



B. Business Impact

Changes in Consumer Behavior

The regulatory functions of experiences of consumption in the context of the COVID-19 pandemic

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Abstract

This impact paper reviews the current knowledge in consumer psychology to better understand how and which experiences of consumption can regulate consumers' negative emotions and, in turn, foster consumer well-being. Based on the publications and research projects led by the members of the ESCP research center in "Happiness & Well-Being in Management", this impact paper informs managers and consumers about routes to happiness through consumption in the context of the COVID-19 pandemic.

Keywords: Consumer well-being, Experiences of consumption, Positive emotions

The regulatory functions of experiences of consumption in the context of the COVID-19 pandemic

Surrounded by the individual and collective threat created by the COVID-19, people may experience a myriad of emotions, with the preponderance of them being negative by nature. Individuals come to discover their utter lack of control and emotions related to anxiousness (i.e., feeling worried, scared, afraid), sadness (i.e., feeling empty, gloomy, depressed) or even anger (i.e., feeling frustrated, upset, irritated) may be felt. Research in psychology has shown that such catastrophic events can create substantial emotional distress and negative long-term effects on an individual subjective well-being. But it is clear that not everybody is affected in the same way. It obviously depends on one's personality and life experience but it also depends on how people regulate their negative feelings and emotions.

To improve their emotional state, individuals naturally tend to engage in coping strategies and mitigating such negative feelings and emotions through consumption is one of them. This is the reason why the pandemic has induced new and sometimes irrational consumption patterns. Among them, for instance, panels from McKinsey, BCG, IRI or Nielsen report that consumers tend to spend less money but shop more frequently online and that they tend to buy exclusively primary commodities except for hedonic product categories such as alcohol, skin care, makeup or entertainment. Those reports also evidence that even if the COVID-19 pandemic affects differently consumers, a majority of them believe the way they shop will fundamentally change after the pandemic.

To shed light on those unusual but probably long lasting shopping behaviours induced by the pandemic, this impact paper reviews the current theoretical and empirical knowledge in consumer psychology to better understand how and which experiences of consumption can regulate consumers' negative emotions and, in turn, foster consumer well-being. In particular, this impact paper relies on the psychological stream of research about regulatory focus and the findings from the studies related to consumer well-being run by the members of the ESCP Research Center in "Happiness, Well-Being & Management" (<http://happymgmt.eu/about-research-center/>). This impact paper has practical implications. It can inform consumers who often fail to choose situations that maximize their happiness about routes to well-being. It also helps managers to identify a typology of experiences of consumption strengthening affective and meaningful relationships with their customers.

Self-regulatory orientations: Avoiding pain or approaching pleasure?

Example in the context of the pandemic

Imagine that Maya and Emile are two students in their last year of studies at an international business school. Although they do not feel at high risk of contracting the Coronavirus, they may experience episodes of anxiety, sadness or frustration because they are worried for their loved ones, they are confined alone at home, they socialize only online and are highly uncertain about their future in the workplace.

They will both try to cope with those negative feelings and emotions but they may have radically different goals in doing so. Maya may be motivated by experiences allowing her to escape from reality and she might, for example, immerse herself into alternative realities through videos-games, series or shows. By contrast, Emile may be motivated by experiences

allowing him to self-actualize and he might, for example, express his creativity through digital paintings or develop his physical skills following sports' tutorials.

Maya and Emile show two different ways in regulating the negative feelings and emotions induced by a stressful life event as the COVID-19 pandemic. The underlying psychological mechanism and its consequences in the consumer behavior are discussed below.

Psychological mechanism

In this example, Maya is orientated towards a prevention goal (i.e., to feel better, she will avoid negative feelings) whereas Emile is seeking a promotion goal (i.e., to feel better, he will search for positive feelings). The theory of self-regulatory orientations (Higgins, 1998), fundamental to explain human motivations, suggests that even if most people try to approach pleasant states, they can do so in different ways.

When prevention focused, as Maya in the previous example, people are responsive to security needs and try to avoid mismatches with a desired state (e.g., avoid negative feelings to enhance well-being). When promotion focused, as Emile in the previous example, people are motivated by growth and development needs and are concerned with approaching matches with a desired state (approach positive feelings to enhance their well-being). If the desired state is, for instance, to remain healthy, prevention focused individuals would be likely to avoid eating fat foods (avoiding a mismatch) whereas promotion focused individuals would be likely to exercise (approach a match).

Overall, comfort or ensuring non-losses predominate for prevention-focused persons whereas eagerness or ensuring gains predominate for promotion-focused persons.

Consequences on consumption

This distinction between prevention focus and promotion focus people offers an interesting conceptual dichotomy in the consumption realm. The research projects and publications from the ESCP research center on "Happiness, Well-being and Management" evidence that prevention focused consumers are more likely to use experiences of consumption as a mean to escape from worries (Cova, Carù, Cayla, 2018) whereas promotion focused consumers are more likely to use experiences of consumption as a mean to express one's potential (Belk, 1988).

To regulate their negative emotions, most of the positive episodes of consumption reported by prevention-focused consumers are related to sensorial experiences (i.e., the temperature of a drink, the taste of a food, etc.) and to technology-based entertainment (i.e., playing video games, watching shows, etc.). Those experiences allow people, like Maya, to escape self-awareness because they focus on on-going physical sensations or because they turn to imaginative escapes. Notably, those episodes of escape in consumption are mostly ordinary, frequent and within the realm of everyday life.

As for promotion-focused consumers, like Emile, most of the positive episodes of consumption are related to health (e.g., following a diet, doing gym) and creativity (e.g., drawing paintings, playing guitar). Many consumers, indeed, relate health to the construction of their ideal selves and creativity to the expression of their actual selves. Compared to episodes of escape in consumption, those experiences of self-actualization through consumption are related, in a higher extent, to extraordinary, infrequent and beyond of the realm of everyday life episodes.

Self-regulatory outputs: seeking calm or excitement, looking for pleasure or meaning?

Example in the context of the pandemic

Let's move back to Maya and Emile example. Even if Maya will look for experiences of consumption providing escapes whereas Emile will look for experiences of consumption providing self-actualization, they both are willing to experience positive emotions and enhance their general well-being. They, however, may differ in terms of the nature, the intensity and the consequences of the emotions felt.

Will Maya derive more happiness from high emotional experiences providing excitement, elation or enthusiasm rather than low emotional experiences providing calm, relaxation or serenity? Will Emile be more likely to look for pleasure-based forms of episodes of consumption or meaning-based forms of episodes of consumption? Those questions are theoretically and empirically discussed below.

Characteristics of positive experiences of consumption

A recent and growing stream of research investigates the impact of experiences of consumption on happiness and generally shows that the nature of the experience (either with material or immaterial goods) has an impact on consumer well-being.

In particular, Mogilner et al. (2012) distinguish between positive experiences of consumption providing emotions low in arousal (calm, relaxation, serenity) and high in arousal (excitement, elation, enthusiasm) and find that the latter is more important to young people's well-being while the former plays a larger role in the well-being of older people.

The age, or more precisely the way people are thinking about time (as expansive for younger people or limited for older people) also influences the search for ordinary or extraordinary episodes of consumption. Maya and Emile are both young students and should, in turn, derive more happiness from exciting and extraordinary episodes of consumption whereas their grandparents should derive more happiness from calming and ordinary episodes of consumption. Maya, however, will find more happiness through calming experiences of consumption that allow her to relieve immediately her stress compared to Emile who is eager to experience invigoration through his episodes of consumption.

Whatever their age, research on consumer happiness also demonstrates that consumers derive more happiness when activities are focused on others (shared with others, experienced to connect with others) instead of being focused on oneself (solitary, experienced to re-connect with oneself). Both Maya and Emile should be encouraged to turn to their digital devices in order to experience those social benefits during the COVID-19 pandemic. This should be especially true for Emile because he is eager to develop his ideal and social self compared to Maya.

Distinction between pleasure-based and meaning-based forms of consumption

Marketing scholars who investigate consumer happiness generally take a unilateral approach focusing on the hedonic path, where people experience happiness as pleasure. Positive experiences of consumption are commonly viewed as ways to provide immediate pleasure (i.e., eating a tasty ice cream), enjoyment (i.e., playing video-games) or contentment (i.e., listening to music). This unitary view is however increasingly criticized because it is now widely acknowledged that a eudaimonic path, where happiness arises from the fulfilment of

meaningful goals is a distinct and important dimension of consumer well-being (Schmitt, Brakus and Zarantonello, 2015).

Consumers, for instance, may approach positive experiences of consumption with the intention of seeking long lasting meaning (i.e., making homemade organic ice cream), excellence (i.e., becoming the best video-game player) or growth (i.e., learning to play guitar). Well-being through consumption need, therefore, to be approached through its pleasurable and meaningful dimensions. Consumers can turn to the same brand (e.g., Google) for the same product or service (e.g., Youtube) with the same device (e.g., mobile phone) but can seek either pleasure (i.e., watch a funny video) or meaning (i.e., learn a new skill with a tutorial). Finally, as for Maya and Emile, our prevention-focused Maya is more likely to increase her immediate, hedonic, pleasure-based forms of happiness through consumption whereas Emile is more likely to increase his long lasting, eudaimonic, meaning-based forms of happiness through consumption.

Conclusion

If everyday consumer experiences can regulate negative feelings and emotions induced by the COVID-19 pandemic and consequently have an impact on consumer happiness, how can managers provide these positive experiences of consumption? This question should be addressed when developing a brand's content strategy. Traditionally, marketing managers distinguish content to educate (e.g., articles, guides, infographics), to persuade (e.g., checklists, ratings, financial calculations), to entertain (e.g., games, competition, mobile apps) or to inspire (e.g., endorsements, testimonials, forum comments) so as to attract prospects, convert them into clients and retain them as loyal customers. Why not adding a category we refer to as "content to enhance consumer well-being" and activate accordingly marketing campaigns that could either focus on "avoiding negative feelings and emotions" or "approaching positive feelings and emotions". With regard to prevention-focused content, brands can propose experiences of consumption to escape from the anxiety, sadness or anger felt and underline the calming benefits provided as well as the contribution to short term and pleasure-based forms of happiness. By contrast, brands can decide to apply a promotion-focused content strategy and enhance the invigoration benefits provided by the experience of consumption as well as the contribution to long lasting and meaning-based forms of happiness.

Importantly for consumers, this impact paper is not an invitation to engage in simple materialism or mindless overspending which is neither a useful nor ethical path to well-being. Consumers, alternatively, need to be aware of their usage of consumption in regulating their negative feelings and emotions especially in the context of this stressful pandemic. Experiences of consumption can offer the opportunity to relieve stress but may be driven by the need to escape from reality and self-awareness. Consumption of immersive sensorial experiences like eating food, drinking beverages, watching TV or listening to music may provide calming experiences but will lead more probably to short-term pleasure but not long lasting benefits. Still, some episodes of consumption more related to physical or creative activities can also provide invigoration for individuals with a promotion-focus. Those are also more likely to experience long lasting well-being seeking meaningful rather than pleasurable goals.

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