

Decision Processes Colloquia

Monday, December 9, 2019

Where: 370 JMHH

When: 12:00 – 1:20 pm

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Looking Forward, Looking Backward: Prospective and Retrospective Benefits of Experiential Investments

ABSTRACT:

To live in the developed world is to live in a consumerist society. Although the broader forces that created this society have led to unprecedented material abundance, scholars have maintained that these benefits have come at a significant psychological cost. An important question, then, is how these costs can be minimized. With this in mind, I review a now-extensive program of research showing that consumers derive more satisfaction from experiential purchases (money spent on *doing*, like on trips, concerts, and meals out) than material purchases (money spent on *having*, like on high-end clothing, jewelry, and electronic gadgets). I first examine how these hedonic benefits extend to anticipation as well as retrospection, and how this affects preferences for when people prefer to consume these types of purchases. In doing so, I discuss reasons for why the satisfaction from experiential consumption endures in these ways. I then explore further downstream consequences that result from experiential purchases in addition to the increased happiness they tend to provide, focusing on how buying experiences rather than possessions can foster successful social relationships, cultivate feelings of gratitude, and promote prosocial behavior. I conclude by discussing how the overall well-being of society might be advanced by shifting from an overwhelmingly material economy to one that facilitates experiential consumption.