provide insights for marketing practitioners to fine tune their WOM strategy. We demonstrate that close-others may not be the most effective influencers in all contexts. Specifically, for conspicuous consumption, WOM from distant-others may be more influential. Therefore, it might be more effective for marketers to motivate consumer's after-purchase WOM at large, instead of focusing on consumer's specific group, such as the group who has high attachment with the consumers.

Our findings also indicate that the relative weight that consumers give to recommendations from close (vs. distant) sources will crucially depend on which consumption motive is dominant. If consumers are driven by intrinsic-functional motives, they are more likely to listen to close-others. But if an extrinsic-signaling motive of pursing distinctiveness is provoked, they will diverge from the choices of close-others. To the extent that marketing messaging can influence purchase motivates, companies may be able to influence this behavior.

Our results, specifically Study 5, also hint at a general compensatory mechanism where consumer's distinctiveness-seeking behavior can be satiated through a variety of actions. If the

consumer accrues significant distinctiveness from the atypical design of the product, then she feels less inclined to diverge away from peer recommendations. This is similar to the compensatory response to variety-seeking behavior across different product domains (Menon & Kahn 1995) and to other compensatory models in consumer behavior (Khan & Dhar 2006; Mandel, Rucker, Levav, & Galinsky, 2017).

This research also adds to our understanding of when consumers conform to other's opinions. Often, public policy messages highlight the fact that close-others are engaging in some social-beneficial behavior. This is done in the hope that people will conform to what they see their neighbors doing. But Nolan et al. (2008) found that people are unwilling to admit that their decision to engage in energy-saving behavior was driven by them observing their neighbors. Overall, the evidence of conformity-based green nudges is mixed (Schubert 2017). Our results indicate that when urging people to conform to other's behavior, public policy messages should focus on aggregate information that includes distant-others instead of focusing on only close-others. For instance, instead of telling people that X% of their neighbors have installed solar-panels, the message should perhaps indicate that X% of entire city's residents have installed solar-panels.

Finally, these findings also add to the evolving understanding of conspicuous consumption. Since Veblen (1899) introduced this concept more than a century ago, consumer researchers are still trying to get a better grasp at which consumption signals are most status enhancing. Our understanding of exactly what constitutes conspicuous consumption has been in a continuous state of flux (Wooliscroft, Patsiaouras & Fitchett 2012). Status signaling does not always require materialistic displays of luxury as originally espoused by Veblen (1899). Instead status can also be effectively flaunted in other forms, such as choosing niche products (Schaefers 2014), exhibiting "busyness" (Gershuny 2005; Belleza, Paharia, & Keinan, 2016); or by nonconforming

behaviors, such as nuanced violations of dress codes or etiquettes (Belleza et al, 2013). Our findings add to this list by confirming that favoring out-group (vs. in-group) advice in the matter of product choice can also be similarly status enhancing.

**Future Research**

Researchers can extend these findings by exploring the influence of cultural dimensions on consumer's nonconformity motive for status signaling. Individualism-collectivism has been identified an important factor in consumer behavior (Hofstede, 1980). Previous research indicates that in collectivist cultures, nonconformity and distinctiveness are valued less (Kim & Drolet, 2003). This may imply that even when extrinsic motives are provoked, collectivist consumers may not exhibit divergence from close-others.

The settings where recommendations are made may influence consumer's nonconformity. Barasch & Berger (2014) have demonstrated the impact of audience-size on consumer's WOM. They suggest that facing a large audience will evoke greater self-presentation concerns. Future research could explore whether audience-size also influences the effect of recommendation from others. Relatedly, Dubois, Bonezzi & De Angelis (2016) have demonstrated that WOM shared with distant-others is likely to be less accurate because it is motivated by self-enhancement concerns. When contrasted with our findings this creates a conundrum. Even though WOM from distant-others is likely to be less accurate as Dubois et al (2016) report, our findings suggest that consumers are more likely to be influenced by it, at least in conspicuous consumption domains.

Our study focused on other's recommendations. However, often consumers' consumption decisions are influenced not only by what others say, but also by observing what others possess or consume (Aral, Muchnik & Sundarajan 2009). Future research could examine whether the

observation of others' consumption would have similar results on consumer's purchase decisions as we found in our studies.

Finally, our research looks at only one-side of a two-sided contour. We demonstrated that consumers, in pursuit of status, often exhibit nonconformity to the opinion of close-others in conspicuous consumption choices to signal distinctiveness. Our findings are blind to whether this status-enhancement is indeed achieved or not. Future research may wish to examine if external observers indeed find ignoring in-group recommendations as status-enhancing.

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**Table 1.**

| Study | Design | IV1 | IV2 | DV | Result |
|---|---|---|---|---|---|
| 1 | 2 (Consumption types: conspicuous vs. inconspicuous consumption) × 2 (WOM sources: close-others vs. distant-others) mixed design | WOM sources | Consumption types | Likelihood to purchase recommended products | Interaction significant[*] |
| 2 | 2 (WOM sources: close-others vs. distant-others) × 2 (Consumption types: conspicuous vs. inconspicuous consumption) between-subject design | WOM sources | Consumption types | Likelihood to purchase recommended products | Interaction significant[**] |
| 3 | 2 (WOM sources: close-others vs. distant-others) × 2 (Consumption types: conspicuous vs. inconspicuous consumption) between-subject design | WOM sources | Consumption types | Likelihood to purchase recommended products | Interaction significant[**], Confirmed mediation |
| 4 | 2 (Consumption motive: extrinsic vs. intrinsic) × 2 (WOM sources: close-others vs. distant-others) between-subject design | WOM sources | Consumption motive | Likelihood to purchase recommended products | Interaction significant[*] |
| 5 | 2 (Product type: atypical vs. typical) × 2 (WOM sources: close-others vs. distant-others) between-subject design | WOM sources: | Product type | Likelihood to purchase recommended products | Interaction significant[#] |

**(p<0.01); * (p<0.05); # (p<0.10)

## Appendix

**Study 1 stimuli: Product Categories serve as conspicuous vs. inconspicuous consumption.**

We are interested in understanding your evaluation process for different products. Please indicate the best description for how much you rely on others' opinions and recommendations in choosing these products.

**Close-others condition**:
For the following products, please indicate how likely are you to follow your friend's specific recommendations instead of relying on your own evaluation.

    1=very unlikely; 7= very likely

Car
Shoes
Wristwatch
Alarm clock
Kitchen knife
Washing machine

**Distant-others condition**:
For the following products, please indicate how likely are you to follow the specific reviews you found on the Internet instead of relying on your own evaluation.

    1=very unlikely; 7= very likely

Car
Shoes
Wristwatch
Alarm clock
Kitchen knife
Washing machine

**Study 2 stimuli:**

**<u>Close-(Distant-others), Conspicuous condition</u>**

Imagine you are considering improving the appearance of your <u>garden and you've been thinking about planting some Flower Bushes or Green Shrubs in your front garden</u>. You are personally somewhat inclined towards planting the Green Shrubs. *But then you find out that the* **Homeowner Association in your community** *had some interesting discussions from the group chat on "GroupMe". (But then you find some people sharing their ideas about home and garden decorations on* **Pinterest***, a social media website).* The overall opinion *from the homeowners in your community (from Pinterest)* seems to be in favor of planting <u>Flower Bushes in the front garden</u>.

**<u>Close-(Distant-others), Inconspicuous condition</u>**

Imagine you are considering improving the appearance of your <u>backyard and you've been thinking about planting some Pine Trees or Oak Trees in your back garden</u>. You are personally somewhat inclined towards planting the Pine Trees. *But then you find out that the* **Homeowner Association in your community** *had some interesting discussions from the group chat on "GroupMe". (But then you find some people sharing their ideas about home and garden decorations on* **Pinterest***, a social media website).* The overall opinion *from the homeowners in your community (from Pinterest)* seems to be in favor of planting <u>Pine Tree in the back garden</u>**.**

**Study 3 stimuli: Choose a picture frame**

<u>**Close-(Distant-others), Conspicuous condition**</u>

Imagine you are considering buying a frame to mount and hang a picture in your **living room**. This picture will be hung and displayed in your living room for all the visitors to your house. On a retail website, you find two acceptable picture frames: a white one and a black one.

You are personally somewhat inclined towards buying the WHITE frame. But then you find out via Facebook that a **close friend (a friend of your acquaintance)** purchased and recommended a similar frame in BLACK.

<u>**Close-(Distant-others), Inconspicuous condition**</u>

Imagine you are considering buying a frame to mount and hang a picture in your **private study**. This picture will be hung only for your private viewing, out of view of most visitors to your house. On a retail website, you find two acceptable picture frames: a white one and a black one.

You are personally somewhat inclined towards buying the WHITE frame. But then you find out via Facebook that a **close friend (a friend of your acquaintance)** purchased and recommended a similar frame in BLACK.

Distinctiveness measure, adapted from White & Argo (2011), (1= not at all, 7= very much):

To what extent will choosing the "black picture frame".....
…make you feel more distinctive?
…make you feel more unique?
…make you feel like a unique individual?
…enhance your individuality?

Alternative explanation measures, (1= extremely low, 7=extremely high):

Now please rate the "black picture frame" on the following dimensions:
- Prestige
- Warmth
- Glamorous
- Modern

**Study 4 stimuli: Winter Jacket Purchase (Cued as intrinsic or extrinsic)**

**Close-(Distant-others), extrinsic cue**

You are thinking of buying a winter jacket for the upcoming cold season. You have always preferred Brand X for all your winter clothing needs.

Brand X has a $120 winter jacket that you are thinking of buying. But then you *found a good friend on Facebook (read some online reviews from others)* indicating that Brand Y has a winter jacket, also for $120, which looks much better than the Brand X jacket.

**Close-(Distant-others), intrinsic cue**

You are thinking of buying a winter jacket for the upcoming cold season. You have always preferred Brand X for all your winter clothing needs.

Brand X has a $120 winter jacket that you are thinking of buying. But then you *found a good friend on Facebook (read some online reviews from others)* indicating that Brand Y has a winter jacket, also for $120, which is warmer and cozier than the Brand X jacket.

**Study 5: Choose a Watch for Yourself**

**Close-(Distant-others), atypical product:**



Option A          Option B

Imagine that you are planning to purchase a new watch. You've been considering the above two options: A and B. You are personally inclined towards choosing option B. But then you found *your friend (an acquaintance of your distant friend)* Chris just tweeted about the option A and posted a positive review about it.

**Close-(Distant-others), typical products**



Option C          Option D

Imagine that you are considering purchasing a new watch. You've been considering the above two options: C and D. You are personally inclined towards choosing option D. Then you found *your friend (an acquaintance of your distant friend*) Chris just tweeted about the option C and posted a positive review about it.

**Essay 2: Talk about What I Did or What I Have, in Person or on Social Media**

Consumers are sharing billions of messages everyday (Berger, 2013). The messages include news, product information or consumer's after-purchase experiences. The information that consumers share about a brand, a product, and organization or a service with an oral, person-to-person communication mode has been identified as WOM (Higie, Feick and Price, 1987). Prior research suggests that WOM may affect consumer's decision-making in different areas. For example, WOM can influence which restaurants consumers visit, which books consumers want to buy (Chevalier and Mayzlin, 2006; Chen and Luri, 2013; Godes and Mayzlin, 2004). WOM has been considered an important driver for product and services success (Herr, Kardes, and Kim, 1991). With the advent of the Internet, social media has become a new medium for consumers to communicate with each other. In fact, social media is not only used for personal communications, but is also largely used as a good reference source before consumers' consumptions (Lamb, Hair, and McDaniel, 2019). The format of social media WOM provides consumers more opportunities to share information at their convenience (Sun et al, 2006) and with the audience who has firmly, deeply rooted relationship with them (Okazaki, 2008; Sun et al., 2006).

Previous research has suggested that compared to the emerging social media, consumers are more likely to choose the traditional in-person communication to share marketing information with others (Eisengrich et al. 2015). This effect is driven by the social risk that they may face while spreading information on their social media accounts. Due to the broad audience and perhaps mixed relationship with their audience, consumers may experience some difficulties in tailoring a good "universal" message to their audience on social media. Therefore, sharing information with others in a traditional way, i.e. in person communication, seems like a safer way to spread the words. However, does it mean that social media has relatively less impact on spreading the words

with others? More importantly, a marketer may wonder whether it is still worth investing in social media marketing to encourage consumers to spread the words via it?

Prior research has indicated that when consumers have concerns about their self-image and self-enhancement, they are more likely to carefully edit information before sharing it (Eisengerich et al, 2015). The urge of showing good self to others makes consumers take time on considering what kind of information they would like to share with others online, more specifically, interesting information has been largely used as a good kind of info to share with others (Berger and Iyengar, 2013). Among the emerging online transmission phenomena, the information sharing on interesting or shocking news is more likely to cause the contents to go viral (Berger and Milkman, 2012). This phenomenon may suggest that consumers are more inclined to share interesting, special information on social media, especially with the motive of to present a good self to others.

Extant research on purchase type has categorized consumer's purchase types into two kinds: material purchase and experiential purchase (Van Boven and Gilovich, 2003). According to Van Boven and Gilovich (2003), material purchase refers to the purchase of an object that can be touched and felt by our hands, and the object can be kept for a long time. Experiential purchase refers to the purchase of an experience which cannot be touched or felt, and it has nothing left except memories after the consumption. Prior research about purchase type has suggested that compared with material purchase, experiential purchase brings more happiness, has more story utilities, and associates more with consumer's self (Van Boven and Gilovich, 2003; Kuma and Gilovich, 2015; Carter and Gilovich, 2012). Based on the above research, the pursuit of experiential purchase has more benefits to consumers and becomes a great source where consumers generate interesting and happy experiences.

Although the above research has acknowledged there are differences between WOM and sWOM, little attention has been paid to how the differences could be impacted by the purchase type. Specifically, what kind of purchase consumers would talk about more on different channels. In current research, we examine the impact of purchase type on consumers' WOM channels. While consistent with previous research that consumers are more likely to choose traditional, in-person WOM format to share their consumption information with others, we argue that experiential purchase could drive more information sharing behavior on social media (vs. in person). This effect is driven by a high motive of exhibiting positive self. More specifically, consumers with high motive of self-enhancement will be likely to share information about experiential purchase on their social media platforms. However, in low motive of self-enhancing contexts, where self-enhancing need is not salient, such posting behavior will not occur.

Our findings contribute to the types of purchase research, and emerging research in word-of-mount (WOM). More specifically, our study disentangles the effects via different WOM channels (in person vs. on social media). In four studies, we provide evidence in support of our proposed effect (studies 1-2), suggesting that information about experiential purchase is more likely to be shared on consumer's social media. We reveal the underlying mechanism and establish its boundary conditions (studies 3-4), showing that this effect is driven by consumer's self-enhancement motive. We then draw implications for marketing practitioners.

## THEORETICAL FOUNDATIONS

### WOM Channels

The WOM on social media is referred as a communication in a written, broadcasting, and one-to-many format (Eisengerich et al, 2015). Recent research has differentiated WOM and sWOM.

More specifically, Eisingerich and his colleagues (2015) argue that consumers are less likely to recommend their favorite brands on their social media accounts. This is because there is a larger audience size on consumer's social networks (vs. in-person communication) and they do not want to take the risk which the audience may not like the recommended brand and look down about recommender's tastes. Berger and Iyengar (2013) suggest that social media's written format could give consumers more time to compose their messages and deliberately prepare the message about what they would like to share. Other research also suggests that consumers are more likely to self-edit about the online content they want to show to others due to the self-enhancement motive (Chung, 2013; Ryan et al., 2014). This suggests that consumers are very careful about the messages they send or post on social media. Moreover, other research has shown when consumers are on social media, they are more likely to engage in self-presentation behavior (Back et al, 2010; Gosling et al, 2007). Often times, they are also more inclined to post positive content via their social media accounts (Toubia and Stephen, 2013). All the above research has implied that social media is a platform where people want to show good things about themselves. Consumers carefully select and craft the contents that they want to post on social media to build a positive image to their audience.

**Purchase Types, Self-enhancement and Social Media**

A great deal of past research has shown that consumers use material possessions to show who they are. Oftentimes, pursuing material possessions are associated with consumer's motive of seeking power, achieving, and showing status, and finally building or maintaining a good self-image to others (Richins, 2004). Obviously, showing one's material possessions is a good way of presenting self to others. However, does it mean that this is always a preferred way of self-presentation to others?

Recent research categorizes purchase type as material purchase and experiential purchase (Van Boven and Gilovich, 2003). A material purchase is a tangible object, which became material possession after consumption, such as a TV, a car; an experiential purchase is an experience that, after the consumption, there is no tangible object left but memory. The examples include music concerts, traveling or dining at restaurants.

Most recent research extend the above finding and distinguish experiential purchase from material purchase. More specifically, Kumar and Gilovich (2015) has shown that experiential purchase can generate more story utility than material purchase. By talking about experiential purchase, consumers have more anticipatory pleasure about experiential purchase they are about to make. Experiential purchase also has more conversational value and are more beneficial to people's well-being than its counterpart, material purchase (Bastos and Brucks, 2017). Traditionally, people use acquisition of material possession and conspicuous consumption to send message about who they are; or gain positive impressions from others (Bagwell and Bernheim; 1996; Mason, 1980; O'cass and McEwen, 2004; O'cass and Frost, 2002). This is because material possession is a more visible and persistent signal to be seen by others (Carter and Gilovich, 2012). However, most recent research (Belleza et al, 2017) has shown that people use more subtle ways to build their images. For example, they use time-busyness to project high-status. Consumers also think highly of their experiential purchases and tend to think of the experience they had are more closely associated with the selves than their material possessions (Carter and Gilovich, 2013). For example, consumers might buy a T-shirt at the concert to make the experiential purchase more visible to others and to show others who they are (Goodman, Malkoc, Stephenson 2016). Now with the help of social media, posting experiential purchases has become easy and prevalent (Barasch, Zauberman, and Diehl 2016).

Therefore, we propose, because experiential purchases (vs. material purchases) are considered highly associated with consumer's selves, we posit that they are more likely to be used as a tool of self-enhancement for consumers. On the other hand, consumers may still discuss their material purchases with others, but they are more likely to talk about it due to an intrinsic motive of providing useful information.

Build on the two motives of sharing behaviors, we propose a framework as, when consumers have a self-enhancement motive, they are more likely to share information about their experiential purchases via social media. The social media platforms can provide more audience which can show recipients about who they are. However, with more intrinsic sharing information about useful information, specifically, about material purchase information sharing, they are more likely to share with others via WOM. We propose the following hypothesis:

- H1: Consumers are more likely to share experiential (vs. material) purchases information on social media (vs. in-person format).

To test our propositions, we use the first two studies to test the main hypothesis. We then investigate the underlying process with study 3 and 4. We then draw practical implications from our current study.

## RESEARCH DESIGN AND FINDINGS

### Study 1

**Method**

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In study 1, we recruited 121 students from undergraduate students at UTA in exchange of 1 credit. The study design is a single factor design. All participants read about the definitions and examples of material purchase and experiential purchase. The stimuli we used is as the following:

"Purchase type can be categorized as two types: a purchase on **an object** and a purchase on **an experience. An object** is something that you can touch with your hands. Examples of objects are clothes, furniture, jewelry, and various types of electronic devices. **An experience** is something where you do not end up with anything tangible (anything you could hold in your hand) at the end of the experience except for your memories. Examples of experiences are vacations, meals at restaurants, theater performances, and music concerts.

An **object-purchase** provides something that a person can keep in his/her possession, and an **experience-purchase** provides something that a person can do."

Then based on their assigned condition, participant were asked to recall the last time when they talked about some purchases either in person or on social media, what kind of **purchase** did they talk about with others **in person or on social media** (1 = a purchase for an object, 2 = a purchase for an experience).

To more clearly capture participant's intention, a binary dependent variable was used to ask participants to choose between a material purchase and an experiential purchase.

**Results and Discussion**

As expected, the analysis results suggested that under WOM condition, people were more likely to talk about material (vs. experiential) purchase (57% (vs. 43%)). However, under SWOM condition, people were more likely to talk about experiential (vs. material) purchase (68% (vs. 32%)), Chi-square = 7.87, p < 0.001, as shown in figure 1).

The results of study 1 provide initial support for our hypotheses, that compared to material purchase, consumers are more likely to share information about their experiential purchase on social media. In the next study, we replicate this effect with a different stimulus, and to further provide evidence regarding consumer's usage of experiential purchase.

Figure 1.
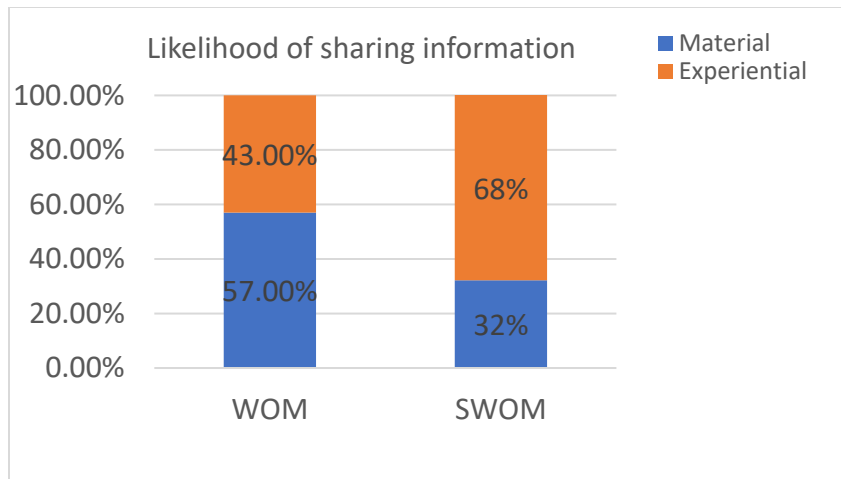


**Study 2**

Study 2 was designed to test our hypothesis with different product categories as material and experiential purchase respectively. More importantly, study aimed to replicate the effect in previous study that for material purchase, the information sharing is more likely to happen during an in-person communication method, i.e. traditional word of mouth; for experiential purchase, consumers are more likely to share the information on social media, namely social word of mouth.

**Method**

Three hundred and fifty-one MTurk workers participated this study in exchange for monetary compensation. The study was a 2 (Purchase types: material vs. experiential) X 2 (WOM types: WOM vs. sWOM) between-subject design.

All participants were randomly assigned to one of the four conditions. First, participants were asked to imagine that they had either a material purchase or an experiential purchase. In the experiential purchase condition, they were asked to imagine they recently had a day trip to a theme park near their city which features a lot of entertaining activities. They enjoyed the trip and that experience at the park left them a lot of memories. In the material purchase condition, participants were asked to imagine that they recently purchased a smartwatch, a great product to wear for its health monitoring and daily activity tracking functions. They enjoyed the smartwatch and the possession of smartwatch gave them a lot of convenience.

Participants were then asked to answer the question about their likelihood of talking about this purchase with others. In the traditional word of mouth condition, they were asked the question, "to what extent is it likely that you talk about this purchase with others in person? (1 = very unlikely, 7 = very likely)". In the social word of mouth condition, the question was "to what extent is it likely that you talk about this purchase with others on your social media? (1 = very unlikely, 7 = very likely)". Finally, participants' demographic information, such as age and gender, was collected.

**Results and Discussion**

A 2 x 2 ANOVA analysis on the likelihood of sharing revealed a main effect of WOM type on the likelihood of sharing information with others ($F(1, 347) = 4.91$, $p < 0.03$). This effect was consistent with previous research, suggesting that consumers were more likely to choose in-person WOM to share information with others. More importantly, there was a significant interaction effect on the likelihood of information sharing ($F(1, 347) = 6.55$, $p < 0.01$). Specifically, aligning with extant research, the planned contrast showed that under material purchase condition, the result was replicated ($M_{wom} = 5.75$ vs. $M_{swom} = 5.11$, $F(1,177) = 10.08$, $p < 0.01$, figure 2). However, as

expected, a simple contrast showed that on social media, consumers were more likely to talk about their experiential purchase than material purchase ($M_{exp}$ = 5.70 vs. $M_{mat}$ = 5.11, F (1, 177) = 8.14, p < 0.01).

Figure 2.
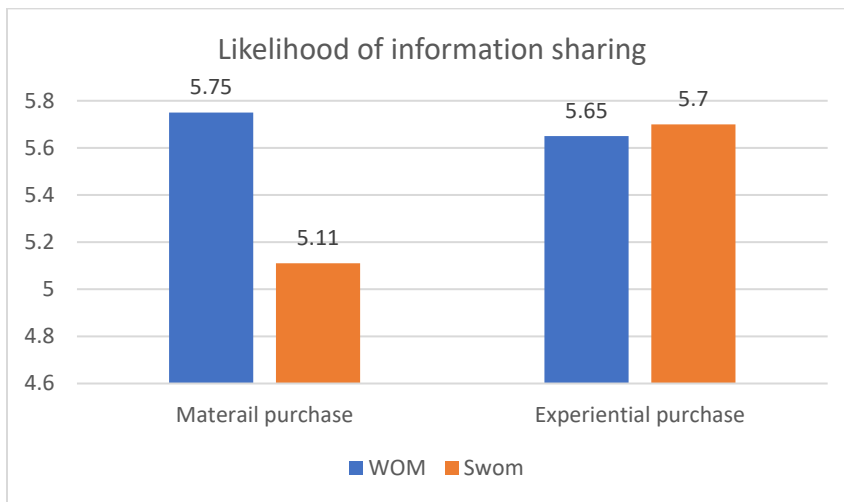


The purpose of study 2 was to test the hypothesis in a setting where different products were used as experiential purchase and material purchase respectively. The result was as expected which replicated the effect in study 1 and again showed experiential purchase was a preferred kind of information sharing on social media.

**Study 3**

The primary goal of study 3 was to test the underlying process of our proposed effect. Based on the previous research, experiential purchase was closely related to consumers' selves and social media is a platform that consumers want to show the good images to others. Therefore, we propose that posting experiential purchase on social media is driven by consumer's self-enhancement motive. Meanwhile, to reduce the confounding effect, we manipulate the experiential purchase and

material purchase using the same product with different mental framing. Experiential purchase has been suggested to have more conversational value (Kumar and Gilovich, 2015), therefore we test it as an alternative explanation in study 3.

**Method**

We recruited three hundred and eighty participants from Mturk. All participants were given financial compensation for their participation. The study design was a 2 (Purchase types: material vs. experiential) X 2 (WOM types: WOM vs. sWOM) between subject design. The dependent variable was the likelihood to share information about the purchases. We adopted the stimuli from Bastos and Brucks (2017). In this study, we framed a BBQ Grill purchase as experiential and material purchase respectively, the stimulus is as the following:

- In this study, we would like you to think about the BBQ grill you purchased. If you have never purchased a grill before, please imagine that you did for answering the following questions.
- Grills are something people keep for some time. Naturally, when you purchased it, your goal was that during the time you own (use) the grill, you liked the object (the experience of using it). Please recall some details of that object (experience). Make sure you focus on the aspects of the object (experience). Describe specific characteristics of that object (experience). and what it is like to have that object (experience).

Three questions regarding self-enhancement was asked to indicate their self-enhancement intention (sharing information about my purchase will make the message recipient like me; will create a good image about them; will have positive consequences. 1= strongly disagree; 7=strongly

agree). Participants then reported the extent that they would share information about this BBQ purchase on social media (with others in person) (1 = extremely unlikely; 7 = extremely likely). We also asked participants to rate their BBQ experience as a possession or as an experience (1 = possession, 7 = experience), and the conversational value of their purchase (e.g. the purchase is a good topic to talk about; the purchase makes for a good conversation. 1= strongly disagree; 7=strongly agree).

**Results and Discussion**

The analysis results suggested that BBQ grill manipulation confirmed ($M_{material}$ = 2.43 vs. $M_{experiential}$ = 4.14, $p < 0.001$). The result had a main effect of WOM types (F (1, 376) = 6.00, $p <$ 0.05), indicating people prefer WOM to sWOM in general to share their information. More importantly, there was an interaction effect of WOM types and purchase types (F (1, 376) = 5.78, $p < 0.05$). The post-hoc analysis suggested that sharing information on their social media accounts, they were more likely to use experiential purchase (vs. material purchases) ($M_{experiential}$ = 5.27 vs. $M_{material}$ = 4.72, $p < 0.05$). Moreover, for material purchases, people were more likely to share information in an in-person conversation with others (vs. on social media) ($M_{wom}$ = 5.49 vs. $M_{swom}$ = 4.72, $p < 0.05$), however, for experiential purchase, there was no significant difference between two different channels ($M_{experiential}$ = 5.27 vs. $M_{material}$ = 5.28, $p > 0.5$).

Figure 3.

**Likelihood of sharing information**
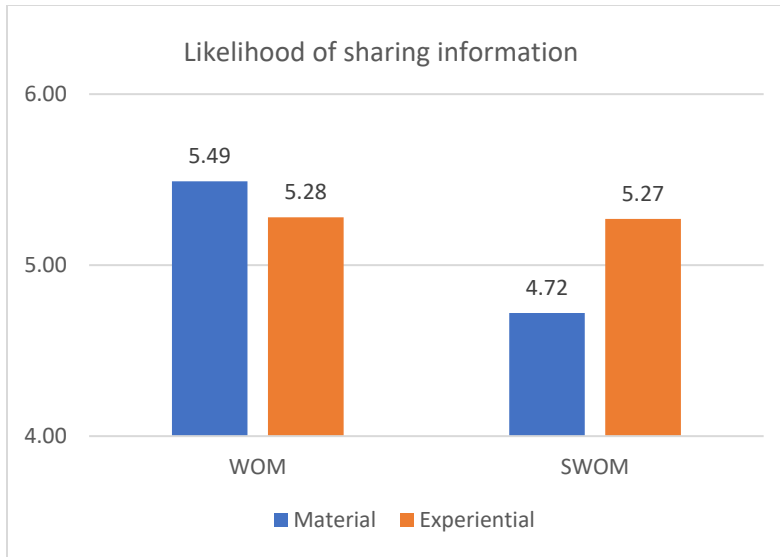
Mediation. We propose that self-enhancement may serve as the mediator. The bootstrapping method was conducted to test our proposed mechanism. WOM type was independent variable, with purchase type as moderator, and self-enhancement as mediator. The conditional indirect effect showed that experiential purchase drove consumer's self-enhancement motive, which resulted in more sharing of experiential purchases on social media (indirect effect = 0.26, Boot SE = 0.12, 95% CIs = [0.03, 0.50]). The moderated mediation also confirmed (Boot SE = 0.18, 95% CIs = [0.12, 0.82]). However, the mediation test on conversational value did not show the mediating role (indirect effect = 0.17, Boot SE = 0.13, 95% CIs = [-0.10, 0.41]. The moderated mediation did not show moderated mediation role neither (Boot SE = 0.20, 95% CIs = [-0.17, 0.63]). To show more robust mediation result, we put self-enhancement and conversational value into a parallel mediation model to test it. The results demonstrated that self-enhancement is the mediator, but not the conversational value. The self-enhancement's indirect effect = 0.11, Boot SE = 0.06, 95% CIs = [0.01, 0.25], the self-enhancement's moderated mediation Boot SE = 0.10, 95% CIs = [0.06, 0.44]. The conversational value's indirect effect = 0.11, Boot SE = 0.06, 95% CIs =

[-0.07, 0.33], the conversational value's moderated mediation Boot SE = 0.10, 95% CIs = [-0.14, 0.49].

The results of study further supported our hypothesis and revealed the underlying process. By framing the same product as experiential and material respectively, study 3 showed that sharing experiential purchase on social media was driven consumers' self-enhancement motive, but not the conversational value. Moreover, it also showed the proposed effect using a more robust stimuli, holding the stimuli product constant for all conditions.

## Study 4

In study 3, we have tested the mechanism by mediation process. The goal of study 4 was to further test our underlying process by moderating the process, the self-enhancement motive. By manipulating the self-enhancement at different levels, we expect that in high motive of self-enhancement condition, consumers are more likely to talk about their experiential purchase on social media. However, when the high motive has been satisfied through other means, such effect would be attenuated or disappeared.

### Method

Three hundred and sixty-six participants were recruited via Mechanical Turk platform in exchange for financial compensation. The design was a 3 (Self-enhancement motives: control vs. high vs. low) X 2 (Purchase types: material purchase vs. experiential purchase) between-subject design.

We adopted the self-enhancement stimuli from DeAngelis, Bonezzi, Peluso, Rucker & Costabile (2012). Participants were first asked to recall their academic performances. In the high motive of self-enhancement, participants were asked to think about the course in which they had

the poorest performance during their academic career. Then they were given space to elaborate on how they felt about it to reinforce the self-enhancement manipulation. In the low motive of self-enhancement, participants were asked to think about the course in which they had the best performance during their academic career. They then were asked to elaborate on their feelings about that performance. To provide a thorough comparison, we also include a baseline condition, in which none of the self-enhancement motive was manipulated. In the baseline condition, participants were told to recall their last trip to the grocery store and describe it in detail.

To ensure there is no confounding effect generating from manipulation check questions, we randomly assigned participants into the conditions with manipulation check questions and without manipulation check questions respectively. In the manipulation check condition, participants were asked to answer the questions adopted from DeAngelis et al. (2012) regarding how recalling their performance/grocery store trip made them feel (1= unsatisfied with yourself, 7= satisfied with yourself ; 1= not proud of yourself, 7= proud of yourself; 1= bad about yourself, 7= good about yourself; 1= unsuccessful, 7=successful; 1= not confident about yourself, 7= confident about yourself; 1= worthless, 7= a person of worth).

Participants then were asked to imagine that they have made a purchase recently. We used the same price for both experiential purchase and material purchase to reduce the possible confounding effect of price difference. In the experiential purchase condition, participants were asked to imagine that have recently purchased an experience: an all-expenses-paid beach vacation that cost $750. In the material purchase condition, participants were asked to imagine that they have recently purchased an object: an electronic gadget that cost $750. They then were asked the question about the likelihood of talking about this purchase with others on social media on a 7-point scale (1=very unlikely; 7= very likely).

**Results and Discussion**

An ANOVA showed a significant effect of different levels of self-enhancement motive on the manipulation check measure. As expected, participants in the high self-enhancement motive reported lower self-satisfied score than the participants in the low self-enhancement motive and those in the baseline condition ($M_{high}$ = 3.56 vs. $M_{low}$ = 4.71 vs. $M_{control}$ = 5.15, $p < 0.001$). Moreover, across all three levels of self-enhancement, we found no difference between participants with manipulation check questions and those without manipulation check ($p > 0.5$), suggesting no confounding effect of manipulation check questions on our dependent variable.

A 2 X 3 ANOVA analysis showed a main effect of purchase type on the likelihood of sharing information with others on social media. More importantly, there was a significant interaction effect between the level of self-enhancement and the purchase type ($F_{(2, 360)}$ = 3.72, $p < 0.05$). Planned contrasts were conducted. The results were as expected, in the high motive of self-enhancement, consumers were more likely to talk about experiential purchase ($M_{material}$ = 4.80 vs. $M_{experiential}$ = 5.58, $F_{(1, 121)}$ = 7.29, $p < 0.01$, figure 4). While in the low motive of self-enhancement, this effect disappeared ($M_{material}$ = 5.34 vs. $M_{experiential}$ = 5.15, $F_{(1, 125)}$ = 0.58, $p > 0.5$). Consistent with previous, in the control condition, consumers were more likely to talk about experiential purchase on social media ($M_{material}$ = 4.97 vs. $M_{experiential}$ = 5.49, $F_{(1, 114)}$ = 4.23, $p < 0.05$).

Figure 4.

Likelihood of sharing on social media
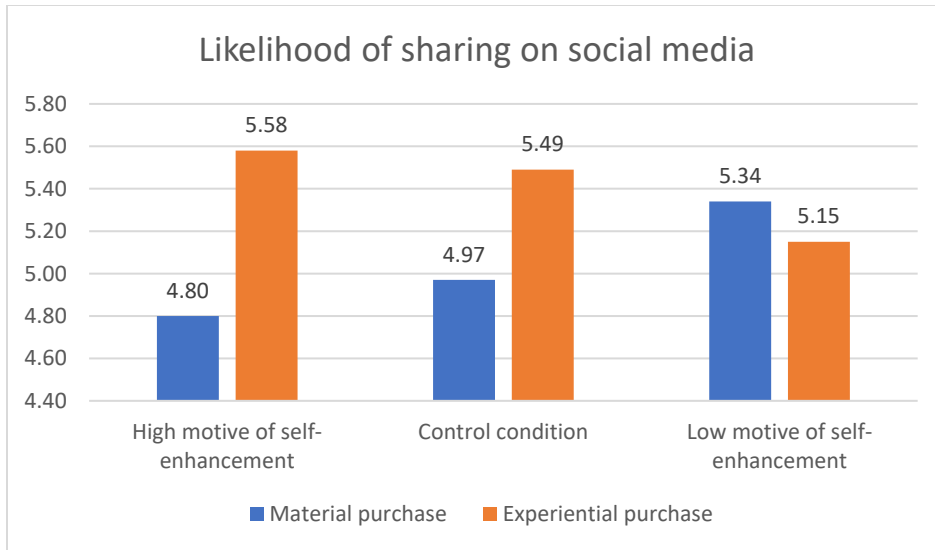
These results again supported our proposed underlying process, which suggested that self-enhancement is the driver of consumers' posting behavior on social media. More specifically, the moderation of process showed that with high motive of self-enhancement, the experiential purchase was more likely to be talked about on social media by consumers. However, after such motive has been satiated, by achieving academic success in our stimuli, the urge of enhancing self to others was reduced.

## GENERAL DISCUSSION

The objective of current research was to examine consumer's different sharing behaviors between different WOM channels. We suggested that consumers talk more about experiential purchase (vs. material purchase) using sWOM. This effect is driven by consumer's motive of self-enhancement. Social media is a place in which consumers face a larger audience size and want to present a good image to others. Experiential purchase is closely related to self, which may also represent consumer's tastes and lifestyles. Recent changes on consumer's means of showing status and power has switched from obvious material possession to other implicit ways, such as the

busyness on time. Therefore, when consumers have a high motive of self-enhancement, they are more likely to use experiential purchase as a good kind of information to share with others on social media, i.e. generating more sWOM. When they have a low motive of self-enhancement, this effect is disappeared.

Across four studies, we first demonstrated the effect of more experiential via sWOM (Study 1 and 2). We then examined the underlying process through Process (Study 3) and the moderation of the process (Study 4). All four studies have provided convergent evidence to support our hypothesis and our proposed mechanism.

**Contribution and Managerial Implications**

Our work contributes to the growing WOM literature and purchase type literature. First, our research disentangles consumer's WOM behavior via different sharing channels. Prior research differentiates WOM from sWOM, suggesting that consumers are most likely to recommend their preferred brands through in-person WOM to avoid social risk they may bear (Eisengerich et al, 2015). However, does it mean that it is futile to encourage consumer's information sharing behavior on social media? Our research provides convergent evidence to show that sWOM is still an effective way to spread the words in business practice if the purchase type falls into experiential purchase category. Therefore, business practitioners may decide if and how they should invest in social media marketing based on their products or services. In particular, business practitioners for experiential products may take advantage of social media marketing by giving consumers great memories about their experiences.

Second, current study extends the research in purchase type area. Extant research on purchase type mainly focuses on the effect of purchase types on consumer's well-being. Our research examines the impact of purchase type in marketing field, specifically on consumer's WOM

behavior, which provides evidence for business practitioners to appropriately plan their social media marketing strategy. Our findings indicate that consumers prefer spreading the words about experiential purchase (vs. material purchase) for the purpose of self-enhancement. However, when the motive of self-enhancement is satiated, this effect disappears. There is a difference between consumer's preference on WOM channel. For material purchase, consumers are more likely to share their purchase experience with others through in-person WOM. When considering sharing information on social media, consumers are more likely to choose experiential purchase over material purchase.

**Directions for Future Research**

One direction for future research may be to explore the effect of consumer's WOM sharing behavior on their recipients. Current study examines the impact of purchase type on consumer's WOM channel preference. It is also important to investigate whether the sharing behaviors can influence their recipients and how the information could impact their subsequent behaviors. Extant research suggests that there may be a perception difference between information sender and information recipient (Chen and Berger, 2016). For example, previous research indicates that when people try to express a sense of humor and send self-deprecation message to their audience, the results may not be as good as expected (Bitterly, Brooks and Schweitzer, 2017). Therefore, recipient's subsequent behaviors after receiving information is very important to fully understand the impact of information sharing on social media.

Another direction of future work could explore the impact of information valence on consumer's WOM channel preference. Prior research suggests consumers are more likely to share positive information with strangers with the goal of impression management and share negative information with their close friends with the purpose of helping them (Dubois et al, 2017; Chen,

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2017). It may be interesting to examine if the information valence will influence the channels where they share the information. And if the answer is yes, how valence can impact the consumer's WOM sharing behavior through different channels.

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**Essay 3: Speaking Like an Angel or Like a Devil? How Social Exclusion Impacts Consumer's Information Sharing on Social Media**

Consumers share millions of pieces of information on social media every day, ranging from personal consumption experience to worldwide news. Sometimes shared information is distinctly valenced. Previous research suggest that consumers are more likely to share positive information with others (Bell, 1978, Folkes and Sears, 1977). However, in the digital world, as much as we may want pleasant and happy interactions, there are enough times when such interactions may turn out to be unpleasant. For example, people may try to meet new friends and join some aspirational groups on social media but may fail to achieve these goals. Such rejections could make people feel socially excluded from others, which may in turn impact their subsequent behavior, including their information sharing behavior on social media. A thriving research stream in social exclusion has demonstrated that rejection experiences deeply influence consumer's judgement and decision processes. For instance, social exclusion may cause consumers to have negative reactance behaviors, such as experiencing emotional distress (Williams et al., 2000), enhancing nonconscious mimicry behaviors (Lakin et al., 2008), withdrawal from social contacts (Molden et al., 2009), or even increased aggressive behaviors (DeWall and Bushman 2011). Other research on social exclusion shows that consumers may also cope with this undesirable situation with positive behaviors, such as increasing the desire for social associations or actively seeking interpersonal connections with others (DeWall et al., 2007; Molden et al., 2009). For example, consumers may try to talk about things having common ground with others (Clark and Kashima 2007; Berger 2014) or sharing more emotionally-laden stories with emotionality (Berger 2014). This research suggests that there are divergent consumer behaviors associated with social exclusions.

Recent research on social exclusion suggest that social exclusion can be categorized into two types: being rejected and being ignored (Lee and Shrum 2012). The differences between being rejected and being ignored also result in diverging consumer behaviors. For instance, being ignored drives consumers to have more conspicuous consumptions, however, being rejected increases consumer's charitable behaviors (Lee and Shrum 2012). This is because being rejected and being ignored elicit threats to different human needs (relational need vs. efficacy need). Similarly, most recent research on social exclusion shows that explicit social exclusion motivates consumer's preference for intangible, textual products, however, implicit social exclusion elicits consumer's preference for tangible, visual products (Sinha and Lu 2019). All the above findings suggest that consumer's compensatory behaviors of social exclusion could move towards very different, or even opposing directions as a function of exactly what type of rejection the consumer faced. Consumers adjust their subsequent behaviors based on the needs to specific threats that they have encountered.

In this project, we extend the above logic of different types of social exclusion leading to diverging consumer behaviors. We propose that consumers may have divergent information sharing behaviors after experiencing different types of social exclusion. We argue that for unstable social exclusion, consumers are more likely to seek the reaffiliation with others. However, for stable social exclusion, consumers do not have a desire to reaffiliate with groups that rejected them.

Our findings contribute to social exclusion research, and emerging research in the area of social media word-of-mount (WOM). In four studies, we provide converging evidence in support of our proposed effect (Studies 1-2), reveal the underlying mechanism (Studies 3), explore a boundary condition (Study 4), and draw implications for marketing practitioners.

## THEORETICAL FOUNDATIONS

**Social Exclusion and Its Behavioral Consequences**

Having a stable social relationship with others is a fundamental human need (Baumeister and Leary, 1995). A great deal of research on social exclusion suggest that the threat to this fundamental need can result in strong compensatory responses. One stream of research shows that social exclusion has negative impacts on consumer behavior. For example, Twenge et al. (2001) suggest that when people are socially excluded, they are more likely to exhibit reactance behaviors, such as giving other people negative job evaluations, and holding unsympathetic attitudes. Moreover, socially excluded consumers are also less likely to display prosocial behaviors, such as helping or donating to others (Twenge et al. 2007). Social exclusion not only causes people's negative behaviors towards others, but can also elicit negative impact on oneself. Prior research suggests that after experiencing rejection, consumers are more likely to see themselves as unwelcomed by others, therefore feeling discouraged to engage in social contact with others (Zhou et al., 2009). In addition, socially excluded people disproportionately experience behavioral problems (Bloom et al., 1979), and even physical health issues (Cacioppo et al., 2003).

On the contrary, other researchers suggest that being excluded motivates people to engage in more active subsequent behaviors. For instance, Williams and Sommer (1997) suggest that females respond more actively to the social exclusion by increasing efforts on a subsequent group task, which helps to signal their positive sides to the group and make themselves more desirable. Socially excluded people are also more likely to conform to a group opinion to show an active interest in building a social connection (William et al. 2000). Further, Maner and his colleagues (2007) suggest that the social exclusion experience drives consumers to build social connections with new sources of potential affiliation. All these findings indicate that the experience of social exclusion threatens people's need for affiliation. However, this threat could drive people to seek

more active methods to foster social bonds with others and adjust their behaviors to achieve this goal.

Juxtaposed together, the above two streams of extant findings suggest that individuals may exhibit divergent responses to social exclusion: they either passively accept the social exclusion, and respond with negative subsequent behaviors, or they actively seek compensatory behaviors to help them form new social affiliation with others. However, it is still not clear when and why such divergent behaviors occur.

Word-of-mouth has been suggested an effective means of building social bonds with others (Berger, 2014). The current research examines the diverging effects of different social exclusion types (stable vs. unstable) on word-of-mouth communication.

## Social Exclusion Types and Word-of-mouth

Previous research on social exclusion suggest that one way to categorize social exclusion is based on the threats of different human needs (Molden et al. 2009; Lee and Shrum, 2012). Recent research from Wan and her colleagues (2014) shows that social exclusion could also be categorized based on the cause of exclusion stability. According to Wan et al. (2014), there are two types of social exclusion causes: stable causes and unstable causes. Specifically, after being socially excluded, people will cognitively assess if there is still a chance to reaffiliate with the group. Stable social exclusion refers to the situation when people perceive the chance of reaffiliation is low or none, therefore they have low motivation to seek reaffiliation with the group. In contrast, unstable social exclusion is experienced when an excluded individual perceives that there is still a reasonable chance of regaining affiliation with the group. In such a situation, people are driven to try to reconnect with the group. To recap, we argue that stable social exclusion can cause people

to forgo efforts to reconnect with the group again. However, unstable social exclusion drives people to exert effort to make themselves desirable to the group so that they could reaffiliate again.

Prior research on word-of-mouth communication suggest that spreading positive word-of-mouth helps to create a positive impression (Berger, 2014). This is because people are inclined to interact with positive others (Bell, 1978, Folkes and Sears, 1977, Kamins, Folkes and Perner, 1997). Talking about positive experiences can reflect one's expertise and knowledge, for example, "the restaurant I choose was great" (Wojnick, and Godes, 2011). Therefore, consumers are more likely to talk about their own positive experience, which makes them look good and desirable to others (DeAngelis et al, 2012). On the contrary, people also try to avoid associating with negative things, since spreading negative information may be perceived as negative by the recipients (Berger and Milkman, 2012), which may contradict with the motive of creating positive impressions. This leads to a "positivity bias" in word-of-mouth generation and transmission under most situations. Based on this logic, we propose that consumers who perceive social exclusion experience as unstable are more likely to increase sharing positive word-of-mouth and reduce spreading negative word-of-mouth. Unstable social exclusion leaves open the possibility of affiliation, which gives people the perception of being successfully accepted by the group later. The desire to reconnect with the group drives people to build desirable and positive images to others. Compared to sharing negative information, positive information sharing is more likely to be perceived as possessing positive, desirable human characteristics by others (Chevalier and Mayzlin, 2006; East et al., 2007). Consequently, we expect that consumers who experience unstable social exclusion and are eager to show the positive side will be more likely to use positive word-of-mouth to gain their chance of affiliation with the group. However, for the consumers who are socially excluded by stable causes, the perceived possibility of gaining reaffiliation is slim and is unlikely for consumers to do

anything to achieve it. In fact, we suspect that the motivation for affiliation under unstable social exclusion is not just higher than under stable social exclusion, but perhaps even more than under conditions of social inclusion. This is because when there is no perceived exclusion, the motivation for affiliation with others is moderate. This motivation increases when people perceive a state of unstable social exclusion, but then diminishes significantly when the perceived exclusion is perceived as stable. Therefore, we expect a non-monotonic curvilinear relationship between social exclusion stability, and the motivation for affiliation. People have little need for affiliation under states of social inclusion. Under unstable social exclusion, the motivation to regain affiliation is most intense. However, under stable social exclusion, the commensurate benefits of affiliation are low, and therefore people are unmotivated to reaffiliate. On this line, we predict that under the social inclusion, people will display a moderate positivity bias in word-of-mouth. This positivity bias will be enhanced under unstable social exclusion, but will remain absent under stable social exclusion. We conjecture these effects are driven by consumer's desire to reconnect with the group. Thus, we formally hypothesize the following:

H1: Positivity bias in word-of-mouth exhibits an inverse-U shaped curvilinear relationship with social exclusion stability. It is moderate under social inclusion; increases significantly under unstable social exclusion, and is minimized under stable social exclusion.

H2: The proposed relationship between positivity bias in word-of-mouth and social exclusion stability is mediated by consumes' desire to reconnect with the social group.

Four studies were conducted to test our hypotheses. We provide evidence in support of our proposed effect (Studies 1-2), reveal the underlying mechanism (Studies 3-4), and draw implications for marketing practitioners.

# RESEARCH DESIGN AND FINDINGS

## Study 1

### Method

Three hundred and five participants from MTurk completed this study for monetary compensation. A 3(social exclusion stablity: social inclusion vs. stable social exclusion vs. unstable social exclusion) X 2(WOM valence: positive vs. negative) between-subject design was used. The social exclusion stability manipulation was adapted from Wan et al. (2014). First, participants were asked to imagine they were surfing on social media websites and found three interest groups where they would like to meet some friends. They sent in their own self-introductions and friend requests to these groups. Then, all participants were randomly assigned to one of the social exclusion conditions. In the stable social exclusion condition, participants read that after a few days, they discovered that all three interest groups had rejected their friend requests. In the unstable social exclusion condition, participants read that after a few days, they discovered that all three interest groups had rejected their friend requests, but the reason of rejections was that they only accepted five requests each month. However, all three interest groups group encouraged them to send in their requests next month. To provide further evidence on the effect of social exclusion, we also included a social inclusion condition, in which participants were told that all three of their applications to join the group were accepted. Following this, participants were asked to answer manipulation check questions such as how excluded/ ignored they felt during the experience (1=strongly disagree; 7= strongly agree; Williams et al. 2000) and indicated their mood on the item of "feeling pleasant" (1=strongly disagree; 7=strongly agree).

After completing the manipulation check questions, participants were instructed to answer a seemingly unrelated task about their propensity for information sharing in a given situation. The

WOM valence stimuli were adapted from Chen (2017). Participants were asked to imagine a camera purchase experience for their upcoming trip to Europe. Based on the valence of WOM, participants in the positive WOM condition read that the camera they chose was easy to use and the pictures were fabulous. The images were sharp, and the colors were vibrant. Since the trip, they had used the camera several times. Overall, you were very satisfied with the camera. In the negative WOM condition, participants read that the camera they chose was difficult to use and the pictures were subpar. The images were fuzzy, and the colors were dull. Since the trip, they had tried to use the camera several times, but with limited success. Overall, they were very dissatisfied with the camera. Participants then answered manipulation check question to indicate their attitudes toward the camera purchase (1=very negative, 7=very positive). More pertinent to our research, they were asked to indicate their likelihood of talking about this camera purchase experience with others (1=very unlikely, 7=very likely).

**Results and Discussion**

*Manipulation checks.* As expected, participants in the social exclusion conditions reported feeling more excluded than those in the inclusion condition ($M_{social\ exclusion}$=4.33 vs. $M_{social\ inclusion}$=3.46, $F(1,303)$=39.96, $p<0.001$). These results confirmed the success of the social exclusion manipulation.

*Main results.* To test the hypothesis, we conducted a two-way ANOVA analysis. The results of this analysis were shown in figure 1. As expected, there was main effect of WOM valence, suggesting that people generally tend to spread positive (vs. negative) information ($F(1, 299)$=28.23, $p<0.001$). More importantly, there was a significant interaction effect between social exclusion and WOM valence ($F(2, 299)$=16.34, $p<0.001$). Planned contrasts revealed that under social inclusion condition, participants are more likely to generate positive (vs. negative) WOM

($M_{positive}=5.57$ vs. $M_{negative}=4.82$, $F(1, 97)=6.54$, $p=0.012$), which is consistent with prior research that, in general, people are inclined to generate positive (vs. negative) WOM. Also as expected, this effect was enhanced in the unstable social exclusion condition ($M_{positive}=6.04$ vs. $M_{negative}=4.11$, $F(1, 104)=52.28$, $p<0.001$, figure 1). However, in the stable social exclusion condition, the effect was entirely absent ($M_{positive}=5.09$ vs. $M_{negative}=5.30$, $F(1, 98)=0.83$, $p=0.37$).

Figure 1.
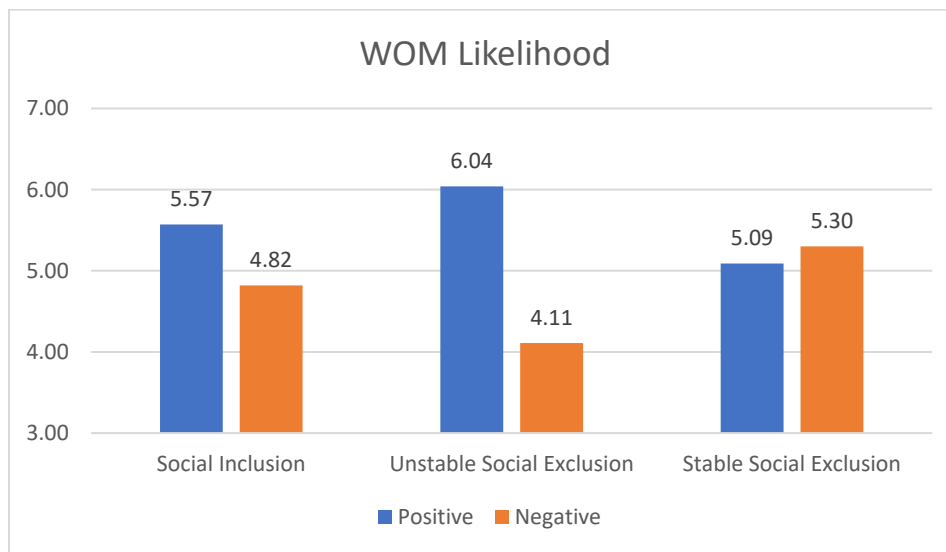


The results of study1 support our hypothesis that different types of social exclusion impact consumer's WOM valence. When participants experience unstable social exclusion, they are more likely to generate more positive WOM and less negative WOM. In contrast, when they experience stable social exclusion, they tend to increase negative WOM and reduce positive WOM.

## Study 2

There were two goals of study 2. The first goal was to provide robust evidence for the hypothesis in a different setting: brand community. Second, study 2 used a brand community setting to shed light on its marketing implication.

**Method**

Three hundred and thirty-four participants from MTurk were recruited for study 2. The study design was a 3(social exclusion: social inclusion vs. stable social exclusion vs. unstable social exclusion) X 2(WOM valence: positive vs. negative) between-subject design. We adapted the manipulation of social exclusion stability from previous research, asking participants to imagine they were eager to join the IWE club, a brand community in the form of a premium foreign company that functions like a family for customers (Wan et al. 2014).  . This community held online discussions and events for all their members regularly. Participants were told that they submitted their online application for membership in the IWE club. Based on their social exclusion condition, participants in the stable social exclusion condition received the application results as: a few days later, the IWE Club informed them that their application was rejected. The reason of rejection was due to a fixed, IWE-imposed requirement about country residency  which they did not meet. Participants in the unstable social exclusion condition received the application results as: a few days later, the IWE Club informed them that their application was rejected. The reason of rejection was due to a fixed, IWE-imposed requirement about country residency , which they did not meet. But the good news was that the club would expand to their residence region soon. They encouraged to reapply for the membership then. As in the previous study, we included a social inclusion condition as a benchmark. The participants in the social inclusion condition were informed that their application was accepted. Following previous research (Rucker et al. 2011),  to reinforce the social exclusion experience, all participants were asked to describe their feelings about their application experience in detail. Manipulation check questions, as in study 1, followed the procedure. Participants were then asked to complete an unrelated task about information sharing. WOM valence was manipulated using a cruise experience scenario adapted from Chen (2017). Participants were asked to imagine that they recently went on a Caribbean cruise trip. And

after their trip, they had the following description as their experience. In the positive WOM condition, participants read positive description, such as "I had a great time on a cruise ship", "All in all, it was one of the best experiences I had on a cruise" etc. In the negative WOM condition, participants read negative experience including negative things such as "I had an awful time on a cruise ship", "All in all, it was one of the worst experiences I have had on a cruise." Then participants were asked to answer the question about the likelihood of posting their cruise experience on their social media account (1=very unlikely, 7= very likely).

**Results and Discussion**

*Manipulation checks.* As expected, participants in the social exclusion conditions reported feeling more excluded than those in the inclusion condition ($M_{stable\ exclusion}$=4.40 vs. $M_{inclusion}$=3.42, $F(1, 226)$=17.75, $p<0.001$; $M_{unstable\ exclusion}$=4.20 vs. $M_{inclusion}$=3.41 $F(1, 218)$=27.53, $p<0.001$). These results confirmed the success of the social exclusion manipulation.

*Main results.* A two-way ANOVA analysis was conducted. The results were as expected: a main effect of WOM valence was found, suggesting that people are inclined to generate positive (vs. negative) information ($F(1, 328)$=42.42, $p<0.001$). More importantly, there was a significant interaction effect between social exclusion and WOM valence ($F(2, 328)$=21.15, $p<0.001$). Planned contrasts showed that under social inclusion condition, participants are more likely to share positive (vs. negative) information ($M_{positive}$=5.62 vs. $M_{negative}$=4.89, $F(1, 112)$=7.65, $p=0.007$, figure 2), which is consistent with prior research that, in general, people are inclined to generate positive (vs. negative) WOM. Also as expected, this effect was enhanced in the condition of unstable social exclusion ($M_{positive}$=6.16 vs. $M_{negative}$=4.06, $F(1, 112)$=81.44, $p<0.001$). However, in the stable social exclusion condition, the effect was reversed with increased of negative WOM and reduced positive WOM ($M_{positive}$=5.19 vs. $M_{negative}$=5.30, $F(1, 104)$=0.21, $p=0.65$).

Figure 2.
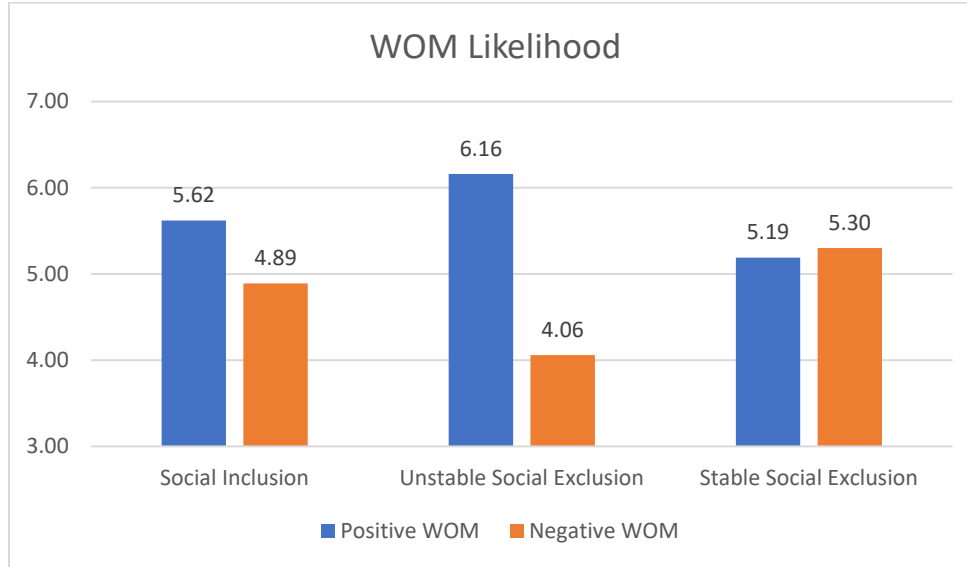


The results of study 2 provided further evidence to support our proposed effect of social exclusion types. Participants who were socially excluded due to unstable causes are more likely to spread positive WOM and reduce negative WOM.

**Study 3**

In study 1 and 2, we have empirically tested the proposed social exclusion effect on WOM valence: while in the social inclusion condition, participants tend to generate more positive (vs. negative) WOM. When participants experience unstable social exclusion, they are more likely to increase positive WOM and reduce negative WOM. In contract, when participants perceive social exclusion as stable, they are more likely to decrease positive WOM and increase negative WOM. In study 3, we aimed to examine the underlying process. We propose that the desire to reconnect is the driver of the proposed effect. Specifically, we expect when participants believe they have a realistic chance to be successfully accepted later, they tend to show positive images and desirable aspects to others, therefore they tend to spread even more positive information and minimize the

negative information sharing. On the contrary, when they perceive that their rejection is stable and there is minimal chance of future acceptance, this positivity bias disappears.

**Method**

Three hundred and eighty-eight participants from MTurk completed study 3. The study was a 3(social exclusion: social inclusion vs. stable social exclusion vs. unstable social exclusion) X 2(WOM valence: positive vs. negative) design. The manipulation of stability of social exclusion was the same as in study 2. Based on the randomly assigned condition, participants were asked to imagine their membership application at IWE club and received corresponding response from the club, either with stable cause or unstable cause. Following this, they were asked the manipulation-check question. We then measured the desire to reconnect by asking them two questions: "they still have a strong interest in joining this IWE club", "they are still very interested in meeting new friends in IWE club". Finally, they were asked to complete their information sharing task. In this task, participants were randomly assigned to either a positive or a negative restaurant experience scenario (Okada and Hoch, 2004). In the positive experience, participants read positive information such as they liked the restaurant ambiance, the table location was cozy and quiet, and the food was delicious. In the negative experience, they read negative information such as they disliked the ambiance, the table was tight and noisy, and the food was horrific. They then were asked to indicate the likelihood of posting their dining experience on social media.

**Results and Discussion**

*Main results*. A 2 X 3 ANOVA analysis was conducted. The results were as expected: there was a main effect of WOM valence, suggesting that people are inclined to generate positive (vs. negative) information ($F(1, 382)=21.44$, $p<0.001$). More importantly, there was a significant interaction effect between social exclusion and WOM valence ($F(2, 382)=14.44$, $p<0.001$). We

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then conducted several simple contrasts, showing that under social inclusion condition, participants are more likely to share positive (vs. negative) information ($M_{positive}$=5.26 vs. $M_{negative}$=4.57, $F(1, 137)$=6.73, $p$=0.01, figure 4), which is consistent with prior research that, in general, people are inclined to generate positive (vs. negative) WOM. Also as expected, this effect was enhanced in the unstable social exclusion condition ($M_{positive}$=5.79 vs. $M_{negative}$=3.84, $F(1, 127)$=42.64, $p$<0.001). However, in the stable social exclusion condition, the effect was reversed with the increased of negative WOM and reduced positive WOM ($M_{positive}$=4.48 vs. $M_{negative}$=4.78, $F(1, 119)$=0.97, $p$=0.33).

*Mediation.* Participants were asked to answer two questions ($\alpha$=0.89) regarding their desire to reconnect with the group, as indicated in the methods section. A simple ANOVA analysis showed that there was a main effect of social exclusion on consumer's desire to reconnect ($M_{inclusion}$=4.83 vs. $M_{unstable\ social\ exclusion}$=5.00 vs. $M_{stable\ social\ exclusion}$=3.92, $F(2, 385)$=13.72, $p$<0.001). A mediated moderation analysis was conducted via PROCESS (IV=WOM valence, Moderator=Social exclusion, Mediator=Desire to reconnect, and DV=WOM likelihood, Hayes, 2013, model 7 with 5000 bootstrapped samples). The results showed that social exclusion type moderated the WOM valence on the desire to reconnect, and this desire was related to consumer's WOM valence ($b$=0.93, SE=0.21, $p$<0.001). Compared to stable social exclusion condition (Conditional indirect effect=-0.23, Boot SE=0.14, 95% CI[-0.51 to 0.04], unstable social exclusion condition was more likely to increase participant's positive WOM and reduce negative WOM (Conditional indirect effect=-1.05, Boot SE=0.16, 95% CI[-1.39 to -0.76]). The index of moderated mediation confirmed that social exclusion moderated the mediating effect of desire to reconnect (95% CI [0.28 to 0.79]).

Figure 3.
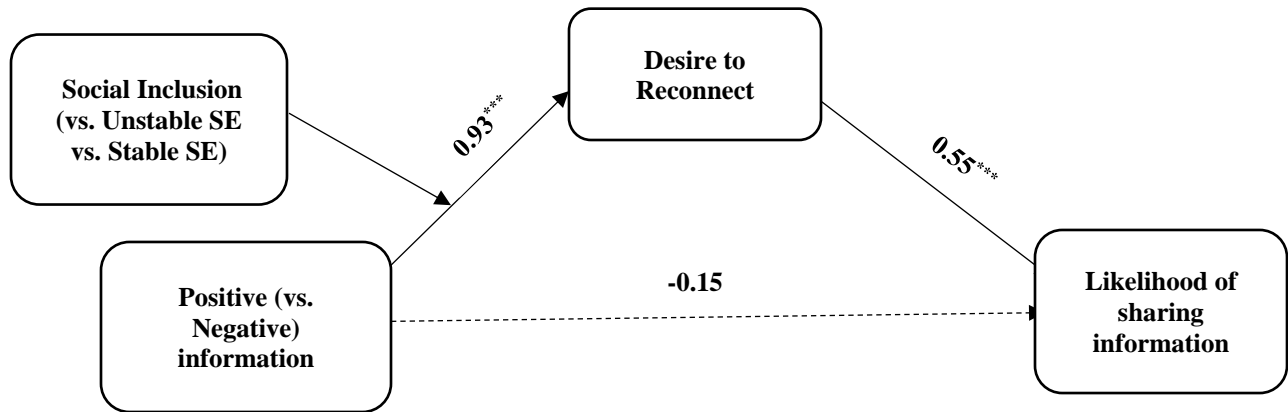
Significance level: ***p<.001; **p<0.01; *p<.05

Figure 4.
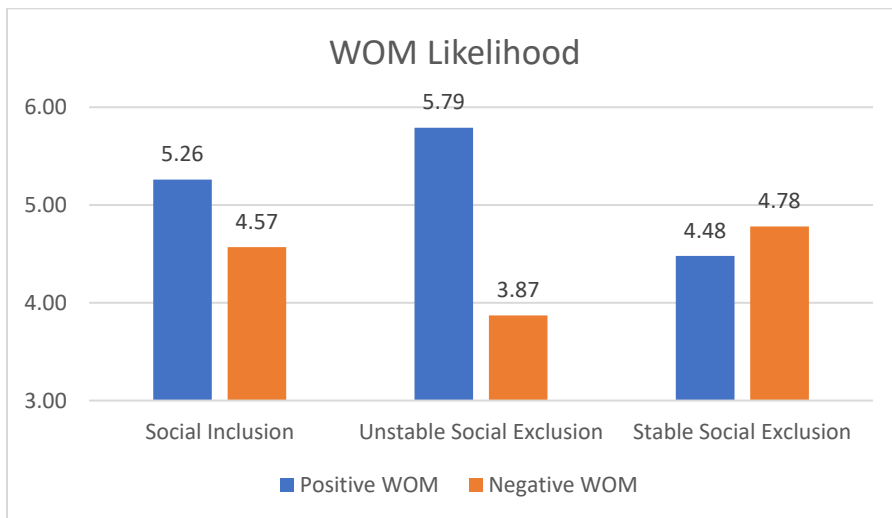


The results of study 3 provided confirmatory evidence for the proposed underlying process (H2). The desire to reconnect mediated the impact of social exclusion type on WOM valence. Our results showed that when participants perceive the social exclusion as unstable, they have higher desire to reconnect with the group, which motivates them to spread positive (vs. negative) information. In contrast, when participants perceive the social exclusion as stable, they have lower desire to reconnect with the group, which motivates them to spread relatively more negative (vs. positive) information.

Study 4

The goal of study 4 was to explore a moderating condition for the social exclusion effect. Prior research suggests that self-esteem can help alleviate the threat from social exclusion (Nezlek, Kowalski, Leary, 1997; Sommer and Baumeister, 2002; Lee and Shrum, 2012). These findings indicate that people with higher self-view are less likely to be influenced by social exclusion. Grounded on these findings, we propose that self-esteem can moderate our proposed social exclusion effect on WOM valence. In other words, we expect that people who experience temporary self-enhancement, following a social exclusion episode, are less likely to exhibit the WOM behaviors observed in earlier studies in this paper.

**Method**

Three hundred and sixty-five participants from MTurk completed this study for monetary compensation. The study was a 3(social exclusion: social inclusion vs. stable social exclusion vs. unstable social exclusion) X 2(WOM valence: positive vs. negative) X 2(Browsing condition: Facebook vs. CNN news website) between-subject design. The manipulation of stability of social exclusion was the same as in study 1. According to Wilcox and Stephen (2013), simply browsing close friends' Facebook pages can boost people's self-esteem. Therefore, to test the moderating role of self-esteem, we asked participants to complete the task of browsing close other's Facebook pages (vs. browsing CNN news website). Following Wilcox and Stephen (2013)'s procedure, for the participants in the Facebook condition, we specifically asked the participants to only browse the Facebook pages for 5 minutes, but not to interact with their friends or post content during the period. For the participants in the non-Facebook condition, participants were asked to browse the news website CNN.com for 5 minutes. We then used Rosenberg (1989)'s reduced three-item self-esteem scale to measure their self-esteem. Participants were then instructed to an ostensibly

unrelated task about their information sharing regarding their camera purchase, which was used in study 1. They were then asked to answer the question about their attitudes towards their camera purchase and their likelihood of talking about this purchase experience with others.
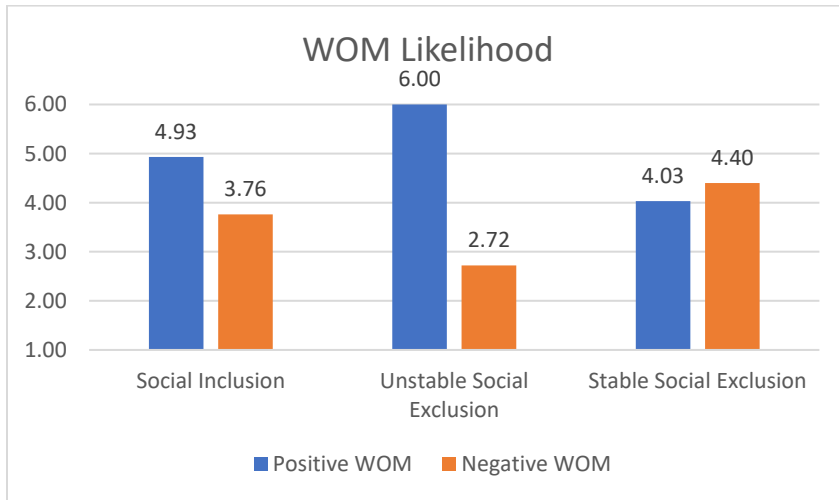
**Results and Discussion**

*Manipulation check.* The three-item self-esteem scale showed a good reliability (Cronbach's Alpha=0.78). Moreover, as expected, participants who browse Facebook reported higher self-esteem score than those who browse news website ($M_{FB}$=5.67 vs. $M_{non-FB}$=5.39, F(1, 363)=5.72, p=0.02), suggesting a successful manipulation.

*Main results.* A 3 X 2 X 2 three-way ANOVA analysis was conducted. The results were as expected: there was main effect of WOM valence, suggesting that people are inclined to generate positive (vs. negative) information (F(1, 353)=45.73, p<0.001). A significant three-way interaction effect among social exclusion, Facebook browsing condition, and WOM valence was revealed (F(2, 353)=8.47, p<0.001). Planned contrasts showed that, under non-Facebook condition, participants perceiving social exclusion as unstable are more likely to share positive (vs. negative) information ($M_{positive}$=6.00 vs. $M_{negative}$=2.72, F(1, 57)=98.26, p<0.001, figure 5A.), whereas the effects were reversed when participants perceiving social exclusion as stable ($M_{positive}$=4.03 vs. $M_{negative}$=4.40, F(1, 60)=0.63, p=0.43), which is consistent with prediction. Moreover, in social inclusion condition, people are still inclined to generate positive (vs. negative) WOM ($M_{positive}$=4.93 vs. $M_{negative}$=3.76, F(1, 48)=6.07, p=0.02). However, when participants' self-esteem is enhanced via browsing their close friends' Facebook page, the effects were attenuated. More specifically, participants in the condition of unstable social exclusion's WOM behavior was reduced ($M_{positive}$=5.62 vs. $M_{negative}$=4.34, F(1, 62)=11.91, p=0.001, see figure 5B). Participants in the stable social exclusion condition, the effect was reversed, with increased positive WOM and

reduced negative WOM ($M_{positive}$=5.38 vs. $M_{negative}$=4.41, $F(1, 61)$=4.74, $p$=0.33). However, in the social inclusion condition, contrary to the non-Facebook condition, with the higher self-esteem, participants increased the negative WOM ($M_{positive}$=5.65 vs. $M_{negative}$=5.12, $F(1, 65)$=1.96, $p$=0.17). In effect, self-enhancement negated all effects of stable and unstable social-exclusion.

Figure 5.

A. Non-FB condition



B. FB condition
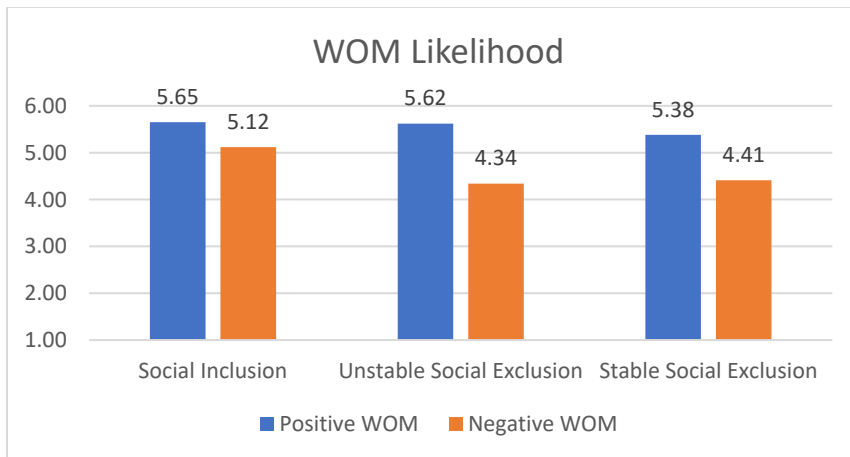
The results of study 4 examined the moderating role of self-enhancement on social exclusion's impact on WOM valence. When self-esteem was boosted, the effects of social exclusion types were attenuated.

## GENERAL DISCUSSION

The current research examines how the types of social exclusion influence consumer's word-of-mouth valence. We propose that when consumers perceive the social exclusion as unstable and they have the likelihood to reaffiliate with the group, they are more likely to use more positive (vs. negative) information sharing, which facilitates positive signaling to others . However, when consumers believe that the chance for successful reaffiliation is low, the desire to reconnect is reduced, therefore they are less likely to display a positivity bias in WOM. Results from four studies provide convergent evidence to support our hypotheses. In study 1 and 2, our studies showed that consumers who experience unstable (stable) social exclusion are more likely to increase positive word-of-mouth and decrease negative word-of-mouth. In study 3, we tested the underlying process, showing that the desire for reconnection mediates the proposed hypothesis. In study 4, we examined a boundary condition to this effect: finding that consumers with enhanced self-esteem are less likely to be influenced by social exclusion in their WOM behavior.

### Theoretical Contributions

Our research makes several contributions to the literature in the area of (i) social exclusion influences on consumer behavior and (ii) research in consumer word-of-mouth. Instead of looking at it as a singular homogenous phenomenon, we deconstruct social exclusion based on its perceived source-stability, and examine how different forms of social exclusion have diverging impacts on consumer's information sharing behavior. Previous research has shown that social exclusion can increase consumer's negative responding, such as disconnecting with social contacts, holding

hostile attitudes towards others (Twenge et al., 2001). Another stream of research suggests that consumers may also respond to social exclusion with positive behaviors, such as seeking affiliation and increasing prosocial behaviors (Mead et al. 2011; Lee and Shrum, 2012). These seemingly contradictory findings are partially reconciled in our research. Consistent with divergent findings from prior research, our results show that consumers do have different WOM valence in response to varied social exclusion experiences. More specifically, this difference is based on different types of social exclusion causes. When the social exclusion cause is unstable, consumers believe there is still a chance to reaffiliate with group. Therefore, spreading positive word-of-mouth and reducing negative word-of-mouth is used in an attempt to regain the affiliation. Instead, when social exclusion is perceived as stable, reaffiliation is not pursued. Thus, more negative word-of-mouth and less positive word-of-mouth is generated.

A second contribution is to extend the understanding of different social exclusion causes. Recent research has shown that different social exclusion types threaten different human needs, which often results in contradictory behavior responses (Lee and Shrum, 2012). In our current research, our study focuses solely on explicit social exclusion, and examines how the changeability of the cause affect consumer's divergent information sharing behaviors. Our research contributes to the social exclusion research by using explicit social exclusion with nuanced differences on the causes and further extends the contradictory behaviors in response to consumer's social exclusion experience.

Our study also contributes to the emerging area of word-of-mouth research. Extant research suggests people tend to share positive information with others, since such information senders tend to be perceived as positive people with desirable characteristics (Bell, 1978; Berger and Milkman, 2012). However, other research shows that negative information is also commonly used to enhance

self-image, since negative reviews may reflect people's knowledge or expertise in some way (Amabile, 1983). Our research reconciles previous findings by showing that the contradictory WOM sharing behavior is driven by the desire of reconnection. With this motive, socially excluded people will evaluate the social exclusion situation. If the social reconnection is still possible, they will exert efforts to achieve the reconnection purpose, such as increasing positive WOM and reducing negative WOM. Instead, if the purpose is unlikely to succeed, the effect will be reversed.

**Limitations and Future Research**

One limitation to our research is our study focuses on the affiliation to a group, which consists of multiple people. Prior research suggests that the size of target audience can influence how people engage in information sharing behavior (Barasch and Berger, 2014). In the situation of social exclusion, it is also possible that the group target has a heavier weight on the desire of reaffiliation compared to a single person target.

A second direction might also impact WOM sharing valence is source of social exclusion. The closeness of social exclusion source may influence the desire of reaffiliation. A closer source plays a more important role in people's desire to reconnect, since people tend to care more about their images to their close others (Sudman et al, 1994; Wilcox and Stephen, 2014). Consequently, they may try harder to reaffiliate with the group. On the contrary  rejection by distant groups may be relatively frail, and therefore the social exclusion effect may be attenuated.

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