

Trust, Deception, and Authenticity in Market Exchange

Exchange is a fundamental building block of economic activity, and it underlies most consumer behavior. Put simply, a marketplace cannot exist without people who are willing to exchange with one another.

Exchange is interesting to study not only because it is essential to consumer behavior but also because it carries a number of risks, including the possibility that exchange partners will misrepresent themselves. Misrepresentation can leave exchange partners with less than what they bargained for, and can dampen their willingness to engage in future exchanges.

So—how do marketers and consumers manage the possibilities and threats associated with marketplace deception? Answering this question will be the focus of this five-week seminar.

The main focus of this seminar will be theoretical. We will critically analyze theories that seek to explain the existence and management of marketplace deception, and we will discuss how these theories could be extended or enriched through additional research.

The readings for this seminar are organized topically (although, due to their common general focus, the topics overlap to some extent). These readings also reflect a diversity of methods and theories, and they represent thinking from a wide range of disciplines, including philosophy, geography, sociology, and economics. Depending on the interests of seminar participants, there will be scope to discuss the methodological and paradigmatic issues that this diversity introduces. However, the seminar will generally proceed under the assumption that different methods and perspectives can produce useful insights—or, at the very least, food for thought—about future research on marketplace trust, deception, and authenticity.

For each of our five meetings, we will have a structured discussion about the weekly readings, which are listed on the following pages. Students are expected to come to class prepared to discuss each of the readings in some depth. Approximately seven articles have been assigned per week.

Like most PhD seminars, the main purpose of this one will be to expose you to areas of research that you have not previously delved into, and to give you practice generating new avenues for consumer research. Bobby Calder and I are discussing options for what assignments will be required for each of our five-week seminars (or possibly a combined assignment for the two together). We will provide more information on this in due course.

This coursepack is divided into five sections, each corresponding to one class session. A title page (which also lists readings for that session) starts each section.

Session 1: Believing That Others Will Behave as Promised

Economists, sociologists, and anthropologists have grappled with the question of what encourages people to believe that a particular exchange partner will behave as promised. Without this belief, little economic activity could ever take place. In this session, we will discuss various personal and social mechanisms that may foster exchange confidence. (You are encouraged to read these articles in the order listed below.)

During each session, we will discuss aspects of each paper, but we will also seek to answer the following question: What testable consumer-behavior hypotheses are prompted by these articles?

- Williamson, Oliver E. (1985), Chapters 1 and 2 of *The Economic Institutions of Capitalism*, New York, NY: Free Press, pp. 15-67.
- Granovetter, Mark (1985), "Economic Action and Social Structure: The Problem of Embeddedness," *The American Journal of Sociology*, 91(November), 481-510.
- Wathne, Kenneth H and Jan B. Heide (2000), "Opportunism in Interfirm Relationships: Forms, Outcomes, and Solutions," *Journal of Marketing*, 64(4), October, 36-51.
- Hill, Charles W. (1990), "Cooperation, Opportunism, and the Invisible Hand: Implications for Transaction Cost Theory," *The Academy of Management Review*, 15(3), 500-513.
- Kollock, Peter (1994), "The Emergence of Exchange Structures: An Experimental Study of Uncertainty, Commitment and Trust," *The American Journal of Sociology*, 100(2), 313-345.
- Molm, Linda D., Nobuyuki Takahashi and Gretchen Peterson (2000), "Risk and Trust in Social Exchange: An Experimental Test of a Classical Proposition," *The American Journal of Sociology*, 105(5), March, 1396-1427.
- Bergen, Mark, Shantanu Dutta and Orville Walker, C. (1992), "Agency Relationships in Marketing: A Review of the Implications and Applications of Agency and Related Theories," *Journal of Marketing*, 56(July), 1-24.

Session 2: Believing Expressions of Emotion and Self: Fundamental Theory

In many markets, customers purchase the emotional and personal expressions of others. For example, customers expect their restaurant server to be pleasant and their airline pilot to be confident. For exchanges like these to be successful, does the server have to be sincerely pleasant, and does the pilot need to be authentically confident?

Authentic expression is often defined as expressions that are true to one's self. Therefore, an understanding of authenticity in marketing requires an understanding of the concept of self, which will be the focus of the first half of this session. In the second half, we will discuss *impression management theory*, which is one of the key frameworks used to understand emotional expression. (You are encouraged to read the first three articles before reading the last three.)

During each session, we will discuss aspects of each paper, but we will also seek to answer the following question: What testable consumer-behavior hypotheses are prompted by these articles?

- Mead, George Herbert (1934), "The Self" in *Mind, Self and Society*, Chicago, IL: University of Chicago Press, 135-186.
- Baumeister, Roy F. (1987), "How the Self Became a Problem: A Psychological Review of Historical Research," *Journal of Personality and Social Psychology*, 52(1), 163-176.
- Cushman, Philip (1990), "Why the Self Is Empty: Toward a Historically Situated Psychology," *American Psychologist*, 45(5), 599-611.
- Richardson, Frank C., Rogers Anthony and Jennifer McCarroll (1998), "Toward A Dialogical Self," *The American Behavioral Scientist*, 41(4), January, 496-515.
- Grayson, Kent and David Shulman (2000), "Impression Management and Services Marketing" *Handbook of Services Marketing and Management*, Dawn Iacobucci and Teresa Swartz, 51-67.
- Tetlock, Philip E. and A. S. R. Manstead (1985), "Impression Management Versus Introspective Explanations in Social Psychology: A Useful Dichotomy?" *Psychological Review*, 92(1), 59 - 77.

Session 3: Believing Expressions of Emotion and Self: Research

In this session we will build on the previous session to explore issues related to authentic marketplace expression. We will cover questions such as the following: How do organizations and their employees handle the challenge of providing emotional expression to customers? Does it matter to employees or customers whether or not these expressions are authentic? Is it possible to reliably identify authentic versus inauthentic expression?

During each session, we will discuss aspects of each paper, but we will also seek to answer the following question: What testable consumer-behavior hypotheses are prompted by these articles?

- Hochschild, Arlie (1985), Chapters 1 & 9, *The Managed Heart: Commercialization of Human Feeling*, Berkeley, CA: University of California Press, pp. 3-55, 185-198.
- Deighton, John (1992), "The Consumption of Performance," *The Journal of Consumer Research*, 19(December), 362-372.
- MacCannell, Dean (1973), "Staged Authenticity: Arrangements of Social Space in Tourist Settings," *The American Journal of Sociology*, 589-603.
- Holyfield, Lori and Lilian Jonas (2003), "From River God to Research Grunt: Identity, Emotions, and the River Guide," *Symbolic Interaction*, 26(2), 285-306.
- Daniel, Yvonne Payne (1996), "Tourism Dance Performances: Authenticity and Creativity," *Annals of Tourism Research*, 23(4), 780-797.
- Lu, Shun and Gary Alan Fine (1995), "The Presentation of Ethnic Authenticity: Chinese Food as a Social Accomplishment," *The Sociological Quarterly*, 36(3), 535-553.
- Salamone, Frank A. (1997), "Authenticity in Tourism: The San Angel Inns," *Annals of Tourism Research*, 24(2), 305-321.

Session 4: Believing That Something is Real or Fake

Issues of *object* authenticity are important in certain marketplaces, particularly in the cultural and touristic spheres. Because objects are made and presented by human beings, they can be viewed as potentially (in)authentic expressions of the maker or marketer. Furthermore, for a number of reasons (which we will discuss during this session), consumers value the authenticity of certain objects—and this can encourage some marketers to manufacture authentic objects.

As you read the papers for this session, you will come to see that nearly all academics agree that authenticity is a fantasy—a social construction that is inherently relativistic. In other words, there is really no such thing as authenticity.

In this session, we will discuss why this is (or isn't) so. Then we will investigate questions such as the following: If authenticity stands on such shaky conceptual foundations, why do consumers nonetheless seek it out? Given the difficulties associated with authenticity attributions, how do consumers assess authenticity in their everyday lives? Why do consumers “fall for” marketing gimmicks to construct authenticity?

During this session we will also discuss the related question of: What testable consumer-behavior hypotheses are prompted by these articles?

- Sagoff, Mark (1978), "On Restoring and Reproducing Art," *The Journal of Philosophy*, 75(9), September, 453-470.
- Kennick, W. E. (1985), "Art and Inauthenticity," *The Journal of Aesthetics and Art Criticism*, 44(1), Autumn, 3-12.
- Lorimer, Hayden (1999), "Ways of Seeing the Scottish Highlands: Marginality, Authenticity, and the Curious Case of the Hebridean Blackhouse," *Journal of Historical Geography*, 25(4), 517-533.
- DeLyser, Dydia (1999), "Authenticity on the Ground: Engaging the Past in a California Town," *Annals of the Association of American Geographers*, 89(4), 602-632.
- Evans-Pritchard, Deirdre (1987), "The Portal Case: Authenticity, Tourism, Traditions, and the Law," *Journal of American Folklore*, 100(397), July - Sept, 287-296.
- Phillips, David (1997), *Exhibiting Authenticity*, Manchester, UK: Manchester University Press, pp. 165-196.
- Lowenthal, David (1992), "Authenticity? The Dogma of Self-Delusion," in *Why Fakes Matter: Essays on Problems of Authenticity*, ed. Mark Jones, London, UK: British Museum Press, 184-192.

Session 5: Believing Lies, Believing The Truth

For each of our five sessions, we've been discussing truth in one form or another. This has set the stage for discussing the very idea of truth. Having recognized the difficulties associated with defining the authentic, we now investigate whether the same or similar difficulties are associated with defining the truth.

During each session, we will discuss aspects of each paper, but we will also seek to answer the following question: What testable consumer-behavior hypotheses (and issues) are prompted by these articles?

- Robinson, W. Peter (1996), "Truth and Truthfulness: From Then Till Now," in *Deceit, Delusion and Detection*, Thousand Oaks, CA: Sage, 289-314.
- Harrington, C. Lee and Denise D. Bielby (1995), "Where Did You Hear That? Technology and the Social Organization of Gossip," *The Sociological Quarterly*, 36(3), 607-628.
- Walton, Marsha D. (2000), "Say It's a Lie or I'll Punch You: Naive Epistemology in Classroom Conflict Episodes," *Discourse Processes*, 20(2), 113-136.
- Dibbell, Julian (1996), "A Rape in Cyberspace: How an Evil Clown, A Haitian Trickster Spirit, Two Wizards, and a Cast of Dozens Turned a Database into a Society," *Internet Dreams*, ed. Mark Stefik, Boston MA: MIT Press, 293-313.
- Kroeger, Brooke (2003), "The Jane Game," in *Passing: When People Can't Be Who They Are*, New York, NY: PublicAffairs, 167-207.
- Bok Sissela (1989), "Deceptive Social Science Research," in *Lying: Moral Choice in Public and Private Life*, New York, NY:Vintage, 182-202.