



Affective Images, Emotion Regulation and Bidding Behavior: An Experiment on the Influence of Competition and Community Emotions in Internet Auctions

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Abstract

Internet auction sites frequently employ images as design elements on their websites in order to either induce a sense of community or competition among the bidders. In this paper, we investigate the impact of such affective images on bidding behavior in a controlled laboratory experiment during which participants' emotional processes are assessed through psychophysiological measurements. Immediately before placing a bid in a first-price sealed-bid auction, bidders are presented a) pictures of competitive sports scenes, b) pictures of families or children, or c) a blank screen. Participants place significantly lower bids when they were exposed to pictures that induce competition emotions as opposed to pictures that induce community emotions. This relationship is moderated by the bidders' emotion regulation strategy. In particular, we find that the more participants try to suppress their emotional responses to the presented images, the more they are affected in their bidding behavior. Our results entail valuable insights about the coherence of emotional stimuli on Internet auction marketplaces and customers' decisions. They also question recent marketing strategies by the market leader.

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Introduction

"It's better when you win it!" advertised eBay in its commercial campaign "Shop Victoriously" (eBay.com 2007). In the campaign, bidding in an eBay auction was compared to sports events such as football matches and dog races. Thereby, the world's largest consumer Internet retail auction site directly addressed the competition emotions the bidders experience on their platform by the use of exciting images. Other Internet auction platforms, such as HappyBidDay.com, use images and videos of smiling bidders, a smiley face logo, and even run an accompanying Facebook page in order to increase the warmth

and social presence, i.e., a sense of belonging to a community during users' shopping experience. In a latter campaign, also eBay has addressed such community emotions in a commercial that aired in December 2011, where a family was shown next to their Christmas tree while doing some last minute shopping on eBay. These examples hint at a strategy of auction and fixed-price retail platforms, which embed affective images in their websites to induce competition or community emotions to maximize revenues. While there is evidence that the display of affective images in fact alters consumers' emotional processing and perception (Cyr et al. 2009; Hassanein and Head 2007), little is known about how the users' individual economic decision-making process in such scenarios is affected by different types of emotions.

In this article, we investigate how the competition and community emotions induced by displaying affective images on Internet auction sites affect bidding behavior. In a controlled

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laboratory experiment, we show affective images to auction participants prior to the auction start. These images are not related to the bidding task or any other economic activity and selected from the International Affective Picture System (IAPS), a database of pictures to which the respective emotional response is known with high validity (Bradley and Lang 2007; Bradley et al. 2008). Treatments differ only with respect to the type of emotion (competition or community) induced by the pictures that are shown to the bidders before the auction begins. Bidders either see pictures depicting sportsmen (which induce emotions related to competition), or pictures depicting families and children (which induce emotions related to community), or, as a control, a blank screen.

We find remarkable differences in bidding behavior between the treatments. In particular, we make three key contributions: First, we can show that the emotions induced by the affective pictures have a significant impact on (pay-off relevant) bidding behavior. Second, we find that the type of the induced emotion plays an important role. While emotions related to competition have a negative influence on bids, emotions related to community have a positive impact. Third, we find that bidders' individual strategies for regulating their emotions mitigate or amplify their affectedness to the images. In fact, the more bidders suppress their emotions in response to the affective images (i.e., try to inhibit their responsive reactions) the stronger their bidding behavior is affected.

The remainder of this article is organized as follows: In the [Theoretical Framework and Hypotheses](#) section we provide the theoretical background of our study and develop the hypotheses. In the [Experiment](#) section, we describe the design of our laboratory experiment. The results of the experiment are presented in the [Results](#) section. Finally, the [Discussion and Conclusions](#) section concludes with a discussion on the theoretical and managerial implications of our results as well as potential limitations of our study.

Theoretical Framework and Hypotheses

Emotions and Affective Images in Consumer Decisions

Emotions play a central role in consumer decisions (Bagozzi, Gopinath, and Nyer 1999; Bechara and Damasio 2005; Shiv and Fedorikhin 1999). In a dynamic interplay with analytical processes, emotions guide consumer behavior by influencing information processing and judgment based on affective evaluation of environmental stimuli (Andrade 2005). In a simplified conceptualization, emotional processing can be characterized on two dimensions: valence and arousal (Russel 1980). While the valence dimension refers to whether an affective state is positive or negative, arousal refers to the overall intensity of this emotional state. In order to capture the influence of emotional arousal on consumer behavior, it is thus critical to also take into account the valence dimension (Andrade 2005; Fedorikhin and Patrick 2010). Under the influence of pleasant emotions, for instance, consumers tend to make decisions that maintain their positive mood (Di Muro and Murray 2012). When experiencing unpleasant emotions,

however, consumers have a stronger tendency to lose self-control and succumb to temptations (Fedorikhin and Patrick 2010). It can be concluded that the valence of emotional experience “is ultimately what gets attributed to the target” (Noseworthy, Muro, and Murray 2014).

An important environmental stimulus of emotional processing in electronic commerce are the images embedded in the user interfaces of shopping websites (Hassanein and Head 2006). The design and visual complexity of a webpage induce affective processes that have an influence on consumers' approach tendencies and shopping behavior (Deng and Poole 2010; Menon and Kahn 2002). Li, Sarathy, and Xu (2011) found that a user's willingness to disclose personal information to an online retailer is subject to the emotions elicited by the overall webpage impression. In combination with other design elements, images are an important medium for users when they form attitudes and expectations about the platform as a whole or a specific product they consider buying (Pieters and Warlop 1999; Song et al. 2012). Hence, images form an integral part of a consumer's cognitive and emotional product assessment process. Moreover, images can even then trigger emotional processes, when they are seemingly unrelated to the product (Noseworthy, Muro, and Murray 2014). For instance, Winkelman, Berridge, and Wilbarger (2005) showed that the presentation of images with frowning or happy faces changes consumers' behavior on pouring and consumption of drinks. Trujillo et al. (2012) found that subjects took riskier financial decisions when seeing images with happy faces, while they took less risky decisions when looking at angry or fearful faces.

Evidently, online retailers have to carefully consider the influence of different types of emotions when designing a platform. In the following, we focus particularly on two specific emotions, namely emotions related to competition and community, which are frequently addressed in the user interface design of online retailers because of their association with social interactions. On the one hand, *community emotions* are induced to address consumers' natural longing for the psychological presence of other humans. Building on the theory of social presence (Fulk et al. 1987), online retailers induce community emotions by displaying socially rich images which reveal human warmth and sociability, with positive effects on customers' perceived trust and enjoyment during shopping (Cyr et al. 2009; Hassanein and Head 2006). On the other hand, *competition emotions* are induced to exert feelings related to uniqueness and outperforming other humans in the social competition. Such emotions are often used by retailers to entice consumers into succumbing to a temptation. In terms of valence, community emotions are experienced more pleasant than competition emotions (Lang 1995).

Emotional Bidding

In the following, we focus particularly on the role of emotions in electronic auctions, a domain of electronic commerce where affective processes related to social interactions have been found to play an important role in consumer behavior (Ariely and Simonson 2003; Ding et al. 2005; Ku,

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