



The effect of altruistic gift giving on self-indulgence in affordable luxury

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ABSTRACT

Consumers may self-indulge in luxury for several reasons. This research examines the effect of giving a gift on the giver's subsequent indulgence in affordable luxury and finds that the motivation underlying gift giving matters: Consumers giving with an altruistic motivation (i.e., to voluntarily make the gift recipient happy) are more likely to self-indulge in affordable luxury than consumers giving with a normative motivation (i.e., to follow a social norm). This effect depends on perceived morality of indulgences, such that willingness to indulge increases to the extent that altruistic gift givers perceive indulgences to be more morally acceptable.

1. Introduction

A study of the gifting market indicates that American shoppers planned to spend an average of \$648 on gifts even during the coronavirus pandemic Christmas season (Inman, 2021). Another study suggests that 55.8% of shoppers also splurge on themselves over the holidays, spending an average of \$131.59 on themselves when they are shopping for their loved ones (National Retail Federation, 2015). Imagine that you are shopping for a gift for a friend. After buying the gift, how would the fact that you bought a gift for someone else influence what you subsequently purchase for yourself? Would your motive behind giving the gift matter? Given the ubiquity of gift giving, we aim to better understand the relation between gift shopping and subsequent self-indulgence. In this research, we propose that the motives underlying gift giving influence willingness to buy affordable luxuries for oneself.

Specifically, we propose that giving a gift with an altruistic motivation (i.e., when consumers voluntarily want to make the recipient happy) affects willingness to self-indulge in affordable luxury to a greater extent than giving a gift with a normative motivation (i.e., when consumers are obliged to give to comply with a social norm). We also propose that altruistic (but not normative) gift givers' willingness to self-indulge varies depending on how moral these givers perceive indulgences to be. We report converging empirical evidence supporting our predictions across a pilot study and three additional studies. Our pilot study shows that altruistic (vs. normative) gift giving increases givers' self-indulgence. Study 1 shows the predicted interaction between

gift-giving motives and perceived morality of indulgences in a lab setting. Study 2 conceptually replicates the results with a manipulation of gift-giving motivation where participants recall a recent gift and with a culturally different participant pool to enhance generalizability. Study 3 provides external validity by again conceptually replicating the main results in a more naturalistic setting where participants actually give a gift. Our contributions are twofold. First, the observed effect contributes to gift-giving research by showing that two motivations underlying gift giving influence consumer psychology differently, and it contributes to luxury research by revealing a new context influencing affordable luxury consumption. Second, the findings contribute to research on altruistic behavior by highlighting the key role of consumers' perceptions of morality of indulgences in the relationship between altruism and indulgence.

These results have implications for luxury retail and communications, particularly those concerning affordable luxury. As luxuries became more accessible to the mass consumer, affordable luxuries became a trend and then a solid market (De Barnier et al., 2012; Kastanakis & Balabanis, 2012; Parguel et al., 2016; Silverstein & Fiske, 2003). We define affordable luxuries as 1) lower price-point products (goods or services) from established, high-end luxury brands (e.g., when traditional luxury brands expand into more affordable categories such as beauty or accessories) and 2) products from accessible luxury brands (e.g., when brands position themselves as "affordable luxury" or "masstige" brands). Giorgio Armani is an example of a company that engages in both types of affordable luxury. The brand has expanded into beauty,

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for example, and manages several labels, from Armani Privé to Armani Exchange, which vary in affordability levels. When shopping for someone else, consumers might allow themselves to self-indulge. These self-indulgences typically involve smaller, pleasure-laden purchases, such as affordable luxury products (i.e., following gift giving, consumers might not self-indulge in a new expensive watch but might self-indulge in a bottle of fine wine). This research helps illustrate this process and offers luxury retailers an opportunity to use these insights to manage their offers and improve their outcomes in the context of gift-giving opportunities, such as established gifting holidays.

2. Theoretical background

2.1. Gift giving

Gift giving is an exchange process between donors and recipients (Sherry, 1983) that reinforces relationships within society (Lowrey et al., 2004; Otnes et al., 1993; Ruth et al., 1999). Such social exchange includes a broad range of prosocial behaviors (Belk & Coon, 1993; Sherry, 1983). For example, donating money (Frey & Meier, 2004), engaging in volunteer work (Freeman, 1997), or donating blood (Piliavin & Callero, 1991) can be regarded as forms of gift giving because these prosocial behaviors involve a social exchange process that involves helping or benefiting others (Weinstein & Ryan, 2010).

Examining the downstream consequences of gift giving is important because the same behavior (i.e., giving a gift) may produce different subsequent behaviors due to different underlying motivations. However, research examining the motives underlying the same prosocial behaviors is relatively scant (Konrath, 2013). While some previous research suggests that prosocial behaviors may increase indulgent consumption (e.g., Khan & Dhar, 2006), we propose that different motives underlying gift giving will lead to different levels of luxury indulgence.

Luxuries are closely associated with indulgence and hedonics (Hagtvedt & Patrick, 2009; Kapferer & Valette-Florence, 2019; Kivetz & Simonson, 2002). Luxury has many facets, and indulgence is one of them (Kapferer, 2015), and luxury products are often a good example of indulgent consumption because both luxury and indulgences are emotional and pleasurable, and fall beyond the scope of typical behavior (Hagtvedt & Patrick, 2009; Kapferer & Laurent, 2016; Kapferer & Valette-Florence, 2016; Kivetz & Simonson, 2002). In this research, we focus on willingness to buy affordable luxuries as a measure of self-indulgence following gift giving. We define luxury products as those that carry emotional benefits and that are nice to have but are not truly necessary (Berry, 1994; Hagtvedt & Patrick, 2009; Kemp, 1998; Kivetz & Simonson, 2002). We consider a variety of luxury brands in the research, particularly affordable luxuries that a significant portion of consumers could self-indulge in. Based on brand marketing, luxury covers three domains: inaccessible, intermediate, and accessible (De Barnier et al., 2012). Different consumers have their own personal definitions of luxury (Hudders et al., 2013; Kapferer & Laurent, 2016); therefore, lower-priced brands can be perceived as luxury brands for less privileged consumers (Kapferer & Laurent, 2016). This approach adopts a more democratic, consumer-based view of luxury (Pandelaere & Shrum, 2020), and it allows us to examine the proposed effects within a broader population (e.g., a wider range of income levels), as a larger portion of consumers is able to indulge in affordable luxury.

Our research compares the effects of two common gift-giving motives: altruistic (e.g., a person buys their friend a gift because they want to make them happy) and normative (e.g., a person has to give a wedding gift because this is expected according to social norms). Altruistic gift giving involves aiming to voluntarily please the recipient (Sherry, 1983). Normative gift giving is motivated by a need to comply with social norms or obligations, including those of reciprocity and ritual (Goodwin et al., 1990; Kim & Kim, 2019). To examine the pervasiveness of these motives, we asked 206 people via a research panel what their most common reasons to give a gift in everyday life were (67% male;

32% bachelor's degree, and 52% master's degree or above). More than half of the respondents (53.88%) indicated that maximizing the recipient's well-being was their most common reason to give a gift (altruistic motive), and approximately one-third of the respondents (28.64%) stated that following a social norm was their most common reason to give a gift (normative motive). Therefore, altruistic and normative motives are conceptually different and common gift-giving motives, making them good conditions to compare, even though naturally, there are other motivations for gift giving (e.g., Givi & Galak, 2020).

2.2. Indulging in affordable luxury as a consequence of gift giving

To predict how gift-giving motives affect the willingness to indulge in luxury, we consider the psychological consequences associated with these motivations. Giving a gift, donating, or spending money on others, especially with an *altruistic* motive, has been shown to enhance people's experience of positive feelings such as happiness and warm glow (Aknin et al., 2012; Andreoni, 1989; Dunn et al., 2008; 2014; Dunn et al., 2011; Meier & Stutzer, 2008). For example, "prosocial spending" (spending money on other people) affects general happiness (Dunn et al., 2008), even if the amount spent is as low as the cost of a coffee (Dunn et al., 2014). Children and toddlers are happier when giving treats to others than when receiving treats themselves, even if they have to forego their own resources (Aknin et al., 2012). Employees who receive bonuses in the form of charitable contributions report being more satisfied than those receiving monetary payment (Anik et al., 2013). Once such positive feelings are activated, people generally tend to engage in behaviors that will maintain this positive affect (Cohen & Andrade, 2004; Isen, 2000; Isen & Geva, 1987; Isen & Simmonds, 1978). Individuals experiencing happy (vs. neutral) feelings even learn to engage in activities that will maintain their positive feelings (Wegener & Petty, 1994). Given that indulging is a common way for consumers to maintain positive affect (Andrade, 2005; Petersen & Heine, 2013), we expect altruistic gift giving to influence willingness to indulge in affordable luxury.

However, we do not expect the same for normative gift giving. There is evidence that giving a gift with a normative motivation does not make consumers feel the same way or provide the same emotional benefits. For example, donors were found to be less satisfied following mandatory donations for public goods than voluntary donations (Harbaugh et al., 2007). When people's prosocial behaviors (e.g., helping others) are not autonomous (e.g., when they emanate from external or self-imposed pressures), psychological benefits and subjective well-being associated with these actions are eliminated (Weinstein & Ryan, 2010). People who engage in prosocial actions "instrumentally" (e.g., expecting external benefits or payoffs) do not experience the warm glow of giving, whereas those who engage in these actions simply to help others are happier (Meier & Stutzer, 2008). Such situations resemble giving a gift with a normative motivation, where the giver is expected to give due to an external social norm. Thus, we predict the following:

H1: *Gift giving with an altruistic motive will influence givers' willingness to indulge in affordable luxury to a greater extent than gift giving with a normative motive.*

Importantly, however, consumers will only tend to indulge when they perceive this behavior to help – and not hurt – their goal of maintaining their positive affective state (e.g., Andrade, 2005; Chen & Pham, 2019; Isen, 2000; Petersen & Heine, 2013). People in a positive affective state will indulge more only when they believe that indulgent consumption can maintain or improve their positive affective state (Labroo & Mukhopadhyay, 2009). However, when indulgent behavior threatens their positive state, they will refrain from indulging. For example, people indulge in chocolate when they perceive chocolate to help them improve their mood but refrain from indulging when they perceive chocolate to threaten their mood (Andrade, 2005). Similarly,

consumers prefer a luxury brand product over a standard product when this indulgence does not have the potential to compromise their current positive affective state (Petersen & Heine, 2013). Thus, positive affect maintenance theory predicts that an altruistic giver will indulge in luxury to maintain their feelings of warm glow (Cohen & Andrade, 2004; Isen, 2000) as long as this behavior has the potential to maintain or enhance their positive affect (Andrade, 2005; Petersen & Heine, 2013). This is where perceived morality of indulgences will play a role.

2.3. Perceived morality of indulgences

Luxury indulgences often generate moral tension because, although they are intrinsically pleasurable and can satisfy psychological needs, they are often in conflict with personal values and may generate feelings of guilt or inappropriateness for being “excessive” (Khan & Dhar, 2006; Xu & Schwarz, 2009). Because of this ambivalence (Ramanathan & Williams, 2007), consumers may perceive indulgences as moral (not violating a moral standard) or immoral (violating a moral standard; Perry et al., 1985). For example, previous research reveals that indulgences are often construed as justified (and thus “moral”) when viewed as a means of recovering from trauma, a reward for success, or a deserved reward after effortful behaviors (Jia et al., 2017; Kivetz & Simonson, 2002; Petersen et al., 2018; Xu & Schwarz, 2009). Conversely, other research shows that indulgences are morally questionable because the money wasted on unnecessary products could have gone to people in need (Merritt et al., 2010). Recent research has shown that symbols of immorality (e.g., the devil) prime indulgent consumption (such as using a rich, creamy shower gel; Ilicic et al., 2021). Thus, given that the goal of indulgence is typically to obtain immediate pleasure, potentially at the expense of other life goals (Kivetz & Zheng, 2006; Xu & Schwarz, 2009), morality is often mentioned in the context of indulgences.

We argue that perceptions of morality of indulgences will interact with gift-giving motives and be particularly important for *altruistic* gift giving. This is because indulging in luxury might maintain or improve positive affect when indulgences are perceived as moral but hurt positive affect when indulgences are perceived as immoral. Supporting this notion, a study on self-gratification in children showed that happiness led to more indulgence when children had no reason to believe that excessive self-gratification was morally wrong, but happiness led to less indulgence when children feared that excessive self-gratification would violate a moral rule (Perry et al., 1985). Thus, morality of indulgences should be key to determining when altruistic givers will be more willing to indulge, but we do not expect the same for normative givers, as a normative motive would not activate the desire to indulge to the same extent. In sum, both gift-giving motives and perceived morality of indulgences are important variables that interact to influence indulgence, and we expect altruistic (but not normative) gift givers to be more willing to self-indulge in luxury to the extent that their perceived morality of indulgences increases.

Based on this, we predict the following:

H2: *Perceived morality of indulgences will interact with gift-giving motives to influence willingness to indulge such that the relationship between morality and indulgence will be positive and stronger for altruistic (vs. normative) givers.*

3. Pilot study

Our pilot study aimed to examine the effect of gift-giving motives on willingness to indulge in affordable luxury (H1). Another aim of this study was to tease out the effects of altruistic giving and anonymous altruistic giving. The purpose of the anonymous condition was to rule out the possibility that an effect of altruistic motives on givers' indulgence was due to factors potentially confounded with altruism (e.g., anticipating reciprocity or appreciation). With no significant difference

between the altruistic and anonymous altruistic conditions, we could more confidently conclude that an effect in the altruistic condition occurred due to the altruistic motive and not confounds.

3.1. Sample, design, and measures

The study used a 1-factor between-subjects design with 3 gift-giving motivations: altruistic vs. anonymous altruistic vs. normative. Seventy-four participants (58.3% male; $M_{age} = 28.42$) were recruited from a subject pool managed by a business school and containing participants drawn from the population of a large German city. Each participant received €5 as a participation fee.

Participants in the altruistic motive condition read a hypothetical gift-giving scenario emphasizing that the purpose of giving a birthday present to a coworker was to make him or her happy. In the anonymous altruistic motive condition, participants read a similar passage with a short addition: “All of the gifts, including yours, were given - anonymously on your coworker's birthday.” In the normative motive condition, the hypothetical scenario was similar with one exception: a gift was to be given “because it is expected that everyone in the office will give your coworker a present.” To reinforce the manipulations, participants were asked to write a few words about the situation they imagined and briefly describe what they would feel like and think about. As a manipulation check, we measured participants' altruistic motivation with four items (e.g., *I was considerate of others' feelings*; $\alpha = 0.60$; see Table 1; adapted from Khan & Dhar, 2006) and their normative motivation with three items (e.g., *I felt that I had to comply*; $\alpha = 0.88$; see Table 1), all ranging from 1 (*strongly disagree*) to 7 (*strongly agree*).

To measure willingness to indulge in affordable luxury, we created an index based on participants' willingness to buy each of sixteen brands for themselves, which were presented with their logos in an ostensibly unrelated survey (see Table 1; $\alpha = 0.94$). We chose luxury brands that also offer products at more accessible price points (e.g., accessories or beauty products), luxury brands that are in general more affordable, and some premium brands that are considered “luxurious” by some consumers. We also balanced the primary gender orientation of the brands and chose brands that would be relevant for both female and male participants. Answers were provided on a 7-point scale ranging from 1 (*I would not be willing to purchase*) to 7 (*I would be willing to purchase*). Finally, we asked participants to freely guess the purpose of this study and collected their demographic data. We tested for gender effects in different ways. When including gender as a covariate, the effect of gender was nonsignificant ($p = .19$), and the effect of gift-giving motives on willingness to indulge remained significant ($p = .012$) and with the same pattern. In addition, when reanalyzing the data considering only unisex brands (brands that target both genders with their main product lines), the effect of motives on willingness to indulge also held with the same pattern ($p = .016$). Thus, gender was a nonsignificant covariate and did not change the results. No participants guessed the purpose of the study.

3.2. Results and discussion

Manipulation checks confirmed the validity of the manipulations. Planned contrasts revealed that participants in both the altruistic ($M = 4.60$, $SD = 0.66$, $n = 17$) and anonymous altruistic motive conditions ($M = 4.99$, $SD = 0.66$, $n = 25$) perceived themselves as being more altruistic than participants in the normative motive condition ($M = 4.30$, $SD = 1.10$; $t(71) = 2.36$, $p = .021$). Moreover, there was no difference between the altruistic and anonymous altruistic motive conditions ($t(71) = -1.40$, ns.). Participants in the normative motive condition ($M = 4.69$, $SD = 1.77$, $n = 32$) reported following social norms to a greater extent than participants in both the altruistic ($M = 3.96$, $SD = 1.04$) and anonymous altruistic motive conditions ($M = 4.09$, $SD = 0.95$; $t(71) = -2.02$, $p = .047$), while the difference between the altruistic and anonymous altruistic motive conditions was not significant ($t(71) =$

Table 1
Overview of studies.

Study	Experimental conditions	Gift-giving motives/manipulation checks	Morality perception	Willingness to indulge in affordable luxury
		1 = <i>Strongly disagree</i> 7 = <i>Strongly agree</i>	1 = <i>I think they are morally inappropriate</i> 7 = <i>I think they are morally appropriate</i>	1 = <i>I would not be willing to purchase</i> 7 = <i>I would be willing to purchase</i>
Pilot	Hypothetical scenario (<i>altruistic vs. anonymous altruistic vs. normative gift-giving motives</i>)	Altruistic motive: <i>I was caring.</i> <i>I was helpful.</i> <i>I was considerate of others' feelings.</i> <i>I was willing to make a sacrifice.</i> Adapted from Khan & Dhar (2006)	/	Willingness to buy the following brands (16 items; brands were presented with their logos): Polo Ralph Lauren, Longchamp, Tiffany & Co., Burberry, Jimmy Choo, Hugo Boss, Diesel, Seven for All Mankind, Ugg Australia, BCBG, Louis Vuitton, Chanel, Clinique, Lacoste, Godiva, Giorgio Armani.
		Normative motive: <i>I was simply complying with a social norm.</i> <i>I gave this gift just because I had to.</i> <i>I felt that I had to comply.</i>		
1	Hypothetical scenario (<i>altruistic vs. normative gift-giving motives</i>)	Altruistic and normative motives as above.	How do you perceive indulgences (hedonic/luxurious behaviors)?	Willingness to buy the following brands (21 items; brands were presented with their logos): Polo Ralph Lauren, Longchamp, Tiffany & Co., Burberry, Jimmy Choo, Calvin Klein, Diesel, Seven for All Mankind, Apple, Ugg Australia, BCBG, Omega, Louis Vuitton, Chanel, Tommy Hilfiger, Clinique, Hennessy, Lacoste, Godiva, Giorgio Armani, Hugo Boss.
2	Recall and write down a gift-giving situation (<i>altruistic vs. normative gift-giving motives</i>)	Altruistic and normative motives as above. Warm glow: <i>Giving a gift gives me a pleasant feeling of personal satisfaction.</i> <i>When giving a gift, I feel pleased to be doing something for others.</i> <i>When giving a gift, I feel happy contributing to human wellbeing.</i> <i>Giving a gift makes me feel satisfied.</i> Adapted from Hartmann et al. (2017)	As above.	Willingness to buy the following brands (30 items; brands were presented with their logos): Polo Ralph Lauren, Longchamp, Tiffany & Co., Dior, Burberry, Jimmy Choo, Calvin Klein, Gucci, Diesel, Seven for All Mankind, Apple, Prada, Ugg Australia, BCBG, Omega, Rolex, Louis Vuitton, Chanel, Tommy Hilfiger, Cartier, Clinique, Hennessy, Lacoste, Audi, Godiva, Giorgio Armani, Hugo Boss, Tesla, WMF, Lancome.
3	Altruistic motives following giving money as a gift to refugees	Measure of altruistic motive as above.	As above.	Willingness to buy affordable luxury brands (21 items as in Study 1).

–0.31, ns.).

A one-way (3-level) ANOVA with gift-giving motivation as the independent variable and willingness to indulge in affordable luxury as the dependent variable revealed that motivations affected givers' indulgence ($F(2, 71) = 4.73, p = .012$). Givers' willingness to indulge was the same across the altruistic ($M = 3.82, SD = 0.77$) and anonymous altruistic ($M = 3.63, SD = 1.44$) motive conditions ($t(71) = 0.46, ns.$). A t -test ($t(71) = 3.08, p < .01$) showed that participants with an altruistic motive and with an anonymous altruistic motive were more willing to indulge in affordable luxury than participants with a normative motive ($M = 2.77, SD = 1.40$).

This pilot study supports H1 by showing that giving a gift with an altruistic motive influences willingness to indulge in affordable luxury to a greater extent than giving a gift with a normative motive. By showing similar results between the altruistic and anonymous altruistic motives, we control for the possibility that the effect of altruistic motives on givers' willingness to indulge was due to other potential factors that could have existed in the altruistic motive condition (e.g., reciprocity). In the next studies, we test the role of perceived morality of indulgences (H2).

4. Study 1

4.1. Sample, design, and measures

The design included two independent variables: gift-giving motivations (altruistic vs. normative), which were manipulated, and perceived morality of indulgences, which was measured continuously. One hundred and one participants recruited from a subject pool managed by a business school were paid for their participation (31.7% male; $M_{age} = 23.15$; 76.7% bachelor's degree or above). This subject pool included graduate and undergraduate students as well as people drawn from the general population of a large city in Germany. The scenarios and manipulation checks (see Table 1) used for the altruistic and normative conditions were the same as those used in the pilot study. Given that the results for the altruistic condition did not vary with anonymity, in this and the next studies, we used the "altruistic" condition because it is more externally valid than the anonymous condition, which is less common.

To measure perceived morality of indulgences, participants reported the extent to which they perceive indulgences as moral ("How do you perceive indulgences (hedonic/luxurious behaviors)?") on a 7-point scale ranging from 1 (*I think they are morally inappropriate*) to 7 (*I think they are morally appropriate*; $M = 4.36, SD = 1.66$). To capture consumers' willingness to indulge in affordable luxury, we created an index based on participants' willingness to buy each of twenty-one brands (see Table 1; $\alpha = 0.91$). The measure was similar to the one used in the pilot study (1 = *I would not be willing to purchase* and 7 = *I would be willing to purchase*) with additional gender-balanced brands. Again, gender did not change the significance or pattern of the results. When gender was included as a covariate, its effect was nonsignificant ($p = .79$), and the interaction between motives and morality remained significant ($p = .022$). When reanalyzing the data considering only unisex brands, the significant interaction between gift-giving motivations and perceived morality of indulgences held ($p = .024$). None of the participants guessed the real purpose of this research.

4.2. Results and discussion

Since altruistic motivation is crucial in this research, we screened for outliers. The data selection rule across all studies was to eliminate the participants whose scores for altruistic motivation were ± 3 standard deviations beyond the mean. This elimination rule was decided a priori and is a standard elimination rule (Hair et al., 1998). In this study, two participants were eliminated. ANOVAs with the altruism and normative manipulation checks as dependent variables suggest that the manipulation of gift-giving motives worked well. As expected, participants in

the altruistic condition ($\alpha = 0.77; M = 5.19, SD = 0.82$) perceived themselves as being more altruistic than participants in the normative condition ($M = 4.76, SD = 1.10; F(1, 95) = 4.78, p = .031$). Participants in the normative condition ($\alpha = 0.73; M = 4.76, SD = 1.78$) perceived themselves to be following social norms to a greater extent than participants in the altruistic condition ($M = 3.75, SD = 1.39; F(1, 95) = 10.23, p < .01$).

To test the interactive effect of perceived morality of indulgences, we conducted a regression using PROCESS (Hayes & Preacher, 2014). The dependent variable was willingness to indulge in affordable luxury, and the independent variables were contrast-coded gift-giving motivations ($-1 =$ normative condition, $1 =$ altruistic condition), mean-centered perception of morality of indulgences, and their interaction. We added income as a covariate (we considered income as a covariate in Study 3, where it was important because participants actually gave a gift, and therefore, we reanalyzed all of the studies with income as a covariate to maintain consistency). Income was measured as a categorical variable with 5 different levels (1—less than €20,000; 2—€20,000 to €49,999; 3—€50,000 to €74,999; 4—€75,000 to €99,999; and 5—€100,000 to €149,999).

The results reveal a significant interaction between gift-giving motivations and perceived morality of indulgences ($F(1,91) = 5.39, p = .023$; CI [0.050, 0.65]; all other effects $p > .05$). To interpret this interaction according to our prediction, we analyzed the significance of the regression slopes. Consistent with H2, we found a significant positive regression slope in the altruistic motive condition ($B = 0.29; t(91) = 2.90, p \leq 0.01$), suggesting that as perceived morality of indulgences increased, givers with an altruistic motive tended to indulge in affordable luxury more. In the normative motive condition, however, the regression slope was not significant ($B = -0.060; t(91) = -0.55, ns$; see Fig. 1), suggesting that the relationship between morality and indulgence was not significant in this condition.

Study 1 supports H2 by showing that the relationship between morality and indulgence is positive and stronger for altruistic (vs. normative) givers. This means that givers with an altruistic (but not normative) motive were more willing to indulge in affordable luxury as morality of indulgences increased (i.e., at higher levels). Whereas in this study gift giving was hypothetical, in the next study we aimed at replicating the results with a more externally valid manipulation of gift-giving motives.

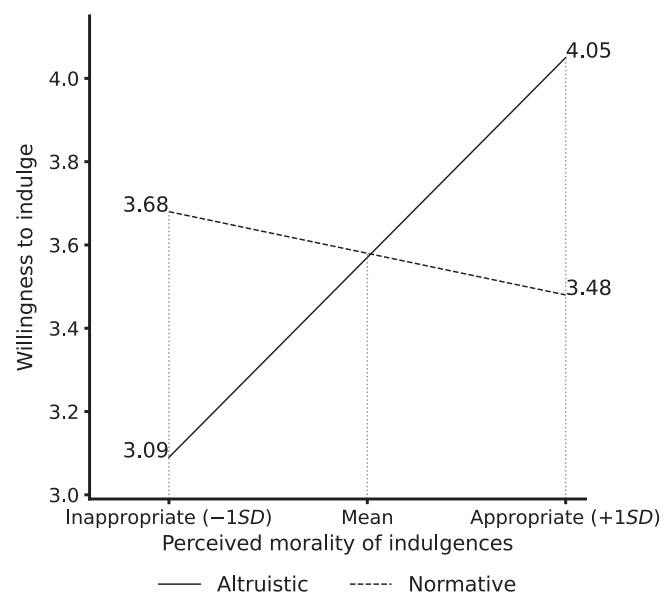


Fig. 1. Gift-giving motives and perceived morality of indulgences interact to predict willingness to indulge in affordable luxury (Study 1).

5. Study 2

The goal of Study 2 was to conceptually replicate the results of Study 1 while enhancing their external validity by using a different sampled population and an actual and recent recalled gift-giving situation. The data were collected using a sample drawn from the general population in China, also demonstrating generalizability across cultures. Approximately half of the luxury purchases around the world are made by Asian tourists either shopping for themselves or for their friends and families (Kapferer, 2015), so Chinese consumers are more acquainted with purchasing luxuries.

5.1. Sample, design, and measures

We recruited 93 participants through a subject pool managed by a university and containing general population participants living in several cities in China (36.6% male; $M_{age} = 29.25$; 89.3% bachelor's degree or above). At the time of running this study, it was close to the Chinese Lunar New Year, which is a time when most Chinese people give gifts to their families, friends, and colleagues.

The design included two independent variables: gift-giving motives, which were manipulated, and perceived morality of indulgences, which was measured. We randomly assigned participants to one of two gift-giving motivations (altruistic vs. normative). In the altruistic condition, participants were told to consider that the Chinese New Year was near and were asked to recall the last time they had purchased any kind of gift and to write down a gift-giving situation in which they wanted to make the recipient happy. In the normative condition, following similar instructions, participants were asked to recall and describe a gift-giving situation in which they felt obligated to give a gift. Perceived morality of indulgences was measured as in the previous study. In this study, in addition to the manipulation check items used previously (altruism scale: $\alpha = 0.91$; normative scale: $\alpha = 0.77$), we also measured warm glow with four items (e.g., "Gift giving provides me a pleasant feeling of personal satisfaction"; $\alpha = 0.96$; see Table 1) adapted from Hartmann et al. (2017). Scale end-points ranged from 1 (*Strongly disagree*) to 7 (*Strongly agree*).

As in the previous studies, participants' willingness to indulge in affordable luxury was captured by measuring the extent to which participants were willing to buy several brands for themselves on a scale ranging from 1 (*I would not be willing to purchase*) to 7 (*I would be willing to*

purchase). We adapted the willingness to indulge in affordable luxury to this sample according to brands' popularity in China. The final scale consisted of thirty items (see Table 1; $\alpha = 0.98$). Finally, participants reported the extent to which they perceived indulgences as moral on a 7-point scale ($M = 4.69$, $SD = 1.58$) as done previously. We also collected participants' demographic data. Household income was included as a covariate. Gender was again a nonsignificant covariate ($p = .77$), and the significant interaction between motives and morality held the same pattern ($p < .01$). When reanalyzing the data considering only the unisex brands, the significant interaction between motives and morality held with the same pattern ($p < .01$). None of the participants guessed the real purpose of this research.

5.2. Results and discussion

The gifts that participants recalled included a variety of product categories and price points. They varied from small toys and flowers to clothes, cosmetics, jewelry, and watches. An examination of the responses suggested the presence of outliers in the score of willingness to indulge in affordable luxury. Thus, we eliminated four participants.

ANOVAs with the altruism and normative manipulation check items suggest that participants in the altruistic condition ($M = 5.72$, $SD = 0.99$) perceived themselves as being more altruistic than participants in the normative condition ($M = 4.46$, $SD = 1.38$; $F(1, 85) = 5.19$, $p = .025$). The normative condition did not reach significance ($F(1, 85) = 1.09$, ns.), but participants ($M = 4.58$, $SD = 1.48$) directionally perceived themselves as obeying social norms to a greater extent than participants in the altruistic condition ($M = 3.24$, $SD = 1.25$). An ANOVA on the warm glow items showed that participants in the altruistic condition ($M = 5.92$, $SD = 1.01$) experienced more warm glow than participants in the normative condition ($M = 4.18$, $SD = 1.67$; $F(1, 85) = 10.45$, $p < .01$).

We conducted the same regression analysis described in Study 1. In this study, we found a main effect of perceived morality of indulgences on consumers' willingness to buy affordable luxuries ($F(1, 79) = 20.40$, $p < .01$; CI [0.20, 0.51]). More importantly, the results also revealed a predicted significant interaction ($F(1, 79) = 11.67$, $p < .01$; CI [0.22, 0.85]). As found previously, we found a significant positive regression slope in the altruistic condition ($B = 0.58$; $t(79) = 6.13$, $p < .01$) and a nonsignificant regression slope in the normative condition ($B = 0.049$; $t(79) = 0.38$, ns; see Fig. 2).

With a manipulation of gift giving involving the recall of a recent gifting situation, an adapted measure of willingness to indulge in affordable luxury, and a Chinese sample, we again found an interaction between gift-giving motives and perceived morality of indulgences such that altruistic (but not normative) givers are more willing to indulge in affordable luxury as perceived morality of indulgences increases. This again supports H2. To further enhance external validity, the next study was conducted in a more naturalistic environment in which participants actually gave a gift.

6. Study 3

We conducted a quasi-experiment in the context of refugee migration in Europe during one of the waves of migration to Europe. We provided participants with an opportunity to give a gift to the refugees and measured the extent of their altruistic motivation, their perceptions of the morality of indulgences, and their subsequent willingness to indulge in affordable luxury for themselves.

6.1. Sample, design, and measures

The design of this study included two independent variables: altruistic motivation to give a gift and perceived morality of indulgences, which were both measured. We decided to measure the participants' gift-giving motivation because people's attitudes about refugees and

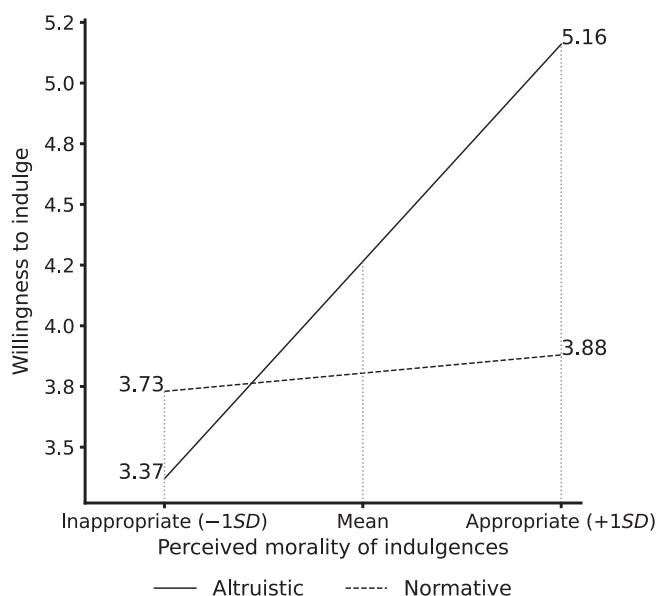


Fig. 2. Gift-giving motives and perceived morality of indulgences interact to predict willingness to indulge in affordable luxury (Study 2).

their motivations to give were strong and very difficult to manipulate or change in the field in the context of this migration wave. Following our focus on altruistic motivation, we measured participants' motivations for giving a gift to the refugees using the altruistic motivation scale ($\alpha = 0.77$; see Table 1; adapted from Khan & Dhar, 2006). Perceived morality of indulgences was measured as in Studies 1 and 2. All scales had 7 points. Participants were 191 people (52.4% male; $M_{age} = 25.90$; 57.8% bachelor's degree or above) registered at a subject pool managed by a university in Germany that includes both students and general population members. The participants were paid €10 for their participation.

The procedure was as follows: In the first task, after mentioning the context of refugee migration in Europe, we gave participants an opportunity to give a gift to the refugees and captured participants' willingness to give part of their participation fee. Participants indicated the amount they wanted to give, which was collected when the research session ended (we gave the amount obtained from this study to the Red Cross, which was helping the refugees at the time of this migration wave). The average amount was €3.67 ($SD = 2.80$), which is equivalent to 36.7% of the compensation rate. We then measured the extent of participants' altruistic motivation.

In the second part of the study, the participants completed the same measure of willingness to indulge in affordable luxury used in Study 1 ($\alpha = 0.93$; see Table 1). Finally, participants indicated how moral they perceived indulgences to be ($M = 3.74$, $SD = 1.46$), as in Studies 1 and 2. We also collected participants' demographic data. Income was measured as a category variable with 6 different levels (1—less than €20,000; 2—€20,000 to €49,999; 3—€50,000 to €74,999; 4—€75,000 to €99,999; 5—€100,000 to €149,999; and 6—€150,000 to €199,999) and was included as a covariate because the participants' income was significantly correlated with their willingness to indulge in affordable luxury ($r = 0.19$, $p = .042$). When gender was included as a covariate, its effect was nonsignificant ($p = .37$), and the interaction between motives and morality did not change ($p = .12$). When reanalyzing the data considering only the unisex brands, the interaction between giving motives and perceived morality of indulgences was still marginally significant ($p = .059$). The pattern of the results remained unchanged.

6.2. Results and discussion

Among the 191 recruited participants, 116 participants said they would like to give a gift to the refugees. We considered only those

participants who gave a gift in our analysis because gift-giving motivations were only activated for those who chose to give. According to our a priori elimination rule, two participants with outlier self-reported altruistic motivation levels were eliminated. We used median splits to dichotomize the mean altruistic motivation scores, generating two groups of participants: with high and low levels of altruistic motive. We expected to observe the pattern predicted by H2 for highly altruistic givers.

As in Studies 1 and 2, we regressed participants' willingness to indulge in affordable luxury on contrast-coded giving motivation ($-1 =$ low altruistic motive; $1 =$ high altruistic motive), mean-centered perception of morality of indulgences, the interaction between these two variables, and income. The expected interaction effect between altruistic gift giving and perceived morality of indulgences on givers' willingness to indulge did not reach significance ($B = 0.26$; $t(105) = 1.57$, $p = .12$; CI $[-0.067, 0.58]$), but the pattern of the regression slopes is consistent with the prediction of H2 and with the results of Studies 1 and 2 (see Fig. 3). We found that the regression slope for participants with high altruistic motivation was positive and significant ($B = 0.39$; $t(105) = 2.97$, $p < .01$), suggesting that these givers' willingness to indulge in affordable luxury increased as perceived morality of indulgences increased. The regression slope for participants with low altruistic motivation was not significant ($B = 0.13$; $t(105) = 1.32$, $p = .19$).

This study reveals a pattern similar to that found in Studies 1 and 2, but in a more naturalistic setting where participants actually gave a gift to asylum seekers. This increases the external validity of our findings. We found that for highly altruistic givers, the more they perceived indulgences to be moral, the more willing they were to self-indulge in affordable luxury.

7. General discussion

The contribution of this research lies in showing that the motives underlying gift giving impact consumers' subsequent willingness to indulge in affordable luxury. The results reveal that altruistic (vs. normative) gift giving increases givers' subsequent self-indulgence in affordable luxury, with an interactive effect of givers' perceptions of morality of indulgences. In sum, the current studies demonstrate that altruistic givers (but not givers with a normative motivation) are more willing to indulge in luxury to the extent that their perceptions of morality of indulgences increase.

In this research, in addition to several traditional luxury brands (e.g., Chanel, Gucci, and Louis Vuitton), most brands we used are "affordable luxury brands" (e.g., Ralph Lauren, Apple, and Lacoste). This is in line with a significant trend whereby luxury brands are becoming more accessible to mass consumers (e.g., De Barnier et al., 2012; Kastanakis & Balabanis, 2012; Parguel et al., 2016). Affordable luxury brands can help increase brand awareness and extend market share, which results in more revenues for luxury companies (Kastanakis & Balabanis, 2012). Moreover, it has been shown that there is a luxury continuum on a theoretical level (De Barnier et al., 2012), and engaging with affordable luxury brands may make consumers more open to high-end luxury brands in the future (i.e., we may think of affordable luxury brands as "entry-level" luxury brands).

7.1. Theoretical implications

By revealing a novel effect, this research not only contributes to the literature on prosocial behavior more generally and gift giving in particular but also to the literature on luxury consumption. According to a recent review (Konrath, 2013), there is only initial evidence for differential effects of motivations underlying prosocial behavior. We contribute evidence to this notion in consumer research by revealing that altruistic giving affects consumers' subsequent willingness to indulge in affordable luxury to a greater extent than normative giving.

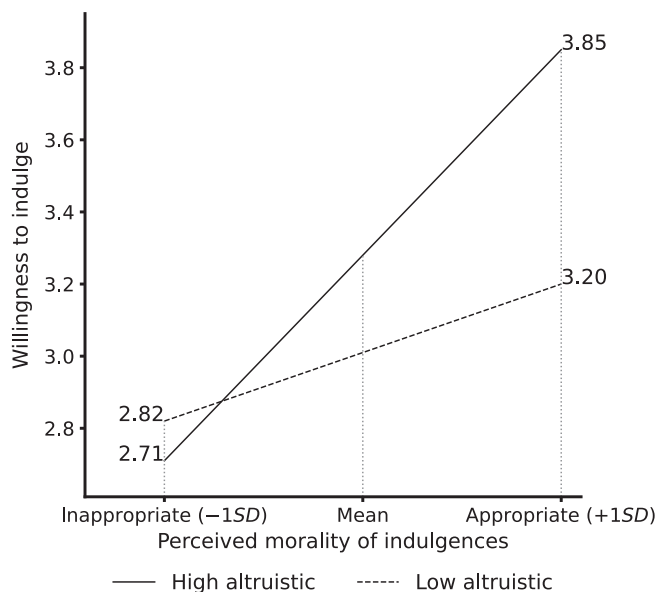


Fig. 3. Gift-giving motives and perceived morality of indulgences interact to predict willingness to indulge in affordable luxury (Study 3).

With this, we show that the same prosocial behavior can affect subsequent decisions differently depending on the motivations underlying the behavior. For luxury research, these results contribute by supporting the link between gift giving and consumers' subsequent self-indulgence in luxury, which opens a plethora of opportunities for luxury brands to better manage gift-giving contexts.

The interaction between gift-giving motives (altruistic, in particular) and perceived morality of indulgences also contributes to research on altruistic behavior (e.g., charity giving) and indulgent consumption (e.g., frivolous luxuries; Strahilevitz & Myers, 1998): It reveals a condition wherein altruistic givers are more likely to indulge (when morality of indulgences is high) and sheds light on a potential psychological mechanism, given that this interaction is consistent with a positive affect maintenance account. Another possible explanation, given that altruistic giving promotes emotional benefits for the giver (e.g., Dunn et al., 2008), would be that this incidental affect may carry over to the subsequent decision and thus increase indulgence. However, this incidental affect, valence-based account would predict that positive affect should increase the value of indulgences regardless of their moral attributes (Andrade, 2005; Forgas, 2003). Our results are not consistent with this account but with a positive affect maintenance account whereby perceived morality of indulgences is important when givers have an altruistic motive for giving.

Another alternative theory for the effect of altruistic giving on givers' self-indulgence is the licensing effect. Research on the licensing effect has shown that a virtuous act licenses consumers to engage in "immoral" behavior such as indulging (Khan & Dhar, 2006). The licensing effect occurs when past moral behavior makes people feel licensed to act immorally (Jordan et al., 2011; Mukhopadhyay & Johar, 2009). At its heart, the licensing effect theory argues that engaging in a virtuous effort (e.g., donating to charities) presumably offsets the guilt or negative attributes associated with immoral behavior, liberating (i.e., providing a justification for) indulgent behavior (Khan & Dhar, 2006; Kivetz & Zheng, 2006; Okada, 2005; Strahilevitz & Myers, 1998). This happens because engaging in moral behaviors makes people feel sufficient progress toward a "moral self" goal and helps establish a positive self-concept, liberating people to pursue otherwise "immoral" goals (Fishbach & Dhar, 2005; Khan & Dhar, 2006; Mukhopadhyay & Johar, 2009; Sachdeva et al., 2009). Based on this, if the licensing effect is at play in the case of gift giving, we would not expect to find an interaction with perceived morality of indulgences, or at least not with the same pattern. If altruistic gift givers feel licensed to indulge in "immoral" indulgences, we should see an increased willingness to indulge regardless of perceived morality of indulgences. Again, our results are not consistent with this pattern. We suggest that future research clarify the conditions under which a licensing effect (or affect maintenance) would be at play in the gift-giving context.

Finally, perceived morality has not been incorporated into consumer behavior studies examining indulgence, even though indulgences are perceived as morally ambiguous (Merritt et al., 2010; Xu & Schwarz, 2009). This is an important step because perceived morality of indulgences is a variable that can alter indulgent behavior and, consequently, at least some of the previous research results on consumers' indulgent tendencies. We observed these results in a lab setting and following actual gift giving.

7.2. Limitations and future research

Based on previous work (e.g., Konrath, 2013), we expected altruistic givers to experience positive feelings of warm glow to a greater extent than givers with a normative motive. In this research, we used perceived morality of indulgences as a way to test positive affect maintenance via a moderation-of-process design (Spencer et al., 2005). In Study 2, we measured warm glow and provide initial evidence for the notion that altruistic (vs. normative) givers experience more warm glow. Our results resonate with an interpretation based on positive affect maintenance,

adopting a similar approach as other research in behavioral economics (Strahilevitz & Myers, 1998) and economics (Andreoni, 1989).

However, a limitation is that we did not measure the goal of positive affect maintenance, which would be one of the psychological consequences of this enhanced warm glow associated with altruistic giving (Isen, 2000). Future research can further verify the role of the positive affect maintenance goal. One potential challenge when measuring this goal is that it can be unconscious (Handley et al., 2004) and therefore difficult to measure (Spencer et al., 2005). Measuring this goal may also in and of itself influence the process and thus impact givers' reported behaviors (Timmermans & Cleeremans, 2015). Perhaps an alternative approach would be to use a mood-freezing manipulation, which has been shown to freeze the effects of affective states on indulgence (Tice et al., 2001).

A second limitation of this research is that we measured consumers' perceptions of the morality of indulgences. Future research may test ways to manipulate this. For example, future research can use social influence research approaches (Goldstein et al. 2008; e.g., "most people around you believe that indulgences are moral/immoral"). If the results are replicated with manipulated perceptions of indulgences, this can increase our confidence that this is what is responsible for the effect as opposed to its correlates (e.g., positive/negative attitudes toward indulgences or familiarity with indulgences).

The results of this research generate intriguing questions for future theory development. For example, it is important to delineate when an altruistic act will activate positive affect maintenance or license consumers to pursue other goals. There are many potential reasons why we did not find a pattern of results completely consistent with licensing consumers to indulge in "immoral" consumption. It is possible that giving a gift to make the recipient happy is not sufficient to activate an "altruistic self-concept" that would liberate consumers to self-indulge (Khan & Dhar, 2006) but is enough to create positive feelings that are worth maintaining. It is possible that altruistic giving is a natural and spontaneous behavior for most people, and because people do not need to exert great effort in this situation, their effort cannot help them justify the negativity associated with indulgence (Kivetz & Simonson, 2002). There may be a more complex and dynamic interaction of goals (maintaining positive affect, being a moral person, pursuing indulgence/pleasure, etc.) that would predict when one or the other would take place. For example, it is important to consider progress toward goal achievement (Fishbach & Dhar, 2005), the role of deservingness (Petersen et al. 2018), or personality-related factors (Ramanathan & Williams, 2007), among others.

7.3. Managerial implications

In light of the results, their theoretical implications, and their limitations, what can luxury brand managers do? These findings shed light on potential marketing tactics for luxury brands. Our results suggest that motivating consumers to give gifts altruistically may increase their subsequent self-indulgence in affordable luxury. This may open possibilities for retailers and marketers to emphasize or activate an altruistic motivation for gift giving. For example, marketers may emphasize that "gifts are given to make others happy" or use sales tactics that will help consumers increase the recipient's happiness. For example, a Red Cross advertisement points out that "for someone, your blood is the best holiday gift ever." An advertisement by UTI Mutual Fund communicates that "a gift becomes truly personal and thoughtful when it shows that you care." The ad continues, "choose a gift which empowers your loved ones so that they can go ahead and realize their dreams." Another advertisement by The Education Plan reads "instead of cash or toys, show your love with the gift of an education that is more affordable with less debt with just a \$1 minimum that can help cover most education expenses in the future," a contribution that is "a small gift that can make a lasting difference." Van Cleef & Arpels advertises its engagement rings with the slogan "Like true love, a diamond is a precious gift, a treasure

that will last a lifetime.” These ads put the interests of the recipient first. Luxury brands could apply these principles more often, especially given that many luxury brands, from affordable to high-end, are valued gifts (Chandon et al., 2017; Kessous et al., 2017). For example, Patek Philippe’s famous line “you never actually own a Patek Philippe, you merely look after it for the next generation” could be interpreted as an altruistic act to loved ones. Tiffany & Co., which often runs advertisements in the context of gifts, could emphasize the recipient’s happiness upon receiving a “blue box” gift.

Often, retailers explore gifting opportunities by emphasizing a self-interest motivation for the giver. The rationale seems to be that, assuming that the giver is looking for a gift to buy, why not motivate them by providing them with a self-directed incentive? For example, buy “\$100 in gift cards, receive a bonus \$25.” Tactics that give something back to the giver such as this one or the slogans “buy one, get one free” and “free gift with a purchase” may instead activate a self-interest motivation by providing an incentive that benefits the giver directly. Although we did not study self-interest motivation in this research, the literature suggests that warm glow may also be lower in this case (e.g., Konrath, 2013), and therefore, willingness to subsequently indulge perhaps would be lower as well.

Given that such tactics seem to be common, we believe there is room in practice for brands to explore altruistic motivations for gift giving instead. For example, promoting a wedding gift by saying that “this vase will beautifully decorate the bride’s new home” might be preferred over motivating consumers to choose a gift to “express your style” or “give the gift of good taste.” An interesting example is provided by “NotAnotherBunchOfFlowers.com,” a business that was designed to help gift givers find a gift that recipients will enjoy. The company’s slogan “thoughtful gifts to show that you care” may implicitly activate an altruistic motive to make the recipient happy. In any case, activating an altruistic motivation would potentially make the giver experience warm glow and be more likely to subsequently buy affordable luxuries for him or herself.

Luxury companies often emphasize the moral aspect of consuming luxuries, often to offset the known negative emotions, such as guilt, associated with the purchase of luxury products. Our results provide luxury marketers with another reason to engage in this strategy. For example, in addition to emphasizing consumers’ altruistic motivations, luxury marketers may emphasize the moral appropriateness of consuming luxuries and eventually motivate consumers to buy a “moral” indulgence for themselves after buying gifts for their friends and families. A possible way to emphasize the morality of luxury is to communicate corporate social responsibility (CSR) actions, such as by informing consumers that part of the revenues generated from a product will be directed to specific causes. For example, at some of its stores, Gucci presents a purse along with a sign stating that part of the revenues generated from the product go to UNICEF. Communication of social responsibility is increasingly common among luxury companies (Hagtvedt & Patrick, 2016; Pinto et al., 2019). This could make consumers shopping for a gift more likely to indulge in a purchase for themselves as well, as luxuries would be perceived as more morally appropriate. Indeed, communicating such actions at the point of sale has been shown to be effective for luxury brands (Hagtvedt & Patrick, 2016).

However, luxury marketers should be vigilant in detecting consumers’ actual perceptions of luxuries. Our measure of morality of indulgences suggests that some consumers are, in general, more accepting of indulgences, while others are less accepting. It might also be possible that some product categories (e.g., very expensive bags made out of exotic leather) or brands might be perceived as “less moral” than others (e.g., brands of “small luxuries” or affordable luxury brands). If this is the case, emphasizing the morality of indulgences might be ineffective. Microtargeting of marketing strategies could be helpful in this case. Marketers could target these strategies primarily at those consumers who perceive indulgences as relatively more moral while avoiding consumers whose negative perception of luxuries is stubborn and

unlikely to change. As a result, it is crucial for luxury companies to collect customer information and develop microtargeting tools that can be used in sales efforts. That said, communications at the point of sale tend to naturally target consumers who have, at least, a minimum level of acceptance of luxury to be shopping at a luxury store. Thus, it is advisable to direct communication to consumers who have more positive perceptions of luxury and would, therefore, be more willing to buy luxuries.

CRediT authorship contribution statement

Ning Chen: Writing – review & editing, Writing – original draft, Visualization, Validation, Software, Methodology, Investigation, Formal analysis, Data curation, Conceptualization. **Francine E. Petersen:** Writing – original draft, Writing – review & editing, Conceptualization, Data curation, Formal analysis, Funding acquisition, Investigation, Methodology, Project administration, Resources, Software, Supervision, Validation, Visualization. **Tina M. Lowrey:** Writing – review & editing, Validation, Resources, Methodology, Investigation, Conceptualization.

Declaration of Competing Interest

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

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