

Price as a Function of Gift-Selection

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Abstract

More often than not, receivers are unhappy with the gifts they obtain. Givers go out of their way to be thoughtful and considerate despite the absence of any ambiguity. Hence, gifting is challenging because of the differences of what comprises a good gift. Price functions as a central aspect in this. Givers infer high-priced gifts as better and believe that they possess greater quality than low-priced gifts, especially for a desirable gift. Whereas receivers place low-priced gifts on a pedestal than high-priced gifts and prioritize feasible gifts because they do not use price as an indicator of monetary cost or as an evaluation of its quality. Since givers perceive gifts from a farther psychological distance than receivers who perceive gifts from a close psychological distance, they scrutinize desirability attributes over feasibility attributes causing a blunder in the process of gift-selection. Due to these contradictory ideals, givers and receivers experience unsatisfactory outcomes. It serves as a reminder that consumers should resist stumbling over high-priced marketing traps and choose gifts based on its reliability and usefulness rather than the price label. The convenience of usage matters more to the receivers and the key is the thoughtfulness expressed via the gift.

Keywords: high-priced gifts, low-priced gifts, desirability, feasibility, psychological distance, thoughtfulness

Diving into the depths of psychological distance

Social bonds are strengthened or weakened with the gift giving ritual, depending on the perspective one chooses to undertake. Needless to say, givers and receivers both face challenges brought upon them, due to the disparities they are confronted with as to what comprises a “good gift” versus a “bad gift” (Liu et al., 2022). In order to fully gauge these differences, it is important to understand the role of psychological distance and how desirability and feasibility are set in motion.

Psychological distance is a subjective phenomenon that refers to how close or far people perceive something is, from the self. There are four elements: gaps between the self and other people (social distance), the self’s location and distant places (spatial distance), the present and future (temporal distance), and what the self’s experiences versus imagines (hypothetical distance; Hamilton, 2015). Construal level theory is linked to this concept; it describes the relation between psychological distance and its influence on interpretations of how people reach considered conclusions. Psychological distance and construal level are positively correlated as people utilize a higher level of construal in execution of decisions when psychological distance increases. Typically, decisions for other individuals are made with a farther psychological distance as compared to decisions made for the self (Liu et al., 2022).

Convergence between desirability and feasibility

When psychological distance is large, a shift occurs wherein individuals think in a more abstract manner focusing on the bigger picture, that is, desirability of specific options and the reasoning behind why individuals want them. In contrast, when psychological distance is small, the thinking is steered towards being more concrete. That is stressing on the details of the

feasibility of options and how to employ them in order to maximize benefits (Hamilton, 2015). This is consistent with the construal theory.

In gifting psychology, desirability refers to whether the quality of the gift is worth possessing and its satisfaction long-term. For example, appraising the quality of food at a restaurant. Feasibility refers to how reasonable the gift is and the means through which one can achieve that long-term satisfaction, for example, how convenient it is to get to the restaurant to try their cuisine. Taking this into account, the giver's driving factor during gift-selection is desirable gifts, which often overrides the selection of feasible gifts which the receiver shows considerable preference towards (Liu et al., 2022).

Social distance

Social distance is a central aspect in the inconsistencies between the givers and receivers. Givers place greater precedence on their likings along with the receiver's likings, thereby analyzing the gift from a farther social distance. Whereas, receivers place value solely on their own likings, disregarding other factors, thereby analyzing the gift from a closer social distance (Liu et al., 2022). This imbalance of social distance could engender a subsequent rocky relationship, because giver's dwell on desirability while receiver's dwell on feasibility.

Research also aligns with givers evaluating gifts from a farther social distance, thereby keeping desirability attributes in mind rather than feasibility attributes (Liu et al., 2022). To paint a picture of these concepts, during the process of selecting earphones, givers would most likely give prominence to sound quality (desirability) over maintenance of the earphones (feasibility) during gift-selection, while receivers give prominence to maintenance of the earphones (feasibility) over sound quality (desirability).

Name your price?

Price contributes significantly to how product quality is weighed amongst givers and receivers. In accordance with the economist theory, price relates to monetary sacrifice. The binary function of price is brought together by aligning these concepts of supposed quality and perceived monetary cost portrays (Liu et al., 2022). The magnitude of its influence depends on cultural factors including power distance. It illustrates the strength of a society's social hierarchy i.e.; their acceptance of power being distributed asymmetrically and their compliance to authorities (Liu et al., 2022). People in high power-distance societies like China, have a tendency to draw a parallel between higher price and greater quality, which is in opposition to people in low power-distance societies.

Motivational elements

Similarly, mindset (psychological distance) and motivational goals guide people's choices and beliefs. Two motivational factors encompassing prevention focus and promotion focus are greatly involved in the price-quality inference (Files et al., 2019). Prevention-focused goals involves deliberation in terms of safety and danger, motivated to prevent loss. Promotion-focused goals involves deliberation over achievement and accomplishment, prompted to achieve gains (Files et al., 2019). Consumers who adopt the promotion-focused mindset are predisposed to view expensive gifts as a criterion of good quality. However, those who are prevention-focused are inclined to regard expensive gifts as an indicator of monetary cost (Liu et al., 2022).

Clash of conflicting ideals

The evaluation of gift price is a fundamental pathway that leads to discrepancies between givers and receivers. Givers' thought process involves conveying through the gift the importance

of their relationship, hence putting greater emphasis on price. Another incongruence stems from the interplay between gift price and the extent of the receiver's feeling of appreciation.

According to the giver, higher price equals to greater thoughtfulness behind the gift which should prompt greater appreciation, while the same notion is not shared by the receiver. That means the concept of price-quality inference does persist, which emerges from the psychological phenomenon- "more expensive, more attractive".

Does greater price mean higher quality?

It was previously conjectured that the more expensive the gift, the more appreciation felt by the receivers, and reflected the closeness of the giver-receiver relationship. In actuality, the higher price of the gift represented financial sacrifice and perceived quality. Due to psychological distance, consumers view and attach value to price roles differently. The price-quality inference (more expensive, more attractive) is highly evident and magnified under the conditions of far psychological distance than close psychological distance. Hence, givers place greater weight on the price-quality inference because they appraise gift-selection from a far psychological distance.

Givers use price to perceive quality, leading givers to believe that this good quality will stipulate a good gift while hoping receivers' beam with happiness. Yet, the "more expensive, more attractive" idea does not apply to receivers, in fact, low-priced gifts were increasingly appreciated than high-priced gifts (Liu et al., 2022). Its implication is that receivers showed sensitivity to behavioural cost instead of monetary value, meaning the time givers spent contemplating about the receivers' preferences and choices while at the same time, bringing these efforts into fruition. Consequently, low-priced gifts indicate a low emotional cost, signifying greater kindness because it shows givers profoundly care about receivers to the degree that they

wish to prevent receivers from feeling burdened when reciprocating. A higher priced gift would imply a higher burden placed on the shoulders of the receivers that may be inescapable (Liu et al., 2022).

Marketing manipulation and how to be cognizant

For marketers, if this ideology of a reduced psychological distance is adopted amongst the majority, then their business is at risk of going into loss as consumers would not spend as much. Their target is influencing the far psychological distance mentality, making the “more expensive, more attractive” prominent enough (Liu et al., 2022). Marketers use advertisements as a tool to enhance this fantasy, by luring its audience with the display of luxurious items which seemingly elicit exaggerated positive reactions from the receiver. This makes the audience unable to distinguish between the unrealistic aspect of how particular gifts portray the “ideal self” and “ideal life” compared to reality.

Generally, when engaging in the process of gift-selection, the stronger focus on desirability over feasibility navigates consumers to perceive high price as a benchmark of high quality. This is appraised from a far psychological distance. Nonetheless, it forces one to shift their perspective to avoid falling into the trap of high-priced gifts and to use rationale when partaking in gift-selection. The key to an ideal gift is behavioural cost, in which thoughtfulness is crucial in gift expressing, not merely driven by price. To combat feasibility over desirability, if there is a maintenance cost, the best course of action would be to cover that cost which distinctly expresses thoughtfulness too. Finally, reducing psychological distance can be attained by putting the self into the shoes of the receiver to gauge its usefulness and whether one feels joy as a gift receiver.

References

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