

Two-faced Gifts – Power’s Impact on Deceptive Status-Gifting

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ABSTRACT

Using four experiments, we demonstrate that, despite knowing that the gifts are counterfeits of luxury brands, consumers possess an inherent proclivity to gift them deceptively in order to enhance their status. Specifically, as compared to low-power, high-power givers are more likely to prefer them over non-status gifts because it is an economical avenue for status enhancement. Moreover, power’s impact on preference for deceptive status-gifting is impacted by (a) the recipient’s acceptance of counterfeit brands, and (b) whether they are buying for others versus themselves. Lastly, there is an inherent asymmetry in the recipients’ expectation as they expect high-power givers to give expensive status-gifts whereas low-power givers give counterfeits.

Keywords: Counterfeit; gifting; deception; luxury