Old is not always Gold: The role of Temporal Congruence in shaping the downstream effects of Firm's Longevity

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Abstract

Extant literature suggests that firm’s longevity generally has several positive downstream effects and tends to be evaluated favorably. However, in this research, we argue that firm’s longevity may not always result in favourable outcomes. Five studies, conducted both online and offline, and using the US as well as Asian respondents, demonstrate that consumer associate indulgence (vs. self-control) oriented benefits with old (vs. young) firms. When such associations are strong, consumers perceive older firms to have expertise in providing indulgence oriented benefits leading to congruence. This further has a consequential effect on the downstream consequences.In summary, the findings indicate that old (vs. young) firms are evaluated positively when positioned along indulgence (vs. self-control) oriented benefits, which are perceived to be temporally congruent with the firm’s longevity. This effect diminishes for younger firms. This study has important implications for managers in determining when to leverage vis-à-vis when to avoid firm’s longevity.

Keywords: *Firm's Longevity; indulgence ; self-control*

Track: Consumer Behaviour