



Methodological and Ideological Options

Questioning demand: A study of regretted purchases in Great Britain



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ABSTRACT

This paper presents findings from a nationally representative household survey on the tendency to regret purchases across 20 product groups. The survey reveals that the vast majority of adults in Great Britain (82%) have regretted a purchase in the past. Post-purchase regret is shown to be particularly prevalent for clothing & footwear and takeaway food. The tendency to regret purchases appears to reduce with age and to be more common amongst white collar rather than blue collar workers. Combining survey results with average price estimates gives an estimated, aggregate, annual expenditure on regretted purchases of £5–25bn, equivalent to 2–10% of annual consumer spending on goods in Great Britain. These findings are interesting because they suggest that there is a degree of self-assessed over-consumption that, if reduced, could help to reduce pressures on the environment.

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1. Introduction

The choices that people make over what to buy can invite judgment: “Few economists in recent years can have escaped some uneasiness over the kinds of goods which their value system is insisting they must maximize” (Galbraith, 1958 p.463). Evidence that 18% of food and drink brought into UK households is wasted (Quested et al., 2012) and that 30% of clothes bought by UK consumers are left unworn at home (Gracey and Moon, 2012) serves to bolster such judgments, however, judging the worthiness of different types of consumption goes against the libertarian principles of free market economics: “Nothing in economics so quickly marks an individual as incompetently trained as a disposition to remark on the legitimacy of the desire for more food and the frivolity of the desire for a more expensive automobile” (Galbraith, 1958 p.467). Within this value system, policy-makers tend to err away from making judgments regarding consumption, their justification being that waste and the under-utilisation of products may be desirable because they afford benefits such as convenience, flexibility and choice.

Nevertheless, critically evaluating our consumption practices is important if we are to limit climate change. Within the UK, the indirect greenhouse gas (GHG) emissions embodied in the demand for goods and services account for approximately a third of the total GHG emissions attributed to the UK using the consumption method (Barrett and Scott, 2012). If the highly ambitious agreement to limit global temperature increases to below 2 °C adopted at COP21 in Paris

last year is to be achieved, there is no doubt that radical changes to patterns of demand will be required. Indeed, taking into account the cumulative emissions already released, this target may already be out of reach without immediate, rapid, deep reductions in emissions in the order of 10% per annum in wealthier, industrialised nations (Anderson and Bows, 2011). Given the time needed to plan, commission and construct large-scale energy supply infrastructure and the technical and commercial uncertainty associated with implementation of carbon sequestration technology, the necessary reduction in emissions cannot be achieved through supply-side solutions alone (Anderson et al., 2014).

The environmentally extended economic models (including energy systems models, macroeconomic models and integrated assessment models) that are used to identify potential pathways to meeting GHG emission reduction targets evaluate the relative costs and benefits associated with different emission reduction options. For a given emissions reduction target these, predominantly neoclassical, models optimise the allocation of abatement effort across supply- and demand-side alternatives by maximizing a measure of social welfare. They tend to put greater emphasis on supply-side options for reducing emissions. For example, 87% of the pathways that are consistent with limiting warming below 2 °C considered for the IPCC's 5th Assessment Report require net negative emissions delivered by supply-side carbon sequestration technologies (Fuss et al., 2014) despite assuming per capita growth in GDP (Clarke et al., 2014 pp. 419 and p.425). Emphasis is put on supply-side solutions partly because these models make highly ambitious assumptions regarding the technical and economic feasibility of supply-side change, and partly because they assume that the initial level of demand is desirable and so associate any reduction in demand with a welfare loss.

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Within this context, this paper explores the tendency of consumers to regret purchases. Post-purchase regret presents the possibility that there are opportunities to reduce demand for goods – and so the embodied GHG emissions associated with this demand – at a lower welfare loss. It also begs the question whether there are other types of demand reduction, for example relating to demand that emanates from habitual or satisficing decisions, that would carry reduced welfare losses. Questioning demand in this manner – i.e. asking whether demand for product services is desirable – is a natural progression from existing demand-side emissions abatement strategies that have sought to improve energy efficiency (reducing energy input for a given unit product service (Cullen et al., 2011)) and material efficiency (reducing demand for embodied emissions intensive materials for a given unit product service (Allwood et al., 2011)). The paper addresses the following questions:

- How frequently do consumers in Great Britain regret purchases across a range of products? (Section 4.1)
- Approximately how much is spent on purchases that are later regretted? (Section 4.2)
- What types of consumers are more likely to regret purchases? (Section 4.3)
- Why do consumers tend to regret purchases? (Section 4.4)

The next section explores how this study fits alongside existing research in the field of consumption and regret.

2. Literature Review

This section draws on extensive reviews of the literature on regret (by Zeelenberg and Pieters (2007) and Connolly and Butler (2006)) and on the history and theory of consumption (by Trentmann, 2016 and Miller (1995a)) to critically examine whether self-reported regret is likely to offer a useful means of questioning demand. The section is structured to consider arguments relating to the motivation (Section 2.1), method (Section 2.2) and policy relevance of the proposed study (Section 2.3).

2.1. Why Study Regretted Purchases?

2.1.1. Regret as a Symptom of Market Failure

Regretted purchases could be symptomatic of underlying market failures and other distortions that should be addressed to ensure that markets operate efficiently. For example, a high incidence of post-purchase regret could be indicative of asymmetric information (we would expect buyers of “lemons” in George Akerlof’s seminal paper (Akerlof, 1970) to regret their purchases), of built-in-obsolescence (Packard, 1960), of advertisers acting as the “merchants of discontent” (Packard, 1957), or of short-sighted consumers who are increasingly overwhelmed by too many choices (Schwartz, 2004). Past work has identified over-consumption due to missing markets (the absence of futures markets for many goods and the fact that many types of risk bearing do not exist) and environmental externalities (Arrow et al. (2004)). The study of regretted purchases adds an additional dimension to this notion of over-consumption.

2.1.2. Regret as an Expression of Individual Choice Under Uncertainty

The expression of individual choice is central to libertarian ethics, forms the basis of neoclassical economics (Smith, 1776) and underpins neoliberalism (Hayek, 1944; Friedman and Friedman, 1980). Asking respondents to reflect on whether they have regretted purchases invites people to judge their own choices rather than cast judgment on others and so is consistent with these value systems. Regretted purchases can be seen as a refined expression of personal choice following reflection on the experience of owning a product. The original purchasing decision is re-evaluated taking into account any new information gleaned since

purchase, including information on the performance and use of the product relative to expectations and information on the perceived benefit of alternative purchasing strategies (e.g. delaying purchase in anticipation of sales or buying an alternative product). A degree of regret could be seen to be an inevitable consequence of consumption decisions that are taken under uncertainty.

2.1.3. Individual Regret v. Socially-rooted Consumption Practices

Individual consumption decisions are influenced by and have implications for wider society. Thorstein Veblen famously stressed the social nature of consumption, describing acts of “conspicuous consumption”, “vicarious consumption” and “conspicuous leisure” (Veblen, 1899). Tastes and preferences are socially formed and consumption is used as a signal of class (Bourdieu, 1984). Empirical life satisfaction (or “happiness”) studies suggest that satisfaction is derived from relative rather than absolute consumption (Layard, 2005) and that people who are better at directing their consumption patterns are happier (Matz et al., 2016). To demonstrate the far reaching social implications of consumption, Daniel Miller gives an ironic account of a housewife as global dictator, wielding great power over the developing world as she goes about her shopping applying her skills of thrift (Miller, 1995b pp.8–9). If consumption is eminently social, is a measure of personal regret too individualistic? As put by Jon Elster “*Why should individual want satisfaction be the criterion of justice and social choice when individuals themselves may be shaped by a process that preempts the choice?*” (Elster, 1982 pp219).

2.1.4. Regret of Prosaic Behaviours?

People are unlikely to regret the prosaic activities that have the most significant impact on GHG emissions. As explained by (Trentmann, 2016 pp.15) “...from an environmental perspective, the moral equation of private excess and public waste is too convenient. Carbon-dioxide emissions from hot showers and baths, heating and cooling the home to ever higher standards of comfort, rushing from place to place, are far more than those from luxury yachts and accessories... ‘waste’ does not stem from morally suspect forms of consuming. A lot of it comes from practices that are considered ‘normal’”. Any of the prosaic activities that have the largest impact on greenhouse gas emissions relate to habitual behaviours that consumers are less likely to think about let alone re-evaluate and regret. Nevertheless, given the scale of the challenge to limit climate change outlined in the introduction, it follows that all behaviours (not just those with the largest impact) should be subject to scrutiny.

2.2. Will Surveying Regret Yield Meaningful Results?

2.2.1. Existing Surveys of Regret

To our knowledge, there are no existing nationally representative surveys of self-reported regretted purchases. Much of the academic work on regretted decisions has been conducted in an experimental setting first prescribing “regret” to particular experimentally induced eventualities (e.g. in the literature on extended expected utility theory developed by Lee (1971), Bell (1982) and Loomes and Sugden (1982)) and later asking participants about their feelings (or expected feelings) in different experimentally induced situations (in the “Psychological Regret Tradition” as defined by Connolly and Butler (2006)). Specifically in the field of regretted purchases (also referred to as “buyer’s remorse”), studies have focused on how the (usually experimentally induced) experience and anticipation of regret influences repurchasing intentions (for example Tsiros and Mittal (2000)), brand choice and purchase timing (for example Simonson (1992)). There is nevertheless a precedent for surveying self-reported regret stemming from other types of decisions, for example: (Fong et al., 2004) surveyed regret amongst smokers across four countries; (Oswalt et al., 2005) surveyed sexual regret amongst college students; and, (Gilovich and Medvec, 1994) surveyed regrets due to actions versus regrets due to inactions.

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