

FORETHOUGHT GRIST

How Concepts Affect Consumption

by Dan Ariely and Michael I. Norton

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Our prehistoric ancestors spent much of their waking hours foraging for and consuming food, an instinct that obviously paid off. Today this instinct is no less powerful, but for billions of us it's satisfied in the minutes it takes to swing by the store and pop a meal in the microwave. With our physical needs sated and time on our hands, increasingly we're finding psychological outlets for this drive, by seeking out and consuming concepts.

Conceptual consumption strongly influences physical consumption. Keeping up with the Joneses is an obvious example. The SUV in the driveway is only partly about the need for transport; the concept consumed is status. Dozens of studies tease out the many ways in which concepts influence people's consumption, independent of the physical thing being consumed. Here are just three of the classes of conceptual consumption that we and others have identified.

Consuming expectations. People's expectation about the value of what they're consuming profoundly affects their experience. We know that people have favorite beverage brands, for instance, but in blind taste tests they frequently can't tell one from another: The value that marketers attach to the brand, rather than the drink's flavor, is often what truly adds to the taste experience. Recent brain-imaging studies show that when people believe they're drinking expensive wine, their reward circuitry is more active than when they think they're drinking cheap wine—even when the wines are identical. Similarly, when people believe they're taking cheap painkillers, they experience less relief than when they take the same but higher-priced pills.

Consuming goals. Pursuing a goal can be a powerful trigger for consumption. At a convenience store where the average purchase was \$4, researchers gave some customers coupons that offered \$1 off any purchase of \$6, and others coupons that offered \$1 off any purchase of at least \$2. Customers who received the coupon that required a \$6 pur-

chase increased their spending in an effort to receive their dollar off; more interestingly, those customers who received the coupon that required only a \$2 purchase to receive the dollar off actually decreased their spending from their typical \$4, though of course they would have received their dollar off had they spent \$4. Consuming the specific goal implied by the coupon—receiving a savings on a purchase of a designated amount—trumped people's initial inclinations. Customers who received the \$2 coupon left the store with fewer items than they had intended to buy.

Consuming memories. One study of how memories influence consumption explored the phenomenon whereby people who have truly enjoyed an experience, such as a special evening out, sometimes prefer not to repeat it. We might expect that they would want to experience such an evening again; but by forgoing repeat visits, they are preserving their ability to consume the pure memory—the concept—of that evening forever, without the risk of polluting it with a less-special evening.

So concepts not only can influence people to consume more physical stuff, but also can encourage them to consume less. Offering people a chance to trade undesirable physical consumption for conceptual consumption is one way to help them make wiser choices. In Sacramento, for example, if people use less energy than their neighbors, they get a smiley face on their utility bill (or two if they're really good)—a tactic that has reduced energy use in the district and is now being employed in Chicago, Seattle, and eight other cities. In this case, people forgo energy consumption in order to consume the concept of being greener than their neighbors.

We suggest that examining people's motivations through the lens of conceptual consumption can help policy makers, marketers, and managers craft incentives to drive desired behavior—for better or for worse.

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