The Asymmetric Nature and Motivation of Experiential and Material Purchases, and Their Impact on Happiness

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Experiential purchases have been found to make people happier than material purchases. However, a deeper analysis of the two purchase types reveals vast underlying differences between the two in terms of their nature and the motivation behind them that hedonically favor experiences.

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EXTENDED ABSTRACT

Experiential purchases have been found to make people happier than material purchases. In fact, several studies point to what Nicolao, Irwin, and Goodman (2009) call the ‘experience recommendation’, referring to the greater capacity of experiential purchases to contribute to happiness compared to that of material purchases. Experiential purchases, like vacations, concerts and spa treatments, made with the goal of adding another experience in life, contribute more to happiness than material purchases (Van Boven and Gilovich 2003; Nicolao et al. 2009; Howell and Hill 2009; Carter and Gilovich 2012). However, it has been asserted that the direct comparison between these two types of purchases is problematic, due to their inherent differences (Schmitt, Brakus, and Zarantonello 2015). The aim of the present research is to further explore and empirically test this hypothesis, and analyze its impact on happiness. The intended research outcomes can have significant implications for both consumer spending and wellbeing, and marketing strategic decisions.

Analyzing the recalled purchase examples and purchase options cited in published research on the topic points to some underlying biases: experiences mentioned tend to be hedonic and special one-time events, while materials more utilitarian, ordinary and in the context of respondents’ everyday life. Additionally, as mentioned by Carter and Gilovich (2012) experiences tend to be more expressive of one’s identity than materials, and thus potentially by extension more involving, providing an additional source of bias. No research to date has explored the impact of these characteristics on the relative happiness between the two types of purchases. The current research tests the hypotheses that recalled experiential purchases are more hedonic (H1), extraordinary (H2), self-expressive (H3), and involving (H4) than material purchases, and that the same levels of these characteristics happiness derived is the same between experiences and materials (H5).

These fundamental differences in the nature of the purchases, by extension, impact the motivation behind each purchase. “Consumers purchase goods and services and perform consumption behaviors for two basic reasons: 1) consummatory affective (hedonic) gratification, and 2) instrumental, utilitarian reasons (Batra and Ahhtola, 1990, 159). The current research also tests the hypothesis that experiential purchases are motivated by happiness-seeking (hedonic gratification), while material purchases are motivated by need satisfaction (instrumental reasons) (H6). Moreover, since hedonic and eudaimonic wellbeing overlap conceptually (Kashdan, Biswas-Diener, and King 2008), the above hypothesis can be extended to include meaning-seeking, which is an ingredient of eudaimonic happiness (Huta and Ryan 2010). Hence, an additional hypothesis is that experiential purchases are motivated more strongly by meaning-seeking than material purchases (H7).

Study 1: A series of 18 in-depth interviews were conducted. Participants completed a card sorting exercise, exploring their understanding of the distinction between experiences and materials. They were asked to categorize index cards with a material or experiential purchase written on them, using their own criteria. Unaided, participants did not make the distinction when sorting the cards. However, when the interviewer divided the cards into materials and experiences, participants understood the distinction and highlighted two key areas of difference between them. The first one focused on the nature of the purchases: experiential purchases were described as more hedonic and extraordinary, while material purchases were described as utilitarian and ordinary. The second difference was the purchase motivation: while experiential purchases were motivated by pleasure and leisure considerations, material purchases were motivated primarily by practical needs.

Study 2: The results of the qualitative study were empirically tested through a 2 (purchase type: experience, object) x 2 (purchase time: past, future) between subjects experiment. Experiences were indeed found to be more hedonic and extraordinary, but also more self-expressing and involving than material possessions. Moreover, experiential purchases were more highly motivated by both happiness and meaning seeking than material purchases. Respondents seem to have a stronger, more conscious motivation behind their experiential purchases. At the same time, both types of purchases were equally motivated by a sense of need. All the above properties give experiences a natural advantage, as they correlate highly with happiness. At the same time, the properties that were more pronounced in material purchases, such as the ordinary, utilitarian nature and a need motivation, were not correlated with happiness.

When these asymmetries were corrected by splitting each property into high and low using median split, experiential and material purchases contributed equally to happiness: material and experiential purchases resulted in similar levels of happiness when they were equally highly hedonic, self-expressing, extraordinary, involving and equally strongly motivated by happiness and meaning. This points to the mediating role of these properties, and highlights the fact that both types of purchases have the capacity to contribute to wellbeing.

The results of the study indicate that experiential and material purchases should indeed not be directly compared, as they differ greatly both in their nature and the motivation behind them. However, studying experiential purchases is important, since their natural happiness advantage can be a useful guide to learning how to maximize the happiness derived from our purchases. Studying experiential purchases more closely can give us a deeper understanding of the specific elements of consumption that enhance wellbeing. These elements can then be adapted to material purchases in order to increase the wellbeing elicited by them. Understanding these differences can also contribute to marketing communication and product positioning, for instance, by highlighting the hedonic nature and motivation behind a material purchase in advertising. Research is needed to further explore the impact of the different motivators on happiness, which would help consumers make more educated choices that will maximize their wellbeing.

REFERENCES


