

Research Dialogue

A wonderful life: experiential consumption and the pursuit of happiness

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Abstract

To live in the developed world is to live in a consumerist society. Although the broader forces that created this society have led to unprecedented material abundance, scholars have maintained that these benefits have come at a significant psychological cost. An important question, then, is how these psychological costs can be minimized. With that in mind, we review research showing that people derive more satisfaction from experiential purchases than material purchases. We then summarize the findings of an extensive program of research on the psychological mechanisms that underlie this difference. This research indicates that experiential purchases provide greater satisfaction and happiness because: (1) Experiential purchases enhance social relations more readily and effectively than material goods; (2) Experiential purchases form a bigger part of a person's identity; and (3) Experiential purchases are evaluated more on their own terms and evoke fewer social comparisons than material purchases. We conclude by discussing how social policy might be altered to take advantage of the greater hedonic return offered by experiential investments, thus advancing societal well-being.

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“Whoever said money can't buy happiness simply didn't know where to go shopping” – Bo Derek

If Bo knows money, societal well-being could be enhanced by examining the kinds of purchases that provide the surest and most enduring satisfaction. Some efforts to do just that have been reported (Dunn, Gilbert, & Wilson, 2011; Dunn & Norton, 2013) and they represent an important component of the positive psychology movement (Gable & Haidt, 2005; Seligman, 2002; Seligman & Csikszentmihalyi, 2000; Sheldon & King, 2001; Sin & Lyubomirsky, 2009). People's lives can be enriched by re-directing expenditures from things that provide fleeting joy to those that provide more substantial and lasting contributions to

well-being. In this article, we review a program of research devoted to that same goal, one that focuses on the value people tend to derive from spending their money on experiences versus possessions (Carter & Gilovich, 2014; Van Boven & Gilovich, 2003).

The distinction between material and experiential purchases was introduced by Van Boven and Gilovich (2003), who defined the former as “spending money with the primary intention of acquiring a material possession – a tangible object that you obtain and keep in your possession” and the latter as “spending money with the primary intention of acquiring a life experience—an event or series of events that you personally encounter or live through,” (p. 1194). Research participants, lecture audiences, and journal readers readily understand the distinction and agree that such things as furniture, clothing, laptops, and televisions are material goods and such purchases as restaurant meals, concert tickets, theme park passes, and vacations constitute experiences. People also recognize, however, that the distinction is not always clear-cut, as some purchases are both undeniably a material good

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and something that serves as a vehicle for experience – a bicycle, for example. The existence of a fuzzy boundary between experiences and possessions can complicate research on this topic, but it also presents an opportunity: Sometimes the very same purchase can be described in material or experiential terms and researchers can examine the hedonic consequences of framing the purchase one way or the other while holding its objective qualities constant. We describe instances of this sort of framing below.

The ambiguous nature of some (and only some) purchases highlights the fact that it is not whether a purchase is material or experiential *per se* that determines the satisfaction people derive from it. Purchases do not come stamped as “experiences” or “possessions.” Instead, it is the set of psychological processes that tend to be invoked by experiences and material goods that determine how much satisfaction they provide. We therefore examine the psychological processes that tend to be induced more by one type of purchase than the other and hence bring about more or less enjoyment and enduring satisfaction. In doing so, our aim is to uncover the different dimensions that underlie the material-experiential dichotomy and are responsible for their differential impact on well-being.

The hedonic return on material and experiential purchases

Evidence supporting the claim that experiences tend to provide greater and more enduring satisfaction comes in many forms. Van Boven and Gilovich (2003) asked participants to think of either their most recent material or experiential purchase of over \$100 and then rate it in terms of how much enjoyment they derived from it. Participants reported being happier with their experiential purchases. In another study using a within-subjects design, a national sample of Americans was asked to think of both a material and an experiential purchase they had made and then to indicate which one makes them happier. Across an assortment of demographic categories (age, race, gender, income, marital status, region of the country), a significant majority said they got more enjoyment from their experiential purchase (See Fig. 1). To examine the possibility that these results may have been influenced by a social desirability bias (after all, if someone says that you are “materialistic,” you are unlikely to take that as a compliment), Van Boven and Gilovich (2003) also reminded participants of an experiential or material purchase they had described in an earlier experimental session and then assessed their mood. Even though completion of the mood scale was presented to participants as seemingly incidental to the purchase they had earlier described, those who were reminded of an experience reported being in a better mood than those reminded of a material good.

The greater hedonic value that people derive from their experiential purchases is also reflected in the most common regrets about experiential and material purchases. Regrets fall into the two main categories of action and inaction (Gilovich & Medvec, 1995; Gleicher et al., 1990; Kahneman & Tversky, 1982a; Zeelenberg, Van den Bos, Van Dijk, & Pieters, 2002). That is, with respect to consumer purchases, you can regret

purchasing something that you now wish you hadn't (*action*), or regret not purchasing something that you now wish you had (*inaction*). These two types of regrets are differentially common when it comes to experiences versus possessions: People tend to have far more regrets of inaction for experiences than for possessions (Rosenzweig & Gilovich, 2012).

In one study, for example, participants were told about the distinction between regrets of action and regrets of inaction and then asked either to list their single biggest regret with respect to their previous experiential purchases or their previous material purchases. Those asked about their experiential purchases were over twice as likely to name an inaction regret as those asked about their material purchases. Not going to a concert with friends can stick in the craw for many years after the fact, but not buying a particular coat, table, or automobile is usually forgotten rather quickly. Indeed, people tend to have far more regrets of *action* when it comes to possessions than when it comes to experiences. Even those concerts, theatrical performances, or vacations that do not turn out as planned are quickly rationalized (“It brought us closer to together,” “You only find out what someone is really like when things go awry”) and made peace with. Disappointing or faulty material goods, in contrast, continue to disappoint and confront us with their shortcomings for as long as we keep them in our possession. As a result, from the perspective of people's most common regrets, people's well-being may be most easily advanced by judiciously adding experiential purchases and judiciously subtracting material purchases. The net result is that we experience *disutility* for more than a few material goods we have purchased, but do so relatively rarely for experiences we have purchased.

Becoming stale or more precious?

One of the most striking results to emerge from the literature on happiness and well-being is the remarkable human capacity for habituation. Terrible things happen to people, such as the death of a loved one, the loss of one's arms or legs, or a precipitous fall in economic standing, and yet, as devastating as these traumas are initially, people tend to find ways to rise above them and go on to live happy, fulfilling lives (Bonanno et al., 2002; Brickman, Coates, & Janoff-Bulman, 1978; Frederick & Loewenstein, 1999; Gerhart, Koziel-McLain, Loewenstein, & Whiteneck, 1994; Hall et al., 1999). When it comes to negative events, people's capacity for adaptation and habituation is a great gift.

But when it comes to positive events, that same capacity for adaptation can be a formidable enemy. People are thrilled when they get a raise, buy a new car, or get their first article published in *The New Yorker*, *Outside Magazine*, or *Psychological Science*. But often the thrill quickly fades. The raise gets absorbed into the budget, the car loses that new-car smell and feel, and soon a thirst develops for getting more articles published. The term “hedonic treadmill” was coined to capture this downside of adaptation – the need to achieve and acquire more and more to combat adaptation and receive the same hedonic benefit (Brickman & Campbell, 1971). Psychological research that provides insight

Demographic category	Type of purchase	
	Experiential	Material
Age		
21–34 (350)	59%	36%
35–54 (645)	58%	31%
55–69 (268)	49%	38%
Employment		
Employed full or part-time (941)	58%	33%
Retired or unemployed (218)	47%	39%
Students and homemakers (102)	67%	25%
Ethnicity		
White (1,000)	58%	33%
Black/African American (133)	53%	36%
Asian/Pacific Islander (17)	47%	29%
Other/decline to answer (113)	46%	42%
Gender		
Male (591)	51%	38%
Female (672)	62%	30%
Marital status		
Single, separated, or divorced (336)	60%	32%
Married or living together (895)	56%	34%
Political affiliation		
Democrat (418)	55%	35%
Republican (454)	63%	29%
Independent (267)	57%	33%
Region		
East (288)	59%	33%
South (411)	55%	35%
Midwest (295)	57%	32%
West (267)	56%	35%
Residential environment		
Urban (363)	56%	35%
Suburban (654)	59%	31%
Rural (246)	49%	40%

Note. Percentage of respondents in various demographic categories who indicated that their experiential purchase made them happier than their material purchase, and the percentage indicating the reverse. The remaining percentage in each demographic category was unsure whether experiential or material purchases made them happier. Numbers in parentheses represent the number of respondents in each demographic category ($N = 1,263$). Respondents within each demographic category who declined to answer are not included in the table.

Fig. 1. (From Van Boven & Gilovich, 2003).

into how to thwart adaptation to positive events could thus make a real contribution to advancing human happiness.

The research on the satisfaction people derive from experiential and material purchases does just that. It turns out that people habituate less to their gratifying experiential purchases than their gratifying material purchases. Indeed, much of the greater satisfaction people derive from experiential purchases stems from their being less subject to habituation. People know a lot about how to spend their money and so they tend to be happy with what they purchase, whether it is an experience or a material object. But satisfaction with their material purchases tends to drop off more readily than it does for their experiential purchases. In one study, for example, people were asked to recall either a

material or experiential purchase they had made of at least \$50. When participants were asked how satisfied they were with the purchase at the time it was made, there was no difference between conditions. Those who recalled a material purchase recalled liking it just as much as those who recalled an experiential purchase. But when they were asked how satisfied they were with the purchase *now*, there was a pronounced difference – those asked about a material purchase reported significantly less satisfaction than those asked about an experience. Stated differently, there was a decline in satisfaction from then to now with the material purchases, but no such decline (in fact, an *increase* in satisfaction) with the experiential purchases (Carter & Gilovich, 2010).

This finding was reinforced by the results of a study in which participants made, with lab dollars, either one of seven experiential purchases (watched one of two videos, listened to one of two songs, or played one of three video games) or one of seven material purchases (deck of cards, ruler, keychain, picture frame, screwdriver, set of pencils, or a can holder). They were asked how happy their purchase made them immediately afterwards and 7 minutes, 1 day, 2 days, 7 days, and 14 days later. As the investigators predicted, the happiness ratings dropped off more steeply over time for the material purchases than the experiential, reflecting more rapid adaptation to the former (Nicolao, Irwin, & Goodman, 2009).

Thus, the justification that people sometimes give for spending money on material possessions rather than experiences – that “at least I’ll always have the possession” but the experience will “come and go in a flash” – is backwards. Psychologically, it is the experience that lives on and the possession that fades away. Experiences live on in the memories we cherish, the stories we tell, and the enhanced sense of self they help us construct. The important role of talking about experiences as an antidote to habituation is reflected in a study that found that people report talking about their experiential purchases more than their material purchases, and that the difference in people’s downstream satisfaction with their material and experiential purchases was mediated by how often they talked about them (Kumar & Gilovich, submitted for publication-b). Furthermore, when people are given an opportunity to talk about their purchases, doing so tends to increase their satisfaction with their experiences, but not their material goods.

Building Social Capital With What We Buy

A large literature supports the idea that humans are highly social creatures (Baumeister & Leary, 1995). Like all large primates except the orangutan, we live in groups and appear to receive comfort and joy from doing so. Indeed, one of the signature findings in the recent literature in positive psychology is that positive, meaningful social relationships contribute a great deal to human happiness (Diener & Seligman, 2002, 2004; Myers, 2000). As a result, one reason that experiential purchases tend to provide more enduring satisfaction is that they more readily, more broadly, and more deeply connect us to others. Caprariello and Reis (2013), for example, have shown that experiential purchases tend to be more social than material purchases (see also Kumar, Mann, & Gilovich, in preparation). We go on vacation with friends and family, and go to restaurants, concerts, and sporting events with fellow foodies, music lovers, and sports enthusiasts. To be sure, the material goods we buy are sometimes shared with others (we invite friends over to watch the Oscars on our new television and take our friends out for a spin in our new BMW), but not consistently so (people often watch television by themselves and commute alone). Howell and Hill (2009) had participants rate how much enjoyment they got from the purchases they made and, using path analysis, found that part of the reason people get more enjoyment from their experiential purchases is that they score higher on “relatedness.”

Beyond their more inherently social nature, experiences connect us to others in several ways. Imagine that you just bought an experience—you went to the Azores, dined at *le Cirque*, or saw Flight of the Conchords in concert. If you learned that someone else had the same experience, would you feel closer to that person? Now imagine that you just bought a material possession—a Stickley couch, a 46-inch Sony TV, or a North Face parka. If you learned that someone else had made the same purchase, would you feel closer to that person? The answer is almost certainly yes to both questions because almost anything we share with another person tends to bring us closer together (lovers being a very notable and potentially explosive exception). But the connection we feel to those who have made the same experiential purchase tends to be stronger than the connection we feel to those who have made the same material purchase. Not only has that been demonstrated empirically (people report that they would feel more kinship with someone who made the same or a similar experiential purchase), but the sense of social connection that comes with experiences appears to generalize—that is, reflecting on experiential purchases makes people feel more connected to humanity in general than does reflecting on material purchases (Kumar, Mann, & Gilovich, in preparation).

This enhanced sense of social connection, furthermore, tends to be self-reinforcing. Thinking of recent experiential purchases tends to make people feel closer to others and, feeling more connected to others, tends to make those who have just thought about recent experiential purchases more interested in pursuing social rather than solitary activities (Kumar, Mann, & Gilovich, in preparation). The benefits of the greater sense of social connection that comes with experiential purchases are notable: In two studies, people who were led to think about a significant experiential purchase were more generous in a later, seemingly unrelated dictator game (Kumar & Gilovich, submitted for publication-a).

Experiential purchases also advance social connection because they prompt more conversation and story telling. When asked how much they have talked about their most significant material and experiential purchases, people report doing so significantly more often for their experiences. They also report that talking about their experiences adds more to their overall enjoyment of their purchase than does talking about their material purchases (Kumar & Gilovich, submitted for publication-a). A simple thought experiment illustrates how powerful this difference in conversation and story telling can be. Think about the top two material possessions you would like to buy if you had the money and the top two experiences you’d pursue. Now suppose that an evil demon (or a reality TV-show host) tells you that you can have, free of charge, one of each type: For each pair, you can have the more desirable of the two if you agree to never talk to anyone about it, or you can have your second favorite and talk about it all you want. Which material good would you choose? Which experience?

We suspect that you would feel really frustrated if you had an exciting experience but couldn’t talk about it. We also

suspect that you would prefer to talk about an exciting material possession, but that the need to share is less pronounced when it comes to possessions. Better to have the superior car, the warmer coat, or the more luxurious couch even if you could not talk about it. Indeed, that is precisely what was found when research participants were confronted with this very thought experiment. They were significantly more likely to say they would prefer to have their favorite item even if they could not talk about when it came to material goods than when it came to experiences. For experiences, they were more willing to sacrifice their favorite purchase for a less desirable one they could talk to others about (Kumar & Gilovich, submitted for publication-b).

So what we might call the “story value” of a purchase is greater for experiences than for material possessions. We feel more compelled to talk about our experiences and we get more out of doing so. Talking about experiences, furthermore, tends to be more socially rewarding as well. In one study that explored this idea, pairs of unacquainted participants were given up to 20 minutes to have a conversation about important purchases they had made, with half assigned to talk about experiential purchases and half to talk about material purchases. Afterwards, the two participants were separated and asked to rate how much they enjoyed the conversation and what they thought of their conversation partner. As predicted, participants liked the conversation and their conversational partners significantly more if they had talked about experiences than if they had talked about material goods (Van Boven, Campbell, & Gilovich, 2010). This general good feeling appears to spill over into people’s evaluations of the purchase itself, as giving people an opportunity to talk about their experiential purchases (as opposed to simply thinking about them) tends to increase how much they like them—something that does not happen for those given an opportunity to talk about their material purchases (Kumar & Gilovich, submitted for publication-b).

We Are What We Do, Not What We Have

Most people have a strong psychological investment in at least some of their material possessions. People grow attached to their possessions as reminders of the occasions when they were purchased (Zauberman, Ratner, & Kim, 2009), as symbols of a time of life when they were most heavily used (Sierra & McQuitty, 2007), and as signals to others of identities they would like to claim (Belk, 1988; Elliott & Wattanasuwan, 1998; Erdem & Swait, 1998; Goffman, 1959; Heffetz, 2011; Scitovsky, 1976). Many of our possessions are highly visible and therefore serve as conspicuous markers of the selves we present to the world.

As important as possessions might be to a person’s identity and sense of self, we suspect that they are not as central or as important as a person’s experiences. However often you watch your television or drive your car, or however close you snuggle your goose down comforter, it remains separate from you. But our experiences collectively make up our autobiography. In a very real and meaningful sense, we are the sum total of our experiences. We are not the sum total of our possessions,

however important they might be to us. If called upon to write our memoirs, it is our experiences we would write about, not our possessions.

Evidence for this claim comes in many forms. As we noted above, Kumar, Mann, and Gilovich (in preparation) found that people feel more similar to someone who made the same experiential purchase as they did than to someone who made the same material purchase. This follows directly from people thinking of their experiences as more reflective of who they are: Sharing something more central to the self is certain to produce a greater feeling of kinship and connection than sharing something more peripheral.

In a direct test of whether experiential purchases are more tied to people’s sense of self than material purchases, participants were asked to list the five most significant experiential purchases they had made in their lives and the five most significant material purchases. They were then asked to write a summary of their “life story”—who they thought they were, how they got that way, and what their life was “about.” They were asked to include at least one purchase from the two lists of five they had provided, but they could include as many as they wished. Their life narratives were then scored for how many of the material and experiential purchases they included (Carter & Gilovich, 2012, Study 2).

You can probably anticipate the results. Participants did not include very many purchases of either type in their life narratives (a third of the ten). After all, these are just consumer purchases, and the participants had other, more important things to describe. But they nonetheless mentioned experiential purchases nearly twice as often as material purchases (42% vs. 22%). These sorts of narratives have been shown to bestow meaning and purpose to people’s lives (McAdams, 2001), testifying to the much greater significance of people’s experiential purchases to their lives and identities.

In another study that demonstrates the greater centrality of people’s experiential purchases to their sense of self, participants were shown a series of circles representing the self and various other people (father, mother, sibling, friend, etc.) in the fashion of a Venn diagram. More specifically, what they saw was taken from Markus and Kitayama (1991), whose signature finding is that people from Eastern, interdependent cultures tend to draw the circles representing close others so that they overlap more with the self circle (and are therefore closer to the center of the self circle) than do people from Western, independent cultures. The participants in this study were first asked to list four significant experiential and four significant material purchases they had made in the past five years. They were then asked to represent each purchase as a small circle and draw it in relation to a larger self circle, with the proximity of each small circle to the self circle representing how close that purchase was to the participant’s “sense of self.” Consistent with our contention that experiential purchases are more important to a person’s identity, the participants drew the circles representing their experiential purchases significantly closer to the self circle than they did the circles representing their material purchases (Carter & Gilovich, 2012, Study 1).

Further evidence of the greater connection between experiential purchases and a person's sense of self comes from a study showing that the very same purchase tends to be seen as more or less connected to the self depending on whether it is thought of in experiential or material terms. More specifically, participants were asked to imagine that they purchased a new 3-D television and to reflect on what it would be like. Some were led to think of it in material terms (where it would go in their home, how well it would go with their other possessions) and others to think of it in experiential terms (what it would be like to watch television in a whole new way, how it would fit with their other activities). They were then asked to indicate how much the television would feel like a part of themselves by choosing one of five pairs of circles that varied in terms of how much they overlapped (adapted from Aron, Aron, & Smollan, 1992). Participants who were led to think of the television in experiential terms chose significantly more overlapping pairs of circles than those led to think of it in material terms, indicating that they thought of the television as more connected to their sense of self when they thought of it in experiential terms (Carter & Gilovich, 2012, Study 4).

Note that the relatively tight connection between people's experiences and their sense of self is likely to be self-reinforcing. The more gratifying and rewarding something is, the more pull there is to claim it as part of the self. People tend to think of their prized assets as more a reflection of who they are than their warts, foibles, and shortcomings (Dunning, Meyerowitz, & Holzberg, 1989; Williams & Gilovich, 2008). At the same time, the more closely something is associated with the self, the more motivated people are to evaluate it positively (Aronson, 1992; Dunning, Leuenberger, & Sherman, 1995; Dunning et al., 1989; Kunda, 1990). This is one reason why events that were rather aversive when they were experienced tend to be remembered more favorably in hindsight (Mitchell, Thompson, Peterson, & Cronk, 1997; Sutton, 1992). Because our experiences are such a big part of who we are, we are protective of them and are motivated to see them in a favorable light—something that becomes easier and easier as time passes and painful details drift from memory.

Keeping Up with Others or Letting Go of Comparison

Like nearly everything in life, our purchases are evaluated both in terms of what they are and what they are not (Kahneman & Miller, 1986; Kahneman & Tversky, 1982b). The performance, reliability, and comfort offered by the base model Toyota Corolla, when one truly thinks about it, is stunning. There is a lot to enjoy about owning a Corolla. But that enjoyment can be harder to appreciate after thinking about the performance, reliability, and comfort of the Corolla's richer relative, the Lexus GS. Comparing what we have to what others have exerts a powerful effect on our satisfaction with our own lot (Frank, 1999; Schwarz & Strack, 1999; Suls, 2003).

Might the tendency to engage in potentially invidious social comparisons differ for material and experiential purchases?

Van Boven (2005) suggested that experiences are less easily compared than material goods—harder to align, feature by feature, and determine which one comes out ahead—and therefore might be less influenced by social comparisons than material goods. Consistent with this idea, Howell and Hill (2009) have shown in a mediation analysis that part of the reason experiential purchases are associated with increased well-being is that they are also associated with decreased social comparison. Further evidence comes from responses to a pair of survey questions administered by Solnick and Hemenway (1998). In one, participants were asked whether they would rather live in a world in which they made \$100,000 but everyone else made \$250,000, or one in which they made \$50,000 and everyone else made \$25,000. The responses were nearly evenly split between the two options, suggesting that participants found the choice somewhat difficult. It is likely that the choice was difficult because it pitted against each other two things of value to participants—absolute wealth (\$100,000 vs. \$50,000) and relative wealth (\$25,000 more than others vs. \$150,000 less than others). It is impossible to know what these participants were thinking of doing with the money, but it is certainly reasonable to suppose that a fair amount of it was likely to be allocated to purchasing material goods. This supposition gains credence from participants' responses to the other question—whether they would rather live in a world in which they get four weeks vacation and everyone else gets eight, or one in which they get two weeks vacation and everyone else gets one. Here the decision seemed to be easy, as the overwhelming majority chose the four weeks—never mind what others get. When it comes to experiences, comparisons to what other people have done are less important.

Carter and Gilovich (2010) reported quite a bit of evidence in support of this idea. In one study, participants were given either a bag of potato chips to eat (an experience) or a university pen (a possession) as a prize for volunteering for the experiment. Pretesting had established that participants on average viewed the pen and the chips equally favorably, an equivalence that was established further by the fact that those who ate the chips and those who wrote with the pen with no other prizes in sight rated them equally. But in another pair of conditions, participants ate the chips or wrote with the pen in the presence of a set of superior prizes of the same type (that they were not given)—three different high-end chocolate bars in the experience condition and a university mug, leather-bound university notebook, and a flash drive in the material condition. The presence of the chocolate did not diminish participants' enjoyment of the chips, but the presence of the mug, notebook, and flash drive lowered participants' satisfaction with their pens. Stated differently, the experiential prize was rated equally favorably whether it was consumed in isolation or in the presence of something better. The material prize, however, was rated more favorably by itself than in the presence of superior prizes. The salient comparison robbed participants of enjoyment of the material prize, but had no effect on their enjoyment of the experiential prize.

Does this mean that people are more likely to make invidious comparisons for material goods than for experiences, or that the comparisons, once made, are more disturbing for material goods—or both? Evidence supporting the idea that people engage in comparison more when it comes to material goods was reported by Carter and Gilovich (2010, Study 3), who examined how likely participants were to peruse foregone options after a (hypothetical) choice between either electronic goods or vacation packages had been made. Consistent with the idea that people evaluate material goods more comparatively than they evaluate experiences, participants spent more time reading about forgone electronic goods than about vacation roads not taken. As a result, when later asked to recall as much as they could about the different options available to them, participants in the material purchase condition recalled more of the forgone items, and more information about those items, than participants in the experiential condition.

But people are also less troubled by potentially invidious comparisons when it comes to experiences even when they are inclined or induced to compare. A simple thought experiment makes this clear. Imagine that you just bought a new laptop and you are happy with all its new features and its superior speed, screen resolution, and memory capacity. Now imagine that a colleague that you don't especially like approaches you and says, "Nice laptop! I just got the same one. I paid \$X for mine. How about you?" How upset would you be if he paid substantially less than you for the same laptop? Or suppose he says, "Nice laptop! I just got the same one. Mine has a Y GHz processor, Z gigabytes of RAM, and I paid \$X for mine." How upset would you be if his was obviously better than yours even though you both paid the same amount?

We suspect that you would be rather upset in either case. His announcement that he got a better computer or a better deal would torrentially rain on your parade. But now imagine that you have just returned from an enjoyable vacation in Patagonia and the same colleague approaches you and states that he, too, just got back from Patagonia and he either spent much less for the same trip that you took or, all things considered, had a "better" vacation than you did. How upset would you be at *this* news? Here too, we suspect it would rain on your parade, but it would be more of a drizzle than a torrent. As troubling as it is to be "outdone" by someone else, especially someone you don't much like, you're likely to think that, in the end, you had your unique experience, you have your memories, and you would not want to trade them for someone else's. As we noted earlier, your experiences are part of *you* and you would likely be reluctant to give up part of yourself.

If this pair of thought experiments does not seem compelling, note that they have been run as experiments and yielded this very pattern of results. That is, participants were asked to imagine that they had made one of several material purchases or one of several experiential purchases and then learned, in one study, that someone else did the same, but paid significantly less for it. Participants rated how upset they would be by this news, how jealous of the other person they would be, and how much it would diminish their satisfaction with their purchase. On all three

measures, participants in the experiential purchase condition indicated that their acquaintance's good fortune would have less impact on them. In another study, participants were asked to imagine that an acquaintance paid the same amount but received a significantly better version of the material purchase or had a significantly better experience. Here too, those in the experiential condition indicated that they would be less troubled by the comparison (Carter & Gilovich, 2010, Studies 5b and 5c). This effect was also observed in still another study (Carter & Gilovich, 2010, Study 6) in which participants were asked to consider the very same purchase (a CD box set) but were induced to think of it in material or experiential terms. Some were asked to imagine how the box set would fit in their collection and where it would go on their music shelf (material condition) whereas others were asked to imagine listening to the music and contemplating their emotional connection to the songs (experiential condition). All participants were then asked to imagine that they learned that the same box set is now available for less money and to rate how upset they would be by that news. Participants who were led to construe the CDs in experiential terms reported that they would be less troubled by the fact that they could have paid less.

If people are more concerned with how their purchases compare to other possibilities when it comes to material goods than when it comes to experiences, does that mean they find the task of choosing material goods more difficult? Mentally going back and forth between different possibilities is likely to be taxing and continuing to consider so many possibilities is likely to undermine one's confidence that the right choice was made (Iyengar, 2010; Iyengar & Lepper, 2000; Schwartz, 2004). Indeed, when asked to think about a significant past purchase, people report that they found it more difficult to select the right possession than to choose the right experience (Carter & Gilovich, 2010, Study 1). Not surprisingly, then, people endorse more of a "satisficing" decision strategy when it comes to experiences and more of a "maximizing" strategy when it comes to possessions (Carter & Gilovich, 2010, Study 2; see Schwartz et al., 2002). Doing so likely comes at a hedonic cost, as studies have shown that maximizing often results in reduced satisfaction with what is ultimately chosen.

What a Purchase is Worth

When people say that something is "priceless," they are usually using the term figuratively, as something whose value exceeds what almost anyone could imagine paying. But the word can also be used more literally to mean "without a price" or "not connected to a price." Note that the research discussed above suggests the intriguing possibility that experiences and possessions differ in terms of how readily people think of their purchases in monetary terms. That is, comparing different possessions to one another invites thoughts about *exchanging* them for one another. Since money is the usual means of exchange in the modern world, it stands to reason that people might therefore come to associate their material possessions more with money—with what they cost, with whether one is cheaper than another, with whether one is a

good deal or not, and so on. That people are less likely to compare different experiential purchases to one another might make them less likely to link them to money and how much *they* cost. This difference in the monetizing of experiential and material purchases might, in turn, further contribute to the tendency for people to derive less satisfaction from their possessions.

In support of this idea, Mann and Gilovich (in preparation, Study 2), using a Single-Category Implicit Association Test (Karpinski & Steinman, 2006), found that people associate money with material possessions more strongly than they do with experiences. That is, participants listed 5 material and 5 material purchases they had made within the past 5 years. They were then asked to respond to the name of any of the material purchases that appeared on the computer screen by pressing the “E” key and to respond to any of the experiential purchases by pressing the “I” key. On some trials they were asked also to respond to the word “money” by pressing the “E” (or material) key and on other trials by pressing the “I” (or experiential) key. Respondents were faster to respond to the word “money” when they were asked to do so using the “E” key than the “I” key, indicating that they associate the idea of money more with their material purchases than their experiential purchases.

In another study (Mann & Gilovich, in preparation, Study 1), they asked participants to list either the 10 most important material purchases they had made in their lives or the 10 most important experiential purchases. They then had the participants rank the 10 purchases in terms of how satisfying they were and in terms of how much they cost. Consistent with the idea that money is more tightly connected to the value people derive from their possessions than the value they derive from their experiences, the rank-order correlation between price and satisfaction was significantly higher for material goods (mean $r = .56$) than for experiences (mean $r = .26$). In yet another study that supports this idea, participants listed either the three most significant material or experiential purchases they could remember making. They were then further asked to list the three most significant aspects of each purchase (e.g., “beauty of design,” “quality of the beach”) and then to rate the extent to which the money they spent on their purchase affected each of these aspects. Once again, people seem to “get what they pay for” more for material goods than for experiences: Participants indicated that how much they spent on a material purchase had a bigger influence on how much they got out of its most important aspects than did the amount they spent on their experiences.

Furthermore, if the adage “you get what you pay for” is indeed more apt for material possessions than for experiences, it follows that people may be more tolerant of surprises when it comes to experiences. Indeed, the very idea of *surprise* is likely to have more positive connotations in the realm of experiences than it does in the realm of material goods. Jampol and Gilovich (in preparation) have obtained support for both of these ideas. In one study, participants were given a list of ten purchases, five of them the most frequent material purchases listed by participants in previous studies in this literature and

five of them the most frequent experiential purchases listed by previous participants. Participants then read that sometimes our purchases do not meet our original expectations and fall short on various dimensions. Sometimes, they read, this is upsetting; but some purchases are more “forgiving,” such that when they fall short of expectations, it is not much of a problem. The participants then rated, for each of the ten purchases, how far short of their initial expectations each purchase could fall before they would be disappointed and become upset. Negative surprises appear to be more upsetting (and more common) with respect to material goods because participants indicated that they would be more disappointed and upset by smaller deviations from expectations when it comes to material purchases than when it comes to experiences.

In another study, participants were asked to think about either a series of experiential or material purchases they might make in the next few years. They were then asked to rate the similarity of different pairs of emotions, and to do so in the context of the type of purchases they had been asked to consider. There were four positive emotions (delight, excitement, pleasantness, and intrigue), four negative emotions (frustration, annoyance, disappointment, and dismay), and *surprise*. Participants rated the similarity of all 36 pairs of emotions on a scale of 1 to 100. Consistent with the idea that surprise has a very different meaning when it comes to experiences versus possessions, participants who thought about surprise in the context of experiential purchases rated it as significantly more similar to the four positive emotions and less similar to the four negative emotions than participants who thought about it in the context of material purchases. People tend not to think of a surprise as not something they want when it comes to their material purchases, but as something more likely to be a delightful bonus when it comes to their experiences.

Discussion

In the decade or so since Van Boven and Gilovich (2003) first reported the reliable difference in satisfaction that people get from their experiential and material purchases, much has been learned about why that is the case. As the literature we have reviewed in this paper indicates (see Table 1), experiential purchases facilitate more social connection (Caprariello & Reis, 2013; Howell & Hill, 2009; Kumar & Gilovich, submitted for publication-a, submitted for publication-b; Kumar, Mann, & Gilovich, in preparation; Van Boven et al., 2010), are more closely tied to the self (Carter & Gilovich, 2012), and are experienced more on their own terms, not with respect to how they compare with other experiential purchases (Carter & Gilovich, 2010). Indeed, material goods are more often thought about in monetary terms—and hence in terms of what one could have purchased instead—than experiential purchases are (Mann & Gilovich, in preparation).

We have described each of these mechanisms separately, summarizing the research that, by necessity, has isolated how each contributes to the greater satisfaction people tend to derive from their experiential purchases. But although it is necessary

to study each of them individually, there should be no mistake that in people's everyday lives, they are deeply intertwined, mutually reinforcing, and act in concert to produce the robust difference in the happiness people get from buying experiences versus things. If something is a bigger part of one's sense of self, one is more likely to talk about it and, in so doing, connect to others. And the more one talks about a purchase, the more likely it is to become part of the self. Furthermore, if a purchase is an important part of the self, we tend to be protective of it. We are more likely to make comparisons that allow us to feel good about ourselves (Suls, Martin, & Wheeler, 2002; Taylor & Lobel, 1989), not the type (as we saw with material possessions) that put our satisfaction at risk.

These different mechanisms collude to make experiential purchases more gratifying, on average, than material purchases, a result with a very simple and practical message: Tilt one's spending a bit more in the direction of experiences and a bit less in the direction of material possessions. Some of the advice that follows from the well-being literature may be solidly grounded in empirical research but difficult to apply. It seems clear that having a rich social life tends to make people happier, but the advice that follows, "get a richer, more satisfying social life," may be hard for some of us to achieve. More helpful are those implicit lessons that are easy to put in practice (Dunn & Norton, 2013; Dunn et al., 2011). We believe the research reviewed in this article fits into that category. At least in wealthy societies in which people have a fair amount of disposable income, they can simply choose to spend more on experiences than on material goods. And if they do, the research suggests, they are likely to be significantly happier as a result.

If it would be wise for individuals to shift their consumption a bit from material goods and toward experiences, it would be wise for communities and governments to encourage experiential pursuits as well. People cannot bike, hike, swim, or have picnics unless there is the infrastructure to do so. Thus, to increase Gross National Happiness (Diener & Seligman, 2004), policymakers would be wise to provide and maintain trails, beaches, parks, museums, and performance halls. The demise of America's transportation infrastructure is a common lament. The demise of its experiential infrastructure may take a toll on well-being and be a cause for concern as well. Even the infrastructure surrounding materialistic consumption might be modified to encourage people to think of shopping more in experiential terms. Shopping malls surrounded by giant moats of asphalt will always be with us. The managers and developers of those malls do a number of things to make customers' visits more of an experience by having multiplex cinemas, restaurants, and merry-go-rounds and, of course, food courts on the premises. But wise zoning could go further and encourage the development of pedestrian malls that support festivals, fresco dining, and community engagement—engagement that the evidence suggests increases well-being.

If any sort of experiential engineering is to be tried, it should be grounded in empirical research. Although the existing research on the subject would certainly be helpful, there are many unanswered questions, and many topics that

could be productively pursued through future research. For example, most studies to date have dealt with people's retrospective evaluations of their purchases (for exceptions, see Carter & Gilovich, 2010; Nicolao et al., 2009). A richer understanding of the distinction between material and experiential purchases would be obtained by tracking people's enjoyment of these two types of consumption over time. It would also be helpful to learn more about people's prospective enjoyment of experiential and material purchases. Kumar, Killingsworth, and Gilovich (in press) have performed some initial investigations of this question, finding that the anticipation of experiential purchases is more pleasant and less fraught with anxiety than the anticipation of material purchases.

Another topic ripe for investigation is how people react to disappointing material and experiential purchases, or to those that are downright negative in valence. Most people can recall a horrendously bad date or a terrible meal at a restaurant, as well as a maddeningly non-functional appliance or a pair of painful shoes that should never have been bought. Nicolao et al. (2009) and Howell and Hill (2009) have done some work on this question, but much remains to be explored about how people assess, respond to, and remember purchases that go awry.

It would also be useful to know more about the precise nature of the emotions that are differentially elicited by material and experiential purchases. Most of the work to date has focused simply on the relationship between purchase type and overall happiness or satisfaction. There may be finer emotional distinctions to be made. As we noted earlier, Rosenzweig and Gilovich (2012) have found that different types of consumption are conducive to different types of regret. Kumar, Killingsworth, and Gilovich (in press) have shown that waiting to receive an experiential purchase is more pleasant and more exciting than waiting to receive a material possession, which tends to lead to more impatience and anxiety. Experiences and possessions may differ in how much they facilitate other specific emotions as well. For example, one of us is currently investigating whether experiences tend to promote more gratitude than possessions (Gilovich, in preparation). Pride, awe, relief, and entitlement are other affective and cognitive states that might be differentially evoked by material and experiential purchases as well.

Over a decade of empirical work suggests that Bo Derek (as well as the rest of us) would be wise to skip the offerings at *Fashion House* in favor of revisiting the beaches depicted in *10*. It is our hope that this research, and the future research it inspires, will serve as a useful guide to consumers as they decide how to spend their limited disposable income, to policymakers as they decide how to spend their even more precious tax dollars, and to all of us as we try to figure out how to live a wonderful life.

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Appendix A

Table 1
Empirical support for the three core psychological mechanisms responsible for the more enduring satisfaction people get from experiential consumption than material consumption.

Psychological Mechanism	Study Reference	Independent Variable	Main Measure	Findings
Social Connection	<i>Caprariello & Reiss, 2013, Study 1</i>	Participants were asked whether they would prefer a social or a solitary material or experiential purchase.	Preference for the social/solitary purchase.	Participants preferred social experiences more than social material purchases, both of which they preferred more than solitary experiences and material purchases.
	<i>Caprariello & Reiss, 2013, Study 2</i>	Online participants were asked if they would prefer a social or solitary material or experiential purchase.	Preference for the social/solitary purchase; Indication of personal value of solitude.	Participants who valued solitude ranked solitary experiential purchases higher relative to social experiences.
	<i>Caprariello & Reiss, 2013, Study 3</i>	Online participants were asked to recall shared or solitary experiential or material purchases.	Degree of materialism, extraversion, and satisfaction with purchase.	Shared purchases were associated with higher levels of happiness regardless of purchase type. However, materialistic participants were less happy with shared purchases.
	<i>Caprariello & Reiss, 2013, Study 4</i>	Online participants were asked to describe a purchase they had made and to categorize it on the social-solitary and experiential-material dimensions.	Rated how happy the purchase made them.	Without explicit prompting, participants recalled social experiences as providing the most happiness.
	<i>Howell & Hill, 2009</i>	University students recalled either a material or experiential purchase.	Indicated satisfaction with purchase; measures of psychological well-being.	Participants who recalled an experiential purchase reported greater levels of well-being, increased relatedness and vitality, and decreased social comparison.
	<i>Kumar, Mann, & Gilovich, in preparation, Study 1a</i>	Participants recalled a significant experiential or material purchase they had made and were asked to imagine someone had made the same purchase they had made.	Report how similar and how much kinship they would feel to that person.	Participants reported feeling more connection to those who had made the same experiential purchase and this was mediated by the fact that experiential purchases were a larger part of the participants' identity.
	<i>Kumar, Mann, & Gilovich, in preparation, Study 1b</i>	Participants recalled a significant experiential or material purchase and were asked to imagine that someone had made a similar, but "upgraded" purchase.	Report how similar and how much kinship they would feel with that person.	Participants reported feeling more connection to those who had made a similar, but upgraded experiential purchase.
	<i>Kumar, Mann, & Gilovich, in preparation, Study 1c</i>	Participants recalled a significant experiential or material purchase they had made.	Items from the social connectedness scale.	Participants indicated feeling more connected to people in general when they had just reflected on an experiential purchase.
	<i>Kumar, Mann, & Gilovich, in preparation, Study 2</i>	Online participants recalled several significant experiential or material purchases they had made.	Stated preference for social (versus solitary) activities.	Participants expressed a greater desire to engage in social activities after thinking about experiential purchases.
	<i>Kumar, Mann, & Gilovich, in preparation, Study 3a & 3b</i>	Participants were asked to recall an experiential or material purchase they had made and then were assigned the role of allocator in a dictator game.	Amount of money given to the anonymous other participant.	Participants who had recalled an experiential purchase gave more money to others.
	<i>Kumar & Gilovich, submitted for publication-a, Studies 1 & 2</i>			

(continued on next page)

Table 1 (continued)

Psychological Mechanism	Study Reference	Independent Variable	Main Measure	Findings
	<i>Kumar & Gilovich, submitted for publication-b, Study 1a</i>	Participants were asked to list an experiential or material purchase they had made.	Indicate how often they talked about the purchase with others.	Participants indicated that they talked about their experiential purchases more often than their material purchases and they were more inclined to talk about them when making small talk.
	<i>Kumar & Gilovich, submitted for publication-b, Study 1b</i>	Participants were asked to list an experiential or material purchase they had made.	Indicate how often they talked about the purchase, and how happy it made them.	Participants reported that experiential purchases made them happier than material ones and this was mediated by how often they talked about them.
	<i>Kumar & Gilovich, submitted for publication-b, Study 2a</i>	Participants were given a list of material and experiential purchases.	Asked what proportion of the happiness they could expect to derive from each purchase would likely come from being able to talk about it after the fact.	Participants reported that talking about the purchases with others after the fact added more to their enjoyment of experiential purchases.
	<i>Kumar & Gilovich, submitted for publication-b, Study 2b</i>	Participants were given a list of material and experiential purchases.	Asked how much talking about the purchase added or would add to their enjoyment.	Participants reported that talking about the purchases with others after the fact added more to their enjoyment of experiential purchases.
	<i>Kumar & Gilovich, submitted for publication-b, Study 3a</i>	Participants recalled a significant experiential or material purchase they had made.	Asked how upset they would be if they couldn't talk about the purchase in question.	Participants reported it would be more upsetting if they were not allowed to talk about their experiential purchases.
	<i>Kumar & Gilovich, submitted for publication-b, Study 3b</i>	Participants were asked to list two experiential or material purchases they wanted to make in the future.	Willingness to settle for a lesser purchase that could be talked about over a better purchase that they could not.	People were more willing to settle for a lesser purchase they could talk about in the experiential condition than in the material condition.
	<i>Kumar & Gilovich, submitted for publication-b, Study 3c</i>	Participants indicated two experiential or material purchases they had made and were asked to imagine that they could only have one of them: either the top purchase, but without being able to talk about it; or their second favorite purchase, with the freedom to discuss it.	Choice of second best option (with ability to talk about it) or best option (no ability to talk about it).	Participants were more inclined to opt for the second-best option that they could talk about for experiential purchases than for material purchases.
	<i>Kumar & Gilovich, submitted for publication-b, Study 4</i>	Participants listed several material and experiential purchases and were given an opportunity to talk about whichever ones they liked.	Choice of purchases they wished to talk about.	Participants were more likely to choose experiential purchases to talk about than material purchases.
	<i>Van Boven et al., 2010, Study 5</i>	Pairs of unacquainted participants discussed material or experiential purchases.	Rated each other, their interest in furthering the relationship, and how enjoyable the conversation was.	Participants who discussed material purchases rated each other less favorably, had less interest in furthering the relationship, and reported less enjoyment of the conversation than those who discussed experiential purchases.

Identity	<i>Carter & Gilovich, 2012, Study 1</i>	Participants described various material and experiential purchases they had made.	Depicted with a Venn diagram how closely connected each purchase was to their identity.	People placed the experiential purchases closer to the self than material purchases.
	<i>Carter & Gilovich, 2012, Study 2</i>	Participants asked to recall and describe several material and experiential purchases they had made.	Wrote a life narrative that had to include at least one of those purchases.	Participants incorporated more experiential than material purchases into their life-narratives.
	<i>Carter & Gilovich, 2012, Study 3a–3c</i>	Participants were asked to consider another person's material and experiential purchases.	Report whether knowing about another person's experiences or material purchases would give them more insight into that person's true nature.	Participants reported that knowing about someone's experiential purchases would give them more insight than knowing about their material purchases.
	<i>Carter & Gilovich, 2012, Study 4</i>	Participants asked to imagine having made a purchase (a boxed CD set) that had been framed as either experiential or material.	Report how close the purchase felt to their identity.	Participants considered the experientially framed purchase to be closer to their identity than the materially framed same purchase.
	<i>Carter & Gilovich, 2012, Study 5</i>	Participants asked to think of a material and experiential purchase.	Decide whether deleting a memory of an experiential or material purchase would result in a bigger change to their self-concept. Asked to recall difficulty of deciding on the purchase and how satisfied they were with it.	Participants felt that deleting a memory of an experiential purchase would result in a bigger change to their self-concept.
Comparison	<i>Carter & Gilovich, 2010, Study 1</i>	Participants were asked to recall or buying either an experiential or material purchase.		Participants recalled the material purchase as having been more difficult and reported less current satisfaction with it.
	<i>Carter & Gilovich, 2010, Study 2</i>	Participants were asked to recall a material or experiential purchase.	Indicated for which purchases they would be more inclined to use a <i>maximizing</i> or <i>satisficing</i> choice strategy.	Participants reported that they were more likely to <i>satisfice</i> when making an experiential purchase and to <i>maximize</i> when making a material purchase.
	<i>Carter & Gilovich, 2010, Study 3</i>	Participants simulated making a choice between a set of material items or experiential items.	Recorded which non-chosen items participants examined, and for how long.	Participants spent more time examining the non-chosen material items than the non-chosen experiential purchase items.
	<i>Carter & Gilovich, 2010, Study 4</i>	Participants were given either an experiential or material prize without seeing other prizes, or in the presence of inferior and superior prizes.	Rated their satisfaction with the prize they received.	The presence of superior or inferior prizes did not influence ratings of the experiential prize but did influence ratings of the material prize.
	<i>Carter & Gilovich, 2010, Study 5a–5c</i>	Participants were asked to imagine having made a material or experiential purchase.	Asked how they would feel if they learned a better alternative was available; the item could be had for a better price; or rival had gotten a better version of the same purchase.	Invidious comparisons were more troubling to participants when considering material purchases.
	<i>Carter & Gilovich, 2010, Study 6</i>	A hypothetical purchase (TV) was framed in material or experiential terms.	Participants rated how they would feel when they learned that the purchase was now available for less money.	Participants were more upset to learn that the purchase was now less expensive if it had been framed in material terms.

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