

Lost and found: How the conversion between gains and losses impacts consumers' purchase decisions

Yan Meng

Grenoble Ecole de Management

Stephen J. Gould

Baruch College, The City University of New York

Lei Song

The Pennsylvania State University Abington

Hua Chang

College of Business & Economics, Towson University

Shiva Vaziri

Grenoble École de management

Cite as:

Meng Yan, Gould Stephen J., Song Lei, Chang Hua, Vaziri Shiva (2022), Lost and found: How the conversion between gains and losses impacts consumers' purchase decisions. *Proceedings of the European Marketing Academy*, 51st, (107248)

Paper from the 51st Annual EMAC Conference, Budapest, May 24-27, 2022



Lost and found: How the conversion between gains and losses impacts consumers' purchase decisions

Abstract

People add value to rediscovered objects because they convert the pain of losing the objects to pleasure upon finding them again. When consumers thought they missed a discount but eventually were able to get the deal, they perceive that they have obtained more value. Consequently, they are more likely to make purchases with a once-lost discount. Across three studies, the current research shows that mental accounts of gain and loss can be dynamically converted to one another. This conversion effect is mediated by consumers' implemental mindset activated by the conversion and moderated by price. The findings theoretically contribute to the mental accounting research and also have implication for increasing sales in physical and non-physical context.

Keywords: *mental accounting; mindset; decision making*

Track: Consumer Behaviour