

# Evolution of consumption: A psychological ownership framework

October 30 2020

---



Credit: Unsplash/CC0 Public Domain

Researchers from Boston University, Rutgers University, University of Washington, Cornell University, and University of Pennsylvania published a new paper in the *Journal of Marketing* that proposes that

preserving psychological ownership in the technology-driven evolution of consumption underway should be a priority for marketers and firm strategy.

The study, forthcoming in the the *Journal of Marketing*, is titled "Evolution of Consumption: A Psychological Ownership Framework" and is authored by Carey Morewedge, Ashwani Monga, Robert Palmatier, Suzanne Shu, and Deborah Small.

Why does—and what happens when—nothing feels like it is MINE?

Technological innovations are rapidly changing the consumption of goods and services. Consumption is evolving in modern capitalist societies from a model in which people legally own private material goods to access-based models in which people purchase temporary rights to experiential goods owned by and shared with others. For example, many urban [consumers](#) have replaced [car ownership](#) with car and ride sharing services. Physical pictures occupying frames, wallets, and albums have been replaced with digital photographs that can be viewed at any time and songs, books, movies, or magazines can be pulled down from the cloud. Half the [world population](#) now buys, sells, generates, and consumes goods and information online through connected devices, generating vast quantities of personal data about their consumption patterns and private lives.

The researchers say that technological innovations such as digitization, platform markets, and the exponential expansion of the generation and collection of personal data are driving an evolution in consumption along two major dimensions. The first dimension is from a model of legal ownership, where consumers purchase and consume their own private goods, to a model of legal access, in which consumers purchase temporary access rights to goods and services owned and used by others. The second dimension is from consuming solid material goods to liquid

experiential goods. The benefits of these consumption changes, from convenience to lower economic cost to greater sustainability to better preference matching, makes legal ownership of many physical private goods undesirable and unnecessary. But their commensurate reduction in psychological ownership—the feeling that a thing is "MINE"—may have profoundly [negative consequences](#) for consumers and firms.

Morewedge explains that "Psychological ownership is not legal ownership, but is, in many ways, a valuable asset for consumers and firms. It satisfies important consumer motives and is value-enhancing. The feeling that a good is MINE enhances how much we like the good, strengthens our attachment to it, and increases how much we think it is worth." Downstream consequences to firms include increased consumer demand for goods and services offered by the firm, willingness to pay for goods, word of mouth, and loyalty.

The researchers propose that the consumption changes underway can have three effects on psychological ownership—threaten it, cause it to transfer to other targets, and create new opportunities to preserve it. Fractional ownership models and the impermanence and intangibility of access-based experiential goods stunt the development of psychological ownership for streamed, rented, and cloud-based goods. In many cases, this results in a loss of psychological ownership, but sometimes it will transfer to the brands (e.g., Disney, Uber, MyChart) and devices through which goods and services are accessed (e.g., smartphones) or transfer to the community of consumers who use them (e.g., Facebook groups, followers, and forums). The greater choice and new channels for self-expression provided by this evolution of consumption, however, also offer new opportunities for consumers to feel as much psychological ownership for these access-based experiential goods and services they consume as they would for privately owned material goods.

These [consumption](#) changes and their effects on psychological

ownership appear in a framework that is examined across three macro marketing trends: (1) the growth of the sharing economy; (2) the digitization of goods and service; and (3) the expansion of personal data. Exemplary cases explored include ride sharing, the digitization of music, and the expansion of health and wellness data. Each case illustrates why each of these trends is eroding psychological ownership, how it is being transformed, and new opportunities being created for firms to recapture and preserve it—whether in goods and services, intermediary devices like a phone, or at the brand level.

This psychological ownership framework generates future research opportunities and actionable marketing strategies for firms seeking to preserve the value-enhancing consequences of psychological [ownership](#) and navigate cases where it is a liability. It highlights many ways in which [psychological ownership](#) will continue to be a valuable lens through which to view, understand, forecast, and manage the consumer experience.

**More information:** Carey K. Morewedge et al, Evolution of Consumption: A Psychological Ownership Framework, *Journal of Marketing* (2020). [DOI: 10.1177/0022242920957007](https://doi.org/10.1177/0022242920957007)

Provided by American Marketing Association

Citation: Evolution of consumption: A psychological ownership framework (2020, October 30) retrieved 5 May 2024 from <https://phys.org/news/2020-10-evolution-consumption-psychological-ownership-framework.html>

|  |
|--|
| <p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p> |
|--|