
Purchase Descriptor Effects on Consumer Happiness

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Abstract

The research highlights the results from a multivariable study on the effect of purchase descriptors on consumer happiness. Using an established consumer decision making paradigm, participants were randomly assigned to hypothetical scenarios where purchase descriptors were experimentally manipulated. Consumer happiness, subjective well being, consumer choice, and additional consumer attitude variables were utilized as outcome variables. There was evidence that participants differed in consumer happiness based on the specific purchase descriptor condition they were assigned to. This research contributes to the scholarly consumer decision making literature by adding clarity on the role of important purchase-related variables on consumer happiness. It also provides practical application for consumers as they attempt to maximize future happiness levels in the many consumption decisions they encounter on a daily basis.

Keywords: purchase descriptors, consumer happiness, consumer choice, materialism

1. Introduction

The enduring question of what facilitates high levels of happiness in life has led to research and examination from many different perspectives. For example, this topic area has garnered attention within the discipline of psychology as researchers have attempted to identify variables that increase subjective well-being instead of solely focusing on a traditional method of inquiry centered on pathology (Aspinwall & Staudinger, 2003). This approach is often referred to as Positive Psychology. It is a developing area, one that is driving new and innovative research by focusing on the positive range of human experience (Seligman, 2002). In behavioral economics, the decision-making process behind happiness choices has received empirical attention because it is a valuable, comprehensive construct with which to analyze human welfare (Kahneman & Deaton, 2010). Consumer researchers have also entered the discussion by providing their theoretical perspectives on what leads to happiness from the lens of marketing (Dunn, Gilbert, & Wilson, 2011; Mogilner, Aaker, & Kamvar, 2012). Business researchers and practitioners have primarily viewed happiness using purchase choice as a barometer. Consumer theory will benefit from their efforts to understand how variants of purchase affect happiness. A consumer behavior approach guides the current research inquiry.

An important topic for consumers today pertains to how they should spend their time and money to maximize happiness. An emerging literature in the consumer behavior field advises that despite the attraction of material purchases, to achieve greater levels of happiness we should focus our consumer expenditures on experiential purchases (Nicolao, Irwin, & Goodman, 2009). Experiential purchases lend themselves to greater happiness and overall satisfaction with life. Research suggests that individuals are more inclined to self-report that their experiences not only made them happier than their material possessions, but they also thought of their experiential purchases as money well spent rather than a squandered expenditure (Van Boven & Gilovich, 2003).

Although consumer behavior is unique to a particular individual at a specific point-of-purchase moment, researchers have attempted to understand the different variables that have the potential to predict consumer happiness. One such variable is the purchase type itself. Purchase type is often viewed on a continuum from experiential to material. Experiential purchases are those made with the primary intention of acquiring a life experience, an event, or series of events that one lives through. The vicarious expression via involvement is what outlines it as an experiential purchase. Conversely, material purchases are frequently made with the intention of acquiring a material good, or a tangible object that one has the potential to possess (Van Boven & Gilovich, 2003). The touchable aspect of the object is often the simplest way to operationally define material purchases.

It is prudent for consumers to consider purchasing experiences in the quest to attain happiness. However, the specific experiences which offer the greatest happiness remains a source of discussion (Caprariello & Reis, 2013). Do consumers prefer solitary or group purchases? Lengthy or brief of purchases? Expensive or inexpensive? These questions, among others, remain unanswered. As such, a variable related to purchase type in the context of consumer happiness is the consumer's goals when making purchases. For example, consumers exhibit extrinsic goals in their consumer behavior, ones that are contingent on the reactions of others. Intrinsic goals, alternatively, are congruent with actualization of human potential as applied to consumer actions. The underlying aspects of consumer goal formation, and subsequent examination of intervening motivational variables that facilitate consumer movement towards achievement of said goals, provides insight on choice models as they relate to consumption. Much of the research in this area focuses on experiential and material purchase type and extrinsic and intrinsic motivational approach as discrete in nature. However, as consumption evolves in today's modern marketing world the lines have blurred, making it more difficult to disentangle these aspects of consumer behavior.

In addition, purchase valence can be examined in the context of these prospective consumer decision-making situations. For the valence of the purchase, it can be argued that valence ranges on a continuum from positive to negative for each and every purchase that consumers make. Not surprisingly, most of the research in this domain as focused on positive valence outcomes. For example, across a series of four studies, Van Boven and Gilovich (2003) examined these variables to determine whether investing resources into different purchases types ultimately led to greater happiness levels. They found that their participants reported more happiness from positive experiential purchases when compared to positive material purchases (Van Boven & Gilovich, 2003). However, one area that has yet to be examined with scientific rigor is the effect

of negative valence purchases. Determining what leads to consumer happiness is an important area of inquiry. Perhaps an equally essential area to study is how to minimize consumer unhappiness. Understanding both ends of this the consumer happiness continuum will advance consumer theory. It will also provide practical implications for individuals in their everyday consumer lives.

Happiness, or subjective well-being, can be measured through one's self-concept, and research has demonstrated that consumers think of their experiences as closer to the self (Carter & Gilovich, 2012). This is one way to conceptualize why most research has found that experiential purchases lead to higher levels of happiness. Across a series of studies, Carter and Golovich (2012) examined the connection of experiences to the self, and whether this is part of the reason that people endure greater satisfaction from experiential purchases rather than material ones. Carter and Golovich (2012) applied the notion of cognition in their theoretical approach by examining the role of memory in defining the self. In their inquiry, they posited that experiences constitute a more important part of the self-concept than possessions because experiences persist as episodic memories, ones that can spark direct summary assessments of the self. Conversely, according to their research, possessions exist outside of this memory, as tangible objects. A key finding from their multiple study investigation on the effect of experiential versus material purchases on the self was that a majority indicated that they had mentally revisited their experiential purchase more often than their material purchase. This provided evidence of a potential lever that activated consumer happiness in the context of purchase type (Carter & Golovich, 2012). In addition, it provided an important extension of previous research on the experiential versus material purchase type categorization (Raghunathan & Irwin 2001).

An interesting extension of the established research on purchase type and consumer happiness involves the role of constraints. As previously noted, the research indicates that consumers will prefer experiences to material goods when given the option in both actual behavior as well as in hypothetical situations assessing prospective behavior. This is because self-concept is closely aligned with experiential purchases. However, most of the research has isolated the variables of interest without examining the more expansive framework of what actually occurs in commonplace decision making situations. For example, many consumers face monetary restrictions in everyday choice environments. When given real life considerations such as financial constraints, individuals are, not surprisingly, more concerned with the longevity of their purchases for protective reasons. In a series of studies where the salience of financial constraints was manipulated, Tully, Hershfield, and Meyvis (2015) found that consumers, when pondering the presented financial constraints, had an increased preference for material goods, especially those that emphasized durability as a primary characteristic. This nuanced approach provided support for the notion that there are intervening variables that influence the relationship between experiential or material purchases and consumer happiness (Tully, Hershfield, & Meyvis, 2015).

As such, another relevant variable that has the potential to mediate this relationship is the magnitude of the purchase type. One such way to define the magnitude is by highlighting the extent to which the purchase can be considered ordinary or extraordinary. Ordinary purchases are defined common and frequent whereas extraordinary ones are viewed as uncommon and infrequent (Sussman & Alter, 2012). Across a series of eight studies, Bhattacharjee and Mogilner (2014) found that consumer happiness stemming from ordinary and extraordinary experiences

was dependent on age, or perceived age. For example, in their research, they found that young people who viewed their future as far-reaching achieved a higher level of happiness from extraordinary experiences. Conversely, for participants who were older, or viewed themselves as “getting older”, ordinary purchase experiences were related to higher self-reported happiness (Bhattacharjee & Mogilner, 2014). It should be noted that perceived age is a key distinction in this research, because how one perceived themselves from an age perspective was a key predictor of happiness. One’s life experiences and perceived life stage, instead of a specific age value, aligned with their happiness quotient and purchase type preferences. Overall, the research suggested that as people age they increasingly define themselves by the ordinary experiences that comprise their daily consumer and social lives and more inclined to derive happiness from these purchases (Bhattacharjee & Mogilner, 2014).

The aforementioned variables have provided insight into the factors that affect happiness in a consumer behavior context. However, most of the current studies have focused on the effect of individual purchase-related variables on consumer happiness. The overarching hypothesis is that there will be interactions among purchase type, purchase valence, and purchase magnitude variables on consumer happiness, consumer choice, attitude, and additional behavioral outcome variables. More specifically, the following interactions were predicted: 1) purchase type (experiential versus material) and purchase valence 2) purchase type (experiential versus material) and purchase magnitude (ordinary versus extraordinary), 3) purchase magnitude (ordinary versus extraordinary) and purchase valence (positive versus negative), and 4) purchase type (experiential versus material), purchase valence (positive versus negative), and purchase valence (positive versus negative). Improving our understanding of the nuanced relationship among these three purchase-related variables will add to the growing literature, provide a methodological framework for consumer researchers, and enhance both theory and practical application.

2. Method

The convenience sample consisted of students enrolled in introductory courses at a university in the United States of America. In this research, purchase descriptor variables including purchase valence (positive/negative), purchase magnitude (ordinary/extraordinary) and purchase type (material/experiential) were experimentally manipulated. The purchase descriptor variables were treated as binary for the purposes of this research. To highlight the constructs of interest, a single consumer decision scenario was used for all participants. Differences were based on the aforementioned variables and participant assignment to one of the eight conditions. The methodological approach was based on Nicolao, Irwin, and Goodman’s (2009) research on material versus experiential purchase effects on consumer subjective well being. More specifically, participants were randomly assigned to one of eight conditions where ordinary material purchases, extraordinary material purchases, ordinary experiential purchases, and extraordinary experiential purchases, each further specified as having a positive or negative valence, were experimentally manipulated. More specifically, the eight conditions included: 1) positive ordinary material purchase (POM), 2) positive extraordinary material purchase (PEM), 3) positive ordinary experiential purchase (POE), 4) positive extraordinary experiential purchase (PEE), 5) negative ordinary material purchase (NOM), 6) negative extraordinary material

purchase (NEM), 7) negative ordinary experiential purchase (NOE), and 8) negative extraordinary experiential purchase (NEE). First, participants were given twenty minutes to reflect in written form to a prompt specific to their assigned condition. The purpose of this approach was to prime consumers based on the aforementioned variables. Next, consumer happiness, consumer choice, materialism, and broad-based consumer variables were then measured using a series of reliable and valid scales; demographic information was also collected. Therefore, interactive effect of these variables on subsequent consumer attitudes and behaviors could be examined. At the conclusion of the session, the participants were thanked and completely debriefed.

(1)

3. Results

Factorial ANOVAs were utilized to examine differences among the following eight purchase descriptor conditions: 1) positive ordinary material (POM), 2) positive extraordinary material (PEM), 3) positive ordinary experiential (POE), 4) positive extraordinary experiential (PEE), 5) negative ordinary material (NOM), 6) negative extraordinary material (NEM), 7) negative ordinary experiential (NOE), and 8) negative extraordinary experiential (NEE). The ANOVAs were utilized to identify the interactive effects among the three purchase descriptor variables. A summary of the variable effects is noted below, followed by a review of the interactions.

For the purchase type variable (material/experiential), where purchases were characterized based on their tangible versus intangible aspects, on the composite measure assessing consumer happiness, there were significant differences when comparing the conditions for participants. Of note is the finding that participants assigned to the experiential type purchase condition reported higher levels of happiness than those assigned to the material type purchase condition. Similar patterns were found for the various measures used to assess consumer choice and consumer attitudes.

For the purchase magnitude variable (ordinary/extraordinary), where purchases were characterized based on their frequency and intensity, on the composite measure assessing consumer happiness, there were significant differences when comparing the conditions for participants. Of note is the finding that participants assigned to the extraordinary magnitude purchase condition reported higher levels of happiness than those assigned to the ordinary magnitude purchase condition. Similar patterns were found for the various measures used to assess consumer choice and consumer attitudes.

For the purchase valence variable (positive/negative), where purchases were characterized based on their post-purchase emotional response, on the composite measure assessing consumer happiness, there were significant differences when comparing the conditions for participants. Of note is the finding that participants assigned to the positive valence condition reported higher levels of happiness than those assigned to the negative valence purchase condition. Similar patterns were found for the various measures used to assess consumer choice and consumer attitudes.

When examining purchase type (material/experiential) and purchase magnitude (ordinary/extraordinary) variables in a factorial model, there were significant differences that

suggested an interaction between these two variables when using the composite measure assessing consumer happiness. Of note is the finding that both extraordinary experiential purchases as well as ordinary experiential purchases resulted in high levels of consumer happiness. Consumer happiness scores on the material purchase conditions, both extraordinary as well as ordinary, were lower. Similar patterns were found for the various measures used to assess consumer choice and consumer attitudes.

When examining purchase magnitude (ordinary/extraordinary) and purchase valence (positive/negative) variables in a factorial model, there were significant differences that suggested an interaction between these two variables when using the composite measure assessing consumer happiness. Of note is the finding that both positive extraordinary purchases as well as positive ordinary purchases resulted in high levels of consumer happiness. Consumer happiness scores on the negative valence purchase conditions were lower aggregating across the purchase magnitude variable. Similar patterns were found for the various measures used to assess consumer choice and consumer attitudes.

When examining purchase type (material/experiential), purchase magnitude (ordinary/extraordinary), and purchase valence (positive/negative) variables in a factorial model, there were significant differences that suggested an interaction among these three variables when using the composite measure assessing consumer happiness. Of note is the finding that positive extraordinary experiential purchases, positive extraordinary material purchase, and positive ordinary material purchases resulted in high levels of consumer happiness. Conversely, negative extraordinary experiential purchases and negative extraordinary material purchases. This suggests that there is a nuanced relationship among the purchase descriptor variables of purchase type (material/experiential), purchase magnitude (ordinary/extraordinary), and purchase valence (positive/negative). Similar patterns were found for the various measures used to assess consumer choice and consumer attitudes.

Overall, the findings were consistent across the consumer happiness, consumer choice, consumer attitude measures that were used to directly compare the effect of purchase descriptor variables across the randomly assigned conditions of: 1) positive ordinary material (POM), 2) positive extraordinary material (PEM), 3) positive ordinary experiential (POE), 4) positive extraordinary experiential (PEE), 5) negative ordinary material (NOM), 6) negative extraordinary material (NEM), 7) negative ordinary experiential (NOE), and 8) negative extraordinary experiential (NEE). For the main research question of interest, there was support for interactions among purchase type, purchase magnitude, and purchase valence variables. Also, there was evidence that the variables had an individual effect on the outcome variables, as well. This provided support that priming participants with different purchase descriptors influenced one's subjective well-being as well as reported consumption beliefs and behaviors.

4. Discussion

The goal of this research was to add context to a gap in the consumer happiness literature. Overall, the results suggest that the three purchase variables interacted in a unique way on consumer happiness. There was a significant interaction when assessing the effect of purchase type, purchase magnitude, and purchase magnitude on consumer happiness. Also, there were

significant interactions when examining purchase type and purchase valence, purchase type and purchase magnitude, and purchase magnitude and purchase valence, as predicted. Similar differences emerged when examined each purchase descriptor variable individually, too.

This research provides empirical evidence of the role of consumer choice on subjective well-being. It provides practical application for consumers as they attempt to maximize prospective happiness in their daily consumption patterns. From a strategic marketing perspective, brand managers can apply the findings from this research to further segment their consumers and create products, services, and experiences that will best serve their needs and wants. A happy customer is a profitable one. From an applied theory lens, this research is a first step to disentangling the complicated nature among three purchase-related variables. It offers a conceptual approach to understanding the cumulative effect of purchase type, purchase valence, and purchase magnitude on consumer happiness.

One important implication from this research is how consumers can apply their understanding of purchase effects to the various marketing environments that they interact with on a regular basis. A key takeaway from this experiment is that for individuals consumer happiness can be maximized, and consumer unhappiness mitigated, by simply being educated on the purchase options surrounding them. Consumers can structure their environment to enhance their overall subjective well-being while avoiding unfavorable consumer decision making situations; for example, ones that encourage indulgent consumption and generally unhealthy consumer choices. Much of this can be traced back to the cognitive primes in shopping environments – consumer awareness of these primes will enable them to make more informed decisions.

A second important implication from this research is how marketers have the potential to utilize purchase descriptor variables to increase the sales of their products and experiences. With knowledge of purchase descriptor effects, brands can communicate with consumers, and position their brand, in a strategic manner. Most global brands already allocate significant resources to crafting a unique value proposition as a way to differentiate themselves from their competitors. By extending the findings of this research to other aspects of their marketing mix, there is the possibility of higher market share among their core segments, which could result in increased revenue and profits. By deftly applying the conceptual paradigm to day-to-day pragmatics, this strategic maneuvering can yield favorable outcomes in operations. In addition, at the managerial level, this research might lead to further conversations about how purchase descriptors can be used for marketing purposes.

An important question for future research is whether consumer accumulation has the ability to alter the dynamics of the relationship among purchase type, purchase valence, and purchase valence on consumer happiness. Consumers vary in their extent to which they accumulate products and experiences. It would be interesting to empirically examine if the time and resources spent acquiring products and experiences could serve as a mediating variable in the broader topic area of consumer decision making. Consumers might report differing levels of happiness based on accumulation as it relates to their temporal and financial investment during

the acquisition process. Accumulation might influence consumer choice and therefore it is something to consider when developing a theoretical framework.

Behavioral intentions are often used as the outcome variable instead of actual behavior in laboratory-based experimental research. Therefore, a limitation of the current study is that it did not include a truly objective dependent variable. Hypothetical scenarios were presented in a controlled environment. The researcher accounted for these concerns by using reliable and valid hypothetical consumer decision making scenarios. These consumer choice scenarios are representative of ones that consumers often encounter in their everyday lives. However, it is also recommended that future researchers attempt to include point-of-purchase behavioral measures to fully capture the relationships among purchase descriptor variables and consumer happiness. It is also recommended that future research in this area attempt to replicate and extend the findings of this research by using both quantitative and qualitative research approaches, as well as do so in cultural environments. This will generate insights into what drives consumer happiness and expand the emerging literature on the topic. The ultimate goal to help consumers be more informed when considering their purchase opportunities. A reflective consumer can make deliberate choices, one that will maximize their happiness levels.

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