

Don't let pressure of one-upmanship dictate your gift selection

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Credit: Petr Kratochvil/ public domain

There is a considerable gap in our current understanding of gift-giving because much of what has been studied has focused on gift-giving as an affair between just two consumers—a single giver and a recipient. Little

is known about the impact other gifts have on the recipient of the gifts, even though some of the most common occasions for giving a gift, such as birthdays, the winter holidays, Mothers' and Fathers' Day, graduations, bridal showers, baby showers, bachelor and bachelorette parties, going away parties, and retirement parties, all typically involve a recipient receiving gifts from several different givers.

Researchers from Carnegie Mellon's Tepper School of Business and West Virginia University's John Chambers College of Business and Economics set out to understand gift giving dynamics in these settings and how a giver's and a recipient's evaluation of the giver's gift is influenced by the other [gifts](#) the recipient receives.

Across 12 studies examining the behavior of giving and receiving gifts in a multi-giver gift giving setting, the researchers demonstrated that recipients are consistently focused on the thoughtfulness of a gift. Gift givers, however, incorrectly assume recipients' focus is on relative gift value.

"We found that, often times, gift givers believe the recipient's focus is on relative gift value. For example, if I gave one bottle of cheap wine as a gift, but another person gave a bottle of expensive wine, I would incorrectly assume that the recipient would appreciate the gesture of giving the expensive bottle more than mine," said Jeff Galak, associate professor of marketing at the Tepper School of Business who co-authored the paper. "As a result of this misconception, when givers know beforehand others will be giving gifts, they are more likely to spend additional money upgrading their gifts or even to skip the gift-giving occasion altogether."

Christopher Olivola, associate professor of marketing at the Tepper School who co-authored the paper, added, "The next time you find yourself fixating on how your gift might compare to other gifts, consider

instead how you would feel if you were in the recipient's shoes. If you are like most consumers, the gift giving gesture is what would really matter to you, and chances are the recipient feels the same."

More information: Julian Givi et al, The thought that counts is the one we ignore: How givers overestimate the importance of relative gift value, *Journal of Business Research* (2020). [DOI: 10.1016/j.jbusres.2020.10.009](#)

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