THE HONG KONG POLYTECHNIC UNIVERSITY DEPARTMENT OF MANAGEMENT AND MARKETING Departmental Research Seminar



How Bundling Two Material Goods Makes an Experience: The Role of Usage Contextualization By

> Dr Sarah Moore University of Alberta

Date : 28 Apr 2021 (WED) Time : 9:30 am – 11 am Venue : Online via Zoom

Abstract

Research has established that experiential purchases often lead to more positive consumer (and firm) outcomes than material purchases. However, it has not examined how firms might increase the extent to which consumers perceive material purchases as experiential. The current work identifies bundling as an external, contextual factor that does so, demonstrating that consumers perceive material goods as more experiential when they are in a bundle. This "experiential bundling" effect emerges when comparing bundled material goods to their single component products, and when comparing sets of products that are more or less bundled (e.g., tied together or not). This effect extends to properties (e.g., sociability) and outcomes (e.g., happiness) associated with experiential purchases, and affects consumers' language use in writing reviews. In identifying why this effect occurs, we document a new property of experiential (vs. material) purchases: they are perceived as having greater usage contextualization (i.e., usage in a particular time, place, or situation). We show that bundling increases usage contextualization, which increases the extent to which material goods are viewed as experiential. We also find that the effect is stronger when the bundle components are more (vs. less) complementary, as complementarity indicates that a joint contextualized use is more likely.

Dr Sarah Moore is Associate Professor of Marketing and Eric Geddes Professor of Business at the Alberta School of Business, University of Alberta. She received her PhD from Duke University in 2009. Her research focuses on communication and language, both among consumers and between consumers and firms, in the contexts of word-of-mouth (WOM), advertising, and consumer-service interactions. Her work has been published in journals such as the *Journal of Consumer Research, Journal of Marketing Research*, and *Journal of Consumer Psychology*.

All interested are welcome.



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