

You'd Use It More than Me: Overestimating Products' Usefulness to Others Because Of Self-Serving Materialism Attributions

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Abstract

Six experiments (total n = 3,552) show that consumers believe similar others would use the same products more often and would find them more useful than they themselves would. This effect is caused by the overestimation of other people's materialism: we find that this bias reverses when consumers estimate products' usefulness for someone very low on materialism, and is muted for less materialistic purchases. The effect is muted for well-known others: estimation accuracy increases with personal knowledge. Our findings help explain the "X effect", belief that others are willing to pay more for products (Frederick 2012). These findings connect previously parallel literature streams about self-serving bias in social comparison and biases in self-other monetary evaluations. We discuss theoretical implications for consumers' above and below average biases, materialism, and the X effect. We discuss practical implications for pricing, negotiation, proxy decision-making, and gift-giving.

Keywords: *usefulness; materialism; overestimation*

Track: Consumer Behaviour