

High prices make wealthy people feel entitled to unsustainable goods

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The researchers found that upper-class people were more likely to buy unsustainable goods like individually packaged snacks when they had a higher price tag. Credit: Ryan Quintal on Unsplash.



High prices may not deter wealthy people from buying unsustainable goods—instead, they might actually trigger those in the upper class to buy these products, according to a new study.

In a series of studies, the researchers—including Karen Winterich, Gerald I. Susman Professor in Sustainability at Penn State—found that upper-class people were more likely to buy unsustainable goods like individually packaged snacks when they had a higher price tag. Further analysis found this was because the higher price made them feel entitled to the benefits of these <u>products</u> despite the cost to the environment.

Additionally, said the researchers, this effect extended to other "socially costly" situations, like traveling to a beach that was suffering environmental damage from too many tourists.

However, the team also found that when participants were encouraged to think of everyone being equal, this effect went away. Winterich said the findings—recently published in the *Journal of Marketing**Research—could potentially be used to help consumers make more sustainable choices.

"If we want to turn off the purchase of socially costly products, then we need to focus on messaging strategies that encourage people to think more about the overall equality of human beings," Winterich said. "When we prompt people to think about equality, or to think more about the environment, then we can circumvent this effect and make them not as likely to accept these social costs just because they paid a high price for the product."

According to the researchers, previous polls have found that in general, most people prefer products that offer <u>social benefits</u>, such as being "green" or good for the environment. However, when it comes time to actually make purchases, many customers are still choosing products that



are convenient or perform better over those that are more sustainable or socially conscious.

Winterich and her co-author Saerom Lee, an assistant professor of marketing and consumer studies at the University of Guelph who earned her doctorate at Penn State, were curious about why people continue to buy these products, especially when they come at a higher price.

For the paper, the researchers performed several experiments, including ones to establish and confirm this "price entitlement effect," along with others to see if there were strategies that could negate the effect. Across studies, the participants indicated their own social class, which the researchers describe as an individual's <u>social position</u> compared to others based on factors like income, education and job status.

The researchers found that while higher social class people felt justified buying socially costly products when they also cost more money, there was also a limit to what these participants found acceptable.

"It's possible for people to have a chronic sense of entitlement, but our findings were focused on this specific tendency for price to trigger a feeling of being justified in their purchases," Winterich said. "We're also not talking about really severe <u>social costs</u>. If the cost would be very high, like someone being physically harmed, we wouldn't see this effect."

The researchers theorized that people who describe themselves as being in a lower social class may think more communally, which may protect them from feeling entitled by paying a higher price.

"This might come from the experience of having to rely more on their community, and therefore being more communal-minded and less likely to think transactionally," Winterich said. "They are more likely to



recognize the <u>social cost</u> and think of it as hurting their community, and they're not willing to incur that cost, even if they pay more."

In the future, the researchers said additional studies could be done on this effect, including how and why the effect happens and what kind of messages can be used to overcome it.

More information: Saerom Lee et al, EXPRESS: The Price Entitlement Effect: When and Why High Price Entitles Consumers to Purchase Socially Costly Products, *Journal of Marketing Research* (2022). DOI: 10.1177/00222437221094301

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