

Generous paupers and stingy princes? Power and consumer spending

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How do people decide how much to spend on purchases for themselves versus others? A new study in the *Journal of Consumer Research* says it all depends on how powerful we feel at the moment of choice.

"We ask whether the powerful and powerless differentially value the self versus others, and whether this, in turn, translates into observable differences in their spending behavior," write authors Derek D. Rucker, David Dubois, and Adam D. Galinsky (Kellogg School at Northwestern University).

The authors conducted five experiments where they manipulated participants' states of power and then examined how much they spent on purchases for themselves or others. Power was manipulated by assigning people to the role of a boss or employee in a task, having participants recall a past time when they possessed or lacked power, or exposing them to advertisements designed to make them feel powerful or powerless.

After completing these power-related tasks, participants took place in an [auction](#) where they bid for a t-shirt and a mug. One group of participants was told to bid on the product for themselves, whereas the members of the other group were told to bid on the product to get it for a person of their choosing. "When participants were bidding to obtain the product for themselves, those who completed the high-power recall task bid \$12.08 on average, whereas those who completed the low-power recall task only bid \$6.49, an astonishing difference of more than 46 percent,"

the authors write. In fact, the opposite occurred when the participants were asked to bid on the product for someone else. The low-power people bid \$10.81 on average, while the high-power participants bid \$7.10.

This same pattern of results emerged across five experiments. "When participants were asked to make a purchase for themselves, the amount of money spent was consistently greater for participants assigned to the high-power condition relative to participants assigned to the low-power condition," the authors write.

Although the high-power participants spent more money on themselves, they were happier when they spent money on others, the authors found.

More information: Derek D. Rucker, David Dubois, and Adam D. Galinsky. "Generous Paupers and Stingy Princes: Power Drives Consumer Spending on Self versus Others." *Journal of Consumer Research*.

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