Why Do We Overbuy? Value From Engagement and the Shopping-Consumption Discrepancy

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People often purchase things they do not consume, what we call overbuying. We investigate a new source of overbuying: a discrepancy in valuation between shopping and consumption occasions. Engagement can amplify the value of objects. For many purchases, people get relatively engaged in the purchase process. Consumption occasions may be less engaging than shopping, creating a difference in valuation between the time of purchase and the time of consumption, which may lead to purchasing things and not consuming them. Two experiments show that consumers mispredict consumption but not shopping experiences and that an engaging choice task elicits greater willingness-to-pay.

[to cite]:


[url]:

http://www.acrwebsite.org/volumes/14428/volumes/v36/NA-36

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The recent decades have witnessed an unprecedented increase in consumer discretionary income. The increased income allied with cheaper consumer goods shifted consumption from necessities to more hedonic products. With this trend, another phenomenon became more apparent and important: overbuying. Overbuying, or the act of purchasing an object and not consuming it, may have several causes. It may result from bad predictions about future and needs or from changes in taste. We propose another explanation, namely that engagement in the act of shopping temporarily increases the value of objects to shoppers.

We build on Higgins’ theoretical framework on value from hedonic consequences and engagement. Higgins (2006) proposes that the value of an outcome depends not only on the hedonic consequences (pleasure or pain), but also on the strength of engagement in obtaining the outcome. According to this conceptualization, hedonic consequences contribute to value by determining the valence (positive or negative) and influencing its intensity. However, intensity is also determined by the strength of engagement. When people are strongly engaged in obtaining a certain outcome, its value becomes more extreme: negative outcomes become even more negative and positive outcomes become even more positive. To be engaged is “to be involved, occupied, and interested in something. Strong engagement is to concentrate on something, to be absorbed or engrossed with it.” Differently from the valuation effect (Brendl, Markman, and Messner 2003), value from engagement is not caused by activation of goals. Instead, it comes from the way a goal is pursued and how the goal pursuit is experienced.

Four sources of engagement are described by Higgins: opposition to interfering forces, overcoming personal resistance, use of proper means, and regulatory fit. For the purposes of our study, the most relevant of these sources is opposition to interfering forces. The experience of motivational force increases with the presence of interfering forces as long as these forces are not strong enough as to make people abandon the goal altogether.

The contribution of this research is twofold: (1) we show that there is a discrepancy in value between shopping and consumption occasions and (2) we demonstrate that engagement increases WTP. Additionally we provide a novel way of manipulating engagement in an online shopping context. From a consumer welfare point-of-view, our research suggests that consumers should try to correct their estimates of enjoyment of a particular product, especially when the shopping environment is engaging. From a marketer’s perspective our second experiment suggests a simple way of increasing engagement in online shopping, leading to greater valuation of products.

In the first experiment, we explored discrepancies in value between shopping and consumption. One hundred eleven participants were randomly assigned to one of four conditions. They were asked to report a recent purchase or to predict a future purchase. The design was a 2x2 between-subjects factorial. The first factor was reporting past experience or predicting a future experience. The second factor was focusing on the shopping occasion or the consumption occasion. The dependent variable was “when you think about the moment you bought (consumed) this product, how happy does it make you feel?”

An ANCOVA with days from actual (expected) purchase and price as covariates revealed only a significant effect of the time X focus interaction. Thinking about future consumption leads to greater happiness than thinking about past consumption (Mfuture=7.12; Mpast=6.33; p=0.032). When thinking about shopping, subjects’ happiness from past shopping did not differ significantly from future shopping (Mpast=6.85; Mfuture=6.48; p=0.19). These results suggest that people make inaccurate predictions about consumption but relatively accurate predictions about shopping. Importantly, there seems to be a discrepancy between shopping and consumption: while shopping, people expect greater pleasure from products than they actually experience.

The second study was designed to test whether greater engagement leads to greater valuation of products and greater purchase likelihood. Participants were 158 members of the community of a large Brazilian university. They were recruited by email. As an incentive, they were entered in a lottery to win a MP3 player. The email contained a link to a webpage with the experiment. The first page introduced the research and the cover story that we were investigating how people evaluate and choose products online. Participants were randomly assigned to one of two conditions. They were asked to state their willingness to pay for three models of MP3 player and how much they liked each model. We also measured engagement using three items: how involved, how absorbed, and how focused on the task they were.

Engagement was manipulated by varying the effort in information search. Half the subjects (high-engagement) had to click on a link to access each product’s attribute information whereas the other half (low-engagement) got all the attribute information with just one click. By making it more difficult to access product information, subjects in the high-engagement had to actively seek information. High-engagement subjects were required to click on each link at least once. On clicking, they saw a page with a picture and description of the MP3 player. The number of times subjects clicked on each link was recorded. In the low-engagement condition, subjects saw the same pictures of MP3 players, but all the features appeared on the same page in a table under the pictures. No action was required in this condition. The dependent variables were willingness-to-pay for and liking of each model.

Effort was found to increase engagement up to a certain point, after which more effort reduced engagement (inverted-U relationship). More importantly, we found that people who engage more in the process of product information search and comparison stated greater willingness-to-pay than do those who engage less in the process. This result supports our hypothesis that engaging in shopping increases value.

Although we have shown that engagement increases willingness-to-pay, a next study will be executed to examine whether this translates in greater purchase.

References