

The Devil Wears Prada? Effects of Exposure to Luxury Goods on Cognition and Decision Making

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ABSTRACT

Although the concept of luxury has been widely discussed in social theories and marketing research, relatively little research has directly examined the psychological consequences of exposure to luxury goods. This paper demonstrates that mere exposure to luxury goods increases individuals' propensity to prioritize self-interests over others' interests, influencing the decisions they make. Experiment 1 found that participants primed with luxury goods were more likely than those primed with non-luxury goods to endorse business decisions that benefit themselves but could potentially harm others. Using a word recognition task, Experiment 2 further demonstrates that exposure to luxury is likely to activate self-interest but not necessarily the tendency to harm others. Implications of these findings were discussed.

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Gandhi once wrote that “a certain degree of physical harmony and comfort is necessary...but above a certain level it becomes a hindrance rather than a help.” (Tendulkar, 1961, p. 88). This observation raises interesting questions for psychologists regarding the effects of luxury. What psychological consequences do luxury goods have on people? In this report, we argue and present evidence that the mere exposure to luxury goods can increase individuals’ propensity to commit self-interested cognition and decision-making. Our argument involves two key premises: luxury is intrinsically linked to self-interest and mere exposure to luxury can activate related mental representations affecting cognition and decision-making.

A wide range of research from social theories to brain studies (Berry, 1994; van der Veen, 2003; Twitchell, 2003; Hilton, 2004; Danziger, 2005; Tsai, 2005; Mandel, Petrova, & Cialdini, 2006) has discussed the concept of luxury. Although these discussions have taken various perspectives, a consistent theme is that luxury goods are related to the concept of personal desire. For example, Berry’s (1994) account in *The Idea of Luxury* and Twitchell’s (2003) account on *American’s Love Affair with Luxury* both described a link between the perpetuation of the luxury culture and individuals’ desires. In an experimental setting, Kemp (1998) found that a good was regarded as more luxurious if it was the object of desire as opposed to a relief for a state of discomfort. These accounts characterized luxury goods as progressive refinements of basic human needs. People pursue luxury in part to fulfill certain personal desires. In other words, the very notion of luxury involves increasing pleasure beyond basic functionality (van der Veen, 2003; Kemp, 1998), suggesting a motivation that focuses on hedonist experiences. Likewise, marketing researchers have shown that people buy luxury goods not merely to impress social others or gain symbolic status, but also to fulfill self-directed pleasures or gratification for themselves (Tsai, 2005; Vigneron & Johnson, 1999). Some indirect

evidence on the link between luxury and self-interest can be found in recent findings in brain research (Schaefer & Rotte, 2007). When exposed to luxury brands (of cars), people's medial prefrontal cortex (MPFC) became activated. The MPFC has been related to self-reflection and self-relevant processing in other research (e.g., Johnson, Baxter, Wilder, Pipe, Heiserman, & Prigatano, 2002; Seger, Stone, & Keenan, 2004; Schmitz, Kawahara-Baccus, & Johnson, 2004).

Although cumulative evidence suggests a link between luxury and self-interest, this link has not been clearly demonstrated. A critical question is whether mere exposure to luxury goods can indeed activate people's self-interests and affect their cognition and decision making. In this regard, prior findings from priming research lay the premises for our argument. Priming research shows that the mere presence of a stereotyped group identity or certain environmental artifacts can activate associated mental representations, as well as affect subsequent behaviors in line with these mental representations (Bargh, Chen, & Burrows, 1996; Macrae et al, 1998; Dijksterhuis & Bargh, 2001). For instance, Kay, Wheeler, Bargh, and Ross (2004) found that exposure to objects common to the domain of business (e.g., boardroom tables and briefcases) as opposed to neutral objects (e.g., a kite or toothbrush) increased the cognitive accessibility of the construct of competition, the likelihood that an ambiguous social interaction would be perceived as less cooperative, and the amount of money that participants proposed to retain for themselves in an "Ultimatum Game." Likewise, Vohs, Mead, and Goode (2006) showed that when primed with money, people become more oriented toward self-sufficiency; money-primed subjects were more likely than those not primed with money to maintain social distance from others and were less likely to ask for help.

Extending this body of findings, we argue that luxury goods can activate the concept of self-interest and affect subsequent cognition. Central to our thesis is the presence of an implicit

link between the notion of luxury and self-interest. In Experiment 1, we show that when primed with luxury, people are more likely to endorse self-interested business decisions (profit maximization), even at the expense of others. Because the business decisions used in Experiment 1 involve inflicting potential social harm, it is important to isolate whether priming luxury also activates the tendency to harm others. Experiment 2 further demonstrates that exposure to luxury is likely to activate self-interest but not the tendency to harm others.

EXPERIMENT 1

Eight-seven participants (47% male, average age 24) at a large East-coast university were randomly assigned into two experimental conditions – the “luxury goods” condition and the “non-luxury goods” condition. In each condition, participants first viewed pictures of either luxury or non-luxury consumer products (shoes and watches) and then completed a marketing questionnaire regarding these products (see Appendix 1 for sample pictures). They were first asked to describe key features of the products presented. These primes were pre-tested to ensure that most people would regard the depicted products to be either luxurious or just normal functional goods. Descriptions written by participants were consistent with the prime. For instance, participants in the non-luxury prime condition would typically describe the products as *“Everyday products that are necessities”* or *“they’re fairly simple; they also look very functional”* whereas those in the luxury prime condition would write descriptions such as *“They are all very glamorous and glitzy,”* or *“these products are all designer items, and are all fairly expensive.”*

Next, each participant completed an allegedly unrelated second questionnaire involving three business decision making scenarios. These scenarios were designed to tap the extent to which people place self-interests (operationalized as profit-maximization for one’s firm) above society-interests. In all scenarios, participants had to imagine that they were the chief executive

of a firm. The assumption is that profit maximization for the firm would directly benefit these protagonists¹. In scenario 1, participants were asked to imagine that they were the CEO of an auto-motor company that had just created a new model of cars that can bring tremendous profit for the company; however, production of this new car could also potentially pollute the environment². In scenario 2, participants were asked to imagine they were the CEO of a software firm that had created a highly profitable new software but the software still contained some bugs. Finally in the third scenario, participants imagined themselves to be head of an advertising firm asked to help market a new video game; doing so would bring the firm large profits but the video game could potentially induce violence in young boys. At the end of each scenario, participants rated on a 9-point scale (1=definitely will not, 5=somewhat likely to, 9=definitely will) on how likely they would produce the car, launch the software, and take on the marketing project respectively. These scenarios were counterbalanced.

As expected, results indicated that, controlling for subject age and sex³, luxury-primed participants were significantly more likely to endorse production of a new car that might pollute the environment ($F(1,82)= 9.75, p <0.01; partial \eta^2 =0.11$), launch a new software with bugs ($F(1,82)= 9.13, p <0.01; partial \eta^2 = 0.10$), and market a video game that might induce violence ($F(1,82)= 6.12, p <0.05; partial \eta^2 = 0.07$). Means and standard deviation for these results are presented in Figure 1.

¹ We acknowledge that in a scenario study, participants do not actually benefit from the decisions they endorse. However, because we asked participants to imagine themselves as the protagonists in each scenario, we expect that they would at least momentarily take the perspective of the person in question. This design also presented a conservative test to our hypothesis. Our assumption is, if we can observe our results even when actual and direct monetary gained are not involved, the actual impact of luxury goods to daily decision making should be more significant.

² This study was conducted in 2007 before the auto-motor industry meltdown in the U.S.

³ These controls had no significant effects on the outcomes and there was no significant interaction effect.

EXPERIMENT 2

Results from experiment 1 suggest that when primed with luxury, people endorsed self-interested decisions that could potentially harm others. To clarify the effects of luxury prime – whether luxury-primed individuals are simply self-interested or are they indeed more prone to harm others – we conducted a word recognition study. A total of 114 participants (57% male, average age 22) from the same university participated in this study. The first part of the study was exactly the same as that in Experiment 1; participants were randomly assigned to the luxury or non-luxury condition and were told to evaluate the given products. The second allegedly unrelated task was framed as a pilot test for a different study. Participants were given 10 strings of seemingly scrambled letters and asked to write down the first word that came to mind. Five of these strings of letters were each constructed by interleaving a pro-social word with an equal length anti-social word. The pro-social words used were **NICE, WARM, GIVING, HELPFUL, SWEET**; the respective anti-social words were **RUDE, COLD, STINGY, SELFISH, NASTY**. For example, subjects were exposed to the string of letters “**N I R U C E D **E**” which was actually made up of the words **NICE** and **RUDE** interleaved. The dependent variables for each subject were derived by counting the number of pro-social words and anti-social words recognized. We also derived the difference between the number of recognized anti-social words and pro-social words. This measure allowed us to get at participants’ relative tendency to harm others (recognizing anti-social words) vis-à-vis to focus on self interest (not recognizing pro-social words)⁴. Identified words that were not in our original lists were not counted. The remaining 5 strings of letters were constructed in similar manners but involved**

⁴ If luxury prime both increases anti-social thoughts and decreases pro-social thoughts, it is useful to know which tendency is stronger.

neutral words like **TABLE** and **CHAIR**. These filler strings were presented in between the strings of interest to make it less obvious that we are focusing on social words in this task.

As with Experiment 1, we controlled for gender and age in our analyses. Results indicate that, compared to non-luxury-primed participants, luxury-primed participants were *not* significantly more likely to identify more anti-social words than pro-social words, ($F(1,110)=2.29$; $p = 0.13$; $partial \eta^2 = 0.02$). When we broke down the analyses based on the type of words identified, we found that luxury-primed subjects identified significantly fewer pro-social words than non-luxury-primed subjects ($F(1,110) = 4.74$; $p < 0.05$; $partial \eta^2 = 0.04$). However, there was no significant difference in the identification of anti-social words ($F(1,110) = 0.14$; $p = 0.71$; $partial \eta^2 = 0.00$). Neither gender nor age moderates our results. Means and standard deviations for these results are presented in Figure 2⁵. This pattern of findings suggests that luxury-primed individuals were not more likely to have anti-social cognition but were less likely to have pro-social thoughts. In other words, when thinking about luxury, people tend to focus more on themselves and less on others.

GENERAL DISCUSSION

Two experiments showed that mere exposure to luxury caused people to think more about themselves than others. As hypothesized, Experiment 1 demonstrated that luxury-primed individuals tend to make decisions that are self-interested and arguably unethical. Experiment 2 showed that individuals primed with luxury goods tend to be less likely to identify pro-social words than those primed with non-luxury goods. However, luxury-primed individuals were not more likely to identify anti-social words. This suggests that luxury does not necessarily induce

⁵ Similar results were obtained if we did not control for gender and age. The key exception is that, without gender and age control, the effect of luxury prime on the difference between anti-social and pro-social word was significant ($F(1,112) = 4.85$, $p < 0.05$; $partial \eta^2 = 0.04$). In other words, luxury-primed subjects identified relatively more anti-social words than pro-social words than non-luxury-primed subjects.

one to be “nasty” toward others but simply causes one to be less concerned or considerate toward them.

The current research has some important implications. In the midst of the current global economic crisis, people are outraged by highly paid executives living on the lap of luxury but continue to make self-serving decisions while ignoring the plight of others (*The Economist*, 2009). One commonly proffered explanation is that these executives lack a moral compass, leading them to care only about themselves to the extent of hurting others. Our findings offer another perspective – the fact that these executives are surrounded by luxury did not help their decision making to be more others-oriented. Yet their seemingly “immoral” decisions stem not so much from real tendency to hurt others but more from over self indulgence. Perhaps limiting corporate excesses and luxuries might indeed be a step toward getting executives to behave more responsibly.

While our findings established the mere exposure effects of luxury goods, future research should examine the mechanisms through which luxury goods activate self-interests. We posit that several potential mechanisms may be involved in the process. Exposure to luxury goods may activate a social norm that it is appropriate to pursue interests beyond a basic comfort level, even at the expense of others. It may be this activated social norm that affects people’s judgment and decision making. Alternatively, exposure to luxury may directly increase people’s personal desire, causing them to focus on their own benefits such as prioritizing profits over social responsibilities. Although these two mechanisms lead to the same observed results, they have distinct social implications. Future research should also tease apart the nuances in the psychological effects of money prime (self-sufficiency and independence) and luxury prime (self-interest and desires). Self-sufficiency invoked by money prime is likely to reduce

dependence on social others whereas self-interest invoked by luxury prime is likely to increase focus on oneself.

In May 2007, the trial of fashion journalist Peter Braunstein for sexual assaults garnered some media attention when his defense psychologist invoked the “Devil wears Prada” defense by arguing that “the sexually charged, celebrity-driven pressure cooker of the fashion world was toxic, the proverbial recipe for disaster” (Hartocollis, 2007). Although this creative defense ultimately failed and Braunstein was convicted, it raised the interesting and important idea that one’s work environment might to some extent be responsible for the way one thinks and makes decisions. Our findings and others before us (e.g., Kay, et al 2004; Vohs, et al 2006) suggest that this argument is not without scientific basis. Working in a business setting surrounded by money and luxuries might very well have an effect on cognition and decision making. Establishing a strong body of evidence for this effect may hold significant legal implications in similar cases in the future. For example, will the same business meeting reach different decisions when it is held at a luxury resort as opposed to a modest conference room? Will CEOs who bequeath themselves expensive office facilities and luxurious corporate jets make different business decisions than those who do not? In this age of Wall-Street excesses, these are pertinent questions that could further our understanding on why some actors continue to place their own interests over others’, even in difficult economic times.

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Appendix 1

Sample Non-luxury Primes



Sample Luxury Primes



Figure 1: Experiment 1 Findings

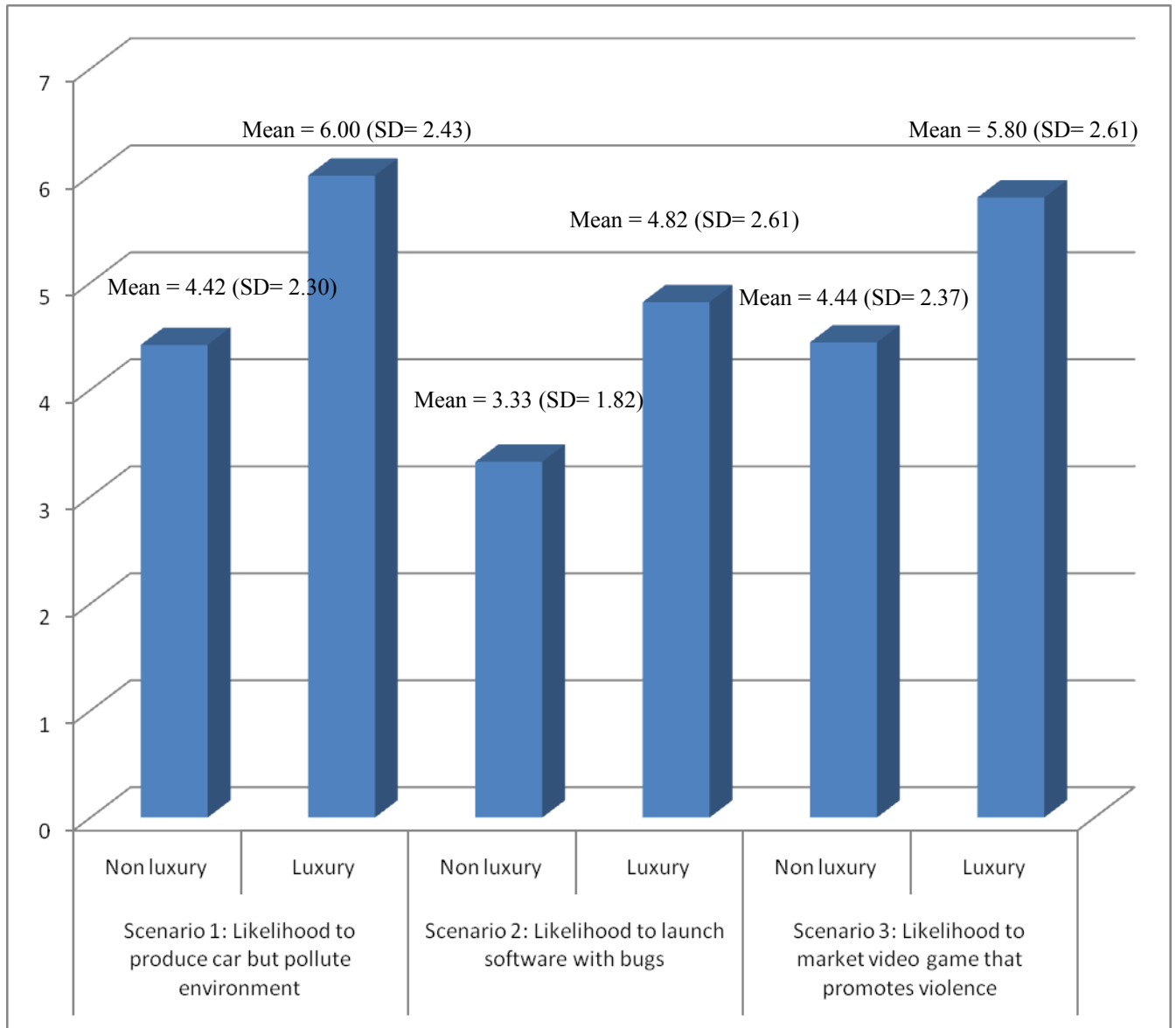


Figure 2: Experiment 2 Findings

