

Avni M. Shah

University of Toronto • Department of Management
1265 Military Trail • Toronto, Ontario M1C 1A4 Canada
Mobile: 647.447.9482 • Email: avni.shah@utoronto.ca • Website: www.avnimshah.com

ACADEMIC POSITIONS

**UNIVERSITY OF TORONTO SCARBOROUGH &
ROTMAN SCHOOL OF MANAGEMENT** 2015-present
Toronto, ON
Assistant Professor, Marketing

EDUCATION

DUKE UNIVERSITY 2015 (expected)
Fuqua School of Business Durham, NC
Ph.D., Business Administration
Dissertation: How the Pain of Payment Influences Our Choice and Our Relationships
Advisors: James R. Bettman and Tanya L. Chartrand

DARTMOUTH COLLEGE 2007
A.B., Psychology and Religion (Double Major) Hanover, NH
Graduated with High Honors, Cum Laude
Honors Thesis: Factors Influencing Choice Overload (Advisor: George Wolford)

RESEARCH INTERESTS

Psychology of Money; Consumer Preference and Choice; Resource Theory; Intertemporal Choice; Interpersonal Relationships; Consumer Well-Being; Financial Decision-Making

PUBLICATIONS AND INVITED REVISIONS (see Appendix for abstracts)

Shah, Avni M. & George Wolford. (2007). "Buying Behavior as a Function of Parametric Variation in Number of Choices," *Psychological Science* 18 (5): 369-370.
**Lead Article*

Shah, Avni M., James R. Bettman, Peter A. Ubel, Punam Anand Keller & Julie A. Edell (2014), "Surcharges Plus Unhealthy Labels Reduce Demand for Unhealthy Menu Items," *Journal of Marketing Research* 51(December): 773-789.

Shah, Avni M., Noah Eisenkraft, James R. Bettman & Tanya L. Chartrand. (2016), "Paper or Plastic?": How We Pay Influences Post-Transaction Connection," *Journal of Consumer Research*, Forthcoming February 2016.

Shah, Avni M., James R. Bettman & John Payne (2016), "How Increasing (Decreasing) the Pain of Payment can Magnify (Attenuate) Choice Overload Effects," Invited Revision at *Marketing Science*.

WORKING PAPERS (see Appendix for abstracts)

Shah, Avni M., James R. Bettman, Tanya L. Chartrand, Noah Eisenkraft & Kathleen D. Vohs. *How the Pain of Payment Affects Interpersonal Rapport and Commitment*. All studies complete, manuscript in prep.

Shah, Avni M. and Sam J. Maglio. *Keep Your Money Close: Psychological Distance Influences the Perceived Value of Money*. All studies complete, manuscript in prep.

Addoum, Jawad,* Howard Kung* & **Avni M. Shah.*** *Money and (Bargaining) Power: Increasing the Relative Pain of Payment of an Individual Influences Asset Allocation Decisions Within a Household*. All studies and analysis complete, manuscript in prep for submission.

**Equal Authorship, authorship listed alphabetically.*

Samper, Adriana, **Avni M. Shah**, James R. Bettman & Gavan J. Fitzsimons. *Rolling the Dice with Premium Products: Using a High End Product Polarizes Self-Perceptions of Performance*. All studies complete, manuscript in prep.

Shah, Avni M., James R. Bettman & John Payne. *How the Pain of Payment Influences Loss Aversion*. Three studies complete

INVITED SEMINARS

University of Guelph (January 2016)

Dartmouth College, Tuck School of Business (October 2015)

University of Chicago, Booth School of Business (October 2014)

Arizona State University (October 2014)

University of Arizona (October 2014)

University of Iowa (September 2014)

Texas A&M University (September 2014)

University of Toronto (September 2014)

Erasmus University, Rotterdam School of Management (September 2014)

CONFERENCE PRESENTATIONS AND SYMPOSIA (presenting author underlined)

Shah, Avni M., Noah Eisenkraft, Jim Bettman, and Tanya Chartrand, “Paper or Plastic?: How We Pay Influences Post-Transaction Connection” Oral paper presentation at Society for Judgment and Decision-Making, November 2015, Chicago, IL.

Shah, Avni M., Noah Eisenkraft, Jim Bettman, and Tanya Chartrand, “Paper or Plastic?: How We Pay Influences Post-Transaction Connection” Paper presentation at Association for Consumer Research, October 2015, New Orleans, LA.

Barasch Alixandra, Jonah Berger, Jonathan Berman, Micheal Beverland, Amit Bhattacharjee, Jennifer Edson Escalas, Kent Grayson, Kirk Kristofferson, Brent McFerran, George E. Newman, Colbey Emmerson Reid, **Avni M. Shah**, Oleg Urminsky, Caleb Warren, and Hillary Weiner. “Who Are You? Exploring Consumer Authenticity,” Roundtable Session presentation at Association for Consumer Research, October 2015, New Orleans, LA (Refereed—Y), Organized and Chaired by Katherine M. Crain.

**Roundtable participant names listed in alphabetical order.*

Shah, Avni M., James R. Bettman, Peter A. Ubel, Punam Anand Keller and Julie A. Edell “Surcharges Plus Unhealthy Labels Reduce Demand for Unhealthy Menu Items,” Paper presentation at Society for Consumer Psychology’s Second International Conference for Consumer Psychology, June 26, 2015, Vienna, Austria.

Shah, Avni M., Jim Bettman, Tanya Chartrand, Noah Eisenkraft, and Kathleen Vohs, “Show Me the Money: How the Pain of Payment Affects Interpersonal Rapport and Connection,” Paper presentation at Carolina Research in Social Psychology Conference, April 18, 2015, Durham, NC.

Shah, Avni M., Jim Bettman, Tanya Chartrand, Noah Eisenkraft, and Kathleen Vohs, “Show Me the Money: How the Pain of Payment Affects Interpersonal Rapport and Connection,” Paper presentation at Association for Consumer Research, October 25, 2014, Baltimore, MD.

Shah, Avni M., James R. Bettman, Peter A. Ubel, Punam Anand Keller and Julie Edell “Surcharges Plus Unhealthy Labels Reduce Demand for Unhealthy Menu Items,” Paper presentation at Marketing & Public Policy Conference, June 6, 2014, Boston, MA.

Shah, Avni M., James R. Bettman and John G. Payne. “How the Psychological Tangibility of Costs Affects Buying Behavior in the Face of an Increasing Choice Set,” Oral paper presentation at Society for Judgment and Decision-Making, November 2013, Toronto, Canada.

Shah, Avni M., James R. Bettman and John G. Payne. “‘No Pain, All Gain:’ Examining the Influence of Pain of Payment on Loss Aversion and Propensity for Gambling,” Poster at Society for Judgment and Decision-Making Conference, November 2013, Toronto, Canada.

Addoum, Jawad,* Howard Kung* and **Avni M. Shah***. “‘Risky Business’: How Intra-household Bargaining Power and Gender Differences in Risk Aversion Affect Asset Allocation,” Paper presentation at Association for Consumer Research, October 4, 2013, Chicago, IL.

**Equal Authorship, authorship listed alphabetically.*

**Session co-chair (with Kathleen Vohs): “Beyond Reciprocity: Examining the Interplay Between Money & Relationships”*

Atlas, Stephen, Daniel Bartels, Cynthia Cryder, Hal E. Herschfield, Eric Johnson, Punam Anand Keller, Kyu B. Kim, John G. Lynch, Michael Norton, Scott Rick, **Avni M. Shah**, Suzanne Shu, Dilip Soman, Abigail Sussman, Kathleen D. Oleg Urminsky, Vohs, Keith

Wilcox, Gal Zauberman. “Changing the Way We Think About Consumer Financial Decision-Making: Bridging Theory, Practice, & Relevance in Household Financial Decision-Making.” Roundtable Presentation at Association for Consumer Research, October 4, 2013, Chicago, IL.

**Roundtable Session Chair*

**Roundtable participant names listed in alphabetical order.*

Shah, Avni M., James R. Bettman, Peter A. Ubel, Punam Anand Keller and Julie Edell Britton. “Does This Label Make Me Look Fat?: Investigating the Effect of Price, Numeric, and Evaluative Labels on Demand for Unhealthy Products,” Paper presentation at Association for Consumer Research, October 5, 2013, Chicago, IL.

Shah, Avni M., James R. Bettman, Peter A. Ubel, Punam Anand Keller and Julie Edell Britton. “Does This Tax Make Me Look Fat?: Using Stigma-Inducing Labels to Decrease Unhealthy Food Consumption,” Paper presentation at Theory & Practice in Marketing, May 30, 2013, London, United Kingdom.

Addoum, Jawad, * Howard Kung* and **Avni M. Shah**.* “Marital Dynamics and Portfolio Choice: The Link Between Intra-Household Frictions and Gender Differences in Risk Aversion on Portfolio Compositions,” Paper presentation (Plenary Session) at Boulder Summer Conference for Consumer Financial Decision-Making, May 20, 2013, Boulder, CO.

**Equal Authorship, authorship listed alphabetically.*

Shah, Avni M., James R. Bettman and John Payne. “No Pain, All Gain: Examining the Influence of Pain of Payment on Loss Aversion and Propensity for Gambling,” Poster at Boulder Summer Conference for Consumer Financial Decision Making, May 19, 2013, Boulder, CO.

Shah, Avni M., James R. Bettman and John Payne. “How the Pain of Payment Affects Buying Behavior in the Face of Variety,” Paper presentation at Association for Consumer Research, Vancouver, BC. October 2012.

**Session co-chair (with Kathleen Vohs): “The Mere Idea of Money Alters Consumer Welfare, Preferences, and Morality”*

Shah, Avni M., James R. Bettman and John Payne. “The Paradox of Plastic: The Moderating Effect of Mode of Payment on Buying Behavior as the Number of Alternatives Increases,” Poster at Boulder Summer Conference for Consumer Financial Decision Making, June 24 2012, Boulder, CO.

Andreasen, Alan, Dan Ariely, Paul Bloom, Julie Edell Britton, Gavan Fitzsimons, Vladas Griskevicius, Punam Anand Keller, Angela Lee, **Avni M. Shah**.* “Nudging our Way to a Better Tomorrow: Bridging the Gap between Consumer Behavior Research and Public Policy.” Roundtable panel at Association for Consumer Research, St. Louis, MO. October 15, 2011.

**Roundtable Session Chair*

**Roundtable participant names listed in alphabetical order.*

TEACHING INTERESTS

Consumer Behavior, Marketing Management, Market Intelligence, Pricing, Marketing Research, Marketing Strategy, Healthcare Marketing

TEACHING EXPERIENCE

Guest Lecturer, Duke University, Fuqua School of Business

- Fuqua Introduction 898: Irrational Choices, Unconscious Decisions, and Market Failure (Instructor: Peter Ubel, Taught both Morning and Afternoon section). Lectures given: “Choice Overload” and “Psychology of Money,” *November 16, 2012 Full-time MBA Students*.
- Fuqua Introduction 898: Irrational Choices, Unconscious Decisions, and Market Failure (Instructor: Peter Ubel). Lectures given: “Choice Overload” and “Psychology of Money,” *October 1, 2012 Executive/Cross-Continental MBA Students*.
- Fuqua Introduction 898: Irrational Choices, Unconscious Decisions, and Market Failure (Instructor: Peter Ubel, Taught both Morning and Afternoon section). Lectures given: “Choice Overload” and “Psychology of Money,” *November 20, 2011 Full-time MBA Students*.

Guest Lecturer, Dartmouth College, Department of Psychology

- Psychology 23: Social Psychology (Instructor: Thalia Wheatley). Lecture given: “And This is All Because of the Frame: Investigating the Role of Heuristics and Biases in Decision-Making,” *January 18, 2008 Undergraduate Students*

Teaching Assistant, Marketing

- Fuqua Introduction 898: Irrational Choices, Unconscious Decisions, and Market Failure (Instructor: Peter Ubel). *Fall Term 2012 - Executive/Cross-Continental MBA Students*.
- Fuqua Introduction 491.02: Irrational Choices, Unconscious Decisions, and Market Failure (Instructor: Peter Ubel). *Fall Term II 2012 - Full-time MBA Students*.
- Health Management 368.401: Healthcare Marketing (Instructor: Preyas Desai). *Spring Term II 2012 – Full-time MBA Students*.
- Fuqua Introduction 491.02: Irrational Choices, Unconscious Decisions, and Market Failure (Instructor: Peter Ubel). *Fall Term II 2011 - Full-time MBA Students*.

Teaching Experience, Other

- Bryn Mawr College: Laboratory Instructor for Chemistry I.
- Bryn Mawr College: Laboratory Instructor for Chemistry II.

SERVICE

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| • Ad-hoc Reviewer, <i>Journal of Marketing Research</i> | 2015-present |
| • Founder, Duke Marketing Student Seminar Series | 2011-present |
| • ACR Working Paper Reviewer | 2011-present |
| • SCP Working Paper Reviewer | 2012-present |

Last Updated January 2016

APPENDIX

Abstracts for Publications and Invited Revisions

Shah, Avni M. & George Wolford. (2007). “Buying Behavior as a Function of Parametric Variation in Number of Choices,” *Psychological Science* 18 (5): 369-370.

**Lead Article*

We were interested in exploring the relationship between an increasing number of alternatives and purchase likelihood. On one hand, as the number of choices increases, consumers are more likely to find an item that meets their needs. On the other hand, there is accumulating evidence that having many options from which to choose may be counterproductive (e.g., Iyengar & Lepper 2000; Schwartz 2004). However, most previous research on this topic compared only two set size for number of choices: a medium value, such as 6, and a large value, such as 24. We were interested in exploring the influence of number of choices in a more parametric fashion. Using a natural field experiment, we measured the proportion of individuals who purchased a pen from a set of alternatives, varying the number of options from 2 to 20 in increments of 2. We find that buying behavior was a curvilinear function of number of choice, peaking at a value of 10 pens. We demonstrate that more choice does not always lead to less buying. Rather, it is only after the optimal point has been exceeded that more choice results in less buying.

Shah, Avni M., James R. Bettman, Peter A. Ubel, Punam Anand Keller & Julie A. Edell (2014), “Surcharges Plus Unhealthy Labels Reduce Demand for Unhealthy Menu Items,” *Journal of Marketing Research* 51(December): 773-789.

Three laboratory experiments and a field experiment in a restaurant demonstrate that neither a *price surcharge* nor an *unhealthy label* are enough on their own to curtail the demand for unhealthy food. However, when combined as an *unhealthy label surcharge*, they reduce demand for unhealthy food. We also show that the unhealthy label is equally effective for women as the unhealthy label surcharge but backfires for men, who order more unhealthy food when there is an unhealthy label alone. We demonstrate that an unhealthy surcharge, which highlights both the financial disincentive and potential health costs, can significantly drive healthier consumption choices. From a policy and government perspective, if the goal is to reduce demand for unhealthy food, increasing the transparency of the health rationale for any financial disincentive is a necessity in order to effectively lower unhealthy food consumption.

Shah, Avni M., Noah Eisenkraft, James R. Bettman & Tanya L. Chartrand. (2016), “ ‘Paper or Plastic?’: How We Pay Influences Post-Transaction Connection,” *Journal of Consumer Research*, Forthcoming.

Can the way that individuals pay for a good or service influence the amount of connection they feel after the purchase has occurred? Employing a multi-method approach across four studies, we find that individuals who pay using a relatively more painful form of payment (e.g., cash or check) increase their post-transaction connection to the product they purchased and/or the organization their purchase supports in comparison to those who pay with less painful forms of payment (e.g., debit or credit card). Specifically, individuals who pay with more painful forms of payment increase their emotional attachment to a product, decrease their commitment to non-chosen alternatives, are more likely to publicly signal their commitment to an organization, and

are more likely to make a repeat transaction. Moreover, the psychological pain of payment influences post-transaction connection even when the objective monetary cost remains constant and when the psychological cost is indirect (i.e., donating someone else's money). Increasing the pain of payment appears to have beneficial consequences with respect to increasing downstream product and brand connection.

Shah, Avni M., James R. Bettman & John Payne. (2014) "How Increasing (Decreasing) the Pain of Payment can Magnify (Attenuate) Choice Overload Effects," Invited Revision at *Marketing Science*.

Prior research has demonstrated that under some conditions buying initially increases and then decreases as the number of alternatives increases, resulting in an inverted U-shaped function (i.e., the "choice overload effect"). Previous work has attributed the choice overload effect to the cognitive and affective costs associated directly with an increasing number of alternatives. However, this would imply that choosing a product among a set of similar alternatives all priced at \$0.25 would produce the same effect as if the same products among a consideration set were all priced at \$2.00. We argue that the *pain of payment* can alter the relationship between an increasing choice set and purchase likelihood by increasing the perceived costs associated with the decision. In three experiments, using real choices with real costs, we manipulate pain of payment via price magnitude and by payment form (cash versus debit card). We demonstrate that choice overload can be reliably magnified (attenuated) as a function of increasing (decreasing) the pain of payment. Increasing choice set size alone does not produce choice overload effects. Rather, it is the combination of psychological pain of payment and size of the choice set that can either augment or diminish the choice overload effect.

Abstracts for Working Papers

Shah, Avni M., James R. Bettman, Tanya L. Chartrand, Noah C. Eysenck & Kathleen D. Vohs. (2014) '*It Can Bring Us Closer and Tear Us Apart: How the Pain of Payment Affects Interpersonal Rapport and Commitment*'. Three studies complete, manuscript in prep.

We examine the effect of pain of payment on interpersonal rapport and commitment. We argue that paying with a more painful form during a transaction increases interpersonal affiliation, measured both implicitly through physical distance and explicitly via collaboration on a task and ratings of affiliation post-task. However, we argue that this is a different process for spenders who directly experience the pain of payment, and recipients, who are the beneficiary of the pain of payment. For the spender, we hypothesize that individuals use the pain of payment as a cue of how much they like the other person, increasing their affiliation. For the recipient, we hypothesize that the pain serves as a cue of how much pain the other person went through for them, increasing the recipient's feelings of reciprocity, subsequently increasing affiliation. We argue that this occurs only when individuals have the goal to collaborate. Findings from two quasi-field experiments and one hypothetical scenario support these hypotheses demonstrating that experiencing more pain of payment can increase interpersonal affiliation in collaborative settings but can decrease affiliation, particularly for the spender, in competitive settings where the goal is more self-focused.

Addoum, Jawad,* Howard Kung* & **Avni M. Shah**.* *Money and (Bargaining) Power: Increasing the Relative Pain of Payment of an Individual Influences Asset Allocation Decisions Within a Household*. All studies and analysis complete, manuscript in prep.
*Equal Authorship, authorship listed alphabetically.

We examine the effect of intra-household bargaining on household portfolio choice. Theoretically, intra-household bargaining is an important determinant of observed household portfolio choice when members of a couple have differing risk aversions. Empirical tests support the theory. We find that shocks to the distribution of intra-household bargaining power, or in other words, altering the relative pain of payment for each individual in the household, leads to significant asset allocation shifts between risky and comparatively safer asset classes in households' portfolios. Our results are robust to alternative risky asset definitions, including investments in stocks, real estate, and holdings in private business, as well as to alternative control specifications. Economically, the effect of intra-household bargaining is large in magnitude, with bargaining-related effects driving within-household variation representing more than 46% of the mean allocation to equities in households' financial portfolios.

Samper, Adriana, **Avni M. Shah**, James R. Bettman & Gavan J. Fitzsimons. *Rolling the Dice with Premium Products: Using a High End Product Polarizes Self-Perceptions of Performance*. All studies complete, manuscript in prep.

Could the suit that you wore to a job interview influence how you think you did? Across four studies, we examine how the use of high (vs. low) end products interacts with task-relevant outcomes to shape self-perceptions of performance. We find that using a high end product in a goal-relevant task (Armani suit for a job interview, Odyssey golf club for a golfing putt) can improve self-perceptions of performance following success, yet worsen self-perceptions following failure. Mediation analyses reveal that the choice of a high end product elicits greater performance expectations, which people subsequently assimilate toward following success, yet contrast against following failure.

Shah, Avni M., James R. Bettman & John Payne. *How the Pain of Payment Influences Loss Aversion*. Two studies complete, manuscript in prep.

Casino revenues in Nevada alone exceeded \$10.8 billion for 2012, up 1.5% from 2011, and continue to grow (Nevada Gaming Control Board, 2013). Casinos regularly require patrons to use poker chips or casino tokens instead of cash. Furthermore, as consumers are moving towards payment forms such as debit/credit cards and even mobile payment technologies (which all are less psychologically painful forms of payment relative to cash), an important question emerges: Can the form of money lead individuals to be less sensitive to losses and more focused on gains? Across two studies we show that reducing the pain of payment increases the amount of money gambled, propensity of selecting riskier gambles (<40% chance of winning), and increases recall errors, with individuals underestimating the amount gambled and overestimating earnings. We demonstrate that loss aversion can decrease and even reverse when the pain of payment is attenuated. These findings indicate that the cognitive and affective components associated with risk can be influenced by the pain of payment.