

The Benefits of Social-Digital Platforms on Peer Debt Repayments



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Introduction

- People often lend and borrow money from peers.
- The discussion of money among peers can be uncomfortable (Krueger, 1986; Belk and Wallendorf, 1990; Rose and Orr, 2007), and accordingly, requesting and repaying money can evoke discomfort and negatively affect relationships.
- Social-digital payment methods such as Venmo may ameliorate these concerns.

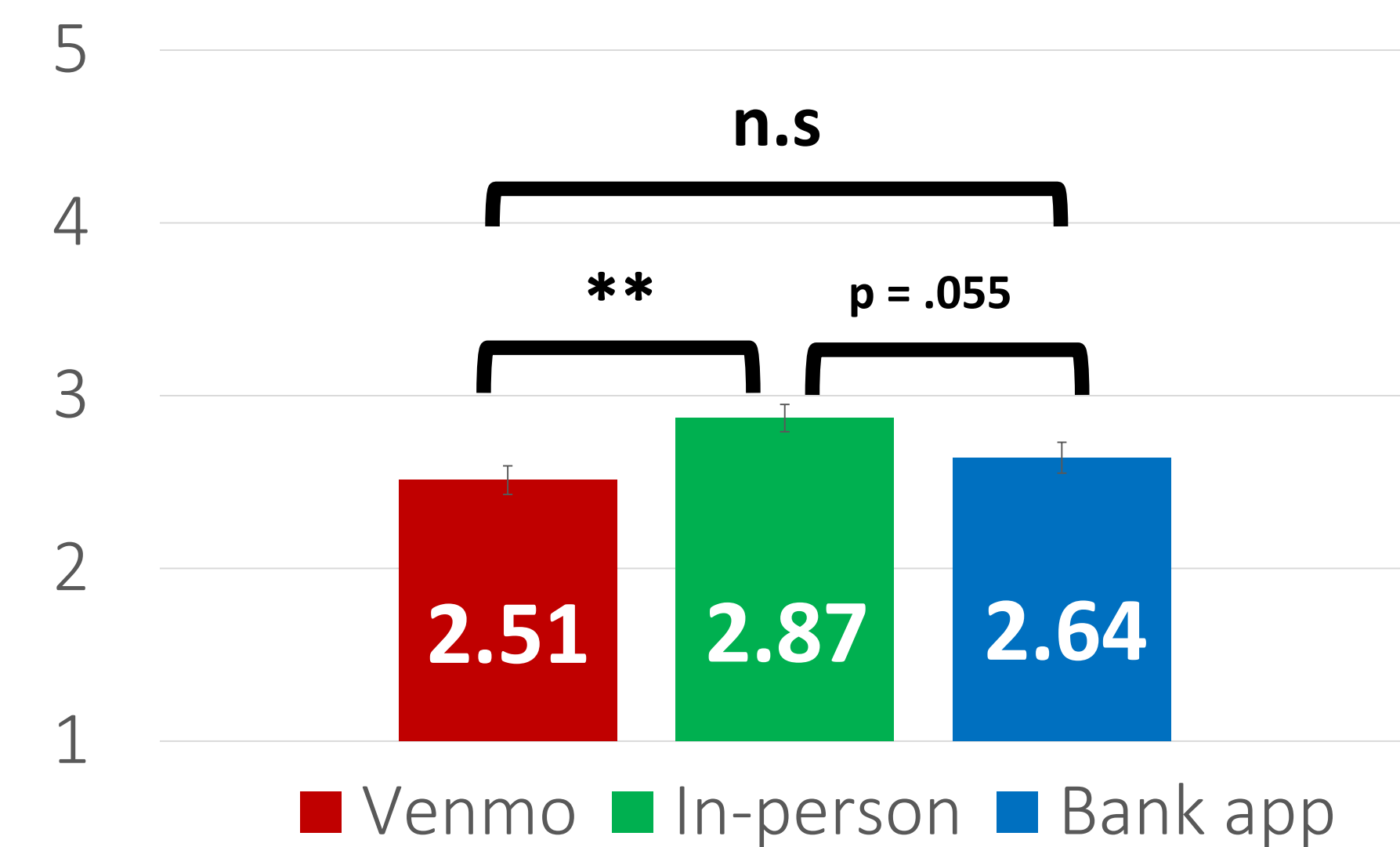
Study 2: Other Mobile Payments

3 Conditions (Venmo, In Person, Bank app requests)
 N = 617, Mturk
<http://aspredicted.org/blind.php?x=f6wk7a>

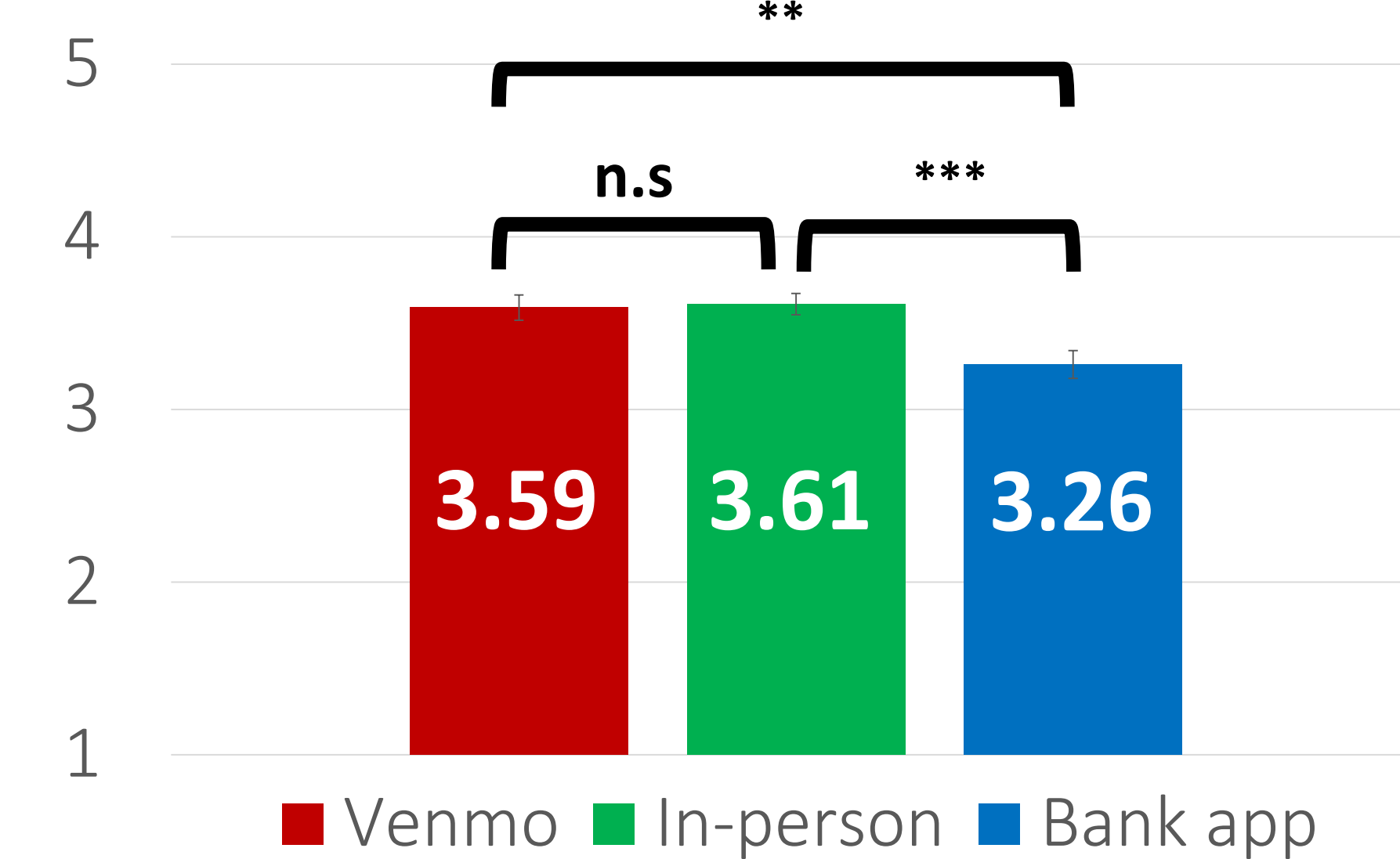
Same scenario as Study 1, however, participants in the “Bank app” condition requested money via standard mobile bank app.

- DVs:
- Discomfort ($\alpha = 0.91$)
 - Uncomfortable
 - Nervous
 - Unpleasant
 - Relationship Quality ($\alpha = 0.93$; reverse coded)
 - How much tension would there be...
 - How negatively would this affect...

Anticipated Discomfort by Payment Method



Relationship Quality by Payment Method



Study 2 Summary

- People anticipate *less* discomfort requesting money via Venmo (vs. in-person).
- Venmo matches in-person requests and outperforms bank app when it comes to overall relationship harmony.

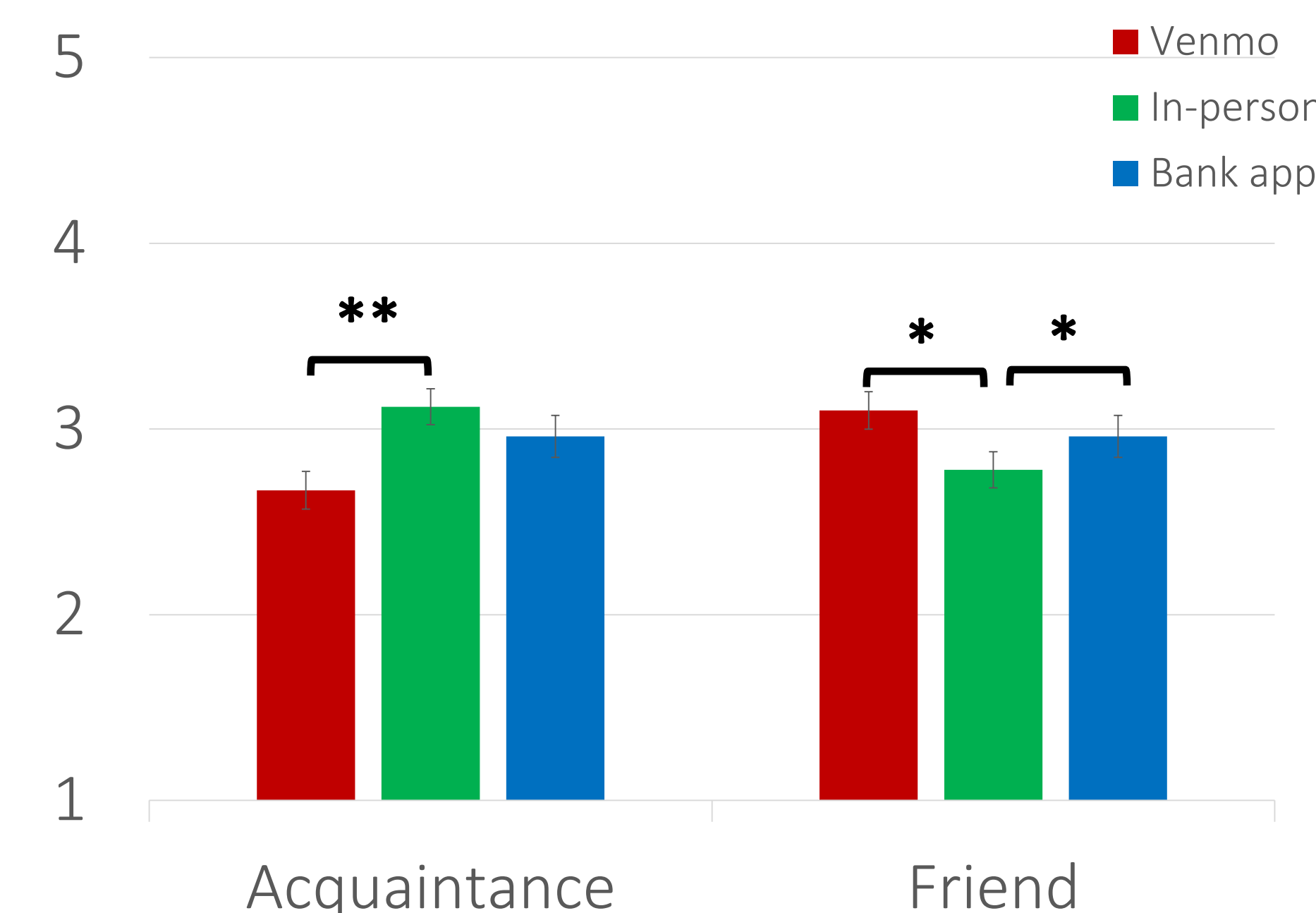
Study 3: Moderation by Requestee Relationship

3 (Payment Type: Venmo, In-person, Bank) x 2 (Relationship: Acquaintance vs. Friend)
 N = 950, Mturk
<http://aspredicted.org/blind.php?x=cj4gu5>

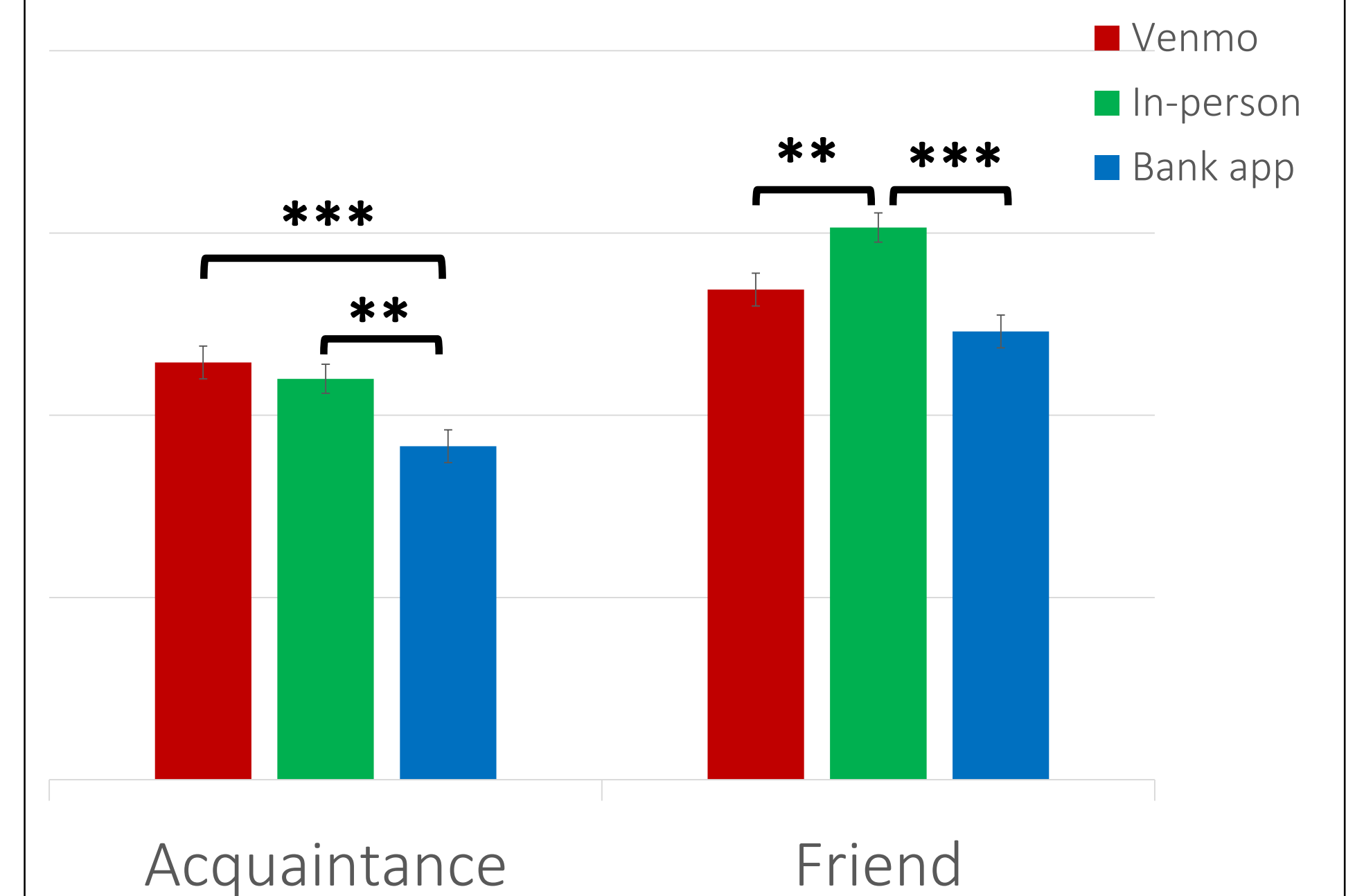
Participants were asked to imagine requesting money [via Venmo/in person/via bank app] from a(n) [acquaintance/close friend].

- DVs:
- Discomfort ($\alpha = 0.92$)
 - Relationship Quality ($\alpha = 0.93$)

Discomfort by Payment Method and Relationship



Relationship Quality by Payment Method and Relationship



Study 3 Summary

- Results show that when requesting money from an acquaintance, people anticipate *less* discomfort using digital methods, however, this effect reverses when requesting money from a close friend.
- Venmo and in-person requests outperform standard bank apps when measuring overall relationship quality, regardless of relationship type.

General Discussion

- Our results suggest that the use of social-digital payment methods lessens the expected discomfort associated with peer transactions and promotes relationship quality in many instances.
- A boundary condition exists, however, that in-person requests improve relationship quality among the closest of friends.

References

- Belk, R. W., & Wallendorf, M. (1990). The sacred meanings of money. *Journal of Economic Psychology*, 11(1), 35-67.
 Krueger, D. W. (1986). *The last taboo: Money as symbol and reality in psychotherapy and psychoanalysis*. Routledge.
 Rose, G. M., & Orr, L. M. (2007). Measuring and exploring symbolic money meanings. *Psychology & Marketing*, 24(9), 743-761.

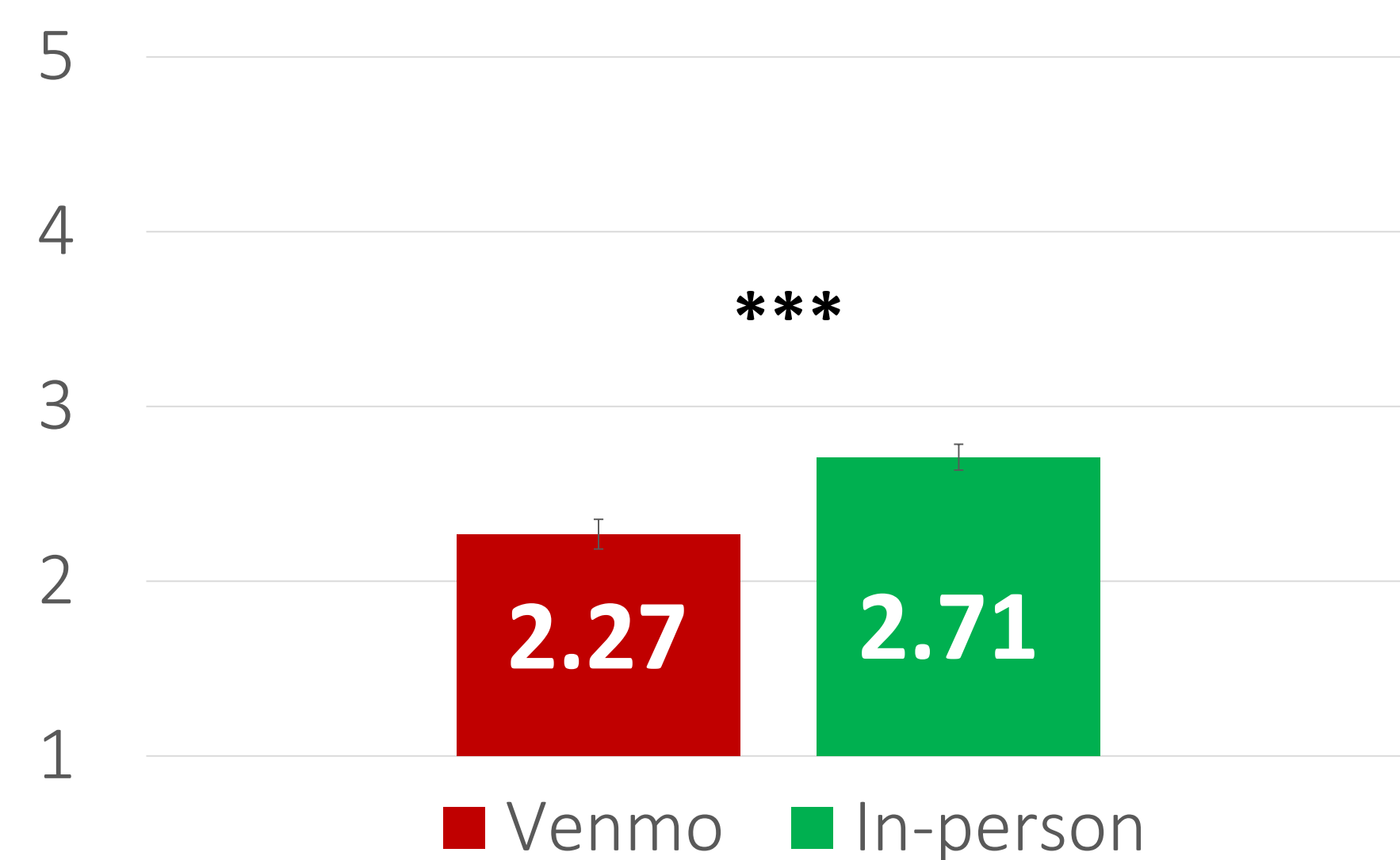
Study 1: Basic Effect

2 Conditions (Venmo vs. In-person requests)
 N=246, MTurk

Participants asked to imagine requesting money from a roommate [via Venmo/in person]

- DV:
 Discomfort ($\alpha = 0.85$)
- How uncomfortable do you feel requesting...
 - How nervous do you feel requesting...
 - How much tension between you and roommate...
 - How negatively would this affect your relationship...
 - How would your roommate feel...

Anticipated Discomfort by Payment Method



Study 1 Summary

- People anticipated *less* discomfort when requesting money from peers via Venmo than in person.