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# CONSUMER TRADEOFFS IN MATERIAL AND EXPERIENTIAL PURCHASES

by

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## **ABSTRACT**

Material and experiential purchases have gained much attention in psychology and consumer behavior alike (Carter and Gilovich 2010; Nicolao, Irwin, and Goodman 2009; Rosenzweig and Gilovich 2012; Tully, Hershfield, and Meyvis 2015). In three essays, I examine the theoretical and practical implications of consumer tradeoffs in this domain. In the first essay, I explore how regulatory focus influences the tradeoffs between material and experiential purchases. Results of five laboratory studies and two field studies (using Instagram and Google Trends data) suggest that, as the regulatory focus shifts from prevention to promotion, there is a higher likelihood of choosing experiential purchases and such an effect is driven by focus of attention. The second essay examines how self-construal may shape material-experiential tradeoffs. Results show that independent self-view develops a higher preference towards experiential purchases than interdependent self-view—an effect driven by individual’s uniqueness consideration. I demonstrate this effect across seven experimental studies and a field study (using United Nations data). I also show that type of decision moderates the results. The third essay investigates how purchase type influences consumers’ preference for mystery options. Five lab studies and a field study (using Groupon data) provide evidence that, when making experiential purchases consumers favor mystery options than when making material purchases. Such an effect is driven by the need for excitement. Additionally, moderated by priming of excitement and target of the decision (self vs. other). Together, these three essays contribute to a better understanding of tradeoffs in these two types of purchases. My findings add to the work on regulatory focus, self-construal, and consumer judgements and decision making. I also offer managerial insights to develop effective marketing strategy.

## ACKNOWLEDGMENTS

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## **CHAPTER ONE: INTRODUCTION**

The influential article of Van Boven and Gilovich (2003) started a new stream of research on material and experiential purchases by distinguishing these two categories based on the intention behind the purchase. Experiential purchases are made with the goal of gaining experiences that one will live through such as going for painting classes, gym membership whereas, material purchases are gained to attain material possession such as painting supplies, gym equipment (Tully, Hershfield, and Meyvis 2015). Since then, this phenomenon has gained much attention in psychology and consumer behavior alike (Carter and Gilovich 2010; 2012; Rosenzweig and Gilovich 2012; Tully et al. 2015). To understand the gaps and possible theoretical contributions, I first review the existing literature on material and experiential purchases.

### **Material and Experiential Purchase Literature**

The extant literature can be reviewed based on two categories—the antecedents and the consequences (see Table 1). The antecedents are an under researched area in the material and experiential literature. A preliminary study of Van Boven and Gilovich (2003) examined how temporal distance influences consumer choice between these purchases. In high temporal distance conditions (i.e., past or future), participants chose more experiential purchase than material purchases, suggesting that temporal distance is an important determinant in the choice between these two types. A recent article of Tully et al. (2015) investigated how financial constraints influence tradeoffs between these two types of purchases. Findings suggest that such constraints increase the longevity concerns, which enhances the preference for material purchases, which are considered to be long lasting than experiential purchases. Given our



understanding of the antecedents is very limited, this stream of literature would benefit from exploring such factors and their underlying mechanisms.

Happiness is the most extensively researched downstream consequence of consuming these purchases. Overall research shows an experiential purchase are favored over material purchases (Caprariello and Reis 2013; Carter and Gilovich 2012; Nicolao, Irwin and, Goodman 2009; Van Boven and Gilovich 2003). Such an effect is driven through numerous mechanisms such as closeness to self (Carter and Gilovich 2010), lesser comparability (Carter and Gilovich 2010), and shareability (Caprariello and Reis 2013). Prior work has also noted different types of enjoyment—experiential purchases provide more anticipatory and reflective happiness whereas material purchases are linked to more momentary happiness (Weidman and Dunn 2015). Adding to these findings, Walker, Kumar, and Gilovich (2016) found evidence that experiential purchases improve wellbeing through generosity and prosocial behavior. Furthermore, a recent research examined the borrowing decisions associated with these purchases (Tully and Sharma 2017). The key finding is that inclination to borrow for experiential purchases are higher than for material purchases. Even though there are more works on happiness than the antecedents, there is limited understanding of other possible downstream consequences of these purchases.

My dissertation contributes to the literature by investigating two antecedents and a downstream consequence of these purchases. The overarching goal of the dissertation is to examine consumer tradeoffs. Next, I examine the importance of studying tradeoffs.

### **Importance of Tradeoffs**

Researchers have extensively studied the construct of attitude, which has been used as a predictor of behavior (Fishbein and Ajzen 1974). In the consumer behavior domain, attitudes are

the evaluations which are typically held toward a target such as a brand or a product (Eagly and Chaiken 1993). Such work has predominantly studied attitude as an absolute measure. For example, attitude can be held toward a brand but not in relation to two brands. However, prior work has demonstrated that the relationship between attitude and behavior can be inconsistent, such that attitude alone is not sufficient to predict behavior (Cohen and Reed 2006; Glasman and Dolores 2006; Herr 1995). On the other hand, compared to attitudes, tradeoffs are relative measures. For example, consumers make tradeoffs across individual brands and they may form a relative preference for a particular brand compared to the others and such decisions are highly context dependent (Tversky, Sattath, and Slovic 1988). Thus, tradeoffs not only reflect real behavior of consumers but also better at predicting actual behavior outcomes compared to attitudes. Following the above line of reasoning, the study of tradeoffs is imperative.

Similar to the tradeoffs that consumers face in their daily lives, they make tradeoffs between material and experiential purchase categories. Over a decade of work by both psychology and marketing researchers have studied these two types of purchases—a tradeoff that consumers have to make—which has direct consequences for happiness and long-term wellbeing (Gilovich, Kumar, and Jampol 2015; Van Boven and Gilovich 2003). Prior work has examined such tradeoffs associated with temporal distance (Van Boven and Gilovich 2003), financial constraints (Tully et al. 2015), and social distance (Goodman and Lim 2018). Thus, consumer tradeoffs in experiential and material purchases is an important area of research mainly because of the significant implications that it has on consumer’s short term and long-term wellbeing. Such understanding also has direct implications for marketers. In my dissertation, I attempt to better understand such tradeoffs and their underlying processes.

### **Three Essays on Material and Experiential Purchases**

In three essays, I study consumer tradeoffs within the material and experiential domain. The Chapter 1 studies the role of regulatory focus in tradeoffs between material and experiential purchases. In Chapter 2, I examine how self-construal influences the preference between these two types of purchases. The Chapter 3 examines the tradeoff between mysterious and non-mysterious options in material and experiential purchase decisions. I present each essay in brief below.

Across seven studies, essay 1 demonstrates how regulatory focus influences tradeoffs between material and experiential purchases. I argue that individuals with promotion focus have a stronger preference for experiential purchases than the individuals with prevention focus. My results were robust across different operationalization of regulatory focus and different ways to operationalize purchase type. I demonstrated the basic effect that promotion focus develops a higher preference for experiential purchases than prevention focus (studies 1, 2, and 3). Furthermore, I used the purchase framing (Study 4) and provided additional evidence for my main thesis. I also demonstrated the underlying mechanism—focus of attention for the effect of regulatory focus on tradeoffs between these two types of purchases (Study 5). Finally, I extended the findings to a real-world setting using social media and Google trends data (Study 6 and Study 7). I wrap up essay 1 with a single paper meta-analysis to improve the robustness of the results.

In essay 2, I examine how self-construal influences tradeoff between material and experiential purchases. In a set of eight studies, I showed that independent self-view develops a higher preference towards experiential purchases than interdependent self-view. I tested my main thesis by using different operationalization of constructs and different study designs (studies 1-

4). I also demonstrated the mediating role of uniqueness consideration (studies 5 and 6). Study 7 showed a boundary condition and Study 8 provided external validity for the effect.

I investigate the effect of purchase type on the tradeoffs between mystery and non-mystery options in essay 3. Consumers have a stronger preference for mystery option in experiential purchase decisions than in material purchase decisions. I demonstrated this effect using different operationalization of purchase type—different product categories (Study 1) and purchase framing (studies 2-5). I provide evidence that the need for excitement is the driver for the effect of purchase type on preference for mystery option (Study 3). I also demonstrated self-other decision making and need for excitement as moderating conditions (studies 4-5) and finally effect demonstration using data from Groupon (Study 6).

My dissertation has significant theoretical and practical implications. I add to the material and experiential literature, by investigating two antecedents and one downstream consequence of these purchases. The findings also enhance our understanding on regulatory focus, self-construal, and their influence on the experiential and material purchases. Overall, I add to the research on consumer judgment and decision-making. My work provides helpful insights to the practitioners to design effective advertising, product design, and social media strategies. I highlight when and how managers may benefit from situationally activating certain concepts. Furthermore, purchase framing is an important technique, which gives the marketing managers the flexibility to frame the purchase in such a way that is effective in persuading consumers.

Table 1: Material and experiential literature

Antecedents	Consequences
<p>Van Boven and Gilovich (2003)</p> <p>Tully et al. (2015)</p> <p>Goodman and Lim (2018)</p> <p><b>*Essay 1 and Essay 2</b></p>	<p>Caprariello and Reis (2013)</p> <p>Carter and Gilovich (2010)</p> <p>Carter and Gilovich (2012)</p> <p>Chan and Mogilner (2017)</p> <p>Dai, Chan, and Mogilner (2015)</p> <p>Gilovich, Kumar, and Jampol (2015)</p> <p>Kumar and Gilovich (2016)</p> <p>Kumar, Killingsworth, and Gilovich (2014)</p> <p>Nicolao, Irwin, and Goodman (2009)</p> <p>Rosenzweig and Gilovich (2012)</p> <p>Tully and Sharma (2017)</p> <p>Van Boven (2005)</p> <p>Van Boven and Gilovich (2003)</p> <p>Walker, Kumar, and Gilovich (2016)</p> <p><b>*Essay 3</b></p>

## **CHAPTER TWO: INFLUENCE OF REGULATORY FOCUS ON EXPERIENTIAL AND MATERIAL PURCHASE TRADEOFFS**

### **Introduction**

A latest report on credit card and debit card transactions shows that there is an increase in expenditure on experiential purchases (e.g., going to a show) while a decrease in expenditure on material purchases (e.g., acquiring household appliances) (Quittner 2016). This report highlights an important tradeoff that consumers have to make between these two types of purchases. The current research investigates how consumers make such tradeoffs, specifically how regulatory focus shapes the preference between material and experiential purchases. I propose that promotion focused individuals have a stronger preference for experiential purchases than the ones with a prevention focus.

My main thesis is that the congruence between regulatory focus and type of purchase facilitates choice. On one hand, regulatory focus influences consumers' focus of attention, such that the promotion focused individuals are oriented towards maximizing gains while the prevention focused individuals are oriented towards minimizing losses. On the other hand, consumers have a different focus of attention when making the tradeoffs between material and experiential purchases. Experiential purchases tend to be evaluated on upside potentials compared to material purchases (rather than downside potentials). As such, the promotion focus is more compatible with experiential purchases than the prevention focus. I further propose that the individual's focus of attention underlies the effect of regulatory focus on tradeoffs. I test my thesis using seven studies.

## **Theoretical Background**

### **Regulatory Focus**

Regulatory focus theory examines strategies used by individuals for goal pursuit (Higgins 1997; 1998). The same objective can be achieved through either a promotion focused approach or a prevention focused approach. When an individual is promotion focused, he or she will regulate one's behavior towards positive outcomes. However, when the individual is prevention focused, he or she will regulate the behavior away from negative outcomes. Such strategies change how one focuses his or her attention. Because promotion focus activates the need for advancement and growth, there is a determination to gain as many opportunities as achievable (Higgins 1998). Thus, a greater attention is paid to the upside potentials than the downside potentials (Sengupta and Zhou 2007; Zhou and Pham 2004). In contrast, prevention focus activates the need for vigilance to avoid potential mistakes. Therefore, prevention focus increases the attention to the downside potentials than the upside potentials (Sengupta and Zhou 2007; Zhou and Pham 2004). Thus, regulatory focus systematically shifts one's focus of attention.

### **Experiential and Material Purchases**

A key difference between these purchases is the intention behind the purchase—experiential purchases are purchased to acquire intangible experiences whereas material purchases are purchased to acquire tangible possession (Van Boven and Gilovich 2003). These purchases systematically shift an individual's focus of attention. Evenly equated in value and desirability, experiential purchases provide greater happiness than material purchases (Carter and Gilovich 2010; 2012; Van Boven and Gilovich 2003), as such experiential purchases tend to be evaluated more positively focusing more on the upside potentials than the material purchases.

Conversely, material purchases which are associated with regret than experiential purchases (Rosenzweig and Gilovich 2012), tend to be evaluated based on minimizing downside potentials than the experiential purchases.

To test this assertion, a pilot study was conducted in Amazon Mechanical Turk (MTurk) ( $n = 80$ ,  $M_{\text{age}} = 38.65$ , Female 47.5%). We instructed the participants to describe one recent material or experiential purchase that has been made in the recent past for more than \$100 (Van Boven and Gilovich 2003) and to provide reasons behind the purchase. Two independent coders analyzed each participant's purchase reasons and classified the thoughts into two categories based on the upside and downside potentials. The number of upside and downside thoughts was recorded separately for each participant. The inter-coder agreement was 86% and a third independent coder helped to resolve the differences. The ratio of upside thoughts to total thoughts was submitted to ANOVA, in which ratio of upside thoughts was the predicted variable and the purchase type was the predictor variable. A significant purchase type effect on the ratio of upside thoughts was observed ( $M_{\text{experiential}} = .96$ ,  $M_{\text{material}} = .76$ ,  $F(1, 78) = 15.45$ ,  $p < .001$ ), such that those who recalled an experiential purchase had more upside thoughts than those who recalled material purchase. In sum, pilot study provides evidence how purchase type can shift individual's focus of attention.

### **Focus of attention**

Following the above reasoning, I argue that focus of attention creates a compatibility between regulatory focus and purchase type. On one hand, promotion focused individuals focus their attention toward upside and the experiential purchases are also evaluated focusing on the upside. Conversely, those who are prevention focused focus their attention toward downside and



this is more compatible with how material purchases are evaluated. Thus, I argue that regulatory focus effect on the tradeoffs between experiential and material purchases are driven by individuals' focus of attention (see Figure 1). As such, individuals with promotion focus develop a higher relative preference for experiential purchases than the individuals with prevention focus.

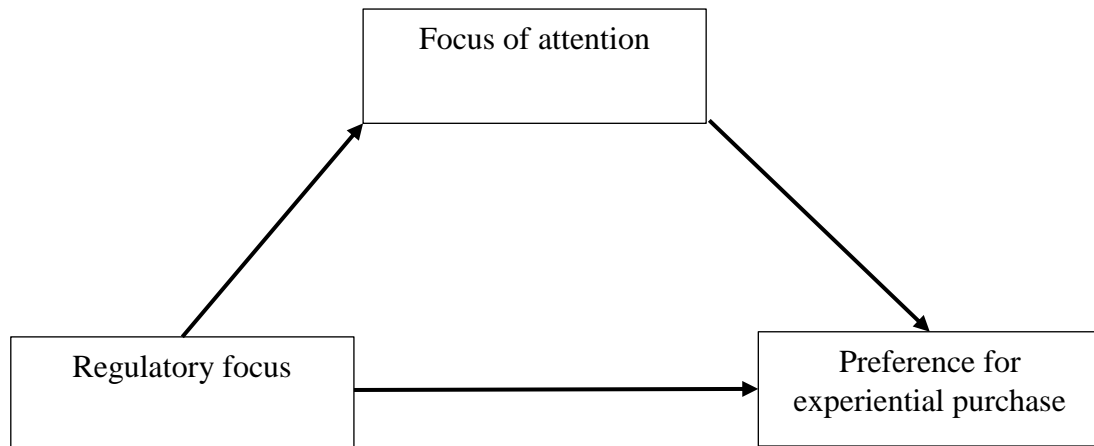


Figure 1: Conceptual framework

Therefore, I hypothesize,

H1: Promotion focus will increase the preference towards the experiential purchase compared to prevention focus.

H2: The role of regulatory focus in the material—experiential tradeoffs will be mediated by individuals' focus of attention.

I tested my thesis in a package of seven studies. In studies 1, 2, and 3, I demonstrated the effect of regulatory focus on tradeoffs using various operationalization of regulatory focus (measured and manipulated) and different choice sets. Purchase framing was used in Study 4 for

replication of results. In Study 5, I test the underlying mechanism through the mediating role of focus of attention. Finally, in studies 6 and 7, I show the effect in a real-world setting using Instagram and Google Trends data.

## Study 1

### Method

In this study, I test whether individuals with promotion focus have a higher preference for experiential purchases than individuals with prevention focus. Eighty participants ( $M_{\text{age}} = 35.46$ , Female 40%) from MTurk participated for this study. Using an 18-item scale adapted from Lockwood, Jordan, and Kunda (2002) (Cronbach's  $\alpha = .79$ ), I measured regulatory focus as a trait. Participants evaluated four choice sets, order of which was randomized. Each choice set contained one material option and one experiential option<sup>1</sup> of equivalent monetary value—"a new watch" versus "Broadway show," "a pair of leather boots versus dinner and a comedy show," "a new jacket versus spending an evening in a café with a friend," and, "a DVD of their choice versus a ticket to a bowling alley," among which the first three choice sets were adapted from Van Boven and Gilovich (2003, p. 1199). The tradeoff in each choice set was measured using a 9-point unnumbered scale (1 = most likely to choose the material item, 9 = most likely to choose the experiential item). Participants completed the demographic information such as age and gender.

---

<sup>1</sup> I pretested the choice sets used in this study and all subsequent studies. In the pretests, a pair in a choice set was ensured that they are indeed different in experiential and material dimensions and similar in desirability.

## Results

The preference for each choice set was submitted to a mixed ANOVA, in which regulatory focus is a between-subjects (continuous) variable whereas choice set is a within-subject variable. As age has been shown to influence regulatory focus (Lockwood, Chasteen, and Wong 2005)<sup>2</sup>, I included it as a covariate. Participants had a greater liking for the experiential purchases as regulatory focus shifted from prevention to promotion focus ( $F(1, 77) = 5.73, p < .05$ ) (see Figure 1). Both the main effect of choice set ( $F(3, 231) = 1.28, p = .28$ ) and choice set by regulatory focus interaction ( $F(3, 231) = 1.64, p = .18$ ) were nonsignificant. Further, age was not significant in the model ( $F(1, 77) = 2.16, p = .15$ ). To demonstrate the effect, I graphed the results +1SD (promotion focus) and -SD (prevention focus) of regulatory focus (see Figure 2).

## Discussion

In sum, I found initial evidence that individuals with promotion focus favor experiential purchases more than the individuals with prevention focus, supporting my hypothesis 1. In the next study, I replicate the results of Study 1.

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<sup>2</sup> To be consistent, I controlled the effect of age in all studies where I operationalize regulatory focus as a trait.

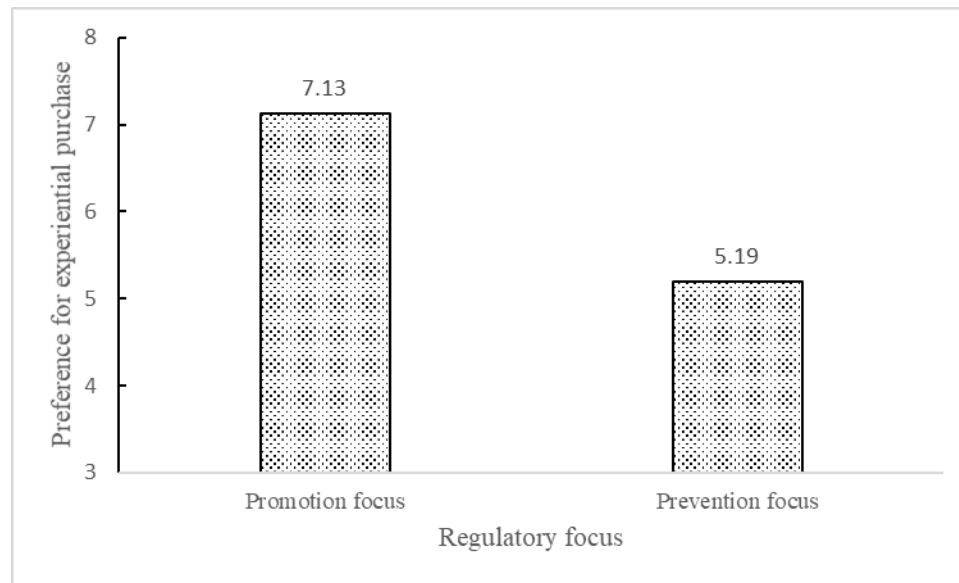


Figure 2: Regulatory focus and preference for experiential purchase (Study 1)

## Study 2

### Method

Eighty-one MTurkers ( $M_{\text{age}} = 38.54$ , Female 58.0%) were recruited for Study 2 for a nominal fee. I manipulated regulatory focus by using a writing task adapted from Lee, Keller, and Sternthal (2010, p. 738). Those in the promotion condition wrote about “hopes, aspirations, and dreams”. In contrast, the ones who were in the prevention prime wrote about “duties, obligations and, responsibilities.” Participants were presented with four choice sets in which options in a choice were equal in monetary value—“Zappos versus Fandango gift certificate,” “Khol’s versus Red Lobster gift certificate,” “sleeping bag versus kayaking ticket,” “desk organizer versus observation deck ticket,” among which the first two choice sets were adapted from Tully et al. (2015, p. 64). Participants recorded the tradeoffs on a 9-point unnumbered scale as in Study 1. I included the relative activation of promotion versus prevention index, a four-item

scale adapted from Pham and Chang (2010) (Cronbach's  $\alpha = .60$ ) as the manipulation check for regulatory focus.

## Results

As intended, the relative activation of promotion versus prevention index was significantly higher for promotion condition ( $M_{\text{promotion}} = 5.33$ ) than the prevention condition ( $M_{\text{prevention}} = -1.63$ ,  $F(1, 79) = 77.11$ ,  $p < .001$ ), such that promotion primed participants were driven more by promotion thoughts than prevention primed participants.

I subjected participant's preference to a 2 (regulatory focus)  $\times$  4 (choice set) mixed ANOVA with regulatory focus being a between-subjects variable and choice set being a within-subject variable. Participants in the promotion condition had stronger preference for experiential purchases ( $M_{\text{promotion}} = 4.87$ ) than those in the prevention prime ( $M_{\text{prevention}} = 4.18$ ,  $F(1, 79) = 4.28$ ,  $p < .05$ ) (see Figure 3). While choice set was significant ( $F(3, 237) = 3.45$ ,  $p < .05$ ), the choice set by regulatory focus was not significant ( $F < 1$ ).

## Discussion

Using a different operationalization of regulatory focus and choice sets, I replicated the results of Study 1—promotion focus elevated preference for experiential purchases.

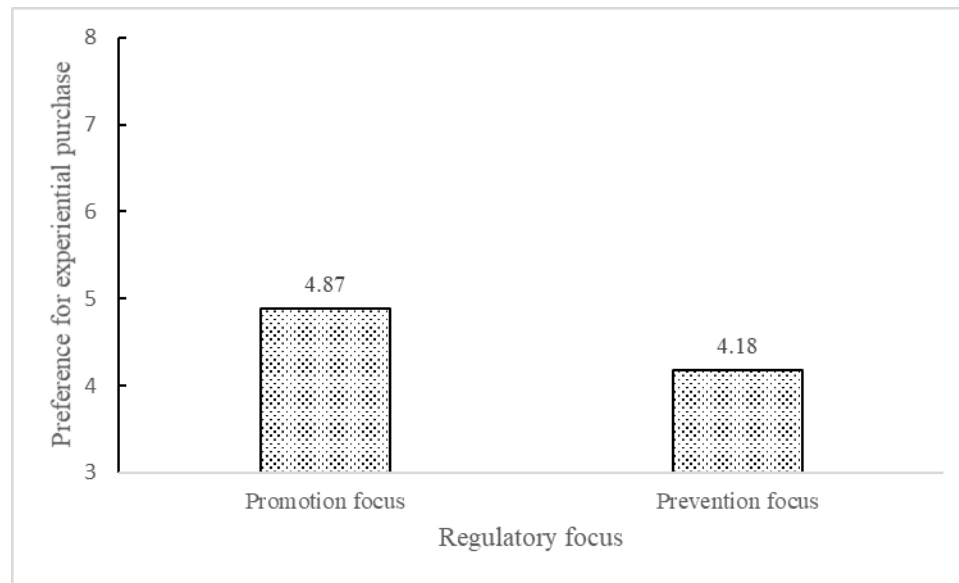


Figure 3: Regulatory focus and preference for experiential purchase (Study 2)

### Study 3

#### Method

To further demonstrate the robustness of the findings, I used another operationalization of regulatory focus and purchase type. Ninety-seven participants from MTurk ( $M_{\text{age}} = 35.37$ , Female 57.5%) completed the study. I manipulated regulatory focus using a reading task adapted from Pham and Chang (2010). Participants read that they were about to graduate and received a call from a company that they had an interview with. Participants in the promotion focus prime read about advancements and promotions that they were about to receive from the job, while those in the prevention condition read about how the job was going to provide security and help them fulfill their obligations. Participants reported their preference on a 9-point unnumbered scale for the following five choice sets adapted from Tully et al. (2015, p. 69): “DVDs versus movie tickets,” “gym equipment versus gym membership,” “musical instruments versus music

lessons,” “painting supplies versus painting classes,” “sports equipment versus facility access.” Within each choice set, two options served same goal fulfillment (Tully et al. 2015). Participants completed the relative activation of promotion and prevention index.

## Results

As intended, the relative activation of promotion versus prevention index was significantly higher for promotion condition ( $M_{\text{promotion}} = 4.11$ ) than the prevention condition ( $M_{\text{prevention}} = 1.25$ ,  $F(1, 95) = 12.80$ ,  $p < .001$ ), such that, promotion primed respondents had more promotion thoughts than the prevention primed participants.

I subjected participant’s choice preference to a 2 (regulatory focus)  $\times$  5 (choice) set mixed ANOVA. Consistent with my hypothesis, promotion primed participants demonstrated a stronger preference for experiential purchase ( $M_{\text{promotion}} = 5.75$ ) than those primed with prevention focus ( $M_{\text{prevention}} = 5.09$ ,  $F(1, 95) = 3.50$ ,  $p = .06$ ) (see Figure 4). A choice set effect was observed ( $F(4, 380) = 5.75$ ,  $p < .001$ ), however interaction between choice set and regulatory focus was not significant ( $F(4, 380) = 1.07$ , *n.s.*).

## Discussion

Consistent with the results of the studies 1-2, I demonstrated that promotion focus develops a stronger preference for experiential purchases than the prevention focus, even when these two types of purchases fulfilled the same goal of purchase.

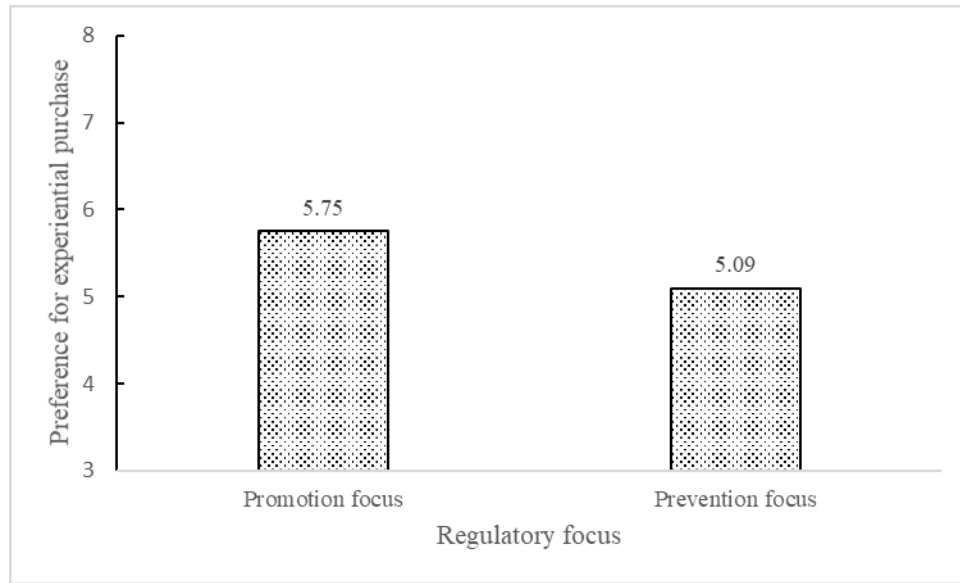


Figure 4: Regulatory focus and preference for experiential purchase (Study 3)

## Study 4

### Method

In the previous three studies, I used different choice sets to operationalize purchase type. However, prior work suggests that the perception of the purchase is rather malleable (Carter and Gilovich 2010; 2012; Rosenzweig and Gilovich 2012). To further demonstrate the robustness of the effect, I operationalized purchase type by framing a bottle of wine as either of the purchase types in Study 4. One hundred and three participants ( $M_{\text{age}} = 36.07$ , Female 56.3 %) from MTurk completed this study, in which they responded to the regulatory focus scale adapted from Lockwood, Jordan, and Kunda (2002) (Cronbach's  $\alpha = .73$ ). They were designated to either of the purchase framing primes. Participants imagined that they were in a wine and spirit store and they see a bottle of wine. In the experiential condition, participants imagined how it would be like to experience the bottle of wine (sniff the wine and sip the wine). Those who were in the



material condition imagined how it would be like to own a bottle of wine (how it will fit into the wine shelf and the place it will assume in the shelf). Liking for the bottle of wine was reported on a 7-point scale (1 = not at all, 7 = very much).

A pretest was designed to ensure the manipulation of experiential and material purchases was as intended. Sixty-five participants ( $M_{\text{age}} = 38.98$ , Female 55.4%) were recruited from the MTurk. I assigned participants randomly one of the two purchase frames. They evaluated the extent to which the bottle of wine is experiential or material on a 7-point scale adapted from Van Boven and Gilovich (2003) (1 = more like a material purchase, 7 = more like an experiential purchase). Manipulation of framing was as intended ( $M_{\text{material}} = 3.56$ ,  $M_{\text{experiential}} = 4.61$ ,  $F(1, 63) = 4.39$ ,  $p < .05$ ), in which the bottle of wine was perceived as more experiential in the experiential frame than in the material frame.

## **Results**

I conducted regulatory focus by purchase frame ANCOVA with age as a covariate. Consistent with my hypothesis, regulatory focus by purchase frame interaction was found ( $F(1, 98) = 4.86$ ,  $p < .05$ )—as regulatory focus shifted from prevention to promotion, participants reported a greater product liking towards the bottle of wine when the purchase frame was experiential. Age was not significant in the model ( $F < 1$ ).

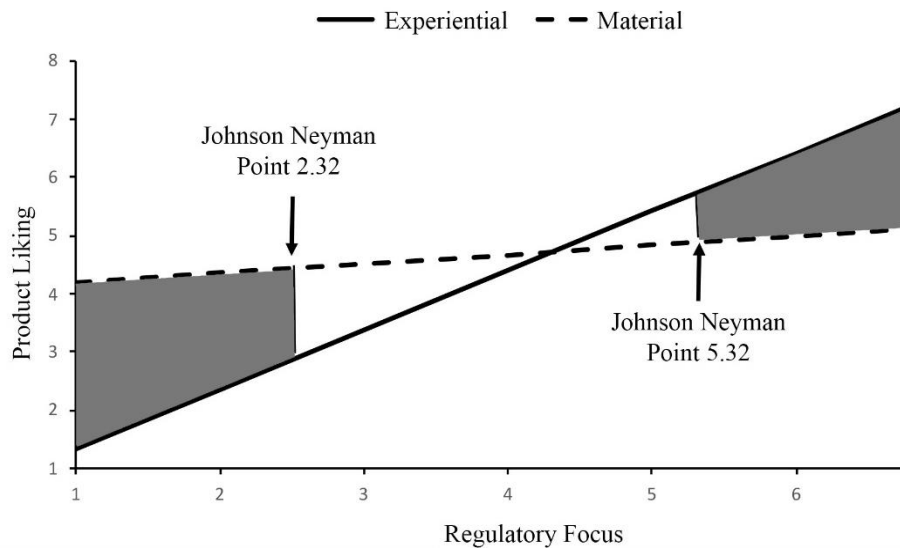


Figure 5: Interactive effect of regulatory focus by purchase type on product liking (Study 4)

To explicate the regulatory focus by purchase frame interaction, I conducted a floodlight analysis (Spiller, Fitzsimons, Lynch and McClelland 2013). I found the range of significance using Johnson-Neyman test (see Figure 5). Specifically, purchase frame had a significant effect for those below 2.32 ( $b = -.86$ ,  $SE = .43$ ,  $t(102) = -1.98$ ,  $p < .05$ ) and above 5.32 on the regulatory focus scale ( $b = .43$ ,  $SE = .22$ ,  $t(102) = 1.98$ ,  $p < .05$ ).

## Discussion

Study 4 improved the robustness of the findings in previous studies by using purchase framing. Participants imagined the same purchase as an experiential purchase or as a material purchase. When participants' regulatory focus shifted from prevention to promotion, experiential purchase frame improved the attitude towards the purchase than the material purchase frame.

## Study 5

### Method

This study explores the role of focus of attention as the underlying process. Two hundred and thirty two respondents ( $M_{\text{age}} = 36.13$ , Female 55.2 %) from MTurk participated in this study. I measured regulatory focus using the scale adapted from Lockwood, Jordan, and Kunda (2002) (Cronbach's  $\alpha = .79$ ). Participants recorded the choice preference on a 9-point unnumbered scale either between “a pair of leather boots” and “dinner and a comedy show” or between “painting supplies” and “painting lessons,” in which the first-choice set was adapted from Van Boven and Gilovich (2003, p. 1199) and the second-choice set was adapted from Tully et al. (2015, p. 69). The choice set was a between-subjects factor in this study. Following the choice task, participants responded to several process measures by indicating the extent to which they focused on the upside or downside of each choice option when completing the task (1 = focused more on the downside, 9 = focused more on the upside). I measured the relative focus of attention in each choice set by computing a differential score between the two options, with a higher number indicating more upside focus.

### Results

I conducted a regulatory focus  $\times$  choice set ANCOVA on the choice preference between experiential and material purchases, with age as the covariate. Consistent with my hypothesis, participants had a stronger preference for experiential purchases as their regulatory focus shifted from prevention to promotion ( $F(1, 227) = 3.85, p = .05$ ) (see Figure 6). Both the main effect of choice set and the regulatory focus by choice set interaction were not significant ( $F < 1$ ). However, age was significant in the model ( $F(1, 227) = 7.17, p < .01$ ).

Next, I examined the role of focus of attention. Regulatory focus effect was significant on focus of attention ( $F(1, 227) = 4.69, p < .05$ ), such that when participant's regulatory focus shifted from prevention to promotion, they were more driven by the upside of the experiential purchase. Choice set was nonsignificant and neither its interaction with regulatory focus ( $F$ 's < 1). Using Model 4 in Preacher and Hayes (2008), an indirect effect via the focus of attention was observed (95% CI: [.01, .63]; 5,000 resamples) (see Figure 7).

## Discussion

Overall, these results provide evidence for the mechanisms. Next, I test the effect in a real-world context.

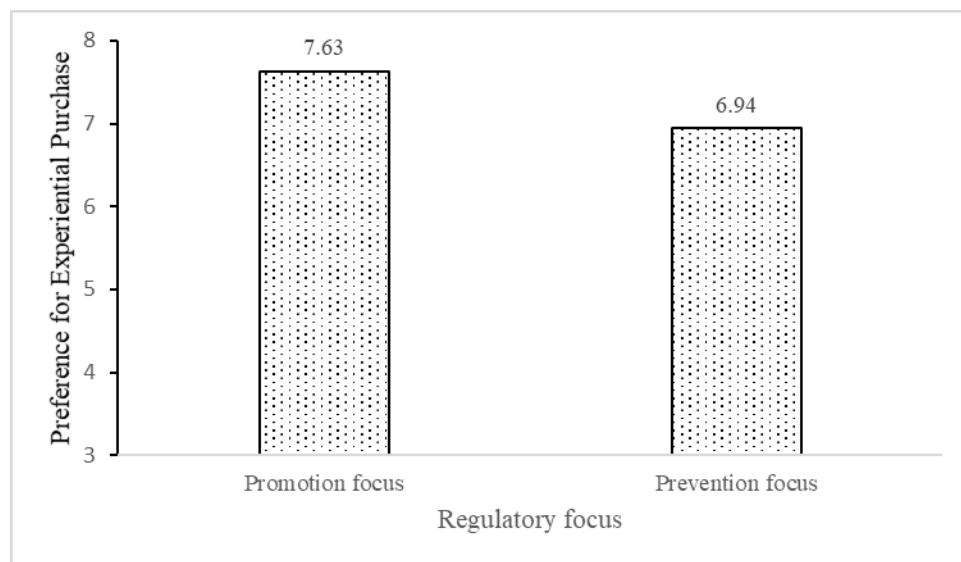
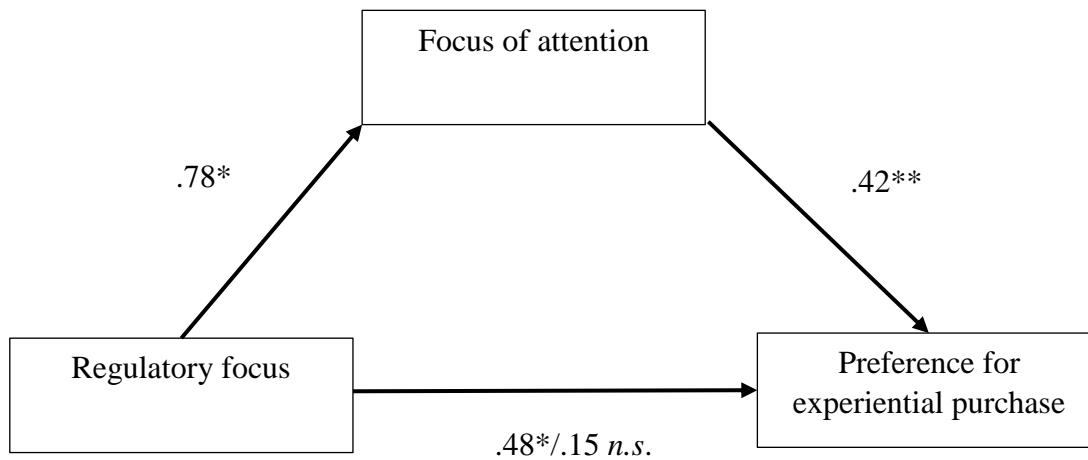


Figure 6: Regulatory focus and preference for experiential purchase (Study 5)



Note: \* $p < .05$ , \*\* $p < .0001$

Figure 7: Mediating role of focus of attention (Study 5)

## Study 6

### Method

To test whether my findings hold in a real-world context, I conducted a secondary data study using a social media platform (Instagram), which is similar to approaches in prior literature (Scott, Cayla, and Cova 2017). My independent variable was regulatory focus, which was operationalized through hashtags. I used three hashtags (#hopes, #dreams, and #aspirations) to search for pictures that were promotion focused and three hashtags (#responsibilities, #duties, and #obligations) to search for pictures that were prevention focused. These hashtags correspond to the keywords that define the two types of regulatory focus in Lee et al. (2010).

For each hashtag, the first 50 pictures were selected for the analysis after excluding the ones with quotes or phrases (to avoid confusion in subsequent coding). In total, my sample

consisted of 300 pictures, with 150 pictures being promotion focused and 150 being prevention focused.

## **Results**

Two independent coders classified the object in each picture into one the two categories: material product or experiential product, according to the definition in Van Boven and Gilovich (2003). The inter-coder agreement was 81.33% and differences were resolved by a third independent coder. I submitted coding data to a logistic regression, regulatory focus as the predictor and type of purchase as the predicted variable. Regulatory focus effect on product type was significant, such that promotion focused pictures had a higher likelihood to be associated with an experiential product (62.67%) compared to prevention focused pictures (34.00%,  $\chi^2(1) = 23.97, p < .0001$ ).

## **Discussion**

In sum, this study provides evidence that promotion related hashtags are related to the experiential purchases than the prevention related hashtags. Using social media as the data source, I extended the findings in the lab setting to the real-world context.

## **Study 7**

### **Method**

Study 7 provides further evidence for the effect using another real-world dataset. In this study, I used the time series data from Google Trends (<https://trends.google.com/trends/>), which has been used in the past marketing research (Hu, Du, and Damangir 2014; Ordabayeva and Fernandes 2018; Stephen and Galak 2012). This source provides search volumes pertaining to

search terms and how their interests change overtime, which has been identified as a reasonable proxy for individuals' actual interests (Goel, Hofman, Lahaie, Pennock, and Watts 2010). Final dataset captured search volumes for the 25 shopping categories (e.g., arts and entertainment, auto and vehicles) provided by Google Trends. Google does not provide raw search volumes, instead indexes searches on a 0-100 scale (0 = no search volume, 100 = maximum search volume), which is reported as relative search volume of a search term in relation to other terms.

My independent variables were regulatory focus, purchase type, and the interaction between the two. I operationalized regulatory focus through search keywords, in the same way as in Study 6. For each of these keywords, search volume was collated per week for a period of five years from April 28, 2013 to April 22, 2018 (261 weeks in total) in each of the 25-shopping category. My dataset contained a total of 39,150 weekly data points. Similar as Study 6, I operationalized purchase type through shopping categories. Using Van Boven and Gilovich's (2003) definitions, two independent coders categorized each of the shopping categories as either experiential or material purchase. For example, travel category was classified as an experiential purchase whereas computers and electronics were coded as a material purchase. The inter-coder agreement was 88%, with differences being resolved by a third independent coder.

## **Results**

I submitted the weekly search volumes to vector-auto regression (VAR), with regulatory focus, purchase type, and interaction between them as the predictors. VAR model is able to capture the feedback effects in time series data (Dekimpe and Hanssens 1995). As suggested by the prior literature (Hamid and Heiden 2015; Castelnuovo and Tran 2017), I used a lag of four weeks in my analyses. I regressed search volume on regulatory focus, purchase type, and the

interaction between the two. Contrast coding was used for regulatory focus (with promotion-focused searches coded as 1 and prevention-focused searches coded as -1) and purchase type (with experiential purchases coded as 1 and material purchases coded as -1).

Regulatory focus had a significant main effect on search volume ( $b = .63, t = 12.15, p < .0001$ ), such that there were more promotion-focused searches were observed in the data than prevention-focused searches. The purchase type effect was also significant ( $b = .21, t = 4.15, p < .0001$ ), with more searches for experiential purchases compared to material purchases.

Regulatory focus and purchase type interaction was also significant in predicting search volumes ( $b = .15, t = 2.93, p < .01$ ), such that consumers searched more for experiential than for material purchases in promotion-focused searches ( $b = .36, t = 5.00, p < .0001$ ) but not in prevention-focused searches ( $b = .06, t = .87, n.s.$ ). Lagged terms were significant in the model<sup>3</sup>, suggesting that current searches were influenced by the past searches.

## **Discussion**

Study 7 enhanced the external validity by testing the effect in another naturalistic setting. Overall, secondary data studies and the experimental studies provides strong evidence for the effect.

### **Single Paper Meta-Analysis**

A single paper meta-analysis was conducted among five experimental studies using the procedures suggested by Goh, Hall, and Rosenthal (2016) and McShane and Böckenholt (2017).

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<sup>3</sup> The effect was robust across 1-5 lags. I conducted additional analyses using mixed models, in which I controlled for potential keyword specific effects and purchase category specific effects. Regulatory focus by purchase type interaction remained significant, which lends evidence for the tenacity of the effect.



Because of the differences in study design, I used Pearson correlations ( $r$ ) as the common metric for the regulatory focus effect and reported the Fisher's  $z$  transformed effect sizes in the remainder of the analysis (Goh, Hall, and Rosenthal 2016; Lipsey and Wilson 2001). The six experimental studies had an effect size of .19 (95% CI: [.11, .27]), which is in the medium range (Cohen 1992) and the effect sizes between the studies did not differ significantly from each other ( $Q = 1.52, p = .82$ ).

To examine the tenacity of the results, I conducted further analyses to test whether there were any noteworthy differences in effect size that could be attributed to design features. I operationalized regulatory focus in two different ways and observed an average effect size of .18 (95% CI: [.08, .28]) when it was measured as a trait and .21 (95% CI: [.06, .36]) when it was primed as a contextual variable. The difference in effect sizes was nonsignificant ( $Q = .11, p = .74$ ). I tested the material-experiential tradeoffs in a variety choice sets but there was no significant difference in effect sizes among these studies ( $ES = .18$  (95% CI: [.09, .27]);  $Q = 1.37, p = .71$ ). I also tested my hypothesis in Study 4 through purchase framing, with an effect size of .22 (95% CI: [.03, .42])<sup>4</sup>. In contrast, the average effect size was .19 (95% CI: [.11, .28]) when I studied the tradeoffs through choice sets. Again, no significant difference in effect sizes between the study designs was reported ( $Q = .07, p = .78$ ). In sum, the above analyses suggest that the results are robust across different operationalizations of regulatory focus and purchase type.

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<sup>4</sup> I computed the effect size for the regulatory focus and purchase type interaction in Study 4.

## Discussion

In a set of seven studies, I demonstrated that individuals with promotion focus have a greater relative preference for experiential purchases than those with prevention focus. I employed a multi method approach to test my hypothesis. In studies 1-4, I used different operationalization of regulatory focus (measured and manipulated) and different operationalization of purchase type (choice sets and purchase framing) to test the effect. The mediation analyses (Study 5) provided evidence that focus of attention underlies the effect. Finally, I replicated my findings in the real world setting by using social media data from Instagram (Study 6) and search interest data from Google Trends (Study 7).

My findings add to the limited literature on antecedents of material and experiential purchases (Tully et al. 2015; Van Boven and Gilovich 2003) by investigating how regulatory focus influences the tradeoffs between these two types of purchases. I also demonstrated the role of focus of attention in driving such an effect. The finding that experiential and material purchases systematically shifts an individual's focus of attention advances our understanding about how such purchases are evaluated—experiential purchases shift attention towards the upside potential of the purchase than the material purchases.

Our understanding about the regulatory focus theory is enhanced by demonstrating how promotion versus prevention focused individuals make tradeoffs between experiential and material purchases. The different sensitivities that these individuals have towards the upside potential and the downside potential (Sengupta and Zhou 2007; Zhou and Pham 2004) influenced such tradeoffs.

Although prior work suggests that experiential purchases are associated with greater enjoyment than material purchases (Carter and Gilovich 2010, 2012; Caprarilleo et al. 2013; Van Boven and Gilovich 2003), my findings suggest that promotion focused individuals may derive greater happiness from the experiential purchases than the prevention focused. In a separate purchase framing study, I found initial evidence for such an effect. Participants ( $n = 220$ ,  $M_{age} = 22.14$ , Female 60.9%) evaluated a New York trip which was framed as either of the purchases (Kumar and Gilovich 2016) and indicated how happy they would be in this trip in a 1-7 scale (1 = not at all, 7 = very much). A significant regulatory focus by purchase frame was reported ( $F(1, 215) = 4.49, p < .05$ ), such that when regulatory focus shifted from prevention to promotion, individuals derived higher level of happiness when the trip was experientially framed than the trip was materially framed. Future research would benefit from further testing the joint effect of regulatory focus and purchase type on happiness.

My research also offers some important managerial insights. Practitioners can design effective advertising strategies to persuade these two types of individuals. For example, advertising a bicycle as an experiential purchase (by focusing on the experience) is more applicable for promotion focused individuals, whereas advertising the bicycle as a material purchase (by focusing on the material elements) is more applicable for prevention focused individuals. This research also has implications for digital media marketers. Hashtags play an important role in categorizing content in social media marketing while keywords play a major role in search engine marketing. Using appropriate hashtags and keywords are essential to improve the visibility of the brands and business to potential customers in the digital space. For example, to promote experiential purchases, using promotion related keywords such as hopes, aspirations, and dreams are appropriate. On the other hand, to promote material purchases, use of

prevention related keywords, such as obligations, duties, and responsibilities is appropriate. Such a strategy would be very effective in increasing focus of attention of customers and make decisions for these two types of purchases.

# **CHAPTER THREE: ROLE OF SELF-CONSTRUAL IN MATERIAL AND EXPERIENTIAL PURCHASE TRADEOFFS**

## **Introduction**

The choice between experiential (e.g., beach vacation) and material purchases (e.g., electronic gadget) is an important topic in both consumer behavior and social psychology (Carter and Gilovich 2010; Nicolao, Irwin and, Goodman 2009; Tully et al. 2015). Although prior work has extensively demonstrated that experiential purchases are favored over material purchases (Caprariello and Reis 2013; Van Boven and Gilovich 2003), it is important to understand whether there are any individual differences or contextual factors that may influence tradeoff between these purchases. In this research, I examine one such antecedent—self-construal.

Self-construal theory posits that individuals place different emphasis on self-versus others, such that independent self-view places higher importance on self and attempts to differentiate themselves from others whereas, interdependent self-view places higher importance on relationships and fitting in. Such characteristics have important implications for judgments and decision making (Hong and Chang 2015; Mandel 2003; Zhang and Shrum 2008). I argue that the self-construal effect on material-experiential tradeoffs is driven by uniqueness consideration of the individual. On one hand, consistent with their self-view, independent driven individuals are more likely to pursue unique options than interdependent driven individuals (Chang 2010; Kim and Markus 1999; Song and Lee 2013). On the other hand, experiential purchases are perceived to be more unique and singular, which can fulfill the uniqueness needs better than material purchases (Carter and Gilovich 2010; Rosenzweig and Gilovich 2012). As such, independents who have higher uniqueness consideration may favor experiential purchase than those with interdependent self-view.

## **Theoretical Background**

### **Material and Experiential Purchases**

These two types of purchases differ based on the goal of acquisition. Material purchases are acquired with the key goal of obtaining concrete objects while the experiential purchases are acquired with the aim of gaining experiences (Van Boven and Gilovich 2003). The distinction in tangibility leads purchases to vary on uniqueness dimensions. As such, material purchases are perceived as more analogous than their experiential counter parts (Carter and Gilovich 2010; Dai et. al 2015). Rosenzweig and Gilovich (2012) lend further support for the uniqueness argument—material purchases are interchangeable and replaceable because substitutes are readily available whereas, experiential purchases are singular and less replaceable because they are perceived to be unique. For example, experiential purchases such as vacation packages compared to material purchases such as mobile phones are more singular across other vacation packages, but mobile phones are more substitutable across other mobile phones (Dai, Chan, and Mogilner 2015). In sum, experiential purchases are perceived as more unique than the material purchases. Next, I examine the role of self-construal as an antecedent of these purchases.

### **Self-Construal**

Self-construal theory characterizes how an individual perceives him or herself in connection with social others (Markus and Kitayama 1991). The independent self-view emphasizes the individuality and differences from others; conversely, an interdependent self-view stresses conformity and the connection with others. Self-construal can arise as an individual difference, cultural difference or through situational primes (Markus and Kitayama 1991; Singelis 1994; Trafimow, Triandis, and Goto 1991). Such differences systematically influence

the preference for uniqueness. Consistent with their self-view, individuals with independent self-construal favor unique options because such options give them the opportunity to be distinct and stand out from the rest of the others (Chang 2010; Kim and Markus 1999; Song and Lee 2013; Yamaguchi, Kuhlman, and Sugimori 1992). Conversely, individuals with interdependent self-view have a lesser preference for unique options as they seek to conform than their independent counterparts.

To further support this argument Ma, Yang, and Mourali (2014) claim that the accessible self-view determines an individual's determination to pursue the finest level of differentiation. Specifically, independent individuals have a higher need for distinctiveness, which they fulfill by being different from the others, whereas interdependent individuals may attempt to balance distinctiveness and assimilation (Ma, Yang, and Mourali 2014; Triandis 1995). Prior work in materialism and culture also provide some evidence that independent self-construal may develop lesser preference for material purchases than interdependent self-construal (Webster and Beatty 1997).

### **Uniqueness Consideration**

On one hand, independent self-view possesses a higher uniqueness consideration than their independent counterparts. On the other hand, experiential purchases are perceived as unique and singular compared to their material counterparts. Therefore, choosing the experiential purchases helps the independent individuals to fulfill their need for uniqueness than the interdependent individuals (see Figure 8).

Formally stated,

H1: Independent self-view will increase the preference for experiential purchases than the interdependent self-view

H2: The self-construal effect on material-experiential tradeoffs is driven by uniqueness consideration

I test my hypothesis in a series of eight studies. Studies 1-4 show independent self-view have a higher preference for experiential purchases than the interdependent self-view. I demonstrate this effect across different operationalizations for self-construal and purchase type. In studies 5-6, I test the role of uniqueness consideration as the underlying process. Next, I demonstrate a boundary condition—decision type—in Study 7. Finally, in Study 8, I provide evidence for the effect in real world setting using data from United Nations.

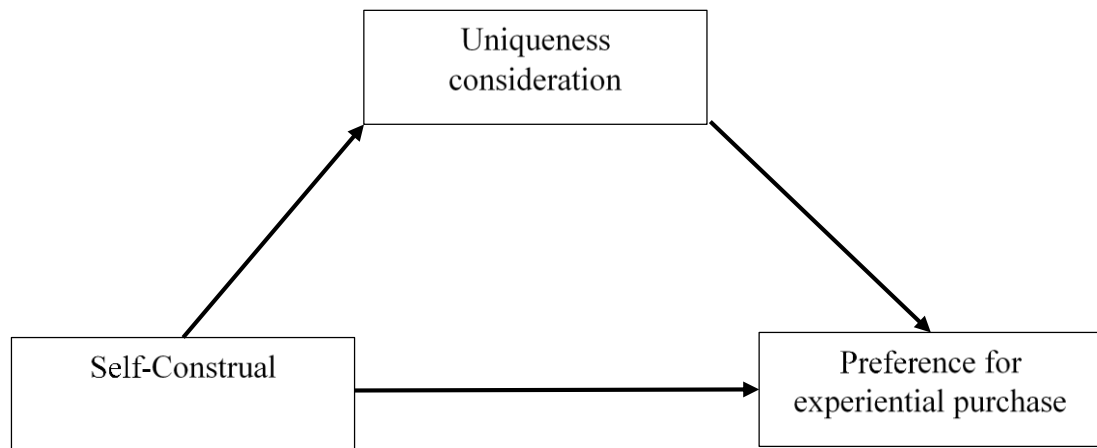


Figure 8: Conceptual framework



## Study 1

### Method

Study 1 provides basic evidence that independent individuals have a greater preference for experiential purchases than the interdependent individuals. I operationalized self-construal as a trait. One hundred and twenty-five undergraduates ( $M_{\text{age}} = 22.34$ , Female 45.6%) from a southeastern university was recruited for this study. I measured the individual difference in self-construal using 24-item scale from Singelis (1994) (Cronbach's  $\alpha = .65$ ). Participants were presented with three choice sets that were equal in monetary value in a randomized order. These included "leather boots versus dinner and a comedy show," "gym equipment versus gym membership" and "music instrument versus music lessons," in which first set was adapted from Van Boven and Gilovich (2003, p. 1199) and the other sets were adapted from Tully et al. (2015, p. 69). Participants indicated their preference in each choice set in an unnumbered 9-point scale (1 = most likely to choose the material purchase, 9 = most likely to choose the experiential purchase). The study concluded with the demographic questions.

### Results

Mixed ANOVA was used to analyze preference data. I used self-view as a between-subjects variable and choice set as a within-subject variable, and age as a covariate (Rao, Singhal, Ren, and Zhang 2001)<sup>5</sup>. Results showed that as the self-construal shifted from interdependent to independent, participants showed a higher preference for experiential purchases ( $F(1, 122) = 4.43, p < .05$ ). Figure 9 demonstrates the results at +1SD (independent) and -1SD (interdependent) of self-construal. Neither the main effect of choice set nor choice set

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<sup>5</sup> To be consistent, I controlled for the effect of age in all studies where I operationalized self-construal as a trait.

by self-construal interaction was significant. However, age was significant in the model ( $F(1, 122) = 7.71, p < .01$ ).

## Discussion

This study provides primary evidence that independent self-view has a greater preference for experiential purchases than interdependent self-view. Next, I use different operationalization of self-construal and purchase type to further test the effect.

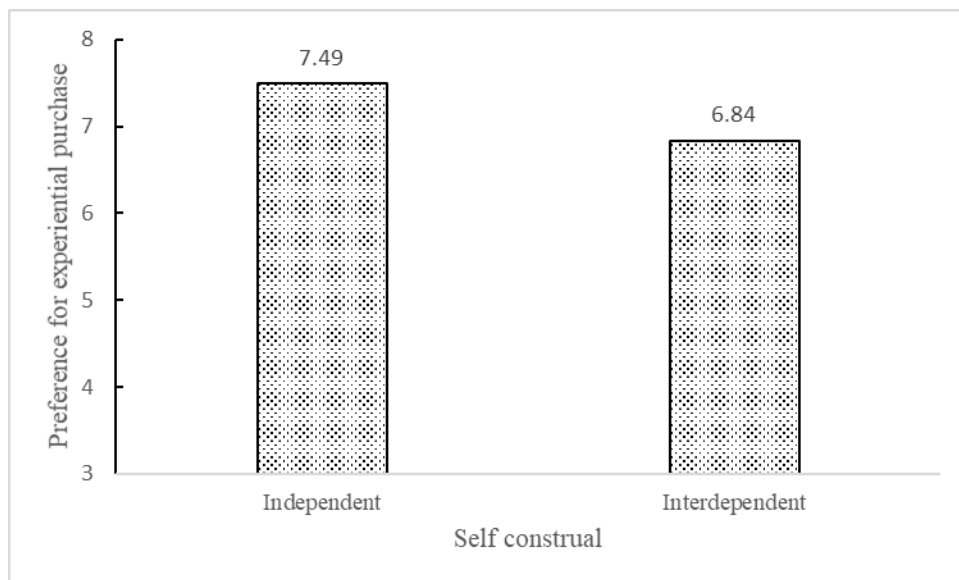


Figure 9: Self-construal and preference for experiential purchase (Study 1)

## Study 2

### Method

One hundred and forty-two participants ( $M_{age} = 36.92$ , Female 60.6%) from MTurk was recruited for Study 2. I manipulated self-construal using a writing task adapted from Trafimow et al. (1991). Participants wrote about how they do not overlap family and friends in the independent condition whereas those in the interdependent condition wrote about how they

overlap with family and friends. Participants evaluated one of the two choice sets, either “between music instruments and music lessons” or “between sleeping bag and kayaking ticket,” in which the first set was adapted from Tully et al. (2015, p.69). Preference was indicated in a 9-point unnumbered scale as in the previous study. A 4-item scale on thoughts of self-versus others was used as the manipulation check (Agrawal and Maheswaran 2005) (Cronbach’s  $\alpha = .82$ ).

## Results

The self-construal manipulation was as intended. Independently primed respondents were more driven by independent self-view ( $M = 3.49$ ) than interdependently primed respondents ( $M = 2.89$ ,  $F(1, 138) = 5.60$ ,  $p < .05$ ). Both choice set and the interaction were nonsignificant in predicting the manipulation check ( $F$ 's  $< 1$ ).

Next, I analyzed product preference in a 2 (self-construal)  $\times$  2 (choice set) ANOVA. Results showed that respondents in the independent prime preferred experiential purchase ( $M_{\text{independent}} = 5.89$ ) more than participants in the interdependent prime ( $M_{\text{interdependent}} = 4.87$ ,  $F(1, 138) = 4.42$ ,  $p < .05$ ) (see Figure 10). The effect of the choice set was nonsignificant, neither was the interaction between choice set and self-construal ( $F$ 's  $< 1$ ).

## Discussion

Study 2 provides further evidence that independent individuals have a higher preference for experiential purchases than the interdependent individuals by operationalizing self-construal as a situational prime and using additional choice sets to operationalize purchase type. In the next study, I again replicate the results of studies 1-2.



Figure 10: Self-construal and preference for experiential purchase (Study 2)

### Study 3

#### Method

Study 3 uses different operationalization of self-construal and purchase type to replicate the results. I operationalized self-construal using cultural differences as in the past research (Lalwani and Shavitt 2013; Markus and Kitayama 1991) and purchase recall was used to operationalize purchase type. I recruited 96 participants (46 American participants and 50 Indian participants) from Amazon Mechanical Turk (MTurk) ( $M_{age} = 33$ , Female 36.5%). They were asked to recall and write down any purchase that they have made in the recent past for more than \$50 (Van Boven and Gilovich 2003). Participants also indicated the price of the purchase. Demographic questions concluded the survey.

## Results

Five participants were omitted from the analysis for not following the study directions and 91 proceeded to the final analysis. Two independent coders categorized the purchases as either experiential (e.g., vacations and concerts) or material (e.g., TVs and mobile phones) using the purchase definitions (Van Boven and Gilovich 2003). I ran a logistic regression analysis of nationality on purchase category, with purchase price and age as the control variables. Nationality was significant in predicting the type of purchase ( $\chi^2 = 9.79, p < .05$ ). American participants were more likely to recall experiential purchase (90.9%) than Indian participants (9.1%). Neither the purchase price ( $\chi^2 = .16; n.s.$ ) nor age ( $\chi^2 = .05; n.s.$ ) was significant in the model.

## Discussion

Study 3 further supports hypothesis 1, that independent individuals have a stronger preference for experiential purchases than interdependent individuals. Study 4 examines the same effect using different operationalization.

## Study 4

### Method

In Study 4, I used purchase framing to operationalize the purchase type. I manipulated purchase type by framing a bottle of wine as either an experiential purchase (focusing on experiencing the wine) or a material purchase (focusing on owning the wine) (Carter and Gilovich 2010) as in essay 1 (Study 4). One hundred and twenty-one respondents ( $M_{\text{age}} = 37.6$ , Female 52.9%) from MTurk took part in the main study. Respondents were allotted to one of the purchase framing condition and they evaluated the purchase—the extent to which it would be a

money well spent, if they decide to purchase the bottle of wine on a 7-point scale (1 = not at all, 7 = very much) (Van Boven and Gilovich 2003). They also completed 10-item self-construal scale adapted from D'Amico and Scrima (2016) (Cronbach's  $\alpha = .71$ ) and demographic questions.

## **Results**

I conducted a self-construal by purchase frames ANCOVA with age as a covariate (Rao, Singhal, Ren, and Zhang 2001). Consistent with my hypothesis, a significant self-construal by purchase frames interaction on product evaluation was observed ( $F(1, 116) = 5.33, p < .05$ ). As participants became more independent in their self-view, they had a higher evaluation of the bottle of wine in the experiential frame than in the material frame (see Figure 11). Age was not significant in the model ( $F = 1.06, p = .31$ ).

To explicate the interaction, I conducted a spot light analysis. The independent self-construal had a higher product evaluation when the frame was experiential than when the frame was material ( $b = .64, t(116), p < .05$ ). This effect was not significant for the interdependent ( $b = -.07, t(116), p = .76$ ). Next, I conducted a flood light analysis (Spiller et al. 2013). Individuals with independent self-construal (higher than 4.55 out of 7) were more likely to have a favorable purchase evaluation, when the bottle of wine was experientially framed than it was materially framed.

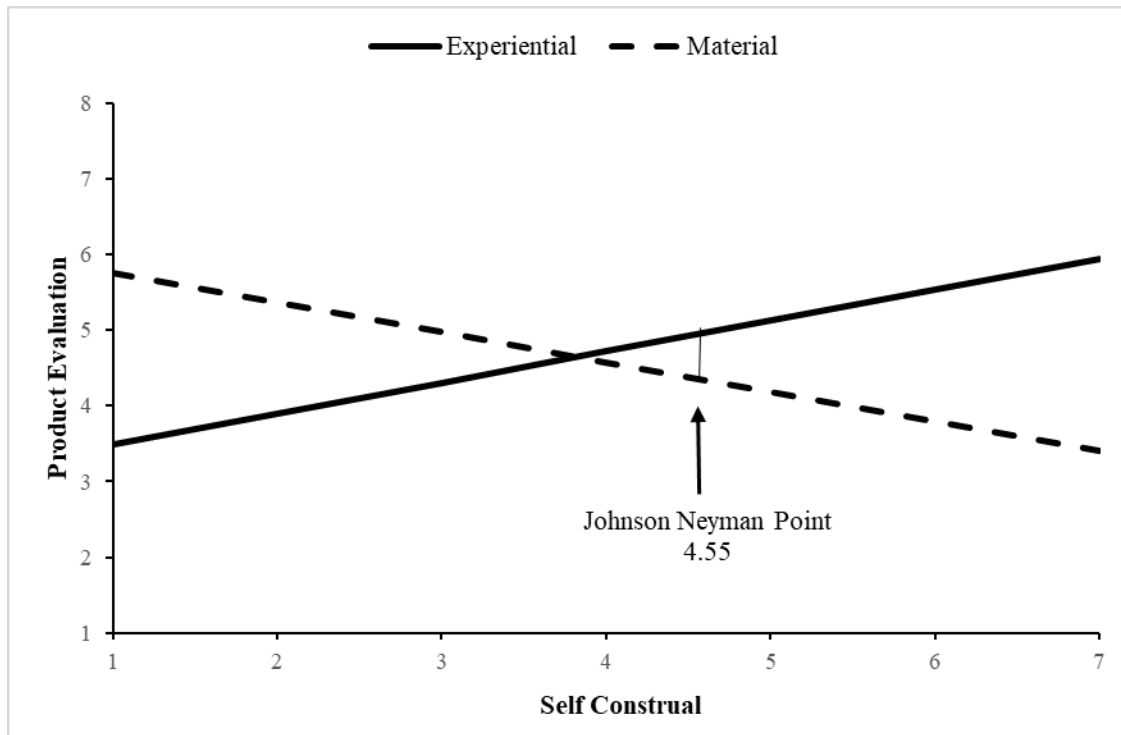


Figure 11: Interactive effect of self-construal by purchase type on product evaluation (Study 4)

## Discussion

Study 4 improves the robustness of findings by using purchase framing and examining the product evaluation rather than tradeoffs. In the next studies, I examine the underlying process for the aforementioned effect.

## Study 5

### Method

This experiment examines the mechanism behind the effect and rule out a potential alternative explanation. One hundred and seventeen participants ( $M_{age} = 23.37$ , Female 48.7%) from a Southeastern university was recruited for this study. I measured self-construal using 24 - item scale from Singelis (1994) (Cronbach's  $\alpha = .72$ ). As in previous studies, participants

indicated their preference between a pair of jeans and a paintballing ticket. To observe the role of uniqueness as the mediator, I asked the participants to think about the choice task and rate the extent to which they considered uniqueness and exclusivity on a 7-point scale ( $r = .71$ ) (1=Not at all, 7=Very much).

The self-construal effect on preference for experiential purchase can be also driven by individuals' attention-towards self. On one hand, independent individuals pay higher levels of attention towards themselves than the interdependent individuals (Markus and Kitayama 1991). On the other hand, experiential purchases are closely connected with self than their material counterparts (Carter and Gilovich 2012). To rule out self-focus as a potential alternative mechanism, I asked the participants to indicate the extent they focused on self on a 7-point scale 2-item scale ( $r = .85$ ) (1 = Not at all, 7 = Very much). Age and gender of the participants were also recorded.

## **Results**

Results of ANCOVA showed a significant self-construal effect on preference for experiential purchase ( $F(1, 114) = 4.85, p < .05$ ) (see Figure 12). Age was not significant in the model ( $F(1, 114) = 1.35, p = .25$ ). To test for mediation, I used process Model 4 (Preacher and Hayes 2008). Self-construal was significant in predicting uniqueness consideration ( $F(1, 114) = 3.79, p = .05$ ). When I included uniqueness consideration in the model, the self-construal effect on preference for experiential purchase was no longer significant ( $F(1, 113) = 3.27, p = .07$ ). However, uniqueness consideration was significant in predicting the preference for experiential purchases ( $F(1, 113) = 4.83, p < .05$ ). Bootstrapping analysis provided evidence that uniqueness



consideration fully mediated the self-construal effect on preference for experiential purchases (95% confidence interval: .00, .02; 5,000 resample) (see Figure 13).

Next, I examined whether self-focus played a role as the mechanism. Analysis revealed that self-construal was not significant in predicting the self-focus ( $F < 1$ ). When I included the self-focus in the original model, the self-focus effect was nonsignificant, while self-construal was still significant in predicting the preference for experiential purchase (95% confidence interval: -.01, .00; 5,000 resample).

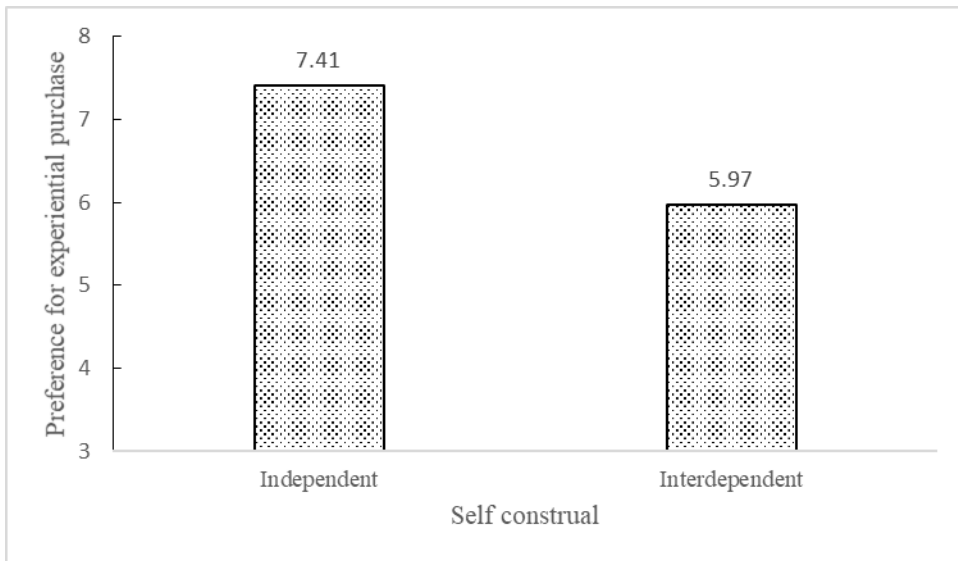
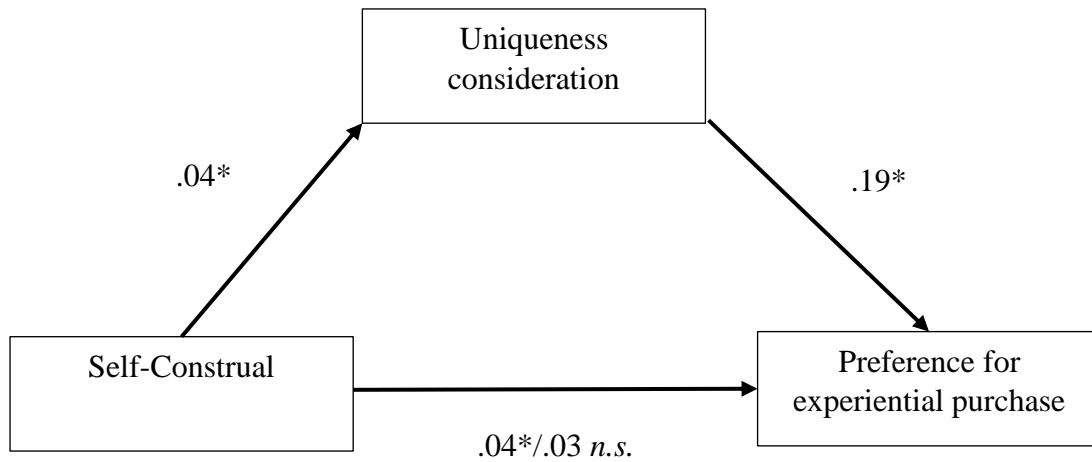


Figure 12: Self-construal and preference for experiential purchase (Study 5)



Note: \* $p < .05$

Figure 13: Mediating role of uniqueness consideration (Study 5)

### Discussion

Study 5 offers initial evidence that the self-construal effect on preference for experiential purchase is driven by uniqueness consideration of the individual. As the self-construal shifted from interdependent to independent, participants had a higher uniqueness consideration, which increased the preference for experiential purchase. Finally, I ruled out self-focus as an alternative account. In the next study, I look more deeper into the underlying process by examining how uniqueness consideration that arises from individual and the uniqueness of the purchase work together to drive the effect.

## Study 6

### Method

The objectives of Study 6 were two-fold. First, demonstrate how uniqueness consideration of the individual and the uniqueness of the purchase jointly drive the tradeoffs. Second, rule out two potential alternative accounts. Ninety-one undergraduates ( $M_{\text{age}} = 21.66$ , Female 47.3%) from a southeastern university participated for this study. I measured self-construal using the scale adapted from D'Amico and Scrima (2016) (Cronbach's  $\alpha = .82$ ). Participants indicated their preferences either "between leather boots and dinner and comedy show" or "between a pair of jeans and paintballing ticket," in which first set was adapted from Van Boven and Gilovich (2003, p. 1199). I examined uniqueness in two perspectives. Uniqueness consideration of the individual was captured on a 7-point scale by instructing respondents to rate the degree to which they consider uniqueness of the choices they make (1 = Not at all, 7 = Very much). Perceived uniqueness of the purchases was captured by instructing the respondents to rate the degree to which the choices are unique and distinct on a 9-point unnumbered scale (1 = Material option is more unique 9 = Experiential option is more unique, 1 = Material option is more distinctive 9 = Experiential option is more distinctive).

I rule out two alternative accounts—perception of risk and impression management. Independent self-view tends to be associated with risk seeking than interdependent self-view (Hamilton and Biehal 2005) and such tendencies may influence the tradeoffs. Participants rated the extent to which they considered possible risk resulting from each item on a 9-point unnumbered scale (1= Considered for material item, 9 = Considered for experiential item).

Another possible alternative explanation is the need for impression management, which is an important consideration for interdependent individuals than the independent individuals (Chen and Marcus 2012). Such needs may also influence the tradeoffs between material and experiential purchases. Impression management was captured by participants indicating the degree to which they considered what other people think of their choices, when they were completing the choice task (1 = Not at all, 7 = Very much). Demographics questions concluded the survey.

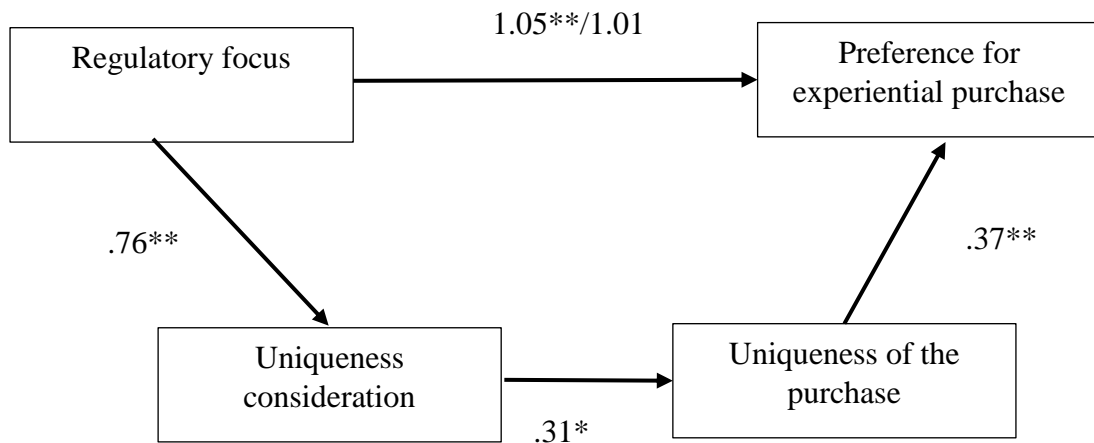
## Results

I conducted self-construal by choice set ANCOVA with age as a covariate. As predicted, when participant's self-construal shifted from interdependent to independent, they had a greater preference for experiential purchases ( $F(1, 86) = 8.30, p < .01$ ). Figure 14 presents the effect for +1 SD (independent) and -1 SD (interdependent). The age, choice set and interaction of choice set by self-construal was not significant in predicting preference for experiential purchase.



Figure 14: Self-construal and preference for experiential purchase (Study 6)

Next, I examine the role of uniqueness consideration and uniqueness of the purchase in driving the effect. Self-construal was significant in predicting uniqueness consideration ( $F(1, 86) = 10.01, p < .01$ ), such that when self-construal shifted from interdependent to independent, participants had a higher uniqueness consideration. Choice set and the interaction between the choice set and self-construal was not significant in predicting uniqueness consideration. However, age was predicting uniqueness consideration ( $F(1, 86) = 7.36, p < .01$ ). Furthermore, uniqueness consideration had a significant effect on perception of uniqueness of the purchase ( $F(1, 85) = 4.36, p < .05$ ), which suggests that uniqueness consideration enhanced the perception of uniqueness of the purchase, in turn influenced the preference for experiential purchase ( $F(1, 84) = 10.78, p < .01$ ). Bootstrapping analysis provided evidence that uniqueness consideration and the uniqueness of the purchase jointly mediated the effect of self-construal on tradeoffs (95% confidence interval: .01, .26; 5,000 resample) (see Figure 15).



Note: \* $p < .05$ , \*\* $p < .01$

Figure 15: Mediating role of uniqueness consideration and uniqueness of the purchase (Study 6)

Results showed that self-view effect on perceived risk was not significant ( $F < 1$ ). When I controlled for perceived risk of purchase in the original model, self-construal was still significant in predicting the preference for experiential purchase ( $F(1, 85) = 8.15, p < .01$ ). Bootstrapping analysis further confirmed that perceived risk of purchase did not mediate self-construal effect on preference for experiential purchase (95% confidence interval:  $-.14, .26$ ; 5,000 resample).

I conducted similar analysis for impression management. Again, self-construal was not significant in predicting impression management ( $F < 1$ ). After controlling for impression management, the self-construal effect on preference for experiential purchase was still significant ( $F(1, 85) = 8.08, p < .01$ ). Bootstrapping analysis also provided evidence that impression management was unlikely to drive the effect of self-construal on tradeoffs (95% confidence interval:  $-.06, .22$ ; 5,000 resample).

## **Discussion**

In sum, Study 6 provides a deeper understanding about the underlying process by providing evidence how uniqueness considerations of the individual and the uniqueness of the purchase type together facilitate the tradeoffs. Finally, I demonstrated that the effect is not mediated by perceived risk of purchase and impression management.

### **Decision type as a boundary condition**

From studies 1-6, I demonstrated that independent self-view increases the preference for experiential purchases than the interdependent self-view. Although prior work did not examine self-construal as an antecedent for tradeoffs between these two types of purchases, there is some evidence which suggests that interdependent individuals may also develop a higher preference for experiential purchases than those with independent self-construal. Such an effect is plausible

because experiential purchases are typically consumed together (Caprariello and Reis 2013) and strengthens relationships (Chan and Mogliner 2017; Goodman and Lim 2018; Kumar, Mann, and Gilovich 2014) than material purchases. Thus, one may argue that interdependent individual's relationship orientation (Markus and Kitayama 1991) drives higher preference for experiential purchases, which are also more sharable. Next, I reconcile this contradictory prediction with my findings.

In order to demonstrate under which conditions independent self-construal develops a higher desire for experiential purchases than the interdependent self-construal and when the effect reverses, I introduce two distinct decision types—purchase decision and consumption decision. Such decisions are readily recognized by consumers and well defined in the consumer behavior literature (Holbrook 1987; Holbrook and Hirschman 1982; Jacoby 1975), which have been shown to influence consumer outcomes (Pham 2013; Zemack-Rugar and Rabino 2019). I define a purchase decision—a decision that entails physical action of acquiring the product while a consumption decision—a decision that entails utilizing the purchase (Pham 2013; Zemack-Rugar and Rabino 2019). Thus, I propose that type of decision is a moderator in the tradeoffs between material and experiential purchases. In the current research (studies 1-6), I focused on purchase decisions and in Study 7, I use consumption decision to reverse the effect.

On one hand, I argue that in a purchase decision, need for uniqueness becomes more important than in a consumption decision. This is because uniqueness is a feature of the product, which is associated with why or why not a purchase is being made opposed to how a purchase is being utilized (Thompson, Hamilton, and Rust 2005; Zemack-Rugar and Rabino 2019). On the other hand, I argue that in a consumption decision ability share becomes more important than in

a purchase decision. Such prediction is plausible because shareability is associated with utilizing the purchase.

To directly test this assertion, I conducted a separate pretest. I recruited sixty-nine participants from MTurk ( $M_{\text{age}} = 34.70$ , Female 49.3%) who were allocated to either of the decision primes. In the consumption prime, they were asked to recall using a product (e.g., how they interacted with the product), while in the purchase prime, they recalled purchasing a product (e.g., why they made the purchase) (Zemack-Rugar and Rabino 2019). After the recall task, they rated the extent to which uniqueness and shareability were imperative for them on a 5-point scale (1=Not at all, 5= Very Much). Two separate ANOVAs were conducted purchase decision as independent variable and uniqueness consideration and shareability as dependent variables. In the purchase condition, participants valued uniqueness ( $M = 3.69$ ) more than in the consumption decision ( $M = 3.03$ ,  $F(1, 67) = 4.69$ ,  $p = .03$ ). In the consumption condition, shareability was more important ( $M = 3.39$ ) than in the purchase decision ( $M = 2.67$ ,  $F(1, 67) = 4.02$ ,  $p = .05$ ).

Following the above reasoning, in the purchase condition, uniqueness becomes more salient than in the consumption decision. Thus, the independent individuals who have higher need for uniqueness may fulfill such needs by choosing the experiential purchases which are also perceived to be more unique. Conversely, in the consumption condition, ability to share becomes more salient than in the purchase decision. Therefore, interdependent individuals who place higher importance on relationships may choose the experiential purchases to accomplish such needs which are also fulfilled by the experiential purchases.

H3: The self-construal effect on preference for experiential purchase is moderated by decision type, such that in a purchase decision, independent self-view develops a higher



preference for experiential purchase than the interdependent self-view. In a consumption decision, interdependent self-view develops a higher preference for experiential purchases than the independent self-view.

### **Study 7**

Study 7 is designed to reconcile my results with the seemingly contradictory predictions. To this end, I operationalized self-view as a situational prime and purchase type as a choice set.

#### **Method**

This study followed a 2 (self-view) x 2 (type of decision) between subjects design. Two hundred and six participants from MTurk ( $M_{\text{age}} = 34.77$ , Female 51.9%) participated for this study. Self-construal was primed as in Study 2. Next, respondents imagined that they have decided to take up painting. In the purchase condition, they are debating between painting supplies and one day painting class (Tully et al. 2015, p. 69), which are of equal monetary value and neither of these two options are currently in their possession. Participants indicated which option that they are going to purchase (1=Most likely to choose the painting supplies, 9=Most likely to choose the painting classes). In the consumption decision condition, participants read that they have already purchased these two options, which costed the same amount of money and both items are at their disposal. Participants indicated which option that they are going use in the aforementioned scale.

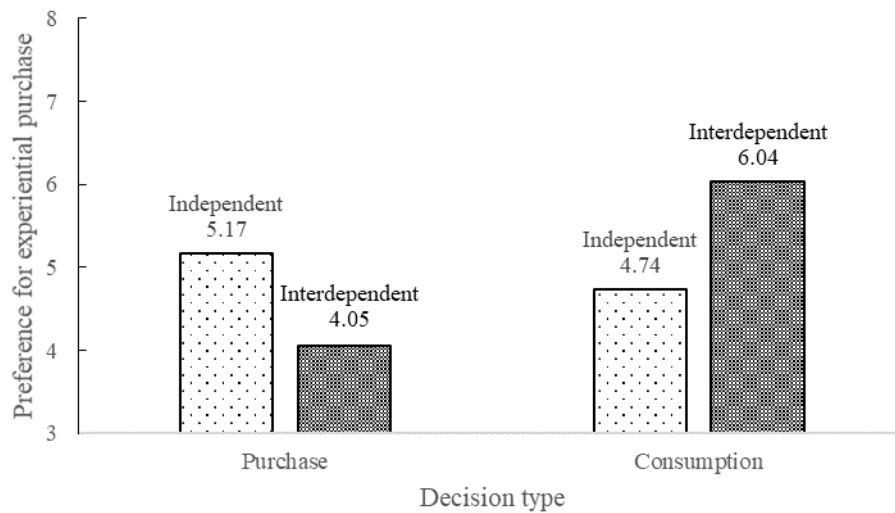


Figure 16: Self-construal by decision type interaction on preference for experiential purchase (Study 7)

## Results

I examined whether preference for the experiential purchase was impacted by self-construal and type of decision. A 2 (self-view) x 2 (decision type) ANOVA indicated a significant self-construal by decision type ( $F(1, 202) = 7.45, p = .01$ ). Neither the effect of self-construal ( $F(1, 202) = .04, p = .83$ ) nor decision type ( $F(1, 202) = 3.14, p = .08$ ) were significant. Pairwise comparisons (see Figure 16) revealed that respondents in the purchase decision condition had a stronger liking for experiential purchase when they were independently primed ( $M_{\text{independent}} = 5.17$ ) compared to interdependently primed ( $M_{\text{interdependent}} = 4.05, F(1, 202) = 3.47, p = .06$ ). In the consumption decision, I observed a reversal, such that interdependently primed participants had a higher preference for experiential purchases ( $M_{\text{interdependent}} = 6.04$ ) than those who were independently primed ( $M_{\text{independent}} = 4.74, F(1, 202) = 3.98, p = .05$ ).

## **Discussion**

This study demonstrates that in a purchase decision, independents have a higher preference for experiential purchases than interdependent individuals. In a consumption decision, the effect reverses, such that interdependent self-view have a higher preference for experiential purchases than the independent self-view. Overall, Study 7 reconciles current findings with the previous research. In the next study, I move beyond the lab setting to test the effect using real data.

## **Study 8**

Study 8 used a data set that contains expenditure on goods and services by country in the United Nations statistics division website ([www.data.un.org](http://www.data.un.org)). Such a source is ideal to test my thesis because of two reasons—the large number of countries that is available in the data set and all countries report their expenditure based on a prespecified reporting standard by United Nations.

## **Method**

The data set comprised country expenditure on 12 spend categories such as clothing and footwear, education, communication, which were reported as the sum of expenditure at household level for a one-year period. A total of 62 countries were included in the dataset, which was a good representation of different cultures or self-construal. Apart from the expenditure, I also collected the data on GDP per capita, unemployment, and consumer price index. To operationalize self-construal, I used Hofstede country individualism score from Hofstede cultural dimension website (Hofstede 2005) as in previous literature (Winterich and Zhan 2014; Zhang and Shrum 2008). This operationalization is tenable as collectivism and individualism are

considered cultural representation of interdependent and independent self-view (Markus and Kitayama 1991; Triandis 1995). A higher individualism score is linked with a higher level of independence while a lower score denotes a higher level of interdependence. Spend categories were coded to the extent that they are experiential or material using the procedure used in previous secondary data studies in essay 1 (inter rater agreement was 75%) (Van Boven and Gilovich 2003).

## **Results**

A regression analysis using expenditure as the predicted variable, country self-construal score, category experiential and material rating, and interaction between the rating and self-construal score as the independent variables was conducted. Furthermore, I controlled for consumer price index, unemployment, and GDP per capita. The coefficients are reported in billion US dollars. Self-construal by purchase type was significant in predicting the expenditure ( $b = .81, t(586) = 1.98, p < .05$ ). Main effect of purchase type ( $b = -17.55, t(586) = -.77, p = n.s.$ ) nor self-construal ( $b = .75, t(586) = 1.09, p = n.s.$ ) was significant. Control variables, consumer price index ( $b = .001, t(586) = .02, p = n.s.$ ), GDP per capita ( $b = -.0001, t(586) = -.15, p = n.s.$ ), and unemployment ( $b = -214.68, t(586) = -1.50, p = n.s.$ ) were also not significant in the model.

## **Discussion**

Results demonstrate that when self-construal of the country shifts from interdependent to independent, countries are more likely to spend on experiential categories than the countries that have interdependent self-construal. Further, this study provides external validity for the effect.

## Single Paper Meta-Analysis

In this essay, I used different ways to operationalize self-construal (measured, manipulated, and culture) and purchase type (choice sets, framing, and purchase recall) and employed different samples in the experimental studies (undergraduate students and Mturkers). A single paper meta-analysis for the 7 experimental studies was conducted to examine the robustness of the effect (Goh, Hall, and Rosenthal 2016; McShane and Böckenholt 2017). I followed the similar procedure as in essay 1. A combined average effect size of .22 (95% CI: [.15, .29]) was observed and there were no significant differences between the studies ( $Q = 2.70$ ,  $p = .85$ ).

Next, I examined whether sample characteristics influenced the effect. Three studies that used undergraduate student samples had an average effect of .23 (95% CI: [.12, .34]) while four studies that employed MTurk samples had a similar average effect size .22 (95% CI: [.13, .31]). Again, I did not observe any differences in the effect size based on these two samples ( $Q = .02$ ,  $p = .89$ ).

To understand whether study characteristics played an effect, I examined different operationalizations. When self-construal was measured, the effect size was .22 (95% CI: [.13, .32]) while manipulated effect size was .17 (95% CI: [.05, .30]). However, there were not any notable differences between these two types of studies ( $Q = .40$ ,  $p = .53$ ). Then I examined whether there are differences in purchase type operationalizations. Studies which employed choice sets had an average effect size of .20 (95% CI: [.12, .29]), purchase recall .34 (95% CI: [.14, .54]) and purchase framing .21 (95% CI: [.03, .39]) respectively. The comparison across different operationalization of purchase type showed that there are not any notable differences ( $Q$

= 1.58,  $p = .45$ ). Overall, the above analysis provides indication that the effect is robust across different study designs, study characteristics, and samples.

## **Discussion**

Across eight studies, I provided convergence evidence that independent self-view favors experiential purchases than interdependent self-view. The results were robust across numerous operationalization of self-construal (culture, measured, and manipulated) and different ways of operationalizing purchase type (purchase recall, choice sets and, purchase framing). The mediation studies provide evidence that uniqueness consideration underlies such an effect. Furthermore, I ruled out alternative explanations—perceived risk of purchase, closeness to self, and impression management.

My findings offer significant theoretical insights. The role of self-view in tradeoffs between these two types of purchases and the underlying mechanism of uniqueness consideration advance the limited literature in antecedents of such purchases (Tully et al. 2015; Van Boven and Gilovich 2003). Furthermore, prior work has not investigated the role of culture in preference between experiential and material purchases. Both Study 3 and Study 8 provide initial evidence how such differences drive the tradeoffs between these two types of purchases. My findings also add to the work on self-construal and decision-making (Aaker and Maheswaran, 1997; Gürhan-Canli and Maheswaran, 2000; Monga and John, 2007) by demonstrating how individuals with different self-views make tradeoffs and the processes that drive preferences.

Future research may benefit from examining downstream consequences of consumption of material and experiential purchases. More specifically, whether these individuals indeed fulfilled their need for uniqueness and more importantly gained happiness post consumption. In

my experimental studies, I examined the tradeoffs as a self-reported preference measure. Future work may gain from exploring actual behavior (e.g., purchase) using field studies. Additionally, examining boundary conditions for the effect is another avenue for further exploration. For example, whether decision target (self vs. other) or need for justification of the decision play any role in the reversal of the preferences (Hong and Chang 2015).

My findings are also relevant for managers in designing marketing strategies to better promote and target material and experiential products. In particular, marketers should consider the congruency between consumer's self-construal and the purchase type. For example, situationally activating an independent self-view could be beneficial in promoting experiential products, while situationally activating an interdependent self-view could be advantageous in promoting material products. Furthermore, as shown in the literature (Carter and Gilovich 2010; 2012; Rosenzweig and Gilovich 2012) and in my essay 2 (Study 4), the perception of product is rather malleable. It could be effective to highlight the experiential aspects of a product in a market with predominantly independent driven consumers whereas it could be useful to emphasize the material aspects in a market dominated by interdependent minded consumers. Such a tailored approach may enhance the relevance of the advertising messages and improve the effectiveness of the firm's overall marketing strategies.

## **CHAPTER FOUR: THE EFFECT OF PURCHASE TYPE ON TRADEOFFS BETWEEN MYSTERY AND NON-MYSTERY OPTIONS**

### **Introduction**

“The possession of knowledge does not kill the sense of wonder and mystery. There is always more mystery.”

- Anaïs Nin -

Mystery has often fascinated humans by giving a sense of purpose and interest in their lives (Psychologies 2010). Even in their role as consumers, sometimes individuals actively seek mystery rather than avoiding it. For example, in the US, mystery boxes have become an online sensation, where people order boxes of goods without knowing what they are to receive, which is opposed to the common practice (Taylor 2009). While originated from Japan, the use of secret menus becomes increasingly popular in restaurants worldwide (Freier 2016). Similarly, in the travel industry, consumers often pay a premium for “get lost travel packages,” which do not reveal the destination (Jacobs 2017).

Although mystery appeals are popular among marketers as well as consumers, to my knowledge, there is no attempt to understand the antecedents that influence consumer choice for mystery deals and the processes that drive such choices. In this essay, I define mystery deal as a product or service offer that consumers commit before knowing what they are purchasing. Specifically, I attempt to answer the following questions. Why do people prefer mystery deals at times? How does the purchase type influence the preference for mystery deals? What is the underlying process? Are there any moderating conditions?



I propose that the type of purchase is an important antecedent which influences the tradeoffs between mystery and non-mystery options. Specifically, I argue that for experiential purchases, consumers would have a stronger preference for mystery options than for material purchases. I further propose that the effect of purchase type on tradeoffs between mystery and non-mystery option is driven by need for excitement. As such, consumers seek more excitement when they make experiential purchases than material purchases. By choosing mystery option, which offers excitement, they can fulfill their need for excitement.

In five experimental studies (studies 1-5) and one secondary data study (Study 6), I test my thesis. In Study 1, I use different product categories to operationalize purchase type (TV vs. restaurant), while in studies 2 -5, I use purchase framing (trip to a city and a bottle of wine) to operationalize purchase type. I test the mechanism behind the effect and also rule out potential alternative accounts in Study 3. I also demonstrate moderating conditions (excitement and decision target) in studies 4 and 5. Finally, I use publicly available data from Groupon for external validation (Study 6).

## **Theoretical Background**

### **Experiential and material purchases**

Experiential and material purchases are an imperative classification of purchase that has received attention within marketing and psychology researchers over the past decade. One defining characteristic of these purchases is the goal they fulfill—experiential purchases are gained with the objective of having an experience, while material purchases are gained with the objective of possessing (Van Boven and Gilovich 2003). Such distinctions have led to fundamental differences in the decision processes for these two types of purchases (Carter and

Gilovich 2010). One such is the underlying motivation for the purchase. For example, Zhang, Howell, and Caprariello (2012) suggest that one of the motives behind the experiential purchase is that consumers want to exercise autonomy by finding genuine pleasure and interest from such purchase. More specifically, individual's need for interest, enjoyment, and challenge can be fulfilled by acquiring experiential purchases. It has also been well documented that experiential purchases are associated with excitement and pleasure both in prospect and retrospect (Kumar and Gilovich 2015; Kumar, Killingsworth, and Gilovich 2014; Van Boven and Gilovich 2003). Thus, it is reasonable to assume that consumers seek stimulation and pleasure when they make experiential purchases in comparison to material purchases.

### **Mystery Appeals**

Although mystery appeals have gained traction in advertising (Fazio, Herr, and Powell 1992; Menon and Soman 2002; Campbell 1995), the limited work in marketing has examined how such applications drive purchase likelihood in a retail setting. Hill, Fombelle, and Sirianni (2015, p. 1) identified mystery appeals as a common tactic used by retailers to engage with consumers, in which the retailers "intentionally withhold information about a product or promotion being offered". In their studies, Hill et. al (2015) provided minimal (non-mystery appeal) or moderate levels of information (mystery appeal) about a product and asked the participants to indicate their likelihood to purchase a mystery box. Participants in the mystery condition had greater purchase intentions because they were more curious about the offer than those in the non-mystery condition. Similarly, Van Dijik and Zeelenberg (2007) demonstrated that such appeals can be used to enhance favorable consumer outcomes through not only creating a sense of curiosity but also aversion of regret.

Prior work also examined mystery sales promotions and how such offers can influence the purchase likelihood of a product. For example, when the product was accompanied with mystery (unknown incentive) than a non-mystery (known incentive) promotion, participants were more likely to make the purchase (Goldsmith and Amir 2010; Laran and Tsiros 2013). Past research has mainly examined downstream consequences of mystery appeals. In the current essay, I examine an antecedent of such appeals—how purchase type influences the tradeoffs between mystery and non-mystery deals.

Mystery appeals are associated with different types of sensations. One body of literature shows that such situations are connected with negative feelings such as self-threat (Hogg 2007; McGregor, Zanna, Holmes, and Spencer 2001), anxiety, and stress (Calvo and Castillo 2001; Loewenstein 1994; Arai 1997; Wu 1999). Another stream of research demonstrates that mystery is associated with positive feelings, such as happiness and pleasure (Bar-Anan, Wilson, and Gilbert 2009; Lee and Qiu 2009; Wilson, Centerbar, Kermer, and Gilbert 2005). In line with this work, a recent research of Shen, Fishbach, and Shee (2015) examined how mysterious or unknown reward are related to motivation. In one of their studies, participants were to receive either a known incentive (\$2 for sure) or an unknown incentive (\$1 or \$2 from a coin toss) for task completion. Respondents were more likely to successfully complete the task when they were to gain the mysterious or unknown reward than the known reward. Such an effect was driven by the feelings of excitement and interest toward the task. Taken together, I argue that mystery deals are more exciting than non-mystery deals.

## Need for excitement

Sometimes consumers seek excitement in the decisions they make (Holbrook and Hirschman 1982; Rook 1987). As such, I argue that purchase type is a strong predictor for seeking excitement. Thus, when making experiential purchases, consumers seek higher excitement than when making material purchases (Zhang, Howell, and Caprariello 2012). Similarly, mystery appeals provide excitement than non-mystery appeals (Lee and Qiu 2009; Wilson, Centerbar, Kermer, and Gilbert 2005; Shen, Fishbach, and Shee 2015). When one makes an experiential purchase, by choosing a mystery deal, they can fulfill their need for excitement. Conversely, when making a material purchase, choosing a non-mystery deal, consumers may avoid excitement. As such, I argue that excitement is the driver for the effect of purchase type on preference for mystery option (see Figure 17 for such theorizing).

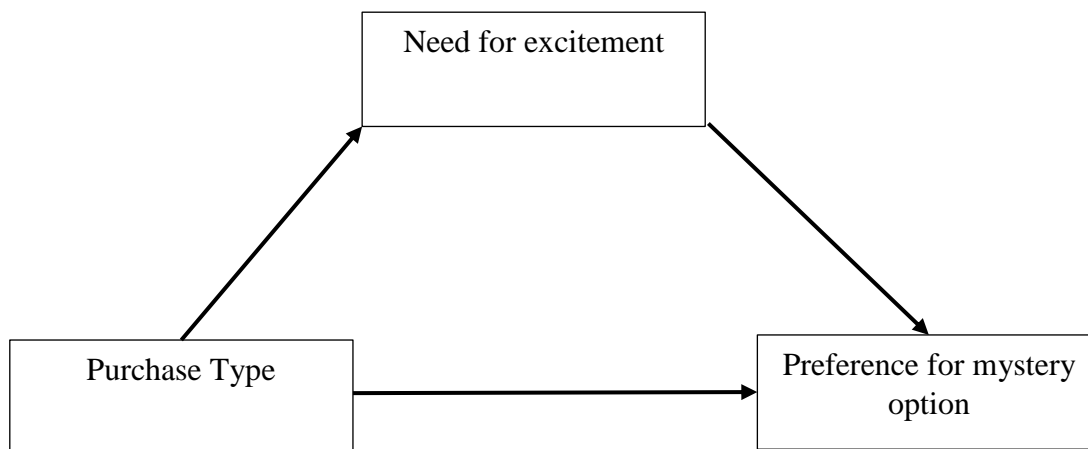


Figure 17: Conceptual framework

Therefore, I hypothesis,

H1: When making experiential purchases, individuals have a higher preference for mystery option than when making material purchases.

H2: Need for excitement mediates the effect of purchase type on the tradeoffs between mystery and non-mystery options.

## Study 1

### Method

This study provides primary evidence that individuals have a greater preference for mystery option when making experiential rather than material purchases. One hundred and fourteen undergraduates ( $M_{age} = 21.19$ , Female 53.4%) from a large university was recruited for this experiment. Purchase conditions were a between-subjects factor. In the experiential condition, respondents imagined that they are planning to go to a restaurant and were presented with two options: the non-mystery option (in which participants would have known what were on the menu before they went to the restaurant) and the mystery option (in which participants would not have known what were on the chef's menu before they went to the restaurant). In the material condition, participants imagined that they are planning to purchase a TV and were again presented with two options: the non-mystery option (in which participants would have known the brand name of the TV before they purchased it) and the mystery option (in which participants would not have known the brand name of the TV before they purchased it). Participants recorded their preference between the non-mystery and mystery options on a scale (1 = most likely to choose the non-mystery option, 7 = most likely to choose the mystery option).

## Results

Results demonstrated a significant purchase type effect on preference for mystery option, such that respondents in the experiential prime had a higher preference for the mystery option than those in the material prime ( $M_{\text{experiential}} = 3.20$  vs.  $M_{\text{material}} = 2.10$ ;  $F(1, 112) = 8.54, p < .01$ ) (see Figure 18).

## Discussion

Study 1 offers initial proof that consumers have a higher preference for mystery when they make experiential purchases than material purchase, which lends support for hypothesis 1. Next, in Study 2, I reproduce the results using different operationalization of purchase type and choice options.

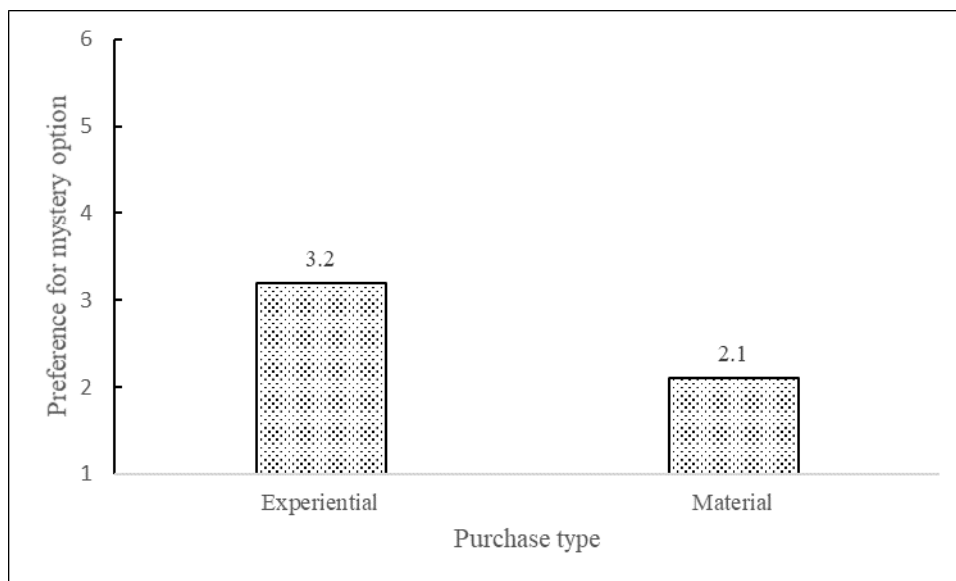


Figure 18: Purchase type and preference for mystery option (Study 1)

## Study 2

### Method

In Study 2, I framed a trip as an experiential (sightseeing trip) and a material purchase (shopping trip) (Carter and Gilovich 2010; 2012; Rosenzweig and Gilovich 2012). In the experiential condition, respondents imagined that they are going on a sightseeing trip and think about the things that they can do in the trip. In the material prime, respondents imagined that they are going on a shopping trip and think about the things that they can buy in the trip (Kumar and Gilovich 2016).

In a separate pretest, sixty-two participants ( $M_{\text{age}} = 36.81$ , Female 37.1%) from MTurk evaluated the nature of this trip using the definition of Van Boven and Gilovich (2003) on a 7-point scale (1=More material, 7=More experiential). Respondents in the experiential prime perceived the trip to be more experiential than those in the material prime ( $M_{\text{experiential}} = 6.03$ ,  $M_{\text{material}} = 3.16$ ,  $F(1, 60) = 48.92$ ,  $p < .0001$ ).

In the main study, 150 participants from MTurk ( $M_{\text{age}} = 35.63$ , Female 48.7%) were assigned to either of the purchase conditions. After they imagined the trip, participants were told that they are going to book the trip from a tour operator, who offers two types of packages which costs the same. Option A (non-mystery option), in which they can get to know the destination before the start of the tour and option B (mystery option), in which they will not know the destination before they start the tour. Next, respondents indicated their preference between these two packages on an unnumbered seven-point scale (1=More likely to choose option A, 7=More likely to choose option B).

## Results

An ANOVA was conducted and showed participants in the experiential prime had a higher favorability for mystery option compared to the participants in the material prime ( $M_{\text{experiential}} = 3.53$ ,  $M_{\text{material}} = 2.69$ ,  $F(1, 148) = 6.02$ ,  $p < .05$ ) (see Figure 19).

## Discussion

Results not only reproduce the findings of Study 1, but also improves the robustness of the effect by using purchase framing technique. In Study 3, I use different operationalization of purchase type and choice options to understand the driver behind the effect of purchase type on preference for mystery option.

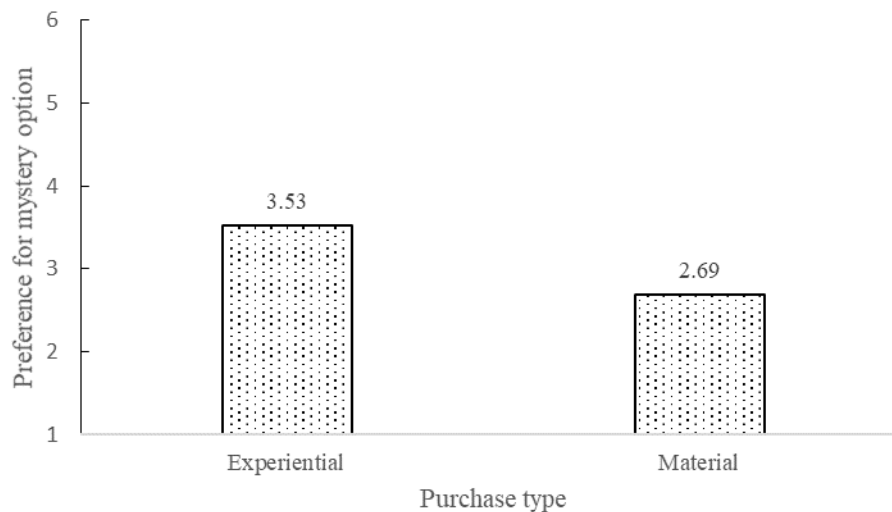


Figure 19: Purchase type and preference for mystery option (Study 2)



### Study 3

#### Method

This study examines the underlying mechanism and rules out potential alternative explanations. I used purchase framing procedure with a bottle of wine as in essay 1 (Study 4) and essay 2 (Study 4). One hundred and forty-seven undergraduate students ( $M_{\text{age}} = 21.49$ , Female 50.3%) participated for the choice study. After reading about the experientially or materially framed wine, they were also informed that the quality of the wines in the vineyard are similar. Next, they were presented with two options: Option A: choosing their own wine (non-mystery) or Option B: choosing “surprise me” option (mystery). Participants specified their preference on a 7-point scale as in experiment 1. To capture excitement as the mediator, I asked the participants to think about the choice task again and rate the extent to which they needed excitement, liveliness, and stimulation on a 7-points scale (1=Very much for option A, 7=Very much for option B (Cronbach’s  $\alpha = .82$ ) (Bregman, Willems, and Joye 2012).

Curiosity is also a potential driver for the effect of purchase type on preference for mystery option (Hill, Fombelle, and Sirianni 2015; Loewenstein 1994; Van Dijik and Zeelenberg 2007). To inspect whether curiosity indeed mediated the preferences for mystery, I asked the participants to think about the choice task and rate the degree to which they felt curious on a 7-points scale (1= Very much for A, 7=Very much for B). Mystery appeal may also lead to feelings of anxiety (Ellsworth and Smith 1988a, 1988b). I argue that such feelings may reduce the preference for mystery options when making material purchases than experiential purchases. To rule out anxiety as a potential alternative mechanism, felt anxiousness, tenseness, and

nervousness about the choice task was captured on a 7-point scale ( $\alpha = .89$ ) (1= Very much for A, 7=Very much for B) (Raghunathan and Pham 1999).

The differential risk-taking tendencies might have also affected the tradeoffs (Mittal, Kapitan, and Silvera 2019). To rule out risk taking as another alternative account, I asked the participants to the extent they pursued the risk and danger ( $r = .77$ ), when they were making the choice on a 7-points scale (1= Very much for A, 7=Very much for B)

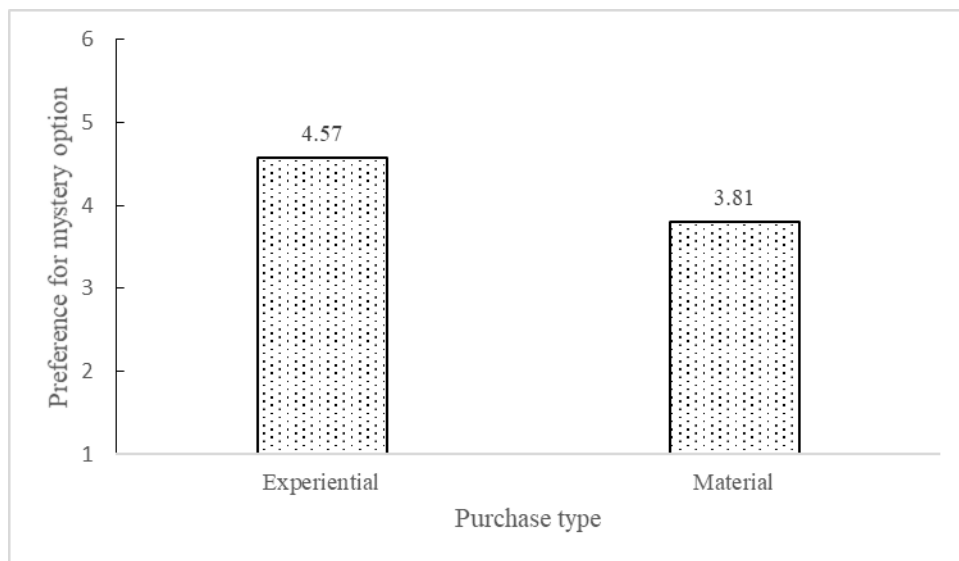
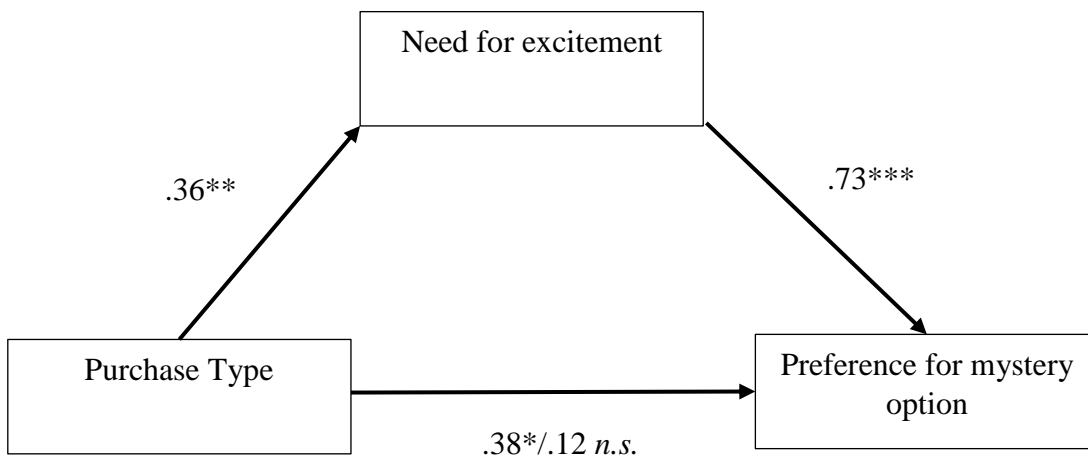


Figure 20: Purchase type and preference for mystery option (Study 3)

## Results

Respondents in the experiential prime had a greater preference for mysterious option ( $M_{\text{experiential}} = 4.57$ ) than those in the material prime ( $M_{\text{material}} = 3.81$ ,  $F(1, 145) = 4.16$ ,  $p < .05$ ) (see Figure 20). Purchase type was also significant in predicting need for excitement ( $F(1, 145) = 8.61$ ,  $p < .01$ ), suggesting that when participants were making the experiential purchase they were seeking more excitement ( $M_{\text{experiential}} = 5.00$ ) than when making the material purchase ( $M_{\text{material}} = 4.29$ ).

When I included need for excitement in original model, the link between type of purchase and preference for mystery was no longer significant ( $F < 1$ ) whereas the need for excitement remained significant ( $F(1, 144) = 42.90, p < .0001$ ) (see Figure 21). The bootstrapping analysis confirmed that need for excitement fully mediated the purchase type effect on the preference for mystery option (95% confidence interval: .08, .49; 5,000 resample). Results suggest that when making experiential purchases, consumers seek more excitement than when they make material purchases. Such needs drive the higher preference for mystery option for experiential purchases compared to material purchases.



Note: \* $p < .05$ , \*\* $p < .01$ , \*\*\* $p < .0001$

Figure 21: Mediating role of need for excitement

Next, I examined whether curiosity was responsible for the effect of purchase type on preference for mystery option. Analysis revealed that purchase type was not significant in predicting curiosity ( $F < 1$ ). When I included curiosity in the original model, purchase type was still significant in predicting the preference for mystery option ( $F(1, 144) = 3.93, p < .05$ ) while

curiosity was not significant in the model ( $F < 1$ ). Bootstrapping analysis further confirmed that curiosity did not mediate the effect (95% confidence interval: -.02, .10; 5,000 resample).

I conducted a similar analysis for anxiety to examine its role as an alternative mechanism. Purchase type effect on anxiety was not significant  $F(1, 144) = 3.28, p = .08$ . When I added anxiety to the original model, purchase type was still significant in predicting the preference for mystery option ( $F(1, 144) = 4.35, p < .05$ ). However, anxiety was not predicting the dependent measure. Bootstrapping analysis provided additional evidence that anxiety did not mediate the effect of purchase type on preference for mystery option (95% confidence interval: -.10, .05; 5,000 resample).

Next, I investigated the risk taking as an alternative account. When risk was included in the model, it was not significant in predicting the preference for mystery option ( $F(1, 144) = 2.87, p = .09$ ), whereas purchase type a was significant predictor ( $F(1, 144) = 4.29, p < .05$ ). Bootstrapping provided further confirmation that the effect is unlikely to be mediated by risk taking tendencies (95% confidence interval: -.09, .05; 5,000 resample).

## **Discussion**

This study confirms that the purchase type effect on preference for mystery option is driven by need for excitement. I also demonstrated that the effect is unlikely to be driven by curiosity, anxiety, and risk taking. Furthermore, the different operationalization of purchase type and choice options improved the robustness of the effect. Next, I examine moderating conditions for the effect.

### **Mechanism testing through priming**

In Study 3, I tested the mechanism by measuring need for excitement. Spencer, Zanna, and Fong (2005) suggest that testing the causal chain by manipulating the mechanism is far more superior than measuring the same. To further test the underlying process, I manipulate need for excitement. Thus, when seeking excitement becomes the primary motive, consumers favor options that provide excitement in order to fulfill their aforementioned motive. Such a need can be fulfilled by choosing the mystery option irrespective of the type of purchase being made. Conversely, when seeking excitement is not made salient, consumers may only seek excitement for the type of purchase that is inherently associated with those needs. As such, when making experiential purchases, consumers may choose the mystery option to fulfill need for excitement than when making material purchases.

Formally stated,

H3: The purchase type effect on preference for mystery is moderated by need for excitement, such that when need for excitement is made salient, preference for mystery option will increase irrespective of the purchase type. When the need for excitement is not made salient, when making experiential purchases, there will be a higher preference for mystery option than when making material purchases.

### **Study 4**

#### **Method**

Study 4 investigates the moderating effect of excitement for the effect of purchase type on preference for mystery option. Four hundred and two participants ( $M_{age} = 36.09$ , Female 55.7%) from MTurk participated for this study in exchange for nominal fee. I adapted a 2

(purchase type) x 2 (excitement) between subjects design. Respondents who were in the control condition read about the same trip (experientially or materially framed) as in Study 2. Those who were in the excitement condition, had an additional prompt asking them to think about why it is important to make the trip exciting, thrilling, and interesting. I used a different dependent measure for this study instead of preference. Product evaluation was captured using two items ( $r = .80$ )—to what extent this purchase meets their needs and to what extent it is a money well spent if they decide to purchase the trip (Van Boven and Gilovich 2003) (1= More for non-mystery option, 5= More for mystery option).

## Results

To examine whether purchase type and excitement influenced product evaluation, I conducted a 2 (purchase type) x 2 (excitement) ANOVA on product evaluation. Purchase type by excitement ( $F(1, 398) = 6.15, p = .01$ ) was significant in predicting product evaluation. The main effects of purchase type ( $F(1, 398) = .20, p = .66$ ) nor excitement ( $F(1, 398) = 1.23, p = .27$ ) was significant in the model. Pairwise comparisons (see Figure 22) demonstrated that, respondents in the control condition had a greater product evaluation for the mystery option when they thought about the sightseeing trip (experiential condition) ( $M_{\text{exp}} = 2.45$ ) compared to when they thought about the shopping trip (material condition) ( $M_{\text{mat}} = 2.08, F(1, 398) = 4.28, p < .05$ ). This replicates the results shown in studies 1-3. In the excitement condition, I did not observe a significant difference between the experiential ( $M_{\text{exp}} = 2.23$ ) and material conditions ( $M_{\text{mat}} = 2.54, F(1, 398) = 2.07, p = n.s.$ ).

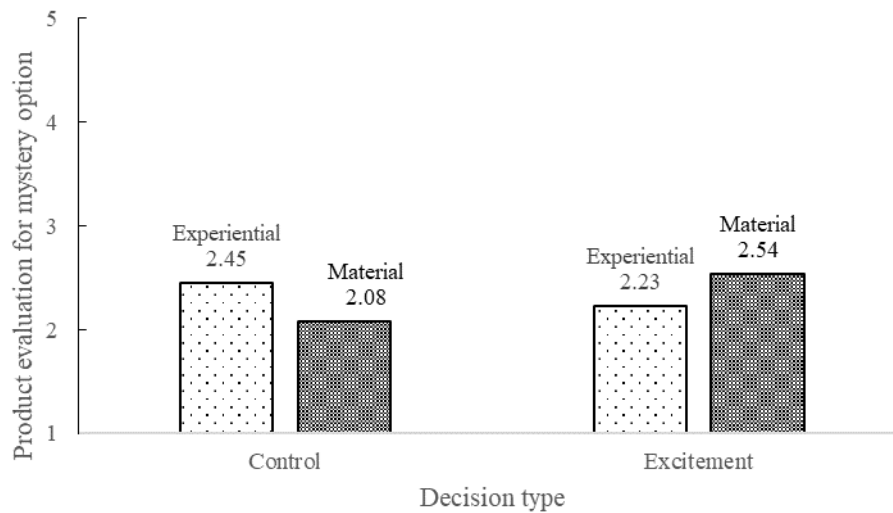


Figure 22: Purchase type by excitement interaction on preference for mystery option (Study 4)

### Discussion

Results suggest that the purchase type effect on product evaluation for mystery option is moderated by excitement, such that when need for excitement becomes more salient purchase type does not influence product evaluations. However, when such a need is not made salient, the effect happens only for experiential purchases. In the next study, I test an additional moderating condition.

### Moderating role of decision target

I further propose an additional moderating condition—decision target (self vs. other)—for the effect of purchase type on preference for mystery. Prior work suggests that making decisions on behalf of others are more enjoyable and pleasurable than making decisions for oneself (Dunn, Aknin, and Norton; 2008; Laran 2010; Polman and Vohos 2016). This is because, when choosing for others, pleasure-seeking goals become more salient and consumers often have the opportunity to make pleasurable choices (Laran 2010; Lu, Xie, and Xu 2013). Taken

together, I argue that when making choices for others, consumers seek excitement than when making decisions for themselves. To fulfill the aforementioned need, consumers choose mysterious alternative, which is exciting in nature. Conversely, when making decisions for self, seeking excitement does not become salient. Thus, purchase type becomes the driver for seeking excitement. As such, when making experiential purchases, consumers have a higher preference for mysterious alternative than when making material purchases. In other words, purchase type does not have an effect on preference for mystery deal in the decisions made for self.

Formally stated,

H4: The purchase type effect on preference for mystery is moderated by decision target (self-vs. other), such that the decision for others will increase the preference for mystery option irrespective of the purchase type. When the decision is made for self, the preference for mystery will be higher for experiential decisions than for material decisions.

## **Study 5**

### **Method**

The aim of Study 5 is to explore a moderating effect—decision target (self vs. other). Six hundred and two participants ( $M_{age} = 21.95$ , Female 50.6%) from a southeastern university participated for this study. I adapted 2 (purchase type) x 2 (decision target) between subjects design and used Study 3 purchase type manipulation. Participants first imagined the experientially or materially framed wine. Next, they were informed to that they are going to make a choice for themselves or for a friend. Participants indicated their preference between choosing their own wine or choosing the surprise me option provided by the store.



## Results

As expected, the 2 (purchase type) x 2 (decision target) ANOVA showed a significant purchase type by decision interaction on preference for mystery option, ( $F(1, 598) = 4.44, p = .04$ ). Purchase type ( $F(1, 598) = .07, p = .38$ ) and decision target effects were not significant ( $F(1, 598) = 1.63, p = .20$ ). The planned contrasts revealed that those who made decisions for themselves had a higher liking for the mystery option when they were making experiential purchases ( $M_{\text{exp}} = 4.00$ ) compared to material purchases ( $M_{\text{mat}} = 3.41, F(1, 598) = 4.41, p = .04$ ) (see Figure 23). Participants who made decisions for others did not show a significant difference between the experiential and material decisions ( $M_{\text{exp}} = 3.84, M_{\text{mat}} = 4.08, F(1, 598) = .77, p = .38$ ), which implies that irrespective of the purchase type participants had higher liking for the mystery option.

## Discussion

Results in choosing for self-condition replicates the findings of studies 1-3 by demonstrating that there are differences in preference for mystery between the two types of purchase decisions. However, the decision for other condition does not show differences between the two types of purchases. Overall, results demonstrate that decision target as an important moderator for the effect. In the next study, I attempt to provide more generalizability for the effect.

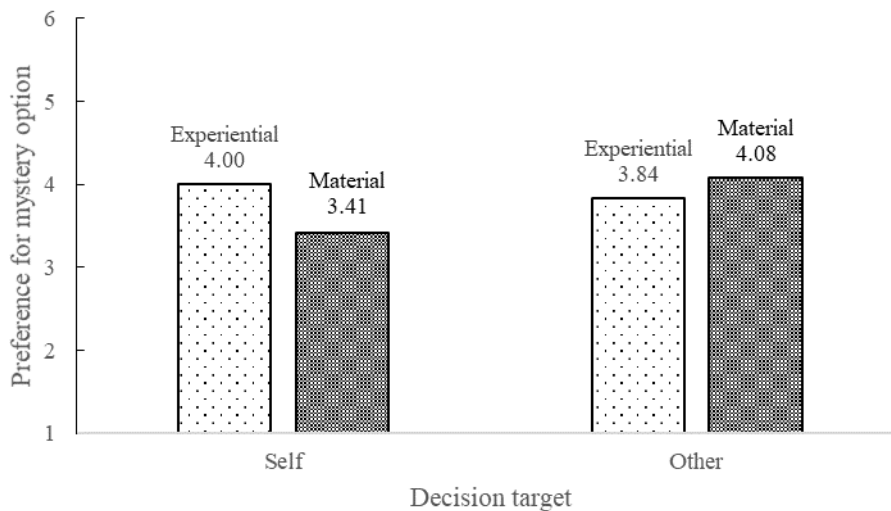


Figure 23: Purchase type by decision target interaction on preference for mystery option (Study 5)

## Study 6

### Method

In the earlier studies, I tested the effect in a lab setting using self-reported measures for preference and product evaluations. Study 6 inspects the effect in a real-world context using data from Groupon, a daily deals website. Prior work in marketing has also used Groupon to test their effects in a realistic setting (Coulter and Roggeveen 2014; Wu, Shi, and Hu 2014). This website offers different types of deals for purchases such as goods, things to do, and getaways. Such a source is ideal to examine the effect of purchase type on preference for mystery as it allows us to observe actual behavior.

Since the Groupon deals are time sensitive, I scraped the data from Groupon on the same day within a 2-hour period by setting the geographical location to United States. I typed “mystery deals” in the search bar to find relevant offers only within the goods category. This is because search results of the other categories vary according to the location of search. Once the

data was collated, Final sample included 9 product categories (e.g., toys, entertainment, sports and outdoor, grocery and household), which comprised 62 mystery goods and 5112 non-mystery goods. For each deal, I captured information such as discounted price, discount percentage, average rating of the product, and number of people who rated the product.

As my searches used a pre-specified keyword, this may introduce a selection bias to the data set. In order to eliminate such biases, I used propensity score matching technique, which creates a statistically comparable sample that are balanced by the observations (Rosenbaum and Rubin 1983). The treatment group (mystery deals) was matched to a control group (non-mystery deals) on a 1:2 matching based on the product category, discounted price, discount percentage, and number of people who rated the product. This technique produced a final sample of 111 deals. Two graduate assistants rated the extent to which the nine product categories are material, material-experiential or experiential based on Van Boven and Gilovich (2003) definition. The agreement between the coders were 77.78% and the differences were solved with the help of another coder.

## **Results**

I conducted ANCOVA, product rating as the dependent variable, purchase type, type of deal (mystery vs. non-mystery), and the interaction between the purchase type and deal as the independent variables. The percentage of the discount, discounted price, and number of people reviewed served as the control variables. The interaction between purchase type and mystery was significant in predicting the purchase rating ( $F(2, 71) = 5.14, p < .01$ ). The purchase type was significant in predicting the product rating ( $F(2, 71) = 4.06, p = .02$ ) while mystery was nonsignificant in predicting product rating ( $F(1, 71) = 2.12, p = .15$ ). The control variables,

number of people who rated the product ( $F < 1$ ), percentage of discount ( $F < 1$ ), and discounted price ( $F(1, 71) = 2.34, p = .13$ ) were not significant in predicting the product rating. Results of Study 6 provides further proof that mystery deals are preferred for the purchases that are perceived to be more experiential than material.

## **Discussion**

Study 6 improved the robustness of the findings by using data from the real world. Especially, this study is a conservative test given that I only used products that belongs to the goods category. If I included things to do categories in the sample, I expect the effect to be more pronounced for the experiential purchases.

### **Single Paper Meta-Analysis**

In essay 3, I tested the effect using different samples and using different ways to operationalize purchase type. To check the robustness across these methods, I conducted a single paper meta-analysis on five experimental studies. A similar procedure was followed as in previous two essays (Goh, Hall, and Rosenthal 2016, McShane and Böckenholt 2017). An average effect size of .16 (95% CI: [.10, .23]), which is a medium effect was observed for the experimental studies (Cohen 1992). No notable differences between these studies were reported ( $Q = 4.37, p = .36$ ).

Next, I examined whether there are differences in sample characteristics. The studies which employed student samples had an effect size of .18 (95% CI: [.10, .27]), while an effect size of .13 (95% CI: [.02, .24]) was reported for the MTurk sample. However, no significant differences between the two samples were noted ( $Q = .54, p = .46$ ). Then, I examined the operationalization of purchase type. Studies which used purchase framing had an effect size of

.15 (95% CI: [.08, .22]), whereas the study which employed product category reported an effect size of .27 (95% CI: [.09, .46]). Comparison between these two operationalizations did not yield any differences ( $Q = 1.40, p = .24$ ). Overall, this meta-analysis provides further evidence for the robustness of the effect.

## **Discussion**

In a series of six studies, I demonstrated that consumers have a greater preference for mystery options when acquiring experiential than material purchases. I demonstrated the effect using different product categories representing these purchases (Study 1) and purchase framing (studies 2 - 5). Furthermore, I showed important moderators for my effect—need for excitement (Study 4) and decision target (Study 5). Finally, I used data from a popular deal website to provide evidence in a real-life setting (Study 6). I also demonstrated that curiosity, risk taking, and anxiety are unlikely to drive the effect of purchase type on preference for mystery options (Study 3).

My findings have both theoretical and practical implications. This work advances the experiential and material literature by investigating preference for mystery as an important downstream consequence of these purchases. Prior work has extensively demonstrated happiness as a major consequence (Carter and Gilovich 2010; Carter and Gilovich 2012; Nicolao, Irwin, and Goodman 2009; Van Boven and Gilovich 2003) along with the limited work on other types of consequences such as inclination to borrow (Tully and Sharma 2017), gratitude (Walker, Kumar, and Gilovich 2016), and relationship strength (Chan and Mogilner 2017). I not only introduce a new downstream consequence, but also demonstrate that such an effect happens

through need for excitement. Furthermore, the two moderators show when the effect of purchase type on preference for mystery is enhanced.

My work contributes to the emerging body of literature on positive effects of uncertainty or mystery (Lee and Qiu 2009; Paley, Meyvis, LeBoeuf, and Nelson 2015) by demonstrating how purchase type influences the preference for mystery option. The mechanism need for excitement enhances our understanding about the process that underlies such an effect. I also contribute to the limited literature on mystery appeals. Prior work has predominantly examined mystery appeals in the retail settings and studied downstream consequences (Hill, Fombelle, and Sirianni 2015; Van Dijik and Zeelenberg 2007; Goldsmith and Amir 2010; Laran and Tsiros 2013). In the current work, I examine an antecedent of the mystery appeals in a consumer decision making setting and show that preference for mystery appeals depends on the purchase type.

My findings are also in line with the work of Laran and Tsiros (2013), who found that mystery appeals work well for affectively laden product categories than the cognitively laden product categories. Since experiential purchases are affectively driven decisions than material purchase decisions (Gallo, Sood, Mann, and Gilovich 2017), mystery appeals work well for experiential purchases than material purchases.

I hope that my work stimulates interest to understand mystery appeals in a consumer decision making set up. More specifically, future research needs to examine antecedents for such appeals and mechanisms that drive the effects. Another avenue for future work is to study how individual differences can moderate the purchase type effect on preference for mystery appeals. For example, individual difference in sensation seeking (Zuckerman 1971) can moderate the

effect, such that individuals who are higher sensation seeking may have a higher preference for mystery regardless the type of purchase. On the other hand, those who are low in sensation seeking may show a difference based on the type of the product.

My findings also offer important insights to practitioners. Marketers can design effective communication strategies to influence consumer's attitudes and willingness to pay for these two types of purchases. In particular, marketers of experiential purchases can induce mystery in their advertising campaigns to persuade the consumers, whereas marketers of material purchases may benefit from using less of mystery appeals. Similarly, marketers can take the advantage of the malleable nature of product perception by using purchase-framing technique (as demonstrated in studies 2 – 5). Framing a purchase as an experiential purchase will increase the preference when the offer is mysterious, while framing the same purchase as a material purchase will be more effective when offer is less mysterious.

## **CHAPTER FIVE: SUMMARY AND IMPLICATIONS**

### **Introduction**

Across three essays, I examined how consumers make tradeoffs. More specifically, first two essays focused on the material-experiential tradeoffs and the last essay examined the tradeoffs between mystery and non-mystery options in experiential and material purchase decisions. Such an understanding about tradeoffs has implications for both consumers and marketers. On one hand, consumers have individual differences and they attempt to choose the best option that fulfill their needs. On the other hand, marketers of these purchases seek to understand the effective ways to persuade their consumers.

The first essay (chapter 2), examined the role of regulatory focus on material-experiential tradeoffs. I demonstrated that individuals with promotion focus have a stronger preference for experiential purchases than the individuals with prevention focus (studies 1, 2, and 3). I also used purchase framing to show when regulatory focus shifts from promotion to prevention, individuals have a higher attitude towards experientially framed purchase than materially framed purchase (Study 4). Furthermore, I provided the evidence for focus of attention as the underlying mechanism (Study 5). Finally, the secondary data studies extended the findings to a real-life setting (studies 6-7).

My second essay (chapter 3), examined how self-construal influences tradeoffs between material and experiential purchases. Across different operationalizations of self-construal and purchase type, I provided evidence that independent individuals have a stronger preference towards experiential purchases than the interdependent individuals (studies 1-4). Additional two studies (studies 5 and 6) provided the process evidence by demonstrating the role of uniqueness



consideration. Finally, the third essay (chapter 4), investigated consumer tradeoffs between mystery and non-mystery options for experiential and material decisions. I demonstrated that consumers have a higher preference for mystery options when making experiential decisions than when making material decisions (studies 1 and 2). Next, I showed that the need for excitement underlies such an effect (Study 3). Final two experimental studies (studies 4 and 5) examined the boundary conditions for the effect. Lastly, using data from Groupon, I showed that the effect is visible in the real-world setting (Study 6). My dissertation has important theoretical and managerial implications.

### **Theoretical Contribution**

My findings expand the literature on material and experiential purchase by examining antecedents and downstream consequences of these purchases. The understanding of how regulatory focus influences the tradeoffs between these two types of purchases and the underlying mechanism that drives such tradeoffs advances the experiential and material purchase literature. This work adds to the consumer literature by demonstrating regulatory focus as an important antecedent in the tradeoffs between material and experiential purchases. Moreover, studying focus of attention as the process contributes to our knowledge of the underlying mechanism behind such consumer choices.

Essay 2 contributes to the literature by introducing another antecedent of material and experiential purchases. In particular, I showed the role of uniqueness consideration in such tradeoffs. I also add to the stream of literature on self-construal and consumer judgments (Aaker and Maheswaran 1997; Gürhan-Canli and Maheswaran 2000; Monga and John 2007) by demonstrating its role in the preference between different types of purchases. Most importantly,

introducing decision type as a moderator helps to reconcile my findings with the existing literature. This research will also advance our understanding of the material-experiential tradeoffs and the underlying processes.

My findings on preference for mystery (essay 3) add to the experiential and material purchase literature by examining a downstream consequence of these purchases. Need for excitement introduces a new mechanism that drives the effect. I also contribute to the limited literature on mystery appeals by examining an antecedent of such appeals, the mechanism, and boundary conditions for the effect. Lastly, I contribute to the positive effects of mystery literature by demonstrating that mystery can bring about positive outcomes (e.g., product evaluation) in consumer choice context. Overall, my three essays contribute to consumer-judgement and decision-making literature by investigating how tradeoffs occur in material and experiential purchase domain.

### **Managerial Implications**

My dissertation has important implications for developing effective advertising strategies. As shown in essay 1 and essay 2, focus of attention and uniqueness consideration facilitate the tradeoffs between material and experiential purchases. Thus, marketers have to design the advertising campaigns in such a way that improves focus of attention in certain situations while uniqueness consideration in others. For example, they may use purchase framing or situationally activating concepts. My findings also have implications for search engine optimization and social media marketing, as such using congruent keywords and hashtags will ease how consumers make decisions.

Furthermore, my findings in essay 3 not only provide valuable insights to design advertising strategies but also design product offerings. When advertising experiential purchases, evoking mystery may help the marketers to increase the preferences; however, this will not be beneficial when advertising material purchases. In a similar vein, framing the purchase as an experiential purchase will be effective when the product features are mystery or uncertain whereas material framing will be effective when the product features are certain. In crafting products, marketers have to design material purchases in such a way that they reveal most of the product features and provide assurance for the purchase. Such designs will not be necessary for experiential purchases. Overall, my dissertation makes important contributions to material and experiential purchase literature by examining both antecedents and consequences of these purchases.

## **APPENDIX A: IRB DOCUMENTS**



University of Central Florida Institutional Review Board  
Office of Research & Commercialization  
12201 Research Parkway, Suite 501  
Orlando, Florida 32826-3246  
Telephone: 407-823-2901 or 407-882-2276  
[www.research.ucf.edu/compliance/irb.html](http://www.research.ucf.edu/compliance/irb.html)

### Approval of Exempt Human Research

From: UCF Institutional Review Board #1  
FWA00000351, IRB00001138  
To: Ganga Subhashini Urumutta Hewage  
Date: October 12, 2016

Dear Researcher:

On 10/12/2016, the IRB approved the following modified activity to human participant research that is exempt from regulation:

Type of Review: Exempt Determination  
Modification Type: Revised MTurk Consent form, Modified Survey instrument  
Project Title: Regulatory focus impact on experiential and material consumption  
Investigator: Ganga Subhashini Urumutta Hewage  
IRB Number: SBE-16-12211  
Funding Agency:  
Grant Title:  
Research ID: N/A

This determination applies only to the activities described in the IRB submission and does not apply should any changes be made. If changes are made and there are questions about whether these changes affect the exempt status of the human research, please contact the IRB. When you have completed your research, please submit a Study Closure request in iRIS so that IRB records will be accurate.

In the conduct of this research, you are responsible to follow the requirements of the [Investigator Manual](#).

On behalf of Sophia Dziegielewski, Ph.D., L.C.S.W., UCF IRB Chair, this letter is signed by:

A handwritten signature in black ink, appearing to read "Patria Davis".

Signature applied by Patria Davis on 10/12/2016 09:10:24 AM EDT

IRB Coordinator



University of Central Florida Institutional Review Board  
Office of Research & Commercialization  
12201 Research Parkway, Suite 501  
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### Approval of Exempt Human Research

From: **UCF Institutional Review Board #1  
FWA00000351, IRB00001138**

To: **Ganga Subhashini Urumutta Hewage**

Date: **February 01, 2017**

Dear Researcher:

On 02/01/2017, the IRB approved the following activity as human participant research that is exempt from regulation:

Type of Review: Exempt Determination  
Project Title: Self construal impact on choice  
Investigator: Ganga Subhashini Urumutta Hewage  
IRB Number: SBE-16-12801

This determination applies only to the activities described in the IRB submission and does not apply should any changes be made. If changes are made and there are questions about whether these changes affect the exempt status of the human research, please contact the IRB. When you have completed your research, please submit a Study Closure request in iRIS so that IRB records will be accurate.

In the conduct of this research, you are responsible to follow the requirements of the [Investigator Manual](#).

On behalf of Sophia Dziegielewska, Ph.D., L.C.S.W., UCF IRB Chair, this letter is signed by:

A handwritten signature in black ink, appearing to read "Gillian Morien".

Signature applied by Gillian Morien on 02/01/2017 12:25:24 PM EST

IRB Coordinator



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## Approval of Exempt Human Research

From: **UCF Institutional Review Board #1**  
**FWA00000351, IRB00001138**

To: **Ganga Subhashini Urumutta Hewage**

Date: **September 06, 2017**

Dear Researcher:

On 09/06/2017, the IRB approved the following activity as human participant research that is exempt from regulation:

Type of Review:	Exempt Determination
Project Title:	Experiential and material purchases and consumer behavior
Investigator:	Ganga Subhashini Urumutta Hewage
IRB Number:	SBE-17-13303
Funding Agency:	
Grant Title:	
Research ID:	N/A

This determination applies only to the activities described in the IRB submission and does not apply should any changes be made. If changes are made and there are questions about whether these changes affect the exempt status of the human research, please contact the IRB. When you have completed your research, please submit a Study Closure request in iRIS so that IRB records will be accurate.

In the conduct of this research, you are responsible to follow the requirements of the [Investigator Manual](#).

On behalf of Sophia Dziegielewski, Ph.D., L.C.S.W., UCF IRB Chair, this letter is signed by:

A handwritten signature in black ink, appearing to read "Gillian Amy Mary Morien".

Signature applied by Gillian Amy Mary Morien on 09/06/2017 03:32:51 PM EDT

IRB Coordinator

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