

MARKETING COLLOQUIA

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THE EFFECT OF STRESS ON CONSUMER SAVING AND SPENDING

ABSTRACT: This paper examines how stress influences consumer saving and spending. We propose that consumers who experience a stressful situation allocate their resources strategically in order to gain control of their environment. A series of studies shows that this strategic allocation of resources occurs in two ways. Consumers experiencing stress may show increased saving behavior, which assures the consumer that monetary resources will be available when needed. Alternatively, consumers experiencing stress may show increased spending behavior. Spending, however, is directed specifically toward products the consumer perceives to be necessities, which are products that allow for control in an otherwise uncontrollable environment. This conceptualization and findings can inform when stress will lead to beneficial vs. impulsive consumer behaviors.