

How Residential Mobility Influences Material and Experiential Purchases

Sujeong Hong

Sungkyunkwan University, Republic of Korea

Abstract

With the increased mobility within nations, relocation has become a frequent and regular occurrence in modern life. However, we know little about how residential mobility affects purchase type. How does residential mobility affect our purchase behavior? This research explores the relationship between residential mobility and preference of purchase type, with psychological processes. The study primed participants with either a high or low mobility mindset to investigate the effect of mobility on consumption style in U.S. and South Korean. The results of the study confirm that the consideration of residential mobility shifts consumers' preferences toward material goods and experiences. In addition, results also indicate that the connection between mobility and purchase type was mediated by autonomy and moderated by cultural factor. Lastly, the theoretical and practical implications are covered.

Keywords: Residential mobility, Materialistic purchase, Experiential purchase, Stability, Autonomy, Culture

1. Introduction

Everyone moves at least once in their lifetime for several reasons, including education, job transfers, a desire for new living arrangements, change in marital status, and retirement. After the COVID-19 pandemic, the world is shifting the way we work through the inclusion of remote work, which brings about a nomadic lifestyle. Workers have also started to shift toward digitally nomadic setups, preferring to work from beach cottages, forest cabins, and suburban homes outside of expensive city centers (Lufkin 2021). This trend has grown more pronounced as "working from home" has become more accepted in the wake of the ongoing pandemic.

Residential mobility, the frequency with which people change residences, is a fundamental aspect of human life. On a personal level, it can be seen as the number of residence movements a person has already made or expects to make in the future. Residential mobility can be conceived at the macro level as the percentage of people who moved over a specific period, or who anticipate moving in the future, in each neighborhood, city, state, or country. Prior research

has shown that residential mobility is related to the priority for the individual above the collective. For instance, communal self tends to be prioritized over the personal self for those who move relatively less frequently, while the personal self tends to be the priority for those who move more frequently (Oishi 2010).

This study examines the hypothesis that residential mobility leads to different preferences of purchase types. One possibility is suggested by prior research, concerning the factors that make experiences more fulfilling than material possessions (Gilovich, Kumar, and Jampol 2015). Once an experience has been encountered and "consumed," it fundamentally remains in the form of episodic memories that are, by definition, autobiographical and linked to the self. However, possessions, which are tangible objects, exist outside of memory. The connection between material goods and the self can and does exist, but to a much smaller extent, owing to memories of possession and the usage of possessions as an "extended self." People with residential mobility would like to actively seek to identify themselves.

Digital nomads travel the world with few possessions and work from laptops, taking their jobs

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E-mail address: sujeonghong@sookmyung.ac.kr (S. Hong).

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with them (Mancinelli 2020; Woldoff and Litchfield 2021). Consumers who adopt mobile residences can stop viewing material goods as their main source of happiness. Increasing research demonstrates that buying experiences, rather than tangible things, is more linked to happiness (Van Boven and Gilovich 2003). This reasoning suggests that residential mobility connects to consumption behaviors matching their lifestyle. Although nomads are an extreme example of residential mobility, they view financial commitments and owning belongings as hazards, and feel safer with less ownership and rootedness. They roam the world with little possessions while working on digital gadgets (Atanasova and Eckhardt 2021).

The current research suggest that residential mobility could serve as a significant role in lowering consumers' dependence on things. We propose that this effect occurs as residential mobility boosts their perceived autonomy. Furthermore, our research provides a rationale as to how residential mobility leads to a different preference of purchase type, which motivates marketers to better understand mobility consumers with their purchase. In sum, we provide a basis for further empirical research to expand our understanding of residential mobility and explore its potential effects.

2. Theoretical background

2.1. Residential mobility and autonomy

Oishi and Tsang (2022) contend that residential mobility has an impact on people's sense of self and identity, interpersonal connections, group affiliations, social norms, pro-social behavior, and general well-being. This concept has been developed on both a macro and micro level. "The proportion of residents in a certain neighborhood, city, state, or country, who moved during a specified period of time or anticipate to move in the future" is one way to comprehensively quantify residential mobility (Oishi 2010, 6). It is defined as "the number of residential transfers an individual experienced within a specific period of time, or expects in the future" at the individual level (Oishi 2010, 6). For example, a consumer who has relocated three times, is more mobile in their residence area than a consumer who has only done so once. In this study, we define residential mobility as moving among neighborhoods and focus on mobility attitude.

Psychologists have primed residential mobility attitude to address the causality problem by using prior relocation experience as a predictor (Lun, Oishi, and Tenney 2012). Consumers who adopt such a mindset are more likely to consider moving; consequently, they may make decisions and choices that

have an impact on other seemingly unrelated situations (Lun, Oishi, and Tenney 2012). Consumers are typically prompted to consider their lifestyle and social connections following the transfer as part of the manipulation. Prior research has demonstrated that fostering a residential mobility mindset produces effects that are comparable to those produced by actual relocation.

Residential mobility exposes residents to a variety of social interactions and environmental settings, which provides better opportunity for self-discovery (Markus and Wurf 1987), which aid individuals in creating a keen sense of who they are and in learning how to adapt to new situations (Kealey 1978). Some people believe that having a distinct sense of self is the basis for autonomy, as it offers one a sense of control over many aspects of their self-concept (Ryan et al. 2015). The fundamental component for starting self-determined actions is how consumers view their own autonomy (Kim, Peng Chen, and Zhang 2016).

We therefore investigate how residential mobility affects preference of purchase type with individual's autonomy which can be increased through residential mobility. This heightened autonomy consequently reduces dependency on material things. We also predict that the moderating effect of residential mobility on experiential purchase is differentiated by consumers' cultural factors.

The study we present provides direct evidence for our core hypothesis, which states that stable individuals are more materialistic. We propose that stable people place high value on material goods compared to mobile people. More formally,

H1. *Compared to residential mobility, people with stability value materialistic thing more.*

Second, we hypothesize that stable consumers value materialistic thing more because autonomy has decreased with stability. More formally,

H2. *Autonomy related to residential mobility (vs. stability) underlies the lower value material purchasing.*

2.2. Materialist and experiential psychology

As prior research has not considered the effects of residential mobility on purchase type, we explore the linkage between mobility and consumption behaviors. Liquid consumption proposes that consumers are expected to shift their attention away from acquiring belongings, as they become more mobile in their housing (Bardhi and Eckhardt 2017). Their sense of self and source of identity is less dependent on the things they own because they rent, borrow, and

initiate the trend of sharing tangible items. They may prefer essentials rather than luxuries while making purchases.

The difference between experiential and material purchases is crucial in this context. Based on the objectives of consumers who make investments in their happiness, this differentiation is made (Van Boven and Gilovich 2003; Kim and Ahn 2020). Material purchases are defined as “Purchases done with the primary goal of acquiring a material good: a tangible object that is held in one’s possession” (Van Boven and Gilovich 2003). However, “those acquired primarily with the goal of getting a life experience, such as an event or series of events that one lives through” are referred to as experiential purchases (Van Boven and Gilovich 2003). Experiential goods are linked to events but not physically present (Nicolao, Irwin, and Goodman 2009). Van Boven and Gilovich (2003) propose that consumers find more pleasure in experiential purchases than in material ones.

However, the literature above often contrasts the consumption of things that are material with the consumption of things that are experiential, considering them as a single bipolar construct of their relative dominance; more of one or the other. The question of how diverse levels of material and experiential characteristics contribute to happiness is left unresolved by this emphasis on relative dominance. In their studies of “experiential advantage,” experiential and material qualities are frequently viewed by scholars as two opposite ends of a continuum. Since there is only one dimension, it is implied that material and experiential traits are mutually exclusive and can only be studied in relation to how dominant they are. However, this study emphasizes material and experiential qualities as separate, unipolar dimensions rather than bipolar one.

2.3. Residential mobility and culture

Residential mobility has potential to further develop with cultural factor. Especially, the relationship between residential mobility and individualism-collectivism needs to be investigated. Residential mobility and individualism-collectivism can be seen as simply reflections of one another due to similarity in their socio-ecological antecedents. However they are inconsistent as cultures or people might be either individualistic and unstable, individualistic and mobile, collectivistic and unstable, or collectivistic and mobile (Koo 2022).

It is crucial to investigate if cultural differences affect the outcomes and causes of residential mobility. For example, while residential mobility may in general cause tension, anxiety, and excitement in

most people, the intensity to which it does so may differ significantly from place to place. In a nation with a stable home environment, like Japan, relocation may cause greater stress and anxiety (Oishi and Talhelm 2012). Residential moves may cause higher uncertainty-reduction reactions in countries with high levels of uncertainty avoidance, like Greece, than in countries with low levels of uncertainty avoidance, like Singapore, if different cultures approach uncertainty in different ways (Hofstede 2013). Therefore, we used cultural factors as a moderator to discover differences within the group with residential mobility.

Therefore, we hypothesize that there is different result of value on experiential purchase because of cultural background with mobility. Formally,

H3. *Experiential purchasing will be moderated by cultural factor related to residential mobility (vs. stability).*

3. Research methodology

3.1. Study

Our study established the causal relationship between residential mobility and consumption behaviors in a controlled setting. To examine whether residential mobility makes a difference in how people perceive material and experiential values, we addressed two variables by directly manipulating residential mobility and testing how this manipulation affects consumers’ purchase type preference. Furthermore, we identify the underlying factors that explain the proposed relationship between residential mobility and the preference of purchase type. Specifically, we evaluated hypotheses proposing that when consumers are more residentially mobile, they are more likely to lower their evaluation of materialistic value, as they perceive it as non-essential in the mobile context. The manipulation of a residential mobility mindset was adapted from prior research (Lun, Oishi, and Tenney 2012) and we explore other factors that might explain the relationship between residential mobility and the type of purchase.

3.2. Method

In exchange for a small reward, eighty-four participants from Amazon’s Mechanical Turk ($M_{age} = 32.31$, $SD = 10.15$; 61% female) and thirty-nine Korean students at the Sungkyunkwan university were randomly assigned to two conditions (residential mobility mindset: mobile vs. stable) between-subjects design. Participants allocated to the mobile condition were asked to imagine that they were offered their

ideal job, which also involved moving to a different location every other year. Participants allocated to the stable condition were asked to imagine that they were offered their ideal job and that involved living in one area for the next 10 years. Participants were then asked to describe in writing their lifestyle experience and note its pros and cons. Past research has found that this manipulation produces a neutral affective state (Griskevicius, Shiota, and Nowlis 2010). After completing the writing task, participants were asked to indicate their Experiential Buying Tendency Scale (EBTS). Next, participants answered a series of measures, including six items on autonomy ($\alpha = .84$, e.g., “Rarely caves into social pressure.”) (1 = “not at all,” and 7 = “very much”).

The main dependent measure was the EBTS (Howell, Pchelin, and Iyer 2012), which instructed participants to indicate the degree to which

Some people generally spend their money on a lot of material goods and products (e.g., jewelry, clothing). They go about enjoying their life by buying physical objects that they can keep in their possession. To what extent does this characterization describe you?

and

Some people generally spend their money on a lot of different life experiences (e.g., eating out, going to a concert, traveling, etc.). They enjoy their life by participating in daily activities they personally encounter and live through. To what extent does this characterization describe you?

The answers were provided using a Likert-type scale (1 = “not at all,” and 7 = “very much”). Participants also provided basic information, such as nationality, gender, and age.

3.2.1. Self-focus and minimalism

To account for the possible effects of self-focus and minimalism on the value of experiential and material purchases, we had participants rate their levels of self-focus and minimalism to experience using subscales (1 = not at all, 7 = very much so). Participants completed 4 items for minimalism (e.g., “I avoid accumulating lots of stuff.”), and 1 item for self-focus (e.g., “Right now I am looking to find my life’s purpose.”).

3.3. Results

Consistent with our hypothesis, the results showed that mobile participants had indicated they would be unlikely to prefer more materialistic values compared to stable participants ($M_{\text{stable}} = 5.32$ vs. $M_{\text{mobile}} = 4.73$, $F(1, 121) = 4.55$, $p < .05$). Yet, there was no difference in the experiential purchase ($M_{\text{stable}} = 5.45$ vs.

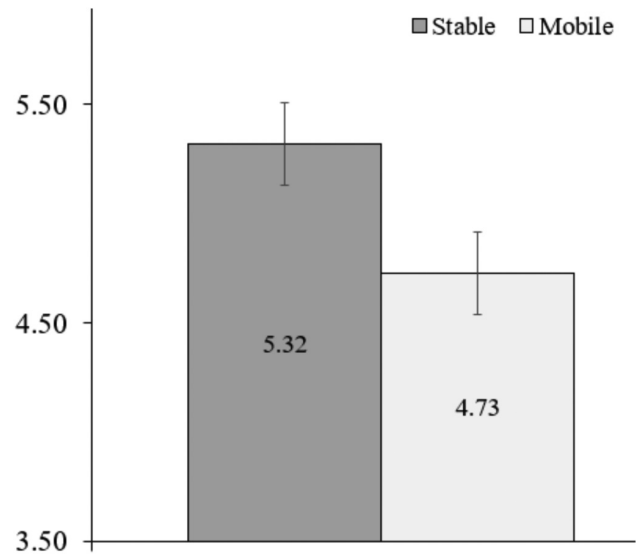


Fig. 1. Value on material purchase.

$M_{\text{mobile}} = 5.28$, $F(1, 121) = .47$, ns). Furthermore, bootstrapping using 5,000 resamples with replacements (Hayes and Scharkow 2013, Model 4) indicated that autonomy significantly mediated the relationship between mobility on materialistic value ($b = -.22$, $SE = .10$, $CI: [-.43, -.02]$). Finally, to examine a moderating effect of culture on experiential purchases, we use Hayes PROCESS macro v4.0 (Model 1, Hayes and Scharkow 2013).

3.3.1. Value on material purchase

We used a one-way ANOVA with high versus low mobility manipulation as the independent variable and preference of purchase type as the dependent variable to examine the impact of the mobility manipulation on participants’ preferences for purchase types. As shown in Fig. 1, the findings confirmed our hypothesis that individuals in the low mobility conditions were more likely to value material purchases than those in the high mobility settings (see Figs. 2–4).

The results confirmed our prediction that for materialistic purchases, participants were more unlikely to focus on the materialistic when they were in the mobile mindset condition compared to the stable mindset condition.

3.3.2. Preference of experiential purchase

We investigated the moderating role of culture. South Korean participants rated the experiential as more in the corresponding condition ($M_{\text{stable}} = 5.71$ vs. $M_{\text{mobile}} = 4.45$; $F(1, 121) = 4.49$, $p < .01$), yet there was no difference in the case of US participants ($M_{\text{stable}} = 5.37$ vs. $M_{\text{mobile}} = 5.71$; $F(1, 121) = 4.49$, ns).

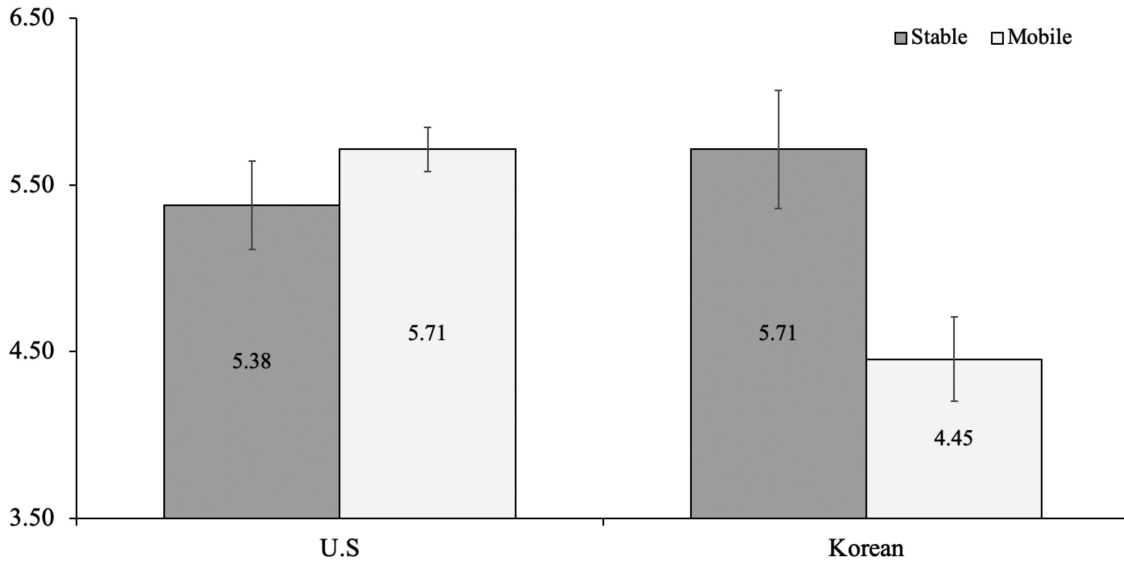


Fig. 2. Value on experiential purchase.

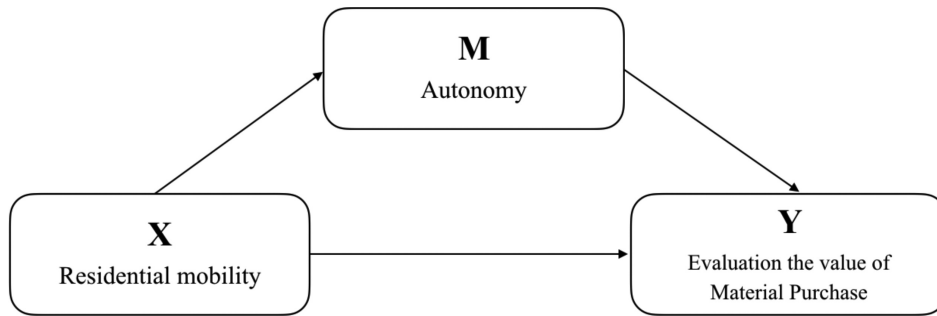


Fig. 3. Research model. The mediation effect of the autonomy of residential mobility to material purchase.

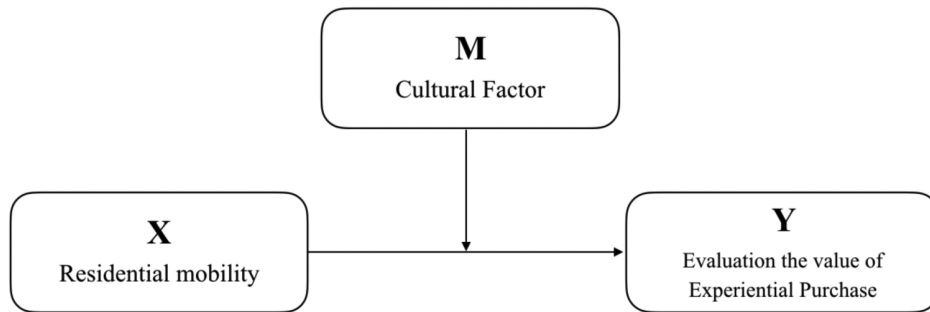


Fig. 4. Research model. The moderation effect of the cultural factor of residential mobility to experiential purchase.

4. Discussion and implications

Through multiple analyses, our study suggested that the more mobile consumers are the lower their evaluations of the value of materialistic purchases. Using mediation and moderation approaches, we further found autonomy and culture underlying mobility and preference of purchase type. Our findings suggest that autonomy mediate and cultural difference moderate the relationship between mobility and

purchase type. Additionally, this study also explored an alternative explanation regarding the focus on self and minimalism. In summary, our results support H1, H2, and H3 using an experimental approach.

4.1. General discussion

How does residential mobility affect consumption behavior? In short, by presenting a fresh marketing

result of consumer behavior, the current research adds to the body of knowledge on residential mobility. There are many different types of mobility (Kim, Yi, and Bak 2021; Kwon and Yi 2020), we focus on residential mobility. By investigating the mechanism underlying effect, this research also extends our understanding of residential mobility in the marketing context. In addition, our research provides marketers with rich practical implications on how to incorporate residential mobility more effectively into their marketing practices.

We have proposed that residential mobility influences preference for experiences and material goods. We focus on that low (vs. high) residential mobility leads to different values on purchase types. Consequently, feelings of mobility tend to shift consumers' preferences toward experiences and material goods. This basic effect is observed in this study. We also present evidence that high (vs. low) residential mobility can impact material and experiential purchases and residential mobility (vs. stability) leads consumers to have autonomy, which results in values that are free from materialism. Residential moves open consumers up to new ideas and places that allow them to experience freedom, so their sense of autonomy is likely to free them from possessions. This makes them more likely to reduce reliance on belongings. While the tendency to experiential purchases is different between cultures, not everyone is positive about such purchases. Koreans significantly prefer experiential purchases in stable conditions. However, there was no significant difference between stable and mobile consumer in U.S. That is, collectivistic and individualistic culture may have different reaction to experiential purchase. As a result, mediator role of autonomy and moderating role of culture with residential mobility differentiated preferences toward purchase types.

Our findings provide a novel contribution, by demonstrating how residential mobility affects purchase preferences, especially toward materialistic and experiential value using experiments. Our research provides a rationale as to why residential mobility leads to different preferences in the material-experiential purchase type, which can motivate marketers to better understand mobility consumers. We show that matching the right consumption behaviors to right lifestyle with residential mobility is crucial. In addition, we explore compelling factors, such as culture (eastern vs. western) and autonomy, in explaining the relationship between residential mobility and the evaluation value of purchase type. Our results also exclude several alternative accounts.

The current research brings several contributions to the literature. First, we provide evidence for the

considerable contribution of residential mobility in a "less relevant" domain, our research advanced the field of mobility research. By empirically investigating the role of culture and autonomy as the underlying difference of mobility, we extend the existing literature. That is, we suggest that culture and autonomy can be an essential factor in terms of explaining the preference for experiential purchases that depend on mobility.

Second, our findings show how important residential mobility is to consumer behavior, with residential stability (vs. movement) being more conducive to a preference for a particular purchase type. In brief, these findings demonstrate when and why people differently value on each purchase type.

Conflict of interest

There is no conflict of interest.

Appendix A: Residential mobility manipulation (adopted from Oishi et al. 2012)

Low residential mobility condition

Imagine that you have just graduated and are offered a job that you have always wanted. The job also involves living in one area for at least the next 10 years. Please use the space below to describe in as much detail as possible what it would be like for you to have such a lifestyle. What will it be like to live in one place for 10 years? What is good and bad about it? How do you think it will affect your relationships with other people? For example, what kind of friends will you have, or how it is going to affect your existing relationships with your friends and family? After you have finished writing, please click the button below to continue.

High residential mobility condition

Imagine that you have just graduated and are offered a job that you have always wanted. The job also involves moving to a different location every other year. Please use the space below to describe what it would be like for you to have such a lifestyle. What will it be like to live in a different place every other year? What is good and bad about it? How do you think it will affect your relationships with other people? For example, what kind of friends will you have, or how is it going to affect your existing relationships with your friends and family? After you have finished writing, please click the button below to continue.

Appendix B: The EBTS (Howell et al. 2012)

Appendix. The EBTS

In this section of the survey we would like to know more about the purchasing choices you are typically more likely to make. A material item is something tangible, such as jewelry or clothes. An experiential item is something that is intangible, like going out to dinner or going on vacation. Using the scale below as a guide, indicate your preferences.

Item 1. In general, when I have extra money I am likely to buy ...

1	2	3	4	5	6	7
A						A life
material						experience
item						

Item 2. When I want to be happy, I am more likely to spend my money on...

1	2	3	4	5	6	7
Material						Activities and
goods						events

Item 3. Some people generally spend their money on a lot of different life experiences (e.g., eating out, going to a concert, traveling, etc). They go about enjoying their life by taking part in daily activities they personally encounter and live through. To what extent does this characterization describe you?

1	2	3	4	5	6	7
Not at						A great
all						deal

Item 4. Some people generally spend their money on a lot of material goods and products (e.g., jewelry, clothing). They go about enjoying their life by buying physical objects that they can keep in their possession. To what extent does this characterization describe you?

1	2	3	4	5	6	7
Not at						A great
all						deal

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