The Appeal of Our New Stuff: How Newness Creates Value  
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[to cite]:  

[url]:  
http://www.acrwebsite.org/volumes/14483/volumes/v36/NA-36

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The Appeal of Our New Stuff: How Newness Creates Value
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ABSTRACT
This conceptual paper accounts for the thrill associated with a brand new possession. I propose that the perception of newness is an important part of the consumption experience because it creates short-term value. Three factors create the perception of newness: situational product involvement, a sense that the product is pristine, and physical possession. Value is then derived from the hedonic experience of ownership and the motivational force of attraction to be the first user of a pristine, virgin product. The sense of newness fades over time, through product usage, and as the consumer hedonically adapts to possession.

INTRODUCTION
Consider the following hypothetical example of two individuals at a local police station. Both have had their bicycles stolen, and are distressed about their losses. The first person, who has owned his bike about six months, reports that his bike has been stolen. The second person reports “my brand new bike has been stolen”. Presumably, the second person uses the term brand new to imply that the loss was greater than the first person’s. She uses the term to indicate that her bike was, somehow, more valuable and more special because it was brand new.

Next, consider a consumer who has purchased a new car. Initially, he takes great pride in his brand new car; he diligently washes and waxes it, does his best to protect it from scratches, and prohibits his friends from eating inside it. Eventually, despite his best efforts to keep the car in its brand new state, the odometer creeps upward and a coffee is spilled on the front seat. After a finite amount of time and regular use, it is no longer his brand new car.

A brand new product is more appealing, and, at some point, the newness fades from new purchases. But why is a brand new bike more appealing than a somewhat new bike? What is different about the brand new bike? In this paper, I offer a description of the factors necessary to create a sense of brand new, and I suggest that the appeal of new possessions creates additional short-term value for the consumer, beyond mere ownership and endowment effects. I also offer an answer to the question: Why and how does my new car turn into my car? I argue that our perceptions of the product, and the product itself, change, and I will explain why the newness, and its attendant value, fades.

I believe that newness can be considered a perceived aspect of a product. Sensing that a possession has newness creates value for the consumer by fostering a positive hedonic experience and sense of attraction toward the new possession. Perceiving that a product has newness generates a thrill for the consumer, and this thrill lasts until the person perceives that new newness has faded. Coupland alludes to this, noting that attention to the product fades as newness fades (2005). This suggests that newness creates some sort of value or special appeal for the consumer.

To my knowledge, the concept of newness—as I introduced it—has received limited attention in consumer research. Richins and Bloch discuss newness in their account of why the “new wears off” of new possessions (1986, 280), but they account for the fading sense of newness by linking it to situational product involvement. Product involvement comprises interest and arousal, but it does not explain the pleasure or enjoyment that seem to accompany a perception of newness. Accordingly, I would argue that involvement does not adequately account for newness. Further investigation of how the authors consider newness reveals that they may be describing a form of novelty, which is conceptually different from newness; any stimulus is considered novel when it is first introduced, but not every new stimulus has a sense of newness about it. For example, there may be nothing novel about the tenth pair of Nike running shoes a runner/consumer purchases, but the new pair may seem brand new for a short time. Other researchers have discussed the idea of newness in a similar manner, considering new as new-to-market (Wasson 1960), different (Oropesa 1995), or innovative (Hirschman 1980). I suggest that newness is a bona fide concept, distinct from novelty, and worthy of theoretical attention.

This paper will consider the special appeal and value associated with brand new products, with the understanding that the product has not had a previous owner. Additionally, I will only consider newness in the context of a purchase in a product category from which the consumer has previously purchased, and I will not consider novel products in the sense of consumer innovation and early adoption of new product categories. The model does not specifically account for newness in relation to products received as gifts, although there is opportunity for gift literature to inform future model development. Further, because I contend that physical perfection is an essential determinant for newness, this phenomenon will not be considered in relation to services or intangible products.

The purpose of this paper is to explain why and how new possessions create short-term value for consumers. In the first section of this paper, I argue that newness is developed in response to three determining factors: situational product involvement, perception of the product’s pristine physical qualities, and possession of the product. In the second section of the paper, I define and discuss the notion of newness, and how it is defined by increased short-term value and loss aversion. In the third section of the paper, I suggest that newness declines as a result of time passage, product usage, and hedonic adaptation. The final section of the paper discusses the propositions put forth in the preceding sections, and identifies some research questions inspired by the model. First, to the question: what makes a product seem new?

DETERMINANTS OF NEWNESS
Situational Product Involvement
Involvement with a new product is necessary but not sufficient to foster a sense of newness. Product involvement can be defined as the consumer’s level of interest, arousal, enthusiasm, or excitement toward a product, although it is important to note that involvement is determined by the consumer’s interpretation of the product, not the product itself (Antil 1984). Consumer research has demonstrated that this psychological state can be understood as either enduring involvement or situational involvement, and that the principal distinction between them is temporal duration (Richins and Bloch 1986).

Consumers temporarily exhibit situational product involvement when their interest, arousal, and excitement toward a product peak. This peak generally occurs when a purchase decision is made (Richins and Bloch 1986). Situational involvement is experienced during pre-purchase search activities, during the purchase itself, and while the consumer still feels the excitement of having a new product. By definition, it declines over time (Antil 1984).

Situational involvement motivates pre-purchase search activities independently of the level of enduring involvement, which is
the consumer’s ongoing or baseline level of interest in a particular product (Richins, Bloch, and McQuarrie 1992). For example, a consumer who has minimal enduring involvement with a car will experience temporary situational involvement when she is in the process of choosing and buying a new car. Consumers can be involved in the purchase but not in the product; as purchase needs are identified and options are analyzed, the consumer becomes involved in the purchase in order to make a satisfactory decision but she does not require a high level of interest in the product in order to become engaged in the purchase (Bloch, Sherrell, and Ridgway 1986). This suggests that only situational product involvement is required to create a sense of newness, because a consumer can sense newness for a product with which she has either a great deal or very little enduring involvement.

**Pristine Product**

The second necessary determinant of newness is that the consumer must believe that the product is pristine in order to sense that the product is truly new. Pristine is a subjective notion, and for the purposes of this paper, it will refer to a product that the consumer perceives to be in its perfect, unblemished, ideal form. For the purposes of this paper, it will refer to a product that the consumer perceives to be pristine in order to sense newness. In order to become engaged in the purchase (Bloch, Brunel, and Arnold 2003), and consumers desire to purchase products that are as physically perfect as possible. When people purchase an apple, for example, they are drawn to choose apples with brilliant color, symmetrical shape, and clean, shiny skin. Blemishes, dirt, and physical damage deter us, just as they do for manufactured consumer products; we are likely to infer that quality and product performance will be compromised when we perceive the product as physically imperfect (Kotler and Mantrala 1985). However, we are also deterred by imperfections that do not explicitly indicate damage to the product or inferior quality. Although consumers differ in their individual levels of focus on product appearance (Bloch et al. 2003), product appearance is considered a universal signal of product quality (Dawar and Parker 1994).

Packaging plays an important role in maintaining a sense of pristine because consumers are less likely to question quality or performance when the original packaging is still intact. Underhill uses, as an example to demonstrate that consumers are deterred by damaged packaging, the following dialogue about shopping for bed linens:

*How does it feel? The problem is that most sheets are sold in plastic bags, which allow you to look but not touch. So you tear open the bag with your nail and furtively rub the fabric. Now if you decide to buy, you’ll choose another package, because who wants one that’s been damaged (even if you did the damaging)?* (Underhill 1999, 170)

A product can be considered imperfect if it is physically damaged or otherwise altered from its intended or ideal form. However, a product can also be considered imperfect if the consumer perceives it to be contaminated in some respect. Argo, Dahl and Morales (2006) found that consumers can consider a product to be contaminated if they believe that another consumer has simply touched the product. That is, a consumer can develop a sense of contamination in spite of an unblemished physical appearance. Argo et al. found that that perceived contamination of a product resulted in lower product evaluations, which were driven by the consumers’ feelings of disgust. This is interesting because disgust is one of the strongest human emotions (Zaltman 2003), and consumer perceptions of a product can significantly worsen if other consumers are perceived as contaminating a product through touch (Argo et al. 2006). This reveals that perceiving a product as pristine is more complex than an objective evaluation of its undamaged appearance.

**Possession**

I propose that physical possession is the third necessary determinant to the experience of newness. In order to sense that the product is brand new, the consumer must actually possess the product and be able to call it mine. Economic theory says the rational consumer takes possession of a particular product to derive utility from its functional benefits. We know, however, that consumers behave in ways that are both consistent and inconsistent with economic theories of choice (Okada 2001). Consumers can be simultaneously rational and emotional, reflective and impulsive, when they choose to take possession of a new product (Strack and Werth 2006). Indeed, “...much, if not all, consumption has been quite wrongly characterized as involving distanced processes of need fulfillment, utility maximization, and reasoned choice.” (Belk, Ger, and Askegaard 2003, 326).

Recently, researchers have espoused a middle ground position, positing that consumers engage in consumption activities to gain utilitarian benefits, which are derived from the functional benefits of the product, and to gain hedonic benefits, which are derived from the sensations of experiencing the product (Voss, Spangenberg, and Grohmann 2003). Thus, actual possession of a product gives the consumer access to the product’s usefulness, and allows the consumer to sense the pleasure associated with the possession experience. Additionally, possession entitles the consumer to be the first to use the new product, which is an important stage in the consumption experience.

**VALUE FROM NEWNESS**

When the consumer senses that a new possession is truly brand new, there is a distinct level of additional value associated with the product. The consumer’s sense of newness is generated by his situational involvement in the product, a sense of the product’s pristine physical qualities, and possession of the product. These three factors work together to create the additional value associated with newness and the heightened loss aversion associated with the value assessment.

The concept of value is psychologically complex, and involves more than the monetary amount that one ascribes to something. Value can be derived from hedonic experience and from a force of attraction (Higgins 2006). That is, the value of newness can be considered both as the pleasurable experience of owning a pristine, new product, and the strong motivational force to be the first to use the product. Higgins notes that “although the hedonic experience and the motivational force experience often are experienced holistically, conceptually they are distinct from each other” (2006, 441).

I believe that value of newness is partially derived from the pleasure associated with ownership of a new possession. Situational involvement creates a short-term state of arousal for the consumer in relation to his very recent acquisition of a new possession. If the product is physically pristine and “untouched”, the consumer should derive a distinct sense of pleasure in relation to his new possession immediately following its acquisition. In fact, many consumers are able to derive some value from the pleasure experienced by merely seeing a physically appealing product (Creusen and Schoormans 2005). It is this source of value that generates the “thrill” associated with a brand new possession, and most consumers should be able to acknowledge and describe the pleasurable excitement that comes from a new product.
I propose that the value from newness is also gained from being the first user of the product. This value is derived from the motivational force experience associated with the consumer’s desire to be the first to use a pristine, previously “untouched” product. Higgins describes this source of value as “the experience of the motivational force to make something happen (experienced as a force of attraction)” (2006, 441). Instinctively, most consumers likely have a sense of the product owner’s entitlement to be the first user of a pristine, virgin product. The privilege of being the first to wear, drive or operate a product whose newness is salient should be familiar to most of us. In some cases the consumer may be able to derive this value over a long period of time (e.g., a new car) because the product itself seems to hold its newness over several usage experiences. In other cases, however, the value associated with first use may be derived from simply opening the packaging (e.g., a new calculator). Few of us would consider driving a friend’s brand new car before she had driven it, because we recognize that the product’s owner is entitled to the privilege of first use. Conversely, there can be a distinct sense of disappointment associated with someone else being the first to use your own new possession.

**LOSS AVERSION**

When a person possesses something, he is motivated to avoid losing it. This motivation to avoid loss is termed loss aversion, which is a general preference to avoid a loss over experiencing a gain (Kahneman and Tversky 1984). In other words, the pain associated with a loss is more pronounced than the pleasure associated with an acquisition (Zhang and Fishbach 2005). Loss aversion reveals itself in a price discrepancy between an individual’s willingness to pay to obtain a product, and his willingness to accept to part with the same product (Kahneman, Knetsch, and Thaler 1990). This discrepancy is known as the endowment effect (Thaler 1980), and it explains why owners demand higher prices than potential buyers. The endowment effect occurs immediately: willingness to accept increases substantially as soon as the individual acquires the item. Thus, an object’s value increases as soon as the individual takes possession of it (Kahneman et al. 1990).

I propose that newness will create an amplified endowment effect. As previous research has demonstrated, a product’s value will increase after the consumer takes possession of it. However, part of this increase in value should be attributed to the value derived from newness; the product’s value and the associated loss aversion will decrease as the newness fades.

Owners of hedonic possessions attributed more value to their possessions and were more sensitive to possession loss than owners of utilitarian possessions (Dhar and Wertenbroch 2000). This suggests that possessions that evoke a strong hedonic reaction, such as products for which the newness is highly salient, are valued more highly and instill a higher degree of loss aversion in their owners. The endowment effect can therefore account for the increased hedonic impact of a potential loss (Nayakankuppam and Mishra 2005). In support of this, Belk (1988) reported that people are more likely to invest emotional energy in their possessions when the possessions are newer.

**WHY NEWNESS FADES**

I propose that the sense of newness fades as the additional value associated with newness dissipates; the appeal of the new product wanes as the hedonic experience and motivational force experience cease to provide value. Richins and Bloch allude to this, noting that “once the purchase has been made, consumer arousal and time spent thinking about the product decline as purchase needs and product novelty subside” (1986, 280). The temporal boundary of newness can be defined as the point at which my new car has become my car. Until this point, the value of newness declines over time, through product usage, and as the consumer hedonically adapts to possession.

Product usage and the passage of time since purchase affect newness in three ways. First, situational involvement naturally fades over time, resulting in diminishing value and a declining sense of newness. Second, product usage usually results in the product losing its original pristine characteristics, which will also have a negative impact on newness. Third, the value associated with being the first to use a possession is fully derived through direct experience with the possession.

**Hedonic Adaptation**

As the consumer becomes familiar with his new possession, he becomes psychologically accustomed to level of stimulation it provides and to the nature of his affect associated with the possession (Strahilevitz and Loewenstein 1998). As time passes, the intensity of his affect decreases, and this process is known as hedonic adaptation (Frederick and Loewenstein 1999). In their investigation of new car buyers, Richins and Bloch (1986) found evidence of hedonic adaptation: as the owners became accustomed to their new cars, their levels of product involvement diminished to pre-purchase levels. Thus, hedonic adaptation takes places as newness fades. The consequences of this adaptation are two-fold: the consumer experiences a reduced hedonic response to his new state of being, and he experiences an exaggerated sensitivity to reverting back to his original state of being (Strahilevitz and Loewenstein 1998). Additionally, hedonic adaptation can explain why a consumer does not experience increased happiness from acquiring more material goods; as the consumer acquires more has his aspirations and actual gains are raised equally (Easterlin 2003).

**DISCUSSION**

The endowment effect explains the consumer’s tendency to increase product valuation after taking it into possession; valuation increases when possession occurs. However, the literature on hedonic adaptation suggests that value declines over time, if value is considered in terms of hedonic experience and force of attraction. Thus, it appears that possession valuation may involve a pattern different from—but not contradictory to—the endowment effect; valuation may be amplified for the period of time immediately following endowment. Figure 1 depicts valuation over time according to this model. The solid line demonstrates valuation according to the endowment effect, where value increases after possession occurs and, presumably, stays constant. The dotted line depicts the pattern in valuation according to my theory; valuation increases after possession occurs, but declines over time. Strahilevitz and Loewenstein (1998) allude to this pattern, noting that although the endowment effect occurs immediately after possession occurs, more time is needed for the consumer to completely adapt to ownership. This suggests the possibility that the consumer may value her new possession somewhat less after she hedonically adapts to ownership than she did when first endowed with it.

Conceptualizing newness in this way inspires some research questions that may permit empirical tests of the theory or allow for the future development of the model. A simple experiment could determine if monetary valuation peaks immediately after possession endowment and subsequently declines after time or usage. Further manipulations could identify the extent to which a peak in valuation is dependent on temporary enthusiasm toward the product, the perception of the product as being pristine, or belief that the product has not been previously used. It would also be necessary to assess how usage of a new possession influences valuation.
Determining the boundary conditions of the model will be useful in improving our understanding of possession newness. Subsequent testing might address the ways in which product categories influence newness. Do different product categories prompt the consumer to have a heightened sense of newness? What are the characteristics of these categories, and to they involve higher levels of enduring involvement? Is newness enhanced by monetary outlay for purchase, rarity of the product, or the amount of time and emotional energy invested in the pre-purchase search? The influences of individual consumer characteristics should also be addressed. Is newness influenced by personality characteristics, such that some consumers sense newness more strongly than others? Are more materialistic individuals more inclined to sense newness because they place more value on the acquisition of material objects than other people (Burroughs and Rindfleisch 2002)? Does consumer optimism influence newness because people who are more optimistic about the future experience more pleasure in buying new things (Oropesa 1995)? Further, since possessions not only become part of the self, but also help to construct identity (Belk 1988), are consumers more likely to be stimulated by possessions in which they have invested emotional energy? Is newness more salient for possessions that contribute more to identity or sense of self?

Experimental design could also incorporate differences in the nature of the endowment situation. Although this model does not consider products given as gifts, newness may be affected by perceptions of a gifted possession. For example, how is newness influenced by pleasure associated with receiving the perfect gift, by disappointment associated with receiving a bad gift, or by suspicion that the giver has “re-gifted” the item? Further, can newness be perceived in relation to a previously owned product, such as a used car or an antique item?

In addition to empirical testing, it will be important to understand how newness is actually experienced by consumers. This could involve a phenomenological approach, focusing on individual consumer experiences with new possessions. From this perspective, we might gain insights into the emotions and behaviors involved in perceiving newness. If consumers know that the newness will eventually fade, are they sometimes motivated to maximize the intensity and duration of newness because they enjoy the associated hedonic experience? How do consumers try to maximize or maintain a sense of newness? Addressing these questions may help us to understand why consumers are not willing to pay the same price for a physically flawed product, even if the flaw will not affect product performance. Further, it will be important to understand how newness is “used up”. What are the behaviors associated with consumption of newness? Are consumers less willing to share possessions for which the newness is still salient? Are consumers conscious of a privilege associated with the first use of a possession or with using up the newness? Attention to these research questions will allow for a better appreciation of how consumers experience value from their new possessions.

**CONCLUSION**

In this paper, I described the factors necessary to create a sense of possession newness: situational product involvement, perception of the product’s pristine physical state, and actual possession of the product. When these factors are present, the consumer is able to derive short-term value from the new possession in the form of a distinct, pleasurable response to the product and the privilege of being the first to use the product. The value of newness fades over time, with use of the product, and as the consumer hedonically adapts to ownership.
Considering the concept of newness within this framework can allow for an understanding of how and why consumers perceive some new possessions to hold special appeal. The notion that newness creates a distinct form of short-term hedonic value and a compulsion to be a new product’s first user can help to explain behavior toward these possessions and the pattern of valuation. Further, this concept of value from newness integrates literature concerning the endowment effect and hedonic adaptation, thereby deepening our understanding of possession valuation.

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