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Doing Well vs. Doing Good
Amna Kirmani, PhD, Rebecca W. Hamilton, PhD, and Debora V. Thompson, PhD

The ideal real estate agent has high competence as well as high integrity. But not all real estate agents are perceived that way. Some agents are award winners as top producers, while others are willing or able to sell only a few houses. Some agents have a reputation for being completely honest, while others do not. How do consumers trade off competence and morality when choosing a real estate agent?

Extensive research in psychology shows that when we evaluate other people or groups, we care more about morality than we do about competence (Leach, Ellemers and Barreto 2007; Wojciszke 1994; Wojciszke, Bazinska and Jaworski 1998). Given a choice between interacting with someone who is a highly competent but less moral or someone who is highly moral but less competent, most people prefer the person who has good intentions but is less successful. This makes sense when evaluating someone as a potential friend, romantic partner, or even a co-worker.

However, things may be different when consumers choose service providers, such as real estate agents. Real estate agents help consumers accomplish purchase-related goals, such as buying or selling a house. Given the importance of getting the job done, it is unclear whether and when morality will dominate competence. In our research, we predicted that when the immorality of the service provider (e.g., a real estate agent) does not directly harm consumers (such as when a real estate agent cheats on his or her expense account), consumers would be more likely to choose a competent but less moral agent even though they liked the moral agent better. In a series of studies, we found strong evidence for this prediction. In other words, consumers may prefer a more competent, less honest agent as long as the lower honesty doesn’t directly harm them.

However, we also found a way to attenuate the effect: consumers were more likely to choose the moral service provider when they felt empathy with the provider, such as when he or she was described as an underdog, passionate and determined but with limited resources. This suggests that less competent, highly moral real estate agents can have a competitive advantage when they generate empathy among consumers.
Doing Well vs. Doing Good

We tested our predictions using several different methods. First, we collected online reviews of five different types of services providers (doctors, hair stylists, house cleaners, mechanics, and masseuses) from Yelp.com. We coded these reviews for mentions of competence (traits related to effective provision of service, such as knowledge, skill, and intelligence) and morality (traits such as sincerity, fairness, being principled, honesty, and trustworthiness), as well as other traits such as warmth (i.e., sociability, playfulness, happiness, and being funny). Competence (mentioned in 88% of the reviews) and morality (mentioned in 18%) traits were described frequently, clearly suggesting that consumers consider them important. Moreover, mentions of competence and morality were better predictors of the review usefulness ratings provided by other consumers than traits such as warmth, suggesting that competence and morality play a particularly important role when evaluating service providers.

In our next study, modeled after the trivia TV show Who Wants to Be a Millionaire?, participants earned $.50 for each trivia question they answered correctly, and they chose a lifeline to help them if they encountered a question they could not answer. Participants were offered two lifelines: a competent lifeline—an advice giver described as having an 86% success rate but who had engaged in immoral behavior—and a moral lifeline—a morally upstanding advice giver with a lower success rate (55%). As predicted, most participants (64%) chose the competent lifeline when no other information was provided. However, when the moral lifeline was described as being an underdog who “comes from a poor family” and has “a true passion for learning,” participants were significantly more likely to choose the moral lifeline (73%) than the competent lifeline. Notably, describing the competent lifeline as an underdog did not make participants more likely to choose him. Underdog positioning seems to be particularly effective for moral service providers, perhaps because participants are motivated to evaluate the moral lifeline more positively.

In our next three studies, we showed that, indeed, feeling empathy is what makes consumers more likely to choose the moral but less competent service provider, and describing the service provider as an underdog elicits empathy. We compared tradeoffs between competence and morality (as in the lifeline study) with tradeoffs between competence and warmth, and we found that although underdog positioning helps moral service providers overcome deficits in perceived competence, it does not help either competent providers lacking in morality or warm providers lacking in competence.

A key insight of our research is that underdog positioning is not equally effective for all service providers: it can provide an effective buffer against shortcomings in competence but it does not guard against lapses in morality. Thus, our findings suggest that underdog positioning will be particularly effective for brands that are positioned as moral (i.e., honest, socially conscious, organic, or green). Indeed, when we look at the marketplace, many underdog brands seem to play up their health, social consciousness, or environmental
consciousness, such as Nantucket Nectars, Ben & Jerry's, TOMS Shoes, Burt's Bees, Lifeway, and Chipotle.

In summary, our research shows that although consumers choosing service providers tend to favor competence even at the cost of morality, moral service providers can increase market share by highlighting their underdog status. These findings are particularly useful for small companies and not-for-profit organizations. When compared to large or for-profit businesses, these organizations tend to be perceived by consumers as more moral but less competent. A successful positioning strategy for them may be to highlight morality-related attributes, such as integrity, honesty, or ethical behavior, coupled with emphasizing their status as underdogs.

Recommended Reading


About the Authors

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Dr. Amna Kirmani (PhD – Stanford University) is Editor-in-Chief of the Journal of Consumer Psychology. Her research interests include persuasion knowledge, behavioral signaling, morality, and branding. Her work has been published in several journals, including the Journal of Consumer Research, Journal of Marketing Research, Journal of Marketing, and Journal of Consumer Psychology. Her papers have won the Paul Green Award in the Journal of Marketing Research, the Maynard Award in the Journal of Marketing, the Best Paper Awards in the Journal of Advertising and the International Journal of Advertising, and Article of the Year at AMA TechSIG. She has served as the Director of Doctoral Programs at the Smith School of Business at the University of Maryland. Kirmani has also served as President of the Association for Consumer Research and is on the Policy Board of the Journal of the Association for Consumer Research.

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