Final version published as: Olson, Jenny G., Brent McFerran, Andrea C. Morales, and Darren W. Dahl. "Identity-Based Perceptions of Others' Consumption Choices," in Mark Forehand and Americus Reed II (Eds.) *Handbook of Research on Identity Theory in Marketing*. Edward Elgar publishing, 2019. 448-461.

Identity-Based Perceptions of *Others'* Consumption Choices

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Quick Chapter Overview

In this chapter we argue that studying “identity” means moving beyond the “self.” Consumers exist in a social context, meaning that the choices they make (a) reinforce their own identities and (b) provide information about who they are to other people. For example, someone (an “actor”) might choose to buy organic produce; someone else (an “observer”) may perceive this individual as an environmentally-conscious Millennial with higher disposable income. Importantly, observers may use an actor’s perceived identities to judge the “appropriateness” of a given purchase. We illustrate these points by focusing on income identity (e.g., socioeconomic status) and ethical consumption choices (i.e., choices that are prosocial but costly). Across several experiments, we find that low-income consumers receiving government assistance (“welfare recipients”) are seen as *less* moral when they choose ethical products, such as organic food and eco-friendly vehicles. This occurs in part because people expect those who are poor to be frugal. Conversely, wealthier consumers are seen as *more* moral for the same choices, in part, because of a belief they have earned spending freedom. We also find that these judgments extend to non-financial choices like volunteering time. This chapter is important because it highlights that who we *are* impacts perceptions of what we *do*, which may have consequences for our relationships with other consumers, government agencies, and non-profit organizations. For example, identity-based cues may influence hiring practices (e.g., poor actors are seen as less employable than wealthy actors), government policies (e.g., some people may be seen as more “deserving” of aid than others), and the ability to solicit donations (e.g., people donate less to a charity providing “organic food” vs. “conventional food” to aid recipients). We hope our chapter inspires additional research activity into understanding how observer-based identity judgments influence consumer well-being and marketplace experiences.

Abstract

Identity has traditionally been studied at the level of the “self”—how consumers’ *own* beliefs about their identities influence their choices, values, and behavior. However, identities exist within a social context where they are both signaled by “actors” and perceived by “observers.” Importantly, we propose that consumers, as observers, use identity-relevant information to evaluate actors’ consumption choices, ultimately demonstrating that identical behavior can be evaluated differently as a function of actors’ perceived identities. We illustrate these points by focusing on income identities and ethical consumption choices. Our experiments demonstrate that while low-income consumers receiving government assistance (“welfare recipients”) are viewed as *less* moral, wealthy consumers are seen as *more* moral for the same choices. The wealthy identity is associated with “spending freedom”; the welfare identity is associated with “should be frugal and seeking employment.” Identity judgments extend beyond aid recipients themselves and even have consequences for organizations supporting low-income groups.

Keywords: consumer identity, income, ethical consumption, morality, prosocial behavior, person perception

Consumers "wear many hats." For example, Person A might identify as an academic, spouse, semi-skilled skier, and cupcake connoisseur. Person B might identify as a Canadian, father, mentor, and football enthusiast. Reed et al. (2012, 312) note this rich complexity, defining an identity as 'any category label to which a consumer self-associates either by choice or endowment.' This definition highlights the primacy of the "self" in consumer identity research, as well as the multitude of possible category labels. Indeed, identity has traditionally been studied at the level of the self—how consumers' *own* beliefs about their various identities influence their choices, values, and purchase behavior.

Although a necessary starting point, we challenge the notion that consumer identity is solely a self-based phenomenon. Rather, identities exist within a social context—they can both be signaled (actively and passively) by "actors" and perceived by "observers." For example, someone from Wisconsin may take pride in his Midwestern heritage and choose to wear a Green Bay Packers jersey on the weekend. An observer may infer that this person is a football fan. Likewise, a wealthy couple may choose to live in a modestly-sized home because they are members of the "Voluntary Simplicity" movement. Observers may infer that the couple is either environmentally-conscious and/or (incorrectly) lower-income. These examples highlight how identity-linked consumption behavior simultaneously (a) reinforces actors' own identities and (b) provides observers with information about actors' identities (whether accurately inferred or not). Thus, while actors' own beliefs about who they are influence their own consumption behavior, we propose that an actor's *perceived* identity also influences how *observers* interpret and respond to the actors' consumption behavior.

To the first point above, according to the identity-relevance principle (Reed et al. 2012), consumers can actively reinforce identities via their product choices, political stances, and time expenditures. Indeed, the signaling value of consumption choices has a long history in marketing (Belk 1988; Berger and Heath 2007; Escalas and Bettman 2003). The current chapter builds upon this literature by discussing how consumers, as observers, use identity-relevant information to evaluate actors' consumption choices, ultimately demonstrating that identical behavior can be evaluated differently as a function of actors' perceived identities. Although we use income and moral identities to illustrate these points, observer effects also likely play out with other consumer identities (as mentioned in the Conclusion).

<b>**The Importance of Income Identity**<b>

In order to actively participate in the modern, economic marketplace, consumers must have access to financial resources; virtually everything from basic necessities to luxury goods requires money. Where consumers live, their bank account balances, and their position on the socioeconomic ladder all reflect information about a person's *income identity*. Even minimal facial cues provide information about social class. Recent research finds that observers categorize the faces of rich and poor actors significantly better than chance (Bjornsdottir and Rule 2017). As economic inequalities continue to rise worldwide (Alvaredo et al. 2018), being "wealthy" or "poor" has become even more pronounced to both the self and others. Thus, income identity is fundamental to how we understand and form impressions about consumption choices.

According to Reed and colleagues (2012, 312), any given category label becomes an identity 'once the consumer has begun to incorporate it into his or her sense of who he or she is and has initiated the process to become that kind of person.' Implicit in this definition is that the actor is incorporating *desirable* categories. When it comes to income identity, however, not all identities are desirable. Some identities may carry negative connotations from which consumers seek distance. Using Reed et al.'s (2012) definition of identity, we conducted a pilot study to examine the relative desirability of various income identities. American adults were randomly assigned to evaluate someone who is "upper-class," "middle-class," "lower-class," or a "welfare recipient." Participants listed the first three words that came to mind, whether those words were positive or negative, and seven items capturing identity desirability (e.g., "Being [category] is a desirable identity," "People want to be a member of [category]"). Results revealed that both "lower-class" and "welfare recipient" categories were considered negative identities to be avoided (cf. Lott 2002). Conversely, "upper-class" was considered neutral and "middle-class" was considered positive. ("Upper-class" was associated with both negative qualities like being elitist and snobby, but also positive qualities like being hard-working and successful, hence the neutral rating).

There is an important point to be made regarding these findings. Unlike actor-based identity research, observer-based identity research does not require actors to incorporate the signaled identities into their sense of self. Recognizing oneself as "poor" or "wealthy" is irrelevant to observers' judgment of that identity. Moreover, observers may (whether warranted or not) ascribe identities to others and view them through a (potentially biased) lens.

Although we collected a handful of open-ended sentiments in our pilot study, past literature has identified a host of other associations linked to different income identities. Compared to high-income groups, low-income groups, especially those receiving government benefits, are perceived as having weaker moral values, work ethic, and motivation (Bullock, Wyche, and Williams 2001; Cozzarelli, Wilkinson, and Tagler 2001). Judgments toward "adult welfare recipients" are especially harsh, as this group is both disliked and disrespected (Fiske et al. 1999, 2002). These perceptions are due, in part, to a common belief (particularly in the United

States) that hard work leads to material success, and that failure stems from self-indulgence and poor self-discipline (Mirels and Garrett 1971; Weber 1905/1958). Those who “choose” not to be hardworking violate this ideal and may be seen as deserving of hardship. From an attribution theory perspective, people attach meaning to choices that appear volitional (Jones and Davis 1965). Indeed, many Americans fall prey to the fundamental attribution error whereby they overestimate the importance of internal factors (e.g., laziness) relative to external factors (e.g., discrimination) in their judgments of low-income groups (Cozzarelli et al. 2001; Ross 1977).

These findings indicate that observers have an image of who low-income consumers and welfare recipients *are*. Next, we consider observers’ reactions to what members of low-income groups *do*. Because consumers often exchange (non)financial resources for goods and services, we propose that income identities are particularly salient in the marketplace and drive evaluations of (at least some) consumption choices. For instance, choices that require substantial resources may be perceived as inappropriate for low-income consumers who lack resources. Importantly, we propose that certain choices signal information about an actor’s *moral* identity.

<b>**Ethical Consumption Choices: The Intersection of Income Identity and Morality**<b>

From an actor standpoint, consumers’ moral identity (e.g., being caring, compassionate, and fair) is central to who they are as human beings and predicts engaging in a variety of prosocial behaviors (e.g., Aquino and Reed 2002; Reed, Aquino, and Levy 2007; Winterich, Mittal, and Ross 2009). Importantly, engaging in (im)moral actions has direct implications for impression formation. For example, morality is seen as fundamental to communicating one’s social identity to others, as morality is viewed as less dependent on social context and more controllable than other traits (Goodwin, Piazza, and Rozin 2014). As humans, one of our strongest motivations is to be held by others in a positive regard. Given that our actions are readily perceived by others in moral terms (Wojciszke 1994), behaviors that communicate one's morality are a powerful means of impression management.

Moral identity and its associated traits are likely to be magnified when consumers make *ethical consumption choices*—which involves choosing products and services that do not harm or exploit humans, animals, or the environment (Crane 2001; Doane 2001). These choices should have favorable implications for a consumer's perceived morality. Indeed, since ethical consumption benefits others (e.g., production workers, the environment), consumers who make ethical consumption choices should be seen as "good" people. The same goes for consumers who make choices to volunteer (vs. not): they should be seen as more moral.

Our own research examines perceived morality from an observer perspective. We propose and demonstrate that actors are seen as more or less moral, depending upon their perceived income identity, for the *same* ethical choice (Olson et al. 2016, 2018). Specifically, observers use an actor's income identity to draw inferences about what is and is not appropriate consumption behavior, as ethical choices are also typically more expensive than conventional alternatives (De Pelsmacker, Driesen, and Rayp 2005; Hughner et al. 2007). Because consumers must have additional resources to afford these choices, observers may use information about an actor's income identity to evaluate his/her choices, resulting in different judgments for the exact same choice, depending on the person.

When individuals draw moral inferences about others based upon ethical choices, our research suggests they weight the prosociality versus cost elements differently depending on the chooser's income identity. Again, according to the identity-relevance principle, observers may see some expenditures as more or less consistent with a given income identity. When wealthy consumers make ethical choices, they may be seen as more moral because the prosocial element overshadows the cost element. Observers may even expect wealthy consumers to be prosocial and provide for the underprivileged (“noblesse oblige”; cf. Ostrower 1995). Conversely, low-income consumers receiving government assistance (“welfare recipients” or “aid recipients”) may be seen as lacking sufficient resources to enact ethical choices. Spending their minimal resources on costly (albeit prosocial) choices draws attention to how a “welfare recipient” should be spending his or her resources, ultimately lowering perceived morality. Indeed, aid recipients may be judged especially harshly: because government assistance comes from taxpayer dollars, consumers may view these individuals as misusing “their” money.

Next, we discuss a set of findings supporting our central hypothesis: ethical consumption choices polarize moral judgments based on the income identity of the consumer. Our research shows the same pattern of effects for both ethical choices that are more closely associated with income (e.g., expensive organic food) as well as those that are less closely related to income (e.g., donations of time), suggesting that the range of behaviors impacted by one’s income identity is quite broad and far-reaching.

<c>*Moral Judgments of Financial Resource Expenditures*<c>

Our first set of experiments focused on financial expenditures (Olson et al. 2016). Participants were presented with a brief profile of a target (an “actor”) who had made a consumption choice. We manipulated the nature of that choice (e.g., ethical vs. conventional) as well as his/her income identity (e.g., high-income earner, low-income earner, low-income non-earner receiving government assistance). Our primary dependent variable in most experiments was a four-item morality index.

Our first experiment focused on organic food. Participants were presented with a grocery list featuring eight items where three foods (carrots, milk, and cereal) were labeled organic or not. The remaining five foods were held constant across conditions (cf. Haire 1950). A single statement above the shopping list indicated that it belonged to someone who had either been "receiving welfare for the past year" or "earning $85,000 a year" (note: the top 25% of households report income greater than $85,000; US Census Bureau 2011). Results revealed that while high-income earners were perceived as more moral for choosing organic (vs. conventional) food, welfare recipients were perceived as less moral for the same choice. Costly expenditures are consistent with a wealthy income identity, but not with a welfare recipient's income identity. These observer effects held when controlling for the list's perceived healthiness, suggesting that mere differences in the perceived nutritional content were not driving results.

In another experiment not reported in Olson et al. (2016), we manipulated the food's health value directly, rather than controlling for it. Results revealed that high-income earners were seen as more moral when purchasing healthy and organic food versus unhealthy and conventional food, whereas welfare recipients were seen as less moral when they did the same. Interestingly, once the organic label was removed, welfare recipients were considered more moral for buying healthy versus unhealthy food. One of the goals of the Supplemental Nutrition Assistance Program ("food stamps") is building a healthy America (US Department of Agriculture 2012). Thus, using government aid for healthy food, as long as it is inexpensive, may be viewed favorably and can lead to perceptions of being a "good" welfare recipient.

Next, we considered *why* wealthy consumers are rewarded for making ethical choices, but low-income consumers receiving government assistance are punished. We contended that a central driver of the denigration toward aid recipients may be observers' views that they are less deserving of ethical choice, relative to income-earners. Spending money received from taxpayer funds may come with an expectation of how that money is spent—people think it "should" be spent on affordable necessities. Applying the identity-relevance principle to this prediction, there is a strong association between the "welfare recipient" identity and "expected frugality." This linkage implies that observers will respond favorably when welfare recipients are economical in their spending. When they choose to purchase costly products, this action contradicts observers' expectations of how someone receiving welfare benefits should behave. Even more fundamental, observers may believe that welfare recipients are unfairly benefiting from taxpayers' hard work, and consequently, do not deserve freedom of choice in their purchasing decisions. Conversely, being "wealthy" is associated with earning money through paid employment, meaning this group *should* be able to spend their money freely, any way they like.

We examined the deservingness mechanism in two experiments featuring animal daycare services (i.e., choosing to use a free kennel at home or a costly daycare) and environmentally-friendly vehicles (i.e., choosing to rent a Toyota Corolla or a more costly Toyota Prius). We also separated the effect of income level (high vs. low) from income source (earned via employment vs. received via government assistance). Actors either received $12,000 a year in welfare benefits, earned $12,000 a year, or earned $85,000 a year ($12,000 represents the approximate poverty guideline for an individual; US Department of Health and Human Services 2015). Results from both experiments revealed that, relative to welfare recipients, consumers who earn their income (whether $12,000 or $85,000) are seen as more deserving of ethical choices, which are then associated with higher morality. Moreover, deservingness was only related to morality when actors chose ethically, and unrelated when they chose the conventional option. Recall that ethical choices are both prosocial and costly. Thus, the ethical choice conveys direct information about a person's morality, whereas the conventional option is simply the baseline; "deserving" the right to a prosocial choice is only relevant if the choice is costly.

We also examined whether the *source* of assistance changes observers' perceptions of deservingness. When financial assistance is received from family or charity (vs. the government), other consumers may perceive the individual as more deserving of having the right to choose how the money is spent. We conducted an experiment to test this prediction featuring an actor who donated to a charitable cause. We manipulated the source of the actor's income, while holding the level constant (i.e., the actor received $12,000 a year from welfare benefits, from a local charity, from immediate family, or employment). Relative to consumers receiving welfare, those who received money from the other three sources were perceived as more deserving of spending freedom, which positively predicted morality. Hence, spending money received from the government is judged more harshly than spending other sources of income, even if such income is unearned. Perhaps the harsher judgments are also in part the result of welfare being more linked with one's identity; a person becomes a "welfare recipient" once they are on welfare, but they are typically not known as a "charity recipient" when they receive money from a different source. It seems being on welfare is more defining of one's identity.

If welfare recipients are expected to make frugal consumption choices, one factor that should minimize criticism toward welfare recipients is price. We conducted two experiments manipulating 1) the price of a single organic item, and 2) the prices of multiple organic items on a grocery bill. While wealthy earners were not judged differently depending upon whether organic item(s) were discounted, perceptions of aid recipients were more favorable when they purchased discounted (vs. regular-price) organic items. Thus, removing cost from the equation reinforces the association between the "welfare recipient" identity and "expected frugality." Similarly, describing aid recipients as cutting coupons and budgeting to save money minimizes stereotypes of being impulsive and irresponsible (Shepherd and Campbell 2018).

We next sought to test whether the moral judgments identified above also carry over to organizations who choose ethical products on welfare recipients' behalf. In other words, do the identities of *who* the charity is trying to help change perceptions of what the charity is actually *doing*? Recall the roles of control and agency in moral judgments; many organizations (e.g., food banks) provide food to individuals, such that recipients have little control over their own food choices. In this context, we predicted attributions should shift away from the individuals receiving aid and toward the organization making food choices, since the latter possesses volitional control over the choices made.

Participants completed a series of studies for monetary payment. At the end of the session, participants were presented with a fictitious charity named "Helping Hands" that was described as either providing "meals" or "organic meals" to area families receiving government assistance. Participants were invited to make anonymous donations to the charity and complete a questionnaire that included measures of attitude toward the charity. Results revealed that participants viewed the charity more negatively when they chose to provide organic (vs. conventional) food to families receiving government assistance, and as a result, donated less real money to the charity. These findings are important, as they highlight how a consumer's income identity can spread its influence well beyond the self, ultimately having implications for other consumers and organizations, including those that want to help them. Studying such "cross-contamination" of consumer identities (or "cross-fertilization" in the case of more desirable identities) is a promising area for future research.

<c>*Moral Judgments of Non-Financial Resource Expenditures*<c>

Across a wide range of consumer purchases, we have found that aid recipients are seen as less deserving of ethical consumption choices compared to high-income counterparts. However, not all ethical choices require money. Although financial expenditures are more closely associated with one's income identity, donations of time and other non-financial resources may be subject to similar criticism. Not only do observers associate "welfare recipient" with "expected frugality," they also associate this identity with "wasteful." Because the literature shows that aid recipients are generally viewed as lazy, dishonest, and irresponsible (Brown-Iannuzzi et al. 2017; Gilens 1999; Henry, Reyna, and Weiner, 2004), we considered whether *all* resource expenditures—not just those involving money—are scrutinized through this lens. In other words, we examined how the perceived wastefulness associated with aid recipients may carry over to color perceptions of everything they do, and not just their financial decisions.

We designed a second set of experiments to examine this prediction (Olson et al. 2018). First, we examined whether individuals evaluate ethical choices differently as a function of resource type. We predicted that low-income consumers receiving government assistance would be perceived more negatively than income-earning groups for giving the same resources (holding value constant) to charity. The target actor either received welfare benefits, earned the equivalent amount, or earned a higher amount. Participants in a control condition did not receive any income information. The actor then helped a charity by either donating $250, volunteering for 35 hours (without pay), or donating $250 worth of personal possessions. Amounts were calibrated based upon the federal minimum wage of $7.25 per hour. Thus, working 35 hours for minimum wage would be valued at approximately $250 (participants were unaware of this opportunity cost equivalence; cf. Reed et al. 2007).

Results supported our main prediction. Regardless of resource type, welfare recipients were perceived as less moral than low-income earners, high-income earners, and the no-income control conditions. These latter three income groups did not differ. We found similar results when lowering volunteer hours from 35 to 15 in the time condition in a replication study. Together, these results demonstrate that aid recipients are considered less moral than income earners (and a no-income control condition) when spending equivalently valued resources, regardless of whether those resources are money, time, or possessions.

Americans believe that aid recipients should be devoting the totality of their resources toward gaining economic independence (Henry et al. 2004); any expenditures that do not help achieve this goal may be perceived as wasteful and less moral. However, this also implies that if additional information or cues are present to alter this overarching perception of wastefulness, then resource expenditures might be evaluated differently.

We examined the underlying wastefulness mechanism in two experiments. One way that perceptions of wastefulness could be mitigated is by changing the opportunity costs for a given expenditure (Spiller 2011). Given that aid recipients "should" be allocating resources toward achieving economic independence (Henry et al. 2004), volunteering time that could potentially lead to future employment should minimize perceived wastefulness and enhance perceptions of their morality. In one experiment, an actor volunteered each week at a museum without pay; the position was described as either being likely or unlikely to lead to future employment. Results revealed that welfare recipients were seen as less moral when they chose to volunteer for a position that was unlikely versus likely to lead to paid employment, and this was driven in part by perceptions of wastefulness. This judgment did not extend to low- or high-income earners. A follow-up experiment revealed that "working for pay" is a necessary, but not sufficient condition, for moral credit. Low-income earners must work *enough* hours each week to minimize perceptions of time mismanagement.

In another experiment, we manipulated whether time spent volunteering was coupled with time spent improving one's educational attainment, as pursuing higher education is one way to boost self-sufficiency and minimize future reliance on government assistance (Ma, Pender, and Welch 2016). Participants read about an actor who volunteered 10 hours a week and was either currently taking online classes or not. Results revealed that aid recipients are seen as relatively wasteful, and as a result, are viewed as less moral when engaging in ethical actions. Importantly, this effect was weakened when the actor was actively taking college-level courses. These results highlight how judgments toward observed income identities can be mitigated by other identity perceptions (in this case, a "student" identity).

An individual's choice to give or not give, to volunteer or not volunteer, can influence outcomes for other stakeholders. In another experiment, we again shifted beyond the individual to consider implications for organizations for whom aid recipients represent via volunteerism. If aid recipients are seen as wasteful, then their fundraising efforts (on behalf of a parent organization) may be met with skepticism, and ultimately result in receiving less support. Participants were given an opportunity to contribute a portion of their participant payment to an (ostensibly) randomly selected GoFundMe campaign. Participants read that "Rob" either received government assistance or earned a wage. He had set a goal of raising $5,000 for a museum where he volunteered. In addition to answering questions about perceived wastefulness, participants were asked if they would like to donate to Rob's campaign. Results revealed that Rob was perceived as more wasteful when he was a welfare recipient versus wealthy, and perceived wastefulness was negatively correlated with donation amount. In other words, individuals withheld their own financial resources to support a museum when the volunteer soliciting donations received welfare benefits.

<b>**Conclusion**<b>

Being a consumer involves exercising choice, including the choice to purchase (or not) goods and services. Choosing to wear your favorite team's jersey, eating ethnic cuisines, and volunteering for a neighborhood watch are all choices that reinforce consumers' identities. Often, consumption choices are subject to public scrutiny—what we choose to wear, what we choose to eat, and the activities we choose to participate in are observable. Consumption choices convey information about who we are as people, which means they can (and often do) elicit judgment from observers. An *Onion* (2014) articles highlights this observer perspective with a story entitled, "Woman A Leading Authority On What Shouldn't Be In Poor People's Grocery Carts."

In this chapter, we build upon previous actor-based identity research by highlighting the impact of observer-based identity research. Our central thesis is that while actors' own beliefs about who they are influence their own consumption behavior, an actor's *perceived* identity also influences how *observers* interpret actors' consumption behavior. Observers might use any number of cues to infer information about actors' identities and motivations (e.g., clothing, vehicles, place of residence, choice of payment mechanism, etc.). Importantly, actively incorporating identities into one's sense of self is immaterial to observers' judgment of that identity. For example, Mr. A might see himself as "middle-class" but Ms. B might infer that he is a "welfare recipient" when she sees him pay for groceries with an Electronic Benefit Transfer (EBT) card. Applying the identity-relevance principle, Ms. B may see Mr. A's choice of organic produce as inconsistent with his perceived income identity. Our research demonstrates that the actor's (perceived) income identity is relevant information to observers' judgment because such choices (often, but not always) require significant resource investments (Olson et al. 2016, 2018). Mr. A's ethical choices create a mismatch between his "welfare recipient" identity and its association with "expected frugality." Ultimately, Mr. A may be judged as relatively immoral for making costly, albeit prosocial, choices.

Observer-based identity research has implications for actors themselves and consumer-to-consumer interactions. For example, research demonstrates that observers use simple facial cues to infer social class, which influences judgments about actors' employability (Bjornsdottir and Rule 2017). For instance, observers believe "rich" targets are more likely to be hired as accountants than "poor" targets. This is an important finding, as it suggests that perceived income identity could have downstream consequences that perpetuate stereotypes of the poor as "unemployed" and "unmotivated." Beyond actors themselves, our own research highlights potential consequences of income identity for firms, government agencies, and non-profit organizations. For example, some states allow aid recipients to perform unpaid, community service in exchange for aid (e.g., Maine, Massachusetts; Rector et al. 2016; Sullivan and Chieppo 2015). Our research suggests that such activities impact moral perceptions of aid recipients, which may also color perceptions of the sponsoring programs. Furthermore, given that employees are the "face" of their organization (Sirianni et al. 2013), perceptions of aid recipients who choose to volunteer may have negative consequences for the parent organization.

We believe observer-based identity research is theoretically compelling and practically relevant, and hope our chapter provides a strong foundation for future work. One avenue to examine is the potential perception asymmetries between actors and observers. Actors may see themselves as possessing one identity, but observers may perceive something different. What are the implications for both the actor's own sense of self and actor-observer interactions when observers realize they were "wrong" in their characterization? Another promising avenue would be to examine the intersectionality among various consumer identities. Because different identities can be activated at the same time (Reed et al. 2012), judgments may be influenced by the most salient identity at any given moment. Related to our own work on income identities, previous research indicates that racial identity is central to shaping (white) Americans' views of government assistance (Gilens 1999). People of color may receive even harsher judgments due to negative group stereotypes regarding work ethic and personal responsibility, though some perceptions may be changing as demographics shift (Fox 2004). Other identities may also play a role. For instance, the negative connotations of being a "welfare recipient" may be counteracted by the positive connotations of being a "parent" or "caretaker." Relatedly, some identities are relatively stable (e.g., race and ethnicity), while others might fluctuate (e.g., income). Are some identity transitions perceived more favorably than others? Someone who goes from "rags to riches" might be held up as evidence of the American dream; someone who loses a job and faces foreclosure might be viewed negatively as making poor life choices. Studying identity transitions, and even how observers' own identities influence their reactions to others, is worthy of further investigation.

In sum, adopting an observer-based perspective toward identity research presents new possibilities for understanding how actors are evaluated, actor-observer dynamics, and downstream consequences. We used income identity as a guiding example, but future research could explore any number of consumer identities. Although perceived identity is not necessarily equivalent to an actor's self-expressed identity, our work highlights that observers' perceptions matter—in the case of income identity, *who* you are may frequently be even more diagnostic of your moral standing than what you *do*.

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