The Found Time

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Eight experiments demonstrate that consumers prefer to spend their windfall time (vs. money) for hedonic purposes. This tendency consistently arises when the amount of gain, activity type and activity consideration size varies. We suggest that this is because consumers are motivated to restore work-life balance through found time (vs. money).

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EXTENDED ABSTRACT

Time is one of the most, if not the most, limiting factors of an individual’s life. People struggle to make the best use of the limited resource to attend to various activities in life (e.g., work, family time, house chores, etc.)

With constrained daily schedules, a gain of unexpected time – due to cancelled meetings, shorter than expected queues in stores, early plane arrivals – all help loosen the constraint of busy schedules. Yet, while such gains of extra time are fairly common in our lives, there has not been systematic research on how people utilize this “found time.”

To understand how people treat and use their found time, we compare a windfall gain of time with an analogous resource - windfall money (Camerer 2003). While windfall money shares many aspects with found time, there are also major differences between the two resources. For example, unlike gains of money, time is less fungible and more perishable, holistic and transitive (Okada and Hoch 2004). Further, thinking about money leads people to focus on value maximization while thinking about time leads people to focus on emotional meaning and well-being (Liu and Aaker 2008).

Drawing from research on time versus money (Lee et al. 2015; Liu and Aaker 2008; Okada and Hoch 2004), we propose that consumers are more likely to use windfall gains of time (vs. money) for experience-driven hedonic (vs. utilitarian) purposes. As time is a resource that closely relates with psychological well-being (Liu and Aaker 2008), consumers prefer to use it to enhance their well-being by balancing their lives rather than devoting it to work-related achievement. That is, the mental representation of the norm (Kahneman and Miller 1986) on how time should be spent is different from how people think about spending money; while spending time on hedonic activities (e.g., family time, relaxation) is often desired and perceived as appropriate, spending money for hedonic purchases (e.g., purchase jewelry, dessert) is often viewed as non-virtuous. In fact, our pretest results suggest that consumers regard spending time on hedonic activities as being important in life, and that they are dissatisfied with the amount of time they are currently spending on these activities; by contrast, people are much less likely to consider spending money on hedonic purchases as being important in life, and are generally satisfied with their current level of monetary expenditure.

In eight experiments, we demonstrate that consumers are inclined to spend found time for hedonic (vs. utilitarian) purposes. Experiments 1-3 demonstrate this basic effect. Experiments 4-5 examine the definition of found time while replicating the findings from previous experiments. Experiment 6 provides evidence for a potential explanation of these findings: people tend to spend their found time on hedonic activities so as to regulate their work-life imbalance.

EXPERIMENT 1: MAGAZINE CHOICE STUDY

The primary purpose of Experiment 1 was to test the basic hypothesis that consumers are more willing to spend a windfall gain of time (vs. money) on hedonic (vs. utilitarian) activities.

Method

Participants (N = 123) imagined receiving an unexpected gain of either one hour or $10 at their workplace. They imagined spend-

ing their gain to read (time condition) or purchase (money condition) either a hedonic magazine (i.e., TV Guide) or a utilitarian magazine (i.e., Kiplinger’s personal finance magazine).

Results and Discussion

Consistent with our hypothesis, Chi-square results revealed that participants in the time condition were more willing to spend their gain on the hedonic magazine than those in the money condition (Time = 60.5% vs. Money = 41.7%, p = .039). The findings from Experiment 1 provide initial evidence that people are more willing to spend their windfall gain of time (vs. money) on hedonic activities. However, one might attribute this effect to potential idiosyncratic differences between the two magazines and the possibility that the hedonic option requires less effort than reading. We tested these alternative accounts in the next experiment.

EXPERIMENT 2. FILM CHOICE

Method

Participants (N = 104) were randomly assigned to one of four conditions in a 2 (resource: time vs. money) × 2 (effort: none vs. additional) between-subjects design. Depending on the condition, participants either imagined hearing from their boss that they could leave an hour early from work (Time condition) or that they had won a $10 lottery (Money condition). In addition, they were either told that they could use their gain to watch a short film at a streaming website (no effort condition) or that they could watch a film at a local theater 20 miles away (additional effort condition). The dependent variable was their inclination to watch one of two films: a short film (1) for education, or (2) for fun (11-point Likert scale).

Results and Discussion

Again, participants in the time (vs. money) condition were more willing to watch a film, irrespective of whether additional effort was required to engage in the activity ($M_{time} = 10.34$ vs. $M_{money} = 8.86$, $p = .052$) or not ($M_{time} = 9.84$ vs. $M_{money} = 8.17$, $p = .039$). Experiment 2 replicated the findings in Experiment 1 while controlling for the activity and varying activity goals. Because the above results suggest a ceiling effect, we employ a different DV in the next experiment.

EXPERIMENT 3A. A LARGER ACTIVITY CONSIDERATION SET

There were two main goals for Experiment 3. First, we employed a larger activity consideration set to systematically understand resource allocation. Second, we examined whether our findings are limited to situations where the windfall gain is small (vs. large).

Method

Lab participants (N = 41) were assigned to one of the two conditions in a mixed design: (resource: time vs. money; between-subjects) × (amount: small, large; within-subject). Participants either imagined leaving work an hour early (time condition), or winning a lottery of $12 (money condition). Next, they indicated how they would spend the gain by distributing the gain across eight categories that were composed of four hedonic and four utilitarian activities. Then, they imagined gaining five hours ($60) instead of one hour
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($12) and indicated how they would spend the larger gain by repeating the same distribution task.

Results and Discussion

Consistent with the prior findings, participants preferred to spend their windfall gain on hedonic activities both when the gain was small ($M_{time} = 65.67\%$ vs. $M_{money} = 42.06\%$, $p = .045$) and when it was large ($M_{time} = 63.67\%$ vs. $M_{money} = 37.94\%$, $p < .001$). These results replicated the pattern of results in Experiment 1 and 2 while employing a bigger activity consideration set. Importantly, the pattern emerged for both small and large gains.

EXPERIMENT 3B. REPLICATING THE FINDINGS WITH M-TURK REPLICAITION

The goal of Experiment 3B was to replicate the findings from Experiment 3A by (1) using a non-student sample to further enhance the generalizability of our findings while (2) reducing the size of the consideration set to six different activity categories (we removed the “exercising for fun” and “self-improvement” categories as these two goals often overlap with each other).

Method

The experimental design was essentially the same as in Experiment 3A except that we changed the time/money ratio to $10/1$ hour ($$/5$/hour) to match the M-Turk pay rate ($N = 61$).

Results and Discussion

Again, participants preferred to spend their windfall gain on hedonic goals in the time (vs. money) condition, both when the gain was small ($M_{time} = 74.48\%$ vs. $M_{money} = 52.07\%$, $p = .022$) and when it was large ($M_{time} = 69.53\%$ vs. $M_{money} = 56.21\%$, $p = .085$).

Experiment 3C. M-Turk Replication (6 categories) – 1 hour vs. 3 days

Experiment 3C was designed to (1) examine whether our findings hold with an even greater amount of gain, and to (2) strengthen the study design by counterbalancing the order of the windfall gain amount (small vs. large).

Method

Participants ($N = 113$) engaged in the same activity-distribution tasks in Experiment 3B with the same mixed design, except that the amount of gain was $10/1$ hour (small gain) and $720/72$ hours (large gain). The order in which participants read the small and large gain scenarios was counterbalanced.

Results and Discussion

Participants were more willing to spend their windfall time (vs. money) on hedonic activities both when the gain was small (60 min vs. $10$; $M_{time} = 68.44\%$ vs. $M_{money} = 52.45\%$, $p = .047$) and when it was large (72 hours vs. $72$; $M_{time} = 66.76\%$ vs. $M_{money} = 47.14\%$, $p < .001$). The order of the tasks did not affect the pattern of results ($p = .764$).

Together, Experiments 1 – 3 confirmed that people are more willing to spend their windfall time than their windfall money on hedonic activities. One may argue, however, that these findings can be attributed to any type of time gain, rather than the windfall gain of time. In the next two experiments, we address this issue by examining the definitional properties of “windfall” gain in our focal phenomenon. In particular, Experiment 4 compares the “not-earned (vs. earned)” aspect, and Experiment 5 compares the “unexpected (vs. expected)” aspect of the windfall gain.

EXPERIMENT 4. GAIN: NOT EARNED VS. EARNED

Methods

Participants ($N = 151$) were randomly assigned to one of four conditions in a 2 (resource: time vs. money) × 2 (source: windfall vs. earned) between-subjects design. Participants either imagined learning that they could take four hours off due to a delay in supplier schedule (windfall-time condition) or their employer’s recognition of their own efforts (earned-time condition) at their workplace. Alternatively, participants imagined receiving a $40 cash reward, either because the reward resulted from a change in commodity prices that improved firm profits (windfall-money condition) or in recognition of their efforts (earned-money condition). After reading one of the four scenarios, all participants allocated the 240 minutes/$40 across six activity categories.

Results and Discussion

Consistent with prior findings, people were more willing to spend their windfall time versus money ($M_{windfall-time} = 62.83\%$ vs. $M_{windfall-money} = 49.56\%$, $p = .049$) on hedonic activities. People were more willing to spend their time on hedonic activities when it was earned (vs. windfall) ($M_{earned-time} = 87.89\%$, $p < .001$). In comparison, participants were directionally but insignificantly more willing to spend their money on hedonic purchases when it was earned (vs. windfall) ($M_{earned-money} = 55.74\%$, $p = .357$). These results suggest that time (vs. money) that is earned gives people a stronger justification to spend the gain on hedonic activities.

EXPERIMENT 5. GAIN: UNEXPECTED VS. EXPECTED

Experiment 5 examines another definitional property of “found time”: the unexpected (vs. expected) gain of time. We predicted that people are inclined to use their time (vs. money) for hedonic purposes only when the gain is unexpected (vs. expected). Second, we further examined the generalizability of the findings by demonstrating that our hypothesis holds even when the gain arises from a nonwork source.

Procedure

Participants ($N = 183$) were assigned to one of four conditions in a 2 (resource: time vs. money) × 2 (expectation: unexpected vs. expected) in a between-subjects design. All participants first imagined that they were members of YMCA. Participants in the time conditions first read that YMCA was closing that day and that they had one hour to engage in other activities. Half of these participants imagined that they were members of YMCA. Participants in the money conditions imagined winning a $10 cash prize awarded to local YMCA members; they were told either that they just learned that YMCA was closing that day or that they had been recognized by their employer. Participants in the time conditions were randomly assigned to one of four conditions in a 2 (resource: time vs. money) × 2 (expectation: unexpected vs. expected) design. The order of the tasks did not affect the pattern of results ($p = .764$).

Together, Experiments 1 – 3 confirmed that people are more willing to spend their windfall time than their windfall money on hedonic activities. One may argue, however, that these findings can be attributed to any type of time gain, rather than the windfall gain of time. In the next two experiments, we address this issue by examining the definitional properties of “windfall” gain in our focal phenomenon. In particular, Experiment 4 compares the “not-earned (vs. earned)” aspect, and Experiment 5 compares the “unexpected (vs. expected)” aspect of the windfall gain.
time = 53.33%; p = .043). There was no significant difference between the two money conditions (M\text{expected-money} = 55.83%, p = .295).

The results of Experiment 5 demonstrate that it is not simply a gain of time that leads people to spend on hedonic purposes, but rather an unexpected gain of time that leads people to indulge. Overall, results from Experiments 4 and 5 tapped into the definitional properties of found time. In Experiment 6, we seek evidence for a potential explanation of the pattern of results.

**EXPERIMENT 6. EXPLAINING THE FOCAL PHENOMENON**

We predicted that people prefer to spend their windfall time for fun because they generally under-spend their time on hedonic activities in life. If this were true, we would find an amplified effect among individuals who experience greater discrepancy between how much time they want to spend on hedonic activities and how much time they are currently spending on these activities. Further, these individuals, namely, those who experience “work-life imbalance,” would experience less guilt when deciding to spend their found time on hedonic activities.

**Procedure.** Participants (N = 109) either imagined being given an unexpected four-hour time off from work (time condition) or unexpectedly winning a $40 lottery (money condition) before completing a similar activity-distribution task across six activity categories as in the earlier experiments. Next, we asked participants how much guilt (3 items) they would experience when spending the gained four hour/$40 on recreational (vs. work-related) activities. Lastly, we asked participants to report how they typically spend their time and money in each of three categories (“work/necessities” vs. “fun/recreational” vs. “others”) by distributing either 24 hours (time condition) or 100 points (money condition). They repeated the same procedure to indicate how they ideally would like to spend their time and money across the three categories.

**Results and Discussion**

Consistent with the prior findings, participants in the windfall time (vs. money) condition were more willing to spend their gain on hedonic activities (M\text{time} = 73.42% vs. M\text{money} = 51.98%, p < .001).

Discrepancy in resource expenditure as a moderator. We examined whether the discrepancy between ideal and actual expenditure of the focal resource predicted participants’ spending decision. First, we calculated two discrepancy scores: (1) a time-discrepancy score (ideal – actual amount of time spent on hedonic activities), and (2) a money-discrepancy score (ideal – actual amount of money spent on hedonic purchases). Within the time condition, people who spent insufficient time on hedonic activities (e.g., greater time-discrepancy score) were more willing to spend their found time on hedonic activities (p = .005). Within the money condition, people who spent insufficient amount of money on hedonic purchases did not particularly want to spend their windfall money on hedonic purchases (p = .431;).

Guilt as a mediator. A mediation analysis (Hayes 2012) revealed that people with greater time-discrepancy score experienced less guilt (α = .83) in spending the found time on hedonic activities; the unexpected time gain allowed them to allocate more of their time to these activities (CI = .11, 1.66).

**GENERAL DISCUSSION**

Eight experiments revealed that consumers consistently prefer to spend their found time on hedonic activities (1) when they have both small and large activity consideration sets; (2) even when spending the gain requires “additional effort”; and (3) regardless of whether the gain is small or large. Further, the results suggest that people’s tendency to spend the time on hedonic activities (4) is more pronounced when the time is earned (vs. not earned), but (5) declines when the gain is expected (vs. unexpected). Furthermore, these effects are attributed to work-life imbalance, such that greater work-life imbalance leads to less guilt and a greater preference for spending found time on hedonic activities.

This research introduces the notion of “found time,” a resource that we encounter in our every day lives, but which has not been thoroughly investigated in prior research. In addition, we compare found time and windfall money to provide a better understanding of how expenditure decisions differ between these two resources. Furthermore, we find empirical evidence to suggest that people hold different norms regarding how time should be spent as supposed to how money should be spent; they attempt to use their found time to achieve a greater work-life balance.

**REFERENCES**


