Insights Into the Concept of Underconsumption and the Internal and External Mechanisms Consumers Utilize to Underconsume

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Abstract

While prior research has used the term underconsumption to characterize certain behavior patterns in consumers (e.g. Heath and Soll 1996), research is currently lacking an understanding of the phenomena of underconsumption. The current research aims to define the construct of underconsumption based on previous consumer research, including research on topics such as frugality (Lastovicka et al. 1999), tightwaddism (Rick, Cryder, and Loewenstein 2007), and hyperopia (Haws and Poynor 2008). Furthermore, this research also provides an understanding of the external and internal mechanisms that consumers utilize to maintain lower amounts of consumption. An exploratory study is conducted to delineate the construct of underconsumption and investigate the mechanisms that consumers utilize.

Prior research has used the term underconsumption to describe patterns in consumer behavior (e.g. Heath and Soll 1996), but an understanding of the concept itself and the mechanisms that consumers utilize to maintain underconsumption behaviors are still unknown (Lee, Fernandez, and Hyman, 2009). In the current research, literature related to frugality (Lastovicka et al., 1999), tightwaddism (Rick, Cryder, and Loewenstein, 2007), and hyperopia (Haws and Poynor, 2008) are used to provide an understanding of underconsumption. Additionally, this research also attempts to understand the mechanisms that consumers utilize in order to underconsume. The ultimate goal of this research is to generate a comprehensive model which explains the antecedents to consumer underconsumption.

Defining Underconsumption

Three related topics of research provide a framework for defining underconsumption. Lastovicka et al. (1999) define frugality as a consumer lifestyle trait in which individuals are restrained in acquiring and resourcefully using economic goods and services to achieve long-term goals. Tightwads are classified as those whose affective reaction to spending leads to less consumption than the individual’s more deliberate self would prefer (Rick et al., 2007). Lastly, hyperopia is defined as the deprivation of hedonic experiences due to excessive overwork and the need for control at one’s job (Kivetz and Simonson 2002). While each of these classifications is unique, they all involve lesser amounts of consumption relative to others of similar background and status. Therefore, using these three types of underconsumption, overall underconsumption is defined as consuming fewer goods, services, and experiences than others of similar demographic and socioeconomic status. Since underconsumption consists of frugality, tightwaddism, and hyperopia, these concepts should be empirically related to one another.

Mechanisms that Influence Underconsumption

In addition to developing the concept of underconsumption, the current research also investigates the mechanisms consumers utilize to underconsume. Frugal consumers and tightwads experience affective reactions during consumption decisions, while hyperopic consumers do not. Frugal consumers derive pleasure from saving to meet long-term goals, while tightwads experience anticipatory pain and anxiety toward spending (Rick et al. 2007). Since these forms of underconsumption involve the recognition of future affect, self-control and willpower should help consumers avoid the perceived negative affect that is related to present consumption. Self-control refers to the general strategies that one imposes individually in order to maintain consistency in behavior, while willpower relates to the tactics such as precommitment, economic cost assessment, and regret and guilt that allow people to overcome their desires (Hoch and Loewenstein 1991). A greater presence of these internal mechanisms should lead to increased levels of tightwaddism and frugality as consumers will manage and control their desires in order to meet their affect-laden consumption decisions.

Since individuals are inherently different in their ability to regulate their own consumption levels (Tangney, Baumeister, and Boone 2004), the hyperopic consumer is expected to use different mechanisms. Recall that a hyperopic consumes less due to overwork and the need for control. This very imbalance is the mechanism that the hyperopic consumer utilizes. Desire control, which consists of avoidance, postponement, and distraction, involves the manipulation of one’s own reference points in order to reduce the frustration they experience in consumption decisions (Hoch and Loewenstein 1991). Therefore, hyperopic consumers use work and other precommitments as external mechanisms to avoid consumption situations instead of relying on the internal mechanisms of self control and willpower that tightwads and frugal consumers utilize.
Method
Sixty-three undergraduate students completed a questionnaire related to underconsumption and the internal control mechanisms discussed earlier. First, the participants filled out each set of items for frugality (Lastovicka et al. 1999), tightwaddism (Rick et al. 2007), and hyperopia (Haws and Poynor 2008). Then, participants were provided with a scenario in which they were to imagine saving for a spring break trip. The participants were asked to assess their ability to budget themselves and save money for the trip (i.e. willpower). After completing the scenario, participants concluded the study by filling out two self-control scales from Tangney et al. (2004) and Haws and Bearden (2006).

Results
In order to determine whether the concepts of frugality, tightwaddism, and hyperopia fit within the overarching construct of underconsumption, a correlation analysis of the data was conducted. Results showed that hyperopia significantly correlated with frugality ($r=.33, p<.01$) and with tightwaddism ($r=.31, p=.01$). Frugality was also significantly correlated with tightwaddism ($r=.50, p<.01$). Given that all three of these concepts are related to one another, these findings suggest that each classification shares a common underlying concept, in this case underconsumption.

To analyze the concept of self-control and its relationship to the types of underconsumption, a regression analysis was conducted between the total score on the self control items and the total scores of each measure of underconsumption. Findings revealed that increased levels of self control predicted increases in both frugality ($r=.63, p<.01$) and tightwaddism ($r=.55, p<.01$). Conversely, self control was not predictive of hyperopia ($r=.09, p>.47$).

The consumption scenario was also analyzed to provide further insight on the processes that consumers utilize to promote underconsumption. Results demonstrated that greater willpower in the scenario was predictive of increased levels of frugality ($r=.30, p<.05$) and tightwaddism ($r=.28, p<.05$), and was unrelated to hyperopia ($r=.05, p>.53$). The self control and willpower findings together provide support for internal mechanisms of control promoting underconsumption behavior within tightwads and frugal consumers. Furthermore, the lack of self control and willpower in hyperopic consumers suggests that external mechanisms of desire control need to be investigated. A follow-up study will be conducted to determine the influence of avoidance, postponement, and distraction in hyperopic consumers. Ultimately, a comprehensive model of the antecedents to underconsumption will be created.

References

Conveying an Impression: Effects of the Consumer Review Process on Attitude Communication and Persistence
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Abstract
This research examines the long-term impact of review writing on the evaluation of a consumption experience. Relevant theories offer conflicting predictions regarding the extent to which writing a product review will stabilize attitude towards the product. We investigate this question in an experimental setting using short movie clips as target stimuli. Our results indicate that the timing and format of the review task systematically influence attitude persistence over time, as well as readers’ inferences regarding that attitude. Implications and extensions of these results are discussed.