

# How does the global financial crisis affect consumer decision making?

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Consumers who feel financially deprived are more likely to seek scarce products, according to a new study in the *Journal of Consumer Research*.

"The [global financial crisis](#) has badly shaken the [financial stability](#) of [consumers](#), [small businesses](#), large [financial institutions](#), and even national governments," write authors Eesha Sharma and Adam L. Alter (both New York University). "We sought to understand how the experience of financial deprivation might affect various stages of the consumer decision-making process—beginning with how people visually perceive goods and ultimately concluding with their choice and consumption of those goods."

In one study, researchers approached people in a New York City park and asked them how they felt about their financial position compared to their peers and compared to the previous year. In another study, New York University undergraduates were prompted through a writing task to experience either deprivation or privilege; they then completed tasks where they picked out objects from visual arrays. In a third study, the authors found that financially deprived participants not only consumed more M&Ms than people who felt privileged, but they also preferred scarce ones to abundant ones.

"States of deprivation prompt heightened visual sensitivity to and preference for scarce goods that appear to be unavailable to other consumers," the authors explain. "Indeed, the effects only arise when consumers believe that scarce goods have not been obtained by others,

and when they are unaware of how their financial state might be influencing their thoughts and feelings."

"These results suggest that consumers ought to be vigilant when shopping in a state of deprivation, since their purchasing decisions might be unduly swayed by the ensuing experience of discomfort," the authors write. "Meanwhile, scarcity marketing might be a useful tool for policy makers who seek to promote adaptive behaviors like healthy eating, physical exercise, and financial saving."

**More information:** Eesha Sharma and Adam L. Alter. "Financial Deprivation Prompts Consumers to Seek Scarce Goods." *Journal of Consumer Research*: October 2012. [ejcr.org/](http://ejcr.org/)

Provided by University of Chicago

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