When Consumers Prefer to Give Material Gifts Instead of Experiences: the Role of Social Distance

Joseph K. Goodman, Ohio State University, USA
Sarah Lim, Cornell University, USA

When it comes to gift giving, consumers prefer giving material gifts instead of experiential ones, despite evidence suggesting experiences lead to more happiness. The authors explore this mismatch and propose that consumers’ preferences for giving experiential gifts depend on the perceived social distance between the gift giver and the recipient. Compared to being socially distant, when givers and recipients are socially close, givers perceive greater knowledge about recipients’ individual preferences and give more experiences. Further, the social risk associated with giving an experience moderates these effects.

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Possessions and Wellbeing: Increasing, Sustaining and Sharing Happiness
Chair: Jingshi (Joyce) Liu, HKUST, Hong Kong

Paper #1: My Favorite Thing: How Special Possessions can Increase Subjective Wellbeing
Jingshi (Joyce) Liu, HKUST, Hong Kong
Amy N. Dalton, HKUST, Hong Kong
Anirban Mukhopadhyay, HKUST, Hong Kong

Paper #2: Satisfying Inherent Preferences to Promote Sustainable Happiness
Yanping Tu, University of Florida, USA
Christopher Hsee, University of Chicago, USA
Xilin Li, University of Chicago, USA

Paper #3: When Consumers Prefer to Give Material Gifts instead of Experiences1: The Role of Social Distance
Joseph K. Goodman, The Ohio State University, USA
Sarah Lim, Cornell University, USA

Paper #4: Losing Our Most Special Possession: The Unexpected Positivity of Dying
Amelia Goranson, University of North Carolina at Chapel Hill, USA
Ryan Ritter, University of Illinois at Urbana-Champaign, USA
Adam Waytz, Northwestern University, USA
Michael I. Norton, Harvard University, USA
Kurt Gray, University of North Carolina at Chapel Hill, USA

SESSION OVERVIEW
People generally want to be happy. The extant literature has examined different factors that influence our wellbeing and happiness. Much research suggested that focusing on time and social connections better predict happiness than focusing on money and possessions (e.g., Mogilner 2010; Aaker et al. 2011; Dunn et al. 2011; Dittmar et al. 2014; Ryan and Dziurawiec 2001). Yet, our possessions are essential to our lives (Belk 1988). Thus, it is critical to examine the ways in which possessions can influence different aspects of wellbeing and happiness. Collectively, the four papers in this session study how possessions influence wellbeing and happiness.

In the first paper, Liu, Dalton and Mukhopadhyay suggest that special possessions can increase subjective wellbeing. While valuing material possessions may decrease wellbeing in general, focusing on a particular special possession may actually increase subjective wellbeing beyond baseline levels and compared to focusing on multiple possessions taken together. This is because a special possession increases a sense of connectedness, which in turn increases subjective wellbeing.

In the second paper, Tu, Hsee, and Li examine how one can sustain happiness by satisfying inherent, as opposed to learned, preferences. Purchasing a product that satisfies inherent (vs. learned) preferences leads to a slower decrease in happiness over time. This is because the happiness gained from satisfying inherent (vs. learned) preferences is less context dependent, and thus longer lasting. This effect also generalizes to the broader domain of improvements in personal life.

In the third paper, Goodman and Lim examine how one shares happiness through gift-giving. Despite research suggesting that experiences are more likely to make consumers happy than material goods, consumers are more likely to give material [experiential] gifts to socially-distant [-close] recipients. This is because giving experiential gifts requires greater knowledge about the recipient than giving material gifts.

Finally, Goranson, Ritter, Waytz, Norton, and Gray suggest that wellbeing is unexpectedly high when people are facing the loss of their most valued possession: life. Blog posts of terminally ill patients and the last words of death row inmates are more positive than others would forecast. The blog posts of terminally ill patients also become more positive as death approaches. Thus, facing the prospect of dying, people experience greater wellbeing than others would expect.

This session contributes to answering a very important question: how do possessions influence wellbeing and happiness? Subjective wellbeing is an important but under-researched area of consumer psychology, and the relationship between possessions and wellbeing is less well understood. The papers in this session highlight the subtle and complex nature of consumer wellbeing by providing insights into the factors that influence the increase, sustainability, sharing, and unexpected experience of wellbeing. We believe this special session on special possessions will attract a large audience with different backgrounds, including researchers of consumer wellbeing, materialism, positive psychology, and emotions, as well as anyone who cares about being happy.

My Favorite Thing: How Special Possessions can Increase Subjective Wellbeing

EXTENDED ABSTRACT
Much research has shown that an emphasis on material possessions negatively affects consumers’ wellbeing (Dittmar et al. 2014; Richins and Dawson, 1992; Ryan and Dziurawiec 2001). However, materialistic consumption continues to be central to many consumers’ lives, evidenced by the long queues outside of luxury retail stores and the shopping behavior of consumers on Black Friday. In this research, we examine when valuing material possessions can increase consumers’ subjective wellbeing. Our insight is that focusing on a particular possession that is considered special may actually increase subjective wellbeing beyond baseline levels (study 1) and compared to focusing on multiple possessions taken together (studies 2-3).

Extant literature defines “special possessions” as possessions that consumers consider special, valued, and meaningful compared to their other possessions (e.g., Kleine and Baker 2004; Price et al. 2000; Richins 1994). This construct is well-established in the CCT literature, but there is no experimental investigation of its antecedents or consequences. Leading CCT researchers have suggested that special possessions reflect people’s connections with the past, future, and others (Price et al. 2000; Wallendorf and Arnould 1988). Based on this work, we propose that special possessions may increase one’s general sense of connectedness. Because people’s sense of connection to people and things is positively correlated with their happiness (Zelenski and Nisbet 2014), the sense of connection derived from special possessions may increase subjective wellbeing. In what follows, we report three studies that examined the effect of special possessions on consumers’ subjective wellbeing and the sense of connectedness as an underlying mechanism.

Study 1 tested the basic effect of recalling a special possession on subjective wellbeing. Participants (N=356) were randomly assigned across two recall conditions: either a special possession or a baseline control condition. Participants in the special possession [baseline control] condition were asked to recall and describe a possession that is special and meaningful to them [everything they did...}
that morning]. They then reported subjective wellbeing, which was measured using the Satisfaction With Life Scale in all studies (Die-ner et al., 1985, α=.85). Results showed that the special possession (vs. baseline control) condition indeed reported greater subjective wellbeing ($M_{\text{special}} = 4.41$, $M_{\text{control}} = 4.16$, $p < .05$), demonstrating initial support for our basic proposition: special possessions can boost wellbeing above baseline levels. One potential confound in this study is that the two recall conditions pertained to possessions and non-possessions. To address this confound, in study 2 we operation-alized our control condition also using possessions.

In study 2, we aimed to replicate study 1 using a different op-erationalization: favorite versus all possessions. In particular, we fo-cused on clothing items in this study. Our rationale was that while all possessions include the favorite possession, the average of all possessions taken together should be less special than one’s favorite possession. A pretest showed that one’s favorite clothing item was indeed more special than all one’s clothing items taken together (7-point scale: “special”, “valued”, and “meaningful”; α = .94, $M_{\text{valued}} = 4.97$, $M_{\text{special}} = 3.78$, $p < .001$). In the main study, undergraduate students (N=329) participated for course credit and were randomly assigned across the two recall conditions: favorite versus all. Par-ticipants in the favorite [all] condition recalled and described their favorite item of clothing [all clothing items, each on a separate line] that they had purchased in the past five months. All participants then reported subjective wellbeing ($α=.85$). Results showed that the favorite condition reported significantly greater subjective wellbeing ($M = 4.54$) than the all condition ($M = 4.28$, $p < .04$). Moreover, the number of purchases described in the all condition had no effect on subjective wellbeing ($ρ>3$), ruling out the possibility that the difference between the two conditions was driven by the number of items recalled. These results conceptually replicated study 1, showing that recalling a special possession generates greater subjective wellbeing than recalling less special possessions.

Study 3 examined our proposed underlying mechanism, a sense of connectedness. The design was similar to study 2, with two key exceptions. First, we included a measure of connectedness after the subjective wellbeing measure as described below. And second, we examined possessions that were received as gifts as opposed to purchased by the recipients themselves. A separate pretest showed that one’s favorite Christmas gift was more special than all one’s Christmas gifts taken together (7-point scale: “special”, “valued”, and “meaningful”; α = .90, $M_{\text{special}} = 5.80$, $M_{\text{all}} = 5.26$, $p < .001$). We conducted the main experiment online one day after Christmas. Participants (N = 275) wrote about either the favorite gift they had received, or all the gifts they had received. After describing their Christmas gift(s), participants reported subjective wellbeing ($α=.92$), and completed a 7-point general connectedness scale (adapted from Howell et al. 2011; sample item: “At the moment, I am feeling em-bedded within the broader world”, α=.95). Finally, they reported the total number of gifts they had received for Christmas, and demo-graphic information. Results showed a marginal effect of favorite (vs. all) gifts on subjective wellbeing ($M_{\text{special}} = 4.87$, $M_{\text{all}} = 4.57$, $p < .10$), and significant effects on the sense of connectedness ($M_{\text{special}} = 4.84$, $M_{\text{all}} = 4.42$, $p < .02$). Mediation analyses showed that the sense of connectedness mediated the effect of favorite (vs. all) gifts on sub-jective wellbeing, controlling for the total number of gifts received (95% CI = .0043, .0483). Thus, an increased sense of connectedness underlies the effect of special possessions on subjective wellbeing.

These results show that valuing material possessions can in-crease subjective wellbeing if consumers focus on the possessions that are most special to them. Additional studies are currently being conducted to further examine the underlying mechanism and bound-ary conditions. One potential moderator is consumers’ tendencies to extend the self to possessions (Ferraro et al. 2012). The effect we observed might be mitigated among consumers who do not identify themselves with their possessions in general. A key implication of these findings is that subjective wellbeing does not derive from owning multiple possessions but, rather, subjective wellbeing derives from imbuing a particular possession with special meaning.

Satisfying Inherent Preferences to Promote Sustainable Happiness

EXTENDED ABSTRACT

We all want to be happy, but the pursuit of happiness seems to be endless. Acquiring and consuming goods and experiences to satisfy our preferences do increase happiness, yet the effects tend to be fleeting. Indeed, maintaining happiness is hard, as evidenced in decades of research on hedonic adaptation (for a review, see Frederick and Loewenstein 1999). Then, is there a recipe for sustainable happiness? We explore this question and suggest that investing re-sources in satisfying “inherent preferences” (Tu and Hsee 2016) can be a secret sauce.

All preferences are not created equal. Preferences that are root-ed in our physiological system and developed early in evolution are more inherent (inherent preferences; IP) than those acquired more recently in specific social, cultural contexts (learned preferences; LP). For example, our preference for a warm ambient temperature, our appetite for delicious food, and our need to belong to social groups are inherent, as they are hard-wired and hold regardless of time and contexts. In contrast, our preference for diamonds, our desire to own luxury products, and our taste for fashion are learned, as they are malleable and vary with time and contexts.

The context-independence nature of IP (inherent preference) suggests that the gain in happiness from an improvement on an IP attribute will last. Conversely, the context-dependence nature of LP (learned preference) suggests that the gain in happiness from an improvement on an LP attribute will exist only when relevant external reference points (e.g., other people’s status, one’s past status) are salient and constant, and will evaporate when the external reference points change. For instance, whereas the increase in wellbeing when a person gets social acceptance will endure regardless of whether other people get socially accepted, the increase in wellbeing via get-ting a luxury bag will fade when other people catch up or when one forgets the experience of not owning one in the past.

We conducted two empirical studies to test our theory. Simi-lar to the methodological approach of studying material and expe-RIENTIAL CONSUMPTION (Van Boven and Gilovich 2003), in both stud-IES, we first described our definitions of IP and LP with examples and then tested people’s comprehension in some obvious contexts. For example, we asked participants to indicate which preference is more inherent – “the preference for a warm ambient temperature to a cold ambient temperature in winter” or “the preference for earning $100,000 a year to earning $80,000 a year.” The former is the correct answer. We found that the correction rates are generally high, suggesting that people can intuit and identify the distinction between the two types of preferences.

Study 1 surveyed people about their past purchases, using a 2 (IP vs. LP purchase; between-participants) x 2 (immediate vs. current happiness; within-participants) mixed design. We asked participants to think about a purchase made with the intention to satisfy an inher-ent (vs. learned) preference. We specified the time frame (“more than two years ago”), the cost (“between $50-$500) and the durability of the purchase (“something you still have and are still using”). Par-ticipants (N = 275) wrote about either the favorite gift they had received, or all the gifts they had received. After describing their Christmas gift(s), participants reported subjective wellbeing ($α=.92$), and completed a 7-point general connectedness scale (adapted from Howell et al. 2011; sample item: “At the moment, I am feeling em-bedded within the broader world”, α=.95). Finally, they reported the total number of gifts they had received for Christmas, and demo-graphic information. Results showed a marginal effect of favorite (vs. all) gifts on subjective wellbeing ($M_{\text{special}} = 4.87$, $M_{\text{all}} = 4.57$, $p < .10$), and significant effects on the sense of connectedness ($M_{\text{special}} = 4.84$, $M_{\text{all}} = 4.42$, $p < .02$). Mediation analyses showed that the sense of connectedness mediated the effect of favorite (vs. all) gifts on sub-jective wellbeing, controlling for the total number of gifts received (95% CI = .0043, .0483). Thus, an increased sense of connectedness underlies the effect of special possessions on subjective wellbeing.

These results show that valuing material possessions can in-crease subjective wellbeing if consumers focus on the possessions that are most special to them. Additional studies are currently being conducted to further examine the underlying mechanism and bound-
pants recalled such a purchase, described the type of preference they tried to satisfy, and then rated immediate happiness and current happiness due to the purchase. A IP/LP Purchase X Immediate/Current Happiness ANOVA yielded a marginally significant interaction (F(1, 333) = 3.18, p = .075); suggesting that the decrease of happiness of IP-oriented purchase (M_{immediate} = 4.09, SD_{immediate} = .96 vs. M_{current} = 3.71, SD_{current} = 1.07; F(1, 191) = 30.25, p < .001) is smaller than that of LP-oriented purchase (M_{immediate} = 4.16, SD_{immediate} = .85 vs. M_{current} = 3.59, SD_{current} = 1.11; F(1, 142) = 46.06, p < .001).

Study 2 replicated study 1 in a broader context (i.e., life events) and controlled for immediate happiness, using a 2 (IP vs. LP improvement) within-participants design. We asked participants to recall two improvements in their life within the past 5 years, one satisfying an inherent preference and the other a learned preference. We specified that these two improvements must have had similar immediate impact on their happiness. Participants described two such improvements and rated whether the improvements had a long-lasting effect on happiness. Supporting our prediction, participants rated improvements that satisfied an inherent preference (M = 4.36, SD = .97) as having a longer-lasting effect on happiness than those that satisfied a learned preference (M = 3.56, SD = 1.05; t(38) = 3.12, p = .003.)

In sum, this project makes two related contributions. First, it draws a distinction between inherent preferences and learned preferences, a distinction that has potentially profound implications for both theory building and policymaking. Second, it provides initial empirical evidence suggesting that improvements related to inherent preferences produce more sustainable gains in happiness than do improvements related to learned preferences. This insight is important, in light of the fact that most improvements that have been made over the years are only about learned preferences and not about inherent preferences.

### When Consumers Prefer to Give Material Gifts instead of Experiences: The Role of Social Distance

**EXTENDED ABSTRACT**

Gift giving is ubiquitous. It is practiced by consumers of every culture, and researchers from various disciplines have been studying it for decades (e.g., Belk and Coon 1993; Foote and Foote 1980; Mauss 1925). Despite emerging evidence suggesting hedonic benefits to giving experiences (Chan and Mogilner 2016), it seems that consumers prefer to give material gifts. The vast majority of gifts recommended by gift giving gurus are material in nature (e.g., New York Magazine 2015), and in a survey of 100 Americans (via MTurk) we found a vast majority of the gifts—81% of holiday gifts and 66% of birthday gifts—were material in nature. Why are consumers not giving more experiences? And are there times when consumers prefer to give experiences?

We answer these questions by exploring how social distance between gift givers and their recipients influences preferences for giving experiences and material gifts. Based on the interpersonal relationship literature (Berscheid, Snyder, and Omoto, 1989; Kelley et al. 1983), we propose that givers will have less knowledge about individual preferences of socially distant recipients than socially close recipients. Since experiences have been shown to be more unique and more individualized than material goods (Carter and Gilovich 2012; Dai, Chan, and Mogilner 2016), choosing experiential gifts likely requires more knowledge of recipients’ preferences to avoid the social risk of giving a poorly liked gift. Thus, consumers will be more likely to give material gifts when they are socially distant from their recipients compared to socially close, and givers will be more likely to give experiential gifts when they are socially close to their recipients (vs. distant).

Across five studies, we examined the role of social distance on givers’ preferences for gift type. In study 1a we asked participants (N=74) to imagine that they were choosing a holiday gift for either a close or distant friend and indicate their preferences for ten holiday gifts (five experiential and five material, randomized, and pretested). The social distance by gift type interaction (F(1,72)=15.02, p < .01, np²=.17) showed that participants were more willing to give experiences than material gifts for a close friend (M=4.20 vs. M=3.16; F(1,72)=8.84, p < .01, np²=.11), whereas they were more willing to give material gifts than experiences for a distant friend (M=3.01 vs. M=1.93; F(1,72)=6.58, p < .05, np²=.08). In study 1b participants (N=276) listed any gift for either a close or distant friend and rated the extent to which the gift was more material or experiential. As expected, participants rated gifts chosen for a close friend (M=4.36) as more experiential than those chosen for a distant friend (M=3.08; t(274)=4.13, p < .001, d=.50) and the effect remained significant when controlling for price of the gift (logged), age, and gender (p < .001). We replicated this result in a follow-up study in which a separate group of coders rated the gifts listed by participants (Melose=3.54 vs. Mdistant=3.01; t(274)=2.80. p < .01, d=.35).

In study 2, we tested our preference knowledge theory by manipulating perceived knowledge of recipient’s preferences. Participants (N=225) were asked to write down how well they know (vs. do not know) what their friend likes or dislikes. Next, they listed a gift that they would like to give to their friend and rated whether it was more material or experiential. We found participants were more likely to give experiences when they perceived greater knowledge about a recipient (Mhigh=4.44 vs. Mlow=3.78, t(223)=1.90, p=.06, d=.25). When controlling for price of the gift (logged), age, and gender, the effect of subjective knowledge became even more reliable (F(1,220)=4.37, p < .05, np²=.02).

Study 3 further examined our theory by testing the mediating role of preference knowledge and ruled out joint consumption as an alternative explanation by manipulating whether experiential gifts were shared by givers and recipients. Participants (N=290) assessed their preference for the same gifts used in study 1a. Consistent with our previous findings, we found a social distance x gift type interaction (F(1,285)=21.18, p < .001, np²=.07). For a distant friend, participants were more willing to give material gifts (M=3.26) than experiential gifts (M=2.44; F(1,285)=15.38, p < .001, np²=.05), whereas for a close friend they were more willing to give experiences (M=4.09) than material gifts (M=3.53; F(1,285)=6.78, p < .01, np²=.02). Most importantly, this two-way interaction was not moderated by shared consumption (three-way interaction: p > .1), suggesting that our effects were not driven by shared consumption. Additionally, a mediation analysis on the relative preference difference score revealed a significant indirect effect of social distance on relative gift preference through preference knowledge (95% CI = [.1956, 1.1798]; 5000 samples).

Finally, in study 4, we tested whether providing an opportunity to give experiential gifts with low social risk—gifts that do not require a high degree of knowledge about recipients—eliminates the effect of social distance. The design was similar to study 1a except for the fact that social risk associated with experiential gifts was manipulated. Participants (N=368) were presented with either high-risk experiential gifts or low-risk experiential gifts (pretested as different in terms of social risk, p < .001, but not in attractiveness, p > .4). In the high risk condition, we replicated the interaction effect between social distance and gift type (F(1,364)=23.75, p < .01), whereas...
in the low risk condition we only found a main effect of gift type (F(1,364)=15.25, p < .01, np²=.04) such that experiential gifts were more preferred than material gifts regardless of the social distance. Together, these results confirmed the proposed moderating role of the social risk associated with experiential gifts.

In sum, this research demonstrated that consumers prefer to give material gifts compared to experiential gifts for distant (vs. close) recipients due to the greater knowledge of individual preferences that is required to give experiential gifts. The results suggest that if firms can provide offerings that lower the social risk of experiential gift giving—thus lowering the knowledge needed to give an experience—then we may find a future where giving experiences becomes more mainstream.

**Losing Our Most Special Possession: The Unexpected Positivity of Dying**

**EXTENDED ABSTRACT**

Of all our worldly possessions, our lives are perhaps the most valuable—a fact that can make death seem terrifying. Both death and its inevitability are central to the human condition, inspiring countless poems, books, and plays—as well as substantial psychological research. Much of this research has focused on the general idea of one’s own death (Juhl & Routledge, 2016; Kashdan et al., 2014) or reactions to others’ deaths (Kastenbaum, 2000; Nelson & Nelson, 1975), rather than the actual experience of dying. What is it like to have only days—or even minutes—left to live?

In this project, we investigate the emotional lives of those about to lose their most valuable possession: those dying via terminal illness or execution. We assess whether their experience differs from how people imagine dying. Becker (1997) suggested that the mere thought of eventual death is so terrifying that ideologies, like religion, can automatically suppress or sublimate these thoughts—an idea borne out by early research (e.g., Greenberg et al., 1990). However, these negative beliefs about dying may be overinflated. Research on affective forecasting suggests that people overestimate the affective impact of negative events because of both focialanity—that thinking of the negative event in isolation (Wilson, Wheatley, Meyers, Gilbert, & Axsom, 2000)the tendency to overpredict the duration of affective reactions to future events, may be due in part to focialism, whereby people focus too much on the event in question and not too often on the consequences of other future events. If so, asking people to think about other future activities should reduce the durability bias. In Studies 1-3, college football fans were less likely to overpredict how long the outcome of a football game would influence their happiness if they first thought about how much time they would spend on other future activities. Studies 4 and 5 ruled out alternative explanations and found evidence for a distraction interpretation, that people who think about future events moderate their forecasts because they believe that these events will reduce thinking about the focal event. The authors discuss the implications of focalism for other literatures, such as the planning fallacy.

As an exploratory investigation, we examined the affective character of terminal patient blogs over time. Multi-level model analyses reveal that positive affect significantly increased as patients approached death (b = -0.14, p = 0.026) but negative affect did not increase (b = 0.008, p = 0.839).

Our second study examined affect in death row inmates’ last statements. Given the results of Study 1, we predicted that inmate last words would be relatively more positive and less negative than non-inmate affective forecasts or poetry written by death row inmates. Last statements of non-inmate forecasters (N = 117) and death row poetry (N = 188) were compared to those of death row inmates (N = 396).

A one-way ANOVA of LIWC ratings revealed significant differences between last words, simulated last words, and death-row poetry in both negative affect (p < .001) and in positive affect (p = .011). Death row inmates (M = 2.61) used a significantly lower percentage of negative affect words in their last statements than in inmate poetry (M = 5.12), which both contained less negative affect than in non-inmate forecaster simulated last words (M = 7.00). Additionally, positive affect words were higher in last words (M = 9.23) and death-row poetry (M = 10.25, SD = 17.55, 95 % CI [8.67, 11.83]), than in simulated last words (M = 6.37).

Independent coder ratings showed a similar pattern of significant differences between last words, simulated last words and death-row poetry in both negative affect (p < .001) and in positive affect (p < .001). Inmate last words were rated less negative (M = 1.96) than death row poetry (M = 2.19), with non-inmate forecaster simulated last words being rated as most negative (M = 2.33). Additionally, last words (M = 2.24) and death row poetry (M = 2.39) were rated as more positive than non-inmate forecasters’ last words (M = 2.08).

In sum, two studies reveal that, when we are about to part with our most valuable possession, we view the loss of our lives in an unexpectedly positive way. Not only do the blog posts of terminally ill patients become more positive as death approaches, but the blogs of near-death patients are less negative and more positive those of...
non-patient forecasters. The last words of death row inmates are also more positive and less negative than those of non-inmate forecasters and death row poetry (Study 2). This work has the potential to inform the way we view the loss of this most precious possession—our lives. Our work suggests that death is experienced much more positively than people expect: giving our lives to the Grim Reaper may not be quite as grim as it seems.

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