



1st NIMCon

NIM Market Decisions Research Meeting 2022 Abstracts

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NIM Market Decisions Research Meeting

ABSTRACTS

Prof. Tobias Vogel

Darmstadt University of Applied Sciences

Any publicity is good publicity? On the relations between brand exposure, brand familiarity and brand attitudes

Any publicity is good publicity. From a marketing perspective, frequent brand exposure – in advertising or at the point of sale – is considered advantageous. Indeed, psychological studies demonstrate that frequent brand exposure not only increases brand familiarity but also leads to more favorable brand attitudes. The present talk starts with a brief review of prominent psychological accounts predicting beneficial effects of brand exposure on brand attitudes. Against the backdrop of more recent alternative accounts, I derive predictions when the intended effect of brand exposure on brand attitudes will attenuate or even reverse. I will then present a line of research to test these predictions. In a first set of experimental studies, I show how brand placement in video games can lead to negative brand attitudes. In a second set of experiments, I present detrimental effects of brand exposure on consumer choice. Finally, I elaborate on the underlying mechanisms and outline possible future avenues.

Prof. Sascha Topolinski

University of Cologne

Maybe favors: nudging a better world

Would you do me a favor, just in case? We exploit the psychological misrepresentation of probabilities featured in prospect theory to nudge helping behavior. Individuals chronically underestimate high probabilities of occurrences, particularly when these occurrences are to their disadvantage (“It won’t happen to me.”). When asking for a favor and adding the conjunction that it is only probable, but not sure, that the promise has to be delivered eventually, our participants more likely grant that favor believing that the case of delivery will unlikely arise. In both hypothetical laboratory and fully incentivized experiments (total N = 3475) we evoked more helping behavior and actually higher donations when implementing a maybe-favor than when asking for an unconditional favor.

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Prof. Thorsten Erle
Tilburg University

Emoji in online consumer contexts: boon or bane?

As most aspects of our lives, consumer behavior is moving more and more from offline into online contexts. While e-commerce has many advantages over traditional brick and mortar sales (e.g., unconstrained product comparisons, faster transactions, larger advertisement range), moving business online also has some noteworthy drawbacks. In e-commerce, for example, communication by necessity happens digitally and text-based, which limits the ability of customers and brands to express themselves non-verbally. While emoji have been developed to overcome this limitation, little research has investigated their effects within brand-customer interactions. This talk looks at the effects of emoji on various such interactions through the lens of social theories of emotion. While emoji can be helpful for shaping desirable brand personalities in advertisements or for signaling emotionality in customer service interactions, they can also lead to unwanted inferences about consumers who wish to express emotionality in written online product reviews. I discuss how social theories of emotion can help brands and customers to use the right emoji at the right time, thereby making advertisements more effective, customers more satisfied, and product reviews more convincing. These benefits can be harnessed especially through interdisciplinary work involving psychologists, designers, and marketers.

Dr. Anand Krishna
University of Würzburg

Asymmetric effects of regulatory focus on consumer behavior

Regulatory focus theory proposes two conceptually symmetrical motivational orientations: a promotion focus, concerned with nurturance, growth goals, and approaching gains, and a prevention focus, concerned with security, safety goals, and avoiding losses. While extant research suggests that a promotion focus should be associated with increased impulse buying, two experiments (total N=250) provided evidence that this effect is moderated by chronic regulatory focus and cognitive constraint. A promotion focus increased impulse buying as expected, but only in the presence of (either) strong chronic regulatory focus. Further analyses showed that cognitive constraint abolished the moderation by chronic prevention focus but did not affect the moderation by chronic promotion focus. A further series of five experiments (total N=714) showed that basic regulatory focus effects on signal detection fail to manifest under cognitive constraint through time pressure. In addition, the final experiment showed that while responses in the prevention focus group were affected by time pressure, responses in the promotion focus group were not. Taken together, these results suggest that the mediating processes for prevention focus effects may be more resource-dependent than those for promotion focus. This possible asymmetry raises questions for the application of regulatory focus theory to consumer decision-making.

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Dr. Michael Zürn
Nuremberg Institute for Market Decisions

Responding to market disruptions with innovation: the psychological foundations of threat rigidity

In the face of changing market conditions, businesses must innovate to remain competitive. However, willingness to innovate decreases when businesses are facing a threat. We take a psychological perspective on Threat Rigidity and test how market disruptions affect three distinct cognitive facets of innovation. First, we show that threats amplify anticipated regret, which impedes innovation as an active deviation from the status quo. Second, decision makers perceive innovation as relatively less risky when facing threats, which interferes with risk-seeking for losses. Third, we hypothesize that threats trigger a more concrete construal level which inhibits creative development of innovative ideas.

Dr. Matthias Unfried
Nuremberg Institute for Market Decisions

There's fair and there's fair – social interaction between humans and machines

With the rise of AI, the number of touchpoints human agents have with smart machines in economic decisions increases. Smart algorithms or conversational agents, e.g., make individualized offers or decide whether customers get a loan or not. Although interaction between humans in such fairness-related situations has been subject to economic research since the early eighties, social interaction between humans and machines has hardly been researched. In two lab experiments, we apply the Ultimatum Game to approach the question of how perception of fairness changes when interacting with machines instead of humans, and how this is influenced by the machine has human characteristics like voice or a virtual body. We find that anthropomorphism influences the acceptance behavior. These effects seem to be driven by the degree of humanness but not by the voice of a machine agent.

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Jun.-Prof. Elena Freisinger

Ilmenau University of Technology

Past over future? How managerial cognition of the past shapes the business model innovation decision for the future

Recent studies on business model innovation (BMI) show above all a strong positive relationship between BMI and firm performance. However, despite its positive indications, anecdotal evidence suggests that managers often shy away from innovating their business model. To better understand factors affecting the decision, the temporal – or intertemporal – dimension between innovation and resulting business success plays an important role. When researching intertemporal decision-making in the context of innovation, past experiences with innovations, recognition and evaluation of current events, such as opportunities and threats, as well as individual long-term orientations are of importance. Thus, in three experiments, we seek to answer the following research questions: (1) How do past successes/failures and current opportunities/threats influence the decision to adopt BMI? (2) How does long-term orientation impact BMI decision-making? Preliminary results show a different perception of past (success/failure) and present (opportunity/threat) events depending on the individual long-term orientation of the decision-maker. This research will fill a knowledge gap in the current literature, in which the conditions for a rejection of a BMI have been little illuminated.

Prof. Sabrina Schneider

MCI Management Institute Innsbruck

The Human-Algorithm Connection in Decision-Making: In Whom We Trust

With the rising capability and availability of agentic AI, we see a shift in whom we need to trust in decision-making. This study analyzes how perceptions of trustworthiness of agentic AI and its owner/ principal affect one's acceptance and usage of the technology in decision-making. Our findings show that agentic AI changes whom we need to trust. The perceptions of trustworthiness of both the decision agent itself and its owner/ principal influence decision acceptance and delegation. Further, people only prefer human decision-makers in corporate, not in governmental decision contexts. Additionally, our findings reveal that people find it easier to accept decisions made by agentic AI than to delegate decisions to agentic AI. This paper thereby contributes to the literature on agentic AI in decision-making by emphasizing the role of the trustee's owner and the need to focus on perceptions of trustworthiness. Further, we highlight the relevance of benevolence and integrity of the trustee in combination with the challenge that we are not capable of motivating behaviors of agentic AI as a major hurdle to achieving perceptions of trustworthiness. These findings have implications for designing the integration of agentic AI in human decision-making.

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Prof. Martin Matzner

University of Erlangen–Nuremberg

Mining Businesses Using Digital Trace Data for Insights on Organizations and Human Behavior

"Digital Trace Data" refers to the slipstream of event data items generated by the execution of work in businesses today. Each item signifies the completion of a certain work step. Process mining has become a popular approach for examining this data in order to improve the efficiency of operational processes. After a general introduction to the topic, I make some suggestions about how the application field of process mining could be extended. I will outline potential applications of PM to study individual-level, behavioral phenomena (such as work performances, well-being, etc.) as well as organizational-level phenomena.

Prof. Sven Laumer

University of Erlangen–Nuremberg

Algorithms in decision-making: examining individuals' perceptions of algorithms that aim to balance gender ratios in management

Women are still underrepresented in management. One reason for this inequality are gender stereotypes that lead human decision makers to prefer men over women for leadership roles. To overcome these issues, we propose using algorithms as a promising approach to promote gender equality in management. Given that algorithms are appropriately designed, they can remove gender discrimination by maximizing the predefined outcome of balanced gender ratios. In an online experiment with HR expert from a multinational science and technology company, we find that maximization perceptions increase fairness perceptions in the context of women in leadership. In addition, we examine how the disclosure of an algorithmic (versus human) decision-maker's underlying maximization strategy affects maximization perceptions and show that perceptions depend on whether purpose or process explanations are communicated.

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Prof. Jella Pfeiffer
University of Giessen

Conversational Agents with Voice: How Social Presence Influences User Behavior in Microlending Decisions

This paper finds that anthropomorphizing Conversational Agents (CAs), i.e., giving them a voice, increases social presence, and, in turn, empathy and trust. Yet there are also negative impacts. Striving from the CASA Theorem and Social Agency Theory, we propose—and empirically proof—that a higher social presence also leads to a stronger feeling of being observed. This results in lower investments. This result has high impact on how to design CAs. The paper discusses both theoretical and design implications, especially for the potential of anthropomorphized CAs on platforms for prosocial and for-profit microlending decisions.

Dr. Carolin Kaiser, René Schallner
Nuremberg Institute for Market Decisions

How Artificial Attention Shapes Human Intention

Eye contact is an integral part of social interactions among humans, signaling attention, building up trust and ultimately driving human decision-making. But is this also true for human-machine interactions? Research about robots and recommendation agents indicates that higher levels of anthropomorphism are more likely to induce higher trust and usage intention. However, there is also contradicting evidence, and the interaction of all social clues is not fully understood. The question of whether robots can build rapport with human clients is especially crucial for the finance industry, where so-called robo-advisors are establishing themselves as a new tool for digital asset management and maintaining consumer trust is essential. Taking the finance industry as an example, we address the question whether social robots with varying degrees of anthropomorphic appearance are able to gain human trust and shape investment decisions by making eye contact.
