

**A Behavioral Decision Theoretic Perspective on
Hedonic and Utilitarian Choice**

by

U. Khan

R. Dhar

and

K. Wertenbroch

2004/66/MKT

Working Paper Series

A Behavioral Decision Theoretic Perspective on Hedonic and Utilitarian Choice

Uzma Khan and Ravi Dhar
Yale University

Klaus Wertenbroch
INSEAD

August 2004

1. Introduction

How do consumers choose whether to have a rich, creamy Häagen Dazs ice cream for dessert or a healthy but perhaps less tasty bowl of fresh fruit? Whether to go on a beach vacation for a week or spend the time making progress on an important long-term project at work? Whether to choose an expensive apartment with a nice view far from work or a cheaper apartment without a view but close to the office?

Consumers are often faced with these types of choices between hedonic and utilitarian alternatives that are at least partly driven by emotional desires rather than cold cognitive deliberations. Hence, these choices represent an important domain of consumer decision-making. Yet much of the pioneering work in behavioral decision theory has largely focused on the cognitive aspects of decision-making without exploring its emotional dimensions (Kahneman 1991). This research program was initially juxtaposed against standard economic theory, according to which consumers maximize utility in a rational and cognitively driven manner. Research in behavioral decision-making therefore followed a paradigm of contrasting actual choices to predictions derived from these rational models. Parallel research on consumer information processing took a similar approach and viewed consumers as rationally bounded yet emotionally dispassionate decision makers who logically evaluate alternatives in terms of tradeoffs among product attributes. This research, with its roots in problem solving, emphasized effort-accuracy tradeoffs in decision-making and similarly neglected the emotional dimensions of choice (Payne, Bettman, and Johnson 1988). Neither approach focused on systematically explaining consumer behavior with regards to goods or attributes whose selection and use is guided by emotional wants rather than functional needs (e.g., gourmet food, performing arts, paintings, movies, concerts, and fashion).

Nonetheless, emotional desires can often dominate functional motives in the choice of products (Maslow 1968). For example, when buying a house an emotional feature such as the view from the bedroom window can be more influential in the final decision than a more utilitarian concern with distance from work. One can, of course, incorporate such attributes in a traditional framework, treating them simply as additional considerations in choice. However, to fully understand the pattern of choice, it is important that any explanation of consumer behavior is accompanied by a complete understanding of the interplay between a consumer's functional goals and experiential preferences within the decision context. Consumer researchers have increasingly begun to investigate consumer choice based on distinctions that involve the purchase and consumption of goods for pleasure versus for more utilitarian and instrumental purposes. Two different theoretical perspectives broadly capture these distinctions. The first perspective is explicitly concerned with context effects on the tradeoffs involved in choosing between alternatives that induce pleasure and alternatives that are instrumental to achieving some other goal, such as getting a kiss from one's favorite movie star or receiving \$50 (e.g., Dhar and Wertenbroch 2000; Rottenstreich and Hsee 2001; O'Curry and Strahilevitz 2001). The second perspective that helps elucidate conflicts between functional goals and experiential preferences characterizes goods according to their capacity to induce temptation and impulsive choice at the expense of delayed benefits (e.g., tasty but fatty and salty potato chips). Research in this second category typically falls into the realm of time-inconsistent preferences (e.g., Hoch and Loewenstein 1991; Loewenstein, Read, and Baumeister 2003; Wertenbroch 1998).

So far, the distinctions within and across both perspectives have coexisted loosely without much integration because they arose from different theoretical paradigms within consumer research and decision-making. In this chapter, Section 2 attempts to take stock of, and

organize the various conceptualizations and review the empirical findings that are rooted in these differences. These conceptualizations that emanated from each perspective are listed in Table 1. Section 3 discusses points of divergence between the different conceptualizations. Section 4 examines commonalities and proposes a self-attribution model of hedonic choice, which explains consumer choice of the types of goods characterized by these distinctions and integrates the two theoretical perspectives. Section 4 also presents a number of propositions for future research based on the model and our integrative viewpoint.

[Insert Table 1 about here]

2. Experiential preferences and functional goals: Conceptualizations and findings

As proposed above, two different research programs exist in the consumer choice literature that view experiential preferences either in the context of tradeoffs with functional goals or in the context of time-inconsistent preferences. We now examine the various conceptualizations within these research perspectives along with their respective empirical findings.

2.1. Preferences in the context of tradeoffs with functional goals

Several streams of literature have examined tradeoffs among goods that are chosen and consumed to induce pleasure and make consumers feel good or to achieve an instrumental purpose. These streams have distinguished between luxuries and necessities, hedonic and utilitarian goods, and affect-rich and affect-poor products.

Luxuries versus necessities. A basic distinction between different types of goods is that between necessary and luxury items. Necessary items are essentials, items that are indispensable

for the preservation of a minimum standard of living. Food, clothing and medical care, for example, are the basic requirements of life that cannot be avoided or denied. The word luxury is derived from Latin *luxus*, meaning excess. Luxuries are therefore objects of desire that provide a condition of abundance, pleasure, ease and comfort. Necessities, on the other hand, are objects that relieve an unpleasant state of discomfort (Berry 1994). Psychologists have discussed the extent, to which luxuries are less important than necessities in terms of a hierarchy of needs (Maslow 1968). This is consistent with how economists define luxuries as goods whose income elasticity of demand is positive, while necessities are goods whose income elasticity of demand is negative (Deaton and Muellbauer 1980).

Hedonic versus utilitarian goods. Some researchers have used the terms luxury and necessity more broadly, in a less technical sense, to imply that luxuries are consumed primarily for hedonic pleasure while necessities are required to meet more utilitarian goals (Dubois, Laurent, and Czellar 2004; Kivetz and Simonson 2002a, b; Strahilevitz and Myers 1998). Hedonic goods are multisensory and provide for experiential consumption, fun, pleasure, and excitement. Flowers, designer clothes, music, sports cars, luxury watches, and chocolate fall in this category. Utilitarian goods, on the other hand, are primarily instrumental and their purchase is motivated by functional product aspects. Examples are microwaves, detergents, minivans, home security systems, or personal computers (Dhar and Wertenbroch 2000; Hirschman and Holbrook 1982; Strahilevitz and Myers 1998). Notice that both utilitarian and hedonic consumption are discretionary and the difference between the two is a matter of degree or perception. That is, in comparison to utilitarian consumption, hedonic consumption may be perceived as relatively more discretionary (Okada 2004).

Different products can be high or low in both hedonic and utilitarian attributes at the same time. In fact, most evaluations in our consumption profile are based on the degree, to which various alternatives satisfy utilitarian and hedonic goals (Batra & Ahtola 1990). A person evaluating a pair of sneakers may care for both functional features (e.g., durability) as well as hedonic features (e.g., design). Usage and consumption motives are central in determining whether an item is perceived as primarily hedonic or utilitarian (e.g., Pham 1998). For example, purchasing a cell phone to access help in times of trouble makes a cell phone a utilitarian product. Buying the same phone to chat with friends makes it hedonic.

Affect-rich versus affect-poor goods. A related distinction in the literature has been drawn between affect-rich and affect-poor products. Affect-rich products elicit associative imagery while affect-poor goods evoke little or no such imagery. For example, a \$100 coupon redeemable for payment towards a phone bill evokes little affective imagery compared to a coupon of similar monetary value redeemable towards a dinner for two at a fine restaurant (Rottenstreich and Hsee 2001). Affect-rich items are those whose choice is likely to be made intuitively. These products may be spontaneously evaluated on the basis of the liking or disliking that they evoke (e.g., Kahneman and Frederick 2002; Schwarz and Clore 1983). Unlike intuitive emotions, the choice of affect-poor goods is likely to be based on analytical rules and assessments. Moreover, Pham (1998) has shown that feelings are weighed more heavily under experiential motives than under instrumental motives, echoing the distinction between hedonic and utilitarian consumption goals. Goods that are consumed for hedonic purposes tend to be more affect-rich than those that consumed for utilitarian purposes (although not all utilitarian products need to be affect-poor).

Of what relevance are these distinctions to consumer choice? Because experiential and functional considerations map onto independent product attributes, these distinctions have important implications for how consumers make tradeoffs between these attributes depending upon the choice task or context. In the following section we discuss several findings in the literature that have been attributed to these distinctions in product attributes.

Response mode effects. Although hedonic versus utilitarian and affect-rich versus affect-poor distinctions are not between good and bad, consumer choice between the two seems to be driven by whether a preference for a hedonic item can be justified. Response modes that increase (decrease) the need for justification favor utilitarian (hedonic) options. For example, preferences are reported to reverse between hedonic and utilitarian items in separate versus joint evaluation tasks. In a field study, Okada (2004) showed that, although restaurant clients preferred a relatively more hedonic dessert when only one dessert was offered, a relatively more utilitarian dessert was preferred when both desserts were offered together. The difficulty in justifying a hedonic option in comparison with a utilitarian option seems responsible for these effects. In a direct comparison, where choosing one option implies explicitly rejecting the other, the relatively more discretionary nature of the hedonic item may be highlighted and hence increase the guilt associated with its choice. The difficulty of choosing a hedonic alternative over a utilitarian option also seems to make hedonic options appear to be more popular as prizes than as purchases, whereas utilitarian options appear to be more popular as purchases than as prizes (O'Curry and Strahilevitz 2001). Passively receiving rewards does not require the same justification as actively purchasing does.

Several marketer-induced tactics can also provide guilt-reducing justifications that increase the attractiveness of hedonic products. For example, Kivetz and Simonson (2002a)

demonstrated that higher requirements of effort in frequency programs shifted people's preferences towards receiving luxury as compared to necessity rewards. Exerting increased effort presumably makes people feel that their hard work has entitled them to the luxury reward. Strahilevitz and Myers (1998) showed that preferences for a hedonic option are enhanced when the purchase is tied to charity donations. Bundling products with promised charity donations was more successful in promoting frivolous luxuries than practical necessities. In the same vein, Khan and Dhar (2004) showed that, as compared to a control condition, preference for a hedonic option vis-à-vis a utilitarian option increased after a charitable act. Their explanation is based on the idea that a charitable act produces positive attributions that reduce the negative self-attributions associated with hedonic consumption. They further show that no preference for the hedonic option is observed if the charitable act (and hence the positive self-attributions) can be discredited by attributing it to a driving violation. Thus, perceived diagnosticity for positive self-attributions is an important driver of whether or not a prior act influences the subsequent action.

Range effects. Research has shown that people demonstrate more range insensitivity when evaluating affect-rich than affect-poor alternatives (e.g., Frederick and Fischhoff 1998; Kahneman et al. 2000). For example, when college students were asked how many hours they would be willing to work to earn \$30 or \$60 in cash versus in terms of a music book valued at \$30 or \$60, they demonstrated more sensitivity to the monetary difference when the reward was cash (affect-poor) than when it was an affect-rich music book (Hsee and Rottenstreich 2004). Affect-rich alternatives evoke valuation by feeling while affect-poor alternatives lead to valuation by calculation. When relying on feelings, people are sensitive to the presence or absence of a stimulus but are less sensitive to variations in range. In contrast, when people rely on calculation, they are generally sensitive to changes in range. Consistent with these findings,

Wakefield and Inman (2003) suggest that consumers are generally less price sensitive when buying products and services that have hedonic characteristics rather than when buying products of primarily functional nature. Because hedonic products are consumed for fun and fantasy, saving may not be a big concern when one has finally decided to buy something hedonic. Also, people may be willing to spend more on hedonic items because of the relatively infrequent consumption of such items. Similarly, Strahilevitz (1999) demonstrated that consumers are less sensitive to the magnitude of the donation with hedonic products as compared with frivolous products. This too suggests that people may be less sensitive to range effects in frivolous purchases than in more functional, utilitarian purchases.

Role of uncertainty. Consistent with the above is also the finding that an affect-poor prize is preferred under certainty but an affect-rich prize is preferred under lack of certainty (Bazerman et al. 1998; Rottenstreich and Hsee 2001). For instance, it has been shown that people are willing to pay more in terms of time than money for hedonic items (Okada 2004). To the extent that monetary value of time is more ambiguous than that of hard currency, it is reasonable that people feel more ready to pay for hedonic items with time than money. Support for this also comes from O'Curry and Strahilevitz (2001) who show that individuals were more likely to choose a hedonic alternative over a utilitarian one when the probability of receiving the selected item was low than when the probability of receiving the selected item was high.

Reference dependence. Another effect that is credited to the difference in (affect-rich) hedonic and (affect-poor) utilitarian product types is that people are more loss-averse for hedonic attributes (Dhar and Wertenbroch 2000). For example, an apartment with a better view (relatively hedonic feature) is preferred over an apartment with a shorter commute to work (relatively utilitarian feature) when the decision maker's current apartment has both a nice view

and a short commute than when the current apartment has neither of the two features. In other words, when people are making a forfeiture decision they are more likely to give up the utilitarian option than the hedonic one. However, when choosing to acquire, people are more likely to prefer the utilitarian option to a hedonic alternative. This result suggests that, similar to its effect on range sensitivity (Hsee and Rottenstreich 2004) and perceptions of uncertainty (Rottenstreich and Hsee 2001), affect may also influence loss aversion.

It is important to note again that the hedonic versus utilitarian and affect-rich versus affect-poor distinctions are not between good and bad options. That is, hedonic (affect-rich) and utilitarian (affect-poor) alternatives could both be good but on different dimensions (e.g., one shampoo cleans better whereas another makes the user feel sexy). Now consider a very different kind of choice. Imagine a person who is thinking about whether to study for an upcoming exam or go to a party. She may *want* to go to the party but feel that she *should* work towards her exam instead. This person is faced with a classic *heart* versus *mind* conflict. Although working for the exam has long-term benefits, it has little immediate appeal. On the other hand, going to the party is immediately attractive but may compromise future academic success. Next, we discuss the conceptualizations used in the literature on impulsive consumption and self-control that seem to capture this related dimension of consuming for pleasure versus instrumental reasons within an intertemporal framework.

2.2. Preferences in the context of time-inconsistency

Research that falls in the domain of time-inconsistency contrasts characteristics of consumption for immediate pleasure with characteristics of consumption for longer-term benefits. Past literature has used several conceptually similar terms to capture these dimensions

of consumption.

Shoulds versus wants. In Homer's *Odyssey*, Ulysses binds himself to the mast knowing that he would *want* to steer his ship toward the Sirens upon hearing their enchanting songs but that he *should* not do so because he would wreck it on the Sirens' shores. We all face such intrapersonal conflicts when what we want is not what we believe we should do (Bazerman et al. 1998). We may *want* to go to a movie with our friends but know that we *should* work towards an approaching deadline. Consumers may buy products that they feel they *should* buy (healthy or less expensive) instead of the ones they really *want* (less healthy but more tasty or expensive).

Affective versus cognitive preferences. The *should* versus *want* distinction is compatible with Hoch and Loewenstein's (1991) conflict between *desire* and *willpower*, or Shiv and Fedorikhin's (1999) discord between the *heart* and the *mind* (Shiv, Fedorikhin, and Nowlis, this book). The unifying theme in this research is that it perceives people as choosing the immediately gratifying option on impulse. This crude impulsivity is overcome only if cognitive resources allow a careful and sophisticated consideration of the long-term consequences of alternatives. For example, Shiv and Fedorikhin (1999) found that when processing resources are limited, spontaneously evoked affective reactions rather than cognitions tend to have a greater impact on choice. In contrast, when the availability of processing resources is high, cognitions related to consequences of choice tend to have greater influence (see Millar & Tesser 1986).

Vices versus virtues. Casting the above conflict in terms of different types of consumption goods, Wertenbroch (1998) showed that intrapersonal dilemmas arise when people face choices between *vices* and *virtues*. A relative vice (virtue) is something that is preferred to a relative virtue (vice) when considering only the immediate (delayed) consequences of consumption and holding delayed (immediate) consequences fixed. Generally, a vice can be

conceptualized as an affective want that is motivated by impulses, while a virtue can be seen as a more reasoned and cognitively preferred choice option. As compared to a virtuous option, choosing a vice entails small but immediate hedonic gratification with larger but delayed, less positive (or even negative) consequences (Read, Loewenstein and Kalyanaraman 1999; Wertenbroch 1998).

The critical aspect in the above distinctions is that they relate to temporally inconsistent preferences—what is gratifying now is not what is preferred for the future. Intertemporal preference reversals arise from a disposition to give disproportionate weight to short-term benefits and costs, which is usually referred to as hyperbolic time discounting (Ainslie 1975). As a consequence, when consumption is still far away we might plan to have something that maximizes our long-run utility, but when consumption is imminent we might choose something that is bad for us in the long run but has more immediate appeal. For example, Read and Van Leeuwen (1998) reported that about half their subjects chose a virtuous piece of fruit over junk food one week before they were to consume it, but immediately before consumption most of them changed their mind and ended up choosing chocolate bars or potato chips. This type of inconsistency has important implications for decision theory and has been used to explain several consumption phenomena, which we discuss next.

Response mode effects. Bazerman et al. (1998) showed that preferences for vice or *want* options are stronger when these option are evaluated separately as compared to when they are evaluated jointly with virtuous or *should* options, a result that is echoed by Okada's (2004) analogous findings for hedonic and utilitarian items. Similarly, Read et al. (1999) found that consumers choose more virtues in simultaneous choices of multiple items at the same time for consumption over several periods than in sequential choices of one item at a time just before

each consumption occasion. Specifically, in a choice between highbrow movies (that offer less immediate fun but are educationally or culturally enriching, e.g., *Schindler's List*) and lowbrow movies (that generally provide little educational benefit but are good for entertainment and instant pleasure, e.g., *Speed*) people preferred more highbrow movies in simultaneous choice than in sequential choice. An undercurrent in this research is that when people act on their intrinsic preferences they are spontaneously tempted by, and attracted to, relative vices. It is only when cognitive factors kick in—due to direct comparisons in joint evaluation or to the availability of processing resources as in Shiv and Fedorikhin (1999) - that the long-term consequences of alternatives are taken into account.

Self-control. In general, when the short-term outcomes of an activity are in conflict with its long-term consequences, people may perceive the short-term outcomes as a threat to their long-term well-being and exercise self-control involving a variety of cognitive, affective, and motivational processes. Consequently, a substantial body of literature in this tradition has focused on how people attempt to control their short-term consumption impulses to secure their long-term interests. For example, a primary self-control strategy is to make an irrevocable decision in advance by eliminating the vice alternative from the choice-set (e.g., Ainslie 1975; Thaler and Shefrin 1981). In the first empirical demonstration of such consumer preferences for precommitment, Wertenbroch (1998) showed that consumers strategically ration their purchase quantities of vice goods to avoid a potential self-control problem arising from temptations to overconsume the vice they have in stock at home. For example, many regular smokers buy their cigarettes by the pack, forgoing sizable per-unit savings that they could realize if they buy 10-pack cartons. Such purchase quantity rationing discourages excessive vice consumption by making marginal consumption more difficult and costly. Wertenbroch (1998) showed that, as a

result of such self-control, vice consumers' demand increases less in response to price reductions than virtue consumers' demand, although the preferences for vices are not generally weaker than the preferences for virtues. Analyses of quantity discounts for fast moving consumer goods (Werthenbroch 1998) and of two-part pricing schemes for services such as health clubs, mobile phone communication, and gambling (DellaVigna & Malmendier 2004) suggest that marketers' actual pricing policies are designed to make marginal vice consumption costlier than marginal virtue consumption, in line with consumer preferences for precommitment.

Research on counteractive self-control also suggests how people self-impose constraints on their otherwise preferred freedom of choice. People may steer away from short-term temptations by formulating strategies that make benefits and rewards contingent upon acting in accordance with their long-term interests. Fishbach and Trope (2000) reported that when health was subjectively important, participants in a study made receipt of a bonus contingent on completing a physically unpleasant test, although they could have earned the bonus without taking the test. Though participants risked losing the bonus by imposing this contingency on themselves, they increased their motivation to complete the test. Ariely and Werthenbroch (2002) showed that students and executives who self-imposed costly, evenly spaced deadlines (with penalties for missing them) were not only more likely to complete assignments on time but they also performed better than participants who did not self-impose such deadlines.

Relatedly, Rook and Hoch (1985) found that consumers employ a variety of distancing strategies to avoid situations in which they are likely to yield to their time-inconsistent preferences (e.g., "I immediately leave the area", and "I steer clear of record stores when I can't afford it"). Other studies have noted effectiveness of postponement (e.g., "never buy without checking other stores") and distraction as strategies against transient desires (Rook 1987).

People may also proactively counteract the influence of outcomes with immediate appeal and long-term costs by devising detailed implementation of intentions (e.g., “Whenever situation Y arises, I will do X”; Gollwitzer & Brandstätter 1997).

Although there are several similarities in the conceptualizations and findings within the hedonic/utilitarian and the vice/virtue frameworks, it is important to note that the research addressing the two originates from distinct theoretical backgrounds and orientations. To date, no conceptual integration of the frameworks exists. To illustrate this lack, we next explicitly highlight points of departure between the two conceptualizations. Despite these differences, though, we then move on to showing what the two conceptualizations have in common and how they can be integrated. Specifically, we propose a model that explains consumer choice among these goods in terms of self-attribution.

3. Differences between conceptualizations

For simplicity, we will refer to the literature that examines tradeoffs between experiential preferences and functional goals (referred to in 2.1. above) as research in the hedonic-utilitarian paradigm and to the literature that examines experiential preferences in the context of time-inconsistent preferences (referred to in 2.2. above) as research in the vice-virtue paradigm. These two streams of research are characterized by a number of surface differences that seem to emanate more from the theoretical perspectives, from which the research originated, than from substantive differences in conceptualizations. Nonetheless, it is worth pointing out those differences before turning to a deeper analysis of commonalities.

The hedonic-utilitarian paradigm has tended to focus on barriers to choosing the hedonic option whereas the vice-virtue paradigm has focused on the impulsivity of vice choices. For

example, since choosing hedonic over utilitarian items often induces guilt consumers are seen as viewing hedonic goods with hesitation. In contrast, the vice-virtue literature generally assumes that a vice will be *automatically* chosen for immediate consumption by appealing to consumers' impulsive preferences. While seemingly in contrast with each other, we will show in Section 4 that these two propositions are not necessarily inconsistent.

3.1. Guilt and justification

Hedonic goods can be more difficult to justify than utilitarian goods (Dhar and Wertenbroch 2000; Thaler 1980). Compared to utilitarian goods, purchases of hedonic luxuries may therefore be associated with guilt and feelings of responsibility (Lascu 1991). Consequently, the hedonic-utilitarian literature has tried to account for the factors that facilitate the choice of the hedonic option. Findings discussed earlier such as greater popularity of hedonic items as rewards than as prizes (O'Curry and Strahilevitz 2001) and stronger preferences for hedonic rewards in the face of greater effort (Kivetz and Simonson 2002a) or charitable behaviors (Khan and Dhar 2004; Strahilevitz and Myers 1998) all support the idea of greater difficulty in choosing hedonic products. Specifically, this research builds on the idea that consumers, for various reasons such as anticipated regret (e.g., Bell 1982), cognitive dissonance (e.g., Festinger 1957), or rational self-perception (e.g., Bem 1972), are often looking to justify their choices (Simonson 1989; Slovic 1975). In summary, researchers in the hedonic-utilitarian paradigm have focused on how choice of a hedonic alternative can be enhanced by providing internal or external justifications for its consumption.

3.2. Coping with temptation

A focus on temporal streams of costs and benefits, as exemplified by behavior that results in immediate gratification but delayed harm (e.g., engaging in risky sex, drinking, and smoking) is an important distinction between the hedonic-utilitarian and the vice-virtue paradigms. The vice-virtue and the want-should distinctions are defined explicitly in terms of such temporal tradeoffs, while the temporal aspect is not critical to the hedonic-utilitarian distinction. Typically, work in the vice-virtue paradigm has focused primarily on contexts that give rise to time-inconsistent preferences, that is, preferences leading to choices that would not be made from a dispassionate, temporally removed perspective. Among others, time-inconsistent behavior has been studied in the context of economic policy (Kydland and Prescott 1977), saving behavior (Thaler and Shefrin 1981) and self-control (Hoch and Loewenstein 1991; Loewenstein 1996; Wertenbroch 2003). A common suggestion from these streams of research is that the affective reactions occur because of crude and rapid automatic processing while the rational reactions are generated by refined, cognitive, and deliberated reactions (Shiv and Fedorikhin 1999). The fast affective reactions can undermine the long-term goals that guide dispassionate preferences and lead to self-regulation problems (debt, addictions, and health risks). An underlying assumption is that, faced with a choice between a *virtue* and a *vice* option, people are likely to act against their better judgment and engage in impulsive behavior inconsistent with their global preferences.

Because of the view that people are impulsively attracted to vices, the literature in the vice-virtue paradigm has naturally focused on the strategies and tactics people use (consciously or unconsciously) to limit their choice of vices. Using the idea of multiple selves, Ainslie (1975) and Schelling (1984) proposed that the farsighted and conservative self attempts to restrict, in

advance, the set of options that the myopic self can choose from in the future. Akin to this is Thaler and Shefrin's (1981) planner-doer model, in which the planner self limits the set of options from which the doer can later choose. Wertenbroch's (1998) demonstration that consumers are willing to pay a premium for smaller packs of vices (e.g., regular coffee, beer, potato chips, Oreo chocolate chip cookies, etc.) shows that consumers counteract a future self-control problems by self-imposing strategic constraints. Dieters may restrict the amount of groceries they purchase knowing that they would not be able to avoid the temptation when the food is in close proximity. Similarly, people may be willing to incur a penalty for missing a medical exam (due to its short-term aversiveness) to ensure better health in the future (Fishbach and Trope 2000).

4. Toward a common framework: A self-attribution model of hedonic choice

As the above discussion shows, the two conceptualizations have arisen within two different research paradigms. The hedonic-utilitarian distinction has come out of research on context effects in decision-making that shows systematic effects of the affective versus functional content of choice option attributes on how consumers make trade-offs between these attributes. The vice-virtue distinction has been used in research on consumer self-control to demonstrate that consumers precommit to consumption choices that preclude or minimize impulsive consumption. While these research traditions are not closely related, we propose that the two conceptualizations can be linked from two perspectives, in terms of the temporal streams of consequences of consumption and in terms of the goals that consumers pursue in their decision-making processes.

4.1. Commonalities

Intertemporal distribution of consumption consequences. First, note that the definition of hedonic goods as being consumed for experiential pleasure implies that the sought-after consumption benefits occur more or less simultaneously with the act of consumption. For example, drinking a bottle of fancy French wine is pleasant in and by itself, and the benefits typically stop accruing once you have finished the last glass. In contrast, the definition of utilitarian goods as being consumed for instrumental purposes implies that the sought-after consumption benefits occur after the act of consumption. For example, obtaining a college degree is instrumental to getting a good job, which occurs after you've taken classes and have graduated. Therefore, it is possible to characterize hedonic and utilitarian goods as well in terms of the stream of consequences accruing from their consumption over time. Typically, hedonic goods provide immediate benefits without explicit negative delayed consequences. For example, there are no obvious delayed costs of choosing a fancy dinner instead of free groceries as a reward. Similarly, utilitarian goods typically provide their benefits post-consumption, without particular negative consequences during consumption. Nonetheless, this front- or backloading of benefits suggests that, by Wertenbroch's (1998) formal definition, hedonic goods could be characterized as vices and utilitarian goods as virtues in a direct comparison with each other. So the intertemporal framework used in the vice-virtue paradigm can be superimposed on the hedonic-utilitarian distinction; this follows from how consumers' goals (i.e., immediate pleasure or delayed instrumentality) that are linked to the consumption item itself are distributed over time. A possible reason for why the vice-virtue paradigm has resulted in a focus on precommitment strategies is that vices are typically viewed as having immediate positive and delayed negative consequences, requiring an impulsive consumer to engage in self-control. The

lack of an explicit attribution of delayed negative consequences to hedonic goods may have made impulse control strategies less relevant to researchers in the hedonic-utilitarian paradigm.

Choice and consumption goals. The second perspective, from which the hedonic-utilitarian and vice-virtue conceptualizations can be linked, is in terms of the goals, which consumers pursue when making a consumption choice. These consumption goals can be organized at two levels, a more direct, lower-level goal linked to the consumption item itself, and a more indirect, higher-level goal linked to the process, by which the item is chosen. Following Huffman, Ratneshwar, and Mick's (2000) hierarchy of consumer goals, lower-level goals include feature preferences and benefits sought, while higher-level goals include consumption intentions, current concerns, and life values. The pursuit of higher-level goals is implicit in research on self-control through precommitment in the vice-virtue paradigm. That is because precommitment as a strategic self-control device presupposes that consumers are aware of their self-control problems (e.g., Ariely and Wertenbroch 2002; O'Donoghue and Rabin 1999). Hence, they know their character type ("I am impulsive") and make choices based on their awareness of that type. These choices can therefore be characterized as cognitively driven, top-down decisions and result from a current concern ("I am on a diet") or even a life value ("I'd like to have a virtuous character;" Huffman et al. 2000) to act less impulsively. In contrast, the pursuit of lower-level goals is implicit in research on context effects in choices of hedonic and utilitarian items, where consumers pursue lower-level goals such as benefits sought (e.g., pleasure versus instrumentality). Hence, research in the hedonic-utilitarian paradigm can be more easily characterized as looking at affectively driven, bottom-up choices. This research is agnostic as to whether consumers are pursuing higher level-goals such as life values (e.g., driven by an awareness of their real or ideal character type). However, research on consumer guilt (Dahl et al.

2003; Lascu 1991) does suggest that consumers may make inferences about their character type from their choices of hedonic and utilitarian items. For example, hedonically choosing the rich, creamy Häagen Dazs ice cream over the less tasty bowl of fresh fruit for dessert may make consumers feel guilty of indulgence and lead them to infer that they are of the indulgent type.

Preferring features or seeking benefits in line with higher-level goals, or inferring higher-level goals from feature preferences or benefits sought, requires consumers to align the different types of goals they are pursuing. Huffman et al. (2000) suggest that this process of alignment of higher- and lower-level goals occurs both top-down and bottom up. Specifically, higher-level goals often shape and give meaning to lower-level goals, a process they refer to as incorporation. For example, wanting to be a virtuous person (a high-level goal) would prompt a consumer to seek benefits (a lower-level goal) that have more positive, or less negative, long-term consequences. The consumer might attribute virtuousness to him- or herself ex-ante and choose a utilitarian item, or virtue, accordingly. At the same time, lower-level goals such as revealed feature-preferences can also shape and constrain higher-level goals, a process called abstraction (Huffman et al. 2000). Thus, consumers who have chosen a hedonic item, or a vice, with certain tempting features or benefits (a lower-level goal) may infer from their choice ex-post that they are not a particularly virtuous person (thus violating or negating a high-level goal).

This discussion has shown that, despite the lack of definitional integration, the two research paradigms on hedonic and utilitarian goods and on vices and virtues share a number of commonalities. Below, we build on the above discussion to propose a self-attribution model of hedonic choice, which provides a framework to explain when and why a hedonic alternative, or vice, may be preferred over a utilitarian one, or virtue. It is important to note that, given the

commonalities that we have proposed, this self-attribution model applies interchangeably to both the hedonic-utilitarian and the vice-virtue paradigms.

4.2. A self-attribution model of hedonic choice

In line with extant research, we suggest that what consumers choose may generate conscious or unconscious self-attributions. Self-perception theory first proposed the idea that people make inferences about themselves from their own behavior (Bem 1972). More recently, research on self-signaling in consumer choice has suggested that consumers' own choices provide them with valuable information about their own character (Bodner and Prelec 2001; Prelec and Bodner 2003). For example, a person who buys an expensive Prada handbag may feel stylish, frivolous, and/or indulgent at the same time. Similarly, if consumers observe themselves eating fatty food they may think that they lack self-control. On the other hand, if they observe themselves donating to a charity they may start to view themselves as more compassionate persons.

In exploring the concept of self-signaling, Bodner and Prelec (2001) argued that choices yield not just outcome utility (the utility of the anticipated consequences of choice) but also diagnostic utility (the value of what consumers learn about their disposition as signaled by their choices). Consumers incorporate both types of value into their utility function. Hence, consumer choice may be motivated purely by the ex-ante desire to obtain a self-signal so that consumers actively seek out choices with a positive signal value. This is consistent with the results of a well-known study by Quattrone and Tversky (1984) who led their subjects to believe that their ability to submerge an arm in a container of cold water until the pain became unbearable was diagnostic of a serious but hard-to-observe heart condition. As predicted,

subjects' cold water tolerance varied with whether they believed that tolerance was diagnostic of the heart condition – even though they knew that enduring the pain would not alter their susceptibility to the condition.

Although we may all seek experiential and hedonic pleasures, the purchase of such goods may often produce negative self-attributions (possibly moderated by cultural values) since such consumption is more difficult to justify, induces greater guilt, and by definition, is not essential. These negative self-attributions (e.g., “I am careless”, “I am a spendthrift”, “I indulge”, “I lack self-control,” etc.) associated with hedonic alternatives could restrict people from choosing hedonically appealing experiential alternatives. Similar negative attributions may also be associated with choosing an immediately gratifying vice over a virtuous option that lacks instant appeal but offers greater long terms benefits. For example, Dhar and Wertenbroch (2004) show that consumer preferences for choice sets depend on the signal value of a given choice from these sets. Choosing a vice from a set that also contains a virtue highlights the fact that the consumer has just chosen a vice more than choosing that vice from a set that only contains vices. Similarly, choosing a virtue from a set that also contains a vice makes the virtue choice more salient to the consumer than choosing that virtue from a set that only contains virtues. Consequently, vice consumers derive more negative, and virtue consumers more positive, signal values from choosing from sets that contain both vices and virtues. In other words, variability in situational factors such as the presence or absence of other choice options and the feasibility of choosing these options can highlight, or de-emphasize, alternative causes of one's choice such as the strength or weakness of one's will (cf. Bénabou and Tirole 2004).

In line with this reasoning, our self-attribution model (see Figure 1) proposes that hedonic choice generates certain conscious or unconscious self-attributions, which, if

anticipated, in turn influence the choice outcome. Choosing a hedonic (vice) item over a more utilitarian (virtuous) alternative can generate more negative self-attributions. The negativity associated with hedonic (vice) options can then undermine their attraction and the decision-maker may end up choosing a more utilitarian (virtuous) option.

[Insert Figure 1 about here]

Specifically, our model in Figure 1 shows that lower-level goals, such as feature preferences, may lead consumers to prefer a hedonic (utilitarian) item. That preference may lead to negative (positive) self-attributions, which may induce consumers to think of themselves as indulgent (virtuous) types. This, in turn, may yield new or revised higher-level goals of hedonistically pursuing indulgence (virtue) further or prudishly (indulgently) pursuing virtue (vice) instead. Therefore, self-attribution processes are the mechanism by which lower-level goals can affect higher-level goals in the model (abstraction, see Huffman et al. 2000).

Consistent with past research that suggests that most of consumer behavior is goal-directed (Bagozzi and Dholakia 1999), our model proposes that it is also possible for higher-level goals to affect the nature of the self-attributions prompted by a given choice. Based on the notion that different goals and goal-attainment strategies can influence tradeoffs, we suggest that the negative self-attributions associated with a choice set may depend on chooser's goals and goal-driven self-regulation strategies. For example, a person who aims to eat healthy (a benefit sought, a lower-level goal) in order to lose weight (a current concern, a higher-level goal) may associate greater negative self-attributions with choosing a tasty but unhealthy chocolate cake over a healthy but less tasty fruit salad as compared to someone who aims to exercise everyday in order to lose the same amount of weight. Similarly, a person on a diet (a current concern, a

higher-level goal) is likely to draw more negative self-attributions from the choice of the chocolate cake (a feature preference, a lower-level goal) as compared to a person who is not on a diet. Hence, our proposed self-attribution model of hedonic choice also suggests that if higher-level goals lead a consumer to anticipate negative self-attributions from choosing the hedonic or vice item, she will prefer, or at least precommit to, the utilitarian or virtuous option, which is likely to generate positive or less negative self-attributions. So the self-attributions consumers anticipate from their overt choices can in turn be determined by the goals they bring to the choice situation. Thus, our model also allows higher-level goals (pursuing virtue) to determine lower-level goals via the anticipation of self-attributions (incorporation, see Huffman et al. 2000).

Consistent with attribution theory (e.g., Schwarz and Clore 1983), we also propose that the preference for a hedonic or vice alternative will increase if the negative self-attributions associated with it are diminished or disconfirmed. In other words, when the choice context allows the consumer to disconfirm or neutralize any negative self-attributions attached with the choice of the hedonic or vice items she will prefer such options. Simply put, the choice of a hedonic or a vice item vis-à-vis a utilitarian or a virtuous item will be more likely when the restrictive negative self-attributions associated with it are removed. The act or item that disconfirms the negative self-attributions need not be tightly coupled with an act or item that induces negative self-attributions. For example, Khan and Dhar (2004) illustrate that more subjects chose a pair of designer's jeans over a vacuum cleaner after a seemingly unrelated charitable decision than in a control condition. Moreover, when asked to give reasons for their choices, participants in their study did not draw a connection between their initial charitable decision and the subsequent indulgent choice. This is consistent with the notion that the

processes that reduce negative self-attributions may occur outside of individual's consciousness without requiring intention, effort, or monitoring.

Theoretical propositions: We now present a number of theoretical propositions that follow from our self-attribution model of hedonic choice.

P1 The role of goals: As discussed above, goals that an individual holds can affect the self-attributions she anticipates to draw from her choices, which then influence the choice outcome. Hence, a useful direction of future research would be to examine the role of different types of goals in the determination of self-attributions and choice. For example, whether people have promotion or prevention focus (Pham and Higgins, this book) may influence the self-attributions they draw from their specific choices. In a promotion focus people are more likely to pursue goals that are related to advancement and accomplishment, while in a prevention focus the goals pursued are more likely to be those related to security and protection (Higgins 1997, 1998, 2002). Therefore, it is likely that a promotion-focused individual associates fewer negative self-attributions with the choice of hedonic (vice) products than an individual with a prevention focus. Future research can investigate the role of regulatory focus in a choice between hedonic (vice) and utilitarian (virtue) products.

P2 The role of positive self-attributions: The negative self-attribution arising from a choice of hedonic or vice alternatives may be disconfirmed by countering them with positive self-attributions, which can arise through several different mechanisms. For example, higher effort may enhance the preference for a hedonic or vice item by serving to disconfirm the negative self-attributions (such as "I am being wasteful" etc.) associated with choosing such items through generation of positive self-attributions (such as, "I

deserve it”). Similarly, longer waiting times may also increase preference for hedonic items by creating positive self-attributions (such as, “I am patient,” or “I deserve it”). Negative self-attributions may also be reduced by adding seemingly functional or practical attributes to the hedonic or vice products. For example, Patek Philippe watches advertise that “some people feel that you never actually own a Patek Philippe. You merely take care of it for the next generation.” The positive attribution that one is buying a valuable heirloom to pass on to the future generations can reduce the negative self-attributions that may be associated with buying an expensive watch for one’s own use.

Moreover, negative self-attributions from hedonic or vice products may also be diminished by bundling them with unrelated virtues. The idea here is that the act or item that generates positive self-attributions or disconfirms the negative self-attributions need not be tightly coupled with an act or item that induces negative self-attributions. In other words, seemingly unrelated decisions can induce positive self-attributions that can increase preference for relatively hedonic or vice alternatives by overriding the negative self-attributions associated with them. For example, charitable decisions (e.g., monetary or time donations) can induce positive self-attributions (e.g., “I am kindhearted,” “I am conscientious,” etc.) that can increase preference for unrelated hedonic or vice alternatives by overriding the negative self-attributions associated with them (e.g., “I am indulgent,” “I am careless,” etc.). What mechanisms generate positive self-attributions and when they are effective or ineffective in reducing negative self-attributions is a useful avenue for further inquiry.

P3 The role of misattribution: Previous research has shown that the diagnosticity of the subjective experience can be modified by attribution manipulations (Schwarz and Clore

1983). We therefore propose that the impact of negative self-attributions may be diminished if they can be attributed to some external source. Similarly, the disconfirming impact of positive self-attributions may also be reduced if they are attributed to some external motivation. For example, higher effort may not increase preference for hedonic or vice options if it can be attributed to an external reason (e.g., if the increased effort is seen as a result of some penalty). Future research should examine how misattribution influences consumer decision-making in the context of choosing between hedonic (vice) and utilitarian (virtuous) alternatives.

P4 The role of non-conscious processes: Importantly, we suggest that processes that help disconfirm the self-attributions associated with consumption may lie outside consciousness and operate independently of, and in addition to, the conscious processes discussed in earlier research (e.g., on self-control, willpower, etc.). In other words, the disconfirmation process may not require awareness, intention, effort, or monitoring on part of the consumer. For example, it is possible that promotional guilt reduction tools, such as bundling charitable donations with hedonic purchases or providing functional alibi, are effective due to a non-conscious “moral retribution” process. Therefore, such tools could easily lose their effectiveness when opportunities for misattribution are provided in the purchasing context. We believe that both the view that many of our purchase and consumption choices are driven by the attributions they allow us to make about ourselves and the view that these attributions are often non-conscious (and hence subject to equally non-conscious disconfirmation and misattribution processes) provide a fruitful perspective from which to examine and contrast hedonic and utilitarian consumption in future research.

Conclusion

In this chapter we provided an integrative perspective on different loosely connected theoretical frameworks on the distinctions between purchase and consumption of goods for pleasure (e.g., rich creamy desserts, perfumes, and sports cars) and for more utilitarian and functional purposes (e.g., healthy but less tasty desserts, deodorants and minivans). We took an inventory of these various theoretical perspectives, reviewed the empirical findings emanating from them, and discussed the distinctions and commonalities in these lines of research. Building on our review and organization of the past literature, we proposed a self-attribution model of hedonic choice, which ties together the diverse theoretical views on experiential and instrumental consumption. Our model explains consumers' hedonic decisions in light of the self-attributions that they may draw from their choices. Based on the model, we put forward several propositions that may provide fruitful avenues for future research.

References

- Ainslie, G. (1975) "Specious Reward: A Behavioral Theory of Impulsiveness and Impulse Control," *Psychological Bulletin* 82 (July): 463–469.
- Ariely, D. and Wertenbroch, K. (2002) "Procrastination, Deadlines, and Performance: Self-Control by Precommitment," *Psychological Science* 13 (May): 219-224.
- Bagozzi, R.P., Dholakia, U. (1999) "Goal-setting and Goal-striving in Consumer Behavior," *Journal of Marketing* 63 (October): 19-32.
- Batra, R. and Ahtola, O.T. (1990) "Measuring the Hedonic and Utilitarian Sources of Consumer Attitudes," *Marketing Letters* 2 (April): 159-170.
- Bazerman, M.H., Tenbrunsel, A.E., and Wade-Benzoni, K. (1998) "Negotiating with Yourself and Losing: Understanding and Managing Competing Internal Preferences," *Academy of Management Review* 23 (April): 225-241.
- Bell, D.E. (1982) "Regret in Decision Making under Uncertainty," *Operations Research* 30 (September/October): 961-981.
- Bem, D.J. (1972) "Self-Perception Theory," in L. Berkowitz (eds.) *Advances in Experimental Social Psychology* Vol. 6, New York: Academic Press: 1-62.
- Bénabou, R., and Tirole, J. (2004) "Willpower and Personal Rules," *Journal of Political Economy*, forthcoming.
- Berry, C.J. (1994) *The Idea of Luxury: A Conceptual and Historical Investigation*, New York: Cambridge University Press.
- Bodner, R. and Prelec, D. (2001) "Self-Signaling and Diagnostic Utility in Everyday Decision Making" in I. Brocas and J. Carrillo (eds.) *Collected Essays in Psychology and Economics*, Oxford, U.K.: Oxford University Press: 1-22.
- Dahl, D.W., Honea, H. and Manchanda, R.V. (2003) "The Nature of Self-Reported Guilt in Consumption Contexts," *Marketing Letters* 14 (October): 159-171.
- DellaVigna, S and Malmendier, U. (2004) "Contract Design and Self-Control: Theory and Evidence," *Quarterly Journal of Economics* 119 (May).
- Deaton, A. and Muellbauer, J. (1980) *Economics and Consumer Choice*, New York: Cambridge University Press.
- Dhar, R., and Wertenbroch, K. (2000) "Consumer Choice between Hedonic and Utilitarian Goods," *Journal of Marketing Research* 37 (February): 60–71.

----- and Wertenbroch, K. (2004) "The Costs and Benefits of Temptation: Choice Set Effects on Consumption Utility," *Working Paper*, Yale University and INSEAD.

Dubois, B., Laurent, G., and Czellar, S. (2004) "Segmentation Based on Ambivalent Attitudes: The Case of Consumer Attitudes Toward Luxury," *Working Paper*, HEC, France.

Festinger, L. (1957) *A Theory of Cognitive Dissonance*, Evanston, IL: Row, Peterson.

Fishbach, A. and Trope, Y. (2000) "Counteractive Self-control in Overcoming Temptation," *Journal of Personality and Social Psychology* 79 (October): 493-506.

Frederick, S. and Fischhoff, B. (1998) "Scope (In)sensitivity in Elicited Valuations," *Risk, Decision, and Policy* 3 (August): 109–123.

Gollwitzer, P.M. and Brandstatter, V. (1997) "Implementation Intentions and Effective Goal Pursuit," *Journal of Personality and Social Psychology* 73 (July): 186-199.

Hirschman, E.C. and Holbrook, M.B. (1982) "Hedonic Consumption: Emerging Concepts, Methods, and Propositions," *Journal of Marketing* 46 (Summer): 92-101.

Hoch, S.J., and Loewenstein, G.F. (1991) "Time-Inconsistent Preferences and Consumer Self-Control," *Journal of Consumer Research* 17 (March): 492-507.

Hsee, K.C. and Rottenstreich, Y. (2004) "Music, Pandas, and Muggers: On the Affective Psychology of Value", *Journal of Experimental Psychology: General* 133 (March): 23-30.

Huffman, C., Ratneshwar, S., and Mick, D.G. (2000), Consumer Goal Structures and Goal Determination Processes: An Integrative Framework, in *The Why of Consumption: Contemporary Perspectives on Consumer Motives, Goals and Desires*, London and New York: Routledge.

Kahneman, D. (1991) "Judgment and Decision-Making a Personal View," *Psychological Science*, 2 (May): 142-145.

----- and Frederick, S. (2002) "Representativeness Revisited: Attribute Substitution in Intuitive Judgment," in T. Gilovich, D. Griffin, and D. Kahneman (eds.), *Heuristics & Biases: The Psychology of Intuitive Judgment*, New York. Cambridge University Press: 49-81.

-----, Ritov, I., and Schkade, D. (2000) "Economic Preferences or Attitude Expressions? An Analysis of Dollar Responses to Public Issues," in D. Kahneman and A. Tversky (eds.), *Choices, values, and frames*, New York: Cambridge University Press: 642–672.

Khan, U. and Dhar, R. (2004) "Effect of Past Choices in Sequential Decisions," *Working Paper*, Yale University.

Kivetz, R. and Simonson, I. (2002a) "Earning the Right to Indulge: Effort as a Determinant of Customer Preferences Towards Frequency Program Rewards," *Journal of Marketing Research* 39 (May), 155-170.

----- and Simonson, I. (2002b) "Self-Control for the Righteous: Toward a Theory of Precommitment to Indulge," *Journal of Consumer Research* 29 (September): 199-217.

Kydland, F. and Prescott, E. (1977) "Rules Rather than Discretion: The Inconsistency of Optimal Plans," *Journal of Political Economy* 85 (June): 473-492.

Lascu, D.N. (1991) "Consumer Guilt: Examining the Potential of a New Marketing Construct," in R. Holman and M. Solomon (eds.) *Advances in Consumer Research* Vol.(18), Provo, UT: Association for Consumer research, 290-93.

Loewenstein, G. (1996) "Out of Control: Visceral Influences on Behavior," *Organizational Behavior and Human Decision Process* 65 (March): 272-292.

-----, Read, D. and Baumeister, R. (2003) *Time and Decision: Economic and Psychological Perspectives on Intertemporal Choice*, New York, NY: Russell Sage Foundation.

Maslow, A. H. (1968) *Toward a Psychology of Being*, 2nd Ed., Princeton, NJ: Van Nostrand.

Millar, M. G. and Tesser, A. (1986) "Effects of Affective and Cognitive Focus on the Attitude-Behavior Relation," *Journal of Personality and Social Psychology* 51 (February): 270-276.

O'Curry, S. and Strahilevitz, M. (2001) "Probability and Mode of Acquisition Effects on Choices between Hedonic and Utilitarian Options," *Marketing Letters* 12 (February): 37-49.

O'Donoghue, T. D. and Rabin, M. (1999) "Doing Now or Later," *American Economic Review* 89 (March): 103-124.

Okada, E.M. (2004) "Justifying the Hedonic and the Effects on Fun versus Practical Consumption," *Journal of Marketing Research* (forthcoming)

Payne, J.W., Bettman, J.R. and Johnson, E.J. (1988) "Adaptive Strategy Selection in Decision Making," *Journal of Experimental Psychology: Learning, Memory and Cognition* 14 (July): 534-52.

Pham, M.T. (1998) "Representativeness, Relevance, and the Use of Feelings in Decision Making," *Journal of Consumer Research* 25 (September): 144-159.

Prelec, D. and Bodner, R. (2003) "Self-Signaling and Self-Control" in G. Loewenstein, D. Read, and R. Baumeister (eds.) *Time and Decision: Economic and Psychological Perspectives on Intertemporal Choice*, New York: Russell Sage Foundation, 277-298.

- Quattrone, G.A., and Tversky, A. (1984), “*Causal versus Diagnostic Contingencies: On Self-Deception and on the Voter’s Illusion*,” *Journal of Personality and Social Psychology*, 46, 2, 237-248.
- Read, D., Loewenstein, G. and Kalyanaraman, S. (1999) “Mixing Virtue and Vice: Combining the Immediacy Effect and the Diversification Heuristic,” *Journal of Behavioral Decision Making* 12 (December): 257-273.
- and Van Leeuwen, B. (1998) “Predicting Hunger: The Effects of Appetite and Delay on Choice,” *Organizational Behavior and Human Decision Processes* 76 (November): 189-205.
- Rook, D.W. (1987) “The Buying Impulse,” *Journal of Consumer Research* 14 (September): 189-199.
- and Hoch, S.J. (1985) “Consuming Impulses,” in E.C. Hirschman and M.B. Holbrook (eds.) *Advances in Consumer Research*, Vol. (12), Provo, UT: Association for Consumer Research: 23-27.
- Rottenstreich Y. and Hsee K.C. (2001) “Money, Kisses and Electric Shocks: On the Affective Psychology of Risk,” *Psychological Science* 12 (May): 185-190.
- Schelling, T.C. (1984) “Self-Command in Practice, in Policy, and in a Theory of Rational Choice,” *American Economic Review* 74 (May): 1-11.
- Schwarz, N., and Clore, G.L. (1983) “How Do I Feel About It? Informative Functions of Affective States,” in K. Fiedler, and J.P. Forgas (eds.), *Affect, Cognition, and Social Behavior*, Toronto, Canada: Hogrefe International: 44-62
- Shiv, B., and Fedorikhin, A. (1999) “Heart and Mind in Conflict: The Interplay of Affect and Cognition in Consumer Decision Making,” *Journal of Consumer Research* 26 (December): 278–292.
- Simonson, I. (1989) “Choice Based on Reasons - The Case of Attraction and Compromise Effect,” *Journal of Consumer Research* 16 (September): 158-174.
- Slovic, P. (1975) “Choice between Equally Valued Alternatives,” *Journal of Experimental Psychology: Human Perception and Performance* 1 (August): 280-287.
- Strahilevitz, M. (1999) “The Effects of Product Type and Donation Magnitude on Willingness to Pay More for a Charity-Linked Brand,” *Journal of Consumer Psychology*, 8 (Issue 3), 215-241.
- , and Myers, J.G. (1998) “Donations to Charity as Purchase Incentives: How Well They Work May Depend on What You Are Trying to Sell,” *Journal of Consumer Research* 24 (March): 434-446

Thaler, R.H. (1980) "Toward a Positive Theory of Consumer Choice," *Journal of Economic Behavior and Organization* 1 (March): 39-60.

-----, R.H. and Shefrin, H. M. (1981) "An Economic Theory of Self-Control," *Journal of Political Economy* 89 (April): 392-406.

Wakefield, K.L. and Inman, J. (2003) "Situational Price Sensitivity: The Role of Consumption Occasion, Social Context and Income," *Journal of Retailing* 79 (Issue 4): 199-212.

Werthenbroch, K. (1998) "Consumption Self-Control by Rationing Purchase Quantities of Virtue and Vice," *Marketing Science* 17 (Fall): 317-37

----- (2003) "Self-Rationing: Self-Control in Consumer Choice," in G. Loewenstein, D. Read, and R. Baumeister (eds.) *Time and Decision: Economic and Psychological Perspectives on Intertemporal Choice*, New York, NY: Russell Sage Foundation: 491-516.

Table 1. Conceptual distinctions between experiential preferences and functional goals.

| Experiential preferences in the context of | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Tradeoffs with functional goals | Time-inconsistent preferences |
| <ul style="list-style-type: none"> • Luxuries vs. necessities <ul style="list-style-type: none"> • Kivetz and Simonson (2002a, b) • Hedonic vs. utilitarian goods <ul style="list-style-type: none"> ○ Hirschman and Holbrook (1982) ○ Strahilevitz and Myers (1998) ○ Dhar and Wertenbroch (2000) • Affect-rich vs. affect-poor goods <ul style="list-style-type: none"> • Rottenstreich and Hsee (2001) • Hsee and Rottenstreich (2004) | <ul style="list-style-type: none"> • Shoulds vs. wants <ul style="list-style-type: none"> • Bazerman et al. (1998) • Affective vs. cognitive preferences <ul style="list-style-type: none"> • Shiv and Fedorikhin (1999) • Vices vs. virtues <ul style="list-style-type: none"> • Wertenbroch (1998) • Read et al. (1999) |

Figure 1. A self-attribution model of hedonic choice.

