Back to the Golden Age: When Economic Insecurity Promotes Nostalgic Consumption

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Four studies examined the idea that perceived economic insecurity affects nostalgic consumption. Both temporary and chronic perceived economic insecurity can promote consumers’ preferences toward nostalgic products and enhance consumers’ responses toward nostalgic ads. This occurs because perceived economic insecurity reduces consumers’ meaning in life.

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EXTENDED ABSTRACT

Although recent market studies suggest that consumers may prefer nostalgic products and services when facing economic uncertainty, no empirical effort has been made to verify the influence of perceived economic insecurity (PEI) on consumers’ nostalgic consumption and to identify which psychological mechanism is activated in response to PEI. Therefore, we attempted to fill this gap in this study. Building on previous research on nostalgia and meaning in life, we suggest that PEI, both chronic and temporary, lowers consumers’ meaning in life, which in turn makes consumers feel nostalgic, prefer nostalgic products, and respond favorably to nostalgic ads.

Why does PEI affect nostalgic consumption? Prior studies report that economic uncertainty affects consumers’ various responses such as prosocial behaviors, preference polarization, investment in offspring, saving behavior, health care decisions, creativity, and preferences toward scarce goods. Recently, evidence indicates that PEI also lowers consumers’ meaning in life (Abeyta et al. 2016), because PEI threatens the continued satisfaction of basic psychological needs and therefore hinders consumers’ abilities to pursue personal meaningful goals. A restorative perspective highlights that nostalgia can counteract insecurities and threats to meaning in life by providing a reservoir of meaningful personal experiences that help ease the discomfort (Routledge et al. 2011; Zhou et al. 2008). For example, Loveland et al. (2010) found that social exclusion increases consumers’ preference toward nostalgic products, and consumption of nostalgic products reduces the social discomfort. By manipulating death awareness, Routledge et al. (2008) revealed that nostalgia can buffer the effects of existential threat on death-thought accessibility. To summarize, we hypothesize that PEI, both temporary and chronic, increases consumers’ preference toward nostalgic consumption. This is because PEI threatens consumers’ meaning in life. To counteract the threat, nostalgic consumption can act as an “inner refuge” and provide people with psychological shield and warmth. Four studies tested this hypothesis.

In study 1, 174 adults were recruited to complete an online questionnaire. We measured participant’s PEI, nostalgic index (Holbrook, 1994), meaning in life, childhood socioeconomic status, age, and current household income. The results indicated that higher PEI was associated with lower meaning in life and a higher nostalgic index. A 5000 resample bootstrap provided evidence supporting this indirect effect. In all four studies, childhood socioeconomic status had a negative impact on consumer’s nostalgic responses, but had no significant interaction effect with PEI.

Study 2 examined whether PEI manipulation increases interest in consuming nostalgic products. Additionally, study 2 tested the mediating role of meaning in life in driving the preference for nostalgic products after PEI manipulation. In total, 119 adults were randomly assigned to either the high- or low-PEI condition. In the first task, we used a news article to manipulate participants’ PEI. In the high-PEI condition, the article described the recent economic recession and how the economic problems are likely to persist into the subsequent year. In the low-PEI condition, the participants read an article similar in length to the high-PEI condition, which described a recent air pollution problem caused by a major manufacturer. After reading the article, participants finished relevant measurement. Subsequently, participants completed five choices between nostalgic and nonnostalgic brands in various product categories to form a nostalgic product choice index. Results showed a significant main effect of the PEI condition on the product choice index. Mean scores of the product choice index were higher for the high-PEI condition compared with the low-PEI condition. The results were reversed for meaning in life. A bootstrap test again confirmed the indirect path from the PEI condition through meaning in life to the product choice index.

Study 3 was conducted to conceptually replicate and extend the findings from study 2. First, we ascertained whether our experimental findings can be replicated in populations facing various levels of chronic PEI. Specifically, rather than manipulating the momentary sense of economic insecurity, we treated PEI as an individual difference factor and tested how this variable influences consumer preference toward nostalgic products. Second, we used popular music as the product context to increase the generalizability of our findings. In total, 149 adults participated in this study. As predicted, PEI had a positive effect on the number of nostalgic songs chosen by participants but had a negative effect on meaning in life. Bootstrapping analysis revealed that meaning in life mediated the relationship between PEI and the number of nostalgic songs selected.

In study 4, we tested the meaning-in-life account by examining a theoretically relevant moderator: social connectedness (SC). Current research suggests that enhanced SC may alleviate the effects of PEI on meaning in life. In total, 184 adults participated in this study. Upon arrival, the participants were informed that the study involved three unrelated parts. The first part was a general “Lifestyle Survey” that measured participants’ childhood socioeconomic status and SC. The second part included the same PEI manipulation used in study 2. In the final part, participants received a full-color nostalgic ad promoting consumers to recall “the good times” of their past. After exposure to the ad, participants were asked to report their purchase intention. We found significant interactions between PEI and SC on both meaning in life and purchase intention. Subsequent spotlight analysis revealed that low-SC respondents were affected by the PEI condition. By contrast, high-SC participants were less affected by the PEI condition. We also uncovered a conditional indirect effect of the interaction between PEI and SC on purchase intention through meaning in life. The index of moderated mediation for the indirect effect was significant.

From a theoretical perspective, this research is the first to show that PEI, a threat to meaning in life, can elicit favorable consumer responses toward nostalgic products and ads. This article also contributes to the broader nostalgia field. The literature on nostalgia does not consider the influence of economic factors. The results of our research shed new light on the effects of insecurity on meaning in life and nostalgia. Our findings also have useful implications for marketing practitioners; that is, adding nostalgic elements into marketing activities may substantially improve consumers’ reactions.

REFERENCES


