

THE ROLES OF MODERATORS ON EXPERIENTIAL ADVANTAGE THROUGH
IDENTITY EXPRESSION: CONSEQUENCES OF HAPPINESS ON PURCHASE
INTENTION AND WILLINGNESS TO PAY

by

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(Under the Direction of Adam S. Goodie)

ABSTRACT

Research has shown that experiential purchases tend to make individuals happier than material purchases. The current research explores whether experiential buying tendency and materialism can contribute to this hedonic difference between experiential and material purchases. The research examines how experiential buying tendency and materialism moderate the mediating role of identity expression between purchase types and anticipatory happiness. The study also tests whether anticipatory happiness affects purchase intention and willingness to pay. The pilot study tested scales in a research pool at the University of Georgia. Study 1 tested the proposed relationships using path models and showed that identity expression mediated the effect of purchase types on anticipatory happiness. Experiential buying tendency and materialism did not moderate this mediation. Additionally, increased happiness did not predict greater purchase intention and willingness to pay. The implications in marketing and consumer behavior are discussed.

INDEX WORDS: Happiness, experiential purchases, material purchases, purchase intention, willingness to pay, identity expression

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TABLE OF CONTENTS

	Page
LIST OF TABLES	vi
LIST OF FIGURES	vii
CHAPTER	
1 INTRODUCTION	1
Happiness: Meaning vs. Pleasure	3
Hedonic Consumption	3
Mediators of Purchases on Happiness	4
Purchase Intention and Willingness to Pay as Outcomes	7
Moderators: Materialism and Experiential Buying Tendency	8
Present Study	12
Hypotheses	13
2 PILOT STUDY	17
Participants	17
Measures	17
Procedure	22
Results and Discussion	22
3 STUDY 1	26
Participants	26
Measures	26

Analytic Plan.....27

Results.....27

Discussion.....31

REFERENCES38

FOOTNOTES51

APPENDICES

 A PURCHASE MANIPULATION59

 B MEASURES IN THE PILOT AND STUDY 161

LIST OF TABLES

	Page
Table 1: Characteristics of the Samples.....	52
Table 2: Means and Standard Deviations of Variables in Study 1	53
Table 3: Correlations of the Main Variables in Study 1	54
Table 4: Fit Indices of Path Models in Study 1	55
Table 5: Path Coefficients of Six Path Models in Study 1	56

LIST OF FIGURES

	Page
Figure 1: Two mediated moderation models in Study 1	57
Figure 2: Final path models in Study 1	58
Figure B1: Percentages of responses to Likert-scaled items to assess willingness to pay	69

CHAPTER 1

INTRODUCTION

Spending money on a dinner with friends, a movie, or clothes can result in enjoyment. Whether this enjoyment is from spending time with friends on activities or consuming products and services, it is a form of happiness. Investigating the type of consumption that invokes happiness is beneficial to consumers and companies because consumers can make better decisions by maximizing their enjoyment from consumption. Companies can also improve the value of their products by emphasizing the products' features that are associated with consumers' happiness. Hence, the present study explores how consumption influences happiness.

Besides examining product satisfaction, marketers and companies are interested to see whether the positive evaluations of products can increase consumers' intention to buy the products. This purchase intention is an important aspect of consumer behavior because it is the primary indicator of purchase behavior. Although it is often difficult to measure real purchase behavior in research due to a study's limitations, research has shown that people tend to buy products if they have a higher purchase intention (Chandon, Morwitz, & Reinartz, 2005; De Cannière, De Pelsmacker, & Geuens, 2009). Additionally, the amount of money that consumers are willing to spend is a main interest of businesses because companies brainstorm for price-setting strategies for their products. This variable of willingness to pay indicates how much monetary value consumers place on their purchases. Knowing factors that contribute to the monetary value of products can provide insights into the pricing and marketing strategies.

The present study examines factors that influence happiness, purchase intention, and willingness to pay. Research has shown that some purchases can evoke positive emotions, especially happiness, more than some other types of purchases (Gilovich & Kumar, 2015; Van Boven & Gilovich, 2003). According to the literature, purchases can be perceived as either experiential or material depending on individuals' primary intentions to consume their purchases (cf., Schmitt, Brakus, & Zarantonello, 2015). For example, individuals may buy t-shirts to add to their collections, but buy movie tickets to experience the movies. Purchases such as clothes are considered *material purchases* because individuals tend to purchase clothes with the primary intention of acquisition. In contrast, purchases such as movie tickets are considered *experiential purchases* because individuals tend to purchase movie tickets with the primary intention of experiencing the movies.

Another way to think about the purchase type is whether individuals intend to do or to have. Purchases are experiential if people intend to do or interact with the purchases. However, purchases are material if individuals intend to have or own the purchases. In addition, experiential purchases tend to be intangible and available for a limited period of time, whereas material purchases tend to be tangible and available for much longer. For instance, people can enjoy a trip to New York within a period of time, but they can enjoy a computer for much longer. This means the enjoyment from the New York trip is a one-time experience, whereas the enjoyment from getting a new computer occurs frequently over time.

People appear to inherently perceive and categorize these two types of purchases (Gilovich, Kumar, & Jampol, 2015a; Van Boven & Gilovich, 2003). When given the definitions of experiential and material purchases, people frequently described admissions, trips, and restaurants as experiential purchases but clothing, jewelry, TVs, and computer equipment as

material purchases (Van Boven & Gilovich, 2003). By exploring the consequences of product satisfaction on purchase intention and willingness to pay, the current study extends the scope of how purchase types affect one's happiness. In addition, individual differences such as purchasing styles and materialistic value (i.e., materialism) may moderate the relationships between purchase types and product satisfaction.

Happiness: Meaning vs. Pleasure

Happiness is typically defined as a state in which individuals feel positive emotions more than negative emotions at a given moment, and assigned the terms *hedonia* or *hedonic well-being* (Diener, 2000; Diener, Emmons, Larsen, & Griffin, 1985; Diener, Oishi, & Lucas, 2002; Dunn, Aknin, & Norton, 2014; Howell & Hill, 2009; Howell, Pchelin, & Iyer, 2012). In contrast, other scholars have defined happiness as a state in which individuals find meaning in their lives or satisfying their basic needs (autonomy, competence, and relatedness), referred to as *eudaimonia* or *eudaimonic well-being* (Aristotle, 1985; Baumeister, Vohs, Aaker, & Garbinsky, 2013; Deci & Ryan, 2000; Ryan & Deci, 2000; Ryff & Keyes, 1995). In this paper, it is more appropriate to study hedonia because the pleasures from consuming experiential purchases or material purchases are examined. Hedonia also provides insights into product satisfaction, which is important in business.

Hedonic Consumption

Hedonia has been found in the context of consumer research and decision making. People can think about happiness in terms of the degree of pleasure or pain that can affect decisions (Kahneman & Tversky, 1979; Tversky & Kahneman, 1992). If people consider how their purchasing decisions affect happiness temporarily or contribute to their long-term happiness, individuals may assign *decision utility* toward the purchases. The decision utility is a value

individuals assign to a decision. If people assign a more positive utility for a purchase, they will likely buy the purchase and feel more pleasure from it. On the other hand, if people assign a more negative utility for a purchase, they will not likely buy the purchase and feel less pleasure, even more pain, from the purchase. Thus, decision utility can act as a subjective value of a purchasing decision, but the utility is often difficult to measure and requires sophisticated calculations, which is not the focus of this paper.

Hedonia has been shown to decrease over time as well. This is called *hedonic adaptation* or *hedonic treadmill*, which suggests that people become habituated to the same level of happiness over time (Brickman & Campbell, 1971). For instance, the amount of pleasure individuals feel when watching the most anticipated movie of the year fades over time because the movie experience is not as exciting to think about. Similarly, the amount of pleasure individuals feel when acquiring a new phone fades over time because the phone is not as exciting to use. Experiential purchases tend to be more resistant to this hedonic adaptation than material purchases (Nicolao, Irwin, & Goodman, 2009). The hedonic adaptation suggests that the satisfaction of buying the new phone fades faster than the satisfaction of experiencing the movie. The next section discusses experiential and material purchases and their effect on hedonia.

Mediators of Purchases on Happiness

When consumers spend their money on purchases, one of the ways in which consumers evaluate their spending is by judging how satisfied they are with the purchases. Research has shown that experiential purchases invoke more intensive happiness than material purchases because these experiences tend to enhance social connection, reduce social comparison, and allow for a better expression of identity (Caprariello & Reis, 2013; Carter & Gilovich, 2012;

Gilovich et al., 2015a). Social connection, social comparison, and identity expression mediate the effect of purchases on happiness and are further discussed next.

Social connection. Because experiential purchases tend to involve others, experiential purchases tend to make individuals happier than material purchases by strengthening social connections with others, such as when going on a cruise trip. How exactly can social connections increase the hedonic advantage of experiences? There are different ways to achieve this. First of all, enhancing social relationships with others can satisfy the psychological need of relating to others because experiential purchases tend to involve other people. This feeling of being more connected to others can increase happiness. Second, going through similar experiences or sharing experiences can facilitate social bonding (Caprariello & Reis, 2013; Kumar, Mann, & Gilovich, 2014). This act of sharing the experiences can improve trust, making the experiences more meaningful, which makes people happier when they recount the experiences (Kumar & Gilovich, 2015; Reis et al., 2010). Giving experiential gifts also makes the gift givers and recipients feel more closely connected than giving material gifts (Mogilner & Chan, 2014). These reasons indicate that enhancing social connections leads to the hedonic advantage of experiential purchases over material purchases.

Social comparison. Another hedonic benefit of spending money on, for example, a cruise trip, is that experiential purchases are more difficult to compare to each other due to their intangible attributes. For example, how happy would one be if one were to come back from a cruise trip to Cancun and hear about a friend's cruise trip to Bermuda? Because people have a tendency to make comparisons and happiness is often relative (Solnick & Hemenway, 1998; Tatzel, 2014), one is likely to compare one's experience of Cancun to the friend's experience of Bermuda. The Bermuda trip may sound more exotic and luxurious than the Cancun trip, but

research shows that individuals tend to perceive their experiences to be more unique and irreplaceable than others' experiences (Rosenzweig & Gilovich, 2012). This belief that their individual experiences are unique and irreplaceable makes individuals less likely to compare their experiences with others' experiences. Comparing their possessions with others' possessions, on the other hand, is easier. For example, it is easy to compare the attributes of computer equipment that has more features and is more expensive to the attributes of other computer equipment that has less features and is cheaper (Carter & Gilovich, 2010; Mann & Gilovich, 2016; Pchelin & Howell, 2014; Van Boven, 2005).

Even though the intangibility and the uniqueness of experiential purchases reduce social comparisons, experiential and material purchases can signal wealth and social status to others (Veblen, 1899/2009). Compared to experiential purchases, material purchases may be used more often to signal wealth because material purchases are more often associated with money (Mann & Gilovich, 2016). This conspicuous consumption is negatively related to self-esteem and well-being (Srivastava, Locke, & Bartol, 2001).

Identity expression. One's self-concept of identity is central to who one is as a person (Kihlstrom, Beer, & Klein, 2002; Oyserman, Elmore, & Smith, 2012). One likely adjusts his or her behavior to be consistent with one's identity (Stets & Burke, 1994). This adjustment can be manifested in buying behavior. In the consumer context, research shows that spending money on purchases to better reflect one's identity can increase one's well-being. Past research indicates that individuals feel happier when spending money on experiences rather than material goods because experiential purchases allow them to better express their identities (Carter & Gilovich, 2012; Zhang, Howell, Caprariello, & Guevarra, 2014).

In fact, a series of studies showed that people consistently drew a circle of experiential purchases closer to a circle of the self. Similarly, people thought that experiential (vs. material) purchases provided better insight into another person's true self and that they knew this other person better (Carter & Gilovich, 2012). In addition, people thought their experiential purchases were more self-defining than material purchases (Van Boven & Gilovich, 2003), particularly extraordinary (vs. ordinary) experiences (Bhattacharjee & Mogilner, 2014). These results appear to support the notion that experiential purchases have a hedonic advantage over material purchases because the experiential aspects better reflect one's identity.

Identity and autobiographical memories are also closely related because past experiences can shape one's identity. This may be why experiential purchases are more connected to identity. Because experiences stay in memories and are less tangible, individuals may recall experiential purchases that are associated with positive emotions more than negative emotions. Additionally, individuals may reconstruct their memories of experiential purchases more positively over time to retain a positive view of themselves (Dunning & McElwee, 1995; Kunda, 1990). This tendency to recall and construct positive memories can facilitate greater happiness from experiential purchases. For instance, one may rationalize a car accident on a ski trip as a funny story or a bonding moment with one's family. Over time, this trip may not feel as horrible as it once was.

Purchase Intention and Willingness to Pay as Outcomes

Besides examining hedonic well-being as a dependent variable, it is worth examining how hedonia affects individuals' monetary valuation of purchases (i.e., willingness to pay) and purchase intention because of their implications for consumers and companies. If experiential purchases make individuals happier, one would expect individuals to be more willing to pay for

the purchases because experiential purchases would better reflect the individuals' identities and would be more valuable to them. An outcome of product satisfaction has been shown to affect monetary valuation (Homburg, Koschate, & Hoyer, 2005). In particular, experiential purchases such as tickets to museums and theme parks were shown to increase willingness to pay if people were satisfied with the experiences (Bigné, Mattila, & Andreu, 2008). In addition, if individuals anticipate enjoyment from products or services, individuals should be more likely to pay for them. Focusing on the pleasurable components of products has been shown to improve purchase intention (Palazon & Delgado-Ballester, 2013).

Moderators: Materialism and Experiential Buying Tendency

Although identity expression has been shown to play an important role in contributing to the hedonic advantage of experiential purchases over material purchases, the current study further explores how this hedonic advantage might differ depending on experiential buying tendency and materialism for future purchases. Individual differences in purchasing styles and materialistic values could affect consumers' happiness differently. Specifically, the hedonic advantage of an experiential purchase can only emerge when experiential buying tendency is high and materialistic value is low. For instance, experiential buyers (i.e., individuals with high experiential buying tendency) might enjoy their experiential (vs. material) purchases more because experiential purchases better express their identities. Similarly, less materialistic individuals might enjoy their experiential (vs. material) purchases more because their identities are not materialistic. If this is true, the hedonic advantage of experiential purchases would disappear among more materialistic individuals because they would enjoy material purchases as much as experiential purchases. Understanding these buying tendency and materialism as moderators may lead to a match between purchase types and levels of experiential buying

tendency or materialism, such that product satisfaction occurs when individuals' values (experiences, material items, and materialistic value) of consumption align with their purchases.

These moderating effects of experiential buying tendency and materialism on the relationships between purchases and happiness are lacking and inconsistent. Experiential buying tendency and materialism have been found to moderate happiness from past purchases (Nicolao et al., 2009; Zhang et al., 2014). Thus, it is possible that moderating and mediating effects might also contribute to the hedonic differences of future purchases. These effects are examined in the current study.

People who are materialistic believe that material possessions are important to them, define them, and provide happiness to them. More materialistic individuals should enjoy their material purchases more than less materialistic individuals, and this could result in a hedonic difference only when the individuals are less materialistic. In fact, past studies have shown that the hedonic difference occurred among less materialistic individuals (Nicolao et al., 2009). This seems to suggest that spending money on experiences or material goods may not matter for more materialistic individuals.

Materialism. This way of using purchase consumption as an identity expression to achieve happiness has been studied in materialism research. Materialism has been conceptualized as a religion of goods (Bredemeier & Toby, 1960), a strong desire for goods (Mukerji, 1983), a close tie between possessions and one's life (Belk, 1984, 1985, 1988), and an abstract mindset related to possessions that influences one's attitudes and behaviors (Hunt, Kernan, & Mitchell, 1996). Despite its various conceptualizations, materialism appears to refer to some form of attachment to possessions. A prominent conceptualization of materialism is that possessions can be important to one's life, to the extent that the possessions determine one's happiness (Belk,

1984, 1985, 1988). Materialism is traditionally conceptualized as a trait consisting of three subtraits: envy, possessiveness, and nongenerosity. *Envy* refers to displeasure at the superiority of others in their success or desirable possessions, whereas *possessiveness* refers to a tendency to control and own possessions. *Nongenerosity* is a reluctance to give or share one's possessions with others. However, materialism is currently conceptualized as a set of beliefs, attachments, and attitudes to own or acquire objects that are central to one's life (Richins & Dawson, 1992). This materialistic value is also consistent with other conceptualizations (Bredemeier & Toby, 1960; Mukerji, 1983).

In the framework of materialistic value, *materialism* is defined as the importance of owning and acquiring material goods to achieve major life goals or desired states (Richins, 2013a; Richins & Dawson, 1992). Individuals who value material goods place possessions at the center of their lives, perceive possessions to be the sources of their happiness, and judge their own and others' success based on acquired possessions. Materialistic behavior, such as acquiring and consuming goods, is a way individuals maintain their identities to themselves and signal their identities to others (Shrum et al., 2013).

Experiential buying tendency. Other than materialistic value, a buying tendency can also affect hedonic well-being through identity expression. *Experiential buying tendency*, a general desire to buy experiential (vs. material) purchases, is driven by an intrinsic motivation, which tends to increase well-being (Deci & Ryan, 2000; Howell et al., 2012; Ryan & Deci, 2000, 2001; Zhang, Howell, & Caprariello, 2013). Unlike a negative relationship between materialism and well-being (Diener & Biswas-Diener, 2002; Dittmar, Bond, Hurst, & Kasser, 2014; Tsang, Carpenter, Roberts, Frisch, & Carlisle, 2014), an experiential buying tendency has been shown to positively correlate with subjective well-being because experiential buyers tend to have their

psychological needs (i.e., autonomy, competence, and relatedness) satisfied (Guevarra & Howell, 2015; Howell et al., 2012).

Materialism has been examined as a moderator for the effects of experiential and material purchases on happiness, but its moderating effects have been inconsistent. Past studies have found that only less materialistic individuals felt happier from experiences than material goods, whereas more materialistic individuals appeared to feel equally happy regardless of the purchase type (Nicolao et al., 2009). For some studies, materialism did not moderate the effects of experiential and material purchases on happiness, nor did it reflect one's identity in the material purchases (Caprariello & Reis, 2013; Carter & Gilovich, 2012; Zhang et al., 2014). Among these studies, more materialistic individuals were less likely to believe that knowing a person's experiences reflected that person's true self, though this achieved only marginal significance (Carter & Gilovich, 2012).

It is unclear why the hedonic advantage of experiences only occurs among less materialistic individuals, not more materialistic individuals. It is possible that the experiences do not bring as much joy as material goods do for more materialistic individuals. In fact, research has shown that material purchases are the way materialistic individuals define themselves (Belk, 1988; Shrum et al., 2013) and evoke happiness when anticipating future purchases and recalling past purchases (Millar & Thomas, 2009; Richins, 2013b). However, these studies did not compare material purchases directly with experiential purchases. Thus, it is unclear how the levels of happiness from material purchases were compared to those from experiential purchases. When the purchases were compared in different studies, the results were mixed (Nicolao et al., 2009; Zhang et al., 2014).

Present Study

The question then becomes why does the hedonic difference occur in some cases but not in others? The current study examines if the equal level of happiness was due to the increase in happiness from material purchases among more materialistic individuals, while if happiness from material purchases decreased among less materialistic individuals. Although experiential buying tendency has shown to moderate the effect of purchases on happiness via identity expression, materialism has inconsistently moderated this relationship (Zhang et al., 2014). The current study further explores materialism and experiential buying tendency as moderators. In addition, the study extends previous research by examining purchase intention and willingness to pay as dependent variables to demonstrate the implications of hedonia. The proposed models are presented in Figure 1.

The goals of this paper are as follows: 1) to examine how experiential buying tendency moderates the effect of purchases on identity expression (i.e., a mediated moderation model or Figure 1a), 2) to examine how materialism moderates the effect of purchases on identity expression (i.e., a mediated moderation model or Figure 1b), 3) to examine the hedonic effects on purchase intention and willingness to pay, and 4) to examine anticipatory happiness from purchases.

Besides the moderators, it is important to understand how forecasting product satisfaction will affect the purchase intention and monetary value of the product. The investigation of the hedonic advantage of experiential purchases is not only limited to a recollection about past consumption, but also applies to anticipatory pleasures about future purchases. Individuals may feel happy about their purchases at the different time points of a purchase: past, present, and future. Research has shown that individuals may look forward to future purchases (anticipatory

happiness), feel happy while consuming purchases (momentary happiness), feel happy after their consumption (afterglow value), or recall their enjoyment at any time points of consumption (remembered happiness).

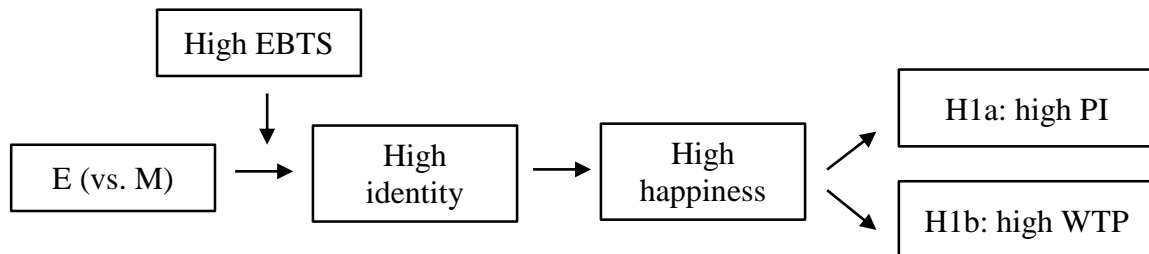
Most research on the hedonic effects of experiential and material purchases are on afterglow and remembered happiness (Carter & Gilovich, 2010; Dunn & Weidman, 2015; Gilovich, Kumar, & Jampol, 2015b; Howell & Hill, 2009; Mann & Gilovich, 2016; Nicolao et al., 2009; Van Boven, 2005; Van Boven & Gilovich, 2003; Zhang et al., 2014). Waiting to buy products has been shown to increase product satisfaction and purchase intention in general (Giebelhausen, Robinson, & Cronin Jr., 2011). For experiential and material purchases, some studies have shown that the anticipation led to the hedonic advantage of experiential purchases over material purchases (Kumar & Gilovich, 2016; Kumar, Killingsworth, & Gilovich, 2014; Nowlis, Mandel, & McCabe, 2004). In addition, waiting to buy experiential (vs. material) purchases in a more distant future sometimes increases this anticipatory happiness (Caprariello & Reis, 2013; Van Boven, 2005). Due to these reasons, examining if the results hold for anticipatory happiness as the fourth goal of this paper can provide insight into how consumers' value and purchasing tendencies affect future decisions and evaluations.

Hypotheses

The present studies test the following predictions.

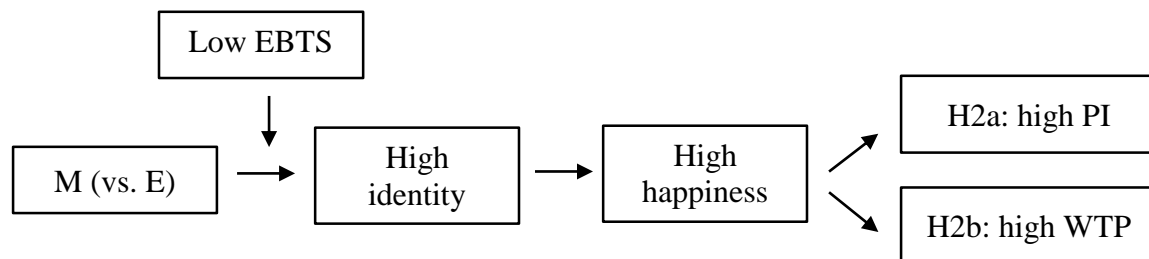
H1a: Individuals with high experiential buying tendencies will express their identities via experiential purchases more, which increases anticipatory happiness, which increases purchase intention.

H1b: Individuals with high experiential buying tendencies will express their identities via experiential purchases more, which increases anticipatory happiness, which increases willingness to pay.



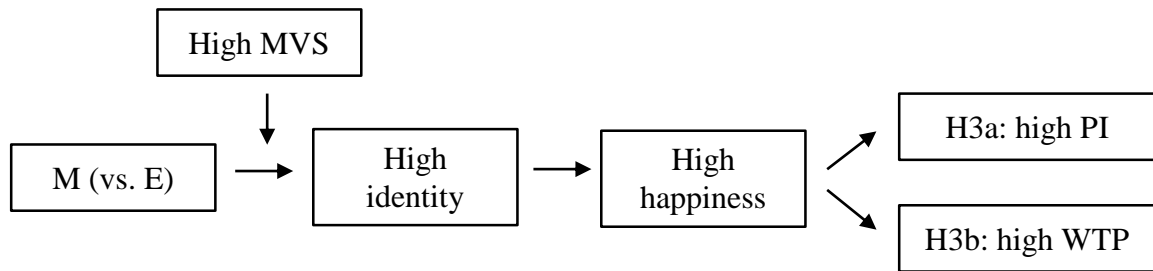
H2a: Individuals with low experiential buying tendencies will express their identities via material purchases more, which increases anticipatory happiness, which increases purchase intention.

H2b: Individuals with low experiential buying tendencies will express their identities via material purchases more, which increases anticipatory happiness, which increases willingness to pay.



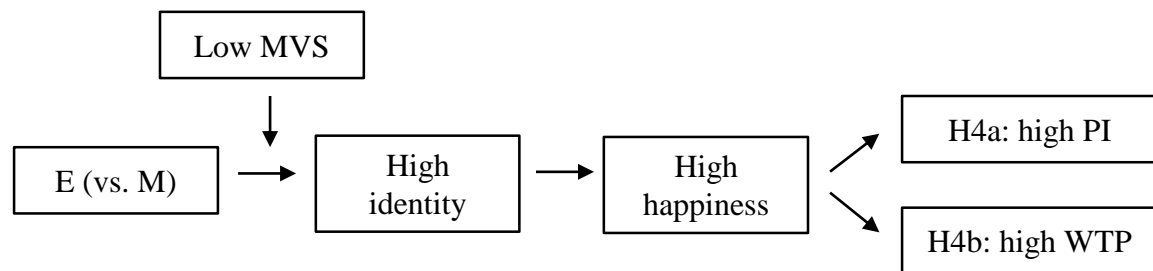
H3a: More materialistic individuals will express their identities via material purchases more, which increases anticipatory happiness, which increases purchase intention.

H3b: More materialistic individuals will express their identities via material purchases more, which increases anticipatory happiness, which increases willingness to pay.



H4a: Less materialistic individuals will express their identities via experiential purchases more, which increases anticipatory happiness, which increases purchase intention.

H4b: Less materialistic individuals will express their identities via experiential purchases more, which increases anticipatory happiness, which increases willingness to pay.



Before testing these hypotheses, the manipulation of purchases and the assessment of willingness to pay were tested in a pilot study. This was conducted to ensure that the manipulation and willingness to pay items were effective. According to the literature, researchers, using an open-ended question, often measure a maximum amount of money participants would pay for a product in an open-ended question (e.g., Irmak, Wakslak, & Trope, 2013; Mogilner, Aaker, & Pennington, 2008; Pham, Hung, & Gorn, 2011).

Another common assessment of willingness to pay is to ask participants using a Likert scale how likely they would be to pay for a product (e.g., Mann & Gilovich, 2016). However, this assessment is very similar to the assessment of purchase intention on a 7-point Likert scale. For instance, scores of 4 on both willingness to pay and purchase intention likely indicate that an individual desired a product or service. To assess a monetary value of a product and differentiate

this variable from purchase intention, a Likert scale was modified and tested in the pilot study. The details of willingness to pay items were described in the pilot study. Thus, the purposes of the pilot study were to test different ways to assess willingness to pay while avoiding the problems found in a traditional assessment, as well as to test the effectiveness of purchase manipulation. In addition, all the variables that would be used in Study 1 were tested in the pilot study.

CHAPTER 2

PILOT STUDY

The pilot study tested the manipulation, manipulation check, identity expression, materialism, experiential buying tendency, anticipatory happiness, willingness to pay, and purchase intention.

Participants

Participants ($N = 159$) were recruited from a research pool at the University of Georgia in exchange for .5 research credits. Most participants (61%) had 76–100% of their living expenses paid for by their parents. The modes of participants' income and parents' income were \$0–\$1,500 and over \$100,000. Table 1 shows other characteristics such as participants' disposable income. Because the pilot study examined anticipatory happiness and the effects of purchases on behavior, three participants were removed from all analyses because two participants listed past purchases and one participant reported no spending on a purchase. Additionally, two participants were removed due to a lack of attention. The remaining participants ($N = 154$, $M_{\text{age}} = 19.63$, $SD_{\text{age}} = 1.69$, 31% male, 69% female) were included in the analyses.

Measures

Purchase manipulation. Researchers have often used a similar strategy to manipulate participants to think about experiential and material purchases. After given the definitions of experiential and material purchases, participants were asked to recall past purchases (Guevarra & Howell, 2015; Nicolao et al., 2009; Zhang et al., 2014) or to think about future purchases (Kumar & Gilovich, 2015, 2016; Kumar, Killingsworth, et al., 2014). Other researchers have

asked participants to think about a purchase in hypothetical scenarios, such as imagining buying a 3D-TV that is framed as either experiential (e.g., imagine how you would use the TV with friends) or material (e.g., imagine where you would place this TV in your house; Kumar & Gilovich, 2016; Mann & Gilovich, 2016; Rosenzweig & Gilovich, 2012). Although framing identical purchases could have controlled for the attributes of the purchases (e.g., price, features), this framing was not suitable for the present study because the participants might not identify with a hypothetical purchase.

In the present study, participants were provided with a general definition of experiential or material purchases and asked to describe an experiential or material purchase that they intended to buy in the next 2 months (see Appendix A). The paragraphs that were used to manipulate the experiential and material conditions were adapted and modified from a study by Howell and Hill (2009). The manipulation induced participants to think about either an experiential or material purchase that was intended to increase their happiness. The main modification from Howell and Hill (2009) was changing the description of past purchases to the description of future purchases to examine anticipatory happiness, rather than remembered happiness. Minor changes were the 2-month time frame for future purchases and wording of the purchases' definitions.

Identity expression. Self-reported items have often been used to measure identity expression (Carter & Gilovich, 2012; Guevarra & Howell, 2015; Zhang et al., 2014). Other identity expression assessments, such as drawing diagrams to show the distance between the self and purchases and using purchases to narrate life stories, were used in Carter and Gilovich (2012). The present study only used a variation of items on a 7-point Likert scale to measure identity expression. Participants rated five items (e.g., “how well do you think your purchase

better express your true self?") using 7-point Likert scales (e.g., 1 = *does not represent my true self*, 7 = *represents my true self*). These five items are shown in Appendix B. An average of these five items indicates the extent to which participants perceive their purchases as reflections of their identities. Higher scores mean greater expression of identity via purchases. Past researchers who have measured identity expression did not provide their complete lists of items (Guevarra & Howell, 2015; Zhang et al., 2014). These previously adapted items had internal consistencies above .70. In the present study, the identity expression measure included new items and items that were adapted from past studies.

Hedonia. Four items were used to measure hedonia (e.g., "how much do you expect this purchase will contribute to your overall life happiness?") using a 7-point Likert scale (1 = *not at all*, 7 = *very much*). The four items are shown in Appendix B. An average of the four items indicates participants' happiness from their purchases. Higher scores indicate greater happiness from purchases. Pchelin and Howell (2014) did not report an internal consistency of their two items but reported the correlations of these two items as .82–.87. In past studies, the two items adapted from Van Boven and Gilovich (2003) had internal consistencies above .80 (Nicolao et al., 2009; Zhang et al., 2014).

Purchase intention. Two items were created to measure purchase intention (e.g., "how likely are you to actually buy this purchase?") using 7-point Likert scales (e.g., 1 = *not likely at all*, 7 = *very likely*). A complete list of the items is in Appendix B. An average of the two items indicates participants' intention to purchase an experience or a material good. Higher scores indicate greater intentions to make future purchases. In past consumer research, this is a common way to assess purchase intention (Giebelhausen et al., 2011; Mogilner et al., 2008; Zauberan, Ratner, & Kim, 2009).

Willingness to pay. Seven items were created to measure willingness to pay using open-ended responses and 10-point Likert scales, as shown in Appendix B. Participants were asked to estimate a monetary value or to provide a maximum payment in exchange for a product. Then, they were asked whether they would pay for the ideal version of the product on a 10-point Likert scale, which was calculated from their previous estimation. For someone who estimated to pay \$100 for a product, his or her 10-point Likert scale would range from \$110–\$200, with an increment of 10%, or \$10 in this case. Higher amounts of willingness to pay indicate a greater monetary valuation of purchases. Various phrases were used to test the assessment of willingness to pay (WTP). Three pairs of WTP items were created with different key phrases, which are bolded in Appendix B. The rationale for choosing WTP items for the current study and the detailed discussion of the WTP items are described in the results.

Experiential buying tendency scale (EBTS; Howell et al., 2012). Participants responded to four items to assess a general strategy of spending or a purchasing style (see Appendix B). Total scores are averages of the four items, one of which is a reverse-scored item. Higher scores indicate a tendency to purchase experiences (i.e., experiential buyers), but lower scores indicate a tendency to purchase material goods (i.e., material buyers). The EBTS has been developed and validated across four large and diverse samples consisting of college and non-college students. The scale has been used in past research (Howell et al., 2012; Zhang et al., 2014).

Material value scale (MVS; Richins, 2013a; Richins & Dawson, 1992). Fifteen items were used to measure participants' materialistic value or materialism. A complete list of items is present in Appendix B. Each set of five items measures each of the three subscales: success, centrality, and happiness. Once six items are reverse-scored, the averages of the fifteen items

provide the total scores. Higher scores indicate greater materialism. A short form consisting of 15 items, was validated (Richins, 2013a). The MVS has been commonly used to measure materialism in past research (e.g., Burroughs & Rindfleisch, 2002; Millar & Thomas, 2009; Richins, 2013b; Zhang et al., 2014).

Demographic questionnaires. Seven items were used to assess the characteristics of the participants, such as age, race, and education (see Appendix B).

Control variables. To check for the manipulation of purchases, participants rated how much their described purchase was experiential or material (i.e., “how tangible do you think your described purchase is?”) ranging from 1 (*not tangible at all*) to 5 (*very tangible*). An estimated time to buy their experiential or material purchase (i.e., “in the next 2 months, when do you intend to buy the described purchase from today?”) and a price of their purchase (i.e., “how much is an estimated or actual cost of this described purchase (in U.S. dollars)?”) were measured to eliminate alternative explanations that anticipatory happiness was influenced by expensive (vs. cheap) purchases in the near (vs. distant) future. Discretionary incomes and allowances were also measured because past research showed that individuals with higher income tended to spend more money on purchases (Van Boven & Gilovich, 2003). An example of discretionary incomes and allowances items was “what are your parents' (or legal guardians') approximate yearly income?” Items that measure discretionary incomes and allowances are shown in Appendix B.

Screening item. One open-ended question assessed English proficiency. This item was tested in the pilot study before it was used in Study 1 to collect Amazon’s Mechanical Turk data. The item is shown in Appendix B.

Procedure

After the participants completed the consent forms, half of the participants were randomly assigned to the experiential condition. The other half were assigned to the material condition. Next, they were asked to think about and describe an experiential or a material purchase they intended to buy in the next 2 months. After the descriptions of their anticipated purchases, they provided information about their purchases, including experiential or material aspect, cost, and estimated time to make the purchase. Then, participants completed identity expression, hedonic well-being, purchase intention, and willingness to pay in a random order. In Part 2, participants completed MVS and EBTS that were counterbalanced. Lastly, they completed a demographic questionnaire and answered a screening question before they were debriefed.

Results and Discussion

The participants frequently reported concert tickets (25%), transportation fees for a trip such as plane ticket and train ticket (15%), spending money on trips (14%), dining out (6%), shoes (6%), admissions for outdoor activities (5%), clothes (5%), and admissions to theme parks (4%) for experiential purchases; whereas they frequently reported clothes (40%), electronic devices (16%), shoes (16%), games (9%), jewelry (7%), admission to convention tickets (5%), accessories (4%), exercising equipment (4%), and vehicles (4%) for material purchases. Participants in the experiential condition ($n = 79$, $M_{\text{price}} = 516.57$, $SD = 854.17$) did not list the prices of their purchases as being significantly differently from participants in the material condition ($n = 75$, $M_{\text{price}} = 586.97$, $SD = 2319.60$), $t(152) = 0.25$, $p = .801$). In addition, participants in the experiential condition ($M_{\text{time}} = 32.34$, $SD = 50.15$) did not estimate the amount

of days that they intended to buy their purchases differently from participants in the material condition ($M_{\text{time}} = 33.75$, $SD = 32.28$), $t(152) = 0.21$, $p = .837$).

Manipulation check. Participants in the experiential condition ($M = 3.24$, $SD = 1.43$) rated their purchases as less tangible than participants in the material condition ($M = 4.47$, $SD = 0.78$), $t(121.44) = 6.64$, $p < .001$). This lesser tangibility of purchases in experiential purchases is consistent with past research. Moreover, common purchases that were listed for experiential and material conditions appeared to be consistent with past research, suggesting that manipulation worked. Even though individuals tended to rate experiential purchases to be less tangible than material purchases, many individuals rated experiential purchases as tangible ($Mdn_{\text{experiential}} = 3$, $Mode_{\text{experiential}} = 5$; $Mdn_{\text{material}} = 5$, $Mode_{\text{material}} = 5$). This suggests that the definition of tangibility may be unclear because having concrete plans or a strong intention to purchase experiences may be interpreted as tangible. Thus, this manipulation check item was rephrased, and the definition of tangibility was added for clarity in the next study.

Differences in purchases. Consistent with past research and the hypothesized relationship, individuals enjoyed experiential purchases ($M = 5.22$, $SD = 1.20$) more than material purchases ($M = 4.61$, $SD = 1.30$; $t(152) = -3.02$, $p = .003$). However, they did not differ in identity expression ($t(152) = -1.91$, $p = .058$) and purchase intention ($t(152) = -1.37$, $p = .172$). Although nonsignificant, participants in the experiential condition ($M_{\text{identity}} = 4.18$, $SD_{\text{identity}} = 1.49$; $M_{\text{intention}} = 5.95$, $SD_{\text{intention}} = 1.22$) had slightly higher identity expression than those in the material condition ($M_{\text{identity}} = 3.73$, $SD_{\text{identity}} = 1.41$; $M_{\text{intention}} = 5.68$, $SD_{\text{intention}} = 1.22$), as expected. Moreover, individuals in both conditions did not differ in their experiential buying tendency ($t(152) = 1.85$, $p = .067$; $M_{\text{experiential}} = 4.49$, $SD_{\text{experiential}} = 1.18$; $M_{\text{material}} = 4.84$, SD_{material}

= 1.16) or materialistic value ($t(152) = 0.03, p = .976; M_{\text{experiential}} = 3.00, SD_{\text{experiential}} = 0.60; M_{\text{material}} = 3.00, SD_{\text{material}} = 0.52$).

Selection of willingness to pay items. Asking about willingness to pay based on the expected cost of the purchase (WTP3 and WTP4) seemed more intuitive and logical for assessing willingness to pay and seemed to give some variability in the responses. The results suggest that people would not pay more than their maximum amount of money they wanted to spend, even for the ideal version of the purchase. Most people would pay only 10–30% more for the ideal version of the purchase. This was supported by the floor effects. The percentages of the responses of the three Likert-scaled items (i.e., WTP1, WTP3, WTP5) are shown in Figure B1.

Seven WTP items were positively correlated with each other, ranging from .48–.99. WTP1, WTP3, WTP5, and WTP7 (i.e., maximum amount of money, expected cost in general, expected spending, and the purchase's worth) were open-ended questions and were nearly identical ($r > .90$). WTP2, WTP4, and WTP6 were Likert-scaled items that were based on the estimations from their respective open-ended items and were less correlated with each other, ranging from .48–.77. The high correlations among the open-ended questions indicated that they assessed similar amounts people were willing to pay for their purchases.

It was unexpected to observe the negative relationship ($r = -.18, p = .027$) between willingness to pay based on the expected spending (WTP5) and experiential buying tendency. This same WTP item also was positively related to materialism ($r = .21, p = .009$). It appears that people are willing to spend more than what they expect when it comes to material purchases or when they are more materialistic.

WTP3 and WTP4 were selected to be used in the next study due to the following reasons: First, it appears most logical to ask individuals' willingness to pay based on the expected cost of

their purchase on a 10-point Likert scale. Second, some variation of willingness to pay can be observed. Third, happiness scores had the strongest correlation with WTP4 ($r = .25, p = .002$) compared to other WTP items. Besides WTP items, the manipulation worked in this pilot study because participants reported either experiential purchases or material purchases that were consistent with past research. The manipulation check was also modified to clarify the meaning of tangibility.

CHAPTER 3

STUDY 1

This study examines whether identity expression mediates the effect of purchases on anticipatory happiness. Additionally, anticipatory happiness was tested to see if it predicts purchase intention and willingness to pay. Lastly, the study shows if the effect of purchase types on identity expression changes depending on the levels of experiential buying tendency or materialistic value.

Participants

Participants ($N = 163$) were recruited from Amazon's Mechanical Turk and were compensated \$1. Eight participants listed purchases that they intended to buy for someone else or for their pets. This could potentially mean that their provided purchases would not reflect their identities. Two participants also did not report purchases that they intended to buy. Thus, these participants were removed from the analyses. The remaining participants ($N = 153$, $M_{\text{age}} = 35.93$, $SD_{\text{age}} = 12.07$) were included in the analyses.

The sample consisted of mostly Caucasians. The proportion of gender was nearly equal (44% male, 56% female), and most participants had earned a bachelor's degree. Most participants had a discretionary income of less than \$10,000. The complete proportion of the characteristics in the sample is shown in Table 1.

Measures

As shown in Appendix B, the same measures used in the pilot study were used in Study 1, except for the WTP items and the manipulation check. Two WTP items (i.e., WTP3 and

WTP4), marked with asterisks in Appendix B, were used in Study 1. In addition, the manipulation check item was clarified. Because participants could have interpreted the definition of tangibility differently, a definition of tangibility was added. The definition was, “a tangible object means the object has a physical form or physical presence.” Participants were also explicitly told that a concrete plan to spend money is not tangible.

Analytic Plan

Six path models were analyzed. First, the effect of experiential (vs. material) purchases on anticipatory happiness was tested. Second, the effects of anticipatory happiness on purchase intention and willingness to pay were examined. Third, identity expression was tested to see if it mediated the effect of purchases on anticipatory happiness. Fourth, this mediation model was tested further by examining purchase intention and willingness to pay as the dependent variables. Fifth, this full mediation model was tested to see if experiential buying tendency moderated the effect of purchases on identity expression. Lastly, the full mediation model was tested to see if materialistic value moderated the effect of purchases on identity expression.

Results

Participants ($n = 76$) in the experiential condition reported their purchases as 28% vacation (e.g., trips to places), 22% fees or admissions (e.g., exhibits, spa, concert tickets), 12% electronic devices (e.g., TV, computers, speakers, phones), 12% transportation fees (e.g., plane tickets, train tickets), 7% outdoor activities (e.g., camping, hiking), and 4% games or gaming equipment (e.g., video games, gaming computers). Participants ($n = 77$) in the material condition reported their purchases as 29% electronic devices (e.g., phones, computers, headphones), 16% fashion accessories (e.g., handbags, shoes, jewelry), 12% games or gaming equipment (e.g.,

gaming computers, game consoles, video games), 9% vehicle or vehicle equipment (e.g., cars, bicycles, tires), 8% clothes, and 8% furniture.

Participants in both conditions did not differ in sex (48 % female_{material}, 63% female_{experiential}, $\chi^2(1) = 3.54, p = .06, \phi = .15$), age ($Mdn_{material} = 34.00, Mdn_{experiential} = 31.00, U = 2463.00, p = .091, r = -.14$), race ($Mdn_{material} = 1.00, Mdn_{experiential} = 1.00, U = -.32, p = .752, r = -.03$), relationship status ($Mdn_{material} = 2.00, Mdn_{experiential} = 2.00, U = -.56, p = .578, r = -.05$), education ($Mdn_{material} = 4.00, Mdn_{experiential} = 5.00, U = -.72, p = .469, r = -.06$), or disposable income ($Mdn_{material} = 3.00, Mdn_{experiential} = 3.00, U = 2882.00, p = .871, r = -.01$). Thus, the group differences could not have been because of sampling bias.

Control variables. Happiness did not differ by the cost of purchase ($\beta = .12, p = .149$) or the estimated time to purchase ($\beta = .04, p = .591$). Discretionary income also did not affect the amount of money participants were willing to pay ($\beta = .06, p = .463$) or the cost of purchase ($\beta = -.01, p = .873$). Moreover, participants in the experiential ($M = 1725.41, SD = 5340.65$) and material groups ($M = 1599.21, SD = 5224.64$) did not report different costs of their purchases significantly ($t(151) = -0.15, p = .883$). No group difference was found in their estimated time to purchase their experiential ($M = 32.34, SD = 38.45$) or material ($M = 38.14, SD = 40.85$) purchases ($t(151) = 0.90, p = .367$). The cost of purchase, estimated time to purchase, and discretionary income were not included in the following analyses.

Manipulation check. As expected, participants in the experiential group ($M = 2.57, SD = 1.43$) rated their purchases to be less tangible than participants in the material group ($M = 4.39, SD = 1.10; t(141.07) = 8.84, p < .001$). Not only did participants tend to report typical experiential and material purchases in their respective groups, they also tended to perceive their

purchases as less tangible when listing experiential purchases, compared to material purchases (e.g., Van Boven & Gilovich, 2003). This suggests that the purchase manipulation worked.

Differences in purchases. As expected, participants from the experiential group reported greater happiness ($t(151) = 2.44, p = .016$), greater identity expression ($t(151) = 2.59, p = .011$), and willingness to pay ($t(136.00) = 2.69, p = .008$) than participants from the material group. However, both groups did not differ in purchase intention ($t(120.18) = -1.68, p = .095$), experiential buying tendency ($t(151) = 1.02, p = .308$), or materialistic value ($t(151) = -0.23, p = .820$). The means and standard deviations of the variables are shown in Table 2.

Path analyses. Mplus 8 was used to perform path analyses. All path models were analyzed with a maximum likelihood estimation¹. As recommended for indirect effects testing, a nonparametric bootstrapping approach was used for all analyses with 1,000 bootstrapped samples (Nevitt & Hancock, 2001). The fit indices used to examine how well a model fits the data are chi-square test, Comparative Fit Index (CFI), Tucker-Lewis Index (TLI), Standardized Root Mean Square Residual (SRMR), Akaike Information Criterion (AIC), and Bayesian Information Criterion (BIC; Hu & Bentler, 1998, 1999; Kline, 2016; Lance & Vandenberg, 2001; Raftery, 1995). Root mean square error of approximation (RMSEA) was excluded because it tends to falsely reject models more than expected when the degrees of freedom and sample sizes are small (Kenny, Kaniskan, & McCoach, 2015). Because the models in this study have extremely low degrees of freedom and a relatively small sample size, it was appropriate to exclude RMSEA. A good model fit generally has a nonsignificant chi-square test, CFI and TLI above .95, and SRMR less than .05. Higher AIC and BIC indicate that the model is more complex. Table 3 shows the correlations among identity expression, happiness, purchase

intention, willingness to pay, experiential buying tendency, and materialistic value. The fit indices for the path models are presented in Table 4.

The path coefficients, confidence intervals, and significance are reported in Table 5. As expected, experiential (vs. material) purchases increased happiness ($\beta = .19$, 95% CI [.04, .35]). In addition, happiness positively predicted purchase intention ($\beta = .33$, 95% CI [.12, .51]) and willingness to pay ($\beta = .18$, 95% CI [.04, .31]). As hypothesized, identity expression completely mediated the effect of purchases on happiness² ($\beta = .11$, 95% CI [.03, .20]). Specifically, experiential (vs. material) purchases increased identity expression ($\beta = .21$, 95% CI [.07, .36]), which increased happiness ($\beta = .53$, 95% CI [.38, .66]).

When adding purchase intention and willingness to pay as dependent variables to this simpler model, experiential (vs. material) purchases increased identity expression ($\beta = .21$, 95% CI [.07, .36]), which increased happiness ($\beta = .53$, 95% CI [.38, .66]), which increased purchase intention ($\beta = .33$, 95% CI [.12, .51]) and willingness to pay ($\beta = .18$, 95% CI [.04, .31]). However, the fit indices for this complete mediation model indicate that the model was a bad fit for the data. Although happiness was shown to significantly predict purchase intention and willingness to pay, these two paths accounted for only small amounts of variance. Specifically, adding purchase intention accounted for 11% of the variance ($R^2 = .11$, $p = .092$) and willingness to pay accounted for 3% of the variance ($R^2 = .03$, $p = .207$). Due to these reasons, purchase and willingness to pay were removed from further analyses. Thus, anticipating happiness from purchases did not affect purchase intention and willingness to pay.

When examining whether experiential buying tendency and materialism moderated the effect of purchase on identity expression, neither experiential buying tendency ($\beta = .18$, 95% CI [-.07, .43]) nor materialism ($\beta = -.11$, 95% CI [-.38, .12]) were significant moderators. Hence,

H1–H4 had partial support. This indicates that the influence of a purchase on identity expression did not differ across the levels of experiential buying tendency and materialism. Regardless of individual differences and purchasing tendencies, it appears that expressing the identities through purchases contributes to feeling happy. Specifically, experiential purchases increased identity expression, which increased anticipatory happiness more than material purchases. Figure 2 shows these mediation models with experiential buying tendency and materialism as moderators.

Discussion

H1–H4 were partially supported, such that individuals who expressed their identities through their purchases more anticipated greater happiness from consumption. This is particularly true among individuals who spend money on experiences rather than material goods. Unexpectedly, experiential buying tendency and materialistic value did not moderate the effect of purchase on identity expression. This suggests that purchasing styles do not affect how people express their identities through their purchases. Individuals who tended to buy experiential purchases (i.e., high EBTS) did not express their identities through their experiential purchases more than material purchases. Similarly, individuals who tended to buy material purchases (i.e., low EBTS) did not express their identities through their material purchases more than experiential purchases. This indicates that materialistic value does not affect the way people express their identities through their purchases. For example, more materialistic individuals (i.e., high MVS) did not express their identities through their material purchases more than experiential purchases. Similarly, less materialistic individuals (i.e., low MVS) did not express their identities through experiential purchases more than material purchases. This lack of moderations is inconsistent with past studies (Zhang et al., 2014).

Inconsistent with the hypotheses, more anticipatory happiness did not necessarily lead to greater purchase intention or willingness to pay. It appears that identity expression and anticipatory happiness are more important in consumer decision making compared to purchase intention and willingness to pay. This seems counter-intuitive for marketers attempting to connect their products and services to consumers (e.g., Aaker, 1999; Escalas & Bettman, 2005; Prahalad & Ramaswamy, 2004). Hypothetically, expressing the identity through the products should increase the monetary value of the products and increase the desire to consume them because consumers should anticipate more happiness. In contrast, the current research indicates that identity expression and anticipatory happiness are unrelated to purchase intention and products' value.

The mediation of identity expression is consistent with the literature (e.g., Bhattacharjee & Mogilner, 2014; Carter & Gilovich, 2012; Zhang, Howell, Caprariello, & Guevarra, 2014). These findings contribute to the growing support that individuals tend to anticipate greater happiness from experiential purchases than from material purchases because spending money on experiences satisfies self-discovery more than material goods (Kumar & Gilovich, 2015, 2016). Individuals also appear to perceive these enhanced connections with the self that experiences can offer because individuals seek experiential purchases, instead of material purchases, when they were motivated to discover their true selves (Kim, Seto, Christy, & Hicks, 2016).

These past studies have demonstrated that individuals use products and services to shape their identities. People should be motivated to, and happy when, their identities match the ideal selves. In fact, people are motivated to reduce the discomforts from a self-discrepancy (i.e., a distance between the actual and ideal selves). It has been shown that individuals tend to evaluate products more positively when they were motivated to resolve the self-discrepancy by pursuing

their ideal selves (Avnet & Higgins, 2006; Higgins, Bond, Klein, & Strauman, 1986; Higgins, Klein, & Strauman, 1985; Idson, Liberman, & Higgins, 2004). This seems to imply that consolidating the actual and ideal selves may affect product satisfaction, or hedonia, beyond just the positive evaluations of products. Perhaps, experiential purchases better allow people to progress toward their ideal selves than material purchases.

Marketing implications. The mediation of identity expression may be applicable to the advocacy of a co-creation experience as a marketing strategy (Sheth, Sisodia, & Sharma, 2000). A co-creation experience enhances the personal connection consumers have with the products by including consumers in the creation and development of products. When consumers can customize their products or provide feedback to the company, consumers may better express their identities with their products. For example, car companies allow consumers to customize their cars' interior (e.g., leather seats) and exterior (e.g., colors) designs. This customization may make consumers feel a sense of ownership and help project their identities to others. Companies that sell material purchases (e.g., car companies, iPhones, laptops) appear to realize consumers' motivation to express their unique identities can be used to boost the value of material purchases (Pralhalad & Ramaswamy, 2004).

The findings in the current study are also consistent with the effect of congruency between the brands and the self-concept on purchasing decisions and product satisfaction. When a brand personality matched a self-concept, consumers tended to have favorable attitudes toward products (Aaker, 1997, 1999). This congruency can increase the motivation to buy products only if both the brand's image and the person's self-image are positive (Sirgy, 1982). Additionally, the consistent images between the brand and the self (or the in-group) affected consumer's purchasing decisions (Escalas & Bettman, 2005; Harmon-Kizer, Kumar, Ortinau, & Stock,

2013). These previous studies have indicated that using brands to express identity can improve happiness and purchase intention. This may also explain the purposes of branding and market segmentation as marketing strategies. Marketers often craft the brands' images and personalities for different products and personalize the marketing campaigns for different markets based on some demographics, interests, needs, and life styles. For instance, PUR water filter's commercial capitalized on the health image. PUR launched KnowYourWater campaign to make consumers curious about their drinking water's quality. The KnowYourWater campaign likely identifies with consumers whose identities are to be healthy and will likely attracts those buyers.

Limitations and future directions. There were small variations in experiential buying tendency and materialistic value. People who bought either experiential purchases ($M_{EBTS} = 4.48$, $SD_{EBTS} = 1.35$; $M_{MVS} = 2.75$, $SD_{MVS} = 0.76$) or material purchases ($M_{EBTS} = 4.26$, $SD_{EBTS} = 1.35$; $M_{MVS} = 2.78$, $SD_{MVS} = 0.82$) had homogenous distributions of experiential buying tendency and materialistic value. This homogeneity of variance indicates that the random assignment works. However, the small variabilities in these two moderators could have led to the lack of moderations. For instance, there may be not enough individuals with different levels of experiential buying tendency and materialism. Future research could collect data that have more variabilities in experiential buying tendency and materialistic value to observe the proposed mediated moderations.

Purchase intention seems to be associated with a ceiling effect. Participants might have been primed to have high purchase intention from the manipulation because they were asked to report one purchase that they intended to buy in the next 2 months. In Study 1, 82% of the participants had average scores of 6 and more for purchase intention ($M = 6.36$, $Mdn = 7.00$, $Mode = 7.00$). The distributions of purchase intention scores were relatively the same for the

material condition (86% = average scores of 6 and more, $M = 6.51$, $Mdn = 7.00$, $Mode = 7.00$) and the experiential condition (79% = average scores of 6 and more, $M = 6.21$, $Mdn = 7.00$, $Mode = 7.00$). It is possible that the scales of purchase intention items should have finer distinctions in the upper range. For instance, future studies could replace “*not likely at all*” and “*not much*” with “*neutral*” for the lowest anchors.

In contrast, willingness to pay seems to have been associated with a floor effect. Participants tended to choose a lower range on the willingness to pay scale. In Study 1, 71% of the participants had average scores of 3 and less ($M = 2.84$, $Mdn = 2.00$, $Mode = 1.00$). The distributions of willingness to pay scores were similar for the material condition (77% = average scores of 3 and less, $M = 2.39$, $Mdn = 2.00$, $Mode = 1.00$) and the experiential condition (65% = average scores of 3 and less, $M = 3.29$, $Mdn = 2.00$, $Mode = 2.00$). These clusters in the lower range of the willingness to pay scale could have been more refined because individuals would likely want to buy their purchases at the expected prices or at the prices that do not deviate higher than 30% from the expected prices. Future studies could use scales of 2–5% increments from the expected prices and could limit the upper range of the scale within 30% above the expected price. This rationale would be consistent to the anchoring and adjustment research, which shows that people tend to adjust their estimations relatively close to the anchors (Tversky & Kahneman, 1974). In this case, the anchors were the expected prices of the purchases, and it appears that the participants did not adjust much higher than their anchors.

The digital devices that participants reported in Study 1 could be perceived as either experiential or material. Some may argue that the constructs of purchases are ambiguous. This may be true as technology begins to provide uniquely online experiences and becomes a more integral part of everyday life. Digital devices (e.g., phones, computers, computer accessories,

gaming equipment) are tangible possessions but provide access to digital experiences. For instance, people can use phones to play the Pokémon Go game; this phone application seamlessly connects the physical world with the digital world by allowing players to collect Pokémon virtually and to interact with other players physically.

In Study 1, participants in the material condition were instructed to report a tangible object that they intended to acquire for an unlimited period of time. The manipulation for material purchases appears to appropriately prime participants to consider any digital devices as tangible objects in the physical world because material purchases were rated to be more tangible than experiential purchases ($t(141.07) = 8.84, p < .001$). In addition, participants in the material condition (31 out of 77) tended to report digital devices and gaming equipment more than participants in the experiential condition (12 out of 76). However, it is difficult to ensure that the participants in the material condition were perceiving the sense of ownership and the physical features of digital devices because the participants did not always describe them. In fact, most participants described purchases they intended to buy in a single sentence, but some participants in the material condition mentioned online gaming experiences and reading books on kindle devices.

Though the participants in Study 1 seemed to perceive material purchases in the physical realm, recent research suggests that people can use digital possessions to express their identities online via computers, mobile phones, and video games (Belk, 2013, 2014). In online games, gamers can buy customizations of their avatars (e.g., outfits) using the game currency and the time currency to express their identities (Denegri-Knott & Molesworth, 2010; Martin, 2008). Other digital possessions such as social media accounts are also mediums to express identities beyond the physical world. Individuals can post on Facebook, Twitter, Instagram, and LinkedIn

to shape and project their identities to others instantly. Future research could explore how digital possessions may contribute to hedonia differently from physical possessions because digital possessions are not necessarily acquired by spending money and are not tangible. These digital possessions are often acquired by spending the time currency, spending game currency, or achieving goals in the game. It is possible that digital possessions may be categorized as the third purchase type that incorporates the balance of both experiential and material purchases. Or, people may consider digital possessions as experiential “purchases” because digital possessions are not tangible and are similar to online experiences.

The current research demonstrated the mediating role of identity expression between purchases and anticipatory happiness, which was consistent with research on consumer and marketing. The current research also advocated that personal connections with products are important and that businesses should aim to connect their products and services with consumers. The current study also supported the importance of brand personality, brand connections, and co-creation experiences.

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FOOTNOTES

¹Though some of the main variables were either skewed, kurtosed, or both, maximum likelihood (ML) with 1,000 bootstrapped samples was used after comparing its results with the results from robust maximum likelihood (MLR) because both methods had nearly identical results in terms of standard errors, fit statistics, and significant results.

²A partially mediated model was tested for the direct and indirect effects of purchases on happiness. The model was just-identified and showed that purchases did not directly affect happiness.

Table 1: Characteristics of the Samples

Variable	Pilot Study	Study 1
Race		
Caucasian	70%	82%
African American	9%	6%
Latin American	1%	5%
Asian	15%	4%
Others	5%	3%
Education		
High school	27%	3%
Some college	67%	33%
Associate's degree	3%	14%
Bachelor's degree	2%	41%
Master's degree	–	9%
Doctorate degree	–	1%
Other	1%	–
Discretionary income		
\$0-\$1,500	38%	24%
\$1,501-\$3,000	29%	17%
\$3,001-\$7,000	18%	17%
\$7,001-\$10,000	7%	11%
\$10,001-\$30,000	5%	16%
\$30,001-\$60,000	2%	9%
\$60,001-\$100,000	1%	4%
Over \$100,000	–	3%

Table 2: Means and Standard Deviations of Variables in Study 1

Variable	Experiential		Material		Group Differences (E-M)
	<i>M</i>	<i>SD</i>	<i>M</i>	<i>SD</i>	<i>t</i>
Happiness	5.80	1.12	5.35	1.16	2.44*
Identity expression	5.00	1.49	4.36	1.56	2.59*
Purchase intention	6.21	1.33	6.51	0.77	-1.68
Willingness to pay	3.29	2.37	2.39	1.70	2.69**
Moderators					
Experiential buying tendency	4.48	1.35	4.26	1.35	1.02
Materialism	2.74	0.76	2.78	0.82	-0.23

* $p < .05$. ** $p < .01$

Table 3: Correlations of the Main Variables in Study 1

	1	2	3	4	5	6
1. Identity	<i>(.93)</i>					
2. Happiness	.53***	<i>(.90)</i>				
3. Intention	.12	.33***	<i>(.95)</i>			
4. WTP	.08	.18*	.12	–		
5. EBTS	.07	.10	-.09	.02	<i>(.79)</i>	
6. MVS	.17*	.12	.02	-.06	-.35***	<i>(.90)</i>

Note. The italic numbers are reliabilities. WTP does not have a reliability because it has one item. WTP = willingness to pay. EBTS = experiential buying tendency scale. MVS = material value scale.

* $p < .05$. ** $p < .01$. *** $p < .001$.

Table 4: Fit Indices of Path Models in Study 1

Model	χ^2	<i>df</i>	SRMR	CFI	TLI	AIC	BIC
1. Purchase → happiness	0.00	0	0.000	1.00	1.00	478	487
2. Happiness → PI and WTP	0.55	1	0.018	1.00	1.00	1110	1128
3. Purchase → identity → happiness	1.63	1	0.028	.99	.97	1002	1020
4. Purchase → identity → happiness → PI and WTP	16.54*	6	0.064	.88	.80	2111	2148
5. Purchase → identity → happiness (EBTS moderates P → ID)	2.72	3	0.029	1.00	1.00	1003	1027
6. Purchase → identity → happiness (MVS moderates P → ID)	2.80	3	0.021	1.00	1.00	1000	1024

Note. SRMR = Standardized Root Mean Square Residual. CFI = Comparative Fit Index. TLI = Tucker-Lewis Index. AIC = Akaike Information Criterion. BIC = Bayesian Information Criterion. PI = purchase intention. WTP = willingness to pay. EBTS = experiential buying tendency scale. P = purchases. ID = identity expression. MVS = material value scale.

* $p < .05$.

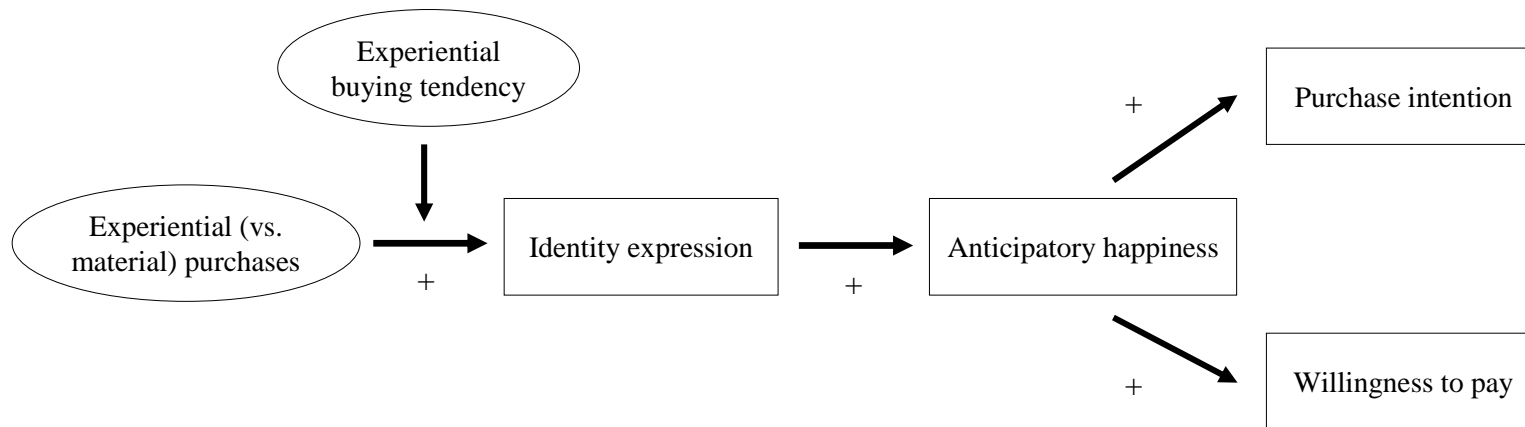
Table 5: Path Coefficients of Six Path Models in Study 1

	Model	β	Bootstrap 95% CI
1.	Direct effect		
	Purchases \rightarrow happiness	.19*	(.04, .35)
2.	Direct effects		
	Happiness \rightarrow PI	.33**	(.12, .51)
	Happiness \rightarrow WTP	.18*	(.04, .31)
3.	Direct effects		
	Purchases \rightarrow identity	.21**	(.07, .36)
	Identity \rightarrow happiness	.53***	(.38, .66)
	Indirect effect		
	Purchases \rightarrow identity \rightarrow happiness	.11*	(.03, .20)
4.	Direct effects		
	Purchases \rightarrow identity	.21**	(.07, .36)
	Identity \rightarrow happiness	.53***	(.38, .66)
	Happiness \rightarrow PI	.33**	(.12, .51)
	Happiness \rightarrow WTP	.18*	(.04, .31)
	Indirect effects		
	Purchases \rightarrow identity \rightarrow happiness \rightarrow PI	.04*	(.01, .08)
	Purchases \rightarrow identity \rightarrow happiness \rightarrow WTP	.02	(.00, .05)
5.	Direct effects		
	Purchases \rightarrow identity	.20**	(.07, .36)
	EBTS \rightarrow identity	-.08	(-.36, .19)
	EBTS*Purchases \rightarrow identity	.18	(-.07, .43)
	Identity \rightarrow happiness	.53***	(.38, .66)
	Indirect effect		
	Purchases \rightarrow identity \rightarrow happiness	.11*	(.03, .20)
6.	Direct effects		
	Purchases \rightarrow identity	.21**	(.07, .36)
	MVS \rightarrow identity	.25	(-.04, .53)
	MVS*Purchases \rightarrow identity	-.11	(-.38, .12)
	Identity \rightarrow happiness	.53***	(.38, .66)
	Indirect effect		
	Purchases \rightarrow identity \rightarrow happiness	.11*	(.03, .20)

Note. Bootstrap resampling = 1000. PI = purchase intention. WTP = willingness to pay. EBTS = experiential buying tendency scale. MVS = materialistic value.

* $p < .05$. ** $p < .01$. *** $p < .001$.

a)



b)

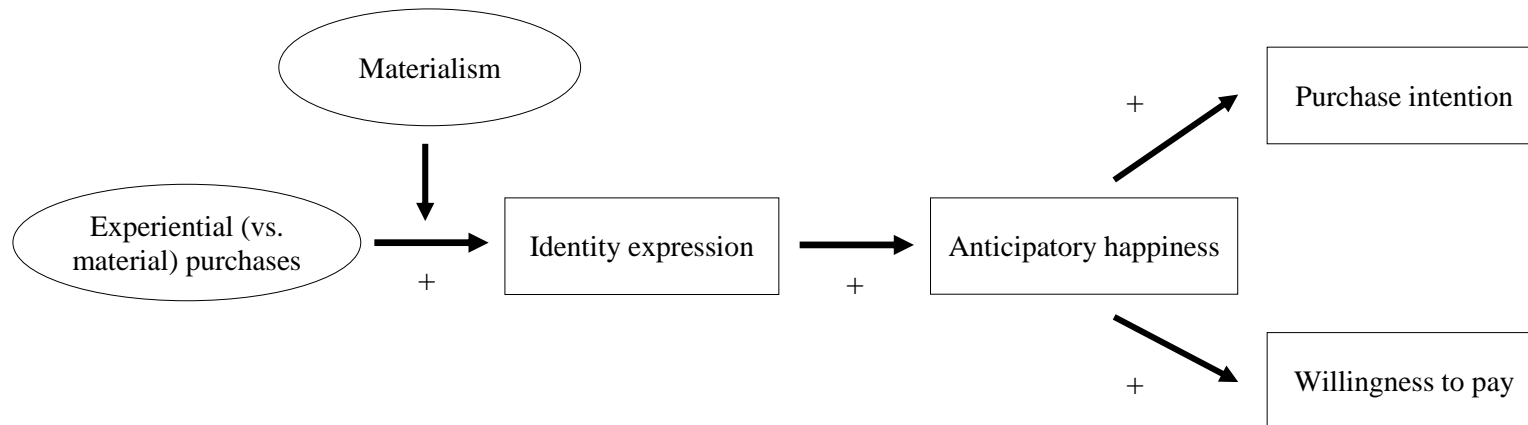


Figure 1: Two mediated moderation models in Study 1: a) experiential buying tendency as a moderator and b) materialism as a moderator.

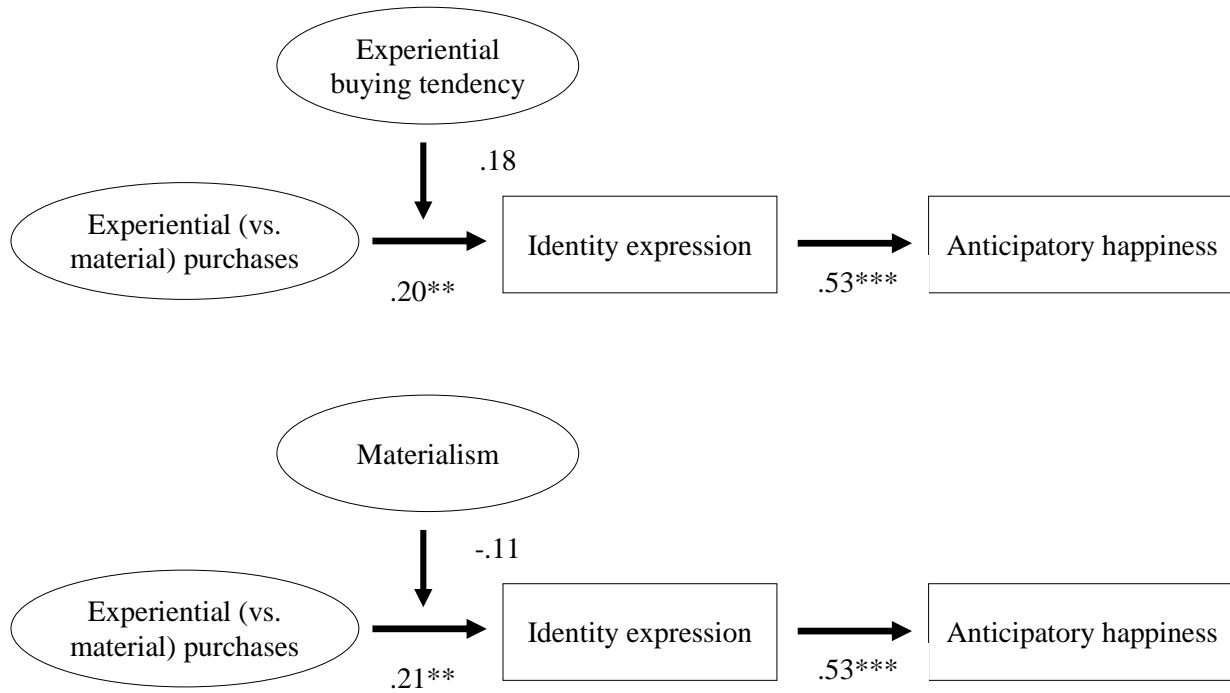


Figure 2: Final path models in Study 1. Purchases were coded as 1 for experiential purchases and 0 for material purchases. The path coefficients were standardized.

** $p < .01$. *** $p < .001$.

APPENDIX A

PURCHASE MANIPULATION

Experiential Condition (modified from Howell & Hill, 2009)

There are many ways in which people can choose to utilize their money. One way is by acquiring a life experience—an event or series of events that you encounter or live through (e.g., eating out, attending a concert, traveling, etc.). When using money this way, a person does not acquire a physical object in their possession but obtains only memory of the experiences or event. We would like you to think about this type of purchase you intend to make in the next 2 months. This purchase must meet the following requirements:

- a) Must advance your happiness and enjoyment in life
- b) Must be paid in full at the time of your purchase, or will be paid for within a month
- c) Must not be a long-term investment

Once you have the purchase you intend to buy in the next 2 months on your mind, please describe that purchase below.

Material Condition (modified from Howell & Hill, 2009)

There are many ways in which people can choose to utilize their money. One way is by acquiring material goods or products. A material good can be defined as a tangible object you purchase with the primary intention to acquire and keep for an unspecified period of time (i.e., jewelry, clothing, computer equipment). We would like you to think about this type of purchase you intend to make in the next 2 months. This purchase must meet the following requirements:

- a) Must advance your happiness and enjoyment in life

- b) Must be paid in full at the time of your purchase, or will be paid for within a month
- c) Must not be a long-term investment

Once you have the purchase you intend to buy in the next 2 months on your mind, please describe that purchase below.

APPENDIX B

MEASURES IN THE PILOT AND STUDY 1

Identity Expression

This item was used in Guevarra and Howell (2015)

1. To what extent will this purchase reflect your true identity? (1 = *not at all*, 7 = *very much*)

This item was used in Zhang and colleagues (2014)

2. How much will this purchase a true expression of who you are? (1 = *not at all*, 7 = *very much*)
3. If you describe this purchase to another person who knew nothing else about you, would this person know more about the *real* you? (1 = *definitely not*, 7 = *definitely*)
4. How well do you think your purchase better express your true self? (1 = *does not represent my true self*, 7 = *represents my true self*)
5. If you could describe who you are as a person, will you talk about this purchase? (1 = *not at all*, 7 = *absolutely*)

Hedonic Well-Being

These items are used in Pchelin & Howell (2014)

1. How much do you expect this purchase will contribute to your overall life's happiness? (1 = *not at all*, 7 = *very much*)
2. How much do you think this purchase will increase your overall life satisfaction? (1 = *not at all*, 7 = *very much*)

These items are modified from Van Boven & Gilovich (2003)

3. When you think about this purchase, how happy does it make you? (1 = *not at all*, 7 = *very much*)
4. How much does this purchase contribute to your happiness in life? (1 = *not at all*, 7 = *very much*)

Purchase Intention

1. “How likely are you to actually buy this purchase?” (1 = *not likely at all*, 7 = *very likely*)
2. “How much do you intend to buy this purchase?” (1 = *not much*, 7 = *very much*)

Willingness to Pay

1. Think about the purchase that you intend to buy in the next 2 months. What is the **maximum amount of money (in U.S. dollar) you would pay** for the experience [material item]?

\$(*WTP1 answer*)
2. You previously reported that **you would pay** \$(*WTP1 answer*) for the purchase. Now, imagine that you found the perfect version of the purchase you intend to buy in the next 2 months. This ideal experience [material item] was exactly what you looked for. What would be the maximum amount of money you would be willing to pay for this ideal experience [material item]?

\$(*WTP1 answer* *.1)

\$(*WTP1 answer* *.2)

\$(*WTP1 answer* *.3)

\$(*WTP1 answer* *.4)

\$(*WTP1 answer* *.5)

$$(WTP1 \text{ answer } *.6)$

$$(WTP1 \text{ answer } *.7)$

$$(WTP1 \text{ answer } *.8)$

$$(WTP1 \text{ answer } *.9)$

$$(WTP1 \text{ answer } *2)$

3. *Based on the purchase you intend to buy in the next 2 months, how much do you **expect the cost of this purchase to be in general** (in U.S. dollar)?

$$(WTP3 \text{ answer})$

4. *If you **expect the cost of your described purchase** to be $$(WTP3 \text{ answer})$, imagine that you found the perfect version of the purchase you intend to buy in the next 2 months. This perfect experience [material item] was exactly what you were looking for. What would be the maximum amount of money you would be willing to pay for this perfect experience [material item]?

$$(WTP3 \text{ answer } *.1)$

$$(WTP3 \text{ answer } *.2)$

$$(WTP3 \text{ answer } *.3)$

$$(WTP3 \text{ answer } *.4)$

$$(WTP3 \text{ answer } *.5)$

$$(WTP3 \text{ answer } *.6)$

$$(WTP3 \text{ answer } *.7)$

$$(WTP3 \text{ answer } *.8)$

$$(WTP3 \text{ answer } *.9)$

$$(WTP3 \text{ answer } *2)$

5. What do you **expect to spend on the experience [material item]** you described and intend to buy in the next 2 months?

$$(WTP5 \text{ answer})$

6. Based on your previous response, you **expect to spend** $$(WTP5 \text{ answer})$ on the experience [material item]. Now, imagine that you found the perfect experience [material item] that you described and intend to buy in the next 2 months. This ideal experience [material item] was exactly what you were looking for, **but not what you expected to pay**. What would be the maximum amount of money you would be willing to pay for this ideal purchase?

$$(WTP4 \text{ answer} *.1)$

$$(WTP4 \text{ answer} *.2)$

$$(WTP4 \text{ answer} *.3)$

$$(WTP4 \text{ answer} *.4)$

$$(WTP4 \text{ answer} *.5)$

$$(WTP4 \text{ answer} *.6)$

$$(WTP4 \text{ answer} *.7)$

$$(WTP4 \text{ answer} *.8)$

$$(WTP4 \text{ answer} *.9)$

$$(WTP4 \text{ answer} *2)$

7. How much do you think this experience [material item] is really worth (in U.S. dollar)?

$$(WTP7 \text{ answer})$

Note. Items with an asterisk were used in the pilot study and Study 1.

Experiential Buying Tendency

In this section of the survey, we would like to know more about the purchasing choices you are typically more likely to make. A material item is something tangible, such as jewelry or clothes. An experiential item is something that is intangible, like going out to dinner or going on vacation. Using the scale below as a guide, indicate your preferences.

1. In general, when I have extra money I am likely to buy... (1 = *a material item*, 7 = *a life experience*)
2. When I want to be happy, I am more likely to spend my money on... (1 = *material goods*, 7 = *activities and events*)
3. Some people generally spend their money on a lot of different life experiences (e.g., eating out, going to a concert, traveling, etc.). They go about enjoying their life by taking part in daily activities they personally encounter and live through. To what extent does this characterization describe you? (1 = *not at all*, 7 = *a great deal*)
4. Some people generally spend their money on a lot of material goods and products (e.g., jewelry, clothing). They go about enjoying their life by buying physical objects that they can keep in their possession. To what extent does this characterization describe you? (1 = *not at all*, 7 = *a great deal*) (R)

Note. (R) indicates a reverse-scored item.

Material Value Scale

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	2	3	4	5

Success

1. I admire people who own expensive homes, cars, and clothes.
2. Some of the most important achievements in life include acquiring material possessions.

3. I don't place much emphasis on the amount of material objects people own as a sign of success. (R)
4. The things I own say a lot about how well I'm doing in life.
5. I like to own things that impress people.

Centrality

6. I try to keep my life simple, as far as possessions are concerned. (R)
7. The things I own aren't all that important to me. (R)
8. Buying things gives me a lot of pleasure.
9. I like a lot of luxury in my life.
10. I put less emphasis on material things than most people I know. (R)

Happiness

11. I have all the things I really need to enjoy life. (R)
12. My life would be better if I owned certain things that I don't have.
13. I wouldn't be any happier if I owned nicer things. (R)
14. I'd be happier if I could afford to buy more things.
15. It sometimes bothers me quite a bit that I can't afford to buy all the things I'd like.

Note. (R) indicates a reverse-scored item.

Demographics

1. What is your biological sex? (1 = *male*, 2 = *female*)
2. Which race do you most identify with? (1 = *Caucasian*, 2 = *African American*, 3 = *Hispanic/Latin American*, 4 = *Native American or Alaskan Native*, 5 = *Asian or Pacific Islander*, 6 = *Middle Eastern*, 7 = *mixed race*, 8 = *another race*)

3. What is your relationship status? (1 = *single*, 2 = *married*, 3 = *long-term relationship*, 4 = *separated/divorced*, 5 = *widowed*, 6 = *other*)
4. What is the highest level of education you have attained? (1 = *some high school*, 2 = *high school graduate*, 3 = *some college*, 4 = *associate's degree*, 5 = *bachelor's degree*, 6 = *master's degree*, 7 = *doctorate degree*, 8 = *other*)
5. If currently in college, what is your current year? (1 = *freshman*, 2 = *sophomore*, 3 = *junior*, 4 = *senior*, 5 = *graduate student*, 6 = *other*, 7 = *not applicable to me*)
6. If currently in college, are you a full-time or part-time student this semester? (1 = *full-time*, 2 = *part-time*, 3 = *not applicable to me*)
7. How much of your living expenses are paid by your parents? (1 = 0% - 25%, 2 = 26% - 50%, 3 = 51% - 75%, 4 = 76% - 100%)
8. *How much of your living expenses are paid by your parents, legal guardians, or government? (1 = 0% - 25%, 2 = 26% - 50%, 3 = 51% - 75%, 4 = 76% - 100%)
9. What is your approximate yearly disposable income (remaining money after paying for living expenses and monthly bills)? If you have no personal income, enter your yearly loan or allowance (after living expenses and monthly bills) received from your parents or legal guardians. (1 = \$0 - \$1,500, 2 = \$1,501 - \$3,000, 3 = \$3,001 - \$7,000, 4 = \$7,001 - \$10,000, 5 = \$10,001 - \$30,000, 6 = \$30,001 - \$60,000, 7 = \$60,001 - \$100,000, 8 = *over \$100,000*)
10. *What is your approximate yearly disposable income (remaining money after paying for living expenses and monthly bills)? If you have no personal income, enter your yearly loan or allowance (after living expenses and monthly bills) that you received from your parents, legal guardians, or government. (1 = \$0 - \$1,500, 2 = \$1,501 - \$3,000, 3 =

$\$3,001 - \$7,000$, 4 = $\$7,001 - \$10,000$, 5 = $\$10,001 - \$30,000$, 6 = $\$30,001 - \$60,000$, 7 = $\$60,001 - \$100,000$, 8 = *over* $\$100,000$)

11. What are your parents' (or legal guardians') approximate yearly income? (1 = *less than* $\$10,000$, 2 = $\$10,000 - \$30,000$, 3 = $\$30,001 - \$60,000$, 4 = $\$60,001 - \$100,000$, 5 = *over* $\$100,000$)

Note. An asterisk indicates that an item was only used in Study 1.

Screening Item

Please describe the image below in one complete but simple sentence [USE ENGLISH ONLY].



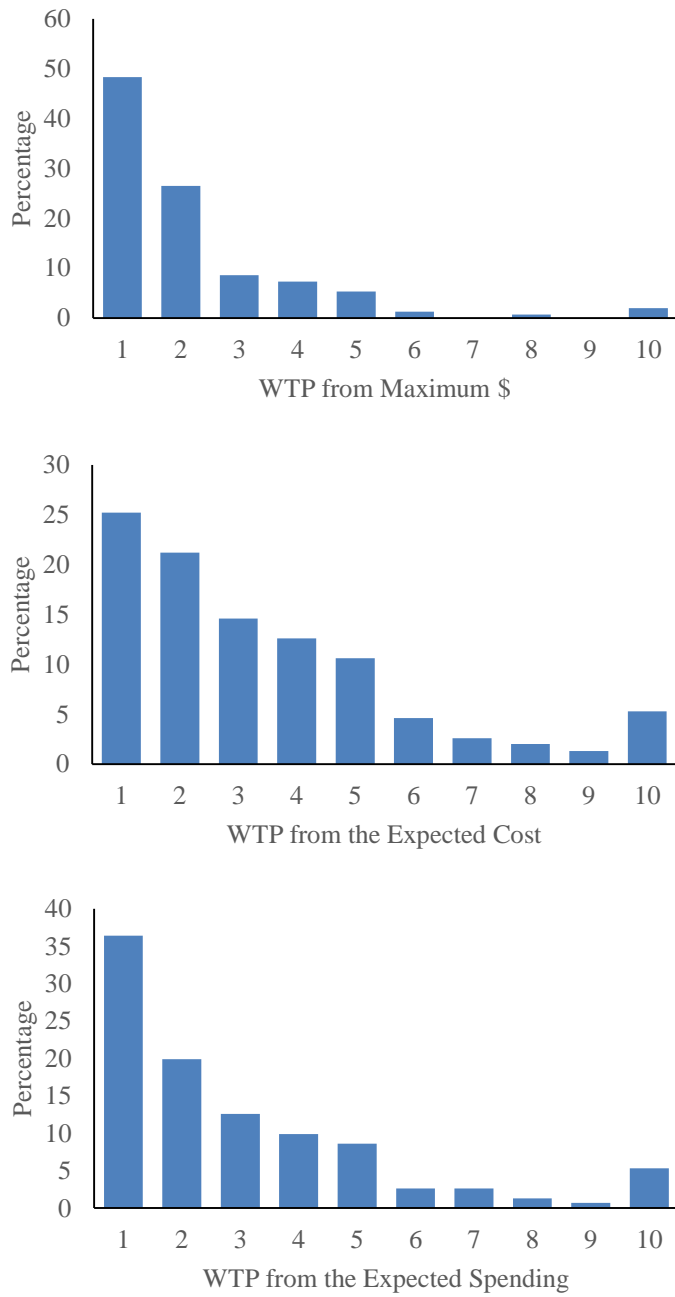


Figure B1: Percentages of responses to Likert-scaled items to assess willingness to pay.