Buyers Are More Impatient Than Sellers: Divergent Preferences For the Timing of Peak in Experiential Purchase

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Previous research demonstrated that the later the peak occurs, the greater happiness people feel (Baumgartner et al. 1997; Fredrickson and Kahneman 1993). We proposed that experience-buyer becomes more impatient than experience-seller while waiting for the delayed peak of an experience due to varying construal levels.

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Buyers Are More Impatient Than Sellers: Why Preferences for the Timing of Peaks Diverge in Experiential Purchases

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EXTENDED ABSTRACT

Suppose that the world-famous portrait, Mona Lisa, the most precious and valuable piece (“peak item”), will be exhibited at your local art museum together with some other great works of art. At what moment during their visiting duration will visitors (experience buyers) expect to see the Mona Lisa? Moreover, do expectations occur at the beginning, middle, or end? From an alternate perspective, when would the exhibition organizer (experience seller) prefer for the portrait to appear?

In consumer research, a growing body of literature has noticed and begun to explore the consumption of experiences (e.g., Boven and Gilovich 2003; Carter and Gilovich 2010, 2012, 2014; Ratner and Hamilton 2015; Li and Lee 2016). In the museum visiting context, the peak item, Mona Lisa, constitutes a peak moment (the most enjoyable or exciting moment when experiencing it (Privette 1983). In reality, regarding experience sellers (e.g., managers of a park, curators of a museum, organizers of a show, etc.), they are willing to locate the peak item at the end of the experience, because the ending part of an event is generally well remembered (Burt, Kemp, and Conway 2003), and experience sellers want consumers to remember the activity and retain a good memory of it.

However, we proposed that experience buyers would prefer an earlier peak rather than the delayed peak that is desired by experience buyers. Three studies consistently provided support for our hypotheses that experience buyers (vs. sellers) construe an experience at a relatively low (vs. high) level. Thus, they tend to form a local (vs. global) and shortsighted (vs. farsighted) perspective, so that buyers (vs. sellers) expect the peak to appear earlier (vs. later) in an experiential purchase. These findings indicate theoretical implications for the literature on experiential purchases and buyer-seller discrepancy, and empirical implications for aiding in the optimal design of activities, events, and a broad range of experiential consumption in order to increase consumers’ anticipated satisfaction.

Theoretical Background

Experiential Purchase and Peak Experience

In contrast to material purchases, which are made with the intention of ownership and possession (Carter and Gilovich 2012), experiential purchases are made with the primary purpose of consuming some experiences, which are intangible (Boven 2005; Keinan and Kivetz 2011) and impermanent (Carter and Gilovich 2012). An influential stream of literature has identified distinctions between experiential purchases and material purchases (see e.g., Chan and Mogilner 2013; Nicolao, Irwin, and Goodman 2009; Gilovich, Kumar and Jampol 2015). However, only a limited amount of research has explored the characteristics of one certain experience, which tends to have a typical narrative structure with a beginning, middle, and end (Boven 2005).

In general, experiential purchases provide consumers with fun, pleasure, and feelings of excitement (Dhar and Wertenbroch 2000), all of which constitute enjoyment-related benefits (Nicolao, Raghu-nathan and Mahajan 2007). In an experiential purchase, the maximum hedonic benefits are usually brought by a peak experience. A peak experience derives from Maslow (1962), which proposes that it is a period with the highest level of happiness. In the 1990s, researchers argued that consumers prefer a delayed peak, which means that the later the peak appears, the more enjoyment they feel, because consumers rely more on the peak and end when forming their overall evaluations of an experience (Fredrickson and Kahneman 1993; Bhargave, 2009).

Construal Level Theory

Construal level theory asserts that objects can be mentally represented either abstractly or concretely, depending on perceived psychological distance (Trope and Liberman 2003, 2010). Specifically, a high (vs. low) level of construal makes an individual has an abstract (vs. concrete) and holistic (vs. analytics) mindset, which focuses on the global (vs. local), “larger (vs. smaller) picture”, central (vs. secondary) features, and the final goal of (vs. the process and methods toward) the event or object (Trope and Liberman, 2010).

Buyer-Seller Discrepancy and Level of Construal

The presence of sellers and buyers, and the interactions between the two, are fundamental to the field of marketing (Meehan and Wright, 2012). A large body of extant literature has explored the buyer-seller discrepancy regarding price (Irmak, Waksalak, and Trope 2013), perceptions of price unfairness (Xia, Monroe, and Cox, 2004), reasons for product or service failure (Bolton and Mattila 2015), various aspects of the product (Johnson, Haubl and Keinan 2007), and level of construal (Irmak, Waksalak, and Trope 2013). However, little is currently known about buyer-seller discrepancy in the context of experiential purchases.

In experiential purchases, experience buyers, who tend to consider themselves as immersed in an event (Zhang and Yang 2015), would like to construe behaviors more concretely (Hamilton 2014), because they are likely to perceive that events happened to the “self” (Spassova and Lee 2013), which invokes relatively local and short-sighted perspectives, and a lower level of construal. On the other hand, experience sellers, who provide experiences for others, are more likely to think of “they” or “others” more frequently, which invokes relatively global and far-sighted perspectives. Thus, experience sellers tend to construe behaviors more abstractly and form a higher level of construal (Yan and Sengupta 2011).

According to the impatience studies, the degree of impatience reflects a trade-off between the preferences for immediate rewards over delayed rewards (Kim and Zauberman, 2013). In our current study, the degree of impatience reflects a preference for the timing of peaks in experiential purchases. The extant literatures (e.g., Goodman and Malkoc 2012; Malkoc, Zauberman and Bettman 2010) have also demonstrated that level of construal affects impatience.

In summary, we proposed that the role in experiential purchases leads to different preferences for the timing of peaks. Specifically, experience buyers form a self-centered and local perspective, and develop a shortsighted view and a relatively lower level of construal. Thus, experience buyers are likely to exhibit more impatience regarding experience the peak of the event. In contrast, experience
sellers have an others-related and global perspective, and develop a farsighted view and a relative higher level of construal. Thus, experience sellers would like to show less impatience to make consumers experience the peak.

**Study 1: Consumer Choice**

The purpose of Study 1 was to provide initial evidence for our prediction that experiencers (buyers) would like the peak to appear earlier than do experience providers (sellers).

**Design and Procedure**

148 individuals (69 females, mean age=35) were recruited from Amazon Mechanical Turk (MTurk), a subject pool, that has been shown to be reliable for experimental research (Goodman, Cindy, and Cheema 2013). Participants were randomly assigned to either the buyer condition or the seller condition. Each participant was asked to imagine himself/herself to be a tourist (vs. organizer) to visit (vs. organize) a film festival celebration which will last three days. Next, participants in the buyer (vs. seller) condition were asked to write down one of their favorite film genres (vs. the most popular film genre in their opinions). They were then asked to schedule the favorite genre (vs. most popular genre) on Day 1, Day 2, or Day 3.

**Results and Discussion**

A chi-square test indicated that the proportions of the day choices differed by condition ($\chi^2 (1, N=148)=8.803, p=0.012$). More importantly, we examined the choices of Day 1 and Day 3 cross conditions using a two-tailed z-test for difference in proportions. We found that, in the experience-buyer condition, the proportion (represented as *P*) of the choice of Day 1 was significantly higher than that of the choice of Day 3 ($P_{Day 1}=23.6\%$, $P_{Day 3}=13.5\%$; N=148; z=2.242, p<0.05). On the other hand, in the experience-seller condition, the proportion of the choice of Day 3 was significantly higher than that of the choice of Day 1 ($P_{Day 1}=12.2\%$, $P_{Day 3}=21.6\%$; N=148; z=-2.172, p<0.05).

The results provided basic support for our prediction that buyers prefer scheduling the peak on the first day of the entire celebration duration, while sellers prefer scheduling the peak on the last day of the entire celebration duration.

**Study 2: Anticipated Satisfaction**

Since buyers (vs. sellers) want the peak to appear earlier (vs. later) than sellers (vs. buyers) do, buyers (vs. sellers) should have better anticipated satisfaction with the visiting plan that begins (vs. ends) with the peak moment. To confirm this prediction, we conducted study 2.

**Design and Procedure**

220 students (99 females, mean age=21) recruited from U.S. Midwest university completed this study. We conducted a 2 (role: buyer vs. seller) × 2 (timing of peak: beginning vs. end) between-subjects design. Participants were randomly assigned to one of the four conditions. Participants were instructed to imagine themselves to be tourists (vs. curators) visiting the museum (vs. deciding how these collections should be displayed). Then, participants were presented with one of the two plans:

- Plan 1: See the Mona Lisa first, and then the other collections successively;
- Plan 2: See the other collections successively, and then see the Mona Lisa last.

Then, participants were asked to rate their anticipated satisfaction on a 9-point scale (1=not at all satisfied, 9=very satisfied).

**Results and Discussion**

We utilized ANOVA with role and timing of peak as the independent variables and anticipated satisfaction as the dependent variable. A significant two-way interaction effect was found between role and timing of peak (F (1, 216)=23.491, p<.001, $\eta^2=.098$), indicating that, for experience buyers, anticipated satisfaction was higher when the peak is at the beginning than when the peak is at the end ($M_{begin with peak}=6.89$, $M_{end with peak}=6.00$; F (1, 110)=5.274, p=.024). On the other hand, for experience sellers, anticipated satisfaction was higher when the peak is at the end than when the peak is at the beginning ($M_{begin with peak}=4.60$, $M_{end with peak}=6.70$; F (1, 106)=18.957, p<.001).

Study 2 provided stronger support for our hypothesis that experience buyers would prefer the peak to occur earlier and have higher anticipated satisfaction with a visiting plan that begins with a peak moment; whereas, experience sellers would like to arrange the peak to be later and have higher anticipated satisfaction with a plan that concludes with a peak moment.

**Study 3: Mechanism Exploration**

The first step of Study 3 was to determine whether buyers and sellers construe a certain experience at different construal levels. Given that individuals with a low (vs. high) level of construal are more (vs. less) impatient than those with a high (vs. low) level of construal (Malkoc, Zauber, and Bettman 2010), we predicted that low (vs. high) construal-level individuals would like to see the peak occur earlier (vs. later). The second step of Study 3 was to manipulate participants’ level of construal to test out logic that if buyers (vs. sellers) are manipulated into a high (vs. lower) construal level, buyers (vs. sellers) should be anticipated to prefer a later (vs. earlier) peak than buyers (vs. sellers) who are not manipulated.

**Study 3a**

**Design and Procedure**

148 U.S. residents (69 females, mean age=35) recruited from MTurk participated in this study. They were randomly assigned to either the event-experiencing (i.e., buyer) or event-offering (i.e., seller) condition, and then answered a questionnaire that we adapted from the behavior identification form (BIF; Vallacher and Trope, 1989). We modified the original BIF slightly because of our special research context. (see, e.g., Irmak, Wakslak, and Trope, 2013; Study 1).

**Results and Discussion**

As predicted, participants in the experience-buying condition had a stronger preference for low-construal-level identifications ($M=4.51$); whereas, participants in the experience-selling condition had a stronger preference for high-construal-level identification ($M=5.82$; F (1,146)=11.702, p=.001).

**Study 3b**

In Study 3b, we manipulated participants’ construal level and checked their preferences for the timing of the appearance of the peak.

**Design and Procedure**

Previous research has demonstrated that considering questions of “why (how)” are effective in procedurally priming high (low)-level construal (Fujita et al. 2006). We conducted a pretest to evaluate the effect of our manipulation. 121 individuals (45 females, mean age=36) from MTurk participated in the pretest. Results show that manipulations were found to be effective and reliable ($M_{why}$ condition $=5.21$, $M_{how}$ condition $=4.36$; F (1,119)=5.596, p=.02).

Results and Discussion

We utilized ANOVA with role and timing of peak as the independent variables and anticipated satisfaction as the dependent variable. A significant two-way interaction effect was found between role and timing of peak (F (1, 216)=23.491, p<.001, $\eta^2=.098$), indicating that, for experience buyers, anticipated satisfaction was higher when the peak is at the beginning than when the peak is at the end ($M_{begin with peak}=6.89$, $M_{end with peak}=6.00$; F (1, 110)=5.274, p=.024). On the other hand, for experience sellers, anticipated satisfaction was higher when the peak is at the end than when the peak is at the beginning ($M_{begin with peak}=4.60$, $M_{end with peak}=6.70$; F (1, 106)=18.957, p<.001).

Study 2 provided stronger support for our hypothesis that experience buyers would prefer the peak to occur earlier and have higher anticipated satisfaction with a visiting plan that begins with a peak moment; whereas, experience sellers would like to arrange the peak to be later and have higher anticipated satisfaction with a plan that concludes with a peak moment.
Then, we manipulated experience buyers into a high level of construal and manipulated experience sellers into a low level of construal.

246 participants (110 females, mean age=32) were recruited from MTurk and randomly assigned to the four conditions. In the buyer (vs. seller)-condition, participants firstly wrote down one of their favorite (vs. the most popular). Then, participants in the buyer (vs. seller)-condition were randomly assigned to one of two sub-conditions: the high (vs. low)-construal-level condition and the control condition. Manipulations were consistent with those in the pretest. Next, participants in the buyer (vs. seller) condition were asked “At what moment do you expect to see your idol (vs. plan to schedule the performance) in the 90-minute show?" Finally, each participant’s mood was test using the PANAS (α=.955; Townsend and Sood 2012).

Results and Discussion

A one-way ANOVA revealed that, in the experience-buyer condition, participants who were manipulated to have a high construal level wanted to see their idol later than those in the control condition do (M_{high-level manipulated} = 50.19, M_{control} = 40.37; F (1,123) =4.337, p<.039). On the other hand, in the experience-seller condition, participants who were manipulated to have a low construal level wanted to schedule the idol earlier than those in the control condition do (M_{low-level manipulated} = 48.82, M_{control} =63.86; F (1,119) =16.777, p<.001). In addition, manipulation did not affect participants’ mood (F (1,123) =1.571, p=.213; F (1,119) =1.136, p=.289), ruling out mood as an alternative explanation. Study 3 support out prediction that buyer/seller’s construal level drives different preference for the timing of peak.

Discussion and Conclusion

Three studies demonstrated that, in experiential purchases: 1) buyers are more impatient than sellers regarding waiting for the peak moment, and prefer the peak moment to occur earlier than sellers do; 2) buyers achieve more satisfaction when the peak moment begins with the peak, while sellers achieve better satisfaction when the experience ends with the peak; and 3) the phenomenon of this preference divergence was driven by the fact that buyers have a relatively lower psychological construal level, while sellers have a relatively higher psychological construal level.

Theoretically, the present research lies in the domain of experiential and material purchases. Although the extant research focuses on either the difference between experiential purchases and material purchases, or the different types of experiential purchases, the present study focuses on the course of one certain experience, i.e., why buyers prefer the peak to appear earlier and sellers prefer the peak to appear later. In addition, the present article found that it is psychological construal level that drives the different preference for the timing of peak moment between buyer and seller.

In practice, many marketers and managers apply the lay theory that the peak moment should be scheduled at the end of an event or activity based on the recency effect. However, our findings indicate that consumers seldom consider the event from a global perspective, and prefer the peak to appear earlier than sellers do in an event. Thus, our research provides a novel perspective for optimally designing an event or activity.

REFERENCES


