Luxury Good Expenditures of Husband and Wife Dyads Incorporating User Attitudes

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We study the purchasing behavior of husband and wife dyads in a luxury good category, specifically jewelry. In addition to studying the purchasing behavior of husbands and wives, we are also able to compare that of “users” and “non-users” of the product, as all purchases are made for the wife. We develop a dyadic model of husband-wife expenditures on jewelry which includes three types of information: the attitudes of the wife (user), the purchasing behavior of both members of the dyad (husband and wife), and individual and household demographic information. We find revealing differences in the purchasing behavioral between husbands and wives and the factors that affect those behaviors. Our results are useful for marketers of luxury goods where both wives (users) and husbands (non-users) within a household are the purchasers of the product, and therefore marketing to both is advantageous.

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the salespeople use when attempting to adapt. They use overt cues and associated stereotypes as opposed to really attempting to understand consumers’ needs. By adapting in this manner, the dangers are many including missed opportunities for initial sales and missed opportunities for really connecting with a consumer on a deeper level, which helps to create loyal consumers.

The next step in the research is to conduct additional depth interviews with retail salespeople in different sectors of retailing, e.g., clothing and home furnishings in order to ascertain how wide spread some of the issues we have initially uncovered are among retail salespeople. Following that we plan to gather observational data of retail salespeople in actual selling situations to see if it corresponds with what the salespeople tell us they do.

Reference

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Extended Abstract
Luxury is defined as, “something adding to pleasure or comfort but not absolutely necessary; an indulgence in something that provides pleasure, satisfaction, or ease.” (Merriam-Webster Dictionary, 2004). In the broadest definition of luxury, the U.S. luxury goods retailing market, which includes product categories such as perfume, jewelry, watches, cars, champagne and crystal, to name a few, surpassed the $500 billion mark in 2004 (SmartMoney, 2004). Despite its size, the luxury industry as a whole is relatively under researched in the marketing literature. Those that have studied luxury goods have focused on the consumer psychology of consumption, such as materialism, symbolism, and social identity (Prendergast and Wong 2003; Vickers and Renand 2003), to name a few. However, no study in the academic literature has investigated the unique buying behavior of husbands and wives in luxury goods categories, or the impact of user attitudes, spousal purchasing behavior, and individual and household characteristics on either of these.

This paper investigates luxury good expenditures of husband and wife dyads within a household, where all purchases are made for the wife. This allows us to compare the purchasing behavior of user and non-user within a household as well as that of husband and wife dyads. Our main interest is to understand how the purchasing behavior, attitudes, and personal characteristics of one member of the dyad affect the purchasing behavior of the other.

We begin by developing a conceptual model of the dyadic purchasing behavior of husbands (non-users) and wives (users) for luxury goods. To explain the purchasing behavior of each of the two members of the dyad, we include as explanatory variables in our model, 1) the wife’s (user’s) attitudes towards the product and product category, 2) the purchasing behavior of the other member of the dyad, and 3) individual and household characteristics. Figure 1 provides a pictorial view that captures this logic.

As Figure 1 shows, our dyadic model of husband and wife expenditures for luxury goods is influenced by exogenous and endogenous factors. The three rectangles represent the exogenous variables of the wife’s attitudes towards jewelry, individual characteristics about the husband and the wife, and household characteristics. The two circles represent the endogenous variables of the expenditure of each spouse, and are determined by the model.

To test our dyadic conceptual model we conduct an empirical study that utilizes 2003 diary panel data provided by Ipsos, a global market research company which ranks 3rd among all global survey-based research companies with 2004 revenues of 605.6 million euros. The data tracks husband and wife expenditures on jewelry for the wife only, for up to a four month period. The jewelry category is a large and important sector of the luxury goods category. U.S. jewelry sales were estimated at $45B in 2004 and in the same year jewelry represented the fastest growing advertising category for many luxury magazines including Vogue and Town & Country (*Advertising Age*, 2004).

We first use factor analysis to reduce a set of thirteen original variables capturing wives’ attitudes towards jewelry. The thirteen original variables are reduced to five main user attitudes, which we label, “Guilty Consumer”, “Romantic Consumer”, “Enthusiastic Purchaser”, “Involved Recipient”, and “Infrequent User”. We then use the method of instrumental variables to estimate the parameters of our dyadic model of luxury good expenditures where the dependent variables are the husband’s expenditures on jewelry for his wife, and the wife’s expenditures on jewelry for herself during the window of observation. The explanatory variables in our model include the five user attitudes mentioned above, the spending behavior of both members of the dyad, and personal and household characteristics of the husband and wife.

Our findings reveal that while household income is a useful predictor of luxury good spending, income has a different impact on the expenditure of husbands (“non-users”) than wives (“users”). We also find that “user” attitudes of the wife affect her self-purchases differently than the purchases made for her by her husband, and that spousal purchasing behavior and individual and household characteristics affect a wife’s purchases of luxury goods for herself differently than they affect the purchases made for her by her husband.

Our results are useful for marketers of luxury goods where both wives (users) and husbands (non-users) within a household are purchasers of the product, but they behave differently and therefore developing a differentiated approach to market to both is advantageous.

References
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FIGURE 1
Model of Husband-Wife Dyad Expenditure on Luxury Goods for the Wife

Merriam-Webster Dictionary (2004), Merriam-Webster, Incorporated, Springfield, MA.

Does a Broken Heart Lead to an Empty Wallet? Social Exclusion Affects Impulsive Spending
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Extended Abstract
Impulse purchases are made spontaneously, without deliberation, and without regard for the consequences of making the purchase (Rook 1987). Hoch and Loewenstein (1991) argued that the decision to purchase is determined by 2 factors: The desire to purchase and the amount of willpower one has to overcome this desire. When the urge to purchase becomes stronger than the amount of willpower, purchasing becomes more likely.

Recently, Vohs and Faber (in press) demonstrated that people with a reduced capacity to exert self-control are more likely to spend money impulsively. That is, participants who engaged in prior acts of self-control, and therefore had a reduced capacity to exert self-
control, spent more money than participants who had not engaged in prior acts of self-control. Research on social exclusion has shown that when people are socially excluded they engage in behavior indicative of low self-control (Baumeister, DeWall, Ciarocco, & Twenge 2005). For example, they eat more cookies, drink less of a healthy but unpleasant-tasting drink, and give up on difficult tasks sooner than participants who were not socially excluded. Thus, socially excluded people are less able to implement a more desirable response than participants who are not socially excluded. Taken together, these results suggest that social exclusion should lead to increased impulsive spending via reduced self-control. One laboratory study supports this hypothesis.

Social exclusion was manipulated using a procedure developed by Baumeister and colleagues (2005). After arriving to the experiment, participants completed the Eysenck Personality Questionnaire (EPQ). The experimenter scored their questionnaire; based on random assignment, the experimenter gave the participant bogus feedback regarding their personality score. Participants in the future belong condition were told they would have rewarding relationships throughout life, a long and stable marriage, and lastimg friendships. Participants in the future alone condition were told they would end up alone later in life; their current friends and relationships would fade away, their (several) marriages would all dissolve, and they would essentially be alone later in life. Participants in the misfortune control condition were told they would be accident prone later in life. This condition served as a negative feedback control, allowing us to attribute increases in spending to the specificity of negative feedback regarding social relationships, not negative feedback in general. After the feedback, we checked for differences in affect by administering the Brief Mood Introspection Scale (BMIS; Mayer and Gaschke 1988).

Next, we measured amount willingness to spend, using a Feinberg (1986) method adapted by Vohs and Faber (in press). Participants were given a binder, which contained 15 glossy pictures of various mid to high end products (watch, car, fridge, sofa, jewelry, etc.). Participants were asked to indicate the maximum price they would be willing to pay for each product. Independent raters classified the products according to three categories: 1) Products one purchases for the self (e.g., Widescreen Flat-Panel TV) 2) Products one purchases to indicate status or resources, that is, conspicuous consumption products (e.g., Audi, Rolex) and 3) Products one buys for practical purposes (e.g., table, sofa).

We summed amount willing to pay for all 15 products as an overall index of willingness to spend. An ANOVA with condition as the predictor showed that participants in the future alone condition were willing to pay significantly more than the future belonging condition and the misfortune control condition. Willingness to pay was not significantly different between the future alone condition and the misfortune control condition.

We also summed amount willing to pay for the three categories of items: Conspicuous consumption items, items for the self, and practical items. Three separate ANOVAs using condition as the predictor showed that participants in the future alone condition were willing to pay significantly more for conspicuous consumption items and items purchased for the self than participants in the future belonging condition and misfortune control condition; however, there was no difference between the three groups in willingness to pay for practical items.

Our experimental design precludes the possibility that obtained results are attributable to receiving negative feedback. Participants in the misfortune control condition also received negative feedback; however, they were willing to pay less than participants in the future alone condition. The increase in willingness to spend seems more specific to the negative feedback of social exclusion.

No differences in emotion, measured by the BMIS (Mayer and Gaschke 1988), were found as a result of the feedback. This is consistent with previous laboratory social exclusion manipulations (e.g., Baumeister et al., 2005). Furthermore, correlations between amount willing to pay and emotion indicated there were no significant relations between our dependent measures and emotion.

In sum, this study provides evidence that social exclusion leads to increased willingness to spend. Participants who have been socially excluded indicated they would pay more for products that demonstrate status and resources, as well as for products one purchases for the self, relative to participants who were not socially excluded. Social exclusion did not, however, lead to an increased willingness to pay for practical items.

References

It’s About Time: Sex Differences in Estimating Time for Shopping in Five Contexts
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Traditional sex roles hold that women not only spend more time shopping than men, but also enjoy shopping far more than men do. Indeed, there seems to be as much pride among men when they announce how much they “hate” shopping as among women who proclaim their prowess (Dennis & McCall, 2005). If retailers and researchers wish to alter males’ perceptions of shopping, we require a better
understanding of the processes that maintain those sex differences. To help fill this gap, this research will test the hypothesis that sex differences in shopping behavior are reflected in, and influenced by, the amount of time women and men estimate in advance for shopping tasks, and more fundamentally, in how they arrive at these estimates. Men, more so than women, may be falling into a form of planning fallacy (Kruger & Evans, 2003) where time estimates become unrealistic, leading to unpleasant experiences.

Time estimation and shopping enjoyment are linked in a close, reciprocal relationship that can have dramatic effects on the retail environment (Donovan, Rossiter, Marcoolyn & Nesdale, 1994). Previous research shows that enjoyment of a task may lead to an underestimation of time elapsing as the task unfolds, as when people lose track of time doing something they enjoy (see Chaston & Kingstone, 2004). Conversely, underestimating time in advance of an activity will tend to create a sense of time pressure that can interfere with the task and reduce enjoyment. Time pressure has been identified as a significant source of shopping stress (Aylott & Mitchell, 1999; Fram, 1991, 1992; Fram & Axelrod, 1990; Sujan, Sujan, Bettman, & Verhallen, 1999). Time pressure is an important variable for marketers to understand because it affects attitude towards shopping (Mowen, 1993) and consumer behavior (Van Kenhove & De Wulf, 2000). The amount of time allotted for shopping, and the way in which shopping time is estimated, can either exacerbate or relieve time pressure. For this reason, time estimation holds the potential to be a lynchpin in understanding the psychological differences between men and women shoppers; there is little previous research in this area.

To test the hypotheses underlying this study, we required a diversity of shopping contexts experienced by both sexes and a relatively homogeneous sample of shoppers. We selected a sample of men and women enrolled full-time in the Business program at Cape Breton University. This allowed for with the added benefit of a “member check” (Maxwell, 2005) of our interpretations of the results with a subgroup of 30 study participants. After pilot testing, we asked the main sample of 203 respondents to estimate the time required to perform specific shopping tasks with which they had experience. The self-report questionnaire had several elements, but our focus in this paper is on the time estimation data.

Shopping is a contextualized act (Buttle, 1992). Therefore, we asked respondents to imagine shopping in 5 different contexts commonly experienced by both men and women. In each context we presented respondents with a product acquisition motive. The specific contexts were shopping for (1) a gift, (2) a computer, (3) a leisure product such as sporting goods, a book, or music, (4) clothing (specifically jeans or casual pants) and (5) a short list of grocery items. We tested the hypothesis that men and women estimate time differently within each of the contexts (MacNeil, 2006).

In analyzing the time estimates provided by men and women in the five shopping contexts, significant main effects were found for both sex \( (F(1,162)=17.2, p<.001, \text{partial eta-squared}=.096) \) and shopping context \( (F(4,648)=28.9, p<.001, \text{partial eta-squared}=.151) \), and the interaction was significant \( (F(4,680)=5.91, p<.001, \text{partial eta-squared}=.035) \). The main effect for sex indicates that women and men differ significantly in their estimates of shopping time, and the significant interaction indicates that sex differences in time estimation depend on shopping contexts.

Results showed that in all contexts women estimated longer amounts of time than did men, but sex differences were statistically significant \( (p<.05) \) in only three of the five shopping contexts: gift, computer, and clothes. In two contexts, gift and computer, women estimated it would take almost 50% more time than did the men. In the clothing context, women’s estimates were almost twice as high as those given by men. The estimates of time were very similar and not significantly different for leisure product and grocery shopping.

To better understand why men and women are providing different estimates of time, we examined sex differences in the methods by which those estimates were generated. In three of the shopping contexts, we asked respondents to indicate the method of time estimation by selecting one of four options (ballpark, desired time, recall, and subtasks). Using 2 x 4 cross-tabulations and the chi-square statistic we found significant differences in both the gift and leisure product contexts, where men preferred the cursory “ballpark” estimation method, and women preferred to estimate by recalling a previous shopping trip. No significant differences were found in the method of estimating the time required to purchase a computer.

The major results of this study both support and qualify the hypotheses we had in approaching the research project. We found that women tend to allocate more time to shopping than men, but the difference depends on context. We also found that men tend to use more cursory methods of time estimation, though again the shopping context has an impact. Finally, when asked to use the same time estimation procedure, breaking the task into subtasks and estimating the time allocated to each, men and women differ in one context (clothing) and not the other (grocery). The complexity of the results and their implications for retail environments suggest that time estimation for shopping will be fertile ground for future research.

References


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**The Role of Prior Knowledge in Advertisement Evaluation**

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**Extended Abstract**

As an important construct in consumer research, prior knowledge has garnered researchers’ attention for more than two decades. Previous research traditionally focuses on prior knowledge’s impact on consumers’ information search, information processing and learning behaviors. Very few studies (e.g. Roehm and Sternthal 2001) have directly explored the role of prior knowledge in advertisement evaluation. The attempted contribution of this research is to broaden our understanding in this area by investigating the processes by which knowledge has its impact on consumers’ evaluation of advertising messages.

The angle from which this study looks at prior knowledge is different from past research in which knowledge is often operationalized as a dichotomous variable (i.e. high vs. low or objective vs. subjective). This study distinguishes itself by focusing on knowledge accessibility and its applicability in judgment. Advertising messages are usually seen or heard by consumers for a very brief period of time. It is unlikely that consumers will null over their stored knowledge before forming impressions of the ads. In these circumstances, the accessible knowledge ought to play a major role in making judgments. What remains unclear is the interaction between the accessible knowledge and the salient features of the messages to which they attend.

Higgins (1995) proposes that the relation between the stored knowledge and stimulus information depends on whether the perceiver have a priori expectancies or goals. When expectancies or goals are absent, only those salient features of the stimulus that match stored knowledge are relevant. When expectancies or goals are present, “both features that match and features mismatch stored knowledge are relevant” (p.137). Armed with the popular persuasion models such as Elaboration Likelihood Model (Petty and Cacioppo 1986), I translate Higgins’ proposition into the following research hypothesis: (1) when message processing motivation is low, consumers will give more positive evaluations to the advertisement whose salient feature matches their accessible knowledge about the advertised product; (2) when message processing motivation is high, consumers will not rely on their accessible knowledge to make judgments. There will be no significant difference between the evaluations of matched and mismatched advertisements.

A 2 (processing motivation: low vs. high) x 3 (knowledge accessibility: match vs. mismatch vs. control) between-subjects laboratory experiment was conducted to test the research hypothesis. In the experiment, student subjects’ prior knowledge about a specific product feature was made accessible by a priming task. A no-prime control condition was also included. After the priming, subjects were presented with a print newsletter that contains the focal advertisement. Subjects’ processing motivation was manipulated by instructing them either to produce a detailed evaluation (high motivation condition) or to provide reading time estimation (low motivation condition).

The results confirmed the hypothesis. Under the low processing motivation condition, matched ads received more favorable evaluations and the mismatched ads were judged worse than those in the no-prime control condition. Under the high processing motivation condition, no significant difference was found across all conditions.

A second study is proposed to test the external validity of the findings from the first study and to provide managerial implications of this research to marketing practitioners.

**References**


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**I Self Gift Therefore I am: An Examination of Self-construal and Consumers Attitudes Towards Self-gifting**

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**Extended Abstract**

Up until the last decade, gift giving theory and research had been primarily dyadic or interpersonal in nature (e.g. Belk, 1979). Nonetheless, it was acknowledged that people may sometimes give gifts to themselves, and suggested that the self-gift phenomenon may be widely occurring in American society (Mick and DeMoss, 1990a, 1990b).

More specifically, it appears that gifts to oneself are ubiquitous, at least in American society. (Mick and DeMoss, 1990b). Other research has substantiated the notion that self-gifts are a fairly common and important phenomenon particularly in western consumer.
behavior (e.g. Faure and Mick, 1993). According to social researchers, Western individuals have become increasingly self-oriented in their purchases and consumption behavior (Mick, DeMoss and Faber 1992), and an example of this phenomena has been labeled self-gifts. Similarly, McKeage et al. (1993) believe that people have been giving gifts to themselves since the early beginnings of self-indulgence.

Self-gifting is clearly prevalent in western consumer behavior. The question then becomes whether the propensity to self gift is confined to the United States, or a more wide spread phenomenon. For example, it is well established that people with different cultural backgrounds may behave differently and have different reactions to similar situations. More specifically, research has shown that different cultural identifications have an impact on the way people think, feel, and behave (e.g. Markus and Kitayama, 1991). How does this effect self-gifting behavior? This research proposes to answer this question by investigating whether self-gifting is a universal phenomenon or one simply confined to Western societies by examining consumers self-construal and attitude towards self-gifting.

Overall, it has been suggested that self-gifts represent a complex class of personal acquisitions that offer intriguing insights on self-directed consumer behavior (Mick and DeMoss 1990b). “Self gift theory will likely benefit from drawing on additionally relevant psychological research” (Mick and DeMoss, 1990b p. 329) since “with rich and complex qualities, self-gifts provide a window through which consumer behavior can be viewed in some of its most adaptive, dramatic and personal significant forms” (Mick and DeMoss, 1990b p.331).

As demonstrated by its name and definition, one of the predominant aspects of self-gifting is the direct focus on the self. Clearly, if people view the self differently, they will react differently to self-gifting. Taken together with the recommendation above by Mick and DeMoss (1990), we propose to draw on the psychological research of Markus and Kitayama (1991) that identified two dimensions of the self that can be used to characterize consumer’s self-construal as well as explain and identify differences between cultures: independence and interdependence.

According to Markus and Kitayama, self-construal can be conceptualized by the degree of independence/interdependence that a person possesses. They further state that all people contain both an independent and interdependent self, but that the culture in which they are bought up in influences which one dominates. For example, Europeans and Caucasian Americans are typically said to be independent because they tend to emphasize the individual whereas people from Asian cultures are typically interdependent because they tend to emphasize the group as more important than the individual. People with independent self-construals strive to develop and express their unique characteristics, whereas people with interdependent self-construals place value on harmonious relationships with others and acceptance in their community. Those with well-developed independent self-construals gain self-esteem through expressing the self and validating their internal attributes, whereas harmonious interpersonal relationships and the ability to adjust to various situations are sources of self esteem for the interdependent self-construal (Singelis 1994). After reviewing an extensive array of studies, Markus and Kitayama (1991) argue that these independent and interdependent views of the self influence cognition, emotion, and motivation and help to explain individual differences between cultural groups.

It seems reasonable then to propose that consumers’ self-construal will have an impact on their attitude and likelihood to self-gift. More specifically, it seems that people with an independent self-construal will be more likely to self-gift, as they tend to have self-benefiting motivations, such as the need to achieve, self-enhance, or affiliate. Conversely, people with an interdependent self-construal will be less likely to self-gift as they tend to derive their motivations from what benefits others and a group as a whole, such as the need to be agreeable to others, to accommodate to their needs, and to restrain one’s own wishes or wants.

To test the above propositions, a survey was distributed to 84 college students in the New York area that measured their self-construal, attitude, subjective norm, and likelihood to self-gift and some other demographic information. As predicted, subjects with high independent self-construals had a significantly more favorable attitude towards self-gifting, and subjects with high interdependent self-construals had a significantly less favorable attitude towards self-gifting (Mindependent=5.37, Minterdependent=4.87; p<.01). We also tested subjects’ attitude towards self-gifting advertisement slogans (e.g. “The perfect little thank me” (Andies candy) and “Because I’m worth it” (L’Oreal). Overall, Independents had a significantly more favorable attitude towards self-gifting slogans and Interdependents had a significantly less favorable attitude towards them (Mindependent=6.42, Minterdependent=5.98; p=.018).

The results of this research have important implications for managers, particularly when choosing an international advertising strategy. It will help companies who market their products in the United States using self-gift appeals in their advertisements decide whether they should use these messages in other countries or need to modify them to successfully sell their products. Based on our study, it seems that they cannot standardize these ads for countries that have consumers typically classified as having Interdependent self-construal. However, the results of this analysis provide some direction to marketers as to what appeals they should use. More specifically, rather than the slogans used in the United States that emphasizes the worth of the individual, (i.e. you deserve it), to better target Interdependents, the slogans should emphasize family and friends and their happiness.

Bibliography