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SPECIAL SESSION SUMMARY
Drivers of Hedonic Choice
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SESSION OVERVIEW

Utilitarian goods are characterized by high functionality or practicality, while hedonic goods are characterized by their experiential aspects. (e.g., Batra and Ahtola 1991; Hirschman and Holbrook 1982). The advent of scanner data launched considerable research examining the drivers of choice of utilitarian products (e.g., Guadagni and Little 1982), but researchers have only recently begun to explore the factors that influence the choice of hedonic goods. For example, Shiv and Fedorikhin (1999) showed that under conditions of low cognitive resource availability, affect tended to dominate choice (leading to the choice of a hedonic item), but the reverse occurred under conditions of high resources. Further, Wertenbroch (1998) finds that consumers utilize self-regulatory strategies (e.g., self-rationing ) to maintain self control over their consumption of hedonic (vice) goods, while Kivetz and Simonson (2002) argue that individuals are more likely to feel guilty after selecting hedonic items over utilitarian items. Finally, detailed consumption data for hedonic goods are becoming available, offering research opportunities similar to that of scanner data.

This session sought to contribute to the increasing interest in understanding hedonic choice processes, bringing together a set of respected researchers in the area. All three papers examined the underpinnings of hedonic choice. The first, co-authored by Baba Shiv (University of Iowa), Rosie Ferraro (Duke University) and Jim Bettman (Duke University), examined the potential interactive effects of body esteem, thoughts of mortality, and gender on choice of a more hedonic good (chocolate cake) versus a more utilitarian good (fruit salad). The second paper, co-authored by Craig Fox (UCLA), Rebecca Ratner (University of North Carolina), and Daniel Lieb (Duke University) explored the dynamics of hedonic choice, building on the work of Simonson (1990) and Ratner, Kahn, and Kahneman (1999). Specifically, they argued that consumers' bias toward diversification can give rise to choices that vary systematically as a function of how the options are subjectively partitioned by the decision maker. The third paper, co-authored by Jaap Boter (Vrije Universiteit), Jeff Inman (University of Pittsburgh), and Michel Wedel (University of Michigan) sought to extend the literature on intertemporal choice (e.g., Ratner, Kahn, and Kahneman 1999; Inman 2001) by modeling the attributes that drive choice of performing arts alternatives (e.g., symphony, opera, Broadway musical) in a panel of over 14 thousand Dutch arts patrons over a three year period.

The session’s discussant, Barbara Kahn, noted several strengths of the session. First, the papers complemented one another quite well. The Shiv et al. paper focused on moderators of a discrete choice between a hedonic good and a utilitarian good, Fox et al. moved to the context of choice of a portfolio of hedonic goods, while Boter et al. used panel data to model intertemporal choice among hedonic (entertainment) alternatives over an extended period. Second, the papers triangulated on the phenomena using both experimental (Shiv et al. and Fox et al.) and market data (Boter et al.). The lynchpin binding the papers was their goal of deepening our understanding of the factors that influence hedonic choice.

In sum, this session attempted to bring together three papers on the cutting edge of research in the realm of hedonic choice. That is, little is known about how people choose between hedonic and utilitarian goods, how people compose a portfolio of hedonic goods, and how they vary choices over time to satisfy their need for variety. It is our hope that this session will spur additional work in this under-researched area.

EXTENDED ABSTRACTS

“Let Us Eat and Drink; For Tomorrow We Shall Die: Mortality Salience and Hedonic Choice”

Baba Shiv, University of Iowa
Rosellina Ferraro, Duke University
James R. Bettman, Duke University

The tragic events of September 11, 2001 seem to have led to profound changes in people’s behaviors. Anecdotal evidence suggests that people began to break their diets, buy more daring clothing, drink more heavily, and take inherently more risky actions (e.g., meeting an Internet friend in person) (Barnes and Petersen 2001). Although the events of September 11th may be an extreme instance, people are confronted with their mortality on a regular basis; e.g., while driving by a fatal car accident, after hearing of the death of an acquaintance, or while hearing of a murder on the news. Given that people are exposed to death on a regular basis, it is interesting to speculate and examine whether awareness of one’s mortality can lead to more disinhibited consumption behaviors.

Research on Terror Management Theory (TMT) and self-regulation provides a conceptual foundation to examine these issues. According to TMT, making people’s salient mortality activates coping mechanisms that serve to shield people from feelings of anxiety. One way in which people have been found to cope is by focusing on their physical bodies as a way of boosting their self-esteem (e.g., Goldenberg et al. 2000). This coping strategy has been found to be prevalent among individuals who feel that they are successfully meeting internalized standards regarding their bodies. For example, Goldenberg et al. (2000) found that participants with high body-esteem (i.e., those who felt they met internalized standards) increased self-monitoring of their bodies following reminders of mortality, while those with low body-esteem decreased such self-monitoring. Self-monitoring, in turn, has been found to be crucial for self-regulation. For example, Heatherton and Baumeister (1991) found that compared to high levels of self-monitoring, low levels result in more disinhibited eating, particularly among dieters than non-dieters.

Taking the food category as an example, the arguments presented above lead to the following conclusions. When people become aware of their mortality, those high in body-esteem are likely to increase self-monitoring, and, therefore, increase self-regulation. Consequently, such individuals are likely to opt for products that are beneficial in the long run, such as fruit salad, rather than products that provide short-term hedonic benefits, such as chocolate cake. On the other hand, those low in body-esteem are likely to decrease self-monitoring, resulting in a breakdown in self-regulation. In the case of food products, this breakdown is more likely to occur for dieters than for non-dieters, i.e., for women than for men, based on research by Hawkins, Turrell, and Jackson 1983, which suggests that a very high percentage of women in the US tend to be dieters. Consequently, following reminders of mortality, women who are low on body-esteem are more likely to suffer breakdowns in self-regulation and choose products that provide short-term hedonic benefits such as chocolate compared to (1) men (who tend not to be high on dieting), and (2) women who are high
on body-esteem. In other words, in the context of a choice between chocolate cake and fruit salad, we predict a three-way, mortality-salience by body-esteem by gender interaction.

The above predictions were supported across two studies. For example, in one study, participants in the mortality salience condition were asked to describe their reactions and feelings regarding the September 11th tragedy while participants in the control condition were asked to describe their reactions and feelings regarding the Old Capital fire, a fire that destroyed a historic monument at the University of Iowa. Reactions and feelings to the fire were expected to be sad but mortality was not expected to be invoked as there were no deaths. Participants were later given a choice between chocolate cake and fruit salad. Each participant’s body esteem was measured using the Body-Esteem Scale (BES). The results of this study indicate a significant main effect of BES, a significant interaction effect of mortality salience and BES, a significant interaction effect between BES and gender, and a significant three-way interaction between mortality salience, BES, and gender. In the mortality salience condition, females with low BES scores were more likely to choose the chocolate cake than were females with high BES scores. There was no significant difference for males with low compared to high BES scores. In the control condition (i.e., no mortality salience), there was no significant difference in chocolate cake selection between females with low BES and females with high BES. There was also no significant difference for the male participants. These results suggest that mortality salience did lead to more disinhibited choices for females with low levels of body-esteem than for males and for females high on body-esteem. We discuss the implications of our findings and present several directions for future research.

“Diversification and Partition Dependence in Consumer Choice”
Craig R. Fox, UCLA
Rebecca K. Ratner, University of North Carolina
Daniel S. Lieb, Duke University

Studies of choice behavior suggest that consumers typically seek variety among hedonic products when making multiple selections simultaneously (e.g., Simonson, 1990) or even sequentially (e.g., Ratner, Kahn & Kahneman, 1999). More generally, they seem to exhibit a “diversification bias” (Read & Loewenstein, 1995) that appears in other contexts including allocation of investment funds (Langer & Fox, 2003), benefits and burdens (e.g., Messick, 1993), and probabilistic beliefs (Fox & Rottenstreich, 2003).

The purpose of the present research is to demonstrate that consumers’ bias toward diversification among hedonic products can give rise to choices that vary systematically as a function of how the options are subjectively partitioned by the decision maker. Early evidence of this phenomenon can be found in Brenner, Rottenstreich & Sood (1999), who showed that options are more popular when presented as a singleton against a group of alternatives. We introduce “partition dependence” to consumer researchers and to relate it to previously documented phenomena such as variety-seeking and grouping effects. We propose that when consumers are presented with a set of hedonic options from which they must make multiple selections, their choices are governed by some compromise between their most preferred options and a selection that is diversified over some partition of the set of options. Partition dependence can be demonstrated by manipulating the salience of alternative partitions of the option space and by observing a shift toward choices that are diversified over each subset created by the partitions.

We demonstrate partition dependence in a wide range of consumer choice settings. In several studies we group options by levels of a particular attribute and find that respondents tend to allocate their choices more evenly across different levels of the attribute that we happen to make salient. For instance, we asked individuals which of three movies they would like to take home with them and told them that several participants would be randomly selected at the end of the semester to receive their chosen movie titles. Half the participants saw the movies grouped by movie genre (i.e., drama, comedy, vs. action) whereas half saw the same movies grouped by country of origin (i.e., British, Australian, vs. Canadian films). Our partitioning of the options strongly influenced individuals’ choices: 47% chose one of each genre when they were grouped by genre, whereas only 20% chose one of each genre when they were grouped by country. Similarly 63% chose one from each country when they were grouped by country, whereas 47% chose one from each country when they were grouped by genre. In a follow-up study we find partition dependence in physical grouping of options. Participants in one study were asked to choose five candies from a set of four types (Tootsie Rolls, Starlight Mints, etc.) that were piled by type into three large bowls (two bowls contained a single type and one contained two types of candy). Diversification across this physical partition led participants to choose significantly more pieces of candy types that were presented in bowls by themselves than candy types that were presented in the mixed bowl. This occurred despite the fact that participants did not judge the singleton flavors to be more popular or better tasting.

We extend partition dependence to the domain of intertemporal choice by asking MBA students when they would like to consume three free fancy lunches (some were selected at random to receive dated meal coupons). Respondents tended to distribute their meals evenly over the periods into which we arbitrarily partitioned the upcoming school year. Hence, they were more likely to consume meals during the Fall semester (the first two terms of the MBA calendar) when the year was partitioned into {Term 1, Term 2, Spring semester} than when the year was partitioned into {Fall Semester, Spring semester}. We extend partition dependence to the allocation of money over charity funds that are organized hierarchically. When respondents were asked allocate a donation among one international fund and four local funds they gave a median 20% to the international fund. However, when they were asked to first allocate their donation geographically (international versus local) then among the four local funds, they gave a median 50% to the international fund.

In several additional studies, we find that strength and salience of preferences moderate partition dependence. In one study, we found that wine experts exhibited less partition dependence than did novices (i.e., experts’ choices were less affected by whether wines were grouped by grape type or region), although we did find significant partitioning dependence among our self-reported experts. In another study, we found that partition dependence was less pronounced among participants who rated the attractiveness of the options (e.g., snack foods) before they made their choices compared to participants who rated the attractiveness of options after they made their choices. Moreover, partition dependence was less pronounced among participants who exhibited higher variance in their ratings of the choice alternatives compared to participants who exhibited lower variance in their ratings.

Our experiments collectively suggest that consumers offered multiple items from a set of hedonic options tend to diversify their choices across the groups into which options are subjectively partitioned. The partition-dependence phenomenon seems quite robust and may provide a powerful tool that marketers could use to influence consumer choices. Whereas previous researchers have focused on the observation that individuals tend to spread their choices across available alternatives (Read & Loewenstein, 1995), we...
extend this tradition by showing that the way in which people subjectively partition the set of options—by attribute, by physical arrangement, consumption time period, hierarchically—greatly influences the implications of such diversification strategies. Moreover, we identify strength and salience of preference as important moderators of diversification and partition dependence.

**“Variety-Seeking Strategies in Hedonic Choice”**

Jaap Boter, Vrije Universiteit Amsterdam  
Jeff Inman, University of Pittsburgh  
Michel Wedel, University of Michigan

Imagine you and your partner are planning an evening out. Last month’s concert by the touring Boston Philharmonic was quite good and you both enjoyed their interpretation of Elgar’s Enigma Variations. However, the Boston Philharmonic has moved on and although you liked their program, listening to the same pieces again seems unattractive. The brochures of the various venues in town list a great number of options: different classical music concerts as well as different genres and types of entertainment. It all looks interesting, but you both want to make sure it matches your tastes and is likely to be an entertaining evening out. What do you look for? Last month’s venue usually has good performances but the other theater has an artist that is quite well known. You’re also not too keen on drama that is too offensive. You want something different from last time, but you’re not sure what and how.

Recent research suggests that variety seeking is quite germane to hedonic choice. For instance, variety seeking is more likely to occur on the sense of taste than on brand (Inman 2001) or when consumers derive greater hedonic characteristics from the product category (Van Trijp, Hoyer and Inman 1996). However, past research has restricted itself to simple trade-offs, such as flavor versus brand, and to single product categories, primarily food. As illustrated above, hedonic choice in real life is often more complex. In this research we address several pertinent questions vis-à-vis hedonic choice:

- Hedonic choice not only involves trading off flavor versus brand or song versus composer, but also related product categories (different types of desserts, different music genres). Is variety seeking across multiple related categories different from within category variety seeking? Is one form more likely than the other?
- Many forms of hedonic choice involve several senses in a single context. What does sensory satiety mean in a multisensory context? Are people more likely to resolve satiety within a sense (I want a different song), or also with a different sense (I want to switch from music to video)?
- Hedonic goods can consist of many different attributes. For instance, classical music involves sensory attributes such as instrument, historical period, and style and brand-like attributes that signal trust and quality, such as the performer, the composer or the venue. Are people heterogeneous in the attributes they seek variety on or base trust on?
- Some hedonic choice, particularly in entertainment, involves inhibiting factors, such as offensiveness. Although these are known to influence hedonic choice, they have not been considered in variety seeking research. How restrictive are factors such as complexity or offensiveness on variety seeking?

This presentation aims to address these four groups of questions using the performing arts as our focus. The Amsterdam Central Box Office (AUB) is a collective promotion and sales initiative of all Amsterdam venues. Its annual brochure offers over 1,200 performances, bundled in more than 300 subscription series to one or more participating venues. These series represent a broad range of genres, both ‘high’ (e.g., opera) and ‘low’ (e.g., cabaret) forms of art, and are either ‘ready-mixed’ or specializing in one kind of performance. Note that clients may both seek variety within the choice for one season as well as across seasons.

In the AUB transaction system, every visitor, including every member of a group, is identified by a client number, providing us with a unique dataset with hedonic choices that can be traced at individual level. For our analysis we use client and sales data of three seasons (years) and have selected only those clients that participated all three seasons in any of the major genres. The resulting transaction database consists of approximately 14,400 clients who over the three year period chose from 3,300 events, packaged in 800 series, at 33 different venues. As clients on average buy more than one series per year, total sales accumulate to over 73,700 packages.

In addition, a panel of three expert judges rated all series on a number of variables on 100 point scales, including “brand” attributes (familiarity and perceived quality of pieces, authors, artists and venues), sensory attributes (primary sense that is addressed (visual/auditory) and sensory response that is addressed: esthetics, entertainment, excitement/arousal and empathy) and “barrier” attributes that may inhibit choice behavior (required level of arts knowledge, complexity/information load, offensiveness and unconventionalism).

The transaction data of who bought which series, combined with expert ratings of all products on several variables, allows us:

- To compare variety seeking within versus across product categories (i.e. genres).
- To investigate the role of sensory satiety within and across two senses: visual and auditory.
- To investigate heterogeneity among consumers in the different sensory and brand attributes they seek variety on or remain loyal to.
- To investigate the role of inhibiting factors by examining the role of the four barrier attributes.

**REFERENCES**


