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JOURNAL REPORTS: LEADERSHIP

Why We Seem to Damage Our Smartphones Just When a New Model Comes Out

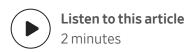
People need to justify a new purchase when their old phone works just fine. So they get careless.



When a new model is mainly about how the product looks, consumers are more likely to be careless than when a model offers technological improvements.

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By Cheryl Winokur Munk Oct. 23, 2020 10:00 am ET



A new iPhone comes on the market, and you accidentally damage your old one. Sound familiar?

A new <u>study</u> offers an explanation. Research published in June in Management Science suggests that when new models of a phone are released, consumers are likely to become more careless with their current device—perhaps unconsciously so—because if it were to break, that would give them a good reason to lay out the money for a new one.

"People need justification to act," says Yaniv Shani, faculty member at Tel Aviv University's Coller School of Management, who co-wrote the study with Gil Appel, assistant professor of marketing at George Washington University School of Business.

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What does it take for you to be willing to buy the latest smartphone upgrade? Join the conversation below.

The study adds to a body of research on purchase justification and product neglect. Taken together, this research can help companies better understand the effects of new product introductions on consumer behavior.

The study specifically measures the willingness of consumers to put one of their personal portable electronic devices in harm's way—for example, by taking it on hikes with lots of water crossings. A willingness to put the device at risk was gauged under different conditions, such as whether a new model was available and what its features were. The researchers also studied data that showed increased efforts online by individuals to sell damaged devices when new ones had been issued.

The authors found a causal relationship between these events and interpreted the behavior as seeking, or inventing, a reason to buy the new model. The researchers found less evidence of putting an old device at risk when the new model offered technological improvements. Dr. Shani says new technology doesn't seem as wasteful to consumers and so it gives them a defensible reason to buy the new one—and, thus, less incentive to be careless with their old one.

Similarly, the researchers found that when an upgrade is mainly about how the product looks, consumers are more likely to be careless, because the consumer has a more difficult time justifying spending on a new model.

Ms. Winokur Munk is a writer in New Jersey. She can be reached at <u>reports@wsj.com</u>.

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