THE CAUSES AND EFFECTS OF CONSUMER COMPETENCE PERCEPTIONS

by

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Abstract

Consumers are constantly making consumption decisions and engaging in marketplace activities that require some level of competence. In other words, consumers possess and require some knowledge, skills, and abilities to engage in the marketplace and obtain what they want. But what causes consumers to infer they are or are not competent? And, what are the consequences of these competence inferences on consumer behaviour? This dissertation examines the role consumption plays in consumers’ inferences of their own competence to enhance our understanding of these issues. By integrating the literature on competence and attributions of blame, this dissertation develops a theory for when and how consumption influences self-perceptions of competence and how these self-perceptions of competence impact future consumer behaviours. Evidence from five studies suggests that consumers infer their own competence from their consumption outcomes, despite who is actually responsible for causing these outcomes. This means consumers potentially see themselves as incompetent for negative outcomes that are entirely firm-caused. This dissertation argues that people infer their own competence from firm-caused outcomes because they conflate their decisions made prior to an outcome with the cause of that outcome. This dissertation also examines how these variations in self-perceptions of competence can influence future consumer behaviours.
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Chapter 1

Introduction

1.1 Research Question and Approach

This dissertation investigates self-perceptions of competence as an important cause and consequence of consumption decisions. Specifically, in this dissertation, I investigate how and why consumption experiences can influence self-perceptions of competence, as well as some of the consequences of these competence inferences. I argue that self-perceptions of competence are an important outcome in their own right and that they can also affect a variety of consumption-related behaviors and decisions. As an outcome, I investigate the processes by which consumers draw inferences of their own (in)competence from consumption experiences. As a cause, I examine how attempts to avoid appearing incompetent following negative consumption experiences can affect an important post-purchase behaviour: word-of-mouth (WOM).

This dissertation develops a broad framework for understanding when consumers infer their own competence from consumption, as well as how these inferences influence post-purchase behaviours. Across five studies, I demonstrate that consumers use the outcomes they experience in the marketplace to infer their own competence, and that these variations in self-perceptions of competence can subsequently influence future behaviours.

More precisely, I focus on the process by which consumers perceive themselves as incompetent. I demonstrate that self-perceptions of incompetence result from negative consumption outcomes and that consumers will draw such inferences despite their outcomes being determined entirely by external forces, such as by the firm or by chance. I also
demonstrate that it is consumers’ retrospective belief that they could have done something
different to avoid the negative outcome that influences self-perceptions of incompetence. This
finding contributes to our understanding of attributions consumers develop following
consumption outcomes. In addition, despite not being responsible for actually causing a negative
consumption outcome, I develop a framework and provide evidence that consumers can still
blame themselves and infer their incompetence from these experiences.

Beyond demonstrating how self-perceptions of competence vary depending on
consumption outcomes and purchase situations, this dissertation also demonstrates how self-
perceptions of competence can influence post-purchase behaviour, particularly, WOM. I focus
on WOM because it is a context that is representative of situations in which consumers are likely
to be motivated to avoid feeling and appearing incompetent. Starting from the assertion that
WOM is a typical behaviour following both positive and negative consumption outcomes
(Anderson 1998; Anderson and Sullivan 1993; Richins 1983), I demonstrate that the motivation
to share WOM can also conflict with consumers’ image concerns related to self-perceptions of
incompetence. Specifically, I demonstrate that despite blaming and being dissatisfied with a
firm for causing a negative outcome - which should motivate the sharing of negative WOM -
consumers sometimes reduce WOM out of the concern they will also appear incompetent.

1.2 Intended Contribution

The primary contributions in this dissertation are demonstrating that (in)competence is an
important outcome of marketplace transactions, investigating the processes by which consumers
infer their incompetence, and demonstrating the impact of incompetence on important consumer
behaviours. By integrating literature on competence and attributions of blame, I develop a
theory for when and how consumption outcomes can influence self-perceptions of competence and how this can impact future behaviour. I present self-perceptions of competence as an important construct of study within consumer research by demonstrating how people use their consumption outcomes to infer their own competence and how this influences future decision-making.

This work further contributes to the consumer behaviour literature by challenging current assumptions of blame that suggest the more you blame other parties following consumption outcomes the less you will blame yourself. Alternatively, I suggest blaming external forces does not always result in a subsequent reduction of blame on internal forces. This contradicts current research in consumer behaviour that conceptualizes and measures blame on a continuum, with external and internal causes on opposite ends of a spectrum (Weiner 1980; 1995; 2000). I challenge these assumptions suggesting that it is possible for consumers to blame themselves without influencing blame towards the firm. Based on findings from the victimization literature (e.g., Davis et al. 1996), I argue that this can occur because even when consumers perceive the firm to be directly responsible, they may also perceive that they could have done something different to avoid the outcome. Ultimately, these findings advance our understanding of consumer responses to firm-caused negative outcomes, suggesting firm-blame and self-blame may be distinct attributions rather than endpoints on a locus of control continuum. Specifically, I demonstrate that consumers can both blame, and be dissatisfied with, a firm for causing a negative outcome, but also blame and feel incompetent about the self for believing they did not take the steps to avoid the negative outcome.

Additionally, I demonstrate that self-perceptions of competence are sensitive. Specifically, contributing to our understanding of attributions following negative consumer
experiences, this work demonstrates that self-perceptions of incompetence can stem from truly random and externally caused negative outcomes, rather than the specific actions of the consumer. Across five studies I demonstrate that inferences of incompetence can stem from firm-caused negative outcomes as well as negative outcomes that are entirely due to chance. This helps demonstrate the sensitive nature of self-perceptions of competence and how a typical everyday consumption experience can alter these self-perceptions. Previous literature depicts competence as a stable construct (e.g., White 1959), where an individual either has it, or does not. Alternatively, this dissertation broadly demonstrates that self-perceptions of competence can fluctuate very easily, and that consumption outcomes are a common way in which self-perceptions of competence can be influenced.

Lastly, this dissertation goes beyond examining competence as purely an outcome of consumption activities to investigate how competence might play a role in consumer decisions. Specifically, I explore the idea that consumers are likely to be motivated to avoid feeling and appearing incompetent, and that this is likely to affect their behaviors in consumption contexts where they anticipate this as a possible outcome. In particular, I focus on the role of competence concerns in consumers’ word-of-mouth (WOM) behaviours. In talking specifically about dissatisfying experiences, I suggest in this dissertation that consumers can feel incompetent for the same kind of firm-caused dissatisfying experiences that should stimulate the sharing of negative WOM. Under these circumstances, due to concerns about appearing incompetent to others, I demonstrate that consumers will sometimes limit and distort their WOM. I focus on WOM to demonstrate the effect of incompetence inferences on avoidance behaviours for three reasons. First, WOM receives a great deal of attention in the marketing literature due to its prevalence and persuasive impact (Godes and Mayzlin 2004; Herr, Kardes, and Kim 1991),
which makes understanding its drivers and deterrents important for marketing researchers.

Second, demonstrating that self-perceptions of competence can impact WOM behaviour
highlights self-perceptions of competence as an important construct for exploration in consumer
behaviour. Lastly, while self-perceptions of competence and WOM share a common driving
factor (i.e., the consumer outcome experienced), I suggest under certain circumstances this
common factor will result in outcomes that contradict those predicted by negative WOM.

Specifically, research often depicts dissatisfaction with the consumption experience as a primary
antecedent to negative WOM (Anderson 1998; Anderson and Sullivan 1993; Richins 1983), but I
demonstrate that consumers will feel incompetent for the same dissatisfying experiences, which
will limit rather than motivate WOM. Examining the impact of self-perceptions of competence
on WOM demonstrates the importance of self-perceptions of competence as an outcome to
consumption that influences future consumption decisions. Overall, this work presents self-
perceptions of competence as a consumer construct that results from purchase outcomes and can
influence future consumer behaviours.

1.3 Structure of Dissertation

This dissertation progresses first with a review of what competence is, why it is important,
and how it has been depicted within consumer research. I then progress to my conceptual
development of how consumers infer their competence from their consumption experiences and
what the consequences of these inferences may be. I then proceed to develop four hypotheses,
which I test over a series of five studies. The dissertation finishes with a discussion of the results,
limitations of this work, and directions for future research in the area of consumer competence.
Chapter 2

Literature Review and Conceptual Development

This chapter provides an in-depth review of the competence literature and its prior application in the consumer behaviour domain. I then proceed to describe my conceptual development regarding how people infer their competence from consumption as well as some of the possible effects of competence inferences on behaviour.

This section proceeds with three subsections. I first describe how competence is defined and discussed in the literature. Specifically, I highlight the role self-perceptions of competence have within the self-esteem and self-efficacy literature; two important and widely used constructs within psychology and consumer behaviour to understand a variety of behaviours. Although self-perceptions of competence are fundamental to understanding the self-esteem and self-efficacy literature, it is rarely discussed directly as an independent construct. I highlight the relevance of self-perceptions of competence within these literatures, which helps provide insight for the likely causes and effects of self-perceptions of competence inferences. I also emphasize the differences between these existing constructs and self-perceptions of competence to stress the need for deeper exploration into the the causes and effects of self-perceptions of competence inferences.

After establishing the role of self-perceptions of competence from within the self-esteem and self-efficacy literature, I proceed to examine how consumer research discusses constructs that are similar to competence. I start this discussion on “smart-shopper” feelings (Schindler 1998), as well as how self-esteem and self-efficacy research is applied to consumer behaviour contexts. I then discuss select consumer research areas that touch on topics that are similar in
nature to self-perceptions of competence, such as consumer regret and the fear of being duped. Throughout this literature review, I highlight that self-perceptions of competence appear in a variety of forms across these diverse areas of consumer research. I review these literatures and highlight how a variety of findings can be interpreted as affecting or being effected by self-perceptions of competence. I argue throughout this review that although self-perceptions of competence play an important role in these topics, it is rarely examined directly and therefore its causes and effects are not well understood. This provides the opportunity to contribute a more in depth examination of the causes and effects of consumers’ self-perceptions of competence.

Lastly, I proceed to describe my conceptual development and make my formal predictions. I focus on how self-perceptions of incompetence can be inferred through consumption and how these self-perceptions can influence consumer behaviour. Within this conceptual development I seek to answer two broad questions. First, how do consumption episodes affect consumers’ self-perceptions of competence? Second, in what ways can self-perceptions of competence impact downstream consumer behaviours?

2.1 Background: Competence in General

In this section, I examine two questions pertaining to competence: what competence is and why competence is important. I find that competence is primarily viewed from an objective point of view, rather than as a subjective self-perception. To help understand the history of competence more broadly I first review these objective interpretations of competence. I then discuss why understanding self-perceptions of competence more specifically are important by highlighting the role it plays in self-esteem and self-efficacy research as well as how it sits separately from these existing constructs.
2.1.1: What is Competence?

Competence is discussed across a variety of literatures. Because the construct of competence is used and applied across various domains, there are a variety of possible definitions for competence. As a result of this variation, competence is sometimes referred to as a ‘fuzzy concept’ in that it is difficult to have a single definition that can accommodate and reconcile the different ways it has been used (Boon and van der Klink 2002, pg. 6; Delamare Le Deist and Winterton 2005, pg. 29; Norris 1991). Some research goes as far as stating that competence is “impossible to identify or impute a coherent theory or to arrive at a definition capable of accommodating and reconciling all the different ways that [competence] is used” (Delamare Le Deist and Winterton 2005, pg. 29). This fuzziness is most apparent in the definition of competence taken from the interpersonal judgment literature (Casciaro and Lobo 2008; Chermers 2001; Cuddy et al. 2007, 2008; Judd, James-Hawkins, Yzerbyt, and Kashima 2005; Sinclair and Fehr 2005; Ybarra, Chan, and Park 2001) where competence is defined more as a laundry list of related qualities – as an individual’s belief about another person’s “confidence, effectiveness, intelligence, capability, skillfulness, and competitiveness” (Aaker et al. 2010, pg. 225) – rather than a distinguishing construct. To help clarify some of this confusion of what competence is, I discuss how competence is conceptualized in other areas to help derive a more concrete understanding. I first discuss how competence is viewed as an objective construct in developmental psychology and childhood development literature. I then briefly discuss how competence is interpreted more subjectively in the self-esteem literature, existing as a self-perception.

Early conceptualizations of competence describe competence as a broad construct that
can help us understand human motivation in general. Specifically, research on evolutionary psychology describes competence as a motivation, where the goal to conquer obstacles by attaining competence is what makes us intelligent living beings, pushing the boundaries, and motivating us to continue living (White 1959). Within this literature, competence is a trait shared with other higher order mammals, where the goal is to develop competence in dealing with the environment (White 1959). In his explanation of animal and human motivation, White (1959) defines competence simply as, “an organism’s capacity to interact effectively with its environment” (pg. 257). Based on this understanding of competence, humans are driven by a motivation to get by within the environment in which they live.

Competence also plays a major role in understanding childhood development. While evolutionary psychology suggests competence as a grasp of the general environment, childhood development research focuses on competence as a process of achievements, with the end goal of independence. Childhood development research approaches competence from a staged perspective, where milestones of competencies are reached over time, with the end goal of eventually achieving independence. For example, research on ego psychology (Hartmann 1939; 1958) frames competence as a staged development of ego with a focus on the development of environmental coping strategies and the eventual end goal of ego autonomy. Additionally, object relations theory (Mahler, Pine, and Bergman 1975) and attachment theory (Bowlby 1969) both focus on the gradual acquisition of competence over time in order to be able to exist and persevere independently. These theories conceive competence as the end goal, where children grow through development stages, gaining various competencies along the way until they are eventually able to engage with and cope with their environment with complete autonomy. And, since this literature focuses on the development and eventual acquisition of competence, the
assumption is that once it is obtained it is not easily lost or altered. Overall, both the evolutionary psychology and childhood development literatures approach competence from an objective perspective. To get a different understanding of how individuals perceive their own level of competence I turn to the self-esteem research.

Looking inward, self-perceptions of competence are a fundamental component of self-esteem (Rosenberg 1965; 1979). Some self-esteem research even argue for competence to be considered a distinct dimension that makes up individuals’ overall self-esteem. More specifically referred to as “self-competence” within the self-esteem literature, competence is defined as “the valuative experience of oneself as a causal agent, an intentional being that can bring about desired outcomes through exercising its will” (Tafarodi and Swann 2001, pg. 654). Competence is also described within similar work as the “result from the successful manipulation of one’s environment” (Tafarodi and Swann 1995, pg. 325). This definition, presents competence as a self-perception, incorporating both effective environmental management from the evolutionary psychology perspective and autonomy from the childhood development perspective. Additionally, the self-competence definition presented by Tafarodi and Swann (1995; 2001) suggests that competence can be experienced anytime through action and outcome, whereas feeling self-competent can stem from “the successful manipulation of one’s environment” (emphasis added). This suggests that self-perceptions of competence can fluctuate from situation to situation, implying that individuals should feel incompetent following perceived unsuccessful manipulations of the environment. It is the latter possibility that I focus on more specifically in my conceptual development.

Due to the inclusion of achieving independence, environmental coping, and the suggested possibility of fluctuations, my definition of competence aligns more closely with that put forth
by Tafarodi and Swann (1995; 2001). In this dissertation, I define competence, and more specifically self-perceptions of competence, as an individual’s perceptions of their own capabilities to independently obtain what they want.

2.1.2: The Importance of Self-Perceptions of Competence

In this section I discuss why self-perceptions of competence are important in their own right, specifically how it is fundamental to both self-esteem and self-efficacy as well as stands alone from these existing constructs. Competence is discussed extensively in other literatures, such as human competence (Ogbu 1981), social competence (Waters and Sroufe 1983), interpersonal judgments of competence (Casciaro and Lobo 2008; Chermers 2001; Cuddy et al. 2007, 2008; Judd, James-Hawkins, Yzerbyt, and Kashima 2005; Sinclair and Fehr 2005; Ybarra, Chan, and Park 2001), management core competencies (Campbell and Sommers Luchs 1997; Cappelli and Crocker-Hefter 1996; Elleström 1992; Foss and Knudsen 1996; Mitrani et al. 1992; Nadler and Tushman 1999; Scarborough 1998), occupational competence (Boam and Sparrow 1992; Delamare Le Deist and Winterton 2005; Lévy-Leboyer 1996; Mitrani et al. 1992; Smith 1993; Stasz 1997), and communicative competence (Hymes 1972). However, these areas primarily approach the understanding of competence from an interpersonal perspective, judging and assessing the competence of others rather than understanding how people form competence perceptions of themselves. While this large variety of research highlights the prominence of competence research and how it relates to numerous topics, I focus my review on literature that seeks to understand self-perceptions of competence more precisely. Specifically, I focus on the self-esteem and self-efficacy literature, and how they approach the understanding of the causes and effects of self-perceptions more broadly. I highlight that, while self-perceptions of competence are fundamental within the self-esteem and self-efficacy literature, they are rarely
explicitly discussed as a distinct component. I focus on how this literature implicitly discusses self-perceptions of competence and how this literature can help in understanding how these self-perceptions are formed. While I highlight the similarities, I also emphasize how self-perceptions of competence is distinct from self-esteem and self-efficacy.

2.1.2.1: Self-Esteem

To highlight the importance of competence and specifically the importance of people’s perceptions of their own competence, I turn to research on self-esteem. I recognize that self-esteem is a broad construct that has a long history within psychology stemming back to early research on psychology as an academic field (James 1890). Across both psychology and marketing research, self-esteem is considered an important construct to understand. It has been referred to as the “Holy Grail: a psychological trait that would soothe most of individuals’ and society’s woes” (Baumeister 2005, pg. 34). But despite the history and influence self-esteem has on individual and societal wellbeing, research also recognizes that “fundamental issues regarding self-esteem remain poorly understood” (Leary 1999, pg. 33). In this section, I focus my review on the fundamental role self-perceptions of competence play within the self-esteem literature, even though at times self-perceptions of competence are not discussed directly. Furthermore, in understanding where self-esteem perceptions come from, competence is typically seen as an enduring and stable perception of the self. However, research also notes that self-esteem can fluctuate in response to situational variables. This section discusses both the role of self-perceptions of competence within the self-esteem literature and also how this research recognizes the fluctuating nature of self-esteem, and, by extension, the fluctuating nature of self-perceptions of competence.

The role of self-perceptions of competence within self-esteem. Although not the primary
focus within the self-esteem literature, self-perceptions of competence never-the-less appear to be considered a fundamental component of self-esteem. This is evident from how self-esteem is defined, influenced, and the multi-dimensional views of self-esteem that characterize self-perceptions of competence more directly as a distinct component of self-esteem. By highlighting the importance of self-perceptions of competence within self-esteem here, I provide support for my argument that self-perceptions of competence are an important construct and that a deeper exploration of the causes and consequences of self-perceptions of competence is necessary.

In terms of how self-esteem is defined, it is perhaps most generally, and most simply, conceptualized as an individual’s attitude toward their self. Self-esteem is “how people evaluate themselves” (Baumeister 2013, pg. 36). In his early work, Rosenberg (1965) described self-esteem as “the feeling that one is ‘good enough’” (pg. 31). Later, he explicitly referenced the attitude concept, defining self-esteem as an “individual’s positive or negative attitude toward the self as a totality” (Rosenberg, Schooler, Schoenbach, and Rosenberg 1995, pg. 141). Implicit in much of this work is the idea that this is an overall attitude toward the self in general. From this “trait” perspective, individuals with high self-esteem are typically characterized as viewing themselves as a person of worth, having self-respect, and thinking that others generally like them. Individuals with low self-esteem, on the other hand, tend to consider themselves unworthy and inadequate (Brown and Marshall 2001; 2002; 2006; Coopersmith 1965; Crocker and Park 2004; Crocker and Wolfe 2001; Rosenberg 1979; Rosenberg et al. 1995).

The mention of self-worth and adequacy within this trait understanding of self-esteem indicates the potential importance of self-perceptions of competence as a fundamental element of self-esteem. The majority of self-esteem research views the construct as unidimensional, and therefore does not include self-perceptions of competence as a distinct dimension of self-esteem.
This is likely because Morris Rosenberg always advocated self-esteem be a simple construct consisting of a single dimension. Although Rosenberg always recognized the role of competence in the form of self-worth and adequacy within overall evaluations of the self (Rosenberg 1979), his work strived for a more simple definition. Therefore, Rosenberg implicitly treats competence as a factor influencing global self-esteem, but for simplicity’s sake, did not explicitly incorporate competence as a separate dimension of self-esteem. Additionally, because the Rosenberg Self-Esteem Scale (Rosenberg 1965) eventually became the most popular and widely used self-esteem measure (Blascovich and Tomaka 1991; Gray-Little, Williams, and Hancock 1997), self-perceptions of competence as a dimension of self-esteem have been integrated into the broader conceptualization of self-esteem. All together, self-perceptions of competence are integral to how self-esteem is conceptualized, even when it is conceptualized as a simple unidimensional construct.

Research examining the causes of self-esteem highlights self-perceptions of competence as an important factor that both influences and is influenced by individuals’ global self-esteem. In their review, Brown and Marshall (2006) distinguish between a bottom-up versus a top-down model of self-esteem, both of which include self-perceived domain specific abilities in the form of self-evaluations as a central element. In the bottom-up model, Brown and Marshall (2006) suggest that the model starts with an evaluative feedback (e.g., a success or failure), which influences self-evaluations in that domain, which then impacts overall self-esteem. The top-down model suggests an individual’s global self-esteem interacts with an evaluative feedback, which then impacts self-evaluations. Both models highlight the importance of an experience that provides some evaluative feedback (e.g., a success or failure) and self-evaluations. I argue that what Brown and Marshall (2006) refer to as self-evaluations in this context is similar to self-
perceptions of competence. Overall, these two models provide evidence for the role self-perceptions of competence can play in global self-esteem, both as a cause and an effect.

To further highlight the role of self-perceptions of competence within the self-esteem literature, research on the various dimensions of self-esteem emphasize competence more specifically. Research in this area further highlights how self-perceptions of competence are understood and why they are important. Primarily, self-esteem research from the multidimensional perspective separates the competence (e.g., perceptions of abilities, skills, instrumental value) and liking (e.g., social worth, appearance perceptions, intrinsic value) elements of self-esteem (Bandura 1989; Brissett 1972; Brown 1998; Diggory 1966; Franks and Marolla 1976; Gecas 1971; Tafarodi and Milne 2002; Tafarodi and Swann 1995; Tafarodi and Swann 2001; Silverberg 1952). When applied to consumer behaviour specifically, I suggest there is an emphasis on the role of perceived liking when exploring issues of self-esteem (Dahl, Argo, and Morales 2012; Dunning 2007; Park and John 2011; Wilcox and Stephen 2013). Specifically, research on how self-esteem can influence consumer behaviour primarily uses a social psychology approach, where self-esteem influences consumer behaviour by a need to maintain appearances and enhance liking by others (Leary 1999; Leary and Baumesiter 2000; Leary and Downs 1995; Leary, Tambor, Terdal, and Downs 1995). I expand on self-esteem and consumer behaviour further in my conceptual development, but I want to highlight here that research in psychology has always noted that self-esteem is more than perceived social liking and also considers self-perceived competence.

Broadly, the self-esteem literature recognizes numerous dimensions that make up an individual’s overall self-esteem. I highlight here that self-perceptions of competence are almost always one of those dimensions, while the other(s) relate more strongly to beliefs about
appearance and liking. For example, Janis and Field (1959) focused on three factors: self-regard, social confidence, and school abilities. Here, self-regard and social confidence map closely onto individuals’ perceived liking (i.e., intrinsic value as a likeable person), while school abilities map more closely onto self-perceived competence (i.e., instrumental value as a capable person). Shavelson, Hubner, and Stanton (1976) suggest four dimensions: academic, physical, social, and emotional esteem. Here, social and emotional, as well as physical appearance, map closely onto the general liking dimension of self-esteem, while academic and physical abilities map closely onto self-perceived competence. Furthermore, Heatherton and Polivy (1991), in their examination of state self-esteem, put forth three dimensions representing appearance, social, and performance esteem. Within this research, performance self-esteem closely represents self-perceptions of competence, while appearance and social esteem are closer to general liking.

Building off these prior interpretations, Tafarodi and Swann (1995; 2001) draw a distinct line in the sand and separate the instrumental (self-competence) and intrinsic (self-liking) value elements of self-esteem. They define self-competence as “the valuative experience of oneself as a causal agent, an intentional being that can bring about desired outcomes through exercising its will” (Tafarodi and Swann 2001, pg. 654). This can encompass individuals’ perceptions of their general ability to perform desired tasks, as well as their overall efficacy and skillfulness. In other words, this is an individual’s self-perception of instrumental value. Self-liking, on the other hand, is “the valuative experience of oneself as a social object, a good or bad person” (Tafarodi and Swann 2001, pg. 655). This dimension is typically how self-esteem has been applied and perceived in the consumer behaviour literature, including how an individual perceives his or her own intrinsic value as being a generally liked or disliked person (Dahl et al. 2012; Dunning 2007; Park and John 2011; Wilcox and Stephen 2013). Overall, research examining various
dimensions of self-esteem broadly points to two dimensions that make up individuals’ overall self-esteem. One dimension that represents individuals’ beliefs that they are liked by others and the other dimension representing individuals’ beliefs that they are competent to obtain what they want.

Overall, self-perceptions of competence are an important component that contributes to individuals’ overall self-esteem. Whether the construct and measure are simplified and streamlined as a single dimension (e.g., Robins, Hendin, and Trzesniewski 2001; Rosenberg 1965; Rosenberg 1979; Rosenberg et al. 1995) or separated into two or more components (e.g., Bandura 1989; Brissett 1972; Brown 1998; Diggory 1966; Heatherton and Polivy 1991; Janis and Field 1959; Franks and Marolla 1976; Gecas 1971; Tafarodi and Milne 2002; Tafarodi and Swann 1995, 2001; Shavelson et al. 1976; Silverberg 1952), self-perceptions of competence are central to overall self-esteem. In the next section I examine how individuals formulate their self-perceptions of competence by reviewing research on state self-esteem.

*Fluctuations in self-esteem.* While self-esteem is more widely known as an enduring part of the self-concept, existing research also suggests that self-esteem can frequently fluctuate. Given the importance of self-perceptions of competence within individuals’ overall self-esteem, the possibility of frequent self-esteem fluctuations raises the possibility that self-perceptions of competence can also fluctuate. In other words, an individual may feel competent at time one and possibly incompetent at time two. The self-esteem literature provides two broad explanations for why this might occur.

First, Bem’s self-presentation theory (1972) suggests that an individual’s self-concept is not set in stone. Instead, it is constantly in motion and is fairly malleable to the environment and situation at hand. Taking this perspective, an individual’s self-esteem as an otherwise enduring
self-concept should also be malleable and experience variations depending on the situation. Jones, Rhodewalt, Berglas, and Skelton (1981) provided evidence for this by showing that those participants who were instructed to act and present themselves in a self-enhancing manner subsequently reported higher levels of self-esteem than those who presented themselves in a self-deprecating way. This work demonstrated that self-esteem was not as immutable as previously conceptualized, and instead that it can be affected by preceding feelings, behaviours, and elements of the social environment (Brown 2014; Callan, Kay, and Dawtry 2014; Dodgson and Wood 1998; Fazio, Effrein, and Falender 1981; Markus and Kunda 1986; Morse and Gergen 1970; Toma 2013; Wilcox and Stephen 2013). Overall, this work provides evidence that self-esteem can fluctuate from situation to situation fairly easily.

The second explanation for the fluctuating nature of self-esteem holds that self-esteem can be both enduring and fluctuating. Where self-esteem is instead subject to momentary increases or decreases around a more stable baseline level of self-esteem (Heatherton and Polivy 1991; James 1890; Savin-Williams and Demo 1983; Wells 1988). This explanation encompasses the fluctuating self-concept and self-evaluation explanation from above (e.g., Bem 1972; Markus and Kunda 1986) but also incorporates the enduring disposition conceptualization of Rosenberg (1965; 1979; 1986).

Whether self-esteem is conceptualized as being constantly in motion (e.g., Bem 1972; Markus and Kunda 1986) or temporarily fluctuating from its stable form (Heatherton and Polivy 1991), both theories view self-esteem as being influenced by external situational factors. However, self-perceptions of competence are a fundamental component of self-esteem, meaning that self-perceptions of competence are also somewhat dependent on the situation at hand. Whereas other competence research more generally views competence as being stable, research
on the fluctuating nature of self-esteem suggests self-perceptions of competence should potentially be impacted by situational factors as well. Therefore, despite being overall competent from a developmental point of view, certain situations and outcomes experienced can likely impact self-perceptions of being competent or not. This is an idea I will draw on more specifically in formulating my conceptual development, suggesting that consumption outcomes are one source consumers draw on to infer their own level of competence.

2.1.2.2: Self-Efficacy

To further understand how self-perceptions of competence are formed and why exploring self-perceptions of competence more directly are important, I examine the role of competence within research on self-efficacy. Self-efficacy is broadly defined as the belief in one’s own abilities to be able to control events in one’s life (Bandura 1977; 1989; 1990; 1992; 1994). Understanding how self-efficacy is formed and influenced is important because low self-efficacy is linked with depression, anxiety, helplessness, low self-esteem, and pessimistic thoughts (Schwarzer 2014). On the inverse, high self-efficacy individuals take on challenges, set higher goals, and are more likely to stick to those goals (Bandura 2012). Because of the influence self-efficacy has on motivation and overall well-being, understanding how individuals form beliefs of their own self-efficacy is important. Research in self-efficacy formation helps shine a light on how performance successes and failures either generally, or relative to a specific domain, can impact perceptions of abilities as well as feelings and behaviour. I argue here that self-efficacy, as a belief in one’s abilities, is similar to self-perceptions of competence. Although self-perceptions of competence are not explicitly highlighted within this research, it can help us understand how perceptions of abilities (and with it, self-perceptions of competence) are more
generally formulated and influenced. Below I highlight how self-efficacy forms through experiences and how self-efficacy relates to self-perceptions of competence.

The self-efficacy framework put forth by Bandura (1977) is arguably the most widely accept framework of self-efficacy in the psychology literature, with his seminal paper (Bandura 1977) and the subsequent stream of research on the topic of self-efficacy spanning 35 years and over 75 publications. In this research, Bandura highlights four influences on self-efficacy perceptions (1977; 1994). The first way is simply performance outcomes, where an individual’s self-efficacy can increase with the number of general successes they experience. If these successes are difficult to achieve, with numerous roadblocks and setbacks along the way, then this individual may develop a strong sense of self-efficacy that is less likely to be impacted by minor failures. However, if successes over time are easily achieved, then the individual may have a high sense of self-efficacy but minor failures can be very discouraging and highly frustrating. The second influence on self-efficacy perceptions involves individuals who compare themselves to the behaviour of others. For example, if an individual observes similar others completing tasks with a certain level of success, then they should feel confident in succeeding at the same task without ever completing the task themselves. However, subsequently failing at the same task that similar others succeed at is more discouraging than failing at a task that similar others also fail at. Third, access to a support system to provide encouragement through tougher tasks and praise after successes increases individuals’ beliefs in their self-efficacy. For example, a coach can tell an athlete that they have the abilities to win gold. This person may then experience higher self-efficacy because of this encouragement. Lastly, individuals’ affective and bodily state can also impact their beliefs in their capabilities and also how they will respond to
successes and failures. For example, an individual could be in a bad mood or maybe feel physically sick, which will then impede their perceptions of their current abilities.

The research on self-efficacy does not explicitly mention issues of self-perceptions of competence. Given how competence has been defined in the past, the emphasis on abilities and perceptions of abilities within the self-efficacy literature is inherently related to competence perceptions, and can help inform broader theorizing for how self-perceptions of competence can be inferred. What is relevant to point out is how self-efficacy perceptions are formed as a result of being influenced by both outcomes experienced and various situational factors. Given the importance of ability perceptions within self-perceptions of competence it is likely that competence inferences can be both influenced by outcomes experienced and various situational factors as well.

2.1.2.3: Differentiating Self-Perceptions of Competence

While there is overlap and similarities, I argue here that self-perceptions of competence are conceptually different from self-esteem and self-efficacy, therefore warranting a specific investigation into self-perceptions of competence. Self-perceptions of competence are fundamentally related to these constructs because there is overlap in terms of what they encompass. Therefore, a review of self-esteem and self-efficacy can help in understanding the causes and effects of self-perceptions of competence inferences. However, along with the overlap, there are also fundamental differences. I summarize here some of these similarities that I discussed previously, but more importantly, I discuss how self-perceptions of competence are different. Because of these differences, a more specific examination of the causes and effects of
self-perceptions of competence inferences can help answer questions that simple understandings of self-esteem and self-efficacy cannot.

The major similarities between self-perceptions of competence with self-esteem and self-efficacy is that they are all self-perceptions. In other words, they are beliefs formed about the self. As I argue previously, self-perceptions of competence are fundamental to understanding both. Broadly, self-esteem is an attitudinal judgment of the self as a whole (e.g., Baumeister 2013) and self-perceptions of competence can be seen as just one component that makes up self-esteem. Self-efficacy, on the other hand, refers to self-beliefs in abilities (e.g., Bandura 1977; 1989; 1990; 1992; 1994) and self-perceptions of competence in general can be seen as a consequence to self-efficacy across a variety of abilities. I argue here that self-esteem is seen as a very high level construct, encompassing numerous factors including self-perceptions of competence. While self-efficacy is a lower level construct that is generally domain specific but collectively can inform an individual’s self-perceptions of competence. Therefore, self-perceptions of competence are situated in the middle of the hierarchy of these value based self-perception constructs.

As discussed earlier, self-esteem is comprised of numerous components. I argue here that self-perceptions of competence are one of those several components. Therefore, an outcome can impact self-esteem, but that does not necessarily mean that self-perceptions of competence is also impacted. For example, an individual can be told that they are not attractive looking. This is likely to result in a decrease in self-esteem, at least temporarily (Heatherton and Polivy 1990). This is because beliefs about appearance factors into overall self-esteem (e.g., Heatherton and Polivy 1990; Rosenberg 1979; Shavelson et al. 1976; Tafarodi and Swann 1995; 2001). This should not result in a decrease of self-perceptions of competence because whether an individual
perceives themselves to be attractive or not should not weigh on their belief in their capabilities to obtain what they want. Similarly, if an individual experiences a negative outcome because of their lack of competence to achieve their desired outcome, it should also decrease self-esteem but not influence perceptions of attractiveness or any other component of self-esteem more specifically. Although both outcomes will have a negative impact on self-esteem, it does not mean that they will have the same impact on all the lower components that make up an individual’s overall self-esteem. For example, a decrease in appearance perceptions will decrease self-esteem but should not impact performance on a competence based task. Similarly, a decrease in self-perceptions of competence should decrease self-esteem, but should not decrease confidence when asking a potential sexual partner on a date. Because self-esteem can be influenced by such broad and different components, it is likely that these different components can have differing effects on other downstream outcomes and therefore self-perceptions of competence should be considered separate from self-esteem.

Similarly, self-perceptions of competence should also be seen as a distinct construct from self-efficacy. Self-efficacy, although initially defined as a more general term referring to perceptions of abilities (e.g., Bandura 1977; 1989; 1990; 1992; 1994) is commonly applied to understand efficacy for specific domains. Therefore, an individual can have efficacy in some areas and no efficacy in others. For example, an individual can have efficacy when it comes to cooking but no efficacy when it comes to dancing. If an individual has efficacies across a number of domains, then they should perceive themselves as capable to independently obtain what they desire and therefore consider themselves as competent. Therefore, since self-efficacy has been applied domain specifically, I argue that it is a lower level and more specific value based self-perception. An individual may see themselves as not having high self-efficacy in a
certain domain, but may still consider themselves to be overall competent. This can also work the other way around, an individual can feel less competent, but may still believe they have high self-efficacy in a domain. While very similar, these hierarchical differences make self-perceptions of competence worth exploring.

Additionally, Bandura (1977) makes clear the difference between self-efficacy and what he refers to as, outcome expectancy. Bandura (1977) defines self-efficacy as the belief that a particular action can be performed as intended. Outcome expectancy, however, is the confidence that the action will bring about the desired outcome. It is the latter that I argue maps more closely to self-perceptions of competence that I define as *an individual’s perceptions of their own capabilities to independently obtain what they want*. It is the difference between a professional hockey player's confidence in being able to take a perfectly executed slap-shot and their confidence that they score with the perfectly executed slap-shot. Therefore, self-efficacy should act as a precursor to self-perceptions of competence, where higher self-efficacy across a variety of domains should lead to higher self-perceptions of competence overall.

With a more specific understanding of self-perceptions of competence certain areas and questions can be explored that self-esteem and self-efficacy cannot. Specifically, the area of how consumption outcomes can impact perceptions of the self. Exploring the impact of consumption outcomes at the high level of overall self-esteem would make it difficult to determine which aspect of self-esteem is being impacted. If a negative consumption outcome makes an individual’s overall self-esteem decrease, is this because they feel less competent? Or is this because their purchase makes them appear differently? Similar problems exist for self-efficacy. Self-efficacy has most traditionally been applied to abilities for specific tasks. Efficacy at cooking, efficacy at dancing, efficacy at personal finance. Therefore, exploring the impact of a
consumption outcome on self-efficacy may only capture the impact on self-efficacy for that particular consumption domain. Exploring the impact on the broader construct of self-perceptions of competence will have broader implications for theory and practice that can be more easily generalized across contexts.

In general, self-perceptions of competence are an important component of both self-esteem and self-efficacy research, although at times not explicitly mentioned. As a central component within this literature, pointing out the similarities and differences helps demonstrate that understanding self-perceptions of competence more specifically is an important construct worth exploration. Overall, given the importance of self-esteem and self-efficacy within the consumer behaviour literature, understanding how consumers come to infer their own competence as well as how these self-perceptions of competence are likely to influence future decisions is important as well. In the following section, I explore how research in consumer behaviour explores topics that relate to self-perceptions of competence.

### 2.2 Competence in the Consumer Context

Broadly, understanding how consumers’ competence perceptions are influenced should be of interest to researchers, practitioners, and policy makers for the likely impact competence should have on the welfare of consumers. This is evident in the recent development of the Consumer Competence Research Training (CONCORT) initiative, which hopes to provide training for consumers to be able “to make decisions that help them navigate successfully in the economic environment” (CONCORT 2016). Despite this recent interest by policy makers, issues of how consumption can influence and be influenced by self-perceptions of competence are rarely discussed in the consumer behaviour literature. A search of “competence” within the title
of articles published in *Journal of Consumer Research*, *Journal of Marketing Research*, and *Journal of Consumer Psychology* reveals two, one, and five articles respectively. In a closer examination, each of these articles research competence from an observer’s point of view, judging the competence of firms (Aaker, Garbinsky, and Vohs 2012; Bennett and Hill 2012; Fournier and Alvarez 2012; Homer and Batra 1994; Thompson and Ince 2013) or others (Bellezza, Gino, and Keinan 2014; Dubois, Rucker, and Galinsky 2016) rather than how consumption can influence self-perceptions of competence for consumers. Although there is a lack of research examining self-perceptions of competence in consumer behaviour explicitly, there are several areas within consumer behaviour that discuss similar ideas. Most notably, research on “smart-shopper” feelings (Schindler 1998), as well as research examining both self-esteem and self-efficacy within a consumer context. In addition to these domains, research pertaining to consumer regret and the fear of being duped are suggestive of the idea that achieving, maintaining, and potentially losing competence might be an important concept to consumers. Within this section, I highlight how each of these areas relates to self-perceptions of competence within a consumer context. In doing this, I argue for the need for theory to better understand how self-perceptions of competence are formed through consumption and how variations in self-perceptions of competence can influence future consumer behaviours.

### 2.2.1: Smart Shopper Feelings

Most similar to the direct examination of consumer self-perceptions of competence are “smart shopper” feelings (Schindler 1998). This research provides evidence that consumers can hold elevated perceptions of themselves as a “smart shopper” when they are more responsible for obtaining a discount. Although this research has brought attention to the notion of consumer
competence to explain some consumer phenomena, I argue that a more in-depth exploration of how consumption can influence self-perceptions of competence, and, more specifically, incompetence, is necessary. Next, I outline the details of smart shopper feelings (Schindler 1998) and how it relates to self-perceptions of competence. I then provide several examples for how smart shopper feelings have been applied to understand other consumer related phenomena.

Schindler (1998) suggested that consumers are motivated to obtain a discount, not just for the economic benefits of saving money, but also for the psychological benefit of feeling “efficient, effective, and generally as a ‘smart shopper’” (pg. 372). Overall the smart shopper feelings paper (Schindler 1998) provided an initial demonstration that consumers can infer competence related self-perceptions from their consumption outcomes. However, it was limited to positive outcomes, focusing on the link between positive outcomes attributed to the self and positive inferences of competence. Because of this, there is the opportunity to explore how self-perceptions of competence can be influenced by negative, rather than just positive, consumption outcomes. For example, Schindler (1998) wanted to examine smart feelings after receiving a deal, and did not explore feelings following negative outcomes, such as the opposite of a deal (e.g., overpaying). Additionally, the experimental design lacked a no-deal control condition for comparison to receiving a deal. Since all experimental conditions involved the participants receiving a deal, the authors cannot conclude that smart shopper feelings are the direct result of receiving a deal. Altogether, Schindler (1998) suggests some interesting initial ideas regarding the non-economic value and motivation of receiving a deal, specifically that self-perceptions of competence, in the form of smart shopper feelings, can play an important role. However, I suggest that consumers can also infer their competence from a broader range of consumer experiences and situations.
Since the conceptualization of “smart shopper” feelings (Schindler 1998), the central ideas have been utilized and applied to help in understanding a selection of consumer phenomena. For example, in exploring reasons behind the “IKEA effect” (i.e., consumers’ willingness to pay more for products they have to create themselves than identical products made by others), the authors suggest it fulfills a psychological need to signal competence to the self and others (Mochon et al. 2012). Similar reasons are given for why consumers enjoy engaging in creative activities in general (Dahl and Moreau 2007). Additionally, a general desire to maintain an image of competence relative to others has been cited as a possible reason for consumers’ lying behaviours (Argo, White, and Dahl 2006). For example, consumers report increased intentions to lie to others about their purchases after learning they have overpaid in comparison to others to avoid potential negative social comparison (Argo et al. 2006). Overall, there is some existing research that is suggestive of the role of competence across a variety of decisions, providing some initial evidence that the motivation to feel and appear competent is important to consumers. Therefore, these findings are suggestive of the effect inferences of competence will have on future consumer behaviours. However, a more detailed understanding of how and when consumption impacts self-perceptions of competence are less clear. To help understand how consumption can impact self-perceptions more broadly, I turn to research on how consumption can influence, and be influenced by, self-esteem.

2.2.2 Consumer Self-Esteem

Research examining self-esteem in a consumer context is prominent in the consumer behaviour literature. Primarily the research in this area examines self-esteem as a moderator of other effects, with little research explicitly examining how consumption directly influences self-
esteem. For example, the role of self-esteem as a moderator is used to help understand how consumers interpret health messages (Lin, Lin, and Raghubir 2003), how mortality salience influences consumer choice (Ferraro, Shiv, and Bettman 2005; Mandel and Smeesters 2008), how social comparisons influence product evaluations (Dahl et al. 2012), how self-enhancement motives influence WOM (De Angelis et al. 2012), and how consumers differ in their brand attachment (Dommer Swaminathan, and Ahluwalia 2013). Although research examining how consumption can influence self-esteem is limited, the research that has looked at self-esteem as an outcome of consumption can help shine a light on how consumption outcomes influence self-perceptions of competence. I argue here that some prior findings, explained as the result of a motivation to maintain or enhance self-esteem, can also be interpreted as a desire to maintain self-perceptions of competence. This suggests that consumption can possibly influence self-perceptions of competence and that consumers may alter their behaviour during consumption to reflect positively on their self-perceptions of competence. Overall, given the fundamental role self-perceptions of competence have on overall self-esteem, research examining self-esteem in consumer contexts provides evidence for the important role that self-perceptions of competence can also have on consumption.

While the majority of research on self-esteem in consumption contexts examines self-esteem as a moderator, some research examines self-esteem as a consequence of consumer outcomes. While there are limitations, this work supports the suggestion that self-esteem can vary following consumer experiences, and with it, self-perceptions of competence. Recent conceptual work on consumer behaviour and self-esteem suggests a wide variety of consumer behaviours can be explained as a way for consumers to help increase or maintain their self-esteem (Dunning 2007). In his conceptual work on the role of self-bolstering in explaining
consumer behaviour, Dunning (2007) suggests that numerous consumer phenomena, such as self-signaling (Bodner and Prelec 2002), the endowment effect (Kahneman Knetsch, and Thaler 1991), compensation effects (Willer 2006), affirmation effects (Reed and Aspinwall 1998), and licensing effects (Khan and Dhar 2006; 2007), can be partially explained by the motive to bolster or repair positive self-views. For example, Dunning (2007) suggests licensing effects (i.e., doing something good allows you to do something bad) can be partially explained by fluctuations in self-esteem, where positive behaviour temporarily boosts self-esteem and the subsequent negative behaviour decreases self-esteem back to its more stable level. I argue that this also relates more directly to self-perceptions of competence, where individuals may feel smart after positive performance, which then licenses them to perform worse (i.e., act incompetent) on a subsequent task. Conversely, an individual may feel incompetent after negative performance on a task, motivating them to perform better (i.e., act smart) on a subsequent task to possibly regain their self-perceptions of competence. The possibility that consumption outcomes are a source for self-esteem variations suggests consumption outcomes can also influence self-perceptions of competence. Furthermore, Dunning (2007) also suggests the endowment effect (i.e., people placing more value on objects they own compared to not) can be partially explained by the notion that people see themselves in the products they own. Relating to self-perceptions of competence more specifically, product success and failure can impact product value perceptions more for owners compared to non-owners (Beggan 1992). These prior findings suggest that product performance is more personal for owners, possibly impacting perceptions of self rather than just perceptions of the product.

Overall, there is research exploring how various consumer actions can influence self-esteem. I argue here that as a fundamental component of self-esteem, self-perceptions of
competence are influenced by consumption and consumption outcomes as well. Because of this, I further argue that a more detailed examination of when and why consumption can impact self-perceptions of competence is necessary.

2.2.3 Self-Efficacy in a Consumer Context

The literature examining self-efficacy in a consumer domain is limited. But given the similarities between how self-efficacy is defined, as beliefs in personal abilities (Bandura 1977), and self-perceptions of competence, as evaluative beliefs in capabilities to obtain what is wanted, a review of how self-efficacy is applied in a consumer context can help inform how self-perceptions of competence can influence and be influenced by consumption. Research on self-efficacy in a consumer context primarily focuses on changes to external efficacy (i.e., environmental changes to improve self-efficacy before consumption; Eden 2001) rather than on how consumption outcomes can influence consumers’ self-efficacy. I argue here that despite the narrow focus, the research applying self-efficacy to consumption helps emphasize the importance for the need to further understand what influences self-perceptions of competence in a consumer domain.

The majority of research examining consumer self-efficacy examines factors that make a consumer feel overwhelmed or reluctant to purchase out of the belief that they will not know how to use the product, do not understand the product, or do not know enough to make an adequate choice among various products (Eden 2001). Specifically, this prior research on consumer self-efficacy is focused on manipulations of external efficacy to enhance consumer self-efficacy pre-consumption. For example, an advertisement for a product makes it sound easy to use (manipulation of external efficacy), as a result of this advertisement consumers believe
they have high self-efficacy to use the product. Similar manipulations of external efficacy are applied to a variety of consumer contexts. For example, Keller (2006) examines variations in the description of diet programs through several experiments. When the diet programs were described as “simple” and “easy to follow,” consumers were more interested. Keller argues this is a manipulation of self-efficacy. Similar manipulations of external efficacy have been used in the context of condom use (Tanner, Day, and Crask 1989), motivations to exercise (Fruin, Pratt, and Owen 1991), female nutrition programs (Wurtele 1988), energy conservation (Yates 1982), and online customer service (Yi and Gong 2008) to demonstrate that making behaviours and products sound easy increases consumer self-efficacy. These findings are more accurately a manipulation of self-efficacy through external efficacy, where an aspect of the environment influences self-efficacy prior to performance. However, this research does not examine how eventual product performance and consumption outcomes influences these same self-efficacy judgments.

While this prior research provides evidence that marketing messages can influence self-efficacy, limited research looks at how eventual consumption can also influence self-efficacy. Specifically, there is limited research on efficacy in a consumer context that has gone beyond pre-purchase and explored how actual purchases and purchase outcomes can influence self-efficacy post purchase (exception being, Schindler 1998). This leaves an opportunity to explore how individuals assess their abilities from the consumption outcomes they experience. Bandura (1977) suggested that one way in which self-efficacy is influenced is by performance outcomes themselves. Interpreting consumption outcomes as purchase decision performance outcomes, it is likely that perceptions in abilities to make purchases are broadly shaken following negative
consumption outcomes. To better understand consumption outcomes and how consumers can interpret them I turn to the research on consumer regret.

### 2.2.4 Consumer Regret

Research regarding consumer regret explores the negative feelings associated with suboptimal purchase decisions that consumers wish they had not made. I argue that some important findings in the regret literature have implications for understanding the causes and effects of self-perceptions of competence from consumption. In examining this literature, I first provide a general overview of how regret is typically viewed. I then provide specific examples of how research on regret can assist our understanding of self-perceptions of competence in a consumer context. Although consumer regret research does not openly discuss the concept of competence, some of the findings point to the possibility that dissatisfying and regretful consumer experiences can influence self-perceptions of competence. I focus on two specific findings: first, how regret can be anticipated; and second, how regret lingers.

Taking a broad look at the regret literature, regret is the negative emotion felt after becoming aware of superior foregone options (Inman, Dyer, and Jia 1997; Taylor 1997; Tsiros 1998). For example, a consumer who finds out the same product they just purchased is significantly cheaper at a different store will experience regret that they did not buy the cheaper option. Regret is described as a sense of sorrow and disappointment over an action or decision that was not done (Landman 1987). In the case of consumer experiences, regret is typically experienced when a forgone option performs better than the chosen option (Inman et al. 1997; Tsiros 1998). Regret is typically experienced alongside dissatisfaction and can also enhance dissatisfaction further (Inman et al. 1997; Taylor 1997; Tsiros and Mittal 2000). Typically, if the
performance of a forgone option is known to consumers and is perceived as better, an individual will experience regret (Tsiros and Mittal 2000). Digging deeper into the specifics of this literature, namely the research examining anticipated regret and regret persistence, there is some evidence that suggests that self-perceptions of competence may also play a role.

Research examining anticipated regret suggests that suboptimal outcomes may also relate to self-perceptions of competence. Cooke, Meyvis, and Schwartz (2001) find that individuals who experience more regret for a previous purchase are more cautious in the future, choosing to avoid taking action and missing out on what otherwise could be valuable opportunities. This suggests that consumers learn from previous negative purchase decisions, and look for signs of potential negative experiences prior to a purchase to avoid the same fate they previously experienced. Furthermore, Bell (1982) discusses the possibility that individuals may make irrational decisions when asked to make a decision under uncertain conditions because they are afraid of appearing to have made the wrong decision after the fact. As an alternative interpretation of these findings, this research suggests that suboptimal and regretful purchase outcomes can lead consumers to self-reflect on their abilities, considering how their next purchase might make them feel and appear (Bell 1982; Cooke et al. 2001). Reinterpreting this from the perspective of self-perceptions of competence, these findings provide evidence that situations that lead to regret also lead to the motivation to achieve competency over the consumer environment in efforts to understand and avoid regret in the future.

Evidence supporting the suggestion that self-perceptions of competence play a role in regret is also evident in research focusing on regret persistence (Dutta, Biswas, and Grewal 2011; Tsiros and Mittal 2000). Regret is presented in this research as such a negative emotion that it lasts even after the regretted experience is reversed (e.g., after the regretted product has been
returned and the better product purchased in its place). This lingering provides evidence of the existence of negative feelings beyond regret. One possible reason this occurs is because reversing the outcome does not reverse the fact that a poor purchase decision was made in the first place. For example, Dutta et al. (2011) find that regret will persist following a refund if consumers perceive the refund as the lowest possible price. In other words, consumers use the existence of a refund policy as evidence that this purchase decision is the best value. Dutta et al. (2011) suggest that regret persists in these cases due to a violation of trust and that regret remains because “he or she trusted the signal” (p. 126). In other words, consumers made a mistake in trusting the refund policy as a signal for the best purchase decision. While a violation of trust does exist in this case, consumers may also feel incompetent for misunderstanding the price refund guarantee. This alternative interpretation suggests that the regretful outcome is due to a poor consumer choice. While this should increase feelings of regret, I suggest it may also influence consumers’ self-perceptions of competence because they did not understand the marketing information and made the wrong choice because of it.

Taken collectively, these findings on regret suggest that suboptimal and regretful experiences can induce feelings of incompetence. While consumers may experience the negative emotions associated with regret, I argue that consumers may also use these experiences to infer their own competence.

2.2.5 Fear of Being Duped

Lastly, there has been some conceptual work within the consumer behaviour literature that outlines consumers’ inherent fear of being taken advantage of, or of “being duped” (Vohs, Baumeister, and Chin 2007). Although not empirically tested, this work highlights the
importance of a concern individual consumers face every day when engaging in the marketplace. Vohs et al. (2007) emphasize that fears of deception, distrust, skepticism, and shadiness are common feelings when dealing with salespeople. Although self-perceptions of competence are not explicitly mentioned within this conceptual work, it highlights the importance of self-perceptions of competence within consumer contexts indirectly. To highlight the similarities the fear of being duped has with self-perceptions of competence, I focus on how and why consumers might be motivated to avoid being duped.

Broadly, Vohs et al. (2007) emphasizes that consumers are motivated to avoid the negative self-views as someone who is “stupid or gullible or otherwise socially incompetent at exchange interactions” (pg. 132). Within this work, Vohs et al. (2007) suggest consumers learn from their prior negative consumer outcomes, which then impacts subsequent consumer judgments and decisions. This suggests that negative consumption outcomes can result in self-perceptions of incompetence inferences and that future consumption can be impacted by these variations in self-perceptions. Although Vohs et al. (2007) does not provide empirical evidence for these ideas, evidence for the fear of being duped appears in studies on deceptive advertising where, after being informed that an advertisement was intentionally deceptive, participants were better able to recognize future deceptive ads (Sagarin, Cialdini, Rice, and Serna 2002). Similar ideas have been emphasized in research on defensive distrust, where, following deception, consumers adopt a defensive mindset in which they overestimate the deceptive nature of otherwise legitimate advertisements (Darke, Ashworth, and Main 2010; Darke, Ashworth, and Ritchie 2008; Darke and Ritchie 2007). Overall this research highlights the motivation for consumers to learn and develop competencies to spot deception in the marketplace over time,
which suggests that consumption outcomes are one way in which consumers may infer their own competence or lack thereof.

Additionally, Vohs et al. (2007) further suggest that the fear of being duped can exist as a chronic fear. Vohs et al. (2007) refer to this as sugrophobia, which roughly translates to the “fear of sucking”. The emphasis on “sucking” refers to perceptions of inadequacies as a consumer. Vohs et al. (2007) argue that feeling as if you have been duped is such a negative emotion that some consumers approach all consumption experiences with a cynical and untrusting lens. These individuals assume any information asymmetry between them and the firm will be taken advantage of by the firm. For example, these individuals assume cab drivers take the long way to increase fares, car mechanics suggest repairs prematurely, and toothpaste brands falsely claim nine out of ten dentists recommend their brand. Suggesting that this chronic fear exists highlights the importance of self-perceptions of competence within consumers, where for any consumption experience there is a possibility that these competence perceptions may be threatened. This conceptual work further highlights consumption outcomes as a source for consumers to infer their self-perception of competence.

In summary, although research in consumer behaviour has not explicitly examined how consumption can influence and be influenced by self-perceptions of competence, a variety of work within the consumer behaviour literature has touched on ideas that are similar. Highlighting the relevance self-perceptions of competence play within these areas of consumer behaviour emphasizes the opportunity for a deeper exploration of the causes and effects of self-perceptions of competence in consumption. Integrating relevant research on competence and how competence has been applied to consumer research together, I formulate some of my predictions about the causes and consequences of consumer self-perceptions of competence.
Specifically, I examine how consumers infer their own competence from consumption outcomes, and how this can influence future consumption-related behaviours.

2.3: Consumer Incompetence: Causes and Effects

Through this conceptual development, I focus on two broad aspects of consumers’ self-perceptions of competence. First, I develop ideas about the processes by which consumers infer their competence. I focus on inferences of incompetence and the processes by which consumers infer incompetence from negative consumption episodes. Second, I explore how self-perceptions of incompetence can influence consumption-related behaviors. In particular, I examine the role of incompetence in consumers’ WOM behavior. I focus on WOM because it is a context ideally suited to demonstrate that consumers can both feel, and be motivated to avoid appearing, incompetent. Specifically, I demonstrate that consumers infer their incompetence from the same negative experiences that traditionally motivate negative WOM, but that the fear of appearing incompetent decreases the motivation to share WOM.

In the following section, I develop my ideas about how consumers draw inferences about their competence from marketplace interactions. In addition, I also explore ways in which self-perceptions of competence are likely to influence consumer decisions. I formulate several hypotheses focusing on both the processes by which consumers infer their competence and the effect of these self-perceptions on specific outcomes, such as WOM. Four hypotheses are developed. Two hypotheses focus on the causes of consumers’ self-perceptions of incompetence and two hypotheses pertain to the ways in which incompetence perceptions can affect consumption-related behaviour, specifically WOM.
2.3.1: Self-Perceptions of Incompetence: Causes

It is easy to think of many personal examples of being on the losing end of a consumption experience. Perhaps a product failed to live up to the manufacturer’s claims, for example, or a consumer finds out a firm charged a higher price than its competitors, or maybe a consumer simply receives poor service. I outline below that existing research in consumer behaviour would suggest that because such negative experiences are unexpected and (implicitly) attributed to the firm they should externalize blame towards the firm and not the self (e.g., McAuley, Duncan, and Russell 1992; Richins 1983; Weiner 1980; 1995; 2000). However, I challenge some of the assumptions of this prior research and suggest another possible prediction for what might happen following dissatisfying experiences. Specifically, the victimization literature has found that victims of horrible crimes and accidents sometimes blame and feel worse about themselves for negative outcomes, even when they had little or no responsibility in actually causing those outcomes (Bearison et al. 1993; Bulman and Wortman 1977; Burgress and Haaga 1998; Davis et al. 1996; Fogel 2004; Glinder and Compas 1999; Littleton, Magee, and Axsom 2007; Malcarne et al. 1995). Applying this research to a consumer context suggests that consumers may blame themselves for negative outcomes that were clearly firm-caused. Taken together, on the one hand, consumer attribution theory predicts consumers do not blame themselves for firm-caused negative outcomes. But on the other hand, victimization research, when applied to a consumer context, suggests that consumers may blame themselves for these same firm-caused negative outcomes. I integrate this prior work and I seek to clarify this discrepancy. Specifically, I formulate predictions for when consumers blame themselves and infer their incompetence following firm-caused negative outcomes.
2.3.1.1: Blaming the Firm for What They did Wrong

The majority of research focusing on dissatisfying outcomes and attributions of blame in a consumption context suggests that blaming the firm reduces blame on other parties, and, in particular, the consumer. Simply, if a firm did something to negatively impact a consumer, then the consumer will blame the firm and not the self for causing the negative outcome. Overall, this is how attributions of blame have been traditionally conceptualized and measured more generally, with external and internal sources at opposite ends of a spectrum. Here I briefly provide some evidence and examples of how attributions of blame are traditionally conceptualized and measured in the broader consumer attribution literature.

Conceptually, attribution theory suggests blame for an outcome is simply a function of its internal and external causes (Heider 1958). More specifically, causal locus is described as a determination of “whether the cause resides within or outside the actor” (Weiner 2000, pg. 384). For example, a consumer may experience dissatisfaction with their bank and they may attribute this to internal causes (“I do not understand personal finance”) or external causes (“the bank does a bad job”). By conceptualizing blame as being caused by internal or external factors, then reducing internal blame should subsequently increase external blame, and vice-versa. In a consumer context, Richins explicitly treats blame in this way, stating that internal attributions for dissatisfaction are the “exact complement of external” (Richins 1983, 72).

Where blaming the firm for a negative experience increases dissatisfaction with the firm, blaming the self for negative experiences, and subsequently not blaming the firm, could impact self-perceptions of incompetence. Although this has not been investigated directly, it is rather intuitive with some research pointing out the likely link. Specifically, Weiner (2000) suggests that blaming the self for consumption dissatisfaction can illicit feelings of guilt and humiliation.
associated with an “inability to distinguish good from bad” when making purchase decisions (pg. 384). Richins (1984) also suggests that consumer dissatisfaction can be considered evidence of “failure as a consumer” (pg. 699). Overall, there is some evidence that would suggest when blaming the self and not the firm, there are negative self-related implications.

Consistent with how blame is conceptualized, measurements of blame do not allow for the possibility for internal and external sources of blame to vary independently. Methodologically, Weiner’s original conceptualization and measurement of causal locus places internal and external causes at opposite ends of a spectrum (Weiner 1980; 1995; 2000). Therefore, moving away from external causes simultaneously increases internal causes by the same degree. For example, after a negative experience at a bank, if the consumer blames the bank for 90% of the outcome, they will blame themselves for the remaining 10%. Similarly, if the consumer blames themselves for 70% of the outcome, they will blame the bank for 30%. Many studies on consumer attributions have measured causal locus in similar ways, treating causal locus as a single dimension, anchored by the firm at one end and the consumer at the other (e.g., Bitner 1990; Bonifield and Cole 2007; Dunn and Dahl 2012; Folkes 1984; Folkes, Koletsky, and Graham 1987; Johar 1996; Laczniak, DeCarlo, and Ramaswami 2001; Lam and Mizerski 2005; Lim and Chung 2009; Mizerski 1982; Richins 1983; 1984; Schindler 1998).

What is crucial is that internal and external attributions are considered to reside at opposite ends of a continuum, suggesting that the more an action or event is attributed to one type of cause, the less it will be attributed to the other. One of the central implications of this is that the more consumers hold a firm responsible for a negative outcome, the less they should hold themselves responsible. This implies that negative consumption experiences that are
attributed to the firm should have little impact on consumers’ self-perceptions of competence, because, by blaming the firm, consumers are implicitly not blaming themselves.

2.3.1.2: Blaming the Self for What the Firm did Wrong

In contrast to the perspective outlined above, I argue that consumers can frequently feel responsible for dissatisfying consumption experiences despite blaming the firm. In other words, I suggest that internal and external locus of causality can, under certain conditions, function as independent perceptual dimensions rather than anchors at opposite ends of a single dimension. My predictions are based on recent work examining victim self-blame, which has demonstrated that people will sometimes blame themselves for a variety of negative events, even when they are entirely outside of their control. In a similar vein, I suggest that consumers who have been victims of firm-caused dissatisfaction (e.g., received poor service, been overcharged, sold a poor quality product) will sometimes blame themselves for what happened and, consequently, perceive themselves as incompetent for not being able to realize their desired consumer outcomes.

Although this idea is not presented within the consumer attribution literature, there is a variety of evidence in the victimization and health literature that are consistent with this suggestion. For example, victims of assault and rape typically take some responsibility for their attacks and feel worse about themselves for it (Littleton et al. 2007). Similar effects have been shown for patients with cancer, even when the objective circumstances indicate the individual had little control over their outcome (Bearison et al. 1993; Bulman and Wortman 1977; Burgess and Haaga 1998; Davis et al. 1996; Fogel 2004; Glinder and Compas 1999; Malcarne et al. 1995). Recently researchers have also demonstrated this effect experimentally (Callan et al. 2014).
Overall, existing work has shown that victims of various misfortunes, from real life crime to illness, will take some blame and feel worse about themselves for it, even when the outcome was caused entirely by external parties or was essentially random. Yet despite these findings in the victimization literature, there is some uncertainty for when and why this effect is likely to occur.

Broadly, reasons for blaming the self are mixed within the victimization literature (Littleton et al. 2007). However, there is some evidence that after controlling for causal attributions, individuals who perceive the negative outcome to be more avoidable are more likely to foster feelings of self-blame (Davis et al. 1996). For example, through correlational evidence, Davis et al. (1996) find that individuals with spinal cord injuries blame themselves more when they believe they could have avoided the accident that resulted in their spinal cord injury. Similarly, victims of rape blame themselves more when they perceive in hindsight that they could have done something different to avoid the attack (Littleton et al. 2007). I suggest that this is due to individuals conflating attributions of causality (i.e., the who or what that caused the negative outcome) with what they could have done in hindsight to avoid the negative outcome. Similar reasoning is provided in the victimization literature, suggesting that following traumatic events victims assess their own and others’ roles in causing the traumatic event, and simultaneously assess what they could have done differently to avoid the traumatic event altogether (Davis et al. 1996). These alternative courses of action (i.e., counterfactual thoughts; Kahneman and Miller 1986) also influence blame assignment within interpersonal judgments, where the easier it is to perceive a negative event as avoidable, the more likely observers will ascribe blame to the victim (Miller and Gunasegaram 1990; Miller and Turnbull 1990). Overall, the victimization literature provides some evidence that when a negative event is perceived as
more avoidable, the victim of that negative event can possibly blame and feel worse about themselves.

When applying perceptions of avoidability to consumption, I predict that consumers implicitly consider many negative consumer outcomes to be avoidable in hindsight without influencing blame felt toward the firm for causing the outcome. For example, imagine a consumer who receives horrible service from one particular store. They did not expect, desire, or ask to receive this horrible service, it just happened, as sometimes these negative consumer experiences do. Consistent with research on dissatisfaction, the consumer will likely blame and be dissatisfied with the firm for causing the negative experience. However, with many consumer experiences, there were likely different options and choices available to the consumer that can, in hindsight, easily be considered. The consumer could, for example, have gone to a different store, asked a different employee for help, or not even have gone to the store at all. In hindsight, then, a negative consumption experience may seem quite avoidable. Consequently, and consistent with the victimization literature, I predict that consumers will also feel somewhat incompetent, not because they are directly responsible for causing the negative outcome, but because they blame themselves for the set of behaviours that allowed the negative outcome to occur (e.g., for choosing to visit the store in the first place, asking the employee for help, etc.).

While I suggest that the majority of consumer experiences are likely to be considered avoidable in hindsight, I also argue that certain situations can be perceived as less avoidable than others. To emphasize this point, I will provide an example of two consumers who experience the same negative event. Imagine consumer A and B both go to the same store to buy a camera and they realize afterwards that the salesperson ripped them off, charging them an unnecessarily high price. In both cases, the consumers are likely to blame the firm and the salesperson, for taking
advantage of consumers and causing a negative experience. But imagine now that consumer A was given a gift-card for the store, while consumer B was given cash. I predict here, that while both consumers experience identical negative experiences, it is easier for consumer B to imagine how they could have avoided the negative experience, in this case, by simply using their cash to buy the camera from a different store. The same perception of avoidability is less salient for consumer A, however, because their gift-card restricted which store they would have to visit to buy the camera. Without impacting dissatisfaction and blame towards the firm for causing the negative outcome, and consistent with the victimization literature, consumer B should blame themselves more for the negative event, and I predict will also feel more incompetent compared to consumer A.

Thus, it is this increased perception of avoidability that I predict will enhance incompetence perceptions following a firm-caused negative outcome. I predict that following a negative outcome, consumers feel more incompetent when perceived avoidability is higher. Because consumers are typically involved with at least some aspects of their decisions, this means that consumers may often experience an impact on self-perceptions of incompetence following negative firm-caused outcomes. However, I also predict that any factors that diminish (vs. heighten) perceived avoidability should decrease (increase) such an impact.

Overall, in the current context, interpreting consumers who have had a negative consumption experience as victims, firm-caused negative outcomes should be capable of causing similar patterns of self-blame and derogation as shown for victims of crime and disease. I predict that this self-blame and derogation within a consumer context is expressed in the form of self-perceptions of incompetence. Specifically, consumers blaming themselves for experiencing negative outcomes, and therefore not being able to obtain their desired outcomes in the
marketplace, will negatively impact self-perceptions of competence. In addition to this, I predict that people will feel worse about themselves following firm-caused negative outcomes when they believe, in hindsight, that they could have done something to avoid it. In other words, even though the individual blames and is dissatisfied with the firm for causing a negative outcome, perceptions of avoidability for a negative outcome will increase perceptions of incompetence following negative outcomes. More formally,

**H1:** Compared to positive and neutral consumption experiences, negative consumption experiences will increase self-perceptions of incompetence.

**H2:** The effect of H1 will be stronger when negative consumption experiences are perceived to be more, compared to less, avoidable.

Broadly these predictions suggest that internal and external attributions of blame are not mutually exclusive. Instead, consumers can blame themselves following a firm-caused negative outcome without influencing blame felt towards the firm. Specifically, when a consumer still blames and is dissatisfied with the firm, I predict that consumers can also feel incompetent with themselves. This suggestion broadens our understanding of reactions to firm-caused dissatisfaction. Where current consumer behaviour research focuses on the impact towards the responsible firm, this research highlights the impact on the self. But, how might these variations in self-perceptions influence consumers’ behaviours going forward? I outline these predictions next.
2.3.2: Self-Perceptions of Incompetence: Effects

I suggest here that based on my review of self-esteem and self-efficacy, as well as the role competence plays within these constructs, self-perceptions of incompetence should have numerous impacts on consumer behaviour. Simply put, any behaviour that is possibly caused or moderated by variations in competence, including self-esteem and self-efficacy, should be effected. Broadly, perceiving the self as incompetent is a self-image that individuals should want to avoid feeling and appearing. Therefore, following an experience that makes consumers feel incompetent, consumers will likely take precautions through their decisions to avoid feeling and appearing incompetent any further. Not wanting to appear incompetent, I predict consumers will avoid any outward behaviors that will associate them directly with the negative experiences that made them feel incompetent. Behaviours, such as WOM and product usage will be avoided, as it may portray an incompetent image to others. Following inferences of incompetence, it is also likely that future consumer behaviour unrelated to the direct experience will also influence efforts to avoid feeling incompetent any further. Particularly, and similar to findings in research on anticipated regret, defensive distrust, and the fear of being duped highlighted earlier, it is likely that future decisions may be approached with more skepticism and caution, or they might be delayed and avoided altogether. Broadly, I suggest that self-perceptions of incompetence are likely to influence a variety of downstream behaviours, primarily in efforts to avoid feeling and appearing incompetent any further (see Figure 1 for the conceptual framework).
Within this dissertation, to highlight the importance of variations in self-perceptions of incompetence, I focus my examination on the impact incompetence has in a WOM context. Consumer situations that traditionally motivate negative WOM provide a context where consumers infer their incompetence (e.g., negative consumption experiences) and situations where consumers will demonstrate their aversions to appearing this way (e.g., avoid talking about their negative experience). In this section, I highlight when consumers are most likely to share WOM and why. In doing this, I formulate my formal predictions and highlight a contradiction with current WOM research involving how variations in self-perceptions of incompetence can impact negative WOM.

Negative WOM most commonly follows firm-caused dissatisfying experiences; the same kind that I suggest will also increase self-perceptions of incompetence (H1 and H2). But, given the negative connotation of feeling incompetent and possibly appearing this way in front of others, sharing these experiences through negative WOM may also signal an image of incompetence to others. Therefore, on one hand current WOM research highlights numerous benefits and motivating factors behind sharing negative WOM, but on the other hand sharing
details of personal negative consumption experiences may also make an individual appear as an incompetent consumer, which is undesirable. I clarify these contradictions and formally predict when and how self-perceptions of incompetence are likely to impact negative WOM behaviour.

Current ideas about negative WOM generally rest on two key assumptions. First, consumers typically spread negative WOM when they blame the firm for their dissatisfaction (Richins 1983). Second, as highlighted earlier regarding how current research conceptualizes consumer attributions of blame, when consumers blame the firm, they do so to the exclusion of other parties, including themselves. Therefore, when consumers blame the firm, there are unlikely to be any self-related concerns, and consequently, should not hinder their willingness to share negative WOM. In contrast to this, and consistent with my previous prediction, I argue that consumers will sometimes feel responsible even for entirely firm-caused dissatisfaction. I suggest that this can temper their willingness to spread negative WOM because of concerns that their audience would perceive them negatively.

WOM receives a great deal of attention in the marketing literature due to its prevalence and persuasive impact (Godes and Mayzlin 2004; Herr et al. 1991). Given the sheer quantity of WOM that occurs - especially online in the form of consumer comments, conversations, and reviews - recent WOM literature has focused on the impact of WOM on receivers (Chevalier and Mayzlin 2006; Dellarocas, Zhang, and Awad 2007; Godes and Mayzlin 2004; Liu 2006; Stephen and Galak 2012). Fewer studies focus on what drives individuals to share or not to share WOM. Moreover, the limited research that does examine motivations to spread WOM focuses primarily on positive WOM (Berger and Milkman 2012; Berger and Schwartz 2011; Cheema and Kaikati 2010; De Angelis et al. 2012; Wojnicki and Godes 2011) or factors that increase WOM in general, rather than factors that motivate or suppress negative WOM. Yet, understanding
negative WOM is particularly important because of the strength of its effect on receivers (e.g., Arndt 1967; East, Hammond, and Lomax 2008; Laczniak et al. 2001; Lim and Chung 2009; Luo 2009; Mizerski 1982).

Most of the work on negative WOM has, at its core, the idea that consumers are spreading information about what the firm did wrong. Research examining both the role of dissatisfaction in negative WOM and the various benefits consumers derive from sharing negative WOM is consistent with this point. Dissatisfaction with the firm is considered a primary antecedent of negative WOM (e.g., Anderson 1998; Anderson and Sullivan 1993; Blodgett, Grandois, and Walters 1993; Dichter 1966; Lovett, Peres, and Shachar 2013; Richins 1983; Westbrook 1987; Wetzer, Zeelenberg, and Pieters 2007), implying that negative WOM is generally about what the firm did to dissatisfy the consumer. The more dissatisfied with the firm, the more motivated to share negative WOM. Conversely, and consistent with this point, is that when consumers do not blame the firm for the dissatisfaction, they tend not to spread negative WOM (Dunn and Dahl 2012; Richins 1983).

One suggestion about how dissatisfaction leads to negative WOM is that it can result in negative emotions, such as anxiety and anger (Richins 1983), which can be reduced by sharing the experience with others. In such cases, negative WOM serves as a form of vengeance (Bechwati and Morrin 2003; Richins 1983) or catharsis (Dichter 1966; Pennebaker, Zech, and Rimé 2001; Smyth and Pennebaker 1999; Tamir and Mitchell 2012). Others have suggested that negative WOM might also be motivated by a desire to help the receiver avoid a similarly dissatisfying experience (Hennig-Thurau et al. 2004).

Beyond experiencing dissatisfaction directly, simply possessing and sharing the knowledge of what is good and what is bad serves a self-enhancement purpose, where the
content shared conveys an image of being knowledgeable and experienced in a given product category (Amabile 1983; Barasch and Berger 2014; De Angelis et al. 2012; Dichter 1966; Gatignon and Robertson 1986; Hennig-Thurau et al. 2004; Packard and Wooten 2013; Schlosser 2005; Sundaram, Mitra, and Webster 1998; Wojnicki and Godes 2011). Overall, the focus of prior research on negative WOM has been on identifying benefits that motivate sharing, with the goal of explaining why consumers spread so much of it.

An alternative question, however, is what might cause consumers to withhold information about their negative experiences. When it comes to WOM in general, it has been recognized that utilitarian considerations, such as the burden of additional time and effort to share, should limit the sharing of information (Gatignon and Robertson 1986). In the case of negative WOM, research also suggests that consumers may be reluctant to share beyond these existing constraints, suggesting that sharing negative experiences is tantamount to admitting failure as a consumer (Richins 1984).

Existing work, however, also implies that consumers should be most concerned about their image when they are directly responsible for the negative experience (Dunn and Dahl 2012; Richins 1983; 1984). That is, consumers should be most concerned that sharing information about dissatisfying experiences will create a negative image when it was their actions that caused the negative outcome rather than the firms’ (Curren and Folkes 1987; Dunn and Dahl 2012; Richins 1983; 1984). However, these are also experiences that consumers will be less dissatisfied with the firm. For example, a consumer should be less willing to share negative WOM about a phone that stopped working after they dropped it versus one that stopped working due to a manufacturer defect. In such cases, consumers should be less dissatisfied with the firm because they are less likely to attribute the negative outcome to the firm (Anderson and Sullivan
1993; Folkes 1998; Weiner 2000). Prior research studying the relationship between satisfaction and WOM suggests that this should reduce the likelihood of negative WOM (Anderson 1998; Richins 1983). Together, this implies that consumers’ image concerns are most salient in situations where they are unlikely to be motivated to spread negative WOM anyway.

Despite this, recent work has found evidence that image-impairment concerns can exert a detectable effect on negative WOM. Specifically, Zhang et al. (2014) found that women are more motivated to share negative WOM compared to men. Zhang et al. (2014) suggest that men are generally less likely to spread negative WOM compared to women due to general concerns about their image. They go on to suggest that although women experience the same concerns when sharing negative WOM, they are sometimes dominated by relational motivations (i.e., sharing the information to be helpful). Although the effect of image concerns on negative WOM was not directly examined in this prior research, it does raise questions about how and why consumers’ image-impairment concerns can co-exist with the kind of dissatisfying experiences, ordinarily characterized by firm-blame, which would inspire negative WOM.

In contrast to this perspective, but consistent with H1 and H2, I suggest consumers will sometimes blame themselves for firm-caused dissatisfaction, as well as what this means for the nature of their negative WOM. Specifically, under circumstances when consumers should be most likely to spread negative WOM (e.g., following firm-caused dissatisfaction), I suggest that consumers will sometimes withhold or temper their negative WOM. Consistent with my prior predictions, consumers can sometimes feel incompetent for firm-caused negative outcomes. Consequently, I expect this to also reduce their propensity to share negative WOM – not because this reduces dissatisfaction with the firm, as existing work might suggest, but because they are concerned that their audience would consider them incompetent. More formally,
**H3:** Despite being dissatisfied with the firm for causing a negative outcome, consumers will be less willing to share WOM following a firm-caused dissatisfying outcome when perceived avoidability is high.

**H4:** The effect of H3 will be mediated by consumers’ concerns about appearing incompetent.

Overall, I have developed several hypotheses that help further the understanding of how consumers infer their own competence from consumption and how these inferences can influence consumer behaviour. Broadly, I predict that consumers will infer their incompetence following a negative outcome, regardless of who is actually responsible for causing that outcome. Instead, it is consumers’ hindsight beliefs that they could have done something differently to avoid negative outcomes that lead to self-perceptions of incompetence inferences. As I highlight earlier, these inferences can influence a variety of downstream avoidance behaviours, where consumers will be motivated to avoid feeling and appearing incompetent any further. To demonstrate the impact of these inferences on avoidance behaviours, I focus on how these inferences can impact the sharing of negative WOM. In the following Chapter, I outline and test these predictions across five studies.
3.1 Overview of Studies

This dissertation consists of five studies. Each study involves an experiment designed to test the aforementioned predictions. Studies 1 and 2 focus on examining the broad idea that negative outcomes can influence self-perceptions of incompetence and that it is the perceived avoidability of these negative outcomes that drives this effect (H1 and H2). Studies 3, 4, and 5 focus on the effects self-perceptions of incompetence have on WOM (H3 and H4). The studies use a variety of operationalizations of the causal variables (i.e., the nature of consumers’ outcomes and perceived avoidability) to provide converging evidence for the conceptual ideas.

Before presenting the specific details of each study, it is important to consider how they relate to the broader conceptual understanding of the causes and effects of competence perceptions. Studies 1 and 2 focus on understanding self-perceptions of competence as an important consequence of everyday consumer experiences. Study 1 is an exploratory study with the goal of testing whether a range of firm-caused consumption outcomes can impact self-perceptions of competence. Study 2 tests the effect of perceived avoidability as a moderator for this effect as well as testing the effect from Study 1 in a more controlled laboratory experiment. Specifically, Study 2 focused on establishing whether perceived avoidability of an outcome drives perceptions of competence. Studies 3, 4, and 5 shift the focus from the causes of self-perceptions of competence to the downstream consequences of these self-perceptions. Although I suggest self-perceptions of competence inferences can have a wide impact on numerous behaviours, I focus on how consumers’ self-perceptions of competence can influence WOM
behaviours and intentions.

Study 1 focuses specifically on testing H1 and provides initial evidence that consumers infer their incompetence from their own recalled firm-caused dissatisfying experiences. This study involves participants recalling their own negative consumption experiences and reporting their self-perceptions of incompetence. Conceptually, this study presents evidence that externally caused negative outcomes – the kinds that are typically blamed on others and should not influence perceptions of the self – can influence self-perceptions of competence. This study demonstrates that self-perceptions of incompetence inferences are common and widespread following a range of firm- and externally-caused negative outcomes.

Study 2 demonstrates that inferences of self-perceptions of incompetence are more likely to occur when consumers perceive that they could have done something different to possibly avoid the negative outcome, testing H2. Conceptually, this experiment suggests that people confuse their perceptions of avoidability of an outcome with the responsibility for causing that outcome. This is tested in a tightly controlled behavioural experiment involving chance negative outcomes while manipulating the perceived avoidability of these negative outcomes. Building on the preliminary findings of Study 1, which employs a recall task, this experiment has participants actually experience a random negative or random neutral outcome. Having participants experience a negative outcome increases the generalizability of the findings, demonstrating the effect of a negative outcome on self-perceptions of incompetence outside of recalled personal experiences. Findings of Study 2 suggest that despite not having any ability to impact the outcome (as the outcome is determined by a random coin flip and lottery draw), participants feel more incompetent when the outcome is perceived to be more, versus less, avoidable. Consistent with this work’s predictions, since the cause of the outcome is entirely
externally caused across all conditions, perceived avoidability does not influence feelings of dissatisfaction about the outcome.

Studies 3a and 3b replicate the findings of Study 2 through scenario-based experiments and extend the findings of Study 2 by exploring how perceived avoidability of a firm-caused dissatisfying experience can influence the WOM shared about that firm, testing H3. Conceptually, Studies 3a and 3b test the effect that self-perceptions of competence can have on downstream consumer behaviour, highlighting the importance of why variations in competence perceptions are important in their own right. Results find that following a negative outcome perceived to be more versus less avoidable, consumers share WOM using less negative and more positive words. Therefore, the overall valence of the content of their WOM following a negative outcome is less negative about the offending firm. This pair of studies demonstrates that even though manipulations of avoidability do not influence dissatisfaction towards the firm for causing a negative outcome, the valence of the WOM that consumers choose to share about the firm is less negative under conditions that consumers perceive in hindsight that they could have more easily avoided the outcome. I argue this occurs because it is in these situations that consumers are likely to also feel more incompetent. Therefore, out of the fear of appearing incompetent, consumers censor themselves when sharing negative WOM. This proposed mediator is directly tested in Studies 4 and 5.

Study 4 extends the findings of the preceding studies in several ways. This study directly measures and tests the proposed mediating role of concerns of appearing as an incompetent consumer and demonstrating the generalizability of the effect by using different manipulations of perceived avoidability and dissatisfaction. This study demonstrates that following a negative outcome the concern of appearing incompetent increases when perceived avoidability is high.
Providing statistical process evidence, a moderated-mediation analysis demonstrates that, as these concerns increase, WOM intentions decrease. Beyond this initial examination of the proposed mediator, this experiment also extends the findings of Study 2 and Study 3b, demonstrating that self and firm blame vary independently. Specifically, following a firm-caused negative outcome that is perceived as more avoidable, self-blame increases without a subsequent decrease in firm-blame.

This mediating process is further examined in Study 5 where I provide experimental process evidence for H4, directly manipulating the possibility of appearing incompetent. By using a different manipulation for perceived avoidability and dissatisfaction, the results conceptually replicate the findings of Studies 3 and 4. This study experimentally manipulates the possibility of appearing incompetent, comparing online vs. offline WOM intentions. I argue that sharing WOM online adds a layer of anonymity and protects against appearing incompetent through sharing WOM. When sharing anonymously, the moderating effect of perceived avoidability on WOM dissipates. However, consistent with Studies 3a, 3b, and 4, the effect remains when WOM is shared in a non-anonymous context. This provides further evidence that the concern of appearing incompetent decreases negative WOM following firm-caused dissatisfaction that is perceived to be avoidable.

In the next section, I describe each study in detail. Following the details and results of these experiments, I discuss the broader theoretical and managerial implications associated with these results.
3.2 Study 1: Past Consumption Outcomes and the Effect on Self-Perceptions of Competence

3.2.1 Objective

The purpose of Study 1 was to explore whether externally caused consumption outcomes can influence self-perceptions of competence. Specifically, this study tested how negative consumption outcomes affect self-perceptions of incompetence compared to positive consumption outcomes (H1). Broadly, this study presents self-perceptions of competence inferences as a consequence of consumer experiences.

3.2.2 Method

Fifty-six (53% female) undergraduate students participated in a single factor two-level (Good Outcomes vs. Bad Outcomes) between-subjects experimental design in return for credit toward their course. Specifically, participants were asked to recall and describe in detail, either four good or four bad consumption outcomes that were not their fault, which I refer to in the procedure as good vs. bad breaks. Based off a task first used by Callan et al. (2014) and adapted to consumer experience, participants read; “for this survey, we're interested in people's consumer experiences. Specifically, we're currently interested in learning about the kinds of good (bad) breaks consumers experience with companies they have made purchases from. "Good Breaks" ("Bad Breaks") are those sort of positive (negative) consumer experiences we have with companies that we do not foresee, intend, expect, or plan to occur - they just happen to us.” Please see Appendix A for the specific procedure for both conditions.
3.2.3 Measures

After completing this task, to avoid demand effects, participants filled out a questionnaire under the guise of a separate study with measures related to how they currently feel about themselves. Specifically, participants rated their perceived incompetence in general and as a consumer, as well as two different self-esteem scales. Incompetence measures were assessed along 7-point scales and anchored by “Strongly Disagree” and “Strongly Agree.” To capture self-perceptions of incompetence in general participants completed a measure produced specifically for this research, rating the extent to which they felt competent (reversed), not smart, incompetent, confident in their abilities (reversed), stupid, and like they have the skills to obtain what they want (reversed) ($\alpha = .90$). This measure is designed to more specifically capture self-perceptions of incompetence as defined in this research. In order to provide convergent and divergent validity for this measure, I demonstrate that this main dependent variable has a related effect on similar constructs. Specifically, I measure self-perceptions of incompetence as a consumer more specifically, as well as various measures of self-esteem. To capture perceptions of incompetence as a consumer more specifically, participants rated the extent to which they felt that they are not a smart shopper, that they commonly make incompetent purchase decisions, and that they feel like an incompetent consumer ($\alpha = .81$). To capture overall self-esteem, participants rated the extent to which they currently felt satisfied with themselves, think they are no good at all (reversed), felt useless (reversed), felt they had a number of good qualities, felt that they are a person of worth, felt like a failure (reversed), that they are able to do things as well as others, that they do not have much to be proud of (reversed), that they wished they had more respect for themselves (reversed), and that they have a positive attitude towards themselves along a five-point scale from “Not At All” to “Very Much So” (adapted from Rosenberg Self-
Esteem Scale 1979 to capture state self-esteem instead of trait; α = .86). Additionally, by separating the two components of self-esteem apart (i.e., self-competence and self-liking), I am better able to compare my self-perceptions of incompetence measures with the specific self-competence dimension of self-esteem. To capture self-competence, participants rated the extent to which they currently felt highly effective, as if they can accomplish what they try for, that they believe it is difficult to achieve the things that are important to them (reversed), that they believe they deal poorly with challenges (reversed), that they believe they can perform well at many things, believe they sometimes fail to fulfill their goals (reversed), that they currently feel very talented, and that they wish they were more skillful in their activities (reversed) (adapted from Tafarodi and Swann 2001 to capture state perceptions of self-competence rather than trait; α = .82). To capture self-liking, participants rated the extent to which they currently felt devalued (reversed), comfortable with themselves, secure with their sense of self-worth, unpleasant to think about themselves (reversed), that they currently have a negative attitude towards themselves (reversed), that they feel great about who they are, that they are currently doubting their personal worth (reverse), and that they do not have enough respect for themselves (reversed) (adapted from Tafarodi and Swann 2001 to capture state perceptions of self-liking rather than state; α = .88).

3.2.4 Results

2.2.4.1 Attention Check

Two participants did not correctly identify what they were asked to recall during the recall task and two participants did not finish the recall task. These participants were
subsequently excluded from the analysis leaving fifty-two participants split exactly evenly across both conditions.

2.2.4.2 Self-Perceptions of Incompetence and Consumer Incompetence

Examining the effect of recalling either bad outcomes or good outcomes, it is evident that recalling bad outcomes significantly increases reported self-perceptions of incompetence compared to recalling good outcomes ($M_s = 3.14$ vs. $2.35$; $t(50) = 2.89$, $p < .01$). Additionally, this same pattern of results occurred for self-perceptions of consumer incompetence, where recalling bad outcomes significantly increases self-perceptions of consumer incompetence compared to recalling good outcomes ($M_s = 2.80$ vs. $2.30$; $t(50) = 1.79$, $p < .05$).

These results provide evidence to support H1, which predicts that externally caused negative consumption outcomes can influence perceptions of competence. Specific to the context of this study, externally caused negative consumption outcomes can influence both self-perceptions of competence in general (see Figure 2) and self-perceptions of consumer competence more specifically (see Figure 3).
FIGURE 2

Study 1: Recalled Consumption Experiences and Self-Perceptions of Incompetence

- Good Outcomes
- Bad Outcomes

$p < .01$

FIGURE 3

Study 1: Recalled Consumption Experiences and Consumer Incompetence Perceptions

- Good Outcomes
- Bad Outcomes

$p < .05$
2.2.4.3 Self-Esteem

Given that the self-perceptions of incompetence measure used in this study was created specifically for this research, to provide converging evidence that self-perceptions of competence are being influenced, I also examined the impact recalling externally caused consumer outcomes has on state self-esteem. Since self-perceptions of competence are a fundamental component of overall self-esteem, an increase in self-perceptions of incompetence should also translate to a decrease in self-esteem. As expected, given the importance of competence perceptions within self-esteem, recalling bad (vs. good) consumption outcomes significantly decreased self-esteem (3.61 vs. 3.96; \( t(50) = -2.02, p < .05 \)).

Looking more specifically at the two-dimensions of self-esteem (self-competence and self-liking) proposed by Tafarodi and colleagues (1995; 2001; 2002) I predicted that this manipulation should only impact the self-competence dimension and not self-liking. I find that this is the case, where recalling bad (vs. good) consumer breaks significantly decreased self-competence perceptions (\( M_s = 2.82 \) vs. 3.34; \( t(50) = -2.42, p < .01 \)) but not self-liking (\( M_s = 3.42 \) vs. 3.81; \( t(50) = -1.52, p > .05 \)) (see Figure 4 for a side-by-side comparison of recalled outcomes on self-competence and self-liking).
Together these results provide preliminary evidence that externally caused outcomes can influence self-perceptions of competence. Additionally, by comparing my incompetence measures with existing measures of self-esteem helps provide some convergent validity for my specific incompetent measures. Furthermore, the results provide evidence that recalled consumer outcomes impact self-competence, but not self-liking providing further support for the impact of externally caused outcomes on self-perceptions of competence more specifically, rather than self-esteem as a whole.

### 3.2.5 Discussion

The results of this initial experiment are consistent with the prediction that externally caused consumption experiences can influence self-perceptions of competence. Additionally, the results are consistent with the conceptual ideas developed in this dissertation. They support the
idea that consumers can inference their own competence from their experiences as consumers, even when the consumer had little or no responsibility in actually causing the outcome. This is consistent with research on interpersonal judgments of competence, where people make an assessment of others’ level of competence by observing the outcomes they experience (Cuddy, et al. 2007; 2008). This is also similar to the fundamental attribution error (Fiske and Taylor 2013) more broadly, where, as observers, we overestimate the extent to which behaviour is the result of a target’s disposition, rather than the situation. However, instead of applied to interpersonal judgments, these results demonstrate an impact of externally caused outcomes on self-perceptions. I argue that this occurs due to a heightened perceived avoidability for negative consumption outcomes. Therefore, even though the consumer did not cause the negative outcome, in hindsight they believe they could have done something to avoid the negative outcome, and it is this perceived avoidability that influences self-perceptions of incompetence. I test this prediction more directly in Study 2.

Although this initial study provides evidence for the central thesis of this work, there are several limitations. First, the two conditions used do not allow for an adequate control comparison. Therefore, a plausible explanation for the observed results could be explained by attribution theory, where following random positive experiences people will internalize blame for successes. An argument could be made that the observed effect is due to a decrease in incompetence perceptions in the positive outcome condition rather than an increase in incompetence within the negative outcome condition. To be able to draw the conclusion that random negative outcomes can increase incompetence perceptions an adequate control condition is required in order to compare individuals who experienced negative outcomes with individuals who experienced a neutral outcome, rather than a positive outcome. Overall, a limitation of this
current study is that it is difficult to distinguish between an increase of incompetence perceptions within the bad outcome condition, an increase of competence perceptions within the good break condition, or both. While this study still presents initial support for my predictions, the following studies resolve this issue through further experimentation that uses a neutral control condition. Doing this allows me to more accurately determine the impact of a negative outcome on self-perceptions of incompetence.

Additionally, the recall method I employ with participants in this study also has limitations. Although asking participants to recall their own outcomes demonstrates the breadth of the effect by examining the impact on self-perceptions of competence following a wide variety of actual consumer experiences, it is not a very controlled. Specifically, participants were asked to recall their own externally caused consumer outcomes and therefore could include a wide variance between participants’ experiences. However, this variance between participants’ experiences should make it more difficult to detect a difference in the dependent variables across the two conditions. Study 2 extends and replicates the findings through the use of a tightly controlled experiment, having participants actually experience a randomly determined outcome. By doing this, I will be better able to demonstrate that a truly random negative outcome can have an influence on incompetence perceptions.

Another limitation of this initial study is that it is a single factor design and it is easily susceptible to alternative explanations that a crossed design might be able to rule out. This is the focus of Study 2 where I cross the experience of a negative outcome with a relevant moderating variable. Specifically, I examine how perceptions of competence are influenced following externally caused outcomes that an individual believes they could have done something to change and avoid the outcome.
3.3 Study 2: Perceived Avoidability and Self-Perceptions of Competence Following a Randomly Determined Outcome

3.3.1 Objective

Further developing the findings of Study 1, the overall objective of Study 2 is to test when consumers infer their incompetence following negative outcomes they had truly no responsibility in actually causing. Specifically, I argue that feelings of incompetence arise following a firm-caused negative outcome because consumers, in hindsight, typically think they could have done something differently to avoid the negative outcome. This study tests the prediction that people will infer their incompetence following a negative outcome when they believe they could have avoided it (H2). To demonstrate this, I manipulate perceptions of avoidability and observe the effect on self-perceptions of incompetence and self-esteem following a truly randomly determined outcome. I demonstrate that despite the outcome being decided entirely by chance, self-perceptions of incompetence are impacted when participants mistakenly believe that they could have done something different to avoid the negative outcome (H2). Demonstrating that self-perceptions of incompetence can stem from truly random negative outcomes also provides evidence for the importance of understanding competence inferences as an outcome to consumer experiences. Specifically, that following firm-caused negative outcome, the type that typically result in firm-blame and dissatisfaction with the firm, can also make individuals feel incompetent about themselves.

3.3.2 Method

One hundred and forty-three undergraduate students (54% female) participated in return for credit toward their course as part of the Commerce Research Pool.
The experiment followed a 2 (Random Outcome: Negative, Neutral) X 2 (Perceived Avoidability: High, Low) between-subjects experimental design. Participants entered the lab, were given a chocolate bar (50g Aero bar) and were told “as a thank you for participating in our study today, you have been given a chocolate bar. However, we are running low and not everyone will get to keep their chocolate bar. To be fair, to determine who gets to keep and who has to return their chocolate bar a coin will be flipped and then (you will pick out a ticket / I will give you a ticket) that will either say “Heads” or “Tails” on it. If your ticket matches the result of the coin flip you keep your chocolate bar, if it does not match you have to give the chocolate bar back. Perceived avoidability was manipulated within these instructions by telling half the participants that they would pick out their own ticket (High Perceived Avoidability) and the other half were told that the experimenter would pick their ticket for them (Low Perceived Avoidability). It is predicted that when participants pick their own ticket, it will be easier for them to believe that they could have done something different to avoid their outcome. For example, it would be easier for them to believe that they could have simply picked a different ticket. This same perceived avoidability is not present for the individuals who watch the experimenter pick the ticket for them because it should be more difficult for these participants to image how they could have done something different to avoid the outcome. A coin was then flipped, and the result of the coin flip was written on the board at the front of the room. The experimenter then presented participants with a box containing 400 tickets roughly 1 x .5 inches in size. Two hundred tickets with “heads” and the other 200 tickets with “tails” printed on it. After a ticket was pulled, if it matched the result of the coin flip the participant kept their chocolate bar (Random Neutral Outcome), if it did not match the coin flip, the participant returned their chocolate bar to the experimenter (Random Negative Outcome). The ticket was
then returned into the box and the experimenter continued to the next participant to maintain the odds for picking either ticket at 50%. Once all participants either pulled a ticket (High Perceived Avoidability) or had a ticket pulled for them (Low Perceived Avoidability), the experimenter directed them to an online link to complete a seemingly unrelated questionnaire (see Appendix B for detailed procedure). Participants filled out the questionnaire and before leaving those who randomly lost their chocolate bar were asked to stay behind where they were then returned the chocolate bar they lost in accordance with fair remuneration for participation.

### 3.3.3 Measures

To assess how dissatisfying the random outcome of losing or keeping the chocolate is, participants filled out a three-item measure: “I am satisfied with this outcome” (reversed), “I am dissatisfied about this outcome,” and “I am angry about this outcome” ($\alpha = .91$). To determine the impact on self-perceptions of incompetence the questionnaire participants filled out included the same six-item scale to measure self-perceptions of incompetence used in Study 1 ($\alpha = .89$). Additionally participants also filled out the same 10-item self-esteem scale modified from Rosenberg (1979) ($\alpha = .88$) and Tafarodi and Swann’s (2001) 8-item self-competence scale ($\alpha = .76$) from Study 1. Lastly, to check whether participants correctly remember pulling their own ticket or not, participants answered a three-item measure assessed along seven-point scales from “Strongly Disagree” to “Strongly Agree”: “I picked my own ticket,” “The ticket was given to me” (reversed), and “I had no control over the ticket I received” (reversed) ($\alpha = .83$). Furthermore, as an attention check, towards the end of the questionnaire participants were also asked whether they got to keep or had to return their chocolate bar.
3.3.4 Results

All measures were analyzed with 2 (Random Outcome: Negative, Neutral) X 2 (Perceived Avoidability: High, Low) between-subjects ANOVAs.

3.3.4.1 Attention Checks

Prior to analysis, as a screening procedure, several participants were removed from the dataset leaving 121 participants. Eleven participants incorrectly reported that they either lost or kept their chocolate bar, suggesting they did not pay attention to the questionnaire as this question was embedded within other measures towards the end of the questionnaire. Furthermore, in analysis of whether participants correctly remember pulling their own ticket or not, six participants in the high perceived avoidability condition and seven participants in the low perceived avoidability condition were omitted from analysis for being outliers on this measure.

3.3.4.2 Manipulation Checks

As expected, the main effect of Random Outcome on dissatisfaction \((F(1,117) = 500.38, p < .001)\) indicated participants were more dissatisfied when they had to return their chocolate bar (vs. got to keep it) \((M_s = 5.30 \text{ vs. } 1.43)\). Neither Perceived Avoidability nor the interaction affected dissatisfaction \((F_s < 1)\) (see Figure 5). These results provide evidence that an externally caused negative outcome is dissatisfying, whether it is perceived to be avoidable or not.
3.3.4.3 Self-Perceptions of Incompetence

Replicating the findings of Study 1, results of Study 2 showed a significant main effect of Random Outcome on self-perceptions of incompetence ($F(1,117) = 8.72, p < .01$), indicating that participants perceived themselves to be more incompetent after experiencing a random negative outcome (having to return their chocolate bar) versus a random neutral outcome (keeping their chocolate bar) ($Ms = 2.97$ vs. 2.41). These results are consistent with my broad predictions that people feel incompetent following externally caused negative outcomes (H1). Consistent with H2, a significant Random Outcome X Perceived Avoidability interaction ($F(1,117) = 5.95, p < .05$) indicated that the effect of a random negative outcome (vs. neutral outcome) on self-perceptions of incompetence was smaller under conditions of Low Perceived Avoidability ($Ms = 2.80$ vs. 2.70; $F < 1$) than compared to High Perceived Avoidability ($Ms = 3.17$ vs. 2.17; $F(1,117) = 14.86, p < .001$). These results demonstrate that the effects of negative outcomes on
self-perceptions of incompetence are stronger when they mistakenly believe that they could have done something to avoid this negative outcome (H2). In this case, perceived avoidability was operationalized in the form of participants picking their own lottery ticket (see Figure 6).

**FIGURE 6**

**Study 2: Effect of Random Outcome and Perceived Avoidability on Self-Perceptions of Incompetence**

![Bar chart showing the effect of random outcome and perceived avoidability on self-perceptions of incompetence.](chart.png)

3.3.4.4 **Self-Esteem**

Similar to Study 1, I also turn to how random negative outcomes can impact both general self-esteem (Rosenberg 1965, 1979) and the more specific self-competence dimension of self-esteem (Tafarodi and Swann 1995; 2001).

Examination of the Rosenberg self-esteem measure is consistent with my broad predictions that externally caused negative outcomes can impact self-perceptions of incompetence. Specifically, a significant Random Outcome X Perceived Avoidability
interaction ($F(1,117) = 4.75, p < .05$) indicated that the effect of randomly losing the chocolate bar (vs. not) on self-esteem was smaller when participants had their lottery ticket picked for them (i.e., Low Perceived Avoidability) ($M$s = 3.89 vs. 3.86; $F < 1$) than when participants picked their own lottery ticket (i.e., High Perceived Avoidability) ($M$s = 3.42 vs. 3.93; $F(1,117) = 8.78$, $p < .01$). Further analysis of the interaction also reveals that the effect of participants having their lottery ticket picked for them versus picking it themselves on self-esteem was smaller when the ticket revealed that they got to keep their chocolate bar ($M$s = 3.87 vs. 3.93; $F < 1$) than when they lost their chocolate bar ($M$s = 3.89 vs. 3.42; $F(1,117) = 8.09$, $p < .01$). These results are consistent with my predictions that people feel worse about themselves in general following random negative outcomes when they mistakenly believe that they could have potentially done something to avoid the negative outcome, in this case, picking their own random lottery ticket (see Figure 7).

FIGURE 7

Study 2: Effect of Random Outcome and Perceived Avoidability on Self-Esteem

![Graph showing the effect of random outcome and perceived avoidability on self-esteem.](figure7.png)
Although widely used to assess self-perception of social worth and abilities, the Rosenberg (1965) self-esteem scale has been argued to mistakenly combine these two dimensions (e.g., Tafarodi and Swann 1995; 2001). To clarify this and to demonstrate that the random negative outcome more specifically influences self-perceptions of competence, I examined the Tafarodi and Swann (2001) self-competence scale, similar to that of Study 1. Consistent with my predictions, and similar to the results of the self-perceptions of incompetence measure, a significant main effect of Random Outcome on self-competence ($F(1,117) = 12.51, p < .01$) indicated that self-competence perceptions decreased following a random negative (vs. neutral) outcome ($M_s = 3.17$ vs. 3.63). A significant Random Outcome X Perceived Avoidability interaction ($F(1,117) = 4.75, p < .05$) indicated that the effect of randomly losing the chocolate bar (vs. not) on self-competence was smaller when participants had their lottery ticket picked for them ($M_s = 3.30$ vs. 3.48; $F < 1$) than when they picked their own lottery ticket ($M_s = 3.02$ vs. 3.75; $F(1,117) = 16.71, p < .001$) (see Figure 8).

**FIGURE 8**

**Study 2: Effect of Random Outcome and Perceived Avoidability on Self-Competence**
3.3.5 Discussion

Consistent with Study 1, Study 2 provides evidence for the broad idea that externally caused outcomes can influence competence perceptions. In addition to this, the results also point to the role perceived avoidability plays in influencing these competence perceptions following externally caused outcomes.

Examining the impact of externally caused outcomes on self-perceptions of competence, this current experiment provides some experimental evidence to support the idea that people can infer their incompetence from random negative outcomes. By endowing everyone with the same item prior to participation and also allowing for the results of a coin flip and lottery draw to determine whether they keep that item or not keeps the outcome completely random. Participants had no way of influencing the results of their outcome, yet their competence perceptions were still influenced following the outcome. Specifically, results demonstrate that losing the draw and being forced to give up the item increases perceptions of incompetence, as well as decreasing self-esteem compared to the control condition. The randomness of the outcome helps demonstrate the important influence consumer outcomes can have on competence perceptions. Specifically, perceptions of incompetence can be influenced even when a negative outcome is determined entirely by chance.

This experiment also explores how this effect is amplified when individuals mistakenly believe they could have done something to influence the outcome. Even though the outcome was entirely decided by chance, the outcome more strongly influenced self-perceptions of incompetence when participants were more involved in the decisions leading up to the outcome (e.g., picking their own lottery ticket vs. not). Despite having no influence on the actual outcome across all conditions, this increase in perceived avoidability influenced perceptions of
incompetence following a random negative outcome. I suggested this would occur because, under conditions of increased perceptions of avoidability, it is easier for people to believe that they could have done something differently to avoid the negative outcome. In this case, participants could have more easily imagined picking a different lottery ticket. These same beliefs are less accessible when the experimenter picks the lottery ticket for them, despite the outcome, in either case, being decided entirely by chance.

These results are consistent with prior findings within the victimization literature, where survey evidence has suggested that individuals who perceived their attack to be more avoidable blamed themselves more for the outcome. I add to this understanding in four ways. First, by demonstrating this within a tightly controlled experiment rather than a survey allows for me to more accurately demonstrate the effect of externally caused outcomes and perceptions of avoidability on self-perceptions. Second, I examine this effect in a consumer context, using consumer stimuli (i.e., a chocolate bar), demonstrating the effect beyond a victimization context. Third, I examine how people infer their competence from externally caused outcomes, rather than self-blame. Finally, by showing evidence that perceptions of avoidability of the outcome do not influence dissatisfaction, provided evidence that external blame and self-blame can vary independently, where an individual can blame and feel incompetent about themselves without influencing their dissatisfaction with the outcome.

This last point is particularly interesting when exploring possible downstream consequences of variations in competence perceptions. Specifically, dissatisfaction is the primary antecedent to sharing negative WOM. In other words, when an individual is dissatisfied with the firm for their consumer outcome they are motivated to share negative WOM about that firm. However, Study 2 provided evidence that externally caused negative outcomes can also
influence perceptions of incompetence without influencing dissatisfaction. Assuming consumers do not want to appear incompetent to others, this conflicts with the motives to share negative WOM about dissatisfying experiences. Specifically, a consumer can be dissatisfied with a firm for causing a negative outcome, but also infer their incompetence from the same outcome. Out of fear of exposing an image as an incompetent consumer, consumers should limit and censor their WOM about these firm-caused experiences. Study 3, Study 4, and Study 5 explore this further.

3.4 Study 3: Firm-Caused Dissatisfaction, Perceived Avoidability, Consumer Incompetence, and the Effect on WOM Behaviour

The objective of Study 3 is to provide initial evidence for the impact of firm-caused dissatisfaction and perceived avoidability on consumer incompetence and how this can influence WOM behaviour. I demonstrate this through two studies (3a and 3b), both utilizing different manipulations of perceived avoidability to demonstrate the variety of consumer situations for which perceived avoidability can differ. Both studies test the central idea that consumers should be reluctant to share negative WOM following a firm-caused negative outcome under conditions of increased perceptions of avoidability.

Both Studies 3a and 3b employ a novel measure of WOM behaviour to specifically examine the valence of the WOM that is shared. This is achieved by giving participants an opportunity to actually share WOM about a firm by text and counting the number of negative and positive words they choose to share. I do this by applying the stock dictionary in the Linguistic Inquiry and Word-Count (LIWC) software to the submitted text, which automatically counts words associated with negative and positive emotions (Pennebaker, Francis, and Booth
The stock dictionary within the software contains 620 words associated with positive emotions (e.g., love, nice, sweet) and 744 words associated with negative emotions (e.g., hurt, ugly, nasty). For each participant, the number of negative words used was subtracted from the number of positive words used to create an overall WOM valence measure. Although the use of LIWC to analyze WOM content is relatively new, it has been used extensively in linguistic psychology (Pennebaker et al. 2007) and has recently been used in similar WOM motivation research (Packard and Wooten 2013).

Additionally, both studies examine the effect of a negative outcome on WOM in the context of being overcharged for a product – a common negative consumption experience that has been shown to lead to dissatisfaction with the firm and negative WOM (Anderson and Sullivan 1993; Anderson 1998; Richins 1983). Study 3b examines how this also influences self-perceptions of competence to provide converging evidence and replicate the findings of Study 2 within a different context.

Lastly, both studies 3a and 3b use a different operationalization of perceived avoidability. This is done to demonstrate the generalizability of how perceptions of avoidability can be influenced by a variety of common, everyday consumer experiences.

3.4.1 Study 3a: Effect of Payment Method on Negative WOM

3.4.1.1 Objective

The primary objective of Study 3a is to provide evidence that the WOM consumers engage in following firm-caused outcomes can be influenced by perceptions of avoidability. I predict here, that as consumers feel that the negative outcome was possibly more avoidable, versus less avoidable, they will be less willing to share negative WOM. Replicating the findings
of Study 2, perceived avoidability should not change dissatisfaction towards the firm for causing a negative outcome. However, it should alter the extent to which consumers believe their actions were implicated in receiving the final outcome. Under these conditions, I predict that consumers will suppress their negative WOM to avoid appearing as an incompetent consumer.

I manipulate perceived avoidability by varying whether consumers pay for their product with cash or a gift-card. Purchasing an item with a gift-card should reduce feelings of avoidability because it decreases the choice consumers could exercise over the store from which they purchased. In contrast, paying with cash should do little to alleviate any feelings of avoidability – consumers would have been free to purchase from any store of their choosing and could of, in hindsight, more easily exercised this power to avoid the outcome that they experienced.

3.4.1.2 Method

One-hundred and six undergraduate students participated in a 2 (Firm Overcharges: Yes, No) X 2 (Payment Method: Gift-Card, Cash) between-subjects experimental design in return for credit toward their course. Participants read a scenario in which they were asked to imagine that they were looking to buy a new camera and had been given a gift from their parents of $550 in cash or as gift-card for a particular store (Payment Method). Across all conditions, participants read that they purchased their camera from a fictitious retailer (Brown’s Electronics) for $549.99. After purchasing the camera participants learned that the same camera was available at another store for either the same price ($549.99) (Firm Does Not Overcharge) or a lower price ($349.99) (Firm Overcharges) (see Appendix C for scenario details). Consistent with prior work on the positive link between firm dissatisfaction and WOM, I predict that being overcharged will lead
to dissatisfaction and negative WOM about the overcharging store (Anderson and Sullivan 1993; Anderson 1998; Richins 1983). I also predicted that negative WOM will be somewhat suppressed in the case of the cash purchase, based on the heightened perceived avoidability. In contrast, consumers who used a gift-card should feel that the outcome was less avoidable as they were more restricted in their store choice. I expect this to increase their propensity to spread negative WOM because they will be less concerned that their experience will reflect poorly on them and their store choice. Therefore, even though across both levels of avoidability the negative outcome is the same and firm-caused (i.e., firm is overcharging consumers), and dissatisfaction with the firm does not differ, I predict the WOM shared about the firm to differ depending on what form of payment participants used to make the purchase.

### 3.4.1.3 Measures

After imagining themselves in the scenario, participants were asked to write, in an open-ended measure of WOM, what they would tell a friend about the store from which they purchased the camera. This was followed by measures of perceived avoidability (in this case, as it pertained to their choice of store) and dissatisfaction with the store. Perceived avoidability was assessed using four 7-point items: “To what extent would you say that you were responsible for selecting the store where the camera was purchased?” (Not responsible at all/Very responsible), “To what extent would you say that it was your decision to purchase the camera from Brown's Electronics?” (Not my decision at all/Completely my decision), “To what extent would you say that it was your parents’ decision for where you bought the product?” (Not their decision at all/Completely their decision; reverse coded), and “How much choice did you have in where you bought the product?” (No choice/Complete freedom of choice). These items were combined and
averaged to create a perceived avoidability index ($\alpha = .92$). Consumers’ dissatisfaction with the firm was assessed by participants rating their level of happiness towards the firm (reversed), as well as how positive (reversed) and negative their attitude towards the firm were ($\alpha = .90$).

3.4.1.4 Results

All results were evaluated using 2 (Firm Overcharges: Yes, No) X 2 (Payment Method: Gift-Card, Cash) between-subjects ANOVAs.

Manipulation checks. As expected, a significant main effect of Firm Overcharges indicated consumers were more dissatisfied with the firm after being overcharged versus not ($M_s = 5.41$ vs. 3.05; $F(1, 102) = 123.68$, $p < .001$). Payment Method did not affect dissatisfaction ($M_s = 4.12$ vs. 4.43; gift-card and cash respectively; $F(1, 102) = 2.90$, $p > .05$) and neither did the interaction ($F(1, 102) = 1.34$, $p > .20$) (see Figure 9). As expected, payment with a gift-card reduced perceptions of avoidability (vs. cash) ($M_s = 3.22$ vs. 5.84; $F(1, 102) = 84.99$, $p < .001$). Neither Firm Overcharges nor the interaction affected this measure ($F_s(1, 102) = 2.92$ and .07, $ps > .05$ and .75 respectively).
WOM valence. Consistent with prior WOM research, being overcharged led to greater negative WOM, as indicated by the WOM shared in the open-ended response having a more negative valence, relative to not being overcharged ($M_s = -1.6$ vs. $1.55$; $F(1, 102) = 19.65$, $p < .001$). As predicted, this effect of being overcharged on WOM was qualified by a significant Firm Overcharges X Payment Method interaction ($F(1, 102) = 5.69$, $p < .05$). Follow-up analyses confirmed that participants spread WOM with a more negative valence as a consequence of being overcharged (vs. not being overcharged) when they paid with a gift-card ($M_s = -0.79$ vs. $1.84$; $F(1, 102) = 23.21$, $p < .001$) relative to when they paid with cash ($M_s = 0.48$ vs. $1.27$; $F(1, 102) = 2.10$, $p > .10$). Notably, after being overcharged, participants who imagine paying with a gift-card also shared significantly more negative WOM than when paying with cash ($M_s = -0.79$ vs. $0.48$; $F(1, 102) = 5.63$, $p < .05$) (see Figure 10). Consistent with H2,
participants shared less negative WOM about the firm under conditions of increased perceptions of avoidability.

**FIGURE 10**

*Study 3a: Effect of Firm Overcharging and Payment Method on WOM Valence*

Further analysis was conducted on the actual positive and negative word counts to determine whether the change in WOM valence was from participants using more positive words, less negative words, or a combination of both. Results suggests that the change in valence of the WOM shared is attributed to a combination of a decrease in negative words used ($M_s = 1.29$ vs. $1.79$; $F(1,102) = 3.27, p < .10$) and an increase in positive words used ($M_s = 1.79$ vs. $1.00$; $F(1,102) = 3.08, p < .10$) when participants believed they paid with cash compared to a gift-card. Taken together, these results suggest that when participants have heightened perceptions of avoidability after experiencing a firm-caused negative consumption experience (e.g., being overcharged), the WOM shared is distorted in a less negative way. Combined with the results of
the preceding study, this aligns this thesis’s conceptual development that this reduction in negative WOM occurs due to the concern of coming across as an incompetent consumer when sharing negative WOM. Study 3b seeks to examine this more closely, by examining the impact on self-perceptions of consumer incompetence more specifically.

3.4.2 Study 3b: Effect of Time Constraints on Negative WOM and Self-Perceptions of Incompetence

3.4.2.1 Objective

The purpose of Study 3b was to replicate the findings of Study 3a using a different cause of perceived avoidability, and also conceptually replicate Study 2 by examining the impact on self-perceptions of competence. Specifically, I manipulated whether consumers were time constrained in their decision. Time constraints are another factor that should reduce consumers’ feelings of perceived avoidability, without changing their feelings toward the firm for the violation. In particular, time constraints should reduce perceptions of the extent to which consumers felt free to make different decisions prior to their outcome. Consistent with Study 3a, I expect this to reduce feelings of perceived avoidability, and increase consumers’ proclivity to share negative information about the (firm-caused) negative consumption experience. I also replicate the findings of Study 1 and Study 2 by examining whether consumers can infer their incompetence from such circumstances.

3.4.2.2 Method

One hundred undergraduate students participated in a 2 (Firm Overcharges: Yes, No) X 2 (Time Constraints: Yes, No) between-subjects experimental design in return for credit toward
their course. The current study employed a similar scenario to Study 3a, however, in the current study, I tested the role of perceived avoidability by manipulating the time constraints consumers faced while making their purchase. Specifically, all participants were asked to imagine that they need a new camera for an upcoming trip. Participants in the time-constrained condition were told that they had broken their old camera as they were travelling to the airport, implying they had to purchase a new camera immediately. Participants in the less constrained condition were told that they broke their camera one month prior to their trip, implying they had sufficient time to shop around. All participants were then told that they bought the same camera from the same store for the same price, only later finding out that the same camera was available at another store for either the same price ($549.99) or a lower price ($349.99) (Firm Overcharges) (see Appendix D for scenario details).

3.4.2.3 Measures

After reading the scenario, participants responded to the same open-ended question from Study 3a, which asked participants to write what they would tell a friend about the store from which they purchased. Participants then filled out a similar questionnaire to that which is used in Study 3a. All measures were assessed along 7-point scales and anchored by “Strongly Disagree” and “Strongly Agree.” Perceived avoidability was assessed using four items related to the time constraints: “The situation made it immediately necessary to purchase a new camera” (reverse coded), “The situation gave me time to purchase a new camera,” “The situation gave me no choice but to find the closest store and purchase a camera from there” (reverse coded), “The situation gave me time to shop around and find the store with the best available price”. These items were combined and averaged to create a decision responsibility index ($\alpha = .81$).
Dissatisfaction with the firm was measured using the three items used in study 3a ($\alpha = .92$).

Self-perceptions of consumer incompetence were assessed with the same three items from Study 1: “This experience makes me feel that I am not a smart shopper,” “This shopping experience makes me feel like I commonly make incompetent purchase decisions,” and “This shopping experience makes me feel like an incompetent consumer” ($\alpha = .86$).

### 3.4.2.4 Results

All results reported were evaluated with 2 (Firm Overcharges: Yes, No) X 2 (Time Constraints: Yes, No) between-subjects ANOVAs.

**Manipulation checks.** As expected, a main effect of Firm Overcharges on dissatisfaction ($F(1, 96) = 74.00, p < .001$) indicated participants were more dissatisfied with the firm after being overcharged (vs. not) ($M$s = 5.22 vs. 2.85). Neither Time Constraints nor the interaction with Firm Overcharges affected dissatisfaction ($Fs < 1$) (see Figure 11). Additionally, as expected, the main effect of Time Constraints ($F(1, 96) = 60.20, p < .001$) indicated participants felt less perceived avoidability when they had less time to make their purchase (vs. more) ($M$s = 2.64 vs. 4.41). Neither Firm Overcharges nor the interaction affected purchase decision responsibility ($Fs < 1$).
Study 3b: Effect of Firm Overcharging and Time Constraints on Dissatisfaction

As expected, consumers engaged in more negative WOM when the firm overcharged (vs. did not overcharge) \((M_s = .53\) vs. \(1.02\); \(F(1, 96) = 3.96, p < .05\)). Furthermore, and consistent with the results of Study 3a, this effect was qualified by a significant Firm Overcharges X Time Constraints interaction \((F(1, 96) = 4.41, p < .05\)). Follow-up analyses confirmed that participants spread more negative WOM as a consequence of being overcharged (vs. not) when they were time constrained in their purchase \((M_s = -.23\) vs. \(.95\); \(F(1, 96) = 7.35, p < .01\)) than when they were not time constrained \((M_s = 1.10\) vs. \(1.07\); \(F < 1\)). Note that, after being overcharged, participants also spread more negative WOM when they were time constrained than when they were not \((M_s = -.23\) vs. \(1.10\); \(F(1, 96) = 10.86, p < .01\)) (see Figure 12).
Self-perceptions of consumer incompetence. Consistent with the theoretical development, self-perceptions of consumer incompetence showed the opposite pattern of results to negative WOM. Specifically, the main effect of Firm Overcharges on self-perceptions of consumer incompetence ($F(1,96) = 30.26, p < .001$) indicated that being overcharged by a firm (vs. not) can increase self-perceptions of incompetence as a consumer ($M_s = 4.41$ vs. $2.68$). Additionally, a significant Firm Overcharges X Time Constraints interaction ($F(1, 96) = 7.55, p < .01$) indicated that the effect of being overcharged on consumer incompetence was smaller when consumers were time constrained ($M_s = 3.92$ vs. $3.22; F(1, 96) = 2.07, p > .10$) than when they were not ($M_s = 4.78$ vs. $2.68; F(1, 96) = 39.81, p < .001$). These results were consistent with the suggestion that consumers can simultaneously blame themselves and the firm for the negative outcome. Specifically, consumers felt more incompetent as a consequence of believing they could have avoided the negative experience in hindsight, even though this did not affect how
they felt about the firm as a consequence of overcharging consumers (see Figure 13). These results also replicated the findings of Study 2 in a consumer scenario context, providing further evidence for H2.

FIGURE 13
Study 3b: Effect of Firm Overcharging and Time Constraints on Consumer Incompetence Perceptions

<table>
<thead>
<tr>
<th>Time Constraints</th>
<th>Firm Does Not Overcharge</th>
<th>Firm Overcharges</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>p &lt; .001</td>
<td>n.s.</td>
</tr>
<tr>
<td>Yes</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

3.4.3 Discussion

Overall, Study 3 provides insight into the possible downstream consequences of variations in self-perceptions of competence, specifically how self-perceptions of competence can influence and distort the WOM shared about firms across different contexts. Along with providing support for H3, this study also replicates the findings of Studies 1 and 2 in a different context by providing evidence for H1 and H2.
The design of Studies 3a and 3b allows for an interesting examination and test of how self-perceptions of incompetence influence WOM but not dissatisfaction with the firm. Consistent with Study 2, Studies 3a and 3b provide evidence that manipulating the perceived avoidability of a firm-caused outcome does not moderate the satisfaction-dissatisfaction with the firm. In other words, satisfaction with the firm is determined by the firm-caused outcome and not influenced by the consumer believing they could or could not have avoided the outcome. In the case of a negative outcome, the resulting dissatisfaction with the firm should lead to negative WOM. As expected from the foundational research of the causes of WOM, where satisfaction with the firm is the primary antecedent to WOM behaviour (Anderson and Sullivan 1993; Anderson 1998; Richins 1983). However, across both studies I demonstrate that the perceived avoidability of the firm-caused outcome influences the WOM shared, without influencing satisfaction with the firm. Specifically, it influences the amount of positive and negative words shared about the firm following a negative outcome. I find evidence that when a firm-caused negative outcome is perceived to be more (vs. less) avoidable, the overall valence of the WOM shared is less negative. Demonstrating that WOM is influenced independently of satisfaction with the firm suggests that the change in WOM is not the result of any change in blame towards the firm. Instead, the results suggest that consumers can blame and be dissatisfied with the firm, but under certain conditions also be concerned that the sharing of the WOM may make them appear negatively. This proposed mediator of the fear of appearing incompetent as a deterrent to sharing negative WOM under these conditions is explored more directly across Study 4 and Study 5.
3.5 Study 4: The Fear of Appearing Incompetent and the Effect on WOM Intentions

3.5.1 Objective

Studies 1, 2, and 3b provided evidence for this research’s prediction that consumers can feel incompetent for firm-caused negative experiences. Studies 3a and 3b provided evidence for how these feelings can also play out in a WOM context. The current study is designed to extend these findings in four ways. First, this study directly measures the proposed mediating role of concerns about appearing as an incompetent consumer as a deterrent to sharing negative WOM, testing H4. Second, to ensure that these findings are not limited to the context of being overcharged, I employ an alternative negative consumption experience manipulation. Specifically, I examine negative WOM following a firm’s response to product failure through the firm’s violation of a product warranty. This is commonly referred to as a double deviation, and prior research demonstrates evidence that a double deviation is a strong predictor to sharing negative WOM (Grégoire, Tripp, and Legoux 2009). Thirdly, I also use another operationalization of perceived avoidability. While Studies 3a and 3b examine circumstances that impact perceived avoidability (time constraints and payment method), in this study, I test the logical possibility that certain actions should be capable of influencing perceived avoidability as well. Consistent with the failure context, I manipulate perceived avoidability by varying whether consumers choose to opt-out of a default warranty period or stick with the default warranty (the final warranty period is always identical). Prior research shows that consumers tend to perceive more involvement when deviating from a default option (Simonson 1992). Importantly, this decision has no bearing on the validity of the warranty, which is always valid in my experimental scenario. Independent of the consumers’ decisions, the firm either honors or does not honor the warranty. As in the previous studies, this manipulation enables me to examine the consequences
of perceived avoidability in hindsight and independent of the negative outcome itself. I predict that consumers will be less willing to spread negative WOM about the firm’s failure to honor the warranty when they opted out of the default warranty because of heightened concerns that this could make them appear incompetent.

Lastly, Studies 2, 3a, and 3b present evidence that satisfaction following firm-caused outcomes is not influenced by perceptions of avoidability, yet self-perceptions of incompetence (Studies 2 and 3b) and WOM behaviour (Studies 3a and 3b) are influenced. To provide support to the central idea that self-perceptions of competence are not tied to whether the outcome is solely blamed on the firm or the self, this study provides evidence that firm-blame and self-blame can vary independently. Specifically, I predict that participants will blame themselves more for negative outcomes under conditions of high-perceived avoidability. However, the increase in self-blame will not have the opposing effect on firm-blame, suggesting that firm- and self-blame need to be conceptualized as distinct constructs, rather than opposing ends of a spectrum (cf. Bitner 1990; Bonifield and Cole 2007; Dunn and Dahl 2012; Folkes 1984; Folkes et al. 1987; Johar 1996; Laczniak et al. 2001; Lam and Mizerski 2005; Lim and Chung 2009; Mizerski 1982; Richins 1983; 1984; Schindler 1998).

3.5.2 Method

One-hundred and seven undergraduate students participated in a 2 (Warranty Violation: Yes vs. No) X 2 (Warranty Decision: Default vs. Opt-out) between subjects experimental design. Participants were asked to imagine that they had recently bought a Nikon DSLR camera that came with a default one-year warranty (perceived avoidability is low) or that they chose to opt out of the default two-year warranty in favor of a one-year warranty (perceived avoidability is
high) (Warranty Decision). Therefore, the duration of the warranty across all conditions is one year. The scenario continued to suggest that after having the camera for almost a year, it will no longer turn on and they assume this is a manufacturer defect. With the product still under warranty, participants send the camera back to the manufacturer for repair. They are subsequently told that the firm either did or did not honor the warranty claim (Warranty Violation) (see Appendix E for full scenarios). Consistent with research on double deviations and WOM, not honoring the warranty is likely to be considered a poor response to product failure by the firm, leading to dissatisfaction and negative WOM (Grégoire et al. 2009). However, I also predict that choosing to reduce the warranty coverage by opting out of the default warranty will increase perceptions of avoidability, leading consumers to increase their concerns that that may appear incompetent for having done so (despite this being unrelated to the negative outcome). Consequently, I expect these concerns to reduce consumers’ willingness to share negative WOM about the firm.

3.5.3 Measures

After reading the scenario, participants answered a questionnaire. To capture general intentions to share WOM about the experience, participants filled out a closed-ended measure that is widely used in previous WOM motivation research (Cheema and Kaikati 2010; Harrison-Walker 2001; Moldovan, Goldenberg, and Chattopadhyay 2011). This measure asks for participants’ agreement with two statements (on 7-point scales): “I’d certainly talk about this shopping experience,” “I would NOT share this purchase experience under ANY circumstances” (reverse coded) \( r = .60, p < .001 \). Although this does not assess negative WOM intentions
specifically, it is reasonable to assume that the WOM shared about a firm following a
dissatisfying experience will be negative.

Additional measures of concerns of appearing incompetent, firm-blame and self-blame
for the outcome, and dissatisfaction towards the firm were each measured on 7-point scales from
“Strongly Disagree” to “Strongly Agree”. Specifically, concerns of appearing incompetent were
measured by averaging “I am concerned that others will think I made a poor choice,” “I worry
that others will think I am stupid for making this purchase,” “I am NOT concerned that others
will think I am stupid for making the purchase” (reverse coded) ($\alpha = .82$). Firm-blame was
measured with, “I blame this outcome on the firm” and self-blame was measured with, “I blame
this outcome on myself.” Although these two items were negatively correlated, the correlation
was relatively low ($r = -.31, p < .01$), and, consistent with my theorizing, both should vary
independently, which is why they are analyzed them separately. Participants also rated
dissatisfaction toward the firm using the items from Study 3 ($\alpha = .94$).

3.5.4 Results

All measures are evaluated using 2 (Warranty Violation: Yes vs. No) X 2 (Warranty
Decision: Default vs. Opt-out) between-subjects ANOVAs.

3.5.4.1 Manipulation Checks

As expected, a significant main effect of Warranty Violation indicated that consumers
were more dissatisfied with the firm when the firm violated (vs. honored) the warranty ($Ms =
4.81$ vs. $2.73$; $F(1, 103) = 122.11, p < .001$). There was also a main effect of Warranty Decision
that indicated greater dissatisfaction when participants had the default warranty ($Ms = 4.36$ vs.
3.62; \( F(1, 103) = 6.41, p < .05 \). As expected, however, the interaction was not significant \( F < 1 \).

### 3.5.4.2 WOM Intentions

A significant effect of the interaction on WOM intentions \( (F(1, 103) = 9.29, p < .01) \) provides support for H3. Follow-up analyses confirmed that participants were more willing to spread WOM as a consequence of the firm’s warranty violation when they had the default warranty \((Ms = 6.35 \text{ vs. } 5.62; F(1, 103) = 8.72, p < .01)\), than when they had opted out of the default warranty \((Ms = 5.76 \text{ vs. } 6.17; F(1, 103) = 1.94, p > .10)\). Note that, within the warranty violation condition, intentions to spread WOM were also higher when consumers stuck with the default warranty relative to opting out of the two-year warranty \((Ms = 6.35 \text{ vs. } 5.76; F(1, 103) = 5.73, p < .05)\) (see Figure 14).

![FIGURE 14](image)

**Study 4: Effect of Firm Not Honouring Warranty and Warranty Decisions on WOM**
3.5.4.3 Concerns About Appearing as an Incompetent Consumer

Consistent with the research’s theorizing, concerns of appearing as an incompetent consumer showed the opposite pattern of results for the willingness to share WOM. Specifically, a significant Firm Honor Warranty X Warranty Decision interaction \( (F(1, 103) = 4.62, p < .05) \) indicated that the effect of the firm violating the warranty was smaller when consumers remained with the default warranty \( (M_s = 2.73 \text{ vs. } 2.53; F < 1) \) than when they opted out \( (M_s = 3.33 \text{ vs. } 2.11; F(1, 103) = 12.52, p < .01) \) (see Figure 15).

**FIGURE 15**

Study 4: Effect of Firm Not Honouring Warranty and Warranty Decisions on Concerns about Appearing as an Incompetent Consumer

3.5.4.4 Mediation Analysis

To analyze the mediating effect of concerns of appearing as an incompetent consumer on the willingness to share WOM, a moderated mediation model was constructed according to the
prescriptions of Preacher and Hayes (2008, Model 7). Specifically, I constructed a model in which the effect of Warranty Violation on WOM was mediated by concerns about appearing as an incompetent consumer. Warranty Decision was allowed to moderate the first stage of the mediation (i.e., from Warranty Violation to concerns).

I then used 10,000 bootstraps resamples to calculate the confidence intervals surrounding the mediated paths at each level of the moderator. The confidence interval surrounding the mediated path in the case of consumers who opted out of the default warranty was entirely below zero (CI_{95%}: -.64, -.10), consistent with mediation. In other words, consumers who opted out of the default warranty were more concerned that the Warranty Violation would make them appear incompetent and were consequently less likely to share WOM. In contrast, the confidence interval surrounding the mediated path in the case of consumers who stuck with the default warranty spanned zero (CI_{95%}: -.22, .12), consistent with the idea that WOM from these consumers would be less affected by their concerns about appearing incompetent (see Figure 16).

FIGURE 16
Study 4: Mediating Role of Concerns of Appearing as an Incompetent Consumer on WOM Intentions

<table>
<thead>
<tr>
<th>Warranty Decision</th>
<th>Concerns about Appearing as an Incompetent Consumer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Warranty Violation</td>
<td>WOM Intentions</td>
</tr>
<tr>
<td>Default: .19</td>
<td>- .26 **</td>
</tr>
<tr>
<td>Opt-Out: 1.22**</td>
<td>+ .40*</td>
</tr>
</tbody>
</table>

* p < .05    ** p < .01
3.5.4.5 Firm-blame vs. Self-blame

Further analyses were conducted to understand how consumers conflate responsibility for the decisions made with the responsibility for causing the negative experience. Specifically, I found that the self-blame for the outcome showed the same pattern of results as concerns of appearing as an incompetent consumer. The Warranty Violation X Warranty Decision interaction was significant \(F(1, 103) = 6.81, p < .05\), with the effect of the violation being smaller when consumers chose to stick with the default warranty \(M_s = 2.88\) vs. \(3.00; F < 1\) than when they opted out \(M_s = 2.83\) vs. \(4.09; F(1, 103) = 7.61, p < .01\) (see Figure 17). In contrast, the main effect of Warranty Violation \(F(1, 103) = 3.11, p > .05\), Warranty Choice \(F(1, 103) = 1.28, p > .20\), and the interaction of the two on firm-blame \(F(1, 103) = 1.59, p > .20\) were all non-significant (see Figure 18). Overall, these results suggest that self-blame can fluctuate independently of firm-blame.

FIGURE 17

Study 4: Effect of Firm Not Honouring Warranty and Warranty Decisions on Self-Blame
3.5.5 Discussion

Overall, this study investigates the suggestion that impression management concerns have a mediating effect on the relationship between firm-caused outcomes and WOM. More specifically, it examines whether perceived avoidability for a firm-caused negative outcome deters WOM due to the concern of appearing as an incompetent consumer. Consistent with the predictions of H3 and conceptually replicating the findings of Study 3, the results show that the effect of a firm-caused negative outcome on WOM intentions decreases when the perceived avoidability of the outcome increases. Consistent with the predictions of H4, this moderated effect is mediated by the concern of appearing incompetent. Thus, when the concern of appearing incompetent increases, intentions to share WOM decreases.

Additionally, this study tests the broad suggestion that self-blame and firm-blame can vary independently. This study finds that firm-caused negative outcomes can increase self-
blame when individuals believe that they could have done something to avoid the negative outcome. Consistent with this thesis’s overall conceptual development, perceptions of avoidability does not influence firm-blame. These results offer support for the suggestion that idea that self-perceptions of incompetence can stem from negative outcomes that are entirely externally caused. In these situations, individuals will still blame and be dissatisfied with the source of the negative outcome, as evident across Studies 2, 3, and 4. However, under conditions of increased perceived avoidability, people will also blame themselves.

3.6 Study 5: Experimental Manipulation of Mediation Process

3.6.1 Objective

The purpose of this study is to provide experimental evidence of the mediating process that was statistically examined in Study 4. Specifically, this study seeks to provide a direct test of the role of concerns about others’ opinions by manipulating consumer anonymity. Testing this will help rule out the possibility that it is something other than impression management concerns that are driving the observed effects. Specifically, I predict that the opportunity to share negative WOM anonymously should remove concerns of appearing as an incompetent consumer, consequently increasing intentions to share negative WOM. The current study also employs a third context to test my ideas (product choice and performance).

3.6.2 Method

experimental design. Participants were asked to imagine themselves engaging in a purchase scenario where they buy a new smart phone, choosing either a well-known brand or a lesser-known brand (Brand Choice), both with identical specifications. This manipulation is derived from the same conceptual logic as Study 4. Specifically, previous research has indicated that choosing a well-known brand can be perceived as a status quo decision, while choosing a lesser-known brand is more likely to be seen as an act of commission rather than omission (Simonson 1992; Ritov and Baron 1992). Consequently, it is expected that acts of commission will increase hindsight perceptions of avoidability. Participants were then told that the phone they chose either falls below their expectations or meets their expectations (Product Performance). Later, an individual, either in person or on an anonymous online message board, asks if anyone knows anything about the same phone (Anonymity). Consistent with prior results, I expect that consumers will be less willing to share WOM when the lesser-known brand they chose failed to meet expectations relative to a well-known brand. However, I also predict that this effect will be reduced under conditions of anonymity.

3.6.3 Measures

After reading the scenario, participants answered a questionnaire. Participants answered the same two willingness to share WOM items from Study 4 ($r = .74, p < .001$) and the same dissatisfaction items from Studies 3 and 4 ($\alpha = .96$).
3.6.4 Results

All measures were examined by 2 (Product Performance: Below Expectations, Meets Expectations) X 2 (Brand Choice: Well-Known Brand, Lesser-Known Brand) X 2 (Anonymity: Not Anonymous, Anonymous) between-subjects ANOVAs.

3.6.4.1 Manipulation Checks

Learning that a product does not meet expectations significantly increased dissatisfaction (vs. when it meets expectations) ($M_s = 5.33$ vs. $2.26; F(1, 248) = 488.10, p < .001$). No other effects were significant ($Fs < 1$) (see Figure 19).

FIGURE 19

Study 5: Effect of Product Not Meeting Expectations, Brand Choice, and WOM Context on Dissatisfaction with Firm

<table>
<thead>
<tr>
<th></th>
<th>Lesser-Known Brand</th>
<th>Well-Known Brand</th>
</tr>
</thead>
<tbody>
<tr>
<td>WOM Not Anonymous</td>
<td>$p &lt; .001$</td>
<td>$p &lt; .001$</td>
</tr>
<tr>
<td>WOM Anonymous</td>
<td>$p &lt; .001$</td>
<td>$p &lt; .001$</td>
</tr>
</tbody>
</table>

Legend: □ Meets Expectations ■ Does Not Meet Expectations
3.6.4.2 WOM Intentions

As predicted, there was a significant three-way Product Performance X Brand Choice X Anonymity interaction on intentions to spread WOM ($F(1, 248) = 8.30, p < .05$). Within the not anonymous conditions, follow-up analyses found a significant Product Performance X Product Choice interaction ($F(1, 248) = 4.33, p < .01$). Consistent with the findings in studies 3 and 4 these results provided further support for H3. Specifically, Product Performance had a greater effect on WOM when participants chose the well-known brand ($M_s = 5.75$ vs. $5.11$; $F(1, 248) = 4.85, p < .05$) than when they chose the lesser known brand ($M_s = 5.19$ vs. $5.41$; $F(1, 248) = 0.57, p > .40$). Note that, in the product performance below expectations conditions, participants were less willing to share WOM when they chose the lesser-known (vs. the well-known) brand ($M_s = 5.19$ vs. $5.75$; $F(1, 248) = 3.91, p < .05$). In contrast, the Product Performance X Brand Choice interaction was not significant in the anonymous conditions ($F(1, 248) = 2.00, p > .10$). Therefore, the likelihood of spreading WOM about poor product performance was unaffected by perceived avoidability when the sharer’s identity is anonymous. This study provides experimental evidence for H4. Specifically, by removing the possibility of appearing incompetent (i.e., under conditions of anonymity) the influence of perceived avoidability on negative WOM following a firm-caused negative experience dissipates (see Figure 20).
3.6.5 Discussion

This final study focused on examining the mediating role of impression management concerns in explaining why WOM intentions decrease following dissatisfying consumption experiences that are perceived as avoidable. Specifically, it experimentally manipulated the possibility of exposing any negative image by removing the possibility for the WOM receiver to identify the WOM sharer. Thus, this study provides experimental evidence for H4 and conceptually replicated the findings of Studies 3 and 4. More precisely, the results of Studies 3 and 4 are conceptually replicated when WOM is shared in a non-anonymous context. That is, the WOM receiver will be able to identify the WOM sharer. Under these conditions, the fear of appearing incompetent should be present under conditions of high perceived avoidability, similar
to the effects found in Studies 3 and 4. However, when WOM is shared in an anonymous context, this concern of appearing incompetent should dissipate. Therefore, even though the individual may feel incompetent under conditions of increased perceptions of avoidability, the possibility of exposing this incompetence through WOM is no longer present.

I now proceed to Chapter 4 to discuss all studies cohesively in an effort to show how they help support our understanding of the causes and effects of consumer’s self-perceptions of competence.
Chapter 4

General Discussion

People make consumption decisions and engage in marketplace activities that require some level of competence. In other words, consumers possess and require some knowledge, skills, and abilities to engage in the marketplace in order to obtain what they want. Whether it is the ability to perform a proper search or the knowledge to make an adequate choice, consumers require some competence in order to fulfill their desired outcomes. Given the central role competence plays in everyday consumption activities, this dissertation provides a framework for how consumers infer their competence from their own consumption experiences as well as how these inferences can influence future behaviours.

This dissertation provides evidence that, under certain conditions, consumers infer their competence from their own consumer experiences, despite having little or no responsibility in actually causing these experiences. One of the central contributions of this dissertation is that consumers can infer their incompetence from external and firm-caused negative outcomes. This dissertation also demonstrates that incompetence inferences increase when consumers mistakenly believe they could have done something to avoid the negative outcome. In other words, when consumers believe in hindsight that they could have done something to alter the outcome, they feel more incompetent when that outcome is negative.

In addition to these inferences, this dissertation also examines how self-perceptions of incompetence influence future consumer behaviours. Specifically, I focus on how self-perceptions of incompetence can impact WOM behaviour. This dissertation supports that, under conditions of increased self-perceptions of incompetence, consumers are reluctant to share
negative WOM. One of the central contributions of this dissertation is that firm-caused dissatisfaction does not always motivate negative WOM, despite prior research depicting dissatisfaction as the primary antecedent of negative WOM (Anderson 1998; Anderson and Sullivan 1993; Richins 1983). Specifically, when firm-caused dissatisfaction results in self-perceptions of incompetence, willingness to share WOM about the experience decreases. Results of two studies provide evidence that the decrease in WOM is driven by consumers’ concerns of appearing as an incompetent consumer.

Four predictions developed in Chapter 2’s conceptual development are examined through five studies, each of which provides converging evidence for these predictions. Each study’s findings support this dissertation’s broad idea that firm-caused outcomes influence self-perceptions of competence. Taken together, each study provides converging evidence that competence inferences are formed when consumers believe they could have done something different to change the outcomes they experience, and these inferences influence how consumers choose to share WOM about their experiences. The following section provides an overview of the studies, implications for this work, along with some limitations and avenues for future research.

4.1 Summary of Findings

In this section I briefly discuss the results of each study. Broadly, each individual study supports this dissertation’s suggestion that consumers infer their own competence from their consumption outcomes and that this can influence downstream consumer behavior. Overall, assessing the progression of studies in aggregate provides support for this dissertation’s conceptual framework.
Study 1 is an exploratory study aiming to demonstrate and provide some initial evidence that competence perceptions can be derived from externally caused outcomes. The findings of this study demonstrate that self-perceptions of competence are influenced by whether or not prior consumption outcomes were positive or negative. Specifically, I find that consumers infer their incompetence following negative outcomes and infer their competence following positive outcomes. These findings also provide support to the suggestion that competence inferences can be influenced by seemingly random and externally caused outcomes (i.e., when they are firm-caused).

Study 2 seeks to extend the initial findings of Study 1 by examining the moderating role of perceived avoidability on self-perceptions of incompetence. Additionally, Study 2 extends the findings from Study 1 by replicating the effect of Study 1 following randomly determined outcomes. Specifically, the findings of Study 2 demonstrate that individuals can infer their own competence following outcomes that are purely decided by chance (i.e., coin flip and random lottery draw). While Study 1 asks participants to recall externally caused outcomes that they previously experienced in their day-to-day lives, Study 2 examines participants who actually experience a truly externally caused outcome (i.e., a random outcome). Findings of this study extend those of Study 1 and demonstrate that a random negative (vs. neutral) outcome increases perceptions of incompetence and decreases self-esteem. This study also demonstrates that this effect is exacerbated when individuals believe they could have done something different to avoid the outcome (i.e., pick their own lottery ticket vs. having their ticket picked for them). These results suggest that perceptions of avoidability and the resulting impact on self-perceptions of competence are the result of a cognitive error because the outcome is decided entirely by chance. In other words, even if participants were able to go back in time and repeat the lottery draw, the
outcome is still decided by chance and should not have any impact on perceptions of competence whether they picked their own lottery ticket or not. Overall this study provides evidence that incompetence inferences following negative outcomes are due to mistaken beliefs that consumers could have done something different to avoid the outcome.

Study 3 provides a conceptual replication to Study 2 and seeks to examine how variations in self-perceptions of competence following outcomes can influence WOM. Study 3a finds that when a dissatisfying outcome is perceived to be more, compared to less, avoidable the WOM shared about that experience is distorted to be less negative. That is, conditions likely to spur self-perceptions of incompetence as demonstrated in Study 2, result in a decrease of WOM about the firm who caused the negative outcome. This decrease in negative WOM is found to occur despite any changes in dissatisfaction with the firm. In other words, although dissatisfaction with the firm remains unchanged, WOM about the firm varies. This self-censoring under conditions of increased perceptions of avoidability is suspected to occur due to concerns of appearing as an incompetent consumer to the WOM receiver. Study 3b replicates these findings using both a different context and a different operationalization of perceived avoidability to demonstrate the generalizability of this effect. In addition, this study also conceptually replicates the findings of Study 2 by demonstrating the effect of a firm-caused negative outcome on perceptions of consumer incompetence.

Study 4 measures the effect that the concern of appearing incompetent has on WOM. The findings of this study support the prediction that decreases in WOM under conditions of avoidability are driven by a concern of appearing incompetent while sharing WOM. Specifically, results demonstrate that following firm-caused negative outcomes that are perceived to be more, compared to less, avoidable increases concerns of appearing as an incompetent consumer. As
these concerns increase, the intentions to share WOM about the firm decreases. Furthermore, results provide some insight into the broad prediction that feeling incompetent about the self does not necessarily alleviate blame and dissatisfaction with the firm or responsible party. Specifically, results demonstrate that perceptions of avoidability can influence self-blame and not firm-blame. Therefore, self-blame can vary independently of firm-blame.

Lastly, Study 5 provides converging experimental evidence for the proposed mediating effect that the concern of appearing incompetent has on WOM. Specifically, when the possibility of being identified while sharing WOM is removed, the concern of appearing incompetent should dissipate and alleviate the effect of perceived avoidability on WOM. Results conceptually replicate the findings of Study 3 and Study 4 in an alternative context and provide evidence for this prediction. When WOM is shared in an anonymous context (i.e., an online message board), the effect of a negative firm-caused outcome that is perceived to be avoidable on WOM intentions dissipates. Overall, these results provide further evidence for the mediating role that the concern of appearing incompetent has on WOM intentions in an experimental context.

Together, this series of studies offer several contributions to the understanding of self-perceptions of competence in relation to consumer behaviour. This dissertation specifically explores how consumption outcomes and the circumstances preceding those consumption outcomes can influence consumers’ self-perceptions of competence. This dissertation contributes to our understanding of how people formulate their competence perceptions, and the role consumption can play in these inferences. Thus, this work has important theoretical implications for how we understand the way individuals infer their self-perceptions of competence from their own consumption experiences and how these inferences can impact future
consumer behaviours. I now turn to highlighting these implications more specifically, both theoretically and practically. In addition, I suggest directions for future research opportunities within the realm of consumer competence.

4.2 Implications and Directions for Future Research

Overall, these findings offer implications for how competence inferences are understood and the impact these inferences have on consumer behaviour. The following section highlights issues of theoretical and managerial importance as well as directions for future research.

4.2.1 Causes of Competence Perceptions

4.2.1.1 Effect of Consumption Outcomes on Self-Perceptions of Competence

One point that I emphasize throughout this dissertation is that consumers can blame themselves for externally caused negative outcomes. More importantly, I suggest and demonstrate that this can occur without reducing blame on the external party. However, these findings contradict how blame is typically conceptualized and measured from within the consumer behaviour literature. Research in this area suggests that internal and external causes for an outcome belong on opposite ends of a spectrum (Wiener 1980; 1995; 2000). Therefore, as blame towards one party goes up, it will inherently reduce blame on other parties. The assumption here is that blame is a finite resource, divided between involved parties following an outcome. This is consistent with how blame is conceptualized and used in existing consumer research (Bitner 1990; Bonifield and Cole 2007; Dunn and Dahl 2012; Folkes 1984; Folkes et al. 1987; Johar 1996; Laczniak et al. 2001; Lam and Mizerski 2005; Lim and Chung 2009; Mizerski 1982; Richins 1983; 1984; Schindler 1998).
However, I demonstrate that consumers can blame themselves for negative outcomes they did not cause and that under certain conditions this does not result in a subsequent decrease in blame towards other parties. Additionally, I demonstrate that these externally caused negative outcomes can increase self-perceptions of incompetence. In other words, individuals infer their own incompetence from negative outcomes they did not cause. Interestingly, this is consistent with research on victim self-blaming, where victims of horrible experiences, such as assault and rape, can blame and feel worse about themselves for the experience despite not being responsible for causing it (Littleton et al. 2007).

The finding that individuals can blame themselves for negative outcomes they did not cause in the victimization literature has interesting implications for research on consumer dissatisfaction. Specifically, prior research on locus of causality points out that when the firm is blamed for the negative outcome, consumers will be dissatisfied with the firm (Folkes 1984; Weiner 1995; 2000) and respond with a variety of negative behaviours, such as sharing negative WOM (Richins 1983). I add to this understanding by presenting evidence that locus of causality – whether internal or external, self or firm, self or other - is not mutually exclusive, and therefore self-blame can vary independently of firm-blame. Thus, dissatisfaction with the firm and downstream motives derived from firm dissatisfaction can still be present. However, under certain conditions, I argue that consumers may also blame and feel incompetent about themselves for these firm-caused dissatisfying experiences. Existing conceptualizations and measures of blame do not allow for this possibility. Overall, this dissertation suggests that future research must consider how internal and external attributions of blame can vary independently in order to understand how these nuances may influence downstream consumer behaviours following firm-caused dissatisfying experiences.
Practically, prior research on firm-caused dissatisfaction focuses on understanding the effect it will have on the firm, with little attention to how it might influence the consumer. This dissertation addresses this gap and helps marketers better understand consumers’ reactions to firm failures. The results from this dissertation suggest that following firm failures consumers are not only dissatisfied with the firm, but may also feel incompetent about themselves for allowing themselves to experience a dissatisfying outcome. Understanding this can help guide marketers in their actions to rectify the situation more broadly. Specifically, consumers may not just want economic restitution, but may also need psychological restitution in the form of competence restoration.

Although I investigate how self-perceptions of incompetence inferences can influence downstream consumer behaviours, future research should examine how self-perceptions of incompetence can be restored. What can firms and consumers do to restore consumers’ feelings of competence back to their pre-dissatisfying experience levels? While this current dissertation examines how consumers can infer their incompetence from consumption outcomes, future research can examine the corrective actions firms and consumers can take following these same incompetence inferences.

### 4.2.1.2 Perceptions of Avoidability

This dissertation argues that negative consumption outcomes lead to inferences of incompetence because consumers commonly believe that they could have done something to avoid the outcome, implying that they are in some way responsible. Similar ideas have been suggested within research on victimization where survey evidence suggests that perceptions of avoidability increase self-blame following negative and externally caused outcomes (Littleton et
al. 2007). I apply this to a consumer context and find a similar effect, demonstrating experimentally how perceptions of avoidability can increase self-perceptions of incompetence more specifically. I suggest this will occur despite the actual outcome being entirely caused by external sources, even when the outcome is determined by random chance.

The effect of perceived avoidability following negative outcomes on self-perceptions of incompetence inferences adds to our understanding of competence inferences as being subject to cognitive errors. This is similar to how competence perceptions are treated in the interpersonal judgment literature, where people overestimate the outcomes of others’ behaviours as an indicator of their competence (Cuddy et al. 2007; 2008; Fiske and Taylor 2013). Instead, this dissertation demonstrates that similar cognitive errors may apply to self-perceptions as well. For example, Study 2 demonstrates that randomly determined negative outcomes increase self-perceptions of incompetence. More specifically, I demonstrate that the effect of negative outcomes on self-perceptions of incompetence is greater when the outcome is believed to be more avoidable (e.g., when participants pick their own lottery ticket) than compared to less avoidable (e.g., participants had their lottery ticket picked for them). Despite having no influence on over the outcome, incompetence perceptions are influenced when consumers simply believe they could have done something differently to avoid the outcome. Given that consumers are typically involved in some aspects of the decisions prior to experiencing a consumption outcome, the influence of consumer outcomes on self-perceptions of competence should be particularly common. Overall, I suggest that consumers may often experience feelings of incompetence following negative consumption experiences, even though the experience is not their fault.
In an effort to generalize the findings of the five studies presented in this research, perceived avoidability is operationalized in a number of ways. This helps demonstrate how perceived avoidability can vary through everyday consumer experiences. Wanting to reduce the possibility of consumers feeling incompetent following negative outcomes, firms could reduce consumers’ perceptions of avoidability. However, the modern marketplace makes it difficult to alleviate all perceptions of avoidability because consumers are likely to have a wide variety of options available that they could imagine choosing in hindsight to avoid their negative outcome experienced. From a neoclassical economics perspective, more choice is believed to be optimal for consumers. Conversely, past research also demonstrates that more choices and options can result in choice overload and decreased satisfaction with purchases (Schwartz 2004). Similarly, my research shows that negative outcomes can influence self-perceptions of incompetence because consumers perceive they could have easily avoided the negative outcome by going with one of the many other options they had available. Although firms are unlikely to successfully remove all perceptions of avoidability, they could attempt to alleviate them by limiting choice, decreasing involvement, and reducing information for consumers. This can make it seem to consumers that the outcome was less avoidable and therefore not have such a strong impact on self-perceptions of incompetence if the purchase turns out to be negative.

4.2.2. Effects of Perceptions of Competence

Broadly, this dissertation provides evidence that inferences of incompetence can lead to future avoidance behaviours. More specifically, I examine how self-perceptions of incompetence can influence WOM behaviour. Prior research on WOM assumes that satisfaction is the primary antecedent to sharing WOM (Anderson 1998; Anderson and Sullivan 1993;
Blodgett et al. 1993; Dichter 1966; Lovett et al. 2013; Richins 1983; Westbrook 1987; Wetzer et al. 2007). To help understand why extreme ends of satisfaction result in more WOM, research focuses on the benefits of sharing WOM, answering the question: why do consumers share WOM? However, little research examines deterrents to WOM behaviour, answering the question: why do consumers not share more WOM?

This dissertation suggests the concern of appearing incompetent following dissatisfying consumption experiences can decrease WOM. Specifically, I provide evidence that consumers can feel incompetent following firm-caused dissatisfying outcomes, the same kind of dissatisfying outcomes that are likely to motivate the sharing of negative WOM. However, assuming that consumers do not want to appear incompetent to others, sharing WOM about these experiences may contradict this. Therefore, under conditions of increased self-perceptions of incompetence, WOM reflecting a firm-caused dissatisfying experience is reduced. This advances our understanding behind the motives to sharing WOM by highlighting a deterrent to this behaviour.

For marketers, understanding the causes of WOM behavior is important. Recent research suggests that upwards of 80% of consumers trust WOM from people they know (Chevalier and Mayzlin 2006; Neilsen 2013), and nearly 70% of consumers’ decisions appear to have been influenced in some way by WOM (Balter 2008). Negative WOM, in particular, can harm brand perceptions (East et al. 2008), brand evaluations (Lacznjak et al. 2001), product attribute beliefs (Lim and Chung 2009), and even firms’ stock price (Luo 2009). With such outcomes, it is crucial to understand what motivates and deters consumers’ decisions to share information about their negative experiences.
As I present in this work, despite being dissatisfied with the firm for causing a negative outcome, under conditions of increased perceived avoidability consumers are less willing to share negative WOM. Additionally, the WOM they do share will also be less negative. As a manager, increasing perceptions of avoidability may increase these feelings of incompetence following a negative consumption experience and reduce the negative WOM shared about the firm. Therefore, if the goal is to limit WOM, firms should understand the situations that may decrease these concerns of appearing incompetent as it may increase negative WOM tendencies.

However, encouraging customers to share negative WOM can also benefit marketers. Negative WOM can help understand what customers do not like about firm offerings, providing the opportunity for firms to change and improve for future customers. It also gives firms the opportunity to identify and rectify the outcome with dissatisfied customers. Therefore, depending on the goal of the firm regarding increasing or decreasing WOM, firms can alter customer experiences to increase or decrease consumers’ perceptions of avoidability to better align with these WOM goals.

Future research on incompetence and WOM should examine dispositional factors that influence the fear of appearing as an incompetent consumer. For example, high self-monitors are very sensitive to personal rejection (Bushman 1993) and have been found to more actively scan their social environment for discrepancies between their desired and perceived self (Gould 1993; Snyder 1994). Given this information, high self-monitors are suspected to be more aware of the situations under which they may appear as an incompetent consumer and are likely to be more active in altering their behavior to avoid appearing this way. Zhang et al. (2014) have recently directed some of the negative WOM research in this direction, examining how general
differences across genders can influence how consumers share WOM, but there is still a lot of
opportunity to explore deeper into how trait differences can motivate and influence WOM.

Given the importance of competence perceptions as a component of self-esteem, it is
possible that trait differences in self-esteem can influence the concern of appearing incompetent
and intentions to share WOM. In support of these ideas, De Angelis et al. (2012) find that low
self-esteem consumers share more extreme positive WOM than their high self-esteem
counterparts due to their greater need to self-enhance. By extension, one would expect self-
esteeem to have the opposite influence on negative WOM behavior. Specifically, high self
esteem consumers should be more likely to share negative WOM because it will be less likely to
conflict with their self-enhancement needs. But these high self-esteem individuals should also
see themselves as more competent, therefore sharing negative WOM may directly contradict
with this self-view. Future research should consider some of these dispositional differences and
how they can moderate the effect of image-related concerns on WOM intentions highlighted in
this dissertation.

Dividing self-esteem into two distinct components (self-liking and self-competence) may
clear up this contradiction. Specifically, self-liking should be most related to the self-
enhancement effects previously noted in the literature by De Angelis et al (2012), and therefore,
consumers low in self-liking should be more likely to avoid negative WOM. Conversely, self-
competence perceptions should relate to the opposing predictions. Specifically, admitting failure
is most likely to be inconsistent with the self-perceptions of those who consider themselves to be
highly competent. Consequently, high, rather than low, trait self-competence perceptions should
reduce consumers’ tendency to spread negative WOM.
4.3 Limitations and Directions for Future Research

While the results of this dissertation provide evidence to various predictions for the effect of firm-caused outcomes on self-perceptions of competence and the effect on downstream consumer behaviours, there are some limitations to the current work. In the following section, I discuss these limitations and provide directions for how future research can address these limitations. Specifically, I focus on the limitations for choosing to focus on negative consumption outcomes and incompetence, as well as the limitations for choosing to focus on the effect of competence perceptions on WOM.

4.3.1 Focusing on the Bad

Although this dissertation’s findings provide a general model for how consumption experiences can influence self-perceptions of competence, both the theorizing and methodological design focuses more specifically on how negative outcomes influence self-perceptions of incompetence, rather than positive outcomes. This is done for several reasons, including theoretical contributions, potential implications for practice, and my own personal interest in the darker side of consumption outcomes.

Theoretically, research on consumer attributions of blame, and blame more generally, is most commonly presented as a mutually exclusive continuum. Where if the firm did something wrong, blame is clearly directed towards the firm and not the self. However, research in victimization presents evidence that people can blame and feel worse about themselves for externally caused negative outcomes. My interest leans towards understanding this contradiction for the theoretical contribution and clarification it can provide for attributions of blame following negative consumer experiences.
Additionally, my interest in examining incompetence is also for the practical implications it can provide. In relation to WOM, it is believed that individuals are motivated to share WOM following negative experiences, but if people can also feel incompetent for these same experiences, then why would they want to share it? By providing evidence for consumers being less willing to share negative WOM out of the fear of appearing incompetent, I add to the understanding of WOM theoretically and practically. Specifically, marketers typically believe that for every dissatisfied customer that complains there are likely many more dissatisfied customers who did not speak up. This is consistent with academic research suggesting that consumers would rather share positive than negative WOM (De Angelis et al. 2012; East et al. 2007; Godes and Mayzlin 2004; Holmes and Lett 1977; Keller 2007). I provide a possible reason for this discrepancy, where despite being dissatisfied with the firm, consumers will not share negative WOM out of concerns of exposing their incompetence. A focus on negative consumption experiences within this dissertation helps provide evidence for this.

Lastly, this work is also guided by a personal interest in the darker side of consumption. Research in consumer behaviour focuses predominantly on how to improve customer experiences. Yet, there is relatively little research on what can deteriorate customer experiences. To fully understand the good, I believe you must also understand the bad. By focusing on negative outcomes and incompetence inference, I acknowledge a comprehensive examination of how positive and negative consumption outcomes impact self-perceptions of competence is incomplete. While I suggest my theorizing can extend to positive outcomes, a more detailed examination will need to be conducted in the future.
4.3.1 Focus on WOM

Overall this research provides some interesting implications for WOM. Specifically, how the concern of appearing incompetent can reduce WOM. Beyond the theoretical and practical reasons that I mention earlier in understanding WOM, future research can extend these findings to other important consumer phenomena that could be influenced by inferences of competence. I argue that competence inferences will increase avoidance behaviours where consumers are motivated to avoid feeling and appearing incompetent in their future behaviours. However, a direct investigation of the wide range of behaviours this can encompass is not completed within this dissertation. This is a limitation to this current work, but it also provides the opportunity for research in the future to more directly examine these behaviours. Two areas in particular include exploring the effects of concerns of appearing incompetent more thoroughly, as well as understanding consumer motivations to restore their competence perceptions.

4.3.1.1 Concerns of Appearing Incompetent

In examining how competence perceptions can influence consumer behaviours, this dissertation focuses on how inferences of incompetence can activate the concern of appearing incompetent and how these concerns can influence WOM. While I suggest that these concerns can extend to other consumer behaviours as well, I do not explicitly test these effects. This is a limitation to this dissertation, but I suggest here that there are other areas for future research to explore.

Specifically, any behaviour that may signal to others the suboptimal nature of a prior purchase will be subject to the concerns of appearing incompetent. One example is that of simple product usage. If an individual feels incompetent about a purchase, using that product in
public could signal this incompetence to others. This is especially true if that product is widely known for being of poor value and possibly considered as an incompetent choice to others. For example, news reports that depict products being poor quality or value should increase these concerns and decrease product usage. Negative press concerning product failures is likely to reduce purchase intentions for potential customers. However, what about the consumers who already own those products featured in bad press? I suggest that bad press will decrease usage intentions of existing customers through the fear of appearing incompetent. This may occur despite these customers being currently satisfied with the product. Instead, out of the concern of appearing incompetent, consumers will be less willing to use the products that they have already purchased even though they still satisfy their needs. This is another avenue for potential research.

### 4.3.1.2 Restoring Self-Perceptions of Competence

This dissertation focuses primarily on the effects of inferences of competence on avoiding behaviours related to the specific experience that influences their competence. This limits our understanding of competence as a whole to one specific consumption experience. However, future research could explore how these competence inferences carry forward to unrelated consumption behaviour and decisions.

One possible extension of this research is the assumption that people do not want to feel incompetent as this should be threatening to the self and should motivate future decisions in efforts to restore self-perceptions of competence. Simply, this may present itself in the form of approaching or avoiding future consumption. First, in efforts to restore self-perceptions of competence, consumers may find future deals more appealing. Consistent with theories of the smart shopper feelings (Schindler 1998), getting a good deal could make an individual feel smart,
and therefore, in efforts to restore their competence perceptions consumers might be more motivated to seek out and obtain a deal. Another possible outcome is that consumers can avoid future consumption, possibly out of the fear of having another negative consumption experience and feeling even more incompetent. This is similar to theories raised in the conceptual work on the “fear of being duped” (Vohs et al. 2007), as well as research on defensive distrust (Darke et al. 2010; Darke et al. 2008; Darke and Ritchie 2007). Following this line of reasoning, when a consumer feels incompetent from a prior experience they may resort to a more defensive frame of mind, skeptical of future opportunities, and possibly less willing to engage in the marketplace in general. Overall, research on how competence perceptions can influence future decisions is a fruitful area that warrants deeper explorations. This dissertation can help guide these investigations and advance our understanding of consumer behaviour following negative consumption experiences.

4.4 Conclusion

Competence is a broad construct that appears across many literatures, yet self-perceptions of competence are rarely examined as their own topic. This is evident in the majority of research that treats competence as a stable trait and the research in consumer behaviour treating important constructs like self-esteem more as a trait rather than a fluctuating self-perception. Thus, this dissertation confronts this lack of research and provides a deeper understanding of self-perceptions of competence in a consumer context. This dissertation finds that consumers infer their own competence from their consumption experiences. Furthermore, this dissertation highlights that self-perceptions of competence can stem from externally caused consumption outcomes, such as negative firm-caused outcomes. Therefore, when a consumer experiences a
negative firm-caused experience, where the firm wronged them in some way, consumers can feel incompetent. I find that self-perceptions of incompetence arise as a result of consumers mistakenly believing that they could have done something different in hindsight to avoid a negative outcome. This dissertation also provides some introductory evidence for how self-perceptions of incompetence from consumption can influence downstream behaviours, such as impression management concerns and WOM. Specifically, findings show that consumers share less WOM about a firm-caused dissatisfying experience when they feel more incompetent, out of concerns that the WOM will portray their incompetence. Taken together, this dissertation enhances our understanding of how consumers infer their competence from their own consumption experiences and how these inferences can impact their behaviour.
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**Appendix A**

**Study 1 Recall Tasks**

<table>
<thead>
<tr>
<th>Good Breaks Condition</th>
<th>Bad Breaks Condition</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Instructions</strong></td>
<td><strong>Instructions</strong></td>
</tr>
<tr>
<td>For this survey, we're interested in people's consumer experiences. Specifically, we're currently interested in learning about the kinds of <strong>good</strong> breaks consumers experience with companies they have made purchases from. &quot;<strong>Good Breaks</strong>&quot; are those sort of positive consumer experiences we have with companies that we do not foresee, intend, expect, or plan to occur - they just happen to us. Please list and describe below 4 <strong>good</strong> breaks that you have experienced as a consumer in your life. You have 7 minutes to complete this task. The survey will automatically advance after 7 minutes</td>
<td>For this survey, we're interested in people's consumer experiences. Specifically, we're currently interested in learning about the kinds of <strong>bad</strong> breaks consumers experience with companies they have made purchases from. &quot;<strong>Bad Breaks</strong>&quot; are those sort of negative consumer experiences we have with companies that we do not foresee, intend, expect, or plan to occur - they just happen to us. Please list and describe below 4 <strong>bad</strong> breaks that you have experienced as a consumer in your life. You have 7 minutes to complete this task. The survey will automatically advance after 7 minutes</td>
</tr>
<tr>
<td>Example #1:</td>
<td>Example #1:</td>
</tr>
<tr>
<td>Example #2:</td>
<td>Example #2:</td>
</tr>
<tr>
<td>Example #3:</td>
<td>Example #3:</td>
</tr>
<tr>
<td>Example #4:</td>
<td>Example #4:</td>
</tr>
</tbody>
</table>
## Appendix B

### Study 2 Procedure

<table>
<thead>
<tr>
<th>Process Steps</th>
<th>High Avoidability Condition</th>
<th>Low Avoidability Condition</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Participants enter the lab, receive a chocolate bar, told that this chocolate bar is theirs to keep, and asked to sit alone at a table in the room.</td>
<td></td>
</tr>
</tbody>
</table>
| 2             | **Experimenters Verbal Instructions**  
“As a thank you for participating in our study today, you have been given a chocolate bar.  
However, we are running low and not everyone will get to keep their chocolate bar. To be fair, to determine who gets to keep and who has to return their chocolate bar a coin will be flipped and then you will **pick out a ticket** that will either say “Heads” or “Tails” on it.  
If your ticket matches the result of the coin flip you keep your chocolate bar, if it does not match you have to give the chocolate bar back.” | **Experimenters Verbal Instructions**  
“As a thank you for participating in our study today, you have been given a chocolate bar.  
However, we are running low and not everyone will get to keep their chocolate bar. To be fair, to determine who gets to keep and who has to return their chocolate bar a coin will be flipped and then I will **give you a ticket** that will either say “Heads” or “Tails” on it.  
If your ticket matches the result of the coin flip you keep your chocolate bar, if it does not match you have to give the chocolate bar back.” |
| 3             | Experimenter flips a coin, writes the result on the board at the front, “Heads” or “Tails.” |  |
| 4             | Experimenter presents participants with a box containing 400 tickets, 200 with “Heads” and 200 with “Tails” written on it.  
Participants pulls a ticket from the box themselves.  
If ticket matches coin flip they keep their chocolate bar (Random Neutral Outcome), if it does not they return their chocolate bar (Random Negative Outcome). | Experimenter presents participants with a box containing 400 tickets, 200 with “Heads” and 200 with “Tails” written on it.  
Experimenter pulls a ticket from the box for the participant.  
If ticket matches coin flip they keep their chocolate bar (Random Neutral Outcome), if it does not they return their chocolate bar (Random Negative Outcome). |
Appendix C

Study 3a Scenarios

<table>
<thead>
<tr>
<th>Cash Payment – Firm Does Not Overcharge</th>
<th>Cash Payment – Firm Overcharges</th>
</tr>
</thead>
<tbody>
<tr>
<td>Imagine that you are looking to buy a new digital SLR camera. Your parents know that you have been looking for a camera and as congratulations for successfully finishing the school year they give you $550 cash, which you can use towards the purchase of a camera.</td>
<td>Imagine that you are looking to buy a new digital SLR camera. Your parents know that you have been looking for a camera and as congratulations for successfully finishing the school year they give you $550 cash, which you can use towards the purchase of a camera.</td>
</tr>
<tr>
<td>A few days later, you get a chance to go to Brown’s Camera Store. You plan to obtain the best camera you can get with the gift from your parents. You find a Nikon D3100 Digital SLR in the store and see that it is priced at $549.99. You use the cash provided by your parents and purchase the camera.</td>
<td>A few days later, you get a chance to go to Brown’s Camera Store. You plan to obtain the best camera you can get with the gift from your parents. You find a Nikon D3100 Digital SLR in the store and see that it is priced at $549.99. You use the cash provided by your parents and purchase the camera.</td>
</tr>
<tr>
<td>A week later, you happen to be walking by Ted’s Camera Store. You take a quick look at the cameras and see that they are selling the exact same camera you recently bought for $549.99 also.</td>
<td>A week later, you happen to be walking by Ted’s Camera Store. You take a quick look at the cameras and see that they are selling the exact same camera you recently bought for $349.99.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Gift-Card Payment – Firm Does Not Overcharge</th>
<th>Gift-Card Payment – Firm Overcharges</th>
</tr>
</thead>
<tbody>
<tr>
<td>Imagine that you are looking to buy a new digital SLR camera. Your parents know that you have been looking for a camera and as congratulations for successfully finishing the school year they give you $550 gift-card for Brown’s Camera Store, which you can use towards the purchase of a camera.</td>
<td>Imagine that you are looking to buy a new digital SLR camera. Your parents know that you have been looking for a camera and as congratulations for successfully finishing the school year they give you $550 gift-card for Brown’s Camera Store, which you can use towards the purchase of a camera.</td>
</tr>
<tr>
<td>A few days later, you get a chance to go to Brown’s Camera Store. You plan to obtain the best camera you can get with the gift from your parents. You find a Nikon D3100 Digital SLR in the store and see that it is priced at $549.99. You use the gift-card provided by</td>
<td>A few days later, you get a chance to go to Brown’s Camera Store. You plan to obtain the best camera you can get with the gift from your parents. You find a Nikon D3100 Digital SLR in the store and see that it is priced at $549.99. You use the gift-card provided by</td>
</tr>
</tbody>
</table>
A week later, you happen to be walking by Ted’s Camera Store. You take a quick look at the cameras and see that they are selling the exact same camera you recently bought for $549.99 also.

A week later, you happen to be walking by Ted’s Camera Store. You take a quick look at the cameras and see that they are selling the exact same camera you recently bought for $349.99.
Appendix D
Study 3b Scenarios

<table>
<thead>
<tr>
<th>No Time Constraints – Firm Does Not Overcharge</th>
<th>No Time Constraints – Firm Overcharges</th>
</tr>
</thead>
</table>
| Imagine you have recently planned a trip to Thailand. As an amateur photographer you are excited to get some good quality pictures of you and your friends in Thailand. However, **a few months prior to leaving you drop your high quality digital SLR camera and smash it beyond repair**. Knowing that you need and want high quality photos for this vacation you decide that you will purchase a new similar digital SLR camera.  
You shop around and decide to go to a local camera store a few days prior to leaving on your trip. The camera you decided to buy costs you $549.99.  
While you’re waiting for your plane to board you are cruising the Internet and see the same digital SLR camera you just bought is available on amazon.com for **$549.99**. | Imagine you have recently planned a trip to Thailand. As an amateur photographer you are excited to get some good quality pictures of you and your friends in Thailand. However, **a few months prior to leaving you drop your high quality digital SLR camera and smash it beyond repair**. Knowing that you need and want high quality photos for this vacation you decide that you will purchase a new similar digital SLR camera.  
You shop around and decide to go to a local camera store a few days prior to leaving on your trip. The camera you decided to buy costs you $549.99.  
While you’re waiting for your plane to board you are cruising the Internet and see the same digital SLR camera you just bought is available on amazon.com for **$349.99**. |

<table>
<thead>
<tr>
<th>Time Constraints – Firm Does Not Overcharge</th>
<th>Time Constraints – Firm Overcharges</th>
</tr>
</thead>
</table>
| Imagine you have recently planned a trip to Thailand. As an amateur photographer you are excited to get some good quality pictures of you and your friends in Thailand. However, **as you are packing your luggage in your car you drop your high quality digital SLR camera and smash it beyond repair**. Knowing that you need and want high quality photos for this vacation you decide that you will purchase a new similar digital SLR camera.  
With no time for a proper search, you decide to | Imagine you have recently planned a trip to Thailand. As an amateur photographer you are excited to get some good quality pictures of you and your friends in Thailand. However, **as you are packing your luggage in your car you drop your high quality digital SLR camera and smash it beyond repair**. Knowing that you need and want high quality photos for this vacation you decide that you will purchase a new similar digital SLR camera.  
With no time for a proper search, you decide to |
go to a local camera store on your way to the airport. The camera you decided to buy costs you $549.99.

While you’re waiting for your plane to board you are cruising the Internet and see the same digital SLR camera you just bought is available on amazon.com for $549.99.

go to a local camera store on your way to the airport. The camera you decided to buy costs you $549.99.

While you’re waiting for your plane to board you are cruising the Internet and see the same digital SLR camera you just bought is available on amazon.com for $349.99.
### Appendix E

#### Study 4 Scenarios

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Imagine that you are looking to buy a new digital SLR camera. You do an extensive amount of research and decide to purchase a Nikon D7000, retail price of $1,199. In addition you decide to <strong>save some money and opt-out of the 2-year default warranty leaving you with a warranty covering repairs of the camera up to 1-year after the purchase.</strong> After purchasing and using the camera for several months you realize that you really enjoy it and are happy with your purchase. However, <strong>shortly before one year after the camera was purchased you discover that it will no longer turn on.</strong> You have never dropped it and have always been very careful in handling and cleaning, therefore you believe the malfunction is the result of a manufacturer defect. You contact and send the product into the manufacturer. <strong>They fix the camera and send it back free of charge.</strong></td>
<td>Imagine that you are looking to buy a new digital SLR camera. You do an extensive amount of research and decide to purchase a Nikon D7000, retail price of $1,199. In addition you decide to <strong>save some money and opt-out of the 2-year default warranty leaving you with a warranty covering repairs of the camera up to 1-year after the purchase.</strong> After purchasing and using the camera for several months you realize that you really enjoy it and are happy with your purchase. However, <strong>shortly before one year after the camera was purchased you discover that it will no longer turn on.</strong> You have never dropped it and have always been very careful in handling and cleaning, therefore you believe the malfunction is the result of a manufacturer defect. You contact and send the product into the manufacturer. <strong>They tell you these repairs will cost you $500.</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Default Warranty – Firm Honours Warranty</th>
<th>Default Warranty – Firm Violates Warranty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Imagine that you are looking to buy a new digital SLR camera. You do an extensive amount of research and decide to purchase a Nikon D7000, retail price of $1,199. In addition you decide to <strong>stay with the default warranty covering repairs of the camera up to 1-year after purchase.</strong> After purchasing and using the camera for</td>
<td>Imagine that you are looking to buy a new digital SLR camera. You do an extensive amount of research and decide to purchase a Nikon D7000, retail price of $1,199. In addition you decide to <strong>stay with the default warranty covering repairs of the camera up to 1-year after purchase.</strong> After purchasing and using the camera for</td>
</tr>
</tbody>
</table>
several months you realize that you really enjoy it and are happy with your purchase. However, shortly before one year after the camera was purchased you discover that it will no longer turn on. You have never dropped it and have always been very careful in handling and cleaning, therefore you believe the malfunction is the result of a manufacturer defect.

You contact and send the product into the manufacturer. They fix the camera and send it back free of charge.

several months you realize that you really enjoy it and are happy with your purchase. However, shortly before one year after the camera was purchased you discover that it will no longer turn on. You have never dropped it and have always been very careful in handling and cleaning, therefore you believe the malfunction is the result of a manufacturer defect.

You contact and send the product into the manufacturer. They tell you these repairs are not covered under the manufacturer warranty and will cost you $500.
### Appendix F

#### Study 5 Scenarios

<table>
<thead>
<tr>
<th>Well-Known Brand – Meets Expectations</th>
<th>Well-Known Brand – Does Not Meet Expectations</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Imagine that you are looking to buy a new smart phone. You have done a large amount of research and have narrowed it down between two different cell phones. From your research, both cell phones share very similar attributes, and you think either one will meet your needs. One is considered to be a Well-Known brand with a higher price (Cell-X). The other is considered to be a Lesser-Known brand with a lower price (Cell-A).</strong> Details of both are below.</td>
<td><strong>Imagine that you are looking to buy a new smart phone. You have done a large amount of research and have narrowed it down between two different cell phones. From your research, both cell phones share very similar attributes, and you think either one will meet your needs. One is considered to be a Well-Known brand with a higher price (Cell-X). The other is considered to be a Lesser-Known brand with a lower price (Cell-A).</strong> Details of both are below.</td>
</tr>
<tr>
<td><strong>Display</strong></td>
<td><strong>Display</strong></td>
</tr>
<tr>
<td>Cell-A</td>
<td>Cell-X</td>
</tr>
<tr>
<td>4 inch diagonally</td>
<td>4 inch diagonally</td>
</tr>
<tr>
<td><strong>Battery Life</strong></td>
<td><strong>Battery Life</strong></td>
</tr>
<tr>
<td>10 hours</td>
<td>10 hours</td>
</tr>
<tr>
<td><strong>4G LTE compatible</strong></td>
<td><strong>4G LTE compatible</strong></td>
</tr>
<tr>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>High Definition Display</strong></td>
<td><strong>High Definition Display</strong></td>
</tr>
<tr>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Storage</strong></td>
<td><strong>Storage</strong></td>
</tr>
<tr>
<td>32 GB</td>
<td>32 GB</td>
</tr>
<tr>
<td><strong>Price</strong></td>
<td><strong>Price</strong></td>
</tr>
<tr>
<td>$599.99</td>
<td>$799.99</td>
</tr>
<tr>
<td>You end up purchasing the <strong>Cell-X</strong>.</td>
<td>You end up purchasing the <strong>Cell-X</strong>.</td>
</tr>
<tr>
<td>A month after you buy the <strong>Cell-X you conclude that it works just as you initially hoped.</strong> Additionally, a review on ConsumerReports.org makes the same claims about the Cell-X as a good purchase choice.</td>
<td>A month after you buy the <strong>Cell-X you conclude that it DOES NOT work as you initially hoped.</strong> Additionally, a review on ConsumerReports.org makes the same claims about the Cell-X as a bad purchase choice.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Lesser-Known Brand – Meets Expectations</th>
<th>Lesser-Known Brand – Does Not Meet Expectations</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Imagine that you are looking to buy a new smart phone. You have done a large amount of research and have narrowed it down between two different cell phones. From your research, both cell phones share very similar attributes, and you think either one will meet your needs. One is considered to be a Well-Known brand with a higher price (Cell-X). The other is considered to be a Lesser-Known brand with a lower price (Cell-A).</strong> Details of both are below.</td>
<td><strong>Imagine that you are looking to buy a new smart phone. You have done a large amount of research and have narrowed it down between two different cell phones. From your research, both cell phones share very similar attributes, and you think either one will meet your needs. One is considered to be a Well-Known brand with a higher price (Cell-X). The other is considered to be a Lesser-Known brand with a lower price (Cell-A).</strong> Details of both are below.</td>
</tr>
<tr>
<td><strong>Display</strong></td>
<td><strong>Display</strong></td>
</tr>
<tr>
<td>Cell-A</td>
<td>Cell-X</td>
</tr>
<tr>
<td>4 inch diagonally</td>
<td>4 inch diagonally</td>
</tr>
<tr>
<td><strong>Battery Life</strong></td>
<td><strong>Battery Life</strong></td>
</tr>
<tr>
<td>10 hours</td>
<td>10 hours</td>
</tr>
<tr>
<td><strong>4G LTE compatible</strong></td>
<td><strong>4G LTE compatible</strong></td>
</tr>
<tr>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>High Definition Display</strong></td>
<td><strong>High Definition Display</strong></td>
</tr>
<tr>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Storage</strong></td>
<td><strong>Storage</strong></td>
</tr>
<tr>
<td>32 GB</td>
<td>32 GB</td>
</tr>
<tr>
<td><strong>Price</strong></td>
<td><strong>Price</strong></td>
</tr>
<tr>
<td>$599.99</td>
<td>$799.99</td>
</tr>
<tr>
<td>You end up purchasing the <strong>Cell-X</strong>.</td>
<td>You end up purchasing the <strong>Cell-X</strong>.</td>
</tr>
<tr>
<td>A month after you buy the <strong>Cell-X you conclude that it works just as you initially hoped.</strong> Additionally, a review on ConsumerReports.org makes the same claims about the Cell-X as a good purchase choice.</td>
<td>A month after you buy the <strong>Cell-X you conclude that it DOES NOT work as you initially hoped.</strong> Additionally, a review on ConsumerReports.org makes the same claims about the Cell-X as a bad purchase choice.</td>
</tr>
</tbody>
</table>
Imagine that you are looking to buy a new smart phone. You have done a large amount of research and have narrowed it down between two different cell phones. From your research, both cell phones share very similar attributes, and you think either one will meet your needs. One is considered to be a **Well-Known brand with a higher price (Cell-A)**. The other is considered to be a **Lesser-Known brand with a lower price (Cell-X)**. Details of both are below.

<table>
<thead>
<tr>
<th>Feature</th>
<th>Cell-A</th>
<th>Cell-X</th>
</tr>
</thead>
<tbody>
<tr>
<td>Display</td>
<td>4 inch diagonally</td>
<td>4 inch diagonally</td>
</tr>
<tr>
<td>Battery Life</td>
<td>10 hours</td>
<td>10 hours</td>
</tr>
<tr>
<td>4G LTE compatible</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>High Definition Display</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Storage</td>
<td>32 GB</td>
<td>32 GB</td>
</tr>
<tr>
<td>Price</td>
<td>$799.99</td>
<td>$599.99</td>
</tr>
</tbody>
</table>

You end up purchasing the **Cell-X**.

A month after you buy the **Cell-X you conclude that it works just as you initially hoped**. Additionally, a review on ConsumerReports.org makes the same claims about the Cell-X as a good purchase choice.

Imagine that you are looking to buy a new smart phone. You have done a large amount of research and have narrowed it down between two different cell phones. From your research, both cell phones share very similar attributes, and you think either one will meet your needs. One is considered to be a **Well-Known brand with a higher price (Cell-A)**. The other is considered to be a **Lesser-Known brand with a lower price (Cell-X)**. Details of both are below.

<table>
<thead>
<tr>
<th>Feature</th>
<th>Cell-A</th>
<th>Cell-X</th>
</tr>
</thead>
<tbody>
<tr>
<td>Display</td>
<td>4 inch diagonally</td>
<td>4 inch diagonally</td>
</tr>
<tr>
<td>Battery Life</td>
<td>10 hours</td>
<td>10 hours</td>
</tr>
<tr>
<td>4G LTE compatible</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>High Definition Display</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Storage</td>
<td>32 GB</td>
<td>32 GB</td>
</tr>
<tr>
<td>Price</td>
<td>$799.99</td>
<td>$599.99</td>
</tr>
</tbody>
</table>

You end up purchasing the **Cell-X**.

A month after you buy the **Cell-X you conclude that it DOES NOT work as you initially hoped**. Additionally, a review on ConsumerReports.org makes the same claims about the Cell-X as a bad purchase choice.

### WOM Anonymity Manipulation

<table>
<thead>
<tr>
<th>Not-Anonymous</th>
<th>Anonymous</th>
</tr>
</thead>
<tbody>
<tr>
<td>While in class, another student is asking around if anyone has any information on the same phone you just purchased.</td>
<td>While cruising the internet you see that someone is asking around if anyone has any information on the same phone you just purchased on an anonymous message board.</td>
</tr>
<tr>
<td>With this in mind, please indicate the extent to which you agree or disagree with the following statements:</td>
<td>With this in mind, please indicate the extent to which you agree or disagree with the following statements:</td>
</tr>
</tbody>
</table>
Appendix G

Research Ethics Board Approval

March 13, 2013

Mr. Matthew Philp
Ph.D. Candidate
Queen’s School of Business
Queen’s University
Kingston, ON K7L 3N6

GREB Ref #: GBUS-379-13; Romeo # 6007824
Title: "GBUS-379-13 Purchase Responsibility and the Self-Presentational Motive to NOT Sharing Negative Word-of-Mouth"

Dear Mr. Philp:

The General Research Ethics Board (GREB), by means of a delegated board review, has cleared your proposal entitled "GBUS-379-13 Purchase Responsibility and the Self-Presentational Motive to NOT Sharing Negative Word-of-Mouth" for ethical compliance with the Tri-Council Guidelines (TCPS) and Queen's ethics policies. In accordance with the Tri-Council Guidelines (article D.1.6) and Senate Terms of Reference (article G), your project has been cleared for one year. At the end of each year, the GREB will ask if your project has been completed and if not, what changes have occurred or will occur in the next year.

You are reminded of your obligation to advise the GREB, with a copy to your unit REB, of any adverse event(s) that occur during this one year period (access this form at https://eservices.queensu.ca/romeo_researcher/ and click Events - GREB Adverse Event Report). An adverse event includes, but is not limited to, a complaint, a change or unexpected event that alters the level of risk for the researcher or participants or situation that requires a substantial change in approach to a participant(s). You are also advised that all adverse events must be reported to the GREB within 48 hours.

You are also reminded that all changes that might affect human participants must be cleared by the GREB. For example you must report changes to the level of risk, applicant characteristics, and implementation of new procedures. To make an amendment, access the application at https://eservices.queensu.ca/romeo_researcher/ and click Events - GREB Amendment to Approved Study Form. These changes will automatically be sent to the Ethics Coordinator, Gail Irving, at the Office of Research Services or irvingg@queensu.ca for further review and clearance by the GREB or GREB Chair.

On behalf of the General Research Ethics Board, I wish you continued success in your research.

Yours sincerely,

John Freeman, Ph.D.
Professor and Acting Chair
General Research Ethics Board

cc: Dr. Laurence Ashworth, Faculty Supervisor
Dr. Jane Webster, Chair, Unit REB
Amy Marshall, c/o Research Office