

When consumers don't want to talk about what they bought

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One of the joys of shopping for many people is the opportunity to brag about their purchases to friends and others.

But new research found one common situation in which <u>people</u> would rather not discuss what they just bought: when they're feeling like <u>money</u>



is a little tight.

In a series of studies, <u>researchers</u> found that <u>consumers</u> who felt financially constrained didn't want to talk about their purchases, large or small, with friends or strangers, face-to-face or online.

"It wasn't about what other people might think or what they bought. Consumers who feel poor at the moment don't want to talk about their purchases because it reinforces negative feelings about their unpleasant financial state," said Anna Paley, lead author of the study and a visiting scholar in marketing at The Ohio State University's Fisher College of Business.

One reason that the results are so interesting, Paley said, was because they could have gone in the other direction.

"One plausible theory was that consumers who felt poor would chat more about their purchases as a way to show their spending ability and validate their decision to spend the money," she said. "But that's not what we found."

Paley emphasized that this study wasn't about whether people were rich or poor. This was about the feeling that they didn't have as much money as they wanted. "Millionaires can feel financially constrained too," she said.

Paley conducted the study with Stephanie Tully of the Marshall School of Business at the University of Southern California and Eesha Sharma of the Tuck School of Business at Dartmouth College. Their results appear online in the *Journal of Consumer Research*.

The researchers conducted seven studies.



In one study, the researchers found that participants who reported feeling financially constrained also were less likely to talk about products they bought with friends, family members and colleagues.

The results held even after taking into account the income of participants.

"This suggests that our results can't be explained by differences in objective wealth," Paley said.

A second study recruited online participants. They were told the study was about "what people talk about." All of them answered questions probing how financially constrained they felt.

Participants had the choice of posting in one of two chat rooms—one called "recent purchases" and the other called "local/state parks." The researchers chose this topic because in a previous study, a separate group of people had rated parks to be a less interesting topic than recent purchases.

Nearly two-thirds of participants chose to discuss recent purchases rather than parks. But participants who felt financially constrained were significantly more likely to post in the parks chat room.

"Consumers who felt poorer would rather talk about a less interesting topic than discuss what they bought recently," Paley said.

The results held up in another study in which the researchers induced some participants to feel poorer by writing about aspects of their financial situation that made them feel like they didn't have enough money.

These participants were less likely to say they would talk about an



upcoming purchase than participants who wrote about another subject.

In this study, the researchers also asked <u>participants</u> to report on how talking about a purchase would make them feel about their <u>financial</u> situation.

"We found that financially constrained consumers expected less enjoyment from talking about their purchases because it would bring up <u>negative feelings</u> about their money situation," she said.

The researchers found a few exceptions in other studies. When people thought about their purchases as expenditures of their time rather than expenditures of their money, even those who felt money was tight would talk about them. The same went for gifts and tickets to a free event.

The findings are important for marketers because consumers consistently rate word-of-mouth as one of the most trustworthy and credible sources of information about products and services, Paley said.

Their findings suggest some things marketers can do to encourage word-of-mouth.

"Word-of-mouth campaigns will be more effective if marketers can separate the cost of the item from the experience of sharing the purchase," she said.

For example, many online retailers send people a receipt after a <u>purchase</u> with a request that they share about what they bought with friends on social media.

"If the money you spent is right there in front of you on your receipt and you're feeling a little poor at the moment, you're not going to want to share," she said. "Marketers should consider separating receipts and



sharing requests."

More information: Anna Paley et al. Too Constrained to Converse: The Effect of Financial Constraints on Word-of-Mouth, *Journal of Consumer Research* (2018). DOI: 10.1093/jcr/ucy040

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