

Carpe Diem! Hedonic Experiences Reduce the Consideration of Sunk Costs

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Abstract

Pleasure constantly inhabits our minds. In spite of its universal appeal, hedonic consumption has been frequently stigmatized as sub-optimal. We contend that this prevalent negative view does not convey a complete picture and that under particular conditions, pursuing hedonic consumption can lead to highly desirable outcomes. We examine the impact of hedonic consumption on the consideration of sunk costs. We propose that hedonic experiences induce a present-moment orientation because of their immersive nature, and steer preferences towards seemingly “myopic” behaviors that can be beneficial and ultimately enhance rational decision-making. We contend that following hedonic consumption episodes, consumers pay less attention to past decisions and accordingly, display lower consideration of sunk costs. We found evidence of the proposed effect in the realm of food consumption and showed that it is specific to hedonic consumption by contrasting it with non-hedonic consumption.

Keywords: *HedonicConsumption; SunkCostBias; DecisionMaking*

Track: Consumer Behaviour