To have or to do : it's all in the mind(set)

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TO HAVE OR TO DO: IT'S ALL IN THE MIND(SET)

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2018

TO HAVE OR TO DO: IT'S ALL IN THE MIND(SET)

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requirement for the degree of Doctor in Philosophy.

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ABSTRACT

The pursuit of happiness in our consumerist society is all about getting the biggest hedonic bang for the (limited) buck. In the domain of consumer behavior, extant research over the last decade suggests that people generally derive more happiness from experiences rather than material possessions. But is this experiences-over-goods effect universal? I propose that an individual's beliefs about the malleability (vs. fixedness) of human characteristics, influence the preference for experiences over goods.

Ten studies provide converging evidence that incremental theorists (growth mindset) value experiences (over material possessions) more than entity theorists (fixed mindset). I replicate the effect across multiple contexts, both for anticipatory consumption choices and preferences and retrospective post-consumption evaluations (Pilot Study, Studies 1 & 2a-2c). Further, I find that incremental theorists' preference for experiences is driven by the belief that experiences contribute to self-growth and learning (Studies 3 & 4). In a stricter test of the hypothesis, I demonstrate that incremental theorists' preference for experiences holds even when a product (experience) is framed as an experience (vs. a material possession) (Studies 5 & 6). Finally, I also propose a 'material' reward to nudge entity theorists into opting for experiences that are beneficial for them (Study 7).

This research contributes to literature on experiential vs. material consumption by investigating a meaningful individual difference that influences the happiness people derive from experiences. I also contribute to implicit theory literature by examining the underlying reason that drives incremental theorists' preference for experiences. Lastly, it has interesting implications for marketers to design compelling communication campaigns by leveraging either the material or experiential attributes to appeal to specific target audiences.

INTRODUCTION

“Want to be happy in life? Buy experiences instead of things.”

(Dunn, Gilbert, & Wilson, 2011, p. 115)

Extant research on happiness and well-being shows that the first principle of using money to increase happiness is to spend it on experiences instead of possessions (Van Boven & Gilovich, 2003). People derive more happiness by doing, rather than having (Caprariello & Reis, 2013; Carter & Gilovich, 2010; Carter & Gilovich, 2012; Chan & Mogilner, 2014; Gilovich, Kumar, & Jampol, 2014a; Howell & Guevarra, 2013; Kumar, Mann, & Gilovich, 2014; Van Boven, 2005; Van Boven & Gilovich, 2003). In a nutshell, money can make us happier – provided it is spent on doing, and not collecting. In other words, experiences (e.g., going to a Broadway show, fishing, hiking) bring more happiness than possessions (e.g., a luxury watch, a designer dress, electronic gadget).

There are several reasons underlying this preference. Experiences are less prone to adaptation (Nicolao, Irwin, & Goodman, 2009), more amenable to positive re-interpretation (Van Boven & Gilovich, 2003), more social (Caprariello & Reis, 2013), and less prone to comparison (Carter & Gilovich, 2010). Thus far, research seems to suggest that preference for experiences is almost universal – with the exception of a few purchaser characteristics (lower income consumers and those high in materialism, Zhang et al., 2014) and a solitary purchase characteristic (valence of purchase, Nicolao et al., 2009) predicting otherwise.

However, I posit that not all consumers are equally positively disposed towards

experiences or experiential purchases. In other words, I propose that not all consumers will derive similar happiness from experiential consumption. Specifically, belief in malleability (vs. fixedness) of personality will drive the differential preference for experiential purchases. Individuals who believe in malleability of traits (known as incremental theorists or those having a growth mindset) will prefer experiences more than those who believe in the immutability of personal characteristics (known as entity theorists or those having a fixed mindset). While these terms (implicit theories/beliefs/mindsets) are used interchangeably in the psychology literature, the terms incremental / entity theorists (beliefs) are more prevalent in the consumer behavior literature (Jain, Mathur, & Maheswaran, 2009; Mathur, Jain, & Maheswaran, 2012; Park & John, 2012; Yorkston, Nunes, & Matta, 2010) and henceforth, implicit theories / implicit beliefs are used interchangeably in the manuscript.

Prior research shows that experiences are closer to self-concept (Carter & Gilovich, 2012) and form a bigger part of one's identity (Gilovich & Kumar, 2014). In other words, we are shaped by the sum total of our experiences. There is also some indication that experiences make people feel more "cultured" or "learned" (Van Boven & Gilovich, 2003). Further, experiences are suggested to be more amenable to the intrinsic goals of self-actualization (Kasser & Ryan, 1996). As such, experiences provide self-growth and development opportunities, compared to material possessions that do not. As a result, incremental theorists, who believe in pursuing learning opportunities for developing themselves, are more likely to derive greater value from experiential consumption. Specifically, incremental theorists' preference for experiences will be driven by the belief that experiences contribute to self-growth. To incremental theorists who are intrinsically motivated to learn, even negative experiences may seem to be valuable learning opportunities (Gilovich & Kumar, 2015; Van Boven

& Gilovich, 2003). For e.g., a travel experience gone wrong due to lack of planning may be viewed as a learning to plan better in the future.

Given these attributes of experiences, incremental theorists are more likely to extract greater value from experiential consumption, as they believe that experiences help them grow as individuals. On the other hand, entity theorists who believe in the immutability of the world (Dweck, 2008; Murphy & Dweck, 2015; Molden & Dweck, 2006), are less likely to view experiences as a tool for self-development or self-improvement, thus not preferring experiences over material possessions.

Across ten studies, I show that incremental theorists consistently prefer, choose, and recall experiential purchases over material goods. The effect is robust and replicates across contexts, including choice between material and experiential options, and purchase intent and willingness to pay for a product (experience) when framed as an experiential purchase, rather than a material good. Specifically, I strengthen the practical relevance of the findings by showing that incremental theorists' preference for experiences exists for both anticipatory decisions and post consumption evaluations. I also show that this preference is driven by experiential purchases' ability to contribute to learning and growth. Further, I also demonstrate that a simple 'nudge' can enhance entity theorists' inclination towards experiences. To enhance the generalizability of these findings, implicit theories are both measured and manipulated across several studies.

This research makes multiple contributions. Recent research shows that implicit theory orientation is an important individual difference variable in consumer behavior research and has meaningful downstream consequences (Mathur, Chun, & Maheswaran, 2015). I add to this emerging body of literature by demonstrating that implicit theory

orientation influences the preference and affinity for experiential purchases. Further, this research contributes to literature on happiness and well-being by highlighting a key difference that drives the preference for experiential purchases. This research shows that the experiences-over-goods effect is not as universal as it is thought to be, and not everyone turns to experiences when looking to maximize their happiness. I show this effect in multiple stages of consumption, i.e., before and after, including anticipatory choice. This is a meaningful contribution to the experiential and material literature as most research in this domain has focused on post consumption recall and evaluation. Further, my work is one of the first few in this domain to frame a prototypical experience as a material good and vice-versa.

I also contribute to implicit theory literature by highlighting the underlying reason that drives incremental theorists' preference for experiences and how entity theorists may be made to prefer experiences.

Further, this differential preference for experiences based on implicit theory orientation offers practical and actionable insights for the way experiences are marketed and sold. For example, advertisements for a beach destination may focus on fun activities such as kayaking, surfing, and parasailing for targeting incremental theorists but highlight the array of shopping opportunities (such as local flea markets) for entity theorists. Further, marketers can leverage framing to showcase a product in either experiential or material terms to appeal to the needs of a distinctive target audience.

In summary, this research provides an interesting nuance to the general belief that experiences are the default option for enhancing happiness and well-being for all consumers alike.

LITERATURE REVIEW & CONCEPTUAL DEVELOPMENT

Experiential vs. Material Consumption

In their seminal paper, Van Boven and Gilovich (2003) defined experiential purchases as “those made with the primary intention of acquiring a life experience: an event or series of events that one lives through”. On the other hand, “material purchases are those made with the primary intention of acquiring a material good: a tangible object that is kept in one’s possession”. (p. 1194). Given the rise of the ‘experience’ economy, scholars have argued that the future of businesses is contingent on their ability to deliver fantastic experience to customers (Pine & Gilmore, 1999). Increasingly, businesses are focusing on the experiences that surround their product, rather than the specifics of attributes and qualities (Schmitt, 2000).

Across several contexts, time frames and subject samples, research over the last decade has found that experiential purchases (e.g. going to museums, attending courses, movies) make people happier than material goods (e.g. phone, laptop, clothes etc.). Since then, extensive research has shown that experiential purchases are consistently superior to material purchases in enhancing well-being, be it hedonic well-being, eudaimonic well-being, or economic well-being (Guevarra & Howell, 2013; Nicolao et al., 2009; Pchelin & Howell, 2014).

Prior research has investigated several different reasons that make experiences more appealing and happiness inducing than material possessions. Carter & Gilovich (2010) shed light on the fact that experiential purchases invoke less detractor comparisons. In other words, social comparison pales for experiential purchases as the ‘consumption experience’ is fundamentally dependent on the consumer. Building on

this, Rosenzweig and Gilovich (2012) found that experiential and material purchases differ even in the kind of regret they elicit. While regret associated with material purchases is that of action (buyer's remorse), experiential purchases lead to regrets of inaction (missed opportunity). Further, experiences score over material possessions in bringing happiness because they are inherently social and shareable, while material possessions are, more often than not, meant for solitary use (Caprariello & Reis, 2013). The happiness advantage of experiential purchases over material possessions also comes from the fact that experiences are more prone to abstract construal (Van Boven, 2005). Further, experiences are also known to contribute to eudaimonic well-being and satisfy the needs for potential, relatedness, and connectedness (Guevarra & Howell, 2013; Howell & Hill, 2009). Experiences are also known to be a bigger, more prominent part of people's self-narratives, being closer to the self (Carter & Gilovich, 2012). Further, another reason experiences contribute additionally to happiness is that waiting for experiential consumption (i.e., anticipation) is inherently more pleasurable than waiting for the ownership of material products (Kumar et al., 2014). Experiences are also more prone to positive re-construction and favorable interpretation in memory over time, compared to the actual experience (Gilovich & Kumar, 2014; Mitchell et al., 1997).

Recent research (Kumar & Gilovich, 2015) also shows that while consumers prefer to have material possessions now they prefer waiting for experiences. In other words, they are willing to delay gratification for experiential purchases but not for material goods. Studying the emotions that accompany these purchases, Walker and his colleagues (2016) show that reflecting on experiential purchases leads to a feeling of gratitude, which further leads to more pro-social and altruistic behavior. In one of

their studies, participants who reflected on their experiential purchases were more likely to be generous to a stranger in an economic game.

Apart from their ability to generate different levels of happiness and cultivate different types of emotions, material goods and experiences also have fundamental differences in the way people make choices between them. Recent work by Gallo and colleagues (2016) shows that while people use their head while shopping for possessions, they tend to rely on their hearts when choosing experiences. Specifically, people choose their material goods more deliberatively but rely on more intuitive, holistic processing when choosing experiences.

Having established that experiences are an important consumption category to study, both from a consumer research and practice point of view, I now delve deeper into the relationship between experiential purchases and happiness.

Experiential Consumption and Greater Happiness

Like most interesting real-world phenomena, the reasons for experiential purchases' ability to foster greater happiness are multifaceted. I now explore the key papers that investigate the underlying mechanisms behind this experiential advantage.

Experiences are difficult to compare. In one of the first empirical papers examining the effect of type of purchase (experiential, material) on happiness, Carter and Gilovich (2010) show that the evaluation of experiences is less comparative than that of material possessions. Specifically, the happiness derived from any particular experience is less prone to comparison with the happiness one might have garnered by consuming other experiences. On the other hand, the enjoyment derived from material possessions is strongly affected by other material possessions one might have

acquired. An interesting study where participants recalled a recent material or experiential purchase revealed that people were more likely to maximize (“a decision strategy where all possible options are compared and what is considered the best possible alternative is selected”, Carter & Gilovich, 2010, p. 149) their material goods purchases while satisficing was the go-to strategy (“a decision strategy whereby a minimum standard for overall quality is set and the first option that meets the standard is selected, often opening doors for later regret”) for their experiential purchases. This incomparability of experiences is not dependent on actual consumption (Carter & Gilovich, 2010). For argument’s sake, imagine choosing between two beach vacations (say, Phuket and Hawaii) versus two mobile phones (say, Apple and Samsung). The mobile phones can be put next to each other, making their virtues and the vices apparent, here and now. Even if one attempts to do that for the said vacations by placing their brochures side by side, any comparison will be far too dependent on the individual’s imagination.

Experiences define who we are. One of the key reasons experiences bring us more happiness than material possessions is that we consider experiences to be closer to ourselves than material possessions (Carter & Gilovich, 2012). Not surprisingly, people’s bucket lists (Cochrane, 2012) are full of experiences to undertake (swimming with the dolphins, bungee jumping, skydiving etc.) and not the things to hoard before they die. Whether they are simple ones like going for a movie or lofty ones like scaling Mt Everest, people consider themselves to be a sum total of their experiences. Experiences are regarded closer to self, an integral part of self-identity. As gratifying as a Patek Phillippe watch or Hermes Kelly handbag may be, they remain distant from our sense of the self.

In a very interesting study, Carter and Gilovich (2012) asked participants to recall and list down a few material and experiential purchases. Following this listing exercise, the participants were asked to describe their life story, incorporating some or all of the previously listed purchases into the narrative. As expected, participants were more likely to include their experiential purchases into their life narrative, compared to material purchases.

People also intuitively believe that experiential purchases are more indicative of an individual's personality. In another study in the same paper by Carter and Gilovich (2012), participants were asked to imagine that they were going to meet a new person who might be important in their life (e.g., a potential romantic partner or co-worker). They were told that they could get to know only one piece of information about this person prior to the meeting, either about the material goods or the experiences that they've purchased in the past. Significantly more number of people opted to know about the other person's experiential purchases as they believed that this information would give them more insight into the other person's true self, be more useful on meeting this person, and lastly, be more fun to talk about.

Experiences are social. Extant research in positive psychology shows that supportive, meaningful relationships contribute significantly to human happiness and well-being (Diener & Seligman, 2002, 2004). That is another reason why people derive lasting happiness from experiences rather than material possessions (Gilovich et al., 2014). We dine out with friends and co-workers, go on vacations with family, and attend concerts and games with other music and sports lovers. But we use the latest iPhone by ourselves, usually drive to work alone in our swanky BMW and are probably the only ones looking at the shiny Rolex watch for time. In other words,

people are at the center of the narrative for experiences, but possessions are more solitary (Caprariello & Reis, 2013; Kumar et al., 2014).

Caprariello and Reis (2013) show that solitary experiences are no more preferred than material possessions. Even if it is an incidental discovery, research shows that we feel closer to strangers who share our experiential purchases, compared to those who share the same material possessions (Kumar et al., 2014). In other words, experiences foster social connection.

Like a gift that keeps on giving, experiences build social connections because they are more amenable to story-telling. Research even shows that experiences become more “rosy” through story telling (Mitchell, Thompson, Peterson, & Cronk, 1997) where a downright unpleasant experience is viewed far more pleasantly in a later recall. Even at a very basic level, people derive a lot more happiness from talking about their experiential purchases, rather than possessions. In a fascinating study, Kumar and Gilovich (2015) asked participants to imagine that they were planning a beach vacation and to write down the top two destinations they would like to go to. The participants were then asked to imagine that they could buy an electronic gadget. Participants then wrote down the top two electronic gadgets that wanted to buy. Participants were then told that they could have their first choice if they promised not to talk to anyone about it, or they could have their second choice and freely talk to others. An overwhelming majority of participants facing this dilemma opted for their second-favourite vacation, provided they could tell people about it rather than their most coveted vacation they would have to keep secret. This was in stark contrast to the choice in electronic gadgets, where almost 80% respondents were happy to get their most favoured gadget, even if it meant not talking to anyone about it.

Recent research (Bastos & Brucks, 2017) also identifies the reasons that make experiences more amenable to conversations, such as being closer to the self, being higher in social approval, and being more unique. Underscoring the social nature of experiences, they also show the preference to talk about experiences does not hold when there is no inclination to build a relationship with the person in conversation.

Anticipation for experiences is more pleasant. Another reason for the experiential advantage is that waiting for experiential purchases is more pleasurable and exciting than waiting for material goods. Across several studies, Kumar, Killingsworth, and Gilovich (2014) show that people find waiting for experiential purchases to be more exciting and less painful than waiting for material goods. There is utility in anticipation, and people almost ‘savour’ the wait for experiences. Building on these findings, Kumar and Gilovich (2015) show that people are happier to wait for experiential purchases but are more impatient for material goods. In other words, consumers are more willing to delay or push back the consumption of an experience rather than a material good.

In an interesting study, the authors (Kumar & Gilovich, 2015) framed a trip to New York in either experiential or material terms. They then told the participants that at the same cost, participants could get an ‘upgraded’ version of this trip provided they were willing to wait for six months. As hypothesized, participants were more willing to wait for six months to avail a better / upgraded trip when it was framed as an experience, rather than a material possession.

Material possessions and well-being. Past research shows that individuals high in materialism consistently report lower well-being (Tsang et al., 2014). One of the possible reasons is that they tend to hoard material possessions and spend less on

experiential purchases (Nicolao et al., 2009; Zhang et al., 2014). Further, literature also points to income as a potential moderator to the effect linking experiential consumption with happiness. Intuitively, those struggling for the basics in life will not prioritize experiential purchases over the necessities mandatory for survival (Van Boven & Gilovich, 2003). Recent research (Tully, Hershfield, & Meyvis, 2015) shows this in an empirical context. When feelings of financial constraint are triggered, consumers are more concerned about lasting financial utility – thus shifting their preference towards material goods. However, research also shows that after fundamental requirements (food, clothes, and shelter) in life have been met, the relationship between happiness and income is minimal (Howell & Howell, 2008).

In summary, while there are many reasons that drive the preference for experiences over material possessions, relatively little research has investigated the variables that may influence/change this preference for experiences. Specifically, only materialism, and financial constraints have been shown to moderate the preference for experiences over material possessions. I aim to address this gap in the literature by proposing a key individual difference variable that influences the preference for experiential consumption.

Specifically, I posit that consumers' implicit theories play an important role in this process, which has, hitherto, remained unexplored in the literature. People do not walk into consumption decisions with a blank slate. Their implicit theories affect the purchase decisions they make and also the reasoning that guides their choices and preferences. In the next section, I discuss the importance of the salient implicit theories on the affinity for experiential (vs. material) purchases.

Implicit Theories

Implicit theories are “... the beliefs people have about the nature of human characteristics” (Murphy & Dweck, 2015, p. 32). Research by Carol Dweck and associates (Dweck & Leggett, 1988; Erdley & Dweck, 1993) has identified two systematic differences between how individuals perceive the changeability of human characteristics. Early research labeled these difference ‘implicit theories’ (Dweck & Leggett, 1988) because these theories about the changeability of personality were considered to be implicit to a person’s belief system and were likely unconscious. Over time, extensive research has highlighted the far-reaching effects of implicit theories.

Individuals who view personal qualities as changeable and capable of being developed are termed incremental theorists. Incremental theorists agree with statements like “Anyone can change even his/her most basic qualities” (Chiu et al., 1997; Levy, Stroessner, & Dweck, 1998). Incremental theorists, with their belief in malleability of personality, focus on learning goals and enhancing their competence (Elliot & Dweck, 1988; Mathur et al., 2015; Molden & Dweck, 2006). In contrast, entity theorists view personal qualities as immutable (Dweck, 2008). They tend to view themselves and others in fixed, unchanging terms (Plaks, Levy, & Dweck, 2009). These individuals agree with statements such as “Everyone is a certain kind of person, and there is not much that can be done to really change that” (Levy et al., 1998).

Research shows that consumers’ implicit theories are both chronic and can also be situationally activated using a variety of techniques (Chiu et al., 1997; Poon & Kohler, 2010). Research also shows that implicit theories are pervasive and serve as an important variable of interest because in any group of people surveyed, 40-45% of people can be classified as entity theorists, another 40-45% can be classified as

incremental theorists, while only 10-15% do not have a well-defined belief about changeability of personality (Levy et al., 1998, p. 1423).

Fascinatingly, the difference in implicit theories has been found to influence differential brain activity. Participants were invited to an EEG lab and were asked some difficult questions. Subsequently, they were given feedback and their brain activity was monitored during this feedback session. Brain activity showed that entity theorists were interested only when they were being given positive feedback. On the other hand, incremental theorists were more attentive when being told how they could learn further to improve their performance (Dweck, 2008).

Implicit theories in social psychology research. Implicit theories guide information processing and individuals rely on these theories to make sense of the world around them. These divergent beliefs about the fixedness/changeability of human characteristics have been shown to influence behaviors, goals, and how individuals choose to self-enhance (Murphy & Dweck, 2015; Mathur et al., 2015). For entity theorists, who view personal qualities as fixed and immutable, success is about validation, and proving that they are smart or talented. On the other hand, incremental theorists believe in stretching themselves to learn something new, and success is about self-development (Dweck, 2006).

People's implicit theories about the kind of person someone is, predict a number of important outcomes across diverse domains. For example, those who believe that human attributes are changeable are less likely to make inferences about stable personality traits from behavior (Chiu et al., 1997). They are also less likely to make stereotypical judgments about the traits of ethnic and occupational groups (Levy et al., 1988; Levy et al., 2001). In a revealing study, Poon and Koehler (2006) show that upon being asked to explain a target person's life story, entity theorists are more likely to

focus on trait information, whereas incremental theorists gave more weight to the person's situation, i.e. the context and the pathway of reaching there.

Those who hold incremental beliefs about personality are also more likely to believe that prejudiced individuals can change, and are hence more likely to confront prejudice (Rattan & Dweck, 2000). Research also shows that people with incremental theories about groups have less negative attitudes toward members of out-groups and are more willing to compromise to achieve peace (Halperin et al., 2011).

Past research has also shown that implicit theories influence processing resources and the type of information attended to during processing (Miller, Burgoon, & Hall, 2007), thereby guiding conclusions and judgments (Butler, 2000). For example, those who hold entity beliefs tend to be more outcome-focused (Butler, 2000) and therefore rely more on outcome-related information (Molden, Plaks, & Dweck, 2006). In contrast, individuals with incremental beliefs tend to be more process-focused (Butler, 2000) and are more attuned to situation-related information (Molden et al., 2006) that informs them about the underlying reasons that led to an outcome.

Past research also shows that people can hold entity beliefs in one domain, while having incremental beliefs in another (Dweck, 2008). For example, one can think that one's intelligence is fixed while social skills can be developed. Further, implicit theories can be domain general (Dweck et al., 1995b) and also domain/context specific such as emotions (Tamir et al. 2007), self-control (Mukhopadhyay & Johar, 2005), morality (Miller, Burgoon, and Hall 2007), attitudes (Ross, 1989), ability to self-regulate (Job, Dweck, and Walton 2010), fate (Kim, Kulow, and Kramer 2014), ability to play sports (Biddle et al. 2003), or the ability to do exercise (Kasimatis, Miller, and Marcussen 1996) etc.

Implicit theories in consumer research. While implicit theories have been widely studied in psychology, they have only recently emerged as an important research topic in marketing with interesting downstream consequences. In specific consumer research related outcomes, implicit theories influence approach or avoidance motivation (Jain, Mathur, & Maheswaran, 2009), willingness to accept brand extensions (Mathur, Jain, & Maheswaran, 2012; Yorkston, Nunes, & Matta, 2010), the appeal of different types of advertising claims (Park & John, 2012), and impact of goal progress cues (Mathur, Block, & Yucel-Abat, 2014).

Recent research also shows that consumers' implicit theories impact product choices in ways that are consistent with their theories (Jain et al. 2009; Park and John 2012). Implicit theories have been shown to play a significant role in consumers' evaluation of brands and brand personalities. Park and John (2012) show that brands can use two types of advertising appeals to attract consumers, namely signaling appeals and self-improvement appeals. While entity theorists found signaling appeals more persuasive, incremental theorists were more inclined towards self-improvement appeals. This builds on the general role that implicit theories have on brand evaluation. For example, Yorkston et al. (2010) have shown that consumers with entity theory are more rigid in their ways of thinking about brands and hence, do not tolerate deviance. Specifically, they tend to prefer advertising communication and messages that are tightly aligned with the brand's personality. On the other hand, consumers who believe personality traits are malleable (incremental theorists) were more likely to accept brand extensions than consumers who believed that personality traits are fixed (entity theorists). In one of the experiments, they gave participants a list of well-known brands (such as Nokia cell phones) and five proposed extensions for each brand (such as personal digital assistant, desktop, laptop, etc. for Nokia). They then asked the

respondents to choose as many extensions as they thought would fit well with the brand. Results showed that incremental theorists considered many more brand extensions to be aligned with the parent brand.

Mathur et al. (2012) further build on this line of research by investigating the effect of brand extension to a new category on consumers' evaluation of the parent brand. They show that consumers' evaluation is dependent on the perceived fit and their implicit theories such that incremental theorists' evaluate the parent brand more favorably when the perceived fit is low and the effort is high. On the other hand, entity theorists, because they do not believe that personality can change, do not update their parent brand considerations due to new extension.

Jain et al. (2009) show that given their process focus, incremental theorists prefer approach-framed (vs. avoidance-framed) messages by brands. Specifically, people who believe that personality is malleable tend to evaluate approach-framed comparative advertisements more favorably whereas those who believe that personality is fixed, show no such distinction. In one of their experiments, they exposed participants to either approach-framed or avoidance-framed comparative messages ("Crown is better than Gloss at fighting cavities and keeping breath fresh" vs. "Gloss is worse than Crown at fighting cavities and keeping breath fresh"). They found that driven by their process focus, incremental theorists prefer the former message but entity theorists are neutral between the two.

Further, implicit theories have been shown to influence the attitude towards goal progress cues. Defined to include the diverse category of cues that highlight progress towards a goal, Mathur and colleagues (2012) show that incremental theorists favorably evaluate those progress cues that highlight learning and achievement of competence. On

the other hand, entity theorists with their focus on signaling tend to prefer cues that showcase completion of activities, thereby signaling their abilities to others.

Implicit theories have also been shown to influence self-regulation behavior, which has implications for consumption (Mukhopadhyay & Johar, 2005). They authors found that individuals who believe that self-control is a malleable and infinite resource, tend to form the highest number of resolutions for the New Year, which may be attributed to expectancies of success. They show that the amount of self-control perceived to be available influences the likelihood of achieving goals that test self-control, such that higher availability leads to higher achievement in goal pursuit. Further, more recent research shows that individuals who view self-control as an infinite and unlimited resource are more likely to sustain their efforts even after exercising a lot of self-control in other domains (Job, Dweck, & Walton, 2010).

In a nutshell, in the last few years, implicit theories have emerged as an important area of research within consumer behavior. However, a bulk of research and key insights are in the domains of brand extension evaluation, advertising appeal effectiveness, and preference for product features. In other words, within consumer behavior literature, implicit theory framework has been used to study few downstream consequences such as brand personality evaluation and advertising appeal effectiveness. Given the importance of implicit theories in influencing processing styles, motivation, and goals – there are several consumption phenomena that may be explained better using the implicit theories framework such as preference for experiential vs. material consumption, judgment of service recovery failures, luxury consumption, to name a few.

Conceptual Development

The differential information processing styles and motivation elicited by consumer's implicit theories may have important implications for choices and preferences, including purchase and consumption decisions. In other words, these theories act as attentional filters, affecting what one pays attention to and what heuristics guide one's inferences about the world (see Erdley & Dweck, 1993; Hong, Chiu, Dweck, & Sacks, 1997). Further, depending on their implicit theories, individuals pursue different types of goals.

Entity theorists pursue "performance goals" and seek validation. They aspire to get positive feedback while avoiding negative evaluation (Dweck, 2000). On the other hand, incremental theorists pursue what are called "learning goals", the goal to increase and develop competence. This reflects a desire to learn new things. In an unrelated domain, college students holding entity theory were more likely to seek out easier classes, making it certain to receive a high grade, whereas incremental theorists were more likely to choose courses that maximized learning and knowledge acquisition (Elliott & Dweck, 1988). In a consumption context, Park and John (2012) showed that incremental theorists were more likely to purchase a Microsoft Excel™ Toolkit when it focused on learning and development goals rather than signaling goals. Akin to choosing courses in college and productivity tools, consumers do not make consumption decisions in isolation – what they decide to consume is often guided by their implicit beliefs and the kind of goals they pursue. People are more likely to make choices that are in line with their motivation and goals in life, which in turn, are influenced by their pre-conceptions or implicit beliefs about the malleability (vs. fixedness) of personal characteristics. In other words, consumers' implicit theories influence their worldview and consumption choices.

While incremental theorists seek ways to improve themselves by proactively looking for opportunities for learning, advancement, and self-growth, entity theorists do not believe that their inherent characteristics can be changed.

Incremental theorists, motivation for self-growth, and role of experiences. Benjamin Barber, a prominent sociologist, said, “I don’t divide the world into the weak and the strong, or the successes and the failures...*I divide the world into the learners and the non-learners*” (cf. Dweck, 2006).

Research shows that incremental theorists, driven by their belief in the malleability of personality, focus on developing themselves. They actively try to find opportunities that will help them grow as individuals. One of the reasons that make experiences more hedonically satisfying is that the acquisition of experiences may lead a person to view himself or herself as more “learned” or “cultured” (Van Boven, 2005). For example, well-traveled individuals are often viewed favorably thanks to the vast repertoire of experiences gained while traveling. On the other, individuals pre-occupied with collecting material possessions are often stereotyped as “superficial” or “shallow” (Van Boven, 2005). Driven by their learning objectives, incremental theorists will be more likely to believe in the stereotype that experiences make one “learned and cultured” while material possessions make one look “shallow”.

Further, prior literature also suggests that driven by their very nature, experiences may help satisfy the need for self-actualization and learning more than material possessions (Kasser & Ryan, 1996). For example, attending a concert and going to the museum may be considered more meaningful due to their ability to enhance the individual’s worldview, compared to buying a new leather bag or a brand new flat-screen TV. In simple terms, collecting experiences may help the individual build a more well-rounded personality. Hence, given their motivation to grow as individuals,

incremental theorists are more likely to view experiences as a potential tool to help them achieve their learning objectives. I posit that it is this motivation for self-growth that attracts incremental theorists towards experiences.

For incremental theorists, experiences - whether simple ones such as trying out a new restaurant for dinner or big ones like bungee jumping, help them evolve and grow as individuals. Only through experiencing new things, is it possible to discover a penchant for cooking, or a gift for learning a new language or an instrument. Further, many experiences are challenging and inspirational, thus acting as tools for self-growth and helping to fulfill the deep-seated desire of achieving one's potential.

Extending the argument further, while poorly functioning material goods are useless, negative experiences may still be viewed favorably as 'learning opportunities' (Gilovich & Kumar, 2015; Van Boven & Gilovich, 2003). In other words, experiences, even when they do not turn out as anticipated, have the potential to 'teach' the consumer something that may be helpful in the future, thereby reducing the negative affect generated by an adverse experience. Since experiences are more amenable to positive re-construction with the passage of time, a stressful or worrisome issue may become laughable during re-telling and may be inferred as an essential "learning experience" (Gilovich & Kumar, 2014). For example, a trip where flight connections are missed may still be construed as a learning to plan better and allow adequate gap between connecting flights. Given incremental theorists' motivation to develop themselves, even if an experience turns out to be negative, it is likely that they may still construe it positively as a learning opportunity – thus perceiving it as an instrument for self-development (Gilovich & Kumar, 2015; Mitchell et al., 1997)

Hence, I posit that incremental theorists' preference for experiences is driven by the belief that experiences contribute to self-growth and development.

Given the alignment between what experiences have to offer and incremental theorists' objective for learning, growth, and self-development, I state formally the two hypotheses,

H1: *Incremental (vs. entity) theorists are more likely to prefer experiences (over material possessions).*

H2: *Incremental theorists' preference for experiences is driven by the belief that experiences contribute to self-growth.*

Overview of studies

Across ten studies, I demonstrate that incremental (vs. entity) theorists are more likely to prefer experiences (vs. material possessions). In the pilot study, I show that an incremental theory orientation is positively correlated with the general propensity for buying experiences (instead of material goods). Study 1 shows that incremental theorists are more likely to recall an experiential purchase when asked to self-generate a purchase made with the intention of increasing happiness. Studies 2a-2c focus on anticipatory choice and show that incremental theorists are more likely to choose experiential options from a given set of material and experiential options. Study 3 leverages the widely used protocol of post consumption evaluation of assigned purchase type to show that implicit beliefs moderate the effect of type of purchase on financial satisfaction derived from the purchase. Further, Study 3 also demonstrates the underlying mechanism that incremental theorists' preference for experiential purchases is driven by their belief that experiences aid self-growth. Study 4 conceptually replicates the findings by showing that incremental theorists' motivation for self-growth drives the preference for experiential (vs. material) purchases.

Studies 5 and 6 demonstrate the effect in even stricter conditions by 'framing' a prototypical product (experience) as both experiential and material, respectively. The

results reflect that incremental theorists (vs. entity theorists) demonstrate a higher purchase intent and willingness to pay when the product is framed as an experience and vice-versa. Finally, Study 7 explores the use of material rewards to nudge entity theorists to opt for experiences that are good for them. To enhance the generalizability of the findings, implicit theories are both measured (Levy et al., 1998) and manipulated (Chiu et al., 1997) across studies.

PILOT STUDY: TENDENCY TO BUY EXPERIENCES

Past research shows that people have measurable preferences for experiential or material purchases (Howell, Pchelin, & Iyer, 2012). Hence, the pilot study was designed to understand if incremental theorists (vs. entity theorists) are more likely to favor experiential purchases (H1). In other words, I wanted to explore if an individual's implicit theory orientation is linked to their general tendency to make experiential or material purchases.

Method

Participants and procedure. Forty-nine participants ($M_{\text{age}} = 37.9$ years, 52% female) from Amazon MTurk in US completed this study. Participants first indicated their habitual propensity to buy experiences using the Experiential Buying Tendency Scale (EBTS; $\alpha = .89$) by Howell, Pchelin, and Iyer (2012). The 4-item EBTS measures an individual's general tendency to buy experiences rather than material goods (E.g., “When I want to be happy, I am more likely to spend my money on...1=Material goods; 7=Activities and events, “In general, when I have extra money I am likely to buy...” 1=A material item, 7=A life experience). For the full list of items, please refer to Appendix A.

Next, they responded to the original 3-item implicit theory of personality measure (see Chiu et al., 1997). The three items are: “The kind of person someone is, is something basic about them, and it can't be changed very much”; “People can do things differently, but the important parts of who they are can't really be changed”; “Everyone is a certain kind of person, and there is not much that they can do to really change that” (for all three items: 1 = *strongly disagree*, 6 = *strongly agree*). Since the items

correspond to entity theory, I reverse coded the items such that higher (lower) scores are associated with an incremental (entity) theory orientation.

Results and Discussion

Consistent with prior literature, participants' responses to the implicit theory measure had high reliability ($\alpha = .96$). I averaged the responses to the three items to create an implicit theory score for each participant, where higher scores were indicative of an incremental orientation and lower scores represented an entity orientation.

Consistent with the hypothesis, regression analysis showed that the effect of implicit theory orientation on the general tendency to make experiential purchases was significant ($\beta = 0.4$, $t(47)=2.63$, $p=.011$). Specifically, entity theorists (-1SD) demonstrated a lower propensity to buy experiences ($M_{\text{ENT}} = 3.55$) compared to incremental theorists (+1SD) ($M_{\text{INC}} = 4.74$). These results provide preliminary evidence for H1 by showing that incremental theorists (vs. entity theorists) are more likely to make experiential purchases on a regular basis.

STUDY 1: PURCHASE RECALL

The primary objective of Study 1 was to demonstrate more directly that incremental theorists (vs. entity theorists) prefer experiential purchases to enhance their happiness. In line with prior research in this domain, I asked participants to recall a recent purchase that they had made with the intention of increasing their happiness. I predicted that incremental theorists (vs. entity theorists) would be more likely to recall an experiential purchase. In other words, when asked to self-select and talk about a recent purchase to make increase their happiness, incremental theorists (vs. entity theorists) will be more likely to mention an experiential (rather than material) purchase.

Method

Participants and procedure. One hundred and fifty seven participants ($M_{\text{age}} = 36.8$ years, 49% female) recruited from MTurk in the US completed the study. Participants were asked to “Think about a recent time when you used your money to pay for/buy something you thought would make you happier. You could have used your money in any way, as long as when you spent your money your goal was to increase the joy and happiness in your life.” (Guevarra & Howell, 2015).

To ensure that incremental theorists did not classify material goods as “experiential products”, they were given clear examples / instances of the purchases in either category. They were told that this purchase could either be a material object (such as clothing, phone, laptop etc.) or an experiential purchase (eating out, traveling, concert etc.). They were then asked to describe this purchase. After briefly writing about the purchase, participants were then asked to rate their purchase on the material – experiential continuum from *1 = material object* to *7 = experiential purchase*.

Participants then completed the 8-item implicit theory scale (on a scale of 1=*strongly disagree* to 6=*strongly agree*; Levy et al., 1998) with higher scores indicating an entity theory orientation. While the original 3-item scale used in the Pilot Study measures on entity orientation, the revised scale (more prevalent in subsequent literature) measures both entity and incremental orientations using 4-items each. Please refer to Appendix B for the full scale. Participants then provided their demographic details, including their socioeconomic status by indicating their current wealth and income on a scale ranging from 0 (lowest) to 100.

Results and Discussion

Self-Rating. Participants generated several different categories of purchases including, but not limited to, gym memberships, gaming consoles, food, houses, cars, tickets for football games, Broadway shows etc. One participant did not describe a recent purchase and hence was excluded from further analysis. However, including this participant into the dataset for analysis had no impact on the results. Regressing participants' self-rating of the purchase on their implicit theory orientation ($\alpha = .96$) revealed a significant effect ($\beta = .34$, $t(155)=2.13$, $p<.05$). Specifically, participants with an entity orientation (-1SD) were more likely to recall a material object ($M_{ENT} = 3.35$) when asked to think about a recent purchase that was made with the intention of increasing happiness, while those with an incremental orientation (+1 SD) were more likely to come up with an experiential purchase ($M_{INC} = 4.27$).

Since the task allowed participants to self-select the type of purchase (either experiential or material) they wanted to recall and write about, it merits investigating any other reasons that could affect this self-selection. Hence, I examined if the demographic characteristics influenced whether they were more likely to think of one type of purchase over the other. I found that those who chose to recall a material item,

relative to those who remembered an experiential purchase, were not different in age, gender, education level, social status, or wealth. They did, however, differ on income levels ($p < .05$) such that those who recalled material purchases reported having less income than the people who chose to recall experiential purchases. This is in line with prior research that shows that income level and financial constraints moderate the relationship between purchase type and happiness (Van Boven & Gilovich, 2003). Specifically, lower socioeconomic standing leads to a preoccupation with possessions that fulfill the basic needs of safety and comfort (Kasser, 2002) and hence such individuals are less likely to report that experiences make them happier than material goods (Van Boven & Gilovich, 2003).

Given this additional factor that distinguished the two sets of people recalling experiential and material purchases respectively, I controlled for income levels while regressing the self-ratings on implicit theory scores. The regression analysis showed that even while controlling for income, implicit theory score continued to be a significant predictor of the self-rating ($\beta = .31$, $t(1,154) = -2$, $p < .05$).

Discussion. In line with our hypothesis, Study 1 shows that when asked to recall a happiness inducing purchase, incremental theorists are more likely to mention an experiential purchase. Even after controlling for pertinent demographic variables, the effect of implicit theory orientation remains significant. However, it may still be argued that incremental theorists may be more likely to classify their material purchases as experiential, thus leading to this result. To remove the potential bias of self-rating, I coded the purchase descriptions by the participants into material (0) or experiential (1) as per the definition provided by Van Boven and Gilovich (2003, p. 1194). Ordinal logistic regression revealed a similar pattern of results, where incremental theorists were more likely to recall an experiential purchase ($\beta = .27$, Wald Chi Square = 4.61, $p < .05$).

Some past research also shows that materialism increases preference for material goods compared to experiences (Zhang et al., 2014). To explore this, I conceptually replicated Study 1 while controlling for both materialistic values and income levels. Even after controlling for these two variables, implicit theory score was able to predict the preference for experiential vs. material purchases. The full details about this conceptual replication may be found in Appendix C.

STUDY 2A: CHOICE BETWEEN EXPERIENTIAL & MATERIAL OPTIONS

One of the key limitations of research in the experiential-material domain is that it has mostly focused on people's retrospective evaluation of purchases (Gilovich & Kumar, 2015) rather than anticipatory experience of happiness and contentment. To address this limitation, Study 2 investigated if participants' implicit theory orientation can predict choice between experiential and material options.

Prior research shows that people are able to accurately forecast the hedonic, eudaimonic, and emotional happiness from their forecasted consumption (Pchelin & Howell, 2014). Hence, when asked to choose between material and experiential consumption choices, people should be able to estimate the happiness derived from these two categories and choose accordingly. However, in line with hypothesis H1, I believe that the effect will be stronger for incremental theorists and influence choice in the favor of experiential options. Specifically, when asked to choose between experiential and material options, incremental theorists would be more likely gravitate towards experiential items.

Method

Participants and procedure. Fifty participants ($M_{\text{age}} = 20.7$, 64% female) at Nanyang Technological University participated in the study in exchange for course credit. Participants were told they would be doing a few unrelated tasks.

Choice context. To make the choice context relevant to the student population, they were told that the University was keen to understand the most appealing prizes to be given out to increase participation in campus surveys. They were given a list of eight

items including four experiential options and four material options and asked to choose their top four most appealing options from this list. The four material products were a backpack, phone accessories, wallet, and a watch while the four experiential options included restaurant voucher, movie ticket, concert ticket, and theme park ticket. Participants were also told that all these options were equal in value. Participants then responded to the 8-item implicit theory scale, followed by a 3-item subset of the materialistic values scale (Richins, 2004) and demographic details.

Results and Discussion

The number of experiential options chosen (out of 4) formed the dependent variable. Regression analysis showed that implicit theory orientation explained a significant variance in the number of material options chosen ($\beta = .28$, $t(48) = 2.03$, $p < .05$). Specifically, incremental theorists (+1SD) were more likely to choose a greater number of experiential options ($M_{\text{INC}} = 2.93$) vs. entity theorists (-1SD, $M_{\text{ENT}} = 2.15$). Further, controlling for materialism had no effect on the results, and implicit theory orientation remained a key predictor of experiential choices.

This study overcomes a key limitation of experiential material literature, i.e. the ability to demonstrate choice between relevant options. By presenting the participants with a relevant choice context that minimized the influence of income and/or wealth, I was able to demonstrate choice between material and experiential options. In line with prior research that shows that people can accurately forecast the happiness from their purchases (Pchelin & Howell, 2014), I expected incremental theorists to choose fewer material options compared to entity theorists. The results were in line with this prediction, providing further support for H1.

It may be argued that thus far, the pilot study, along with Studies 1 and 2a only provide correlational evidence in support of the hypothesis. To address this concern and establish causality, I manipulate implicit theories in the next study.

STUDY 2B: CHOICE BETWEEN EXPERIENTIAL & MATERIAL OPTIONS

Study 2b aimed to replicate the findings from Study 2a by priming implicit theory orientation instead of measuring it. This is important to establish the causal effect of implicit theory orientation on the preference for experiential consumption.

Method

Participants and procedure. Seventy-nine participants ($M_{\text{age}} = 20.2$ years, 59% female) from Nanyang Technological University completed the study for partial course credit. Participants were told that they would be doing a few unrelated tasks. First, I administered an abbreviated version of Chiu and colleagues' (1997) implicit theory manipulation (Mathur, Jain, & Maheswaran, 2012). Participants were told that, for the first task, they would be reading a research article and subsequently, answering a few questions related to that. In the article, participants read about the views of a Dr. Medin (a fictitious key note speaker at the American Psychological Association's annual conference) about the malleability or fixedness of people's personality.

Although participants may be pre-disposed to towards either entity or incremental theory, past research shows that “both theories present basic modes of thought that are at some level familiar to most individuals, and the manipulation is expected to lead individuals to adopt that mode of thought” (Chiu et al., 1997, p. 26). The entity article cited longitudinal research from the Personality Development Unit at Stanford University and argued that people's personality is made of fixed traits, much like plaster, and is fully set by the age of 10, to never soften again. In contrast, the incremental article leveraged the same research and argued that personality is a set of

potentialities that can be cultivated and developed over time. Even people in their sixties can change and develop their personalities, albeit with more effort.

For example, one paragraph of the entity article said,

“In his talk at the American Psychological Association's annual convention held at Washington D.C. in August, Dr. George Medin argued that ‘in most of us, by the age of ten, our character has set like plaster and will never soften again.’ He reported numerous large longitudinal studies which show that people ‘age and develop, but they do so on the foundation of enduring dispositions.’”

The same paragraph in the incremental article informed the readers,

“In his talk at the American Psychological Association's annual convention held at Washington D.C. in August, Dr. George Medin argued that ‘no one’s character is hard like a rock that cannot be changed. Only for some, greater effort and determination are needed to effect changes.’ He reported numerous large longitudinal studies which show that people ‘can mature and can change their characters’” (Chiu et al., 1997, p. 27).

Following the article, participants were asked to summarize the piece in their own words and also give one or two examples to substantiate the assertions made in the article. Participants then completed the 3-item implicit theory of personality scale (*1=strongly disagree to 6 = strongly agree*, Levy et al., 1998) as the manipulation

check. Please refer to Appendix D for the scale items. Participants were then told that they had completed the first task.

Dependent Variable. The dependent variable was the same as in Study 2a. Participants were told that the University was keen to understand the most appealing prizes to be given out to increase participation in campus surveys. They were given a list of eight items including four experiential and four material options and asked to choose their top four most appealing options from this list. The four material products were, a backpack, phone accessories, wallet, and a watch while the four experiential options included restaurant voucher, movie ticket, concert ticket, and theme park ticket. Participants were also told that all these options were equal in value.

Participants then completed the 9-item materialistic values scale (Richins, 2004) followed by demographic details.

Results and Discussion

Manipulation Check. For the manipulation check, I created an index ($\alpha = .84$) by averaging the 3-item implicit theory scale (Levy et al., 1998) measured immediately after reading and summarizing the article. Higher scores reflected an entity orientation. Independent samples t-test confirmed that the manipulation was successful, with participants in the entity condition demonstrating significant agreement with the scale, compared to participants in the incremental condition ($M_{ENT} = 3.99$, $M_{INC} = 3.37$, $t(77) = 2.64$, $p < .01$).

Choice. As in Study 2a, the number of experiential options chosen (out of four) was the dependent variable. Regression analysis showed that implicit theory orientation (entity=0, incremental=1) was able to significantly predict the number of

experiential choices ($\beta = .58$, $t(77) = 2.004$, $p < .05$). Specifically, participants in the incremental condition ($M_{\text{INC}} = 2.61$) chose more experiential options than participants in the entity condition ($M_{\text{ENT}} = 2.03$).

Further, controlling for materialism did not change the results – implicit theory orientation continued to be a significant predictor of the number of experiential options chosen.

Additional analysis. Even though I did not ask the participants to rank their choices in order of preference, arguably, most participants would first go through the entire list and then state their top four choices. As a result, the first option chosen is likely to be the most favorable / desired one. I coded their top choice as either material (0) or experiential (1) and conducted an ordinal logistic regression using implicit theory orientation as the predictor, materialism as control, and the top choice as the dependent variable. Results showed that in comparison to entity theorists, incremental theorists' top choice was more likely to be an experiential option ($\beta = 1$, Wald Chi Square = 4.21, $p < .05$). Specifically, participants in the incremental condition picked an experiential item as their top choice 71% of the time, while participants in the entity condition picked an experiential item as their top choice 50% of the time.

Discussion. This study primes implicit theory orientation to establish a causal relationship between implicit theory and preference for experiential consumption. Along with Study 2a, it addresses a key limitation of experiential – material literature by not just focusing on post consumption recall, but also anticipatory choice.

While both these studies investigate choice, it may be argued that the choices are hypothetical. To address this, the next study endeavors to provide behavioral evidence in a more probable setting.

STUDY 2C: BEHAVIORAL CHOICE

Study 2c sought to establish the robustness of the effect through a stricter test of the hypothesis, by using a behavioral measure.

Method

Participants and procedure. Eighty seven participants ($M_{\text{age}} = 20.8$ years, 61% female) from Nanyang Technological University completed the study for partial course credit. Participants were told that they would be doing a few unrelated tasks. First, I administered an abbreviated version of Chiu et al.'s (1997) implicit theory manipulation (Mathur, Jain, & Maheswaran, 2012) as in Study 2b. Following the article, participants were asked to summarize the piece in their own words and also give one or two examples to substantiate the assertions made in the article. Participants then completed the 3-item implicit theory of personality scale ($1 = \text{strongly disagree}$ to $6 = \text{strongly agree}$, Levy et al., 1998) as the manipulation check. Participants were then told that they had completed the first task.

Dependent Variable. Participants then completed a filler task. Post that, they were thanked for their participation in the research and were told that to express their gratitude, the researchers would be conducting a lucky draw for the participants. The participants were then presented with two options for the lucky draw gift, and asked to choose one. The two options were vouchers worth \$20 for a stationery store and vouchers worth \$20 for a cinema hall. While the former allows participants to buy material goods such as pens, notebooks, colors etc. from the stationery store, the latter allows them to watch a movie from a wide assortment of movies.

Participants indicated their choice and also provided their demographic details.

Results and Discussion

Manipulation Check. For the manipulation check, I created an index by averaging the 3-item implicit theory scale (Levy et al., 1998) measured immediately after reading and summarizing the article. Higher scores reflected an entity orientation. Independent samples t-test confirmed that the manipulation was successful, with participants in the entity condition demonstrating significant agreement with the scale, compared to participants in the incremental condition ($t(85) = 2.64$, $M_{\text{ENT}} = 4.34$, $M_{\text{INC}} = 3.72$, $p = .01$).

Choice. Entity condition was coded as 0 and incremental condition was coded as 1. Ordinal logistic regression using the coding as the independent variable significantly predicted the voucher choice ($B = -.98$, Wald Chi Square = 4.88, $p < .05$). Participants in the incremental condition were more likely to opt for the movie voucher as compared to participants in the entity condition who were more likely to choose the stationery store voucher. Specifically, participants in the incremental condition opted for the movie voucher (an experience), 66.7% of the time versus participants in the entity condition who opted for the movie voucher only 42.9% of the time.

Discussion. Taken together, Studies 2a to 2c provide compelling support for the explanatory power of implicit theories in predicting the choice between material and experiential options.

Having established the effect, the next two studies focus on investigating the underlying mechanism for incremental theorists' preference for experiences.

STUDY 3: SELF-GROWTH AS UNDERLYING MECHANISM

Results from the preceding four studies provide evidence for the hypothesis (H1) that incremental theorists (vs. entity theorists) are more positively inclined towards experiential purchases. This manifests in post consumption recall, where incremental theorists are more likely to recall experiential purchases when asked to talk about recent purchases that were made with the intention of increasing happiness. Further, it also manifests in anticipatory choice and preference where incremental theorists (vs. entity theorists) are more likely to choose experiential items (vs. material objects).

Study 3 was designed to accomplish multiple objectives. First, in line with previous research, I wanted to manipulate purchase type in a post consumption recall context and demonstrate the moderating effect of implicit beliefs on evaluation of experiential and material purchases. Another objective was to demonstrate the underlying mechanism behind incremental theorists' preference for experiential purchases. Given incremental theorists' belief in malleability of human personality, I posit that their preference for experiences will be driven by experiential products' ability to contribute to personality development and self-growth (H2). In other words, incremental theorists would believe that activities such as going to a concert, adventure sports, or even eating out in a restaurant can be a learning experience and can help them grow and evolve as individuals.

Method

Participants and procedure. One hundred and forty five US participants ($M_{age}=37$, 49.6% female) recruited from Amazon MTurk completed the study. In a 2X2

between subjects design, I manipulated purchase type (experiential, material) and measured implicit theory orientation. Participants were told that, as part of the study, they would be doing several unrelated tasks for multiple researchers. As the first task, I asked the participants to recall a recent purchase, either material or experiential (Nicolao et al., 2009). I randomly assigned participants to one of the two conditions (material or experiential) to recall a personal purchase. In the material condition, participants were given the following instructions (Nicolao et al. 2009; Van Boven & Gilovich, 2003):

“Please describe a time in the last one year when you spent between \$200-\$1000 on an object. You kept the object for some time and may even still have it. It was an object you could touch with your hand. You bought the object to increase your happiness.”

Participants in the experiential condition read the following instructions (Nicolao et al. 2009; Van Boven & Gilovich, 2003):

“Please describe a time in the last one year when you spent between \$200 - \$1000 on an experience. In other words you did not end up with anything tangible (anything you could hold in your hand) at the end of the experience except for your memories. You bought the experience to increase your happiness.”

Following this, they were asked to evaluate the subjective economic value and other aspects (Guevarra & Howell, 2015) of the purchase. Participants then completed the 8-item implicit theory scale (Levy et al., 1998) and other demographic questions.

Dependent measures. Having shown that experiential purchases bring more happiness (hedonic well-being) to incremental theorists, I now turn the focus to economic well-being and eudaimonic well-being. For the former, if incremental theorists believe that their experiential purchases make them happier than material possessions, do they also consider experiences to be better from a financial standpoint? This is important as material possessions are physically retained over time whereas experiences are transient and fleeting (Guevarra & Howell, 2015). Additionally, even though consumers sometimes sacrifice well-being considerations for the best possible economic deal, experiential-material literature has not focused much on this aspect (Hsee 1999; Hsee & Rottenstreich, 2004)

For the dependent measure, to understand the satisfaction from the purchase from a monetary standpoint, the participants were asked to “evaluate the wisdom of their purchase from an economic standpoint” (Guevarra & Howell, 2015; Van Boven & Gilovich, 2003, p. 1194) using two economic value questions used in prior research. Specifically, participants answered the following two questions: “To what extent would you say this purchase is money well-spent?” (*1 = not at all to 9 = very much*), “To what extent do you think the money spent on this purchase would have been better spent on something else – some other type of purchase that would have made you happier (reverse coded)?” (*1 = not at all to 9 = very much*). The second item was reverse coded to obtain the measure of subjective economic value such that higher scores indicated greater subjective economic value.

Mediator. To explore eudaimonic well-being, I focused on the aspect of potential. Specifically, on incremental theorists’ motivation to develop themselves. Given this

motivation, they will be more likely to endorse that experiences (and not material possessions) contribute to self-growth. To investigate the role of self-growth as the underlying mechanism for this phenomenon, we then asked the participants to respond to “To what extent did this purchase help you grow as a person?” (*1=not at all to 9=very much*).

Participants then responded to the 8-item implicit theory scale (Levy et al., 1998). Following this, participants responded to a mood inventory and demographics.

Results and Discussion

Six participants were excluded from the analysis as they wrote that they had not made such a purchase in the last one year, resulting in a usable sample of 139 subjects. I regressed the type of purchase (material=0, experiential=1), participants’ score on the implicit theory scale (higher score indicated an incremental theory orientation) and their interaction, on the subjective economic value of the purchase. While there was no significant main effect of both purchase type and implicit theories, there was a significant interaction ($\beta = .75$, $F(1, 135) = 9.46$, $p < .01$).

As shown in Figure 1, slope analysis revealed that incremental theorists assigned greater subjective economic value to their experiential purchases ($M_{INC} = 8.00$), compared to entity theorists ($M_{ENT} = 6.67$, $t(67) = 3.39$, $p < .001$). No such difference was found for material purchases ($M_{INC} = 7.15$, $M_{ENT} = 7.59$, $p = NS$).

Since implicit theory orientation is a continuous variable and there are no specific values to be probed, I also conducted the Johnson Neyman analysis (floodlight analysis) that checks for the effect of type of purchase (X) on the subjective economic evaluation (Y) for every value of implicit theory score (M) (Spiller et al. 2013). The Johnson

Neyman points for $p < .05$ for the type of purchase occur at values of 2.8 and 4.77 respectively. Please refer to Figure 2 for the plot.

Though not hypothesized, further analysis also showed that entity theorists rated their material purchases ($M_{MAT} = 7.59$) to be more economically sound and beneficial than experiential purchases ($M_{EXP} = 6.67$, $t(65) = -2.26$, $p < .05$).

Figure 1: Implicit theories moderate the influence of type of purchase

Figure 2: Johnson Neyman significance region for Study 3

Next, I proceeded to test the possible mechanism (mediation path) for this phenomenon. Linear regression revealed that type of purchase influenced the amount of self-growth it afforded such that material purchases were deemed to be less likely to afford self-growth, than experiential purchases ($B=1.02$, $t(137)=-2.34$, $p<.05$). As expected, the main effect of implicit theories on self-growth afforded by the purchase was not significant (as the question was specific to the purchase being considered by the participant). However, the interaction between type of purchase and implicit theories on the extent of self-growth attributed to the product was significant ($B=1.51$, $F(1,135)=5.32$, $p<.05$) such that incremental theorists were more likely to attribute greater self-growth to experiential purchases than entity theorists ($M_{\text{INC}} = 6.22$, $M_{\text{ENT}} = 4.25$, $t(67) = 2.37$, $p<.05$).

It was hypothesized that potential for self-growth afforded by experiential purchases is driving incremental theorists' preference for experiences (H2). I entered type of purchase (material, experiential) as the independent variable, evaluation of subjective economic value as the dependent variable, implicit theory orientation score as the as the moderator, and perception of the extent of growth afforded by the purchase as the mediator. A bootstrapping analysis with 5,000 samples indicated an indirect pathway through perception of growth from the purchase ($\beta = .23$, $SE = .13$, 95% CI [.01, .54]). Further analyses of conditional indirect effects revealed that the effect of purchase on subjective economic value through growth perception was significant only for incremental theorists ($\beta = .57$, $SE = .23$, 95% CI [.19, 1.10]) and not significant for entity theorists ($\beta = -.04$, $SE = .18$, 95% CI [-.37, .36]). Figure 3 graphically depicts the model.

Figure 3: Moderated mediation through self-growth. Implicit theory influences the perception of self-growth afforded by the purchase, leading to difference in evaluation

Discussion. This study achieves multiple objectives. First, it provides further evidence for hypothesis H1, which suggests that incremental theorists (vs. entity theorists) are more inclined towards experiential purchases. Having established greater happiness from and preference for experiential purchases in Studies 1 and 2a-2c, I use a different dependent measure, that of financial satisfaction, to evaluate post consumption satisfaction with the purchase. Secondly, this study provides strong support for hypothesis H2, that incremental theorists' preference for experiences is driven by the ability of experiential purchases to aid self-growth.

STUDY 4: FURTHER EVIDENCE FOR SELF-GROWTH

This study was designed to strengthen the support for the self-growth argument. Firstly, since the purchase type was manipulated in Study 3 (participants thought about either a material or experiential purchase) and could suffer from self-selection bias, I included a choice context in Study 4 to overcome the self-selection / recall bias and also provide a stricter test of the hypothesis. Second objective was to provide a conceptual replication of the mediation mechanism. Since incremental theorists' perception of growth afforded by an experiential purchase is driven by their motivation to learn and develop, I directly measure this motivation in the current study and investigate its influence on the preference for experiential vs. material consumption.

Method

Participants and procedure. One hundred and seventy two US participants ($M_{\text{age}}=37.08$, 50% female) recruited from Amazon MTurk completed the study. First, participants were presented with a choice scenario. They were told to imagine that they had done very well in their job last year and the company was rewarding them with a gift for their performance. They could choose between a jewelry store gift card or a travel website voucher (Goodman, Malkoc, & Stephenson, 2015). This was followed by the mediator measures and finally, the implicit theory scale. The participants also provided their demographic details.

Dependent variable. Since this study was conducted at the start of the year in January, a performance based reward scenario was both topical and appropriate. Specifically, the participants read that,

“Imagine that you’ve done really well at work last year and the company wants to give you a prize for your commendable performance and hard work.

You can choose between a \$1,000 gift card for a jewelry store OR a \$1,000 gift card for a travel website.

The jewelry store card may be used for a watch, ring, or any other piece of jewelry of your choice in the store. The travel website gift card may be used towards flights, transportation, or a hotel on any vacation of your choice.”

The participants were then asked to indicate which of the two choices they, i) prefer ii) are more inclined towards iii) are more favorable towards iv) are more positive towards on a 7-point scale (*1 = jewelry store gift card, 7 = travel website gift card*).

Participants were then told that the first task was over.

Mediator measures. Participants then responded to a 3-item subset of the Self Motivated Learning and Improvement scale (Breines & Chen, 2012) on a 7-point scale (*1 = strongly disagree, 7 = strongly agree*). The specific items were, “I want to learn and improve myself”, “I want to find opportunities that will challenge me and help me grow as a person”, and “I would like to discover new strategies for improving myself”. These items adequately capture incremental theorists’ motivation for self-growth and learning as hypothesized earlier.

Following this, participants responded to the 8-item implicit theories scale (Levy et al., 1998). To overcome common method variance issues, the entity items (*1 = strongly disagree, 6 = strongly agree*) were presented first such that if anyone were to systematically choose the left or right side of the scales, the results would be contrary to my prediction.

Results and Discussion

I averaged the four dependent measures to reflect the attitude towards the voucher ($\alpha = .98$) with higher scores reflecting a preference for the travel voucher and lower scores indicating a preference for the jewelry store voucher. Further, I created a composite index for motivation for self-growth by averaging the three items ($\alpha = .78$). The implicit theories scale continued to show high reliability ($\alpha = .94$) and was scored such that higher values reflect an incremental orientation and lower values indicated an entity orientation. A linear regression showed that implicit theories influenced the preference for the vouchers such that participants with higher scores on the implicit theory scale (indicating an incremental orientation) were more favorably disposed towards the travel voucher ($\beta = .25$, $t(170) = 2.30$, $p < .05$). Specifically, incremental theorists (+1 SD) had a more positive attitude towards the travel voucher ($M_{\text{INC}} = 6.17$) compared to entity theorists (-1SD, $M_{\text{ENT}} = 5.57$). Apart from replicating the effect of implicit beliefs on preference for experiential purchases, these results also corroborate previous research that shows the general preference for experiences over material possessions.

Finally, to provide evidence for the underlying mechanism of self-growth, I proceeded to check for mediation. I entered the preference for the type of voucher as the dependent variable, implicit theory scores as the independent variable, and participants' motivation for self-growth and learning as the mediator in Hayes (2012) Model 4. A bootstrapping analysis with 5,000 samples indicated a significant indirect pathway between implicit theory scores and attitude towards the voucher through the motivation for self-growth and learning ($\beta = .10$, $SE = .06$, 95% $CI [.01, .24]$). The direct effect of implicit theories on voucher preference was no longer significant ($\beta = .15$, $SE = .11$, 95% $CI [-.07, .38]$). Figure 4 graphically depicts the model.

Figure 4: Mediation through motivation for self-growth

Discussion. Through a conceptual replication, this study strengthens the findings of the previous study. Given that incremental theorists' perception of growth afforded by an experiential purchase is driven by their motivation to learn, I directly¹ measured this motivation in the current study and its influence on the preference for experiential (vs. material) options. Further, it adds to the overall portfolio of studies by having a different, preference based dependent variable.

Having established the phenomenon and the underlying mechanism, I now investigate a stricter test of the hypothesis that can significantly enhance the practical significance of the study. Given that across all previous studies participants either had to choose from a (given) set of material and experiential options or self-recall past purchases, it may be argued that the results might have been influenced by the specific choices available. To address this concern, and to enhance the practical and

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¹ As per the Examination Committee's advice, this study will be placed before Study 3 in the journal paper based on this dissertation manuscript.

managerial implications of this research, I frame the same product as both material and experiential, respectively, in the next study.

STUDY 5: FRAMING A PRODUCT AS EXPERIENTIAL AND MATERIAL

Previous three studies support the hypothesis (H1) that incremental theorists prefer experiential purchases over material goods. To strengthen the support for our argument, in this study, I frame the same good as either material or experiential. This provides an even stricter test of the hypothesis, as it is free from both self-selection bias in a recall task and also from the constraints of the given idiosyncratic choices in a choice context.

Method

Participants and procedure. This study followed a 2X2 between subjects design. A 2 Framing (Experiential framing, Material framing) and 2 Implicit Theory (Entity orientation, Incremental orientation) was used. One hundred and twenty five participants from the US ($M_{Age} = 38$ years, 57% female) recruited from Amazon MTurk completed the study. Participants were told that they would be completing a few different tasks as part of the study. I first manipulated implicit theories using the reading manipulation in Study 2b (Chiu et al., 1997). Participants were randomly assigned to either the entity condition or the incremental condition. After reading the article, participants summarized it in their own words, gave examples to corroborate the argument presented in the article, and answered the three-item implicit theory scale as the manipulation check.

In each of the two manipulation conditions, I then randomly assigned participants to either material framing or experiential framing of the material object. Specifically, participants were asked to either think about the material or experiential aspects of a High Definition TV, and write down their thoughts (Jiang & Sood, 2014).

Participants then provided their willingness to buy this HDTV. I predicted an interaction between implicit theory orientation and the type of framing such that participants in the incremental condition, compared to those in the entity condition, would rate the HDTV higher when framed as an experiential purchase.

Product Framing Manipulation. Participants were randomly assigned to any of the two framing conditions (experiential, material). All participants were shown a picture of the HDTV and asked to imagine that they saw it in the electronics store. Participants in the material framing condition were told,

“Think about the material aspects of this HDTV. How is this HDTV like? What would it be like to have this HDTV? Please describe this HDTV below.”

Similarly, participants in the experiential framing condition were instructed,

“Think about the experiential aspects of this HDTV. How is the HDTV experience like? What would it be like to watch this HDTV? Please describe the HDTV watching experience below.

Participants then provided their purchase intent and willingness to pay for this HDTV.

Dependent variables. First, participants provided their willingness to pay for this HDTV. Specifically, they were asked, “If an average television set costs USD 100, how much are you willing to pay for this HDTV?”. They provided their response in USD on a sliding scale from 0 to 200. Further, they were told to assume that they were looking to buy a TV and respond to a 3-item, 7-point scale on purchase intention (“I would

consider this HDTV”, “I would be willing to buy this HDTV”, and “I would be likely to buy this HDTV”, $1 = \text{strongly disagree to } 7 = \text{strongly agree}$).

To check the underlying mechanism of learning and self-growth (H2), participants responded to the item “This HDTV can help me learn new things” ($1 = \text{strongly disagree to } 7 = \text{strongly agree}$). Participants then provided their demographic details and were thanked for their participation.

Results and Discussion

Manipulation Check. For the manipulation check, I created an index ($\alpha = .84$) by averaging the 3-item implicit theory scale (Levy et al., 1998) measured immediately after reading and summarizing the article. Higher scores reflected an entity orientation. Independent samples t-test confirmed that the manipulation was successful, with participants in the entity condition demonstrating significant agreement with the scale items, compared to participants in the incremental condition ($M_{\text{ENT}} = 4.03$, $M_{\text{INC}} = 2.59$, $t(123) = -5.48$, $p < .001$).

Analysis. I first regressed implicit theory orientation (entity=0, incremental=1), product framing (material=0, experiential=1) and their interaction on the willingness to pay. It revealed a significant interaction between the two variables ($\beta = 69.97$, $F(1,121) = 16.27$, $p < .001$). The main effects were not significant.

Planned contrasts showed that when the TV was framed as an experiential purchase, incremental theorists were willing to pay a significantly higher price ($M_{\text{EXP,INC}} = 154.4$) compared to entity theorists ($M_{\text{EXP,ENT}} = 110.84$ USD, $t(62) = 3.1$, $p < .01$).

Further analysis also showed that participants in the incremental theory condition were willing to pay significantly more for the HDTV when it was framed as an experiential purchase ($M_{\text{INC,EXP}} = 154.4$ USD) compared to when it was framed as a

material purchase ($M_{\text{INC},\text{MAT}} = 120.86 \text{ USD}$, $t(60) = 3.28$, $p < .01$). Please refer to Figure 5.

Further, though not hypothesized, similar to Study 3, I also found that entity theorists were willing to pay significantly more for the TV when it was framed as a material good rather than as an experience ($M_{\text{EXP},\text{ENT}} = 110.84 \text{ USD}$, $M_{\text{MAT},\text{ENT}} = 147.3 \text{ USD}$, $t(61) = -2.61$, $p < .05$).

Figure 5: Interaction between product framing and implicit theories on willingness to pay

Next, I averaged the three purchase intent items to create a purchase intent scale ($\alpha = .92$). I regressed implicit theory orientation (entity=0, incremental=1), product framing (material=0, incremental=1) and their interaction term on the purchase intent. It revealed a significant interaction between the two variables ($\beta = 2.03$, $F(1,121) = 20.32$, $p < .001$). The main effects were not significant.

Planned contrasts showed that when the TV was framed as an experiential purchase, incremental theorists demonstrated greater purchase intent ($M_{\text{EXP},\text{INC}} = 5.43$) compared to entity theorists ($M_{\text{EXP},\text{INC}} = 4.42$, $t(62) = 2.96$, $p < .01$).

Further, participants in the incremental theory condition expressed greater purchase intent for the HDTV when it was framed as an experiential purchase ($M_{INC,EXP} = 5.43$) compared to when it was framed as a material purchase ($M_{INC,MAT} = 4.75$, $t(60) = 2.14$, $p < .05$). The interaction effect is illustrated in Figure 6. Additionally, in line with prior results, I also found that entity theorists were more willing to buy the TV when it was framed as a material possession ($M_{MAT,ENT} = 5.76$) versus when it was framed as an experience ($M_{EXP,ENT} = 4.42$, $t(61) = -4.26$, $p < .001$). I discuss these results in the next section.

Figure 6: Interaction between product framing and implicit theories on purchase intent

Further, it was hypothesized that incremental theorists' belief that experiences contribute to self-growth and learning will drive their preference for experiences (H2). I entered type of purchase as the independent variable, willingness to pay as the dependent variable, implicit theory condition (entity=0, incremental=1) as the moderator, and participants' perception of the extent of learning the HDTV can facilitate

as the mediator in PROCESS Model 7 (Hayes, 2012). A bootstrapping analysis with 5,000 samples indicated an indirect pathway through perception of learning afforded by the HDTV ($\beta = 7.40$, $SE = 5.82$, 90% CI [.08, 19.94]). Further analyses of conditional indirect effects revealed that the effect of type of purchase on willingness to pay through extent of learning afforded was significant only for participants in the incremental condition ($\beta = 4.89$, $SE = 3.78$, 90% CI [.14, 12.77]) and not significant for participants in the entity condition ($\beta = -2.51$, $SE = 4.12$, 90% CI [-11.03, 2.57]).

Discussion. This study accomplishes two key objectives. First, it demonstrates that incremental theorists' preference for experiential purchases exists independent of a specific type of purchase or self-selection bias. Holding the product constant across conditions and only manipulating the framing (experiential vs. material) is a more conservative test of the moderating effect of implicit theories on the preference for a specific type of purchase. Along with the previous studies, it shows that the effect is robust and not an artifact of the specific choices (Studies 2a-2c) or a function of self-selection bias in recall (Studies 1 and 3). Further, it also helps to rule out many alternative explanations such as prices, replace ability, longevity etc. Finally, being able to frame a (material) good as an experience and demonstrating the same effect significantly enhances the managerial relevance of this research. Specifically, it allows marketing managers to frame their products as experiences to appeal to a greater cross section of people and design more compelling communication and advertising campaigns.

This study also provides additional evidence for H2, that perception of learning and self-growth afforded by the experiential purchase drives incremental theorists' preference for experiences.

Further, results from this study also raise an additional point related to entity theorists. We find that entity theorists prefer the TV even more when it is framed as a material good rather than when it is framed as an experience. This is also in line with the findings of Study 3 where entity theorists assigned greater subjective economic value to material purchases rather than experiences. While the main premise of this dissertation centers on incremental theorists, I believe it is important to address this finding here. One potential reason for entity theorists' proclivity for material possessions may be due to their aversion to risk (see Dweck & Leggett, 1988; Elliot & Dweck, 1988). As experiences are inherently unpredictable, they may not work well with entity theorists' motivation of showing their best self to the world. However, material goods are more predictable (than experiences) in the sense that "what you see, is what you get", thus perhaps being more re-assuring to the risk averse entity theorists. I further discuss this finding, and potential ways of getting entity theorists to prefer experiences, in the limitations and future research section.

STUDY 6: FRAMING AN EXPERIENCE AS EXPERIENTIAL AND MATERIAL

The previous study showed that incremental theorists (vs. entity theorists) prefer a prototypical material possession (such as TV) more when it is framed as an experiential purchase (compared to when it is framed as a material good). To explore the role of framing further, and also to strengthen the practical contribution of this research, I sought to replicate the results from Study 5 by framing a prototypical experience, such as a visit to a retail store, in either experiential or material terms.

To ensure the framing would be effective, I needed to frame a prototypical experience as either about object acquisition or about experiencing the various things on offer (Kumar & Gilovich, 2015). To this end, I conducted several pre-tests to develop a strong manipulation exploring several different experiential contexts such as a trip to NYC (Kumar & Gilovich, 2015), a trip to the mall and several others. After extensive pre-testing, I was able to successfully frame a visit to the beauty retailer Sephora either as a material pursuit or an experiential pursuit. Given the beauty related context, only women 18-35 years participated in the study as they are the key target demographic for beauty companies.

To ensure that consumers indeed view a visit to a retail store (specifically, a large format beauty store) as an experience, we conducted a pilot study with 49 respondents with the same demographic profile as in the main study. Participants read the dictionary definition of both, a material good and an experience. They then rated i) a television and ii) a visit to a beauty store (such as Sephora) on a scale from *1 = definitely a material good* to *9 = definitely an experience*. One sided t-test revealed that participants classified TV as a prototypical material good ($M_{TV} = 1.61$, $t(48) = -14.32$, $p < .001$) while a visit to

the beauty store was categorized as an experience ($M_{\text{Visit}} = 6.10$, $t(48) = 3.60$, $p = .001$), both significantly different from the mean point (4.5) of the rating scale.

Method

Pre-test. I conducted a pre-test to ensure the framing manipulation was effective, i.e. the material framing made participants think of collecting material goods and possessions compared to the experiential framing that made participants want to experience new services during their trip. One hundred and three female participants from the same population as the main study were presented with the framing information (either experiential or material) and responded to the question “How likely are you to collect beauty products and items on this trip to Sephora?” ($1 = \text{not at all likely}$, $7 = \text{extremely likely}$) or “How likely are you to collect beauty related experiences on this trip to Sephora?” ($1 = \text{not at all likely}$, $7 = \text{extremely likely}$). Participants were as likely to collect products and things on their materially framed trip to Sephora as they were likely to collect beauty related experiences during their experientially framed trip to Sephora ($M_{\text{Mat}} = 4.79$, $M_{\text{Exp}} = 4.76$, $t(101) = .087$, $p = .93$)

Participants and procedure. I designed this study to be a 2X2 between subjects design with Framing (Experiential framing, Material framing) and measuring implicit theories. Two hundred female participants ($M_{\text{Age}} = 27.89$ years) recruited from Prolific Academic in the UK completed the study. Participants were told that they would be completing a few different tasks as part of the study. The first task was an opinion task where the participants were randomly assigned to either experiential framing or material framing. After going through the framing description, participants were asked about their intention to visit the store. Participants were then told that this task was over. They then proceeded to respond to the 8-item implicit theory scale (Levy et al., 1988).

In line with the findings from the previous study, I expected an interaction between the type of framing and implicit theories such that compared to entity theorists, incremental theorists would be more inclined to visit the store when framed as an experience (rather than when framed as a material pursuit).

Since the framing manipulation was two paragraphs long with rich detail, I needed to ensure participants read it thoroughly. To that end, I included an instructional manipulation check to ensure that participants were indeed paying attention to text based framing manipulation, (Oppenheimer et al., 2009) just before the demographics. The participants were asked to answer how often they ate and drank throughout the day. However, within the question copy – they were also instructed to write ‘none’ as the answer to both questions irrespective of the number of times they actually ate and drank through the day. Participants then responded to the demographic questions at the end of the study.

Experience Framing Manipulation. Participants were randomly assigned to one of the two framing conditions (experiential, material). Participants in the material framing condition were told,

“Sephora, the world leader in beauty retail, is opening a flagship store in your city.

This store will be their biggest store in the UK with a never before range of cosmetics, skincare, haircare and fragrance brands from all over the world.

The store will boast of "brand boutiques" within the store, with key brands showcasing a dazzling range of products, colors and sizes of beauty products.

Just think of all of the beauty goodies you could buy at this store!”

Please describe all the things you would buy at this Sephora store.

Please list all the items you may be interested in.

Similarly, participants in the experiential framing condition were instructed,

“Sephora, the world leader in beauty retail, is opening a flagship store in your city.

This store will be their biggest store in the UK and a true "beauty experience zone".

Through pioneering virtual reality technology, customers will be able to experience how make up looks will appear on them real time. The store will also boast of technology assisted shade matching services. Sephora PRO staff will offer make overs, make-up masterclasses, hair spas and even DIY fragrance creation !

Just think of all of the beauty experiences you could have at this store!

Please describe all the experiences you could have at this Sephora store.

Please list all the services you may be interested in.

All participants then provided their intention to visit this Sephora store. To control for their interest in beauty, I asked the participants to indicate their level of interest in beauty products (*1 = not at all, 7 = extremely*).

Dependent variable. Participants provided their willingness to visit the Sephora store described. Specifically, they were asked, “How enthusiastic are you about visiting

this Sephora store? And “How much do you think you will enjoy a trip to this Sephora store? (*1 = not at all, 7 = extremely*).

The participants then responded to the 8-item implicit theory scale (Levy et al., 1998), the IMC questions (Oppenheimer et al. 2009) and the demographic details.

Results and Discussion

Analysis. Given the subtle, textual framing, I excluded those who failed the instructional manipulation check (Oppenheimer et al., 2009) leaving a total of 141 valid responses. If these participants are included in the analysis, the interaction remains fully significant ($p < .05$) but the contrasts on the entity end only hold directionally ($p = .08$). The two dependent items were highly correlated ($r = .89$) so I averaged them to create one dependent variable. I first regressed type of framing (experiential, material), implicit theories ($\alpha = .94$) and their interaction on the intention to visit. I controlled for the participants’ interest in beauty products as it would influence their intention to visit a beauty retailer such as Sephora. It revealed a significant interaction between type of framing and implicit theories ($\beta = .08$, $F(1,135) = 7.69$, $p < .01$). The effect of interest in beauty products was also significant.

Slope analysis showed that when the trip to Sephora was framed as an experience, incremental theorists (+1SD) demonstrated a higher intention ($M_{\text{EXP, INC}} = 4.95$) to visit than entity theorists (-1SD) ($M_{\text{EXP, ENT}} = 4.20$, $p < .01$). Please refer to Figure 7.

Floodlight analysis showed that the Johnson Neyman points for $p < .05$ occur at values of 2.67 and 4.53 respectively. Please refer to Figure 8 for the plot. Finally, in line with the previous findings, I also found that entity theorists (-1SD) demonstrated a stronger intent to visit in the material framing ($M_{\text{ENT, MAT}} = 4.81$) rather than in the experiential framing ($M_{\text{ENT, EXP}} = 4.20$, $p < .05$).

Figure 7: Interaction between experience framing and implicit theories on intention to visit

Figure 8: Johnson Neyman region for Study 6

Discussion. This study builds on the previous study in several important ways. First, it establishes that the effect is robust and holds even when prototypical experiences are framed as material pursuits and vice-versa. This study also offers interesting managerial implications. Specifically, the preference for experiential and material goods may be enhanced (or reduced) by framing them in specific ways. In conjunction with Study 5 it also helps to rule out any alternative explanations.

Further, while previous research has framed material goods in terms of experiential and possession several times (Carter & Gilovich, 2010, 2012; Jiang & Sood, 2014), this is one of the first few studies to successfully frame an experience as a material and an experiential pursuit.

STUDY 7: NUDGING ENTITY THEORISTS TOWARDS EXPERIENCES

The previous nine studies in this dissertation not only show that incremental theorists distinctly, consistently prefer experiential purchases over material possessions but also that entity theorists love their possessions more than experiences. However, there are some experiential pursuits (even if not purchases) that are good for everyone, such as being more physically active or getting more exercise. Given entity theorists' voluntary lack of preference for experiences, is there a way to get them to opt for experiences that are beneficial for them in the long term? Based on insights from the previous studies, the current study aspires to explore a mechanism for 'nudging' entity theorists to opt for experiences.

Given their love for material goods, would entity theorists be more likely to opt for experiences when there is a material, tangible reward / payoff at the end? Would the lure of the possession make them try out the experience, which they wouldn't have done in the absence of such a (material) reward? I investigate this line of thought in the current study by offering a small material reward for a 'big' experience, i.e. running a quarter marathon. I hypothesize that given that it is an experience at its core (a marathon), incremental theorists will show no difference in their preference to participate basis the reward on offer since their motivation to participate is driven by the core experience of the marathon in itself and not by the additional reward on offer. In other words, given their affinity for experiences, incremental theorists will participate in the marathon for that experience itself, the additional reward (whether experiential or material) would be like the proverbial cherry on an already appealing cake. On the other hand, I expect entity theorists to be more likely to run the marathon if they know they will receive a tangible material reward at the end of the experience.

Method

Participants and procedure. One hundred and eighty five female participants ($M_{Age} = 28.85$ years,) from the US recruited on Amazon MTurk completed the study. Participants were told that they would be completing a few different tasks as part of the study. The first task was a choice and preference task where the participants were shown a poster advertising a quarter marathon. There were two versions of the poster, one that advertised that all finishers of the marathon would receive a Pandora bracelet (a material reward) worth \$100. The other version of the poster advertised that all finishers would receive a Sephora MakeOver Masterclass (an experiential reward) worth \$100. Please refer to Appendix E for the stimuli.

Participants were randomly assigned to either of the two conditions. Participants were asked to go through the poster carefully and then respond to a few questions related to the marathon advertisement. As the dependent variable, participants were then asked about their intention to participate in the marathon. Further, as a marathon is not an ordinary experience and the attitudinal and behavioral barriers to entry are rather high, I also asked the participants how much they enjoyed running ($1 = not\ at\ all$, $5 = very\ much$) and if they had ever run a marathon in the past (yes/no). They were then told that this task was over.

To ensure that the difference in preference would not result from a difference in the quality of two brands on offer, respondents also answered to a single item on perceived brand quality ("Pandora (Sephora) is a good quality brand" ($1 = completely\ disagree$, $7 = completely\ agree$)). They then proceeded to respond to the 8-item implicit theory scale (Levy et al., 1988), followed by demographics.

Dependent variable. After they had viewed the ad, I asked the participants about their intention to participate in the marathon. Specifically, the participants responded to,

“How interested are you in signing up for this marathon?” ($1 = \text{not at all interested}$, $7 = \text{very interested}$) and “How willing are you to register for this marathon?” ($1 = \text{not at all willing}$, $7 = \text{very willing}$).

Results and Discussion

Analysis. A simple t-test revealed that there was no difference in the perceived quality of the two brands ($M_{\text{Pandora}} = 5.89$, $M_{\text{Sephora}} = 5.82$, $t(183) = .33$, $p = .70$).

The two dependent items were highly correlated ($r = .93$) so I averaged them to create an index for the intention to participate in the marathon. I regressed type of reward (material=0, experiential=1), implicit theories ($\alpha = .95$), and their interaction on the intention to participate. I controlled for the extent to which participants enjoyed running as an activity, as it would influence their intention to sign up for a marathon. It revealed a significant interaction between type of reward and implicit theories ($\beta = .48$, $F(1,179) = 4.33$, $p < .01$). The effect of running enjoyment was also significant. Given that the both brands (Pandora and Sephora) were highly aspirational, I also controlled for the participants' social ²status (Please indicate where you stand in society on social status on a scale of 0 (lowest) to 100 (highest)).

As hypothesized, planned contrasts revealed that entity theorists ($-1SD$) had a higher intention to participate in the marathon when it was accompanied by a material reward ($M_{\text{ENT,MAT}} = 4.81$) compared to when it was accompanied by an experiential reward ($M_{\text{INC,EXP}} = 3.89$, $t(92) = -2.66$, $p < .01$). However, this difference was not significant for incremental theorists ($+1SD$) who were just as likely to sign up for the marathon when there was a material reward on offer ($M_{\text{INC,MAT}} = 4.61$) as when there was an experiential reward on offer ($M_{\text{INC,EXP}} = 4.68$, $p = .77$). Figure 9 illustrates the

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² In hindsight, since different reward categories were being used – it would have been good to control for both interest in jewellery (Pandora) and interest in make-up (Sephora), Or perhaps interest in learning about and getting make up done from professionals.

interaction and the contrasts. The Johnson Neyman point occurred at value 3.70 and the region is illustrated in Figure 10.

Figure 9: Interaction between type of reward and implicit theories

Figure 10: Johnson Neyman region for Study 7

Discussion. This study builds on the consistent findings of this research to find a possible solution to ‘nudge’ or persuade entity theorists to take up experiential pursuits

that they are, in general, not inclined towards. Given that the context (signing up for a marathon) is not an ordinary experience and takes a lot of effort and rigorous practice to accomplish, getting entity theorists to volunteer for running is a strict test of the hypothesis. While offering a theoretical insight into the preferences of entity theorists, it has immense practical implications for the design of public policy programs that are experiential in nature and are highly beneficial for the participants (such as Singapore Health Promotion Board's Step Challenge). Such programs can increase their enrolment significantly by supplementing their appeals with basic tangible rewards that would appeal to a section of the population that is otherwise not inclined towards experiential pursuits.

GENERAL DISCUSSION

When Thomas Jefferson promised life, liberty, and the pursuit of happiness to the people of America over two and half centuries ago, he probably did not envisage how pervasive the quest for happiness would become in contemporary society. A Google search with the phrase “how to be happy”, yields over 250 million results. The Internet abounds with wisdom on how to be happier, faster, longer, all backed by science. Our pre-occupation with happiness is justified given that, apart from the omnipresent anecdotal evidence, research shows that happier people are healthier, better at relationships; more creative and even make more money. It’s a positive, virtuous cycle.

The advice from consumer research though, is straightforward and unequivocal. If you want to be happy, buy experiences instead of possessions (Dunn, Gilbert, & Wilson, 2011; Dunn & Norton, 2013). While conventional wisdom says ‘money can’t buy you happiness’, extant research over the last decade shows that money can indeed buy happiness and improve well-being, provided you spend it right. In a nutshell, people derive far more happiness by doing, rather than having (Van Boven, 2005; Van Boven & Gilovich, 2003). This isn’t newfound wisdom, even the Bible has Jesus reprimanding, “one’s life does not consist in the abundance of possessions”.

Like most interesting phenomena, this effect is multiply determined. In other words, there are several underlying reasons that give experiences the edge over material possessions in making people happy and contributing to their well-being. Some of these include, experiences constitute a greater part of the self than possessions (Carter & Gilovich, 2012), experiential purchases are inherently more

social (Caprariello & Reis, 2013) experiential purchases are “consumed” and hence, less prone to comparison (Carter & Gilovich, 2012), are more open to positive re-interpretation (Van Boven & Gilovich, 2003), and anticipation of experiential consumption is more pleasurable (Kumar, Killingsworth, & Gilovich, 2014). The effect is so robust that it is considered to be near-universal, with limited moderators being investigated till date – namely financial constraints / income (Tully et al., 2015; van Boven & Gilovich, 2003), materialism (Zhang et al., 2014) and valence of the purchase (Nicolao et al., 2009). This research proposes a significant and meaningful moderator to this effect – the individual difference in implicit theories (Chiu et al., 1997; Levy et al., 1998, Murphy & Dweck, 2015).

Summary of findings

Across ten studies, I demonstrate that not all consumers are positively disposed towards experiences for enhancing happiness and well-being. Implicit theories about the malleability (vs. fixedness) of human nature influence the preference for, and happiness derived from, experiential purchases. Driven by the belief that experiences contribute to self-growth and development, incremental theorists (vs. entity theorists) were consistently found to favor experiences over material goods. I showed this by measuring the general tendency to make experiential purchases (Pilot study), post consumption recall (Study 1), and choice between experiential and material options (Studies 2a-2c). Through a moderated mediation in Study 3, followed by an indirect mediation model in Study 4, I provided evidence for the mechanism of self-growth driving incremental theorists’ preference for experiential consumption. To enhance both the theoretical and practical contribution from this research, I demonstrated the effect under framing (Studies 5 and 6). Specifically, I showed that framing a product

as experience (and vice-versa) enhances (reduces) its appeal for incremental theorists. Further, in the final study (Study 7), I propose a simple way to nudge entity theorists into opting for experiences, that are beneficial and helpful for their well-being, something they would not have done otherwise.

I demonstrate the core phenomenon that incremental theorists (vs. entity theorists) prefer experiences (vs. material possessions) in several different contexts and at critical points in the consumption spectrum, i.e. both pre and post consumption. Further, I show that experiential consumption positively impacts all three different types of well-being for incremental theorists, i.e. hedonic well-being (happiness), economic well-being (subjective economic value), and eudaimonic well-being (potential, growth, and development). This is interesting as past research shows that purchases could impact hedonic, eudaimonic and economic well-being in very different ways (for example, something could enhance general happiness while not contributing to eudaimonic well-being, Howell & Guevarra, 2013; Howell & Hill, 2009).

Further, showing framing effects on both sides – specifically, framing a product as experience and also an experience as product is a unique contribution of the research. While prototypical products (a 3D TV, a box of CDs) have been framed as experiential in a few papers (Carter & Gilovich, 2010, 2012; Jiang & Sood, 2014, Rosenzweig & Gilovich, 2012), there is only one other research paper (Kumar & Gilovich, 2015) that frames a prototypical experience as both a product and an experience to study its impact on preferences.

Contributions

Theoretical contributions. A vast body of psychological research has shown that people derive more happiness from experiences (a beach vacation, a comedy

show) than material possessions (a luxury bag, a home theatre system). While the lines between these categories may be fuzzy (such as products that facilitate experiences, such as ski gear), the general finding that experiences trump material possessions is robust; even when consumers are made to think of the same (material) item in experiential terms, they tend to report greater satisfaction than if they think of it in material terms (Carter & Gilovich, 2010). While several causes and antecedents have been studied for this phenomenon, relatively little attention has been paid to moderators.

My research brings to light that differences in implicit theories (entity vs. incremental), have a tangible impact on consumers' preference for experiences. This is an important and material distinction as research shows that in any sample, 40-45% people are entity theorists, 40-45% are incremental theorists, and around 10-15% are undecided (Levy et al., 1998). In other words, there are subtle distinctions within consumers even if overall, there is a preference for experiences.

My research contributes to happiness and well-being literature by highlighting a key difference that drives affinity towards, and value derivation from, experiential purchases. Further, I also establish experiential purchases' ability to contribute to self-growth (eudaimonic well-being) as the underlying mechanism behind this phenomenon. Further, I contribute to implicit theories literature by linking it to happiness and well-being literature and identifying conditions under which incremental and entity theorists can maximize their happiness.

I also contribute to the growing body of consumer research that establishes implicit theory orientation as an interesting individual difference variable that has a meaningful impact on choice and preferences (Mathur et al. 2015; Murphy & Dweck, 2015). To this end, I demonstrate the distinction between entity and incremental

theorists' preference for experiences, in terms of their general tendency to buy experiences (Pilot study), self-generated examples of purchases made to enhance happiness (Study 1,3), choice between experiential and material purchases (Study 2a-2c, Study 4) and 'framed' purchase considerations (Studies 5 and 6).

My research also contributes to literature on experiential and material consumption by identifying a key differentiating variable driving people's preference for the two kinds of purchases. While most of the research in this domain has focused on past consumption and retrospective evaluation (Gilovich & Kumar, 2015), I show that implicit theories can predict the choice between experiential and material purchases.

Managerial Insights. This research has practical relevance for developing relevant, compelling communication messages for different types of consumers. For example, for a jewelry making course it would be beneficial to focus on growth in skills for targeting incremental theorists but highlight the fact that participants can take away completed pieces of jewelry for themselves after the course is over, for entity theorists. On the other hand, a company selling guitars may focus on the experiential or learning aspect of guitar ownership for incremental theorists, while highlighting the possession aspect for entity theorists. Given that implicit theory orientation may be temporarily primed using advertisements, movie clips, slogans (Mathur et al., 2015), our research has interesting implications for marketing of both experiences and experiential products to a variety of people.

Further, product marketers may even choose to design their communication messages in such a way that it mentions both the attributes of the product and the experience of using it, to appeal to a wide cross section of people. For example, communication messages (product concepts, TV advertisements, print ads) for say,

Lux bodywash, may talk about both the tangible attributes of the product, such as “Cooling mint and exfoliating sea minerals” that provide freshness and the “sensorial, fragranced charged” experience of actually using the body wash.

Implications for consumer well-being and public policy. For incremental theorists, experiences, whether they are simple ones such as eating at a new restaurant or big ones like running a marathon, help them evolve and grow as individuals. They become tools for self-growth and fulfill the deep-seated desire of achieving one’s potential. Only by experiencing new things, is it possible to discover a passion for travel, a penchant for cooking, or the gift for learning a new language or a new instrument. Given the impact of experiential consumption on happiness and well-being, and their role in self-development, the importance of paid vacation leave increases manifold, along with the creation and maintenance of public recreation spaces by the government.

Further, while incremental theorists consistently prefer experiential consumption, entity theorists consistently reject the same for material possessions. No wonder then, governments and consumer welfare organizations often struggle to get strong participation for public welfare activities that entail experiences. For example, getting people to achieve a daily 10,000 step target or participate in marathon – all experiences and all good for health in the long run are uphill tasks. My research proposes a simple, non-cost prohibitive solution for this by attaching a small material reward to such activities to encourage and attract entity theorists.

Limitations and future research

An alternative explanation that may compete with the self-growth explanation investigated in this research is that incremental theorists may prefer experiences

because experiences (vs. material possessions) are more open to interpretation. Specifically, experiences may be more ‘malleable’ in interpretation vis-à-vis material goods. However, it is debatable that simply because incremental theorists believe that an individual’s personality is changeable, they would be more likely (than entity theorists) to assign greater malleability to experiences. Past research shows that it is possible for people to hold incremental beliefs in one domain (e.g., intelligence) and entity beliefs in others (e.g. ability to play sports) (Biddle et al., 2003; Dweck, Chiu, & Hong, 1995; Kasimatis, Miller, & Marcussen, 1996). Further, even if experiences’ ability to be re-interpreted more easily (Mitchell, Thompson, Peterson, & Cronk, 1997) may explain incremental theorists’ retrospective consumption choices, it will not be able to predict anticipatory, future consumption choices as it is unlikely that people choose from options in the present time by considering how they would reminisce about it in case something goes wrong.

However, an interesting area of future research is to investigate the effect of valence of purchase. Does incremental theorists’ motivation to develop themselves lead them to indeed view even negative experiences more favorably? Past research shows that negative experiences are no better than material possessions in bringing happiness to people (Nicolao et al., 2009) but would this relationship reverse for incremental theorists such that they are more satisfied with negative experiences (as they still present an opportunity to learn) vis-à-vis material goods.

Further, it may be argued that incremental theorists’ preference for experiences may be driven by their tendency to focus on the process, rather than the outcome. This is definitely an interesting explanation and it can account for favourable evaluation both retrospectively and in anticipation. However, I do not think this explanation is at odds with the growth related process investigated in this research. In

popular narrative, personal growth and development is considered to be a journey, rather than a destination. Specifically, at a broad level, self-growth may be classified a process. Further, object acquisition may be considered as a more specific form of outcome. Hence, in a way, this research provides a more nuanced, contextualised understanding of the broad knowledge of implicit beliefs influencing process-outcome preference.

There is another reason why a high level process (outcome) focus is not granular/sharp enough to support the results in this research. Specifically, a high level focus on process would not explain incremental theorists' greater preference for an experience when it is framed as an experience (vs. a material pursuit, Study 6). Since implicit theories are chronic (and can also be situationally manipulated), as such, for incremental theorists, the process of going through the ostensible experience should be salient in both conditions (when an experience is framed as an experiential pursuit vs. a material pursuit). However, self-growth is not implied in the condition where it is framed as an experience focused on object acquisition. As a result, incremental theorists prefer it more only when it is framed as an experience (rather than a material pursuit) thereby underscoring that it is not a broad process vs outcome focus that drives these results, but the possibility of self-growth.

Entity theorists and the affinity for possessions. While I mostly focus on incremental theorists and uncover the underlying reason behind their preference for experiential purchases, I do not delve into the rationale for the other side of the equation, i.e. why do entity theorists not prefer experiential purchases? Or as I find across these studies, why do entity theorists prefer material possessions vs. experiential purchases?

One possible cause is entity theorists' aversion to risk (see Dweck & Leggett, 1988; Elliot & Dweck, 1988). Prior research shows that college students with an entity theory orientation are more likely to take up and pursue easier classes where they are sure to get a good grade, which signals their competence; and avoid classes where they may not be as likely to receive high grades (Dweck & Leggett, 1988). As experiences (versus material possessions) may feel inherently unpredictable, entity theorists would be more likely to avoid them in favor of possessions. In other words, there is more chance of a travel experience turning out bad or below expectations, than a phone or piece of jewelry underperforming. Entity theorists, who are concerned with putting up their best face to the world, may find the unpredictability of experiences, disconcerting or unnerving. Future research may look at identifying the exact mechanism for entity theorists' lack of affinity for experiential (vs. material) purchases and vice-versa.

Further, apart from attaching a material reward to experiences, future research may also look at identifying other specific conditions under which entity theorists will derive similar happiness from experiences as incremental theorists. Prior literature provides some indication for this. Prior research shows that entity theorists actively seek out opportunities to signal their desired positive qualities to present themselves in the best possible light (Mathur et al., 2015; Park & John, 2012). Hence, an experience that highlights the signaling value and potentially, minimizes the risk associated – would be likely to please entity theorists as much as incremental theorists. A meal at a 5* restaurant by a world-renowned chef that has garnered excellent reviews by celebrities and bloggers on social media and has a waitlist of over 2 months – could be a good starting point. Specifically, it needs to address their fear of failure of experience (risk) and further, provide an opportunity to signal and 'show-off'. An experience that is coveted and sharable on social media may be very appealing to

entity theorists as it provides instant gratification to self-enhance through signaling (Mathur et al., 2015) while the credibility of the chef would be a hedge against poor performance.

I show that incremental theorists (vs. entity theorists) prefer a product when it is framed as an experiential purchase (rather than material good, Study 5), and that they do not prefer an experience as much when it is framed as a material pursuit (Study 6). However, I do not delve specifically into what could be known as “experiential products” (Guevarra & Howell, 2015). For example, a guitar or a bicycle. In other words, objects that are bought primarily for their role in facilitating an experience. Prior research, though limited, shows that experiential products provide happiness and well-being similar to experiences, but more than material objects. Future research could investigate if there is a difference in happiness derived from “experiential products” (such as a bicycle), between entity and incremental theorists.

Further, it may be argued that incremental theorists’ proclivity for experiences may hold only for more meaningful experiential purchases such as a visit to the museum, versus, say, watching a sitcom. I agree that the effect would be stronger for experiences that offer the potential to contribute to self-growth more directly, such as a visit to the museum. However, given their strong motivation to learn, incremental theorists may even infer watching a sitcom as an opportunity to improve their sense of humor or be more aware of popular culture to participate in conversations with friends and colleagues. However, this remains an empirical question for future research.

Further, to strengthen the practical and managerial relevance from these findings, future research could also look at manipulating implicit theories through the advertising copy or message itself.

Further research is also needed to look at a non-dichotomous view of material vs. experiential purchases. In line with the experiential products (such as a guitar or bicycle) mentioned earlier, acquisition of art related objects such as sculptures and paintings may also lead to an increase in awareness and knowledge about art and such pursuits. Hence, it may be argued that incremental theorists would be also be favorably pre-disposed towards such material objects that can facilitate learning and development.

Last but not the least, future research could also look at the differences in implicit theory orientation between cultures. Based on the limited Asian sample in this research, I found that directionally, Easterners were more likely to endorse an incremental orientation ($M_{\text{East}} = 3.66$) compared to Westerners ($M_{\text{USA}} = 3.27$, $t(98) = -1.48$, $p = .14$). Though not directly linked to a consumption context, this is an exciting question for future research given the far reaching implications of implicit theory orientation.

In summary, in this research, I examined the impact of implicit theories on the almost universal preference for experiential consumption. I hope that these findings will spark more interesting research on other factors that may affect the happiness derived from and preference for experiential consumption (vs. material possessions).

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APPENDIX A

Experiential Buying Tendency Scale (Howell et al., 2012) used in the Pilot Study

1. In general, when I have extra money I am likely to buy a life experience
2. When I want to be happy, I am more likely to spend my money on 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?
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? [Reverse scored]

APPENDIX B

Implicit Theory Scale (8-item, Levy et al., 1998) used in Studies 1, 2a, and 4

1. The kind of person someone is, is something basic about them, and it can't be changed very much
2. People can do things differently, but the important parts of who they are can't really be changed.
3. Everyone is a certain kind of person, and there is not much that they can do to really change that.
4. As much as I hate to admit it, you can't teach an old dog new tricks. People can't really change their deepest attributes.
5. Everyone, no matter who they are, can significantly change their basic characteristics.
6. People can substantially change the kind of person they are.
7. No matter what kind of a person someone is, they can always change very much.
8. People can change even their most basic qualities.

APPENDIX C

Conceptual Replication of Study 1 with Materialism

Participants and procedure. Eighty two participants ($M_{\text{age}} = 36.7$, 50.6% female) from Amazon MTurk in US completed the study. They were asked to “Think about a recent time when you used your money to pay for/buy something you thought would make you happier. You could have used your money in any way, as long as when you spent your money your goal was to increase the joy and happiness in your life.” (Guevarra & Howell, 2015). They were told that this purchase could either be a material object (such as clothing, phone, laptop etc.) or an experiential purchase (eating out, traveling, concert etc.). Participants then completed the 8-item implicit theory scale (on a scale of 1=*strongly disagree* to 6=*strongly agree*; Chiu et al., 1998) with higher scores indicating an entity orientation. They then responded to the 9-item materialistic values scale (Richins, 2004) and provided their demographic details.

Results and discussion. While the distinction between material possessions and experiential purchases may seem fuzzy, research suggests that both consumers and coders have an intuitive understanding of these two categories (Van Boven & Gilovich, 2003). Participants’ purchase descriptions were coded into two categories, namely material (1) and experiential (0) using Van Boven and Gilovich’s (2003, p.1194) definition. As per their definition, “*experiential purchases* are those made with the primary intention of acquiring a life experience: an event or series of events that one lives through. *Material purchases* are those made with the primary intention of acquiring a material good: a tangible object that is kept in one’s possession.”

An ordinal logistic regression using this coding as the dependent variable, implicit theory score as the predictor, while controlling for materialism and wealth/income levels revealed an overall significant model compared to a constant only

model (Chi square =8.46, $p<.05$, $df=3$). Further, the effect of implicit theory orientation on the type of purchase (material, experiential) recalled was significant (Chi square=3.94, $p<.05$). Specifically, a one unit increase in incremental theory orientation increases the odds of mentioning an experiential purchase by about 1.5 times.

APPENDIX D

3-item Implicit Theory Measure (Chiu et al., 1997) used in the Pilot Study,

Studies 2b, 2c and 5

1. The kind of person someone is, is something basic about them, and it can't be changed very much
2. People can do things differently, but the important parts of who they are can't really be changed
3. Everyone is a certain kind of person, and there is not much that they can do to really change that

APPENDIX E

Flyers for the Marathon with different finishing rewards - Stimuli for

Study 6

Keep Calm
and
Run

The State Quarter Marathon (6.5 miles)
for
Women

As a token of our appreciation for your hard
work, every finisher will receive a customised
Pandora bracelet worth \$100

PANDORA

With material reward

Keep Calm
and
Run

The State Quarter Marathon (6.5 miles)
for
Women

As a token of our appreciation for your hard
work, every finisher will receive a \$100 worth
exclusive makeover & makeup/skincare
master class at Sephora

SEPHORA

With experiential reward