

Fighting Fiscal Awkwardness: The (Dis)Advantages of Digital Payment Methods On Peer Debt Dynamics



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Session Zoom Link

<https://wustl.zoom.us/j/98523464256>

Background

- Requesting owed money back is uncomfortable^{1,2}.
- Digital payment platforms might ease fiscal awkwardness. However, they might also feel impersonal^{3,4}.
- These dynamics might play out differently for different social relationships.
- H1:** People use digital platforms more often when requesting owed money from an acquaintance (vs. a close friend).
- H2a:** Consumers feel more discomfort requesting in person with an acquaintance (vs. a close friend), which in turn increases digital payment requests.
- H2b:** Consumers are less averse to appearing impersonal with an acquaintance (vs. a close friend), which in turn increases digital payment requests.

Study 1: Retrospective Study

N = 192, MTurk

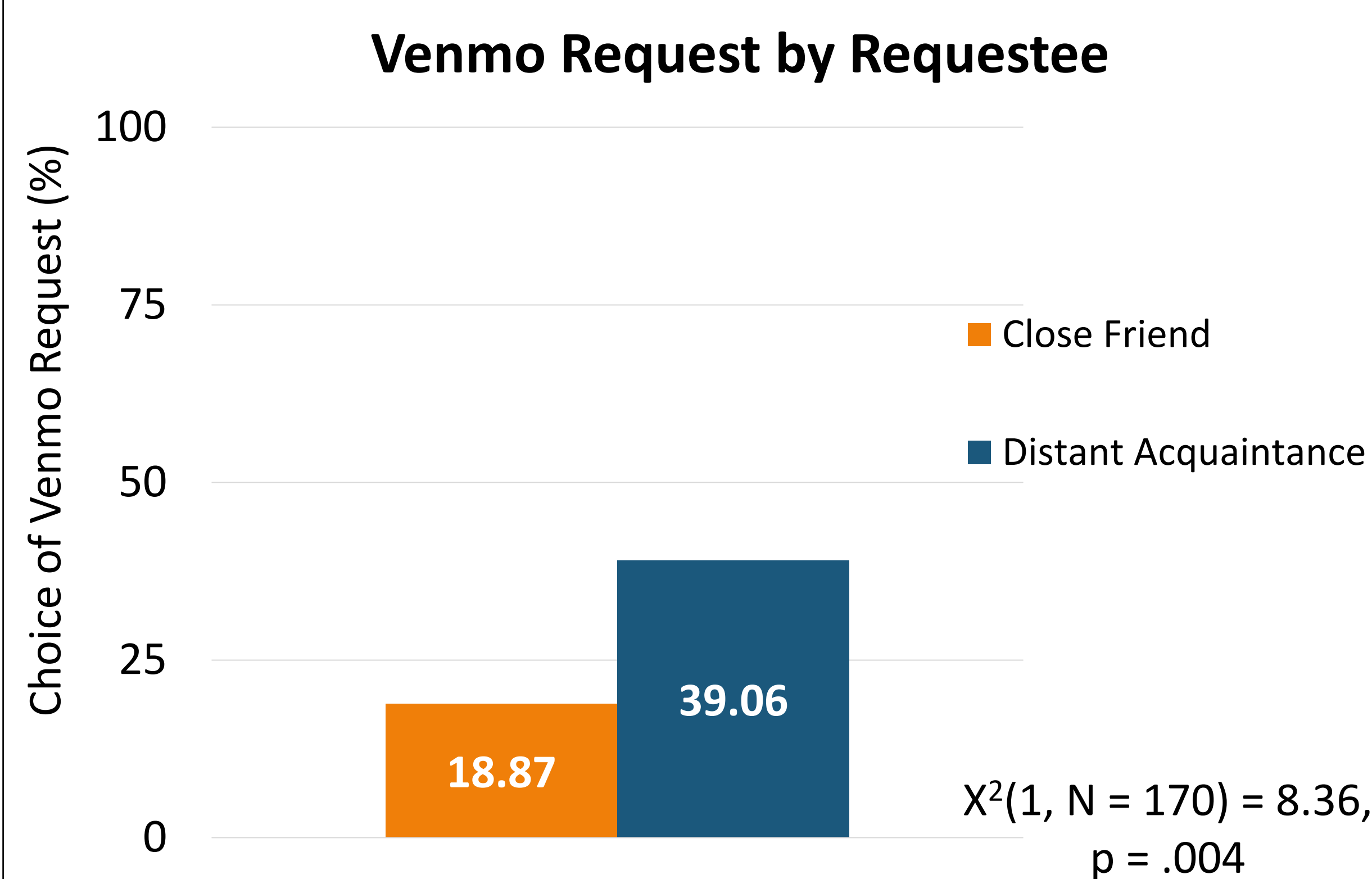
<http://aspredicted.org/blind.php?x=qu8v7x>

*preregistered to compare in-person vs. payment app

Participants recalled real instances where they had to request money from a close friend or distant acquaintance.

DV: "Which one of these options best describes how you requested the money from your [close friend/distant acquaintance]?"*

- In-person
- Phone call
- Text
- Via Payment App
- Other



Study 1 Summary

- People were more likely to request via a payment app when requesting money that was owed from an acquaintance (vs. a close friend).

Study 2: Effect and Mechanisms

2 Conditions (Close friend vs. Distant acquaintance) x 3 (Scenarios: Concert, Food, Uber)*

N = 402, MTurk, fully between-subjects design

<http://aspredicted.org/blind.php?x=f6wk7a>

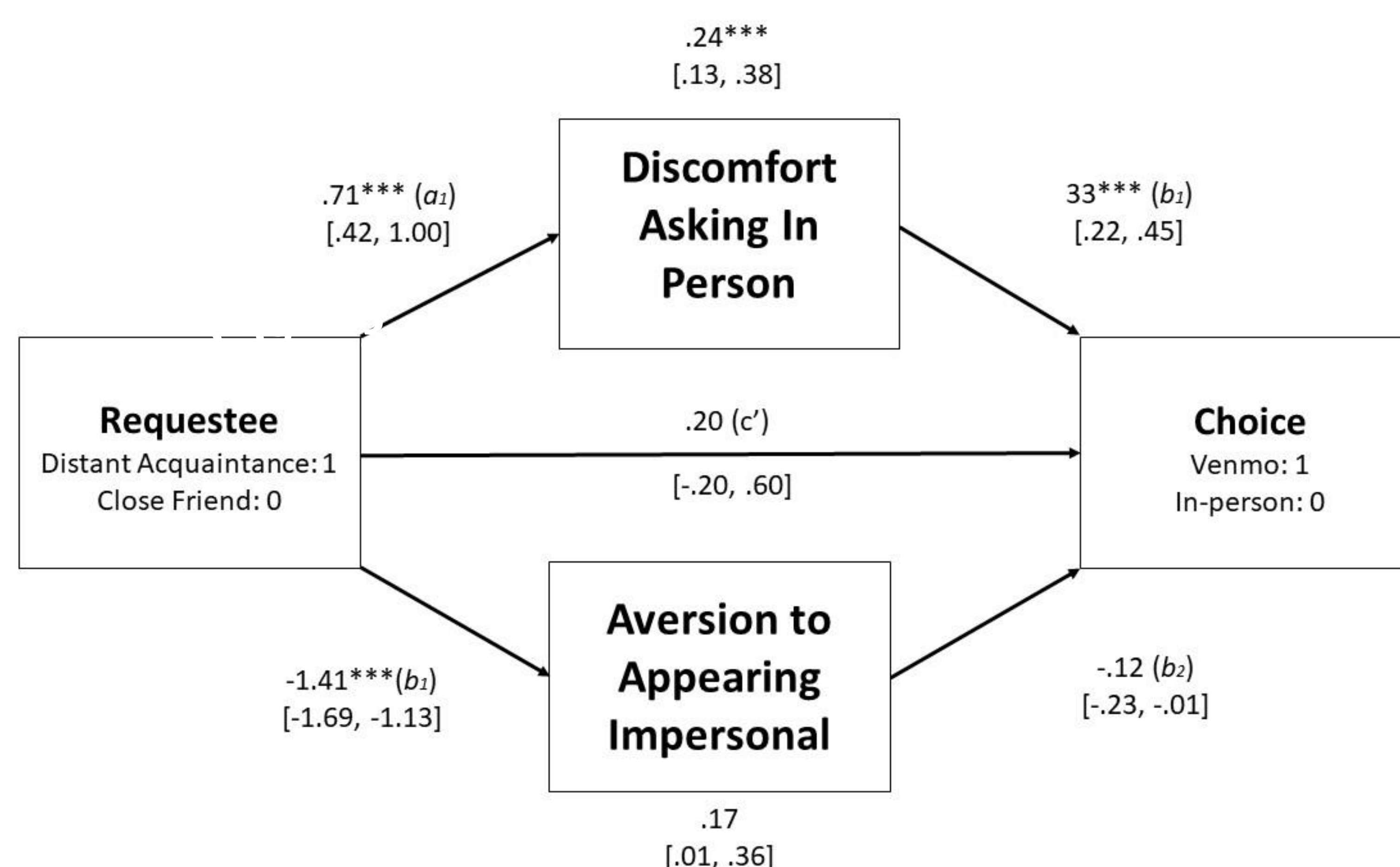
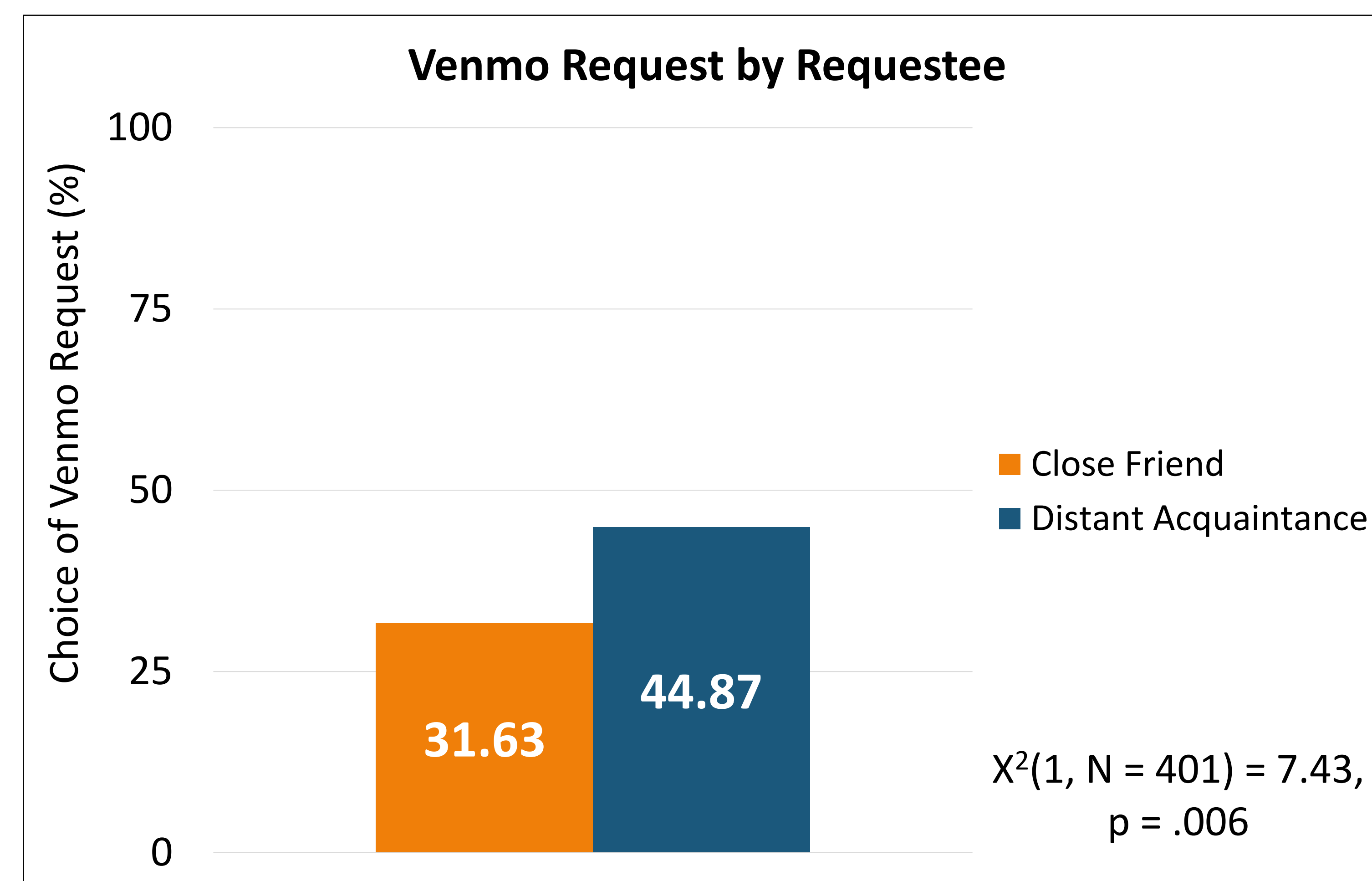
*preregistered to collapse across scenarios

Participants imagined requesting money that was owed from a [close friend/distant acquaintance].

DV: Choice of request via Venmo

Mediators:

- Discomfort of asking in person ($\alpha = 0.89$)
 - Uncomfortable
 - Awkward
 - Confrontational
- Aversion to appearing impersonal ($\alpha = 0.95$)
 - Cold
 - Impersonal
 - Insincere



Study 2 Summary

- The (1) discomfort of requesting in person and (2) aversion to appearing impersonal simultaneously mediated the relationship between requestee and choice of request method.

Study 3: Moderation by Discomfort

2 (Requestee: Close friend vs. Distant acquaintance) x 2 (Discomfort: Control vs. Reduced) x 3 (Scenarios: Concert, Food, Uber)*

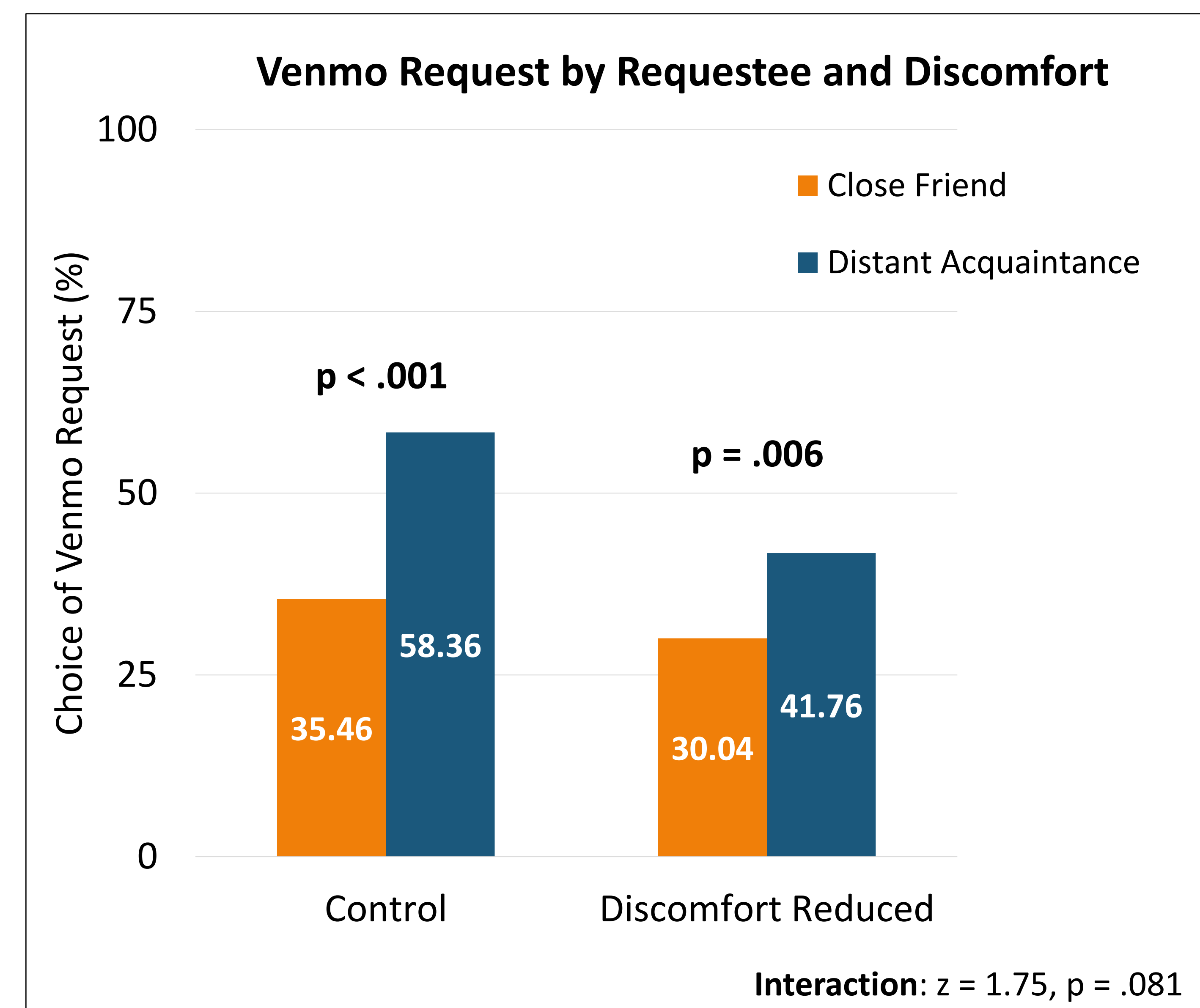
N = 1185, MTurk, fully between-subjects design

<https://aspredicted.org/blind.php?x=7if7ep>

*preregistered to collapse across scenarios

Participants imagined requesting money that was owed from a [close friend/distant acquaintance] [no information/that was easy to talk to].

DVs: Choice of request via Venmo



Study 3 Summary

- People use digital payment methods to avoid the discomfort of requesting in person.
- As predicted, reducing in-person discomfort decreased digital requests to a larger degree for acquaintances (vs. close friends).

General Discussion

- When requesting money from acquaintances (vs. close friends), people are more likely to request via digital payment methods.

Why?

- Consumers feel (1) more discomfort requesting in person and (2) are less averse to appearing impersonal with acquaintances (vs. close friends), which in turn increases digital payment requests.

References

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