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Compliments to Accomplishments: The Effect of Compliments by Digital Platforms on Consumer Behavior

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ABSTRACT

When shopping online, consumers sometimes hesitate, for example, because they are uncertain about product quality, or they do not know whether the price is reasonable. In the offline shopping context, sellers can encourage purchases by complimenting consumers. This study aims to explore how digital platforms can adopt the compliment tactic to catalyze consumers' purchase decisions. We hypothesize that online compliments, like offline compliments, can effectively reduce consumers' uncertainties in online shopping and thus encourage purchases. We plan to run a lab experiment to test the hypothesis. This study enhances previous research on offline compliments and contributes to e-commerce research by providing causal evidence of how digital platforms can use compliments to influence consumer behavior.

Keywords

Compliments, digital platforms, consumer behavior, lab experiment, price volatility.

INTRODUCTION

It is widely recognized that consumers have to cope with uncertainty when shopping online (Kim & Krishnan, 2015). For example, because of the absence of experiential information, online consumers are uncertain about product quality (e.g., fit and feel of clothing and texture of materials) (Kim & Krishnan, 2015). In some markets, including hospitality, air travel, and technological gadgets, prices posted by vendors often fluctuate over time (Mantin & Gillen, 2011), and thus result in price uncertainty. Such product and price uncertainty can make consumers hesitate to make an immediate purchase (Matzler, Grabner-Kräuter, & Bidmon, 2008).

In the offline shopping context, for example, when a customer hesitates about buying a dress, a skillful salesperson may compliment the consumer about how the dress looks amazing on her and encourages her to purchase it immediately (Guevremont & Grohmann, 2013). A persuasion tactic like this is called "compliment": communicating positive things about another person without regard to that person's true qualities or abilities (p. 551) (Fogg & Nass, 1997). Complimenting a consumer has been widely adopted as a marketing strategy by brands to

promote their products and services during interactions with customers.

Therefore, we propose that, when consumers hesitate to make a purchase, digital platforms such as e-commerce websites can adopt a similar "compliment" strategy to catalyze consumers' purchase decisions. We propose our research question as follows:

What is the effect of compliments adopted by digital platforms on consumer shopping behavior, and what is the psychological mechanism that drives the effect?

Theoretically, this study offers new insights into how compliments work in the context of e-commerce. To evaluate the effect of the compliment, we plan to run a laboratory experiment, to probe deeply into (1) how the compliment may influence consumer behavior; and (2) the psychological mechanism that drives the influence.

This study provides the first empirical evidence of how compliments may affect individuals' online shopping behavior and perceptions of price volatility. Although "compliments" have received much attention from researchers, previous work has majorly focused on the impact of compliments on individuals' attitudes toward the product and the brand, and there is a lack of understanding of the connection between compliments and consumers' perception of uncertainty.

The rest of the paper is organized as follows. In the next section, we will review previous studies about compliments and consumer behavior. Next, we develop hypotheses about how a compliment may influence consumers' online shopping decisions. Then, we describe the design of a lab experiment, and the expected results. In the last section, we conclude by discussing contributions of the research.

LITERATURE REVIEW

Compliments and Consumer Behavior

Offering pleasant compliments is one of the oldest and most commonly used persuasion methods (Chan & Sengupta, 2010). Fogg and Nass (1997) define compliment, or flattery, as "communicating positive things about another person without regard to that person's true qualities or abilities" (p. 551). Compliments can occur in direct customer—brand interactions when a salesperson praises a consumer about how a dress looks amazing on

her, in order to expedite a sale (Guevremont & Grohmann, 2013). In e-commerce, compliments may happen in brand communication in the form of a personalized email where a brand offers a promotion to a client due to unique attributes or relationship status.

Many studies have documented the positive impacts of compliments (Gordon, 1996). For example, Guevremont and Grohmann (2013) find from experiments that complimenting consumers can positively influence their attitudinal and emotional responses to a brand. The positive effect of compliments arises because, first, "human beings have a basic desire to believe in good things about themselves" (Chan and Sengupta, 2010, p. 122). This is called the motive for "self-enhancement": people have the desire to think well of themselves drives them to respond favorably to the compliment-er (Gordon, 1996; R. Vonk, 2002). Second, people who are complimented are more likely to assign positive affect, favorable impressions, and credibility to the compliment-er and like the complimenter than others (R. Vonk, 2002).

The motivating effect of compliments spans from individuals' interactions with humans, and brands, to even computers. For example, Fogg and Nass (1997) investigate the effect of computers that praise users regardless of their actual performance on a task and conclude that the effects of compliments from a computer can produce the same general effects as compliments from humans. Specifically, compared to subjects who receive generic feedback from a computer, subjects who receive a computer's praise (sincere or insincere) report more positive affect, better performance, more positive evaluations of the interaction, and more positive regard for the computer. Johnson, Gardner, and Wiles (2004) also find that people react to praise and compliments by computers in a manner congruent with their reactions to compliments from other humans. Questionnaires show that individuals tend to believe that computers' compliments speak the truth, and they thus experience more positive affect and judge the computer's performance more favorably.

Despite the widely acknowledged effect of compliments in some contexts, previous studies also suggest that recipients can sometimes successfully resist compliment attempts (Chan & Sengupta, 2010). For example, Campbell and Kirmani (2000) show that when there is a highly accessible ulterior motive underlying the compliment, such as a compliment by a salesperson to a potential customer before purchase, the effect is likely to be neutralized. In such cases, customers can draw on previous knowledge of persuasion tactics by marketing agents (Friestad & Wright, 1994) and attribute the compliment to the salient ulterior motive, and thus correct the positive impression that compliments might otherwise produce (Chan & Sengupta, 2010). Similarly, Main, Dahl, and Darke (2007) find that a salesperson's compliments may lead to suspicions of an ulterior motive, thus leading consumers to attribute insincerity to the salesperson and develop negative reactions to their compliments. In other words, if the compliment-er is dependent on the target (e.g., consumer) for rewards, compliments can lead to negative perceptions (Higgins & Judge, 2004; Jones & Wortman, 1973; Roos Vonk, 1998, 1999).

HYPOTHESIS DEVELOPMENT

Consumers have to cope with uncertainty when shopping online (Kim & Krishnan, 2015). For example, because of the lack of experiential information, online consumers are uncertain about product quality (e.g., fit and feel of clothing and texture of materials) (Kim & Krishnan, 2015). Some products like hospitality, air travel, and technological gadgets, come with high price volatility, so consumers sometimes face high price uncertainty. These uncertainties cause consumers to be cautious and hesitant to make a purchase.

Thus, consumers need, and are willing to process valuable and diagnostic information for their product and price evaluation. If the information is offered by the company, or the professional platform, it is also likely to be perceived to be "credible and persuasive" (Chaiken & Maheswaran, 1994). Therefore, e-commerce platforms can use some persuasive marketing messages (i.e., compliments) to affect people's price evaluation and purchase decisions (Thaler & Sunstein, 2009).

Since consumers are unsure whether the product is of high quality or when it is a good time to purchase and hesitate to make a purchase, digital platforms can adopt the "compliment" tactic to persuade consumers to make an instant purchase. To be more specific, e-commerce platforms can praise consumers by telling them that "This is a good product!" or "This is a good time to purchase!". First, when consumers search for products, they show the intention to browse products and make a purchase. Therefore, this message can motivate consumers to believe that they have made a "smart" and "right" decision to search for products on this platform at this time. This echoes people's natural desire to get confirmation for their actions (Chan & Sengupta, 2010). Second, consumers who are complimented by the message are likely to perceive the platform (i.e., the compliment-er) as favorable, likable, and credible, and such perception of credibility can in turn boost consumers' trust in the message. In other words, consumers are likely to believe that the product is indeed of good quality or it is indeed a good time to purchase. Thus, instead of being hesitant, consumers are more likely to be willing to make a purchase instantly. Third, in a situation of product uncertainty or high price volatility, by saying "This is a good product!" or "This is a good time to purchase!", platforms deliver the message that the product is of "good" quality or the price at the current time is "good". Therefore, consumers' uncertainty about product quality and price declines, and are more likely to make a purchase.

Therefore, we hypothesize:

Hypothesis 1: A compliment message will reduce consumers' uncertainties.

Hypothesis 2: A compliment message will enhance consumers' purchase behavior.

METHODOLOGY

Experiment Design

To investigate the impact of the compliment on consumer behavior and the psychological mechanisms that drive the impact, we plan to conduct a lab experiment and situate the experiment in the context of online hotel booking. First, hotel booking is a vital part of e-commerce and particularly, online travel. Second, hospitality, or hotel accommodation, is one of the products with high price volatility. Consumers often have difficulties deciding whether a hotel's price is good and when it is a good time to book a hotel. When consumers have difficulties deciding whether they should take an offer or wait for a better deal, they tend to hesitate in booking a hotel. In this case, using a compliment message such as "This is a good time to book!" is likely to significantly influence consumer behavior (i.e., hotel booking decisions) by reducing their concerns about price fluctuation.

In the lab experiment, participants will be asked to imagine a scenario where they plan to book a hotel in Florida, Miami, the United States, to attend their best friend's wedding in one month. They will be presented with a prechosen hotel (Figure 1). The lab experiment will adopt a between-subject design, and participants will be randomly assigned to one of the two conditions: (1) no compliment; and (2) "good time" compliment. After reading the scenario story, participants will complete a survey, where they will indicate: (1) whether they feel being complimented, and if yes, to what extent; (2) their

perceived volatility of the hotel price; (3) their perceived credibility of the complimenting message and attitudes towards the platform; and (4) their intention to book the hotel immediately.

Expected Results

We expect that, compared to participants in the no compliment condition, participants in the "good time" compliment condition are more likely to feel being complimented, perceive a lower level of price volatility, perceive the message and platform as more credible, develop a positive attitude towards the platform, and thus a higher level of intention to book the hotel immediately.

CONCLUSION

To investigate how digital platforms may use compliments to encourage purchases effectively, we plan to conduct a lab experiment to explore the effect of "good time" compliment on consumers' online shopping behavior, and the mechanism that drives the effect. We propose that the "good time" compliment can reduce consumers' perceived price volatility, increase their perceived credibility of the message and platform, lead to a positive attitude towards the platform, and thus encourage consumers' purchase decisions.

This study contributes to research on human-computer interaction and e-commerce by providing evidence about how e-commerce platforms can use a simple compliment to influence consumers' attitudes and the following purchase decisions. In the future, we plan to continue to explore how a compliment like "This is a good product!" may influence consumers' uncertainty about product quality and their following purchase behavior. Together, the studies can enhance our understanding of online compliments and consumer decision-making.



Figure 1. Experiment Design

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