Guilt-free pleasures: How *premium* versus *luxury* influences regret

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Abstract

**Purpose** - The aim of this study was to investigate how a consumer’s aim of purchasing a *premium* versus *luxury* product will influence the anticipated regret and guilt.

**Design/methodology/approach:** A 2×2×2 between-subjects design (label: premium versus luxury × prior event: success versus failure × product type: hedonic versus utilitarian) on guilt and regret was implemented.

**Findings** - Following a successful event, the anticipated regret and guilt are lower for a hedonic product compared to a primarily utilitarian one. The effect was valid when the consumers were looking to buying *luxury*, as well as *premium*. In a situation following a failure, the anticipated levels of regret and guilt were lower for a product that was primarily utilitarian in nature; however, this effect only appeared when the participants were looking to buying *luxury* and not *premium*.

**Research implications** - People may feel more licensed to indulge with a hedonic premium or luxury product after a success and more licensed to indulge with a utilitarian luxury product after a failure.

**Practical implications** - The can be used to understand how to optimize a marketing message of indulgence when deserving it or not.

**Originality/value** - The study provides novel insight into how anticipated guilt and regret may be evoked by the goal of buying a premium versus luxury product in combination with the product type and a consumer’s experience of a prior event.

**Keywords:** Deservingness, premiumness, indulgence, hedonism, utilitarianism, experimental design
1 INTRODUCTION

Premium and luxury products share some characteristics, such as selective distribution, high prices, and their association with status (Quelch, 1987). Given the change in the luxury market in the past years, scholars have acknowledged that it is challenging to draw the line between ordinary, premium, and luxury products (Miller & Mills, 2012). As expressed by Tynan, McKechnie, and Chhuon (2010, p. 1157), “Luxury goods exist at one end of a continuum with ordinary goods, so where the ordinary ends and luxury starts is a matter of degree as judged by consumers.” The answer to where consumers draw this line, and where premium goods are placed in the equation, is to our knowledge unanswered in the literature, yet relevant to better understand premium (Nielsen Company, 2015) and luxury food consumption (Nielsen Company, 2015; Sato et al., 2016).

When evaluating products on a continuum from high to low on a status and hedonism scale, premium and luxury would belong to the upper end of the spectrum (Vigneron & Johnson, 2004). Hedonic goods are, in general, more difficult to justify and consequently are more likely to evoke guilt (Okada, 2005). Guilt is identified as a key consumption emotion (Richins, 1997) and is an essential emotion for food consumption (Antonides & Cramer, 2013). Guilt can explain consumer behavior as an initiator as well as a motivator for a repeat purchase decision and is, in particular, relevant for food as it is often promoted with slogans such as “eat with enjoyment and no guilt” (Burnett & Lunsford, 1994). Guilt and regret are closely related yet distinct concepts (Zeelenberg & Breugelmans, 2008). Both regret and guilt play an essential role in decision-making processes (Burnett & Lunsford, 1994; Zeelenberg & Pieters, 2004). The current study suggests that guilt and regret are relevant for better understanding the differences between premium and luxury goods.

A challenge when differentiating between premium and luxury goods is that, unlike premium goods, which could be labeled with the word premium, it is not common to see the luxury label marked on a product. In fact, labeling a fine bottle of wine as luxury would be more likely to diminish the impression of luxury than create a luxurious impression. The luxury concept is abstract and individual (Kapferer, 2012), and consequently many products could be considered as premium as well
as luxury. For instance, there could be premium and luxury variants from almost all types of products, ranging from pens (utilitarian product) to chocolate (hedonic product). Although price may often be one differentiation, even price perceptions may be individual as people encode prices in ways that are meaningful to them (Zeithaml, 1982). In the end, it is up to consumers to decide for themselves whether the product should be considered premium or luxury. Therefore, in this study, we do not manipulate the label of the product itself. Instead, we ask the consumers to imagine that they are looking to buy a premium or luxury product, and we investigate how this influences the anticipated guilt and regret. It is well-documented in the framing literature that information provided by labeling affects consumer choices (Levin & Gaeth, 1988); however, how framing consumers to imagine that they are looking to buying premium versus luxury is to our knowledge unanswered in the literature.

To understand how the labeling of premium and luxury can affect anticipated guilt and regret, we build on the literature on the justification of hedonic and utilitarian purchases (Okada, 2005). Extensive research in psychology and other disciplines has examined the trade-off between immediate gratification, which is often manifested by making a frivolous choice over a rational one, and long-term goals (e.g., Ferraro, Shiv, & Bettman, 2005; O’Curry & Strahilevitz, 2001). Because choosing a hedonic option or relative luxury can lead to increased guilt, people tend to feel the need to “earn the right to indulge” (Kivetz & Simonson, 2002).

Research on the “licensing effect” sheds light on how consumers can “earn this right.” The licensing effect describes a phenomenon where prior virtuous behavior serves as a license to make choices that deviate from long-term goals (Merritt et al., 2010; Monin & Miller, 2001). In consumer research, studies have linked the licensing effect to the reduction of guilty feelings about frivolous choices (Kivetz & Simonson, 2002). For example, consumers who have boosted their altruistic self-concept by partaking in charity before the purchase will be more likely to buy a relative luxury (designer jeans) over a relative necessity (vacuum cleaner) (Khan & Dhar, 2006). Another source to the licensing effect is the feeling of entitlement that arises through either hard work or excellence.
For instance, Kivetz and Zheng (2006) found that, when given a choice between chocolate and batteries, people are more likely to choose the chocolate after excellence feedback, as this provides the entitlement to indulge.

This research adopts the latter approach for examining the licensing effect, and investigates the licensing that happens in a situation where consumers feel they deserve it based on an accomplishment (Kivetz & Zheng, 2006). Hence, we build on the concept of deservingness, and how states of deservingness can make people feel more or less worthy of an indulgence (Cavanaugh, 2014). On the flip side, we also examine a situation where the consumer has failed at a task. According to the theories of justification and licensing, this should be a situation where consumers feel they do not deserve to indulge. However, some research indicates that consumers may also indulge when trying to “avoid pain” (Arnould & Reynolds, 2012). This may also involve some form of justification. What would lead to variations in the level of anticipated guilt and regret when indulging after a “success” situation versus a “failure” situation?

As stated previously, goods with premium and luxury labels are present in both utilitarian and hedonic product categories. Even though the distinction between utilitarian and hedonic products is not absolute, it is useful to understand how consumers justify purchases (Okada, 2005). Hence, we argue that the answer to these questions resides in whether the premium or luxury products that consumers are purchasing belong to a hedonic or utilitarian product category. Hedonic benefits entail multisensory, experimental, and joyful benefits, and utilitarian benefits offer a practical and instrumental advantage (Dhar & Wertenbroch, 2000; Strahilevitz & Myers, 1998). These differences have been shown to affect, for instance, the influence of cognitive constraint on the endowment effect, which is stronger for hedonic food products than for utilitarian food products (Antonides & Cramer, 2013).

Because premium goods have a higher component of functional attributes than luxury goods (Lyons & Wien, 2017), we assume that consumers with the premise that they are looking to buy a premium product may enhance the perception of utilitarian benefits associated with the product.
When a product meets consumers’ basic utilitarian expectations, consumers have less need to justify the purchase (Chitturi et al., 2007). Thus, we propose that the framing of buying *premium* versus *luxury* may influence the anticipated guilt and regret and that this mechanism may be better understood when adding a prior event of failure versus success that triggers the motivation for indulgence.

In the situation of post-success, an achievement can make people feel worthy of rewards (Cavanaugh, 2014; Kivetz & Zheng, 2006). The significance placed on sensory- and reward-related factors is found in the literature on reward versus reflection (de Boer, Schösler, & Aiking, 2018). Accordingly, an accomplishment may increase the perception of deservingness and may lead consumers to license themselves to indulge. Building on the fulfillment of promotion goals on the hedonic dimension (Chitturi et al., 2007), this study applies this stream of thought to a situation following a successful event. The assumption is that, after a successful event, people will anticipate less regret and guilt when buying a primarily hedonic product compared to a primarily utilitarian product. We assume that this applies to *premium* and *luxury* products. The reason for this assumption is that, after a success, consumers feel entitled to celebrate, and the labels *premium* and *luxury* will create sufficient levels of celebratory association to allow them to indulge and celebrate their success. Formally stated:

H1a: Following a success, and when looking to purchase *luxury* as well as *premium*, the anticipated guilt will be lower for a product that is primarily *hedonic* compared to one that is primarily utilitarian.

H1b: Following a success, and when looking to purchase *luxury* as well as *premium*, the anticipated regret will be lower for a product that is primarily *hedonic* compared to one that is primarily utilitarian.

Next, we address the fact that people do not only look to treat themselves when they have something to celebrate. Sometimes, people want to indulge to “drown the sorrows,” such as eating ice cream to overcome the pain of heartbreak. While the awareness of a failed attempt at an
achievement makes people feel undeserving of rewards (Cavanaugh, 2014), we suggest that consumers may justify buying an indulgence if it is perceived as useful. This is on the premise that people expect the achievement of prevention goals on the utilitarian dimension (Chitturi et al., 2007). In other words, a utilitarian product may help consumers avoid the pain of a failure. Correspondingly, even though luxury products are associated with the hedonic dimension, they may also exist in primarily utilitarian product categories (Okada, 2005). Therefore, the assumption is that, when looking to indulge after a failure, choosing a luxury product that is primarily utilitarian will lead to less regret and guilt compared to a luxury product that is primarily hedonic. The combination of the luxury label and a utilitarian product creates a sufficient level of deservingness to indulge.

However, unlike the success condition, we argue that this effect will only occur when the consumer is looking to buy luxury, not premium. The logic behind this is that premium already has functional associations (Lyons & Wien, 2017). Thus, a premium label fulfills the utilitarian expectations needed to justify indulging in a failure situation, and should make it equally easy to justify buying a primarily hedonic product and a primarily utilitarian product. Thus, we propose:

H2a: Following a failure, and when looking to purchase luxury but not premium, the anticipated guilt will be lower for a product that is primarily utilitarian compared to one that is primarily hedonic.

H2b: Following a failure, and when looking to purchase luxury but not premium, the anticipated regret will be lower for a product that is primarily utilitarian compared to one that is primarily hedonic.

A 2×2×2 between-subjects design (label: premium versus luxury × prior event: (success versus failure × product type: hedonic versus utilitarian) was implemented. The purpose of the design was to address how a consumer’s aim of buying the label premium versus luxury, in combination with the product type (hedonic versus utilitarian), and a prior event (success versus failure) can result in different levels of anticipated regret and guilt.
2 METHOD

To test the hypotheses, a 2 (prior event: success versus failure) × 2 (label: premium versus luxury) × 2 (product type: hedonic versus utilitarian) between-subjects design was adopted.

2.1 Pretest

A pretest was conducted to assure that the products were primarily hedonic and primarily utilitarian. Following established pretest procedures (Dhar & Wertenbroch, 2000), twenty-four undergraduate students at the University of Tromsø were given a list of products, namely a coffee machine, red wine, coffee, a spa treatment, a cell phone, a bottle of perfume, and an iPhone, and were asked to indicate whether they would categorize each product as primarily hedonic, primarily utilitarian, equally hedonic and utilitarian, or none of the options. The students were not provided with a photo or other information besides the product type. Based on the results of the pretest, one primarily hedonic and one primarily utilitarian product was selected for this study. A bottle of wine was chosen as a primarily hedonic product because the majority of the respondents classified it as primarily hedonic (19 out of 24 subjects, $\chi^2(2) = 22.750, p < 0.001$). A coffee machine was selected as the utilitarian product because the majority of the respondents evaluated the coffee machine as such (17 out of 24 subjects, $\chi^2(3) = 27.000, p < .001$).

To manipulate a luxury and premium product design, pictures of products with gold and black design elements were used. Following the pretest procedures of Hagtvedt and Patrick (2008), the images were pretested to ensure that the pictures conveyed equal perceptions of luxuriousness and premiumness. Twenty undergraduate students at the University of Tromsø, selected from the same student pool as the first pretest yet a different group of students, reported on a seven-point Likert scale how luxury, and premium, each image was (1 = “not at all,” and 7 = “extremely”). These measurements were adapted from previous studies (Hagtvedt & Patrick, 2008; Huettl & Gierl, 2012). Similar to Huettl and Gierl (2012), the measurements were adapted to fit the current study, and thus only measurements for luxuriousness and premiumness were included. The results from the pretest
revealed that the images were perceived as equally premium and luxury ($M_{\text{premium}} = 5.40$ versus $M_{\text{luxury}} = 5.30$; $t(19) = 0.238$, $p = 0.862$).

2.2 Procedure and measures

For the main study, an online experiment based on a $2 \times 2 \times 2$ between-subjects design was conducted. To manipulate the post-success and -failure situation, two different scenarios were presented. In the success condition, the participants were asked to imagine that they had received an A on their final exam of the semester and that they wanted to buy a premium/luxury product as a reward for the good grade. In the failure condition, the participants were told that they had gotten an F on their final exam and that they wanted to buy a premium/luxury product as a comfort for the failing grade.

The luxury versus premium label was manipulated with the words “imagine you want to buy a luxury product” versus “premium product.” To ensure the framing of buying premium and luxury, the participants were asked to name three reasons for why they, based on the described scenario, wanted to treat themselves to a premium/luxury product. By doing so, the participants activated their mindset of being in the situation that they are looking to buy a premium/luxury product after a success/failure.

After given the three reasons, the participants were presented with a photo of a product: a coffee machine in the utilitarian condition and a bottle of wine in the hedonic condition. After the presented product description, the participants were asked to indicate to what extent they would anticipate regret or feel guilty when purchasing the product. The following statements, evaluated on a 7-point Likert scale, were used to measure the anticipated guilt and regret: “If I decided to purchase this product, I would expect to feel guilty / expect to regret this purchase.” Finally, demographic variables were measured (age and gender).
3 RESULTS

The final sample consisted of 386 undergraduate students from the Arctic University of Norway (45.2% male and 54.8% female; ages 19–37, M = 23.82, SD = 0.498).

3.1 Premium versus luxury

The reasons that the participants wrote down in the success condition were typically “treating myself to something special,” “a reward,” “I deserved it,” and “I worked hard,” whereas typical responses in the failure condition were “to comport myself,” “to compensate for the bad result,” and “to distract my thoughts.” Two of the respondents did not write down reasons, and they were removed from the sample.

3.2 Guilt

A three-way ANOVA was conducted to examine the effects of prior event (success versus failure), label (premium versus luxury), and product type (hedonic versus utilitarian) on guilt. There was a statistically significant main effect of product type \( (F(1,378) = 12.562, p < 0.001, \eta_p^2 = 0.032) \) and prior event \( (F(1,378) = 31.330, p < 0.001, \eta_p^2 = 0.077) \) on guilt, whereas the main effect of label on guilt was not significant \( (F(1,378) = 0.029, p = 0.866, \eta_p^2 = 0.000) \).

There was a statistically significant interaction effect of prior event and product type on guilt \( (F(1,378) = 19.406, p < 0.001, \eta_p^2 = 0.049) \) whereas the interaction effect of label and prior event on guilt \( (F(1,378) = 0.157, p = .692, \eta_p^2 = 0.000) \) and the interaction effect of label and product type on guilt \( (F(1,378) = 0.612, p = 0.434, \eta_p^2 = 0.002) \) were not significant. However, there was a statistically significant three-way interaction effect of prior event, product type, and label on guilt \( (F(1,378) = 5.582, p = 0.05, \eta_p^2 = 0.015) \). Figure 1 depicts the three-way interaction using the prior event as the third factor.
A simple effects test showed that, in the success condition, a luxury hedonic product evoked less anticipated guilt than a luxury utilitarian product \((F(1,378) = 21.569, p < 0.001, \eta_p^2 = 0.054)\) and a premium hedonic product evoked less anticipated guilt than a premium utilitarian product \((F(1,378) = 10.301, p < 0.001, \eta_p^2 = 0.027)\). This supports hypothesis H1a. On the other hand, in the failure condition, a luxury utilitarian product evoked less anticipated guilt than a luxury hedonic product \((F(1,378) = 4.131, p = 0.043, \eta_p^2 = 0.011)\), whereas the difference for premium was not significant \((F(1,378) = 1.315, p = 0.252, \eta_p^2 = 0.003)\). These findings support hypothesis H2a.

### 3.3 Regret

A three-way ANOVA was conducted to examine the effects of prior event (success versus failure), label (premium versus luxury), and product type (hedonic versus utilitarian) on regret. There was a significant main effect of prior event on regret \((F(1,378) = 7.552, p < 0.05, \eta_p^2 = 0.020)\), whereas the main effect of label \((F(1,378) = 0.008, p = 0.931, \eta_p^2 = 0.000)\) and product type \((F(1,378) = 2.338, p = 0.127, \eta_p^2 = 0.000)\) on regret were not significant.
There was a statistically significant interaction effect of prior event and product type on regret (F(1,378) = 9.681, p = 0.02, \(n^2_p = 0.025\)), whereas the interaction effect of label and prior event on guilt (F(1,378) = 0.326, p = 0.569, \(n^2_p = .001\)), and the interaction effect of label and product type on guilt (F(1,378) = 1.924, p = 0.166, \(n^2_p = 0.005\)), were not significant. However, there was a statistically significant three-way interaction effect of prior event, label, and product type on regret (F(1,378) = 7.292, p = 0.05, \(n^2_p = 0.019\)). Figure 2 depicts the three-way interaction using the prior event as the third factor.

![Figure 2](image)

*Figure 2: Estimated marginal means and standard deviations of regret. The three-way interaction is shown using the prior event as the third factor. (a) label-product type interaction for success; (b) label-product type interaction for failure.*

A simple effects test showed that, in the success condition, a luxury hedonic product evoked less anticipated regret than a luxury utilitarian product (F(1,378) = 8.418, p = 0.004, \(n^2_p = 0.022\)) and a premium hedonic product evoked less anticipated regret than a premium utilitarian product, but the difference was only marginally significant (F(1,378) = 2.812, p = 0.094, \(n^2_p = 0.007\)). Thus, hypothesis H1b is partially supported. On the other hand, in the failure condition, a luxury utilitarian product evoked less anticipated regret than a luxury hedonic product (F(1,378) = 8.277, p = 0.004, \(n^2_p = 0.021\)).
0.021), whereas the difference for premium was not significant \( (F(1,378) = 1.582, p = 0.209 \text{ n}^2 = 0.004) \). This supports hypothesis H2b.

4 DISCUSSION

Marketing messages of indulgence often focus on “when you deserve it,” but what about when you don’t deserve it? The current study provides a novel insight into how a prior success or failure may influence the levels of guilt and regret in combination with the product type (hedonic versus utilitarian) and the labeling of premium versus luxury. A 2×2×2 between-subjects online experiment showed that, in a post-success situation, a primarily hedonic product would result in lower anticipated regret and guilt compared to a primarily utilitarian product. This was the case for luxury and for premium, although regret was only marginally significant in the premium condition.

However, in the post-failure condition, a primarily utilitarian product would result in lower anticipated regret and guilt compared to a primarily hedonic product, but only when labeled as luxury and not premium. This three-way interaction is relevant to the research of high-end goods (e.g., Tynan et al., 2010), as well as adding to the literature on hedonic and utilitarian products and their influence on guilt, regret, and justification effects (Antonides & Cramer, 2013; Burnett & Lunsford, 1994; Okada, 2005; Zeelenberg & Breugelmans, 2008).

This study builds on the mechanisms for the licensing effect (Merritt et al., 2010), but is different from that stream of thought for two main reasons. First, the licensing effect takes as a starting point the making of a choice that hinders a long-term goal. Choosing luxury does not necessarily inhibit a long-term goal, as many people may have a goal of having luxury in their life. Next, a starting point for the licensing effect (i.e. moral licensing) is that “doing good,” such as charity, may “free us to be bad” (Merritt et al., 2010). The angle in the current study is different, as we looked at how failure or success can encourage or discourage the act of indulging. The findings are in line with a route for justifying self-gratification through hard work, excellence, and entitlement (Kivetz & Zheng, 2006). This was supported by the results of our study, because the participants
anticipated less guilt and regret for a product that was hedonic of nature after success, which was applicable for luxury and for premium for guilt (and partially for regret). Consequently, in the success condition, premium and luxury provided sufficient levels of “hedonism,” allowing the participants to indulge with a primarily hedonic product after a success.

On the other hand, when people do not feel as if they “deserve it,” they may feel less worthy of hedonic rewards (Cavanaugh, 2014). The current results build on the mechanisms that are found with the opposite effects that hedonic and utilitarian goods can have on consumer reactions (Antonides & Cramer, 2013; Lyons & Wien, 2017) and suggest that, in a situation of post-failure, a product of a utilitarian nature is easier to justify than a hedonic one. Nevertheless, unlike after a success, the effect only appeared when one imagined purchasing luxury and not premium. An explanation for this result may be that, when in a mode of buying premium and when additionally presented with a utilitarian product after a failure, this would not create a sufficient level of hedonism to allow indulgence. However, a luxury label and a utilitarian product created a sufficient balance, allowing the participants to imagine that they deserved to indulge in order to make themselves feel better, while limiting their anticipated guilt and regret because of the product’s utilitarian nature.

The results have relevant implications for marketers. A consumer may be tempted to shop for gratification (Reynolds, 2012), and the results provide guidelines for how marketers can best promote a message for gratification shopping of luxury and premium products. If the message is a celebration, the marketing message should highlight a hedonic product—this is the case for premium and luxury—whereas a luxury product of utilitarian nature may be suitable to be presented in a situation of failure.

This research has potential limitations. First, we only used two products. For future research, it would be valuable to include more than two products. It is worth noting that the price of these products is different and that therefore, future studies are encouraged to choose two products that have the same price. Also, the study sample, consisting of students, may be a weakness. For this
study, a student sample fits, as the study framed students to imagine that they had received an A or an F on an exam. Additionally, some well-known luxury studies rely on student samples (Vigneron & Johnson, 2004). However, we underline that one must be careful to draw strong conclusions based on student samples. Therefore, we encourage future studies on premium and luxury products to include non-student participants when further developing theory and testing the findings from this study. Finally, a weakness worth considering is that the students in our online experiment were asked to imagine if they would anticipate regret or guilt if purchasing the product. For future studies, it would be interesting to test this effect when in fact purchasing products, and not just the anticipated levels.

Despite the limitations, this study has made a step toward expanding the understanding of how premium and luxury can evoke different levels of guilt and regret, and how the levels vary depending on an event of failure or success, combined with the nature of the product. We encourage future studies to investigate the mechanisms of guilt and regret further. In the current study, the patterns for regret and guilt tended to move in the same direction; however, the significance levels varied. This provides support for the notion that guilt and regret, while related, are still different constructs. More research is required to understand fully how premium and luxury labels can result in different consumer reactions. Given that justification, guilt and regret are interrelated concepts; it would be interesting to explore further how the justification mechanism varies across different product categories, including premium and luxury, as well as ordinary goods, that may be purchased impulsively.

5 CONCLUSION

This study investigated how searching for premium versus luxury in combination with the product type, and a prior event of failure or success can influence the anticipated guilt and regret. A between-subjects experimental design was employed, and the results suggested a three-way interaction effect of the label, product type, and prior event of guilt and regret. When participants imagined that they were looking to buy a luxury or premium product following an event of success
(receiving an A), they anticipated a lower level of guilt and regret when the product was primarily hedonic (a bottle of wine). In contrast, when looking to buy luxury after a failure (receiving an F), the anticipated levels of regret and guilt were lower for a product that was primarily utilitarian in nature (a coffee machine); however, this effect did not occur for premium. In sum, the results suggest how the anticipated level of guilt and regret may alter depending on the labeling of premium versus luxury products, a prior event of success and failure, and the utilitarian or hedonic nature of the product.

6  REFERENCE LIST


