

We'll Always Have Paris: The Hedonic Payoff from Experiential and Material Investments

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Abstract

We live in a consumerist society in which large increases in wealth have not brought corresponding increases in well-being. This has led some to wonder if there are ways people might spend their limited discretionary income to get a better hedonic return on their money. Here we examine the perils of materialism and review a program of research that demonstrates that experiential purchases (such as vacations, concerts, and meals out) tend to bring more lasting happiness than material purchases (such as high-end clothing, jewelry, and electronic gadgets). Compared to possessions,

experiences are less prone to hedonic adaptation, and we explore how and why the satisfaction they provide endures: by fostering successful social relationships, by becoming a more meaningful part of one's identity, by being less susceptible to unfavorable and unpleasant comparisons, and by not lending themselves to deflating regrets of action. We also discuss how these hedonic benefits extend to anticipation as well, although people do not always foresee that experiential consumption tends to provide more enduring satisfaction. We conclude by raising a number of questions about the distinction between experiences and material goods, about potential moderators and individual differences, and about how the overall well-being of society might be advanced by shifting from an overwhelmingly material economy to one that facilitates experiential consumption.

When *The American Film Institute* released its list of the 100 most memorable quotes in American film history, six of them were from a single film, Warner Brothers' *Casablanca*. One of that sticky set of six is uttered by Humphrey Bogart as he looks into the eyes of his former lover Ingrid Bergman and says, "We'll always have Paris." Bogart's character is referring to their brief but torrid romance before the start of the war. But might there be something more generally applicable about those four simple words—something telling about what endures in the mind? That is, might a person's experiences, such as a time in Paris, endure longer psychologically than things like material possessions that endure longer objectively and materially?

This chapter reviews a program of research we have conducted that provides robust evidence that experiential purchases (money spent on *doing*) tend to provide more long-lasting hedonic benefits than material purchases (money spent on *having*). Relative to the pleasures that come from material goods, the benefits people derive from experiential consumption tend to be more resistant to adaptation because of the social capital they build and the enhanced sense of self they foster. Moreover, the greater satisfaction people derive from experiences tends to hold across a broad time course: from anticipation to retrospective evaluation.

Given a world in which consumers have limited discretionary income (that is, the real world for nearly everyone), an important concern is how they can get the most hedonic bang for their bucks. Although the relationship between money and happiness has been the subject of considerable debate in the psychological and economic literatures (Diener & Seligman, 2002, 2004; Easterlin, 2003; Frey & Stutzer, 2002; Kahneman & Deaton, 2010; Myers, 2000; Stevenson & Wolfers, 2013), few would deny that

the financial choices people make can influence their well-being. That is, perhaps money can make us happier, provided we spend it on the right things (Dunn, Gilbert, & Wilson, 2011; Dunn & Norton, 2013). In terms of how to invest their limited financial resources, then, consumers might wonder what these right sorts of things are.

One answer that emerges from our work and the work of others is that they are not “things” at all. Experiential purchases, such as vacations, concerts, and meals out, tend to bring consumers more enduring happiness than material purchases, such as high-end clothing, jewelry, and electronic gadgets (Capriello & Reis, 2013; Carter & Gilovich, 2010, 2012, 2014; Gilovich, Kumar, & Jampol, 2014a, 2014b; Howell & Hill, 2009; Kumar & Gilovich, 2014b; Kumar, Killingsworth, & Gilovich, 2014; Nicolao, Irwin, & Goodman, 2009; Van Boven & Gilovich, 2003). Here we review the hedonic benefits that come with experiential consumption, discuss the psychological mechanisms that give rise to those benefits, examine the downstream consequences of this type of purchasing behavior, and explore implications and opportunities for future research.



1. MONEY AND HAPPINESS

The Beatles told us that money cannot buy love. And, since love is all one needs, it apparently cannot buy happiness either. But can it? Research on the relationship between money and subjective well-being was kick-started by Richard Easterlin (1974), who noted that the marked increase in wealth in several countries in the years following World War II was not accompanied by an increase in average happiness. Easterlin argued that increased income does not bring with it a lasting increase in happiness because of hedonic adaptation, upward shifts in aspiration, and social comparison processes. When overall income in a given country increases, people are wealthier in absolute terms, but there are just as many people who are richer, poorer, or just as wealthy as their friends, colleagues, and neighbors, so relative income on balance stays the same (Argyle, 1999; Clark, Frijters, & Shields, 2008; Diener, Lucas, & Napa Scollon, 2006; Easterlin, 1995, 2003; Frey & Stutzer, 2002).

The work of Easterlin and others has led some commentators to maintain that the economic statistics which governments routinely collect need to be supplemented by measures of well-being (Diener & Seligman, 2004). Although economic indicators may have served as reasonable proxies for well-being in the early stages of a country's economic development

when basic needs were not largely or routinely met, as societies have grown wealthier, well-being has become less connected to income. Others have gone a step further and argued that attempts to increase societal happiness by increasing overall wealth may be less successful than efforts to channel spending toward goods and services that are less subject to adaptation and dispiriting social comparison (Dunn et al., 2011; Dunn & Norton, 2013; Frank, 2004).

But recent data have called the Easterlin “paradox” into question. Economists like Stevenson and Wolfers (2008, 2013) have used more comprehensive data from a broader set of countries to argue that there is indeed a positive link between income and life satisfaction. At the time the Easterlin paradox was identified, they assert, there was not enough data to permit an adequate assessment of subjective well-being over time (and across countries). Using more extensive data sets, they find that richer individuals in a given country are more satisfied with their lives than poorer individuals, and that this relationship holds in most countries around the world. The United States is a notable exception, however, when it comes to the time-series data: even in these newer, more extensive datasets, there has been no increase in aggregate happiness in America since the 1970s despite a rise in per capita GDP. Stevenson and Wolfers claim that the United States is just that—an exception that departs from a clear, overall worldwide pattern.

In part because income has been shown to be related to happiness, it has become common to hear summary statements to the effect that “money is related to happiness, but not as much as most people expect” (Aknin, Norton, & Dunn, 2009; Argyle, 2001; Dunn, Aknin, & Norton, 2008; Seligman, 2002). By some measures of people’s expectations, such summaries seem sound. Aknin et al. (2009), for example, asked participants from across the income spectrum to predict the happiness of people at different income levels. Their responses indicated that they thought that people at low levels of the household income distribution are significantly less happy on average than they actually are, reflecting a lay belief that overweights the impact of income on life satisfaction, at least at lower income levels.

Using other metrics, however, it is not at all clear that the relationship between income and happiness is more modest than people think. Cone and Gilovich (2010), for example, asked respondents to consider two randomly selected individuals from the U.S. population, one with a higher income than the other. What is the likelihood, they were asked, that the person with the higher income would also be happier? The median response

was 55%, a value remarkably consistent with the actual likelihood (56.4%) derived from the mean correlation between income and happiness reported in the literature (Diener & Biwas-Diener, 2002). In another study, Cone and Gilovich asked participants to rank 21 pairs of variables in terms of their strength of (linear) association—e.g., brain size and IQ, age of husband and wife, height and shoe size, income and happiness. Again, participants' assessments were remarkably accurate: the average ranking of the income–happiness relationship was very close to its actual ranking in the set of 21 pairs.

Getting an accurate sense of whether people overestimate or accurately estimate the relationship between income and happiness is further complicated by the fact that what is meant by “happiness” can be murky. Much of the available data available on life satisfaction, for example, asks respondents to render an overall judgment of how happy they are—to indicate something akin to what rung “on the ladder of life” they currently believe themselves to be. These sorts of assessments, some scholars have argued, may be distorted by a focusing illusion (Kahneman, Krueger, Schkade, Schwarz, & Stone, 2006). That is, whatever part of their lives that happens to be salient to respondents at the time they are asked to assess their well-being is likely to have an outsized impact on their reported happiness. Thus, when survey respondents consider the impact of any single factor on their general life satisfaction, they are likely to exaggerate its importance. This can distort the apparent relationship between income and happiness because being asked where one stands on the ladder of life might very well draw one's attention to his or her relative standing in the distribution of economic well-being, thus artificially amplifying the actual relationship between income and happiness. Indeed, this same team of researchers reported elsewhere that the correlation between income and a measure of overall life satisfaction was much higher (0.20) than that between income and the balance between measures of positive and negative affect (0.05) in the same sample of U.S. respondents (Kahneman, Krueger, Schkade, Schwarz, & Stone, 2004).

Recently, Kahneman and Deaton (2010) conducted a large-scale survey of over 450,000 respondents to examine both people's reports of moment-to-moment experiences of happiness and their assessments of global satisfaction. When asked to take stock of their lives, those with more money reported being significantly more satisfied, but when asked how happy they are in the moment, the relationship with income was not as strong. For the latter assessments, it appears the relationship tapers off substantially near an annual income of \$75,000. Reports of global life satisfaction, however, rise

steadily even beyond \$75,000 when plotted against log income. Scholars have argued that this suggests that money provides quite a bit of satisfaction when we think about it, but not much otherwise. Researchers might therefore be well advised to explore how people can spend their money in ways that will increase their happiness (Dunn et al., 2011; Dunn & Norton, 2013).

The implicit assumption is that the relationship between money and subjective well-being may be larger if people spent their money in different ways, such as spending it on others instead of themselves (Aknin et al., 2013; Dunn et al., 2008). This is echoed in the work of the economist Robert Frank (2004), who has argued that some of the gains in happiness that should have resulted from the growth in absolute income have not come to fruition because of the ways in which people in wealthy societies tend to spend their money—on things like bigger houses, more expensive cars, and other forms of what he terms conspicuous consumption. The pleasure that people get from these sorts of expenditures tend to be short lived and so society would be better off from the standpoint of psychological well-being, he argues, if people spent their money (and were encouraged to spend their money) on things that are less subject to adaptation. We discuss one such category of expenditures here.



2. AS TIME GOES BY: ADAPTATION AND THE DIFFERENTIAL HEDONIC RETURN ON EXPERIENCES AND POSSESSIONS

Although money certainly matters when it comes to meeting basic needs, it is clear that it matters less when it comes to boosting happiness among people who are financially well-off. This raises the question of whether the relatively affluent citizens of the developed world can get a better hedonic return on their money if they spend it in certain ways. With this question in mind, Van Boven and Gilovich (2003) laid out a distinction between material and experiential consumption and asked whether it is better “to do or to have.” They 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” and material purchases as those “made with the primary intention of acquiring a material good: a tangible object that is kept in one’s possession” (Van Boven & Gilovich, 2003, p. 1193). In the decade of work that has been conducted since this distinction was

introduced, research participants, coders, and lecture audiences have readily grasped the meaning of these two categories and the differences between them. Purchases like furniture, clothing, jewelry, and gadgets are consensually assigned to the category of material purchases, and vacations, concert tickets, park passes, and meals at restaurants are consistently identified as experiential purchases.

In one study using a between-subjects design, [Van Boven and Gilovich \(2003\)](#) asked respondents to recall either a significant material or an experiential purchase and then report how happy the purchase made them, how much the purchase contributed to their happiness in life, and the degree to which they considered the purchase “money well spent.” Mean responses were significantly higher on all three measures in the experiential condition. In a follow-up large-scale survey of a representative sample of American adults, participants were asked in a within-subjects design to recall a significant purchase of each type. When asked which one made them happier, respondents across a wide variety of demographic categories—age, gender, race, income, marital status, and geographic location—gave the nod to their experiential purchases. In yet another early study, participants were asked to recall either a material or an experiential purchase and then filled out a mood measure. Those who had recalled an experiential purchase reported being in a significantly better mood ([Van Boven & Gilovich, 2003, Study 3](#)). The basic message of these early investigations—that people derive more enduring satisfaction from experiential purchases than from possessions—has since been replicated many times, in many different ways, and in many different labs ([Caprariello & Reis, 2013](#); [Carter & Gilovich, 2010, 2012](#); [Chan & Mogilner, 2014](#); [Howell & Hill, 2009](#); [Kumar & Gilovich, 2014b](#); [Kumar, Killingsworth, et al., 2014](#); [Nicolao et al., 2009](#); [Pchelin & Howell, 2014](#); [Van Boven, Campbell, & Gilovich, 2010](#); [Weidman & Dunn, 2014](#)).

Of course, especially for a psychological audience, it is as important to understand *why* experiences tend to produce more enduring satisfaction than material goods as it is to know *that* they do so. Although this was not explored extensively in the initial work by Van Boven and Gilovich, they suggested three possible reasons why experiences tend to provide greater hedonic benefits than material purchases: they are more open to positive reinterpretation, they tend to become more meaningful parts of one’s identity, and they do more to foster social relationships. As we detail below, this early theorizing has shaped an extensive line of research on the causes and consequences of experiential consumption.

Much of this work has been directed at examining whether and why experiential purchases are less subject to adaptation than material purchases. A considerable amount of research testifies to people's remarkable capacity to adapt to outcomes and events (Frederick & Loewenstein, 1999). This capacity is a tremendous asset when it comes to dealing with negative events, such as the loss of a limb or some other vital capacity (Brickman, Coates, & Janoff-Bulman, 1978; Gerhart, Koziel-McLain, Lowenstein, & Whiteneck, 1994; Hall et al., 1999). But the great benefit that adaptation provides when it comes to unfortunate outcomes is paired with the great cost it exacts in the context of positive events. Adaptation is a formidable enemy of happiness when it comes to how people respond to the good things in life (Edelman, 2012; Gilbert, 2006; Gilovich & Ross, 2015; Myers, 1990). Part of the reason we seem to get such little enduring satisfaction from our possessions is that we quickly habituate to them. Once we get used to them, they provide very little in terms of lasting happiness, causing us to want more and more, a phenomenon that has been dubbed the "hedonic treadmill" (Brickman & Campbell, 1971).

However, the empirical evidence suggests that we adapt to "things" and tune them out much more quickly and assuredly than we adapt to experiential purchases (Carter & Gilovich, 2010; Kumar & Gilovich, 2014b; Nicolao et al., 2009). In one study, for example, participants reported no difference between experiences and possessions when asked about their initial satisfaction with the purchase, but they reported significantly more *current* satisfaction with their experiential purchases than their material purchases. Their evaluations of their material goods went down from the time of the initial purchase to the present, but their evaluations of their experiences tended to go up, indicative of hedonic adaptation to the possessions but something quite different for their experiences (Carter & Gilovich, 2010).

In another study (Nicolao et al., 2009), laboratory participants were assigned to purchase one of several experiences (i.e., games to play, videos to watch, songs to listen to) or one of several material goods (e.g., deck of cards, ruler, keychain, picture frame). The researchers then tracked the happiness associated with these purchases at time intervals of a few minutes, a day, two days, a week, and two weeks. Participants' ratings of their happiness with their purchases dropped off much more steadily for the material goods than for the experiences. In other words, participants adapted to the things they bought more rapidly than to the laboratory experiences they enjoyed.

To revisit *Casablanca* for a moment, at one point Bogart's character wryly says that he has "heard a lot of stories in my time." We would guess that most of those stories were not about valued material possessions. Life experiences tend to be better story material. One of the ways that, say, a visit to Paris can endure, then, is through the memories we treasure and the stories we tell. It is those stories and memories that protect the trip from adaptation. Indeed, in one study, the difference in participants' retrospective happiness ratings of their experiential and material purchases was mediated by how often they had talked about them (Kumar & Gilovich, 2014b). That is, participants reported that they derived more satisfaction from their experiential purchases than their material purchases, and this effect was explained by the fact that they had also talked about (or would be more likely to talk about) their experiential purchases. The fact that we talk more about our experiences keeps them alive while our possessions often just sit there, collecting dust, becoming obsolete, and being all but forgotten.

If experiences are less susceptible to adaptation, does this mean that we habituate less to negative experiences as well, with the result that they remain more tenaciously troublesome and lead to more enduring *unhappiness* than material goods (Nicolao et al., 2009)? The existing evidence on this point is scarce and so there is no definitive answer at present. But research on the "rosy-views" hypothesis (Mitchell, Thompson, Peterson, & Cronk, 1997) suggests that even negative consumer experiences tend to be reinterpreted in a more positive light retrospectively. Disappointing experiences, then, may tend to be viewed more favorably with the passage of time than disappointing possessions. Material possessions exist, well, materially: their prolonged physical presence impedes the ability to embellish, reinterpret, and think more highly of them. It is hard to romanticize a car or computer that breaks down frequently, or a shirt or sofa that is uncomfortable. Experiences, in contrast, live on only in the mind as mental representations that can be altered, reworked, and made more favorable. According to the rosy-views hypothesis, people tend to quickly forget the annoyances, distractions, and disappointments that take away from the online, moment-to-moment enjoyment of their experiences, resulting in a much rosier retrospective view.

Mitchell et al. (1997), for example, examined participants' experiences on a 3-week bicycle trip and found that those who had undergone a disappointing experience (a rain-soaked day of cycling) nonetheless thought of it as very rewarding and later saw their in-the-moment experiences more favorably than they had at the time. Another study looked at people's

anticipations, experiences, and recollections of a trip to Disneyland. Not surprisingly, nearly all participants were excited about the prospect of visiting the Magic Kingdom, a destination billed as “the happiest place on earth.” However, the average actual experience of these participants was not so magical. Their assessments of their moment-to-moment mood were dampened by enormous crowds, cranky kids, hot weather, and less-than-stellar food. When later asked to recall how much they had enjoyed themselves, the participants tended to remember the trip as having been much more fun than it had actually been at the time (Sutton, 1992; see also Klaaren, Hodges, & Wilson, 1994; Wilson & Klaaren, 1992). Consistent with the rosy-views hypothesis, stressful conflict-laden vacations with the kids tend to get quickly transformed into rewarding “family bonding” experiences.

In our own studies, we have found that when participants are given an opportunity to talk about a purchase, it raises their assessments of an experiential purchase (that is, it how favorably it is seen) more than it does their assessments of a material purchase (Kumar & Gilovich, 2014b). This finding, though, involved purchases that participants had made in order to advance their well-being and therefore were, for most participants, entirely positive. It remains to be seen whether the same result would be found for negative purchases. But we suspect that negative experiences often make for especially fun stories to tell and retell, and that once they have been transformed by the act of story-telling, their troublesome elements tend to be altered or offset in just the ways the rosy-views hypothesis posits. What was a stressful or frightening fiasco at the time often becomes a “hilarious” fiasco in the retelling, and what was a trying or deflating series of events becomes a valuable, even essential, learning experience.



3. MAKING PLANS THAT FAR AHEAD: THE PROSPECTIVE BENEFITS OF EXPERIENTIAL CONSUMPTION

Another way in which experiential consumption can be said to endure is by virtue of the fact that its hedonic benefits extend across a broad time course, from prospect to retrospect. Most of the work on the greater satisfaction people derive from their experiential purchases has focused on their assessments after the possessions have been obtained or the experiences completed (Caprariello & Reis, 2013; Carter & Gilovich, 2010, 2012; Howell & Hill, 2009; Kumar & Gilovich, 2014b; Nicolao et al., 2009; Van Boven et al., 2010; Van Boven & Gilovich, 2003). But we have recently found that

experiences are more rewarding in anticipation as well (Kumar, Killingsworth, et al., 2014). That is, experiential purchases tend to bring about more happiness than material purchases even *before* the purchase in question has been made. This dovetails with the recent finding that people often get a greater boost of happiness from planning their vacations than actually going on them (Nawijn, Marchand, Veenhoven, & Vingerhoets, 2010).

More specifically, we have found that the anticipatory period tends to be more pleasant, more exciting, and less consumed by impatience for experiential purchases than for material purchases (Kumar, Killingsworth, et al., 2014). In one study, Cornell University students were asked to describe either a material or an experiential purchase they were planning to make in the very near future and then to assess the nature of their anticipation. Their anticipatory state was rated as more pleasant and as tinged with more excitement and less impatience when participants were thinking about a future experience than when thinking about a future material purchase. This was replicated in an experience-sampling study in which participants were asked about purchases that were on their minds spontaneously, rather than those they had been directed to think about. Here too participants reported being happier when waiting for an experience than when waiting for a material possession.

This difference in the nature of waiting to make an experiential or material purchase appears to have notable real-world consequences. We conducted an analysis of news stories about people waiting in long lines and found that those waiting for an experience tended to be in a better mood and better behaved than those waiting for a material good (Kumar, Killingsworth, et al., 2014). Anecdotally, we sometimes hear stories about people rioting, smashing windows, pepper-spraying one another, or otherwise treating others badly while having to wait in long queues. To be sure, people do not like to wait for what they want, as a large literature on temporal discounting attests (Frederick, Loewenstein, & O'Donoghue, 2002; Laibson, 1997; McClure, Laibson, Loewenstein, & Cohen, 2004). It is not terribly hard to imagine how being forced to wait for something might lead to frustration (although rioting and aggression is more than a bit much). But Loewenstein (1987) has shown that waiting can sometimes have its benefits, as a period of anticipation provides an opportunity to savor future consumption. He found, for example, that people would prefer to wait a few days to kiss their favorite film star rather than do so as soon as possible. Consistent with Loewenstein's results, we have found that people waiting in line to make an experiential purchase tend to feel and act better than people waiting in line to make a material purchase.

In yet another memorable line from *Casablanca*, Bogart's character is asked about his plans for the evening, which prompts his retort that he "never make [s] plans that far ahead." We would contend that, in this respect, Rick Blaine is unlike most consumers—at least when it comes to experiences. Consistent with the idea that people savor the wait for experiential purchases, Kumar and Gilovich (2014c) recently found that whereas material purchases tend to prompt a "give-it-to-me-now" mind-set, consumers often prefer to delay their consumption of experiences. This makes them more patient when it comes to experiential consumption: when faced with intertemporal trade-offs, they tend to prefer a better experience later than a lesser experience now—a pattern that is not true for comparable material purchases. Importantly, this preference to delay the consumption of experiences longer than the acquisition of material goods is not solely the result of the fact that material goods are more long-lasting than experiences (and hence can be enjoyed now and later). Even when controlling for the differential shelf-life of experiences and possessions, people prefer to delay their experiences because doing so—the delay itself—is often a pleasurable experience.

Another issue that arises with respect to prospection is whether people anticipate the greater hedonic benefits that come from buying experiences rather than possessions. They might not: there has been quite a bit of work that has documented systematic errors in affective forecasting (Gilbert, 2006; Wilson & Gilbert, 2003). This work has shown that people have particular difficulty predicting how long they will be happy or unhappy as the result of some fortunate or unfortunate experience. What, then, do they think about the relative contributions of experiential and material purchases to their well-being? Pchelin and Howell (2014) conducted one study to address this question and found that people believe that experiential purchases will, on average, make them happier than possessions. Why then is consumer spending tilted so heavily toward material goods rather than experiences? Pchelin and Howell also find that people expect to feel that, down the road, their experiential purchases will not constitute good financial investments. That is, consumers have a lay belief that a trip that might last 3 days or a meal that might last 3 hours is not a prudent spending decision in comparison to a piece of furniture or a flat-screen television that might last for years. Although material purchases do indeed last longer, it is notable that when asked to make retrospective evaluations, people tend to say that what they paid for their experiential purchases represented money better spent than what they paid for their material purchases (Van Boven & Gilovich, 2003).



4. THE BEGINNINGS OF A BEAUTIFUL FRIENDSHIP: THE SOCIAL VALUE OF EXPERIENTIAL CONSUMPTION

As we noted earlier, much of the research on people's evaluations of material and experiential purchases has been aimed at trying to understand why the satisfaction that comes from experiences is more enduring over time. That is, considerable effort has been devoted to delineating the psychological mechanisms responsible for the reliable differences in retrospective evaluations of these two types of purchases. One explanation that has garnered considerable support is that experiential purchases yield more social benefits than material purchases.

A large literature bolsters the oft-repeated claim that humans are social creatures (Baumeister & Leary, 1995) and that positive, meaningful social relationships are essential to human happiness (Diener & Seligman, 2002, 2004; Myers, 2000). Social connection has also been linked to better health, and the perils of loneliness have been well-documented (Baumeister, Twenge, & Nuss, 2002; Cacioppo & Hawkley, 2009; Cacioppo et al., 2008; Cacioppo & Patrick, 2009; Uchino, Cacioppo, & Kiecolt-Glaser, 1996). Indeed, psychologists, political scientists, and sociologists have devoted considerable energy to studying “social capital”—the resources that people accumulate through their relationships (Adler & Kwon, 2002; Bargh & McKenna, 2004; Bourdieu & Wacquant, 1992; Coleman, 1988; Helliwell & Putnam, 2004; Putnam, 2000; Putnam, Feldstein, & Cohen, 2004). Broadly, the accumulation of social capital tends to increase life satisfaction. Social connection has also been found to be related to achievement motivation and successful academic performance, even when the feelings of belongingness are prompted by rather a modest sense of social connection (Cwir, Carr, Walton, & Spencer, 2011; Walton, Cohen, Cwir, & Spencer, 2012). Walton and colleagues, for instance, demonstrated that feelings of belonging tend to enhance motivation by increasing the accessibility of domain-relevant goals, leading to greater persistence on performance-related tasks. Beyond that, social support has been linked to lower rates of morbidity and mortality. Purchases that facilitate social connection and build social relationships, then, are likely to enhance physical and psychological well-being more than purchases that do not.

There is one simple and direct way in which experiences are more likely to foster social connection: Caprariello and Reis (2013) and Kumar, Mann, and Gilovich (2014) have shown that material purchases

are more likely than experiential purchases to be consumed in a solitary manner. When we go on vacations, or out to restaurants, concerts, movies, and theatrical performances, we tend to do so with other people. This increased sociality associated with experiential purchases, furthermore, is part of the reason they are associated with higher postpurchase satisfaction. [Howell and Hill \(2009\)](#), for example, have shown that experiential purchases increase happiness in part through increased relatedness to others and decreased social comparison.

People also tend to talk to others about their experiences more than their possessions, as we noted earlier ([Kumar & Gilovich, 2014b](#)). Indeed, differences in satisfaction between experiential and material purchases have also been shown to be partly mediated by the fact that experiential purchases are more likely to be talked about. Participants in our studies report that talking about experiences with other people adds more to their enjoyment of them than talking about possessions adds to the enjoyment of material purchases. Further evidence of the inherent sociality of experiences comes from evidence showing that people would rather have a lesser experience that they could talk about than a better one they could not talk about, but they are less willing to make such a trade-off for material goods. In one study, for instance, participants were asked to list either the two electronic goods they most wanted to buy right now (the material condition) or the two vacation destinations they would most want to visit (the experiential condition). They were then asked to imagine that they could have the “best” purchase they had listed with the stipulation that they would not be able to talk about it—or their second choice, which they could discuss whenever and with whomever they pleased. Of the two purchases they had listed, which do people prefer in this hypothetical world? As it turns out, participants are perfectly willing to accept a less desirable experiential purchase provided that they can talk about it. But when it comes to things like gadgets, they happily forego the conversation and would rather have the better material possession. People are clearly more bothered by the notion of not being able to talk about their experiential purchases, indicating that a bigger part of the enjoyment people get from their experiences comes from their greater “story value.”

Not only are people more likely to talk about their experiences than their possessions, it tends to be more socially rewarding when they do ([Van Boven et al., 2010](#)). In one telling study, for example, pairs of unacquainted participants were asked to have a brief “get acquainted” conversation with one another, but with a twist: some were instructed to talk only about recent material purchases

each had made and the others to talk only about recent experiential purchases. After doing so, they were separately asked how much they enjoyed the conversation and how much they liked one another. They reported liking both the conversation and their conversation partners more after having discussed experiences they had bought than after having discussed possessions they had bought. As part of this line of work, Van Boven and colleagues further found that the traits associated with materialistic people (e.g., trendy, insecure) are less desirable than those associated with people who pursue more experiential purchases (e.g., adventurous, optimistic). Because people form more favorable impressions of those with whom they have discussed experiential purchases, they also have a greater interest in furthering relationships with individuals whose experiences they have heard about.

Social life is often self-reinforcing, with initially rewarding social experiences sparking an interest in still more socializing. The same is true with respect to the social connections inspired by experiential purchases. This self-reinforcing cycle of social connection was explored by [Kumar, Mann, et al. \(2014\)](#) who found that people report feeling more kinship with others who have had the same experiences as they had than with others who owned the same material possessions as they did. Chan and Mogilner (2014) observed a similar result in the context of gifts: gift-givers and recipients tend to feel more connected to one another after an exchange of an experiential gift than after an exchange of a material possession.

Furthermore, and in line with the findings of [Carter and Gilovich \(2010; see below, “Of all the gin joints”\)](#), Kumar and colleagues found that people feel more connected to someone who made a similar experiential purchase as they did, even when the other person’s purchase is a superior version of their own. That is, an owner of a domestic compact is likely to feel quite different from a neighbor who drives a Lamborghini, despite the fact that they are both car-owners. But the infamous “Bleacher Creatures” at the Yankee Stadium are likely to feel more of a sense of connection to their counterparts in the expensive luxury box seats: despite the glaring differences in the quality of their seats, they are united in their identity as Yankee fans. Similarities in any sort of consumption decision, of course, are likely to connect people, in part because what we buy is part of who we are. But these feelings of connection and kinship are more common and more pronounced when it comes to experiential goods because experiences tend to constitute more important parts of people’s identities than their material possessions (see below, “Here’s looking at me”).

The self-reinforcing effects of experience-based social connection were explored in a follow-up study in which participants were first asked to think about either a set of past material or experiential purchases. They then completed a survey about how they would like to spend their time (see [Vohs, Mead, & Goode, 2008](#)). Those who had just thought about past experiential purchases indicated more of a preference for social over solitary activities than those who had just thought about material purchases.

It appears, then, that the enhanced sense of social connection that experiential purchases provide is both broad and deep. It is not limited to a greater sense of closeness to another person who has made the same purchase. Instead, that circumscribed sense of connection is accompanied by a greater thirst for more social interaction with a range of people. That, in turn, tends to elicit a greater sense of social connection to people in general, a feeling that leads people to be more kind to others. In one study, participants were asked to reflect on a past material or experiential purchase and then to indicate the extent to which they agreed or disagreed with a number of statements on the Social Connectedness Scale ([Lee & Robbins, 1995](#)), such as “I feel so distant from people.” Those who had just thought about an experiential purchase expressed a greater sense of feeling connected to people in general, not simply to those who made the same purchase as they had, than did those who had just thought about a material purchase ([Kumar, Mann, et al., 2014, Study 2](#)). The prosocial consequences of this broad-based feeling of social connection were revealed in a pair of studies in which participants recalled either a significant experiential or material purchase they had made and then participated in a seemingly unrelated “dictator game” ([Camerer, 2003](#); [Forsythe, Horowitz, Savin, & Sefton, 1994](#); [Henrich et al., 2004](#)) in which they had to allocate ten dollars between themselves and another person (whom they would never meet) in any way they pleased. Participants in the experiential condition gave an average of more than a dollar and 25 cents more to the anonymous other person than those in the material condition ([Kumar & Gilovich, 2014a](#)). Participants in a control condition who had not been asked to think of any sort of purchase at all gave an average amount that was in between these two groups. The feelings of social connectedness prompted by experiential consumption appear to make it easier to get in touch with the better angels of our nature.

Bogart’s character in *Casablanca* is well-known for his cynicism, including his policy that “I stick my neck out for nobody!” Based on our experimental findings, we would predict that he would be far more likely to stick

his neck out for someone else if he had just thought about a gratifying experience than if he had just thought about his valued material possessions. Furthermore, this elevated sense of connection to others is yet another way in which experiential purchases endure. Long after the money has been spent and the experiences consumed, they live on in the social relationships they help foster. After all, Bogart did not say “I’ll always have Paris” or “You’ll always have Paris”; it was “*We’ll*” always have it.



5. HERE'S LOOKING AT ME, KID: EXPERIENTIAL PURCHASES ARE A MORE MEANINGFUL PART OF ONE'S IDENTITY

We are all social creatures, and a big part of our identities is tied up in our relationships with others (Baumeister & Leary, 1995; Brown, 2000; Steele, Spencer, & Aronson, 2002; Tajfel, 2010). If our experiences connect us more to others than material possessions do, it stands to reason that experiences might constitute bigger parts of our sense of self. This idea rings true intuitively. Although we can be heavily invested psychologically in our possessions, and they can contribute to our sense of who we are (Belk, 1988), they exist “out there” and remain separate from us. They are not truly a part of us. Not so for our experiences. They are real parts of our true, essential selves. In a very real way, we are the sum total of our experiences.

Indirect support for this idea can be found in the social connection studies of Kumar, Mann, et al. (2014) mentioned earlier. Recall that in those experiments participants reported feeling more similar to someone who had made the same experiential purchase as they had than to someone who had made the same material purchase. This finding, it turns out, is mediated by how much a given purchase is thought to reveal about one's true self. Experiences are a bigger part of one's identity and so someone who has had the same experience has shared something much more meaningful and essential than someone who has made the same material purchase. We feel closer to someone who went to the same concert or vacationed on the same island than to someone who owns the same car or same shirt because what overlaps between us is something much more integral to who we are.

More direct evidence for the idea that experiential purchases tend to be more central to people's identities than material purchases comes from a number of different types of studies reported by Carter and Gilovich (2012). In one study, for example, participants were asked to draw a self-

relation diagram (see [Markus & Kitayama, 1991](#)) with “the self” depicted as a large circle in the middle, and several of their most significant material and experiential purchases drawn at different distances from the center. As predicted, participants tended to draw their experiential purchases closer to the central self-circle than their material purchases. In another study, participants were asked to provide a list of significant experiential and material purchases they had made and then to write a short memoir—a narrative of who they are and how they became the person they are today ([McAdams, 2001](#)). They were further told that they should feel free to incorporate in their narratives as many of the purchases they had listed earlier as they wished—but that they had to include at least one of them. As expected, participants were far more likely to include their favorite experiences in their narratives than their favorite possessions. Experiences are thus more central to who we are, and to our narratives of who we are, than are material goods, however much we may like and appreciate the things we have purchased.

If experiential purchases are more connected to people’s identities than material purchases, people should tend to cling more closely to cherished memories of experiences than cherished possessions. In a study conducted in the spirit of the film *Eternal Sunshine of the Spotless Mind*, [Carter and Gilovich \(2012\)](#) found that people are indeed very reluctant to give up their memories of experiential purchases because those treasured memories are a bigger part of what makes them who they are. Participants who were asked to consider the prospect of “deleting” memories of a material or an experiential purchase reported that ridding themselves of their recollections of an experiential purchase would result in a bigger change to their self-concept. This sentiment is reflected in the steps people take to protect their memories of experiences they consider to be particularly special ([Zauberman, Ratner, & Kim, 2009](#); see also [Sedikides et al., 2014](#)).

The greater centrality of experiential purchases to the self is also reflected in the results of recent work showing that the endowment effect is greater for experiential than material purchases. The endowment effect is the increase in value that results when something becomes part of a person’s endowment, and it is operationalized as a tendency for people to demand much more to give up things they own than they would be willing to pay to acquire things owned by someone else ([Kahneman, Knetsch, & Thaler, 1990](#)). In line with the earlier work of [Carter and Gilovich \(2012\)](#), the buyer–seller discrepancy is significantly larger for experiential items than for material items ([Jiang & Sood, 2014](#); [Mrkva, Walker, & Van](#)

Boven, 2014). Participants demand a higher price to part with a desirable potential experience than to part with a desirable possession. This is to be expected given recent claims that the endowment effect results in part from the fact that we tend to think of things we own as part of ourselves and we are understandably reluctant to let go of parts of ourselves (Beggan, 1992; Dommer & Swaminathan, 2012; Gawronski, Bodenhausen, & Becker, 2007; Morewedge, Shu, Gilbert, & Wilson, 2009).



6. OF ALL THE GIN JOINTS: DIRECT AND COMPARATIVE DETERMINANTS OF ENJOYMENT

After his surprise encounter with his former lover, Ingrid Bergman, Humphrey Bogart mutters to himself, glass of bourbon in hand, “Of all the gin joints in all the towns in all the world, she walks into mine.” Bogart’s comment highlights the fact that we often evaluate events not just in terms of what they are, but also in terms of what they might have been or almost were. A prominent area of research in social psychology has explored the causes and consequences of this sort of counterfactual thinking (Kahneman & Miller, 1986; Markman, Klein, & Suhr, 2009; Medvec, Madey, & Gilovich, 1995; Roese, 1997; Roese & Olson, 1995a, 1995b). This work dovetails, of course, with research on social comparison (Frank, 1999; Schwarz & Strack, 1999; Suls, 2003; Suls, Martin, & Wheeler, 2002; Taylor & Lobel, 1989) because it is often the outcomes that others have achieved that spark counterfactual thoughts about alternative outcomes we might have experienced ourselves.

As both of these literatures make clear, these thoughts have consequences. If it is easier to imagine a better outcome, or if someone else’s superior triumph is staring us in the face, we are likely to be less satisfied with our own fate. Also, the mere fact of thinking about alternative outcomes can distract us from our own, taking away from whatever joys they would otherwise provide. Applying these ideas to consumer purchases, Van Boven (2005) suggested that these sorts of comparisons may have a bigger effect on people’s feelings about their material purchases than their experiences because it is easier to compare material goods with one another. Material purchases are easier to line up, feature by feature, and hence easier to compare. Indeed, Howell and Hill (2009) found that experiential purchases contribute to increased psychological well-being in part because they are less likely to spark potentially deflating social comparisons.

Carter and Gilovich (2010) have provided more direct evidence that people evaluate and enjoy their experiences more on their own terms but evaluate their material possessions more comparatively. In one study, participants made a (hypothetical) choice between a number of experiential options (e.g., beach vacation packages) or a number of material options (e.g., home theater systems) and the amount of time they spent investigating the different options was recorded. Consistent with the idea that people evaluate material goods more comparatively, the participants who were selecting a material good spent more time examining the unchosen options than those who were selecting an experience. When later asked to recall as much as they could about the different options available to them, they also remembered significantly more about the material purchases they had not chosen than about the other experiential options.

In another study, as a reward for showing up for the experiment, participants were given a gift that was either material (a pen) or experiential (a bag of potato chips) in nature. The participants either wrote with the pen or enjoyed their chips with no comparable stimuli in sight, or they did so in the presence of what they would likely assume were better gifts—e.g., a university mug in the material condition and gourmet chocolate in the experiential condition. When they were asked to rate their gift near the end of the study, the chips were rated the same whether they were consumed in the presence of the more desirable chocolate or not. The pen, however, was rated just as favorably as the chips when there were no other items like mugs around, but participants did not like it nearly as much when they could compare it to the other, better items. The experience of eating chips, it seems, was something that is largely evaluated on its own terms—such as how salty, filling, and crunchy they were. The material gift—the pen—was evaluated significantly more in terms of how it compared to other possible gifts.

This difference in the tendency to compare material and experiential purchases to other purchases that could have been made has two notable consequences. First, it can make the process of choosing material goods more difficult than choosing experiences. It is easier to conclude, “I think I’ll just go with this” if one is less inclined to go back and forth between different options. Indeed, people report that they are more likely to use a “maximizing” strategy when making material purchases and a “satisficing” strategy when making experiential purchases (Carter & Gilovich, 2010, Study 2; see Schwartz et al., 2002, for a discussion of maximizing vs. satisficing).

Second, being more likely to compare a given purchase to what others have, or what one might have had instead, means that one is more likely to be dissatisfied by what one has. Some comparisons, of course, will highlight the superiority of the purchase one made. But upward comparisons tend to be more common than downward comparisons (Emmons & Diener, 1985; Roese, 1994; Roese & Olson, 1995a, 1995b) and the psychological impact of upward comparisons tends to be greater as well (Baumeister, Bratslavsky, Finkenauer, & Vohs, 2001; Rozin & Royzman, 2001). Thus, an inclination to make comparisons to other possible purchases makes one vulnerable to being upset by learning that others have chosen something better, that better versions of what one chose are now available, or that the same purchase can now be made more cheaply. Indeed, when people are presented with just these sorts of scenarios, they report that they would be more upset about each of these comparisons when it comes to material goods. For example, people say that they would be more jealous upon learning that a rival made a better material purchase than they did than they would upon learning that a rival made a better experiential purchase (Carter & Gilovich, 2010). The phenomenon of “keeping up the Jones’s” and all the unhappiness it can cause (Frank, 1999; Schwarz & Strack, 1999) is more keenly felt when it comes to our material possessions than our experiences.



7. WHAT WE REGRET (SOON AND FOR THE REST OF OUR LIVES)

People acquire material possessions and seek out experiences to make themselves happy and, as a first approximation, they are probably pretty good at doing so. Most things people buy do advance their well-being, at least in the short term. But we all make mistakes and sometimes end up regretting our choices. Our feelings of regret, furthermore, can be classified into two main categories of *action* and *inaction* (Gilovich & Medvec, 1995; Gleicher et al., 1990; Kahneman & Tversky, 1982; Zeelenberg, Van den Bos, Van Dijk, & Pieters, 2002). That is, there are times when we have done something that we wish we had not (*regrets of action*) and times when we did not do something that we later wish we had done (*regrets of inaction*). Gilovich and Medvec (1995) have shown that it is the regrets of inaction that tend to be especially durable and problematic in the long run.

Do people tend to have different types of regrets about their material and experiential purchases and do any such differences contribute to the tendency for people to derive more enduring satisfaction from their experiences

than their possessions? [Rosenzweig and Gilovich \(2012\)](#) set out to investigate these questions and, in a series of studies, found that material purchases tend to prompt regrets of action, whereas experiential purchases are more likely to lead to regrets of inaction. In one study, for instance, participants were told about the distinction between regrets of action and inaction. They were then asked to list their biggest regret in the domain of experiential purchases or their biggest regret in the domain of material purchases. Participants who were asked to think about regrets in the context of experiential purchases were more than twice as likely to recall a regret of inaction than participants who were asked to think about regrets in the context of material purchases.

In other words, we often regret buying the things we have purchased (buyer's remorse) but regret the experiences we could have pursued but did not when we had the chance (missed opportunities). People tend to continue to fret over the fact that they missed out on seeing George Harrison when they had the opportunity, but they are less likely to be haunted by thoughts of the trendy pea coat they had thought about buying but ended up leaving at the store. With respect to regrets of action, stories of people wishing they had not bought the particular model of an electronic good abound. But the experiential purchases people make that do not turn out as planned are generally less problematic. For one thing, as we noted earlier, they often make for good stories, even if (perhaps especially if) they were unpleasant in the moment. Moreover, they are often quickly rationalized. It is easier to identify deeper meaning and compensatory benefits in painful experiences than in possessions that did not live up to expectations. It is not difficult to come to terms with a rained out beach vacation with such thoughts as "At least staying in and playing board games brought the family closer together." The necessary psychological work is more of a challenge when one's laptop is not functioning as it should. When staring at a cursor that has morphed into an hourglass or the spinning, colorful "pinwheel of death," for example, it is quite a bit harder to know how to finish the sentence "At least. . ."

Recent work by [Jampol and Gilovich \(2014\)](#) has explored precisely those situations in which different types of purchases do not turn out as planned. In one study, participants were asked to consider a set of five experiential and five material purchases. They then read a brief statement about how purchases can sometimes fall short of what we expect, leaving us upset to varying degrees. For each of the 10 purchases listed, participants rated how far short of their expectations each purchase would have to fall before they

would be disappointed. Participants reported that they would become upset by smaller deviations from their initial expectations for the material purchases than the experiential purchases. In other words, people tend to be more tolerant of surprises when it comes to experiences than when it comes to material goods.

In fact, the very word “surprise” has a more positive connotation in the context of experiences than in the domain of material possessions. In another study, respondents were instructed to think about different experiential or material purchases they might make in the coming years (Jampol & Gilovich, 2014, Study 3). They were then asked to rate the similarity of different pairs of emotions they might feel in the context of these purchases. Participants who thought about the notion of “surprise” in the context of experiential purchases tended to rate the concept as more similar to positive emotions (like excitement and pleasantness) than negative emotions (like frustration and annoyance). “Surprise” is often something that adds to an experience, but it is generally something to be avoided when it comes to possessions. This finding fits with earlier work that established that material purchases are significantly more likely than experiential purchases to prompt regrets of action (Rosenzweig & Gilovich, 2012).

In the memorable climactic scene from *Casablanca*, Humphrey Bogart tells Ingrid Bergman that she will regret not getting on the plane beside them on the tarmac—and that she will regret it soon and for the rest of her life. The research literature makes it clear that Bogart was on to something: all of us are likely to regret the planes we did not get on far more, and for far longer, than the clothing, jewelry, gadgets, or furniture we did not buy.



8. LETTERS OF TRANSIT FOR THE ROAD AHEAD

8.1. What type of happiness and when?

Budget constraints make it hard for researchers to endow participants with a significant experience or material possession and then track their happiness from the moment they receive it to various points down the road. As a result, with a few exceptions (Carter & Gilovich, 2010; Kumar & Gilovich, 2014c; Kumar, Killingsworth, et al., 2014; Nicolao et al., 2009; Weidman & Dunn, 2014), nearly all studies to date have examined people’s retrospective evaluations of material and experiential purchases. This dovetails with research on psychological well-being generally, which has tended to focus on global, retrospective evaluations of happiness rather than in-the-moment experiences of pleasure (Kahneman & Riis, 2005). The two types of assessments,

of course, can differ substantially and so it is important for future research on the hedonic benefits of material and experiential consumption to focus more on people's in-the-moment assessments of their material and experiential purchases.

It may be, for example, that the robust difference in retrospective assessments of material and experiential purchases is less pronounced when it comes to people's in-the-moment experiences with these two types of purchases. There may even be important classes of purchases for which immediate enjoyment is greater for material goods than for comparable experiences, and that may be the one reason why people are so often drawn to material goods. If so, it would be important to track how and why these initial assessments change to so strongly in favor experiences. That is, although a consumer may get considerable momentary enjoyment from their smartphone during its initial use, those moments can come and go rather quickly—as soon as the technology starts acting up or a newer model is announced (Carter & Gilovich, 2010; Jampol & Gilovich, 2014). Learning more about what happens in the transition from in-the-moment experience to retrospective evaluation is especially important, given that it is the latter that looms larger in people's subsequent consumer decisions (Mitchell et al., 1997; Sutton, 1992; Wirtz, Kruger, Napa Scollon, & Diener, 2003).

Closely related to the distinction between momentary and retrospective measures of well-being, scholars have distinguished between different types of happiness, with a particular emphasis on the distinction between *hedonia* (feelings of moment-to-moment pleasure) and *eudaimonia* (the broader sense of subjective well-being that comes from feeling that one's life is satisfying, worthwhile, and meaningful—the “good life” which philosophers have discussed at least since Aristotle). In nearly all of the studies of the hedonic benefits of material and experiential consumption, participants have been allowed to define happiness for themselves, as they see fit, and it may be that participants have different types of happiness in mind when thinking about their experiences and their possessions. It is worth noting that Pchelin and Howell (2014) have measured both types of happiness separately and found that experiential purchases tend to yield higher levels of both hedonic and eudaimonic well-being. Still, more care should be taken in future work on experiential and material consumption to specify for participants what the investigators mean by “satisfaction,” “happiness,” or “well-being.”

In light of Pchelin and Howell's findings, we believe that experiential purchases are likely to contribute more to both types of happiness, but they may do so to different degrees. For one thing, any difference between

experienced and recalled happiness is likely to be more pronounced for experiential than for material purchases. With the passage of time, experiential purchases continue to exist only as mental representations and hence they offer plenty of leeway for retrospective reinterpretation and distortion. Also, as we noted earlier, much of the enjoyment people get from their experiential purchases comes from the sense of identity they provide (Carter & Gilovich, 2012), the story-telling they allow (Kumar & Gilovich, 2014b), and the sense of social connection they encourage (Kumar, Mann, et al., 2014). As a result, people's experiences are likely to be thought about in more abstract, higher level terms than their possessions, which tend to be thought about in more concrete, low-level terms (Trobe & Liberman, 2003; Van Boven & Gilovich, 2003). Experiences are therefore likely to facilitate eudaimonic well-being because eudaimonia is more tightly connected to higher level considerations like meaning, virtue, and autobiographical narrative.

8.2. The construal of experiences and possessions

If a precise definition of happiness is difficult to pin down, specifying exactly what constitutes an experiential or a material purchase is even more challenging. Much has been made about the "fuzzy boundary" between material and experiential purchases and the fact that the distinction is not as precise as one might like (Gilovich et al., 2014b; Schmitt, Brakus, & Zarantonello, 2014). There are certain possessions (sporting and outdoor equipment, for instance) that we buy in order to have certain types of experiences. But note that this definitional curse is also a blessing: it allows researchers to hold the purchase constant, and to frame it in material or experiential terms and see whether people react to the exact same item differently when framed materially or experientially. It appears that they do. People are less likely to compare what they have with what others have if they are thinking of an item in experiential terms (Carter & Gilovich, 2010), they are less likely to have regrets of action over items framed experientially (Rosenzweig & Gilovich, 2012), and they are more likely to think of experientially framed items as part of their identity (Carter & Gilovich, 2012). More research on these sorts of framing effects is needed. For example, do the effects observed to date persist over long periods of time such that people get more long-term enjoyment from items construed in experiential terms at the moment of purchase? Can material versus experiential framing influence the products people choose to buy and the amount they are willing to pay for them?

Further research is also needed to illuminate how people naturally and spontaneously frame consumer products as experiential or material. When experimenters frame a given purchase in experiential or material terms, participants tend to accept the frame that has been provided and therefore see the product that way. [Carter and Gilovich \(2012\)](#), [Rosenzweig and Gilovich \(2012\)](#), and [Mann and Gilovich \(2014\)](#), for example, framed a 3-D television in either material (How would it look in one's living room? How would it fit in with one's other things?) or experiential terms (How would it feel to experience watching TV in a whole new way? How would this purchase fit with the rest of one's activities?), and participants treated the television accordingly. But how materially or experientially do people spontaneously code a television when left to their own devices? We would venture the hypothesis that people tend to think of a great many consumer products more experientially than their later interactions with them can justify. That is, we suspect that people often overestimate how much enjoyment they will get from the *experiences* they get from their consumer products. When buying a TV, for example, consumers may convince themselves to go ahead with the purchase because of the gratifying experiences they will have as a result of it. But the reality may be that many consumer goods like televisions will sit unused in the living room far more often than people forecast.

In other words, consumer goods may be spontaneously framed in experiential terms at the moment of purchase, but then thought about in more material terms down the road, once they are owned. The likely result, then, is that people will get substantially less enjoyment from consumer goods than they expect. As the item is construed more and more in material terms, it becomes less likely to be incorporated into one's sense of self ([Carter & Gilovich, 2012](#)), less likely to inspire interesting stories that others would like to hear ([Kumar & Gilovich, 2014b](#); [Van Boven et al., 2010](#)), less likely to connect us to others ([Caprariello & Reis, 2013](#); [Chan & Mogilner, 2014](#); [Kumar, Mann, et al., 2014](#)), and more likely to prompt unflattering and deflating comparisons ([Carter & Gilovich, 2010](#)). It would be especially interesting to see if people overestimate how much their material purchases will connect them with others. When buying a television, for example, do people anticipate enjoying it at Super Bowl parties, Oscar celebrations, and with the neighbors over to watch presidential election returns—only to end up spending most of their time in front of the television alone?

8.3. Is experiential consumption for everyone?

In the first paper on the hedonic benefits of experiential and material purchases, [Van Boven and Gilovich \(2003\)](#) went to great lengths to show that the tendency for people to get more enduring satisfaction from their experiential purchases held across a broad swath of demographic factors. But all of their respondents were from the United States and it remains to be seen whether the same pattern would hold in very different subject populations. [Henrich, Heine, and Norenzayan \(2010\)](#) have argued that psychologists have focused their research efforts on so-called “WEIRD” (Western, educated, industrialized, rich, and democratic) participants, and that this narrow focus has hampered our understanding of truly general psychological principles. The existing research on material versus experiential consumption has certainly been guilty of this limitation and it is now time to examine whether the same effects hold in non-WEIRD samples.

Because the work on experiential and material purchases is necessarily about consumption, there is a natural tendency to focus on the “rich” component of the WEIRD samples investigated to date. In the original work of [Van Boven and Gilovich \(2003\)](#), participants at the lowest-income levels were less likely to report that experiences made them happier than material goods. However, even these relatively impoverished participants did not say that their material purchases made them happier than their experiential purchases; that is, the usual pattern did not reverse among the poorest respondents. Van Boven and Gilovich interpreted this finding as the result of those at the lowest rung of the income ladder having to worry about getting their basic needs met, and thus not having the wherewithal to make many experiential purchases. The availability of at least some disposable income, then, may be precondition for the effects we have reviewed here and one would certainly not want to recommend that those who are truly poor invest more in experiential purchases and put their ability to meet basic needs such as food and shelter at risk.

[Tully, Hershfield, and Meyvis \(2014\)](#) have recently found that prompting feelings of scarcity leads people to shift their discretionary spending toward material purchases and away from experiences. But note that although such manipulations shift people’s preferences toward buying “things,” they do not necessarily lead consumers to obtain more satisfaction from doing so. Indeed, Tully and colleagues show that this shift in spending patterns is due to an increased concern with the longevity of one’s purchase.

Although, as we noted earlier, material purchases are more physically durable than experiential purchases, experiential purchases tend to be less prone to adaptation and thus tend to be more durable psychologically (Carter & Gilovich, 2012; Kumar & Gilovich, 2014b; Nicolao et al., 2009). Shifting consumption toward more physically durable purchases may therefore backfire in terms of the payoff in well-being.

There is good news, furthermore, for those who do not have much in the way of financial resources but want to experience the greater hedonic benefits that come from experiential consumption: The amount of enjoyment people get from their purchases tends to be less related to purchase price when it comes to experiences than when it comes to material goods (Mann & Gilovich, 2014). In one study that illustrates this difference, participants were asked to list ten important experiential purchases they had made in their lives and ten important material purchases they had made. They then ranked the purchases once in terms of how satisfying they were and once in terms of their cost. Although satisfaction was positively correlated with purchase price for both experiences and possessions, the rank-order correlation between price and satisfaction was significantly higher for material purchases ($r=0.56$) than for experiential purchases ($r=0.26$). Even very inexpensive experiential purchases (visiting national parks; dining at “hole in the wall” restaurants; scouting up-and-coming bands) are likely to provide significant boosts in happiness, and they are available to all but the very lowest-income consumers.

The tighter connection between the amount spent on a material purchase and the amount of enjoyment people tend to get from it leads to a closer, more broad-based psychological association between money and material possessions. In one study using a single-category Implicit Association Test (Karpinski & Steinman, 2006), for example, Mann and Gilovich (2014) found that the implicit association between money and material purchases was stronger than that between money and experiences. More specifically, participants first listed five material and five experiential purchases they had made at some point in their lives. They were then asked to respond to any of their material purchases that appeared on the screen by pressing one key and to respond to any of their experiential purchases by pressing a different key. In some trials, they were also asked to respond to the word “money” by pressing one of the two keys. Respondents were faster at typing the correct keystroke after the word “money” when the key they were instructed to press corresponded to the material category than when it corresponded to the experiential category.

The association between money and material consumption can have a number of adverse consequences. Research has shown, for example, that merely thinking about money tends to make people less interested in interacting with others, which, given the psychological benefits associated with social connection (Baumeister & Leary, 1995), can diminish well-being. Indeed, when people are primed with the concept of money, they indicate a desire to work more and socialize less, activities associated with diminished happiness (Mogilner, 2010). Thinking about money also makes people less inclined to help others, which further undermines the social fabric and the attendant benefits of social connection (Vohs, Mead, & Goode, 2006, Vohs et al., 2008).

There is also a large research literature documenting the negative relationship between psychological well-being and a materialistic orientation to life (Belk, 1985; Kashdan & Breen, 2007; Kasser & Ryan, 1993, 1996; Richins, 1994). Materialistic values are associated with negative emotionality, social anxiety, depressive symptoms, and diminished meaning in life (Kashdan & Breen, 2007). One would certainly expect people with more materialistic values to be less inclined to pursue experiential purchases and perhaps get less enjoyment from doing so even when they do. Indeed, Zhang, Howell, Caprariello, and Guevarra (2014) administered the Experiential Buying Tendency Scale (Howell, Pchelin, & Iyer, 2012) to a large sample of respondents and found that those who tend to opt for material goods over experiences do not derive more satisfaction from experiential purchases. Instead, they experience similar levels of happiness from both types of purchases in part because both types contribute equally to their sense of identity. It is noteworthy, though, and consistent with the psychological literature on materialism, that those who seek out material goods over experiences tend to get less satisfaction from *both* types of purchases—material and experiential—than do people who tend to make experiential purchases.

An unusually active pursuit of material possessions is associated with an extrinsic orientation, an orientation that has been shown to undermine well-being (Deci, 1971; Deci, Koestner, & Ryan, 1999; Deci & Ryan, 1985; Kasser & Ryan, 1993, 1996; Ryan & Deci, 2000; Sheldon, Ryan, Deci, & Kasser, 2004). Thus, *why* a person has chosen to make an experiential or a material purchase is likely to be as important, or more important, than the particular item purchased. Was the primary motive behind the purchase to add meaning to life and advance personal fulfillment (intrinsic), or to be admired by other people and boost one's status (extrinsic)? Although experiential purchases are generally seen as intrinsically motivated and

material purchases as extrinsically motivated (Van Boven et al., 2010), there are certainly times when people buy experiences for extrinsic reasons and possessions for intrinsic reasons. It is by no means unheard of for someone to take an over-the-top luxury trip to impress one's friends or coworkers (Zhang, Howell, & Caprariello, 2013); nor is it inconceivable for someone to get a great deal of personal fulfillment from certain types of material possessions.

A focus on the motivations underlying a person's decision to pursue one type of purchase or another can therefore point the way to boundary conditions of the overall tendency for experiential purchases to lead to more enduring enjoyment than material goods. One such boundary condition involves what might be called "the psychology of the connoisseur." Everyone knows aficionados in certain areas—people who have a special fondness for certain categories of material products (as opposed to a general materialistic orientation). People who know and care a lot about certain types of goods, such as high-end jewelry, automobiles, fashion lines, or kitchenware to name just a few, may relate to those possessions in ways that might yield many of the hedonic benefits that most people get from experiential purchases. The time and effort spent developing their considerable expertise about the product category in question is likely to contribute to their sense of identity (as experiences are for most people; Carter & Gilovich, 2012; Kumar, Mann, et al., 2014). Acquiring rare, long-sought-after items of the category in question can constitute the sort of unusual experience that the connoisseur is likely to tell stories about. Telling and listening to these sorts of stories, especially among like-minded connoisseurs, is likely to promote the sort of social connection that experiences tend to provide.

One caution that is likely to spring to mind for many readers is whether connoisseurs, because of their exceptional knowledge and interest in the category in question, may end up talking too much about their keen interests with people who do not share them, thereby undermining rather than advancing potential social connections to nonenthusiasts. This could easily be tested empirically. It would also be worth exploring whether there are differences in well-being between connoisseurs of material goods and connoisseurs of experiences. Does an interest in collecting classic cars, leather boots, or fine pottery have the same hedonic benefits—through an enriched identity, an increased engagement with the world, and an expanded social circle—as do the interests pursued by, say, foodies, film buffs, or Phish heads?

8.4. What sorts of experiential purchases?

Just as it might be informative to explore different kinds of *people* who benefit most from experiential and material consumption, it might be informative to explore the different kinds of *purchases* that most reliably lead to increases in well-being. Most of the work to date on material versus experiential consumption has focused on particularly significant experiential and material purchases. Participants are often asked to render judgments about “the most significant” purchase they have made in a given time period, for example. Of course, it has been important to ensure that any differences observed are not an artifact of unfair comparisons between more expensive and more inherently appealing experiential purchases and less expensive and less appealing material purchases. Most studies have therefore measured and controlled for purchase price. The experiential and material purchases that participants recall in these studies typically do not differ in how expensive they are, but even when they do, the results hold when cost is included as a covariate in the analysis. The possibility of any such artifact is further ruled out by studies showing that the very same purchase is viewed more favorably when framed in experiential rather than material terms.

But what about more ordinary sorts of purchases? Do people also tend to get more enduring satisfaction from mundane experiences than from modest possessions? Recent work by [Bhattacharjee and Mogilner \(2014\)](#) has begun to explore the differences between the hedonic return on “big” experiential and material purchases, as well as the types of possessions and experiences people are more likely to buy on a daily basis—that is, between extraordinary and ordinary experiential and material purchases. This research has uncovered an intriguing age difference: young people tend to gain more happiness from extraordinary and uncommon experiences, but as people get older, they often gain more enjoyment from more ordinary experiences. Interesting unanswered questions abound: Do older people get more enjoyment from more ordinary experiences because they talk about them more with their peers (who are more receptive to hearing them)? Because these more mundane experiences constitute a bigger part of older individuals’ identities? And what kind of unusual experiences do the most to boost the well-being of younger individuals? Must they involve a great deal of activity like that involved in exotic travel, high-energy concerts, or thrill-seeking? Or do more sedate, but nevertheless unusual experiences, like reading a great piece of fiction, seeing exquisite art, or enjoying exotic food have the same effect?



9. NUDGING US OUT OF THE MALLS AND OUT ON THE TRAILS

Most things that people buy in stores give them a lot of satisfaction the moment they buy them. But after a few days, that satisfaction decreases, and months later, it completely melts away. But great public space is a kind of magical good. It never ceases to yield happiness. It's almost happiness itself.

Former Bogota Mayor Enrique Penalosa

It is a bit embarrassing to have someone so far removed from experimental social psychology summarize the core element of our own program of research as well as we ever have. But at least the person doing so is someone as insightful as Mr. Penalosa, the enormously effective former mayor of Bogota who was in office when Colombia transitioned from a place tormented by drug cartels, right-wing paramilitaries, and left-wing rebels to a place for which, as a successful tourist campaign has it, “The only risk is wanting to stay.” Thus far, we have focused on the benefits individuals stand to realize by shifting their consumption to be a bit less material and a bit more experiential. But Mr. Penalosa rightly points out that societies can do the same. By shifting the investments that societies make and the policies they pursue, they can steer large populations to the kinds of experiential pursuits that promote greater happiness.

People are much more likely to bike, hike, swim, or take in a show if there is a civic infrastructure that makes it easier for them to do so. It is important, then, for local, state, and national governments to provide and maintain bicycle paths and cycling lanes, hiking trails and public parks, beaches and community swimming pools, and museums and performance halls. The psychological research we have reviewed here suggests that well-being would be enhanced if governments could nudge people toward rewarding experiences through the provision and maintenance of an extensive experiential infrastructure. Right now in much of the developed world it is very easy for most people to get to shopping malls or order consumer products on line. Unfortunately, the gratification that people get from their purchases, as Penalosa so aptly notes, is often short lived. But public spaces that allow for the sorts of experiences that provide more enduring satisfaction are, as he says, “almost happiness itself.” This is where contemporary psychological research on happiness and well-being intersects with the efforts of city planners and “smart growth” advocates to design community environments where people can thrive psychologically (Montgomery, 2013).

These design efforts, by the way, need not be focused exclusively on nonmaterialistic pursuits. Even the infrastructure that has been built to support materialistic consumption could be modified to encourage consumers to shop more experientially and to think of shopping in more experiential terms. As we write this, both of us are fortunate to live in a town that has many of its shops located along a large pedestrian mall. As people buy their material goods in this public space, they do so in the context of fresco dining and other forms of community engagement. The area, for instance, is also used for large outdoor festivals, full of experiences to be had—games to play, music to listen to, magic shows to watch, and, most important, people to interact with in a context that promotes rather than inhibits interaction. These sorts of public spaces can increase the hedonic experience of pursuing material consumption.

But note the *can* in that last sentence. To date, there is not sufficient research to justify the claim that shopping in these sorts of commercial environments tends to be any more satisfying than shopping in, say, the canonical shopping mall surrounded by an isolating moat of asphalt, containing the same chain stores, and piping in the same deadening music. What we are suggesting must be grounded in further empirical research—research that can address a host of additional questions of “experiential engineering.” For example, do the material products people buy in these sorts of experiential environments end up being associated with the gratifying experience of their acquisition to such an extent that they end up providing more enduring satisfaction down the road, and not just a more enjoyable episode of shopping? Do people feel more socially connected and civically committed after shopping in these types of environments than in suburban “big box” stores? Ultimately, can the much-discussed “Easterlin Paradox” (Easterlin, 1974) be overcome in countries that devote more of their increased wealth to experiential rather than material consumption, and that structure their commercial environments so they provide the kinds of experiences that connect people to one another and feed their identities?

At one point in *Casablanca*, Bogart’s character is described as a “citizen of the world.” The program of research we have reviewed here provides a simple message for the world’s citizens: in terms of increasing the hedonic return on their purchases, it would be wise for them to shift some of their spending from material consumption to experiential consumption. To the extent that governments care about improving the lives of their citizens, we believe it would be similarly wise for them to facilitate such a shift.



10. CONCLUSIONS

Although people are often tempted to invest a great deal of money in high-status luxury products and engage in materialistic arms races (Frank, 2004), research has shown that consumers' disposable income might be better spent on trips to the beaches of Barbados or the restaurants in Barcelona rather than a new Mercedes or the latest and greatest electronic gadget. In the decade or so since Van Boven and Gilovich (2003) first documented the hedonic differences that tend to follow from experiential and material consumption, much has been learned about the psychological mechanisms responsible for these differences. Experiential purchases tend to be more socially rewarding (Caprariello & Reis, 2013; Chan & Mogilner, 2014; Howell & Hill, 2009; Kumar & Gilovich, 2014a, 2014b; Kumar, Mann, et al., 2014; Van Boven et al., 2010), more closely tied to people's identities (Bhattacharjee & Mogilner, 2014; Carter & Gilovich, 2012; Kumar, Mann, et al., 2014), and thought about and enjoyed more on their own terms and less comparatively (Carter & Gilovich, 2010; Howell & Hill, 2009; Kumar, Mann, et al., 2014; Van Boven, 2005).

As always, open questions remain. But while there is still much to be learned about the psychology surrounding these two types of consumption, enough is known to help guide individual purchase decisions, marketing strategies, and public policy. Businesses might consider framing their products in experiential terms, or perhaps adding experiential elements to what they are selling. Policymakers who are mindful of the value of increasing "Gross National Happiness" (Diener & Seligman, 2004) might direct funding to public works projects that make experiential consumption more readily accessible. Perhaps most important, consumers themselves might consider shifting their discretionary spending a bit less toward material possessions and a bit more toward experiences. In combination, these actions would likely contribute substantially to the effort to achieve the good life in the consumerist society in which we live. Indeed, now that you have finished reading this article, you might want to "round up the usual suspects" and start planning that trip you have been thinking about to the romantic cafes of Paris or the beautiful shores of Casablanca.

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