

Now that's a Bright Idea: The Influence of Consumer Elaboration and Distance Perceptions on Sustainable Choices

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Abstract

Integrating theory related to psychological distance and elaboration on potential outcomes, hypotheses are offered that predict that consumers' elaboration levels moderate the effect of temporal distance on choice of energy efficient products. In three experiments, the authors examine the influence of temporal and psychological distance and the moderating effect of a consumer's propensity to elaborate on potential outcomes (EPO) in retail choice-based situations. Results support these predictions with consumers lower in elaboration more likely to choose an energy efficient product when perceived distance is proximal versus distal, while the distance effect has less of an influence on consumers prone to higher elaboration. We test the effect of distance perceptions within a retail lab environment, as well as across ad and retail contexts. These results will help marketers better understand how to promote products in ad versus retail-based contexts and across different consumer groups. Findings offer implications for theory, retailers, product marketers, and NGO's interested in promoting energy efficient choices.

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In responding to increased consumer demand for environmentally friendly products, retailers have placed a stronger emphasis on sustainability both in their consumer marketing and business practices. For example, Walmart has been continually trying to conserve energy in their stores and operations, and they are currently working to provide retail customers with more energy efficient product offerings (Walsh 2014). Home Depot has been named the Energy Star 'partner of the year' in 2014 for their efforts to promote energy efficient products to consumers (The Home Depot 2014). Target recently announced its Sustainable Product Standard, in which information is being collected from some 7500 vendors, and ultimately will be used to provide product sustainability information to its customers (Elks 2013). Thus, many retailers believe that sustainability efforts can be an important component of shopper marketing

programs designed to influence consumer attitudes, patronage, and purchase behavior (e.g., Kotler 2011; Shankar et al. 2011).

However, while there is a growing trend toward consumers expressing greater *interest* in sustainable products and retailers emphasizing more sustainable options, recent research shows that there is a gap between consumer interest and actual behavior. For example, 83% of consumers view it as important for companies to support sustainable efforts, but only 22% of consumers say they are willing to pay more for sustainable products (Nielsen 2011). In part, this gap has to do with consumers' actual willingness to buy sustainable products, given the benefits received are not immediate and prices may be higher for energy efficient purchases (e.g., Gleim et al. 2013; Hopkins 2009). In sum, while customers are interested in sustainable products there are often substantial perceptual and economic barriers that affect purchase behavior.

Such barriers are particularly evident for energy efficient products. While energy efficient products can both save the consumer money in the long run and offer benefits for the environment, they almost always carry a price premium that is incurred by consumers in the short run. This trade-off

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contributes to differences in reported attitudes and choices, which has been termed the “energy efficiency gap” (Levine et al. 1995; Reynolds et al. 2012). When initially considering choice options in the shopping process, consumers may express an interest or preference for an energy efficient product that will provide future benefits. However, at the retail outlet when the actual choice decision becomes proximal, consumers often opt for a less expensive option, even though they would save money in the long-term through the choice of an energy efficient product.

Given the interest of major retailers, consumer packaged goods (CPG) manufacturers, and non-governmental organizations (NGOs) in promoting more sustainable consumer choices, the goal of this research is to examine effects of psychological distance perceptions on choices of more (vs. less) energy efficient products. We examine responses across consumer segments that may be more (or less) inclined to elaborate on potential outcomes of their choice behavior. We conduct three experimental studies, using a mix of retail shopping settings and shopping scenarios, to examine these effects. The first study examines the effect of temporal distance framing of product benefits communicated using promotional signage in a retail laboratory store context and provides initial insight to the influence of different promotional messages focusing on proximal or distal future product benefits. The second study examines these effects while taking into account several constraints and trade-offs (e.g., a budget) that consumers may face when making decisions to buy a product. The third study examines how consumers’ responses to product benefit messages may differ across retail and ad-based contexts. Specifically, the third study manipulates the context of the choice task to alter the perception of psychological distance as indicated by the perceived distance from the time of their decision. Results across the studies show that consumer propensity to elaborate on potential outcomes moderates the effect of temporal and psychological distance in choice-based situations. These results provide retailers and product marketers with insights on promoting energy efficient products, and possibly other products, that may provide consumers with future benefits.

Theory and Hypotheses

Temporal Distance Effects

Temporal distance effects generally consider the degree to which consumers account for (i.e., discount) events that occur in the future. The distances with which people perceive an event, which can be explicit (such as a specific amount of time (Liberman and Trope 1998)), or implicitly associated with the event (such as something that may happen to them personally versus someone they do not know (Chandran and Menon 2004; Kim, Zhang, and Li 2008)), can influence both their perceptions and the choices they make.

Construal level theory (CLT) has been widely used to examine how consumers respond to perceived distances. In general, the perception of felt distance is referred to as psychological distance (see Trope and Liberman 2010 for review), with temporal

distance as one primary dimension of psychological distance. Construal level theory contends that as distance increases, consumers’ perceptions differ, and this can lead them to place greater weight on some considerations over others (Bornemann and Homburg 2011; Chan and Mukhopadhyay 2010; Liberman and Trope 1998; Mowen and Mowen 1991; Zauberger et al. 2009). This in turn can influence consumer evaluations and decisions (Kahn, Zhu, and Kalra 2011; Kim, Zhang, and Li 2008). More specifically, a more proximal, or near distance has been associated with low-level construals, which are typically more concrete thoughts regarding specific details. In contrast, greater distance has been associated with high-level construals which are typically more abstract (Liberman and Trope 1998) and focus on a bigger picture or a higher ideal. While various psychological distance dimensions have been proposed, a major focus of the CLT literature has been on temporal distance effects (e.g., Chandran and Menon 2004; Liberman and Trope 1998; Trope and Liberman 2010). Consistent with this prior emphasis, the first two studies in the current research primarily focus on temporal distance effects.

Consumers’ Elaboration on Potential Outcomes

Research has indicated that some individuals have stronger biases toward more proximal versus more distal outcomes. These biases have been attributed to individual differences such as temporal orientation (e.g., Strathman et al. 1994; Zimbardo and Boyd 1999) or an individual’s propensity to be impulsive (Ainslie 1975; Loewenstein 1996). We propose that some consumers may be more predisposed toward thinking about and considering potential outcomes and thus, may be less likely to discount future events. However, other consumers will be less likely to elaborate on future events, and these individuals will be more likely to discount future outcomes because they generally will not give them as much consideration.

A construct that focuses on one’s propensity to think about or elaborate upon future or potential outcomes is elaboration on potential outcomes (EPO; Nenkov, Inman, and Hulland 2008). This construct differs from temporal orientation measures in that it captures whether people deliberate and consider future or potential outcomes, which has considerable implications for self-regulation and how consumers respond to situations involving tradeoffs. Outcome elaboration research finds that certain people are more predisposed to elaborating on possible outcomes. High elaborators are more prone to deliberation regarding the pros and cons of potential outcomes and to weigh the relative importance and likelihood of these outcomes. The predisposition to elaborate on potential outcomes tends to push consumers into more of a deliberate mindset where they do a more thorough job of weighing the possible outcomes of an event. For example, Nenkov, Inman, and Hulland (2008) show that higher elaborators plan on investing more money in a 401(k) plan compared to lower elaborators. This suggests that higher elaborators are more willing to make a sacrifice now in order to have a more positive future outcome. This also suggests that higher elaborators are less likely to be influenced by discounting

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