MARKETING COLLOQUIA
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HOW AND WHEN DOES A USED (VS. UNUSED) ACCOUNT AFFECT CONSUMPTION BEHAVIOR?

ABSTRACT:

How does spending from a used (vs. unused) account affect consumption behavior? An account is used when some resources of that account have been used (e.g., $90 has been used on a gift card that originally had $100). An account is unused when no resources of that account have been used (e.g., no money has been used on a gift card that has $10). Across seven studies (*N* = 8,667), we find that people are more likely to spend resources from a used account than otherwise equivalent resources from an unused account. This is because people engage in within-account comparisons, comparing the remaining resources in the account with what the account originally had, leading them to value the remaining resources less in a used account. We demonstrate the robustness of the effect of a used (vs. unused) account across several domains, including gift cards, checking accounts, and credit card reward points. Further, we demonstrate a boundary condition of the effect, revealing that the proportion of the account remaining moderates the subsequent consumption. Lastly, we generalize this effect from consumption to charitable giving. The findings provide insights into how policymakers, companies, and individuals may consider leveraging the perception of an account being used or unused to curb expenses and encourage charitable giving.