

*Going to
Extremes: An
Investigation
into Consumers'
Excessive
Behaviours*

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Certificate of Authenticity

I, Alex Belli, declare that this thesis, is submitted in fulfilment of the requirements for the award of Doctor of Philosophy in the Business School at the University of Technology Sydney. This thesis is wholly my own work unless otherwise reference or acknowledged. In addition, I certify that all information sources and literature used are indicated in the thesis. This document has not been submitted for qualifications at any other academic institution. This research is supported by the Australian Government Research Training Program.

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Preface

Excess has become an integral part of the 21st century consumer's lifestyle. Indeed, more and more often do we read about issues such as addictions, bingeing behaviours and overdoses in the news, which are all issues stemming from excessive behaviours. For example, a recent survey about technology usage among Australians showed that respondents tend to check their phones every 12 minutes from the moment they wake up until the moment they go to bed (Taylor 2018). Other surveys estimated that 47% of Australians with an eating disorder suffer from binge eating (Eating Disorders Victoria 2018) whereas around 20% of Australians over the age of 14 drink a risky amount of alcohol at least once a year (Health Direct 2017). The gravity and the pervasiveness of these issues have urged companies to rethink their policies, strategies and initiatives in order to shift their main focus on consumers' wellbeing.

Specifically, the growing concern of marketing practices not being ethical and focusing on a company's profits has been sensitising researchers in the past few decades towards societal issues that ensue from consumption (Sirgy and Lee 1996, 2006; Tang, Guo and Gopinath 2016). This trend has given rise to original research in consumer psychology and in decision making aimed at encouraging companies and public policy practitioners to implement strategies that enable consumers to help them flourish psychologically, prosper and pursue happiness (Mazis 1997; Mogilner, Aaker and Kamvar 2012). This broad area of research, which sets out to improve people's quality of life, encompasses several streams such as that of consumer well-being, "transformative consumer research" and "nudging". Specifically, as part of this dissertation project, the author decided to focus on three different aspects of "excess" and its impact on consumers' wellbeing – excessive decision-making (i.e. maximization), excessive risk-taking and excessive consumption.

First, the term consumer well-being (CWB) refers to individual's cognitive and affective appraisals of their experiences with consumer goods and services, and, broadly speaking, with the whole consumption process (Lee, Sirgy, Larse and Wright 2002; Sirgy, Lee and Rahtz 2007). Suranyi-Unger Jr (1981) suggests that consumer well-being is synonym with individual well-being, which refers to one's satisfaction with their own life, presence of positive affect and lack of negative affect (Diener, Suh and Oishi 1997). Therefore, being able to identify needs, wants and interests of consumers and meet them efficiently leads marketing practitioners to play an essential role in enhancing one's quality of life (Kotler 1986).

Within this area of investigation, scholars have analyzed how one's decision-making strategy affects their overall well-being. Traditionally, decision makers have been categorized as either maximizers or satisficers (Schwartz, Ward, Lyubomirsky et al. 2002; Schwartz 2004). Maximizers represent those individuals that tend to exhaustively seek the best option when they make a choice, i.e. they select the alternative which is more likely to result in the maximum benefits available or the highest utility (Simon 1955; Paivandy, Bullock, Reardon et al. 2008). In contrast, satisficers are those individuals that tend to be content with a "good enough" option and don't obsess over other alternatives (Schwartz 2004). This literature stream thus far has failed to propose a unified view on whether being a maximizer is actually detrimental for individuals, showing contrasting results. In order to resolve this debate, the first essay of the current dissertation project meta-analyzes 196 effect sizes retrieved from 57 published and unpublished articles and examines the effects of maximization on both the positive and negative dimensions of well-being. As well as testing some of the well-established moderators of the effects (e.g. using different maximization scales), this study also attempts to propose a new account for the so-called "maximization paradox" (Dar-Nimrod, Rawn, Lehman and Schwartz 2009), phenomenon that refers to maximizers' willingness to have more choice alternatives to the extent that it undermines their well-being. This essay, called "*Maximizing Choice but Minimizing Well-being: A Meta-analysis on the Maximization Paradox*", will

discuss theoretical, methodological and public policy/managerial implications light of the findings.

Second, transformative consumer research (TCR) represents a theory-based research stream that explores individual and group-level issues and opportunities related to consumption with the aim of enhancing consumer well-being (Mick 2008; Ozanne, Mick, Pechmann and Pettigrew 2015). Part of this movement has focused on the use “nudges”, i.e. elements of choice architecture that modifies people’s behaviour in a predictable way without forbidding options or changing their economic incentives (Thaler and Sunstein 2008). In this domain, researchers have investigated, for instance, whether disclosing calories of food options on menus affects healthy choices (Zlatevska, Neumann and Dubelaar 2017), and whether grouping low-calorie options could be an effective alternative (Parker and Lehmann 2014). The second and third essays of this PhD dissertation fall into this research stream.

The second essay, titled *“Is Time Pressure a Risky Business? A Meta-analysis”*, analyses whether time pressure induces risk-seeking, and under what circumstances this occurs. Over time, studies have showed mixed results, demonstrating time pressure could both lead to risk-taking and risk-aversion (Busemeyer 1985). More recently, Saqib and Chan (2015) have proposed a “risk-preference reversal” effect under time pressure, in that they found the effects predicted by Tversky and Kahneman’s (1981) prospect theory were reversed in such conditions. However, their contingency effect did not replicate in other studies (e.g. Guo et al. 2017), advocating for further analysis of moderating effects of the effect.

This project meta-analyses a total of 102 effect sizes divided into three subgroups to separately test whether framing effects, probability of the best possible outcomes, expected values and other moderators explain the relationship between time pressure and risk seeking. The study also tests for novel moderators that have not been addressed directly in primary studies, such as the role of ambiguous risk information and the role of the person affected by the outcomes of the risky decision.

The third and last essay, “*Beating the Clock: How Time Pressure Triggers Overconsumption*” uses a series of scenario-based and lab experiments to test whether time pressure leads people to overconsume (eat or drink). This study was inspired by the Sydney lockdown laws, a set of regulations preventing the sale of alcoholic drinks in clubs after 3 am as a measure to fight alcohol-related violence (Ménédez, Weatherburn, Kypri and Fitzgerald 2015; New South Wales Government 2016) and attempts to provide public policy makers insights into the effects of the policy. Relying on the theory of affective forecasting, the future (forecasted) emotional state of an individual dictates their present decisions (MacInnis and Patrick 2006; Wilson and Gilbert 2005). The paper investigates whether time pressure creates a feeling of anticipated regret or “a feeling of missing out” (Wiltermouth and Gino 2013), hence creating a discrepancy within the individual causing a compensatory consumption behaviour aimed at restoring balance (Lee, Rotman and Perkins 2014). Alongside testing this hypothesis, the study also proposes (but does not test for) boundary conditions of this effect. For instance, we suppose that priming savouring, i.e. “awareness of current pleasure from a target-specific consumption experience” (Chun, Diehl and MacInnis 2017), or reducing portions could limit overconsumption under time pressure.

The author believes these three essays will not only contribute to the current consumer well-being literature, but will also substantially benefit consumers, researchers, public policy makers and marketing practitioners in that it provides insights into how excessive decision-making affects life quality, and how marketing strategies based on time pressure will impact on risk-seeking and overconsumption. Overall, the author believes the findings of these studies will provide new perspectives and avenues for better marketing practices.

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