

**When Consumers Prefer to Give Material Gifts Instead of Experiences: The Role of Social  
Distance**

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## ABSTRACT

Although previous research suggests that there are hedonic and interpersonal benefits to gifting experiences, consumers often give material gifts rather than experiential gifts. Exploring this mismatch, the current research examines when and why consumers prefer to give material versus experiential gifts. The authors propose that gift givers are more likely to give experiential gifts to socially close recipients than socially distant recipients. Since experiences are perceived as more unique than material goods, givers perceive that choosing an experiential gift requires more specific knowledge of a recipient's preference to avoid the greater social risk of giving a poorly matched gift. Eight studies provide converging evidence for the proposed effect of social distance on gift preference and demonstrate that this effect is driven by a giver's knowledge of a recipient's preference. Further supporting the mechanism of preference knowledge, the effect of social distance is moderated by the social risk associated with experiential gifts. When experiences contain little social risk—and thus require less knowledge of a recipient—the effect of social distance is significantly mitigated. Together, these results provide answers for why consumers often prefer to give material gifts over experiences, despite the advantage of giving experiences.

*Keywords:* gift giving, experiential advantage, material and experiential consumption, social distance

Gift giving is ubiquitous. It is practiced by consumers of every culture, and researchers from various disciplines have been studying it for decades (Belk and Coon 1993; Foa and Foa 1980; Komter 1996; Mauss 1925; Robben and Verhallen 1994). Gift giving serves multiple functions: Gifts signal relationships and information, strengthen social bonds, and fulfill social norms, just to name a few (Belk 1996; Camerer 1988; Huang and Yu 2000; Schwartz 1967; Teigen, Olsen, Solas 2005). Gifts also demonstrate unselfish, agapic love (Belk and Coon 1993), and people often give gifts with the intention of increasing the happiness and enjoyment of their recipients (Baskin et al 2014; Gino and Flynn 2011; Otnes, Lowry, and Kim 1993; Teigen et al. 2005).

Considering these social and hedonic functions of gift giving, it seems that consumers should prefer to give experiences (intangible events that a person lives through, e.g., travel, concert) over material goods (tangible products that are retained over time, e.g., clothing, furniture; Tully, Hershfield, and Meyvis 2015). Previous findings have shown that experiential purchases contribute more to consumer happiness than material purchases (Van Boven and Gilovich 2003; Nicolao, Irwin, and Goodman 2009), suggesting that recipients would derive greater happiness from experiential gifts rather than material gifts (Goodman and Lim 2017; Wallman 2015). More recent research highlights another benefit of giving experiences, demonstrating that experiential gifts strengthen social connections between givers and recipients (Chan and Mogilner 2017). Furthermore, consumers prefer to give unique and individualized gifts (Belk 1996; Steffel and LeBoeuf 2014), which is a quality often associated with experiences rather than material goods (Carter and Gilovich 2012; Dai, Chan, and Mogilner 2017).

Despite the hedonic and interpersonal benefits of gifting experiences, consumers seem to prefer to give material gifts rather than experiences. For instance, the vast majority of gifts recommended by gift giving gurus are material in nature (e.g., see New York Magazine's 2017 Holiday Gift Guide), and in a survey of 100 Americans we found a vast majority of the gifts listed—81% of holiday gifts and 66% of birthday gifts—were material rather than experiential.<sup>1</sup> Why do consumers overwhelmingly prefer to give material gifts? Moreover, are there times when consumers do in fact prefer to give experiences?

This research examines when and why consumers often give material gifts over experiential gifts. We propose that the social distance between gift givers and recipients—a key component in gift exchange—influences consumers' preferences for giving experiences versus material goods. In line with previous literature on interpersonal relationships, we conceptualize social distance in terms of interpersonal closeness, which is characterized by frequent, diverse, and strong interactions between two people (Berscheid, Snyder, and Omoto 1989; Kelley et al. 1983). Because experiences, on average, are perceived as more unique and individualized than material goods (Carter and Gilovich 2012; Dai et al. 2017), gift givers might perceive an experiential gift as requiring more specific knowledge of a recipient's preferences. Thus, they might believe that giving an experience carries greater social risk of choosing an experiential gift that poorly matches their recipient's preferences.<sup>2</sup> Gift givers are more likely to have this preference knowledge when they are socially close to their recipients compared to when they are

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<sup>1</sup> We asked 100 Mechanical Turk (MTurk) workers (U.S. only, 95% approval or higher) to list up to five gifts that they recently received for the holiday season and their last birthday. After reading definitions of material and experiential gifts, they rated each gift as more material (1) or more experiential (7) on a 7-point scale: 81% of holiday gifts and 66% of birthday gifts were rated below the midpoint of 4.

<sup>2</sup> To test this assumption (i.e., whether gift givers perceive experiential gifts as involving greater social risk), 188 MTurk workers (U.S. only, 95% approval rating or higher) listed one material gift and one experiential gift and then rated "Which gift would be more risky to give your friend?" (on a 1 to 9 scale). Confirming our assumption, participants perceived experiential gifts as carrying higher social risk relative to material gifts ( $t(187) = 5.93, p < .001$ ; see web appendix A for details).

socially distant. Accordingly, we expect that the closer givers and recipients become, the more likely gift givers are to give an experience compared to a material gift.

Across eight studies, we tested these hypotheses and consistently found that gift givers were more likely to give experiences (vs. material goods) when their recipients were socially close compared to socially distant (studies 1a and 1b). We also demonstrated that this effect was due to givers possessing less knowledge about the individual preferences of distant recipients compared to close recipients (studies 2a, 2b, 2c, and 3). Further, when givers were provided with the opportunity to give experiences low on social risk (i.e., experiential gifts that were less likely to have a preference mismatch and incur a social cost), the effect of social distance on gift preference was significantly attenuated (studies 4a and 4b). Thus, despite the advantage of giving experiences, consumers are less likely to choose experiential gifts for socially distant recipients (vs. socially close recipients) in order to avoid the social risk of giving experiential gifts that poorly match their recipients' preferences.

## **SOCIAL DISTANCE AND GIFT GIVING**

Gift giving is a social exchange between two parties. In gift giving, consumers make purchases for others, which raises a challenge for gift givers to correctly infer which gifts might best match the preferences of their recipients (Otnes et al. 1993; Baskin et al. 2014). Beyond finding gifts that simply match their recipients' preferences, gift givers are also motivated to give gifts that are unique or have some individualized elements (Belk 1996; Belk and Coon 1993). For instance, consumers prefer to give gifts that capture unique characteristics of their recipients and shy away from an item in gift registries, particularly when selecting a gift for a close friend

(Ward and Broniarczyk 2016). At the extremes, givers have been shown to even prefer gifts that are overly individualized at the expense of greater utility (Steffel and LeBoeuf 2014).

A variety of empirical evidence suggests that experiential gifts are likely to be more effective than material gifts, on average, at achieving this goal of giving gifts that uniquely capture recipients' preferences. First, compared to material goods, consumers perceive experiences to be less comparable (Carter and Gilovich 2010) and less interchangeable (Rosenzweig and Gilovich 2012). For example, it is not that one concert is necessarily of higher quality than another concert, or that one vacation is always better than another. This lower comparability of experiences suggests that the utility of each experience might vary depending on consumers' individual preferences. Second, previous research has found that consumers expect their evaluations of experiences to be different from others' evaluations, which prompts them to rely less on consumer reviews for experiential purchases compared to material purchases (Dai et al. 2017). Third, people believe that compared to material goods, experiential purchases are more informative of a purchaser (Carter and Gilovich 2012) and are more intrinsically motivated (Van Boven, Campbell, and Gilovich 2010). In short, these findings suggest that experiential gifts are perceived to be more individualized gifts that uniquely reflect the recipients' preferences and tastes.

Given this uniqueness of experiences, gift givers might perceive selecting an appropriate experiential gift as requiring more specific knowledge of recipients' preferences. For example, knowing that your colleague enjoys music and concerts, you may think a ticket for a Beyoncé concert would be a good gift; however, you might not be socially close enough to her to know that she is actually a fan of heavy metal bands and would be embarrassed to even consider such a concert. While gift givers are more motivated to give experiences since they are unique to

recipients' individual preferences, this uniqueness of experiential gifts may also increase the social risk of choosing an experiential gift that poorly matches the recipients' preferences. Accordingly, gift givers would perceive material goods as a safer and less risky alternative for gift givers when they do not have sufficient knowledge of recipients. Thus, we propose that without the requisite preference knowledge, gift givers would be less likely to give an experiential gift.

Whether gift givers have this requisite knowledge of their recipients' preferences will likely depend on the social distance between givers and receivers, which has been shown to play an important role in gift giving (Chan and Mogilner 2017; Ward and Broniarczyk 2011, 2016). Relationships can be conceptualized as being more or less distant on a continuum of social closeness (Aron, Aron, and Smollan 1992; Berscheid et al. 1989). Close relationships are developed through building extended and intimate interactions (Berscheid et al. 1989; Kelley et al. 1983) and sharing personal experiences (Parks and Floyd 1996). These interactions naturally allow individuals to develop greater knowledge of each other. Indeed, people predict thoughts and feelings of friends more accurately than those of strangers because they have a deeper understanding of close others (Stinson and Ickes 1992). Accordingly, we propose that gift givers will feel that they have better knowledge of close recipients compared to distant recipients. Further, this knowledge will in turn affect their relative preferences for material versus experiential gifts. As the social distance between givers and receivers decreases, givers will perceive more knowledge of their recipients' preferences, and they will be more willing to give an experience over a material gift. Alternatively, as the social distance between givers and recipients increases, givers' knowledge of their recipients will decrease and their relative preferences will shift toward a material gift. More formally, we hypothesize that the more



socially distant givers are from their recipients, the more likely they are to give a material gift compared to an experiential gift. Further, we hypothesize that this effect of social distance will be mediated by gift givers' knowledge of their recipients' preferences.

The role of recipients' preference knowledge suggests an important moderator: the social risk associated with a gift. We define *social risk* as the extent to which a gift may not match a recipient's individual preferences, potentially resulting in harm to one's social relationship or social standing (Hoyer, MacInnis, and Pieters 2012). The mere notion that a gift may not match recipients' preferences could elicit anxiety in the gift decision process, and an actual mismatch can risk damaging a social relationship (Wooten 2000). We propose that selecting an experiential gift is perceived as requiring more specific knowledge of recipients' preferences, which makes gift givers feel more susceptible to the social risk of giving a gift that may not be well liked. Hence, to avoid this social risk, gift givers will, in general, shy away from experiential gifts compared to material gifts when they do not possess the necessary knowledge of their recipients. However, there may be some exceptions whereby experiential gifts could be perceived as less risky to give because they are less likely to mismatch recipients' preferences and harm a social relationship. For instance, compared to a specific experiential gift (e.g., aroma deep facial massage), a more general experiential gift (e.g., a spa gift certificate) can be used in multiple ways and it thus would require less knowledge of recipients' preferences. Accordingly, gift givers might perceive a more general experiential gift as carrying lower social risk. If givers are provided with an opportunity to give such low risk experiences, then the effect of social distance on gift preferences should be mitigated.

Eight studies test our proposed theory (summarized in figure 1). In study 1a, participants indicated greater preferences for experiential gifts relative to material gifts when recipients were

socially close compared to socially distant. Similarly, study 1b demonstrated that participants were also more likely to list an experiential gift than a material gift when they were asked to choose a gift for a close friend compared to a distant friend. In studies 2a-c, we tested our preference knowledge theory by manipulating knowledge of recipients' preferences. Across these three studies, we consistently found that participants exhibited greater preferences for experiential gifts to material gifts when their knowledge of recipients was high compared to low. Further supporting our theory, study 3 revealed that preference knowledge mediated the effect of social distance on gift preference. Study 3 also ruled out joint/shared consumption as an alternative explanation by demonstrating that the effect of social distance on gift preference remained constant regardless of shared consumption of experiential gifts. Finally, studies 4a and 4b tested whether providing gift givers with an opportunity to give experiential gifts low in social risk—less specific gifts that do not require a high degree of knowledge about recipients' individual preferences—moderates the effect of social distance. We found that the effect of social distance on gift preference was mitigated when givers were provided the opportunity to give less socially risky experiences.

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Insert figure 1 about here

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## **STUDIES 1A AND 1B: THE ROLE OF SOCIAL DISTANCE IN GIFT PREFERENCE**

Studies 1a and 1b aimed to provide an initial test of whether social distance influences gift givers' preferences for experiential and material gifts. We hypothesized that givers' preferences would shift towards experiential gifts when they choose a gift for socially close

recipients compared to socially distant ones. In study 1a, participants rated how much they preferred to give various experiential and material gifts to either a close or distant friend as a holiday gift. Study 1b tested the effect of social distance with a more naturalistic paradigm using an open-ended format. Additionally, study 1b assessed the generalizability of our findings by testing the effect of social distance in another gift-giving occasion (i.e., birthday).

### Study 1a

*Method and Procedure.* Seventy-four undergraduates ( $M_{\text{age}} = 19.32$ , 34% female), from various colleges at a mid-sized private university, participated in this study in exchange for credit in their introductory business course. Sample size was set as large as possible with the constraint of the number of available students to participate in the study. We used the same sample size criteria for all studies using undergraduates.

The study was a 2(social distance: distant vs. close; between subjects) x 2(gift type: material vs. experiential; within-subject) mixed design. Social distance was manipulated by asking participants to think of either a close or distant friend (depending on condition) and write down the initials of that friend. Participants were asked to imagine that they were choosing a holiday gift for the friend and shown a list of ten gifts of similar cost, five experiential [concert ticket, sightseeing boat ride (available in over 50 cities), ticket for comedy night, wine tour and tasting, cooking classes (four sessions)] and five material [hand-made pen, sunglasses, headphones, leather gloves, wallet/purse]. A separate pretest ( $N = 99$  via Amazon Mechanical Turk (MTurk), U.S. only, 95% approval or higher) confirmed that the experiential gifts were actually perceived as more experiential compared to the material gifts ( $p < .001$ ; see appendix A

for details). All gift items were presented in a randomized order, and they were not labeled as experiential or material. Participants were told to assume that costs of the gifts were similar, and they indicated their preferences by rating how much they would like to give each gift to their friend on an 11-point Likert scale (0 = definitely would not give, 10 = definitely would give).

*Results.* We averaged participants' preference ratings of the experiential and material gifts, respectively, and created a preference score for each type of gifts. A repeated-measures analysis of variance (ANOVA) was conducted on this preference score with social distance as a between subjects factor and gift type as a within-subject factor. The analysis yielded a main effect of social distance such that participants indicated greater preferences for all gifts when they were giving a gift to a close friend than a distant friend ( $M_{\text{close}} = 3.68$  vs.  $M_{\text{distant}} = 2.47$ ;  $F(1, 72) = 9.22, p = .003, \eta_p^2 = .11$ ). More importantly, this main effect was qualified by a social distance by gift type interaction ( $F(1, 72) = 15.02, p < .001, \eta_p^2 = .17$ , see figure 2). As predicted, the relative preference for experiences (vs. material goods) was greater for a close friend ( $M_{\text{experiential}} = 4.20$  vs.  $M_{\text{material}} = 3.16$ ;  $F(1, 72) = 8.88, p = .004, \eta_p^2 = .11$ ) than for a distant friend ( $M_{\text{experiential}} = 1.93$  vs.  $M_{\text{material}} = 3.01$ ;  $F(1, 72) = 6.58, p = .012, \eta_p^2 = .08$ ).

To check the robustness of our effect, we conducted a conceptual replication with a larger sample (300 MTurk workers, 294 responses,  $M_{\text{age}} = 34.44$ , 45% female, U.S. only, 95% approval or higher) following the same procedure as study 1a. Consistent with the results of study 1a, we again found a significant social distance by gift type interaction ( $F(1, 292) = 31.38, p < .001, \eta_p^2 = .10$ ). Experiences were more preferred than material gifts for a close friend ( $M_{\text{experiential}} = 4.58$  vs.  $M_{\text{material}} = 3.66$ ;  $F(1, 292) = 27.72, p < .001, \eta_p^2 = .09$ ) compared to a distant friend ( $M_{\text{experiential}} = 2.43$  vs.  $M_{\text{material}} = 2.89$ ;  $F(1, 292) = 7.01, p = .009, \eta_p^2 = .02$ ).

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Insert figure 2 about here

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## Study 1b

*Method and Procedure.* Two hundred seventy-six undergraduate students ( $M_{\text{age}} = 19.24$ , 43% female), from various colleges at a mid-sized private university, participated in this study in exchange for credit in their introductory business course. Depending on condition, participants were asked to think of either a close or distant friend whose birthday was coming up and type the initials of that friend. Participants were asked to indicate a gift that they would like to give to the friend as a birthday gift (open-ended; see web appendix B for product categories of the gifts listed by participants). Next, they rated “to what extent the gift was more material or more experiential” on a 9-point Likert scale (1 = more material, 5 = both, 9 = more experiential). Finally, participants indicated the approximate cost of their gift and answered some demographic questions.

*Results.* Replicating the findings of study 1a, we found a significant effect of social distance on preference for gift type ( $t(274) = 4.13, p < .001$ , Cohen’s  $d = .50$ ). Participants were more (less) likely to list an experiential gift (a material gift) for a close friend ( $M = 4.36$ ) than for a distant one ( $M = 3.08$ ). Moreover, the effect of social distance remained significant ( $p < .01$ ) even when controlling for price of the gift (log-transformed), age, and gender.

## Discussion

In sum, the results of studies 1a and 1b provide converging evidence for our hypothesis that a giver's relative preference for material and experiential gifts changes as a function of their social closeness to the recipient. Notably, this pattern was consistently observed across the two-different gift-giving occasions (i.e., holidays and birthdays) and regardless of whether the gift items were generated by the experimenter (study 1a) or participants (study 1b).

### **STUDIES 2A, 2B, AND 2C: PREFERENCE KNOWLEDGE**

Studies 2a-c were designed to test the proposed underlying mechanism of our effect, namely givers' knowledge of recipients' preferences. We posited that more knowledge of close recipients (vs. distant recipients) would translate into greater preferences for experiential gifts over material gifts. To test this prediction, we directly manipulated gift givers' knowledge of their recipients' preferences. In studies 2a and 2b, participants rated their preferences to give various material and experiential gifts to a friend either whom they knew well or did not know well (between subjects). Study 2c was designed to provide a more conservative test of our effect by using similar material and experiential goods. Namely, participants chose between material and experiential gifts in the same product category (i.e., home spa gift basket vs. aroma deep facial massage). Further, in these three studies, we aimed to rule out several alternative explanations. It is possible that experiential gifts are viewed as more expensive, more hedonic, and/or less utilitarian, or perhaps they are viewed differently based on social distance due to a

different mindset. Therefore, to rule out these alternatives, we tested whether our effect remains significant after controlling for perceived cost and/or the hedonic and utilitarian nature of the gifts, or whether these alternative factors could explain our findings.

## Study 2a

*Methods and Procedure.* One hundred twenty undergraduate students ( $M_{\text{age}} = 21.48$ , 52% female) at a large public university participated in this study in exchange for credit in their introductory business course. The study was a 2(preference knowledge: high knowledge vs. low knowledge) x 2(product type: material vs. experiential) between subjects design. To manipulate preference knowledge, we asked participants to write the initials of a friend who they knew very well or who they did not know very well, depending on condition. Next, we asked participants to imagine that they were buying a birthday gift for their friend. Depending on condition, participants were presented with either five material gifts or five experiential gifts (identical gifts used in study 1a). For each gift, participants rated the extent to which they would like to give it as a birthday gift to their friend (0 = definitely would not give, 10 = definitely would give). Although we specified that price of the gifts was similar, participants might perceive the general price of certain gifts as more expensive than others, which might explain our effect. To test this possibility, we asked participants to estimate cost of each gift (open-ended). In addition, participants rated the extent to which each of the gifts was hedonic and utilitarian (0 = definitely not hedonic/utilitarian at all, 10 = definitely hedonic/utilitarian) after reading the definition of a hedonic and a utilitarian purchase (hedonic defined as something for pleasure, fantasy, and/or fun, utilitarian defined as something to fulfill a basic need or to accomplish a functional or

practical task, Strahilevitz and Myers 1998). Finally, as a manipulation check, we asked participants to indicate 1) how well they know their friend's preferences and 2) how well they know what their friend likes and dislikes.

*Manipulation Check.* Analyzing participants averaged responses to two items on perceived knowledge ( $r = .95$ ), a 2(preference knowledge: high vs. low) x 2(gift type: material vs. experiential) ANOVA revealed only a main effect of preference knowledge: The high knowledge condition perceived greater knowledge of their recipient's preferences than those in the low knowledge condition ( $M_{\text{high}} = 7.95$  vs.  $M_{\text{low}} = 3.53$ ;  $F(1, 116) = 248.83$ ,  $p < .001$ ,  $\eta_p^2 = .68$ ). The interaction and the other main effect were not significant ( $F_s < 1$ ).

*Gift Preference.* For our dependent measure, we created a gift preference index by averaging participants' preference ratings of the five material or experiential gifts. A 2(social distance: close vs. distant) x 2(gift type: material vs. experiential) ANOVA found two main effects: Participants in the high knowledge condition indicated greater preferences for all gifts than those in the low knowledge condition ( $M_{\text{high}} = 4.27$  vs.  $M_{\text{low}} = 3.38$ ;  $F(1, 116) = 8.28$ ,  $p = .005$ ,  $\eta_p^2 = .07$ ), and preferences were greater for experiential gifts than for material gifts ( $M_{\text{experiential}} = 4.15$  vs.  $M_{\text{material}} = 3.51$ ;  $F(1, 116) = 4.31$ ,  $p = .04$ ,  $\eta_p^2 = .04$ ). More importantly, and central to our hypothesis, these main effects were qualified by a marginally significant social distance by gift type interaction ( $F(1, 116) = 2.92$ ,  $p = .090$ ,  $\eta_p^2 = .02$ ; see figure 3): Relative preferences for experiential gifts (vs. material gifts) were greater in the high knowledge condition ( $M_{\text{experiential}} = 4.85$  vs.  $M_{\text{material}} = 3.69$ ;  $F(1, 116) = 7.16$ ,  $p = .009$ ,  $\eta_p^2 = .06$ ) compared to the low knowledge condition ( $M_{\text{experiential}} = 3.44$  vs.  $M_{\text{material}} = 3.33$ ;  $F < 1$ ).



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Insert figure 3 about here

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*Testing Alternative Accounts.* We conducted a set of analyses to examine three alternative accounts—hedonic, utilitarian, and cost. First, participants did perceive material and experiential purchases differently in terms of cost and their hedonic and utilitarian nature. Compared to material gifts, experiential gifts were perceived as more hedonic ( $M_{\text{experiential}} = 7.18$  vs.  $M_{\text{material}} = 4.44$ ;  $F(1, 116) = 64.98, p < .001, \eta_p^2 = .36$ ),<sup>3</sup> less utilitarian ( $M_{\text{experiential}} = 2.76$  vs.  $M_{\text{material}} = 5.55$ ;  $F(1, 116) = 79.83, p < .001, \eta_p^2 = .41$ ), and more expensive (log-transformed price;  $M_{\text{experiential}} = 4.38$  vs.  $M_{\text{material}} = 3.89$ ;  $F(1, 115) = 17.36, p < .001, \eta_p^2 = .13$ ).<sup>4</sup>

Second, if our key effect is driven by any of these alternative accounts, then we would expect one of these accounts to interact with preference knowledge to predict gift preference. To test these alternatives, we ran three separate models<sup>5</sup>—one for hedonic, one for utilitarian, and one for cost—that consisted of our basic model (gift type, preference knowledge, and gift type by preference knowledge interaction) plus each alternative account variable and its interaction with preference knowledge (details of each model are in table 1). The hedonic model did not reveal a significant hedonic nature by preference knowledge interaction ( $F < 1$ ), and our key interaction remained marginally significant (pref. knowledge by gift type,  $F(1, 114) = 3.12, p = .080, \eta_p^2 = .03$ ). The utilitarian model also did not yield a significant utilitarian nature by

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<sup>3</sup> Unexpectedly, we also found a marginal interaction between preference knowledge and gift type ( $F(1, 116) = 3.64, p = .059, \eta_p^2 = .03$ ) on the hedonic nature of the gift. Differences (experience vs. material) in the hedonic nature were slightly smaller for participants in the high knowledge condition compared to the low knowledge condition.

<sup>4</sup> One respondent did not answer the price estimation measures, leaving 119 usable responses.

<sup>5</sup> We ran three separate models, instead of one large model, due to our relatively modest sample size and potential collinearity between the potential alternative factors.

preference knowledge interaction ( $F < 1$ ), but our key interaction also became non-significant ( $F(1, 114) = .75, p = .39, \eta_p^2 = .01$ ). Lastly, the cost model also did not find a significant preference knowledge by cost interaction ( $F < 1$ ), and our key interaction remained marginally significant ( $F(1, 113) = 2.88, p = .093, \eta_p^2 = .02$ ). In sum, none of these alternative models predicted gift preference, thus they did not provide evidence of mediation by any of the alternative explanations.

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Insert table 1 about here

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## Study 2b

*Methods and Procedure.* We recruited 300 MTurk workers and 302 participated ( $M_{\text{age}} = 35.33$ , 54% female, U.S. only, 95% approval or higher, previous workers blocked from participation) in a 2(preference knowledge: high vs. low; between subjects) x 2(gift type: material vs. experiential; within-subject) mixed design. The procedure was similar to that of study 2a, except that the material-experiential factor was within-subject—in other words, participants rated all 10 gifts (5 material goods and 5 experiences). Participants wrote the initials of a friend either who they knew very well (high knowledge condition) or who they did not know very well (low knowledge condition). Next, they wrote a short paragraph about how well they knew/did not know their friend. As in study 2a, participants rated the extent to which they would like to give each of the gifts to the friend as a birthday gift (0 = definitely would not give, 10 = definitely would give). Participants estimated the price of each gift and indicated whether their friend was “real, fake, or a little bit of both.”

*Results.* Two participants reported that their friend was not a real person but a fake. The results reported below exclude these participants from the subsequence analysis; however, including these participants did not substantially change the findings or significance.<sup>6</sup>

A repeated-measures ANOVA with preference knowledge (high vs. low) as a between subjects factor and product type (material vs. experiential) as a within-subject factor yielded a significant effect of preference knowledge ( $F(1, 298) = 28.23, p < .001, \eta_p^2 = .09$ ) and that of gift type ( $F(1, 298) = 17.02, p < .001, \eta_p^2 = .05$ ). Most importantly, these main effects were qualified by a preference knowledge by gift type interaction ( $F(1, 298) = 4.57, p = .03, \eta_p^2 = .02$ ; see figure 5): Participants preferred experiential gifts more in the high knowledge condition ( $M_{\text{experiential}} = 4.67$  vs.  $M_{\text{material}} = 3.85; F(1, 298) = 19.62, p < .001, \eta_p^2 = .06$ ) than the low knowledge condition ( $M_{\text{experiential}} = 3.35$  vs.  $M_{\text{material}} = 3.10; F(1, 298) = 1.98, p > .16, \eta_p^2 = .01$ ).

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Insert figure 4 about here

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*Testing an Alternative Account.* One might argue that gift givers prefer to give more expensive gifts to recipients they have more preference knowledge of and these givers perceive experiential gifts as more expensive. Although we specified that the price of the gifts was similar, participants did perceive the general cost of experiential gifts as higher than material gifts ( $M_{\text{experiential}} = \$92.52$  vs.  $M_{\text{material}} = \$51.23, F(1, 298) = 31.72, p < .001, \eta_p^2 = .10$ ). To test

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<sup>6</sup> The results of study 2b do not change substantially when we include the two participants who imagined a fake friend rather than thought of a real friend. Results revealed a main effect of preference knowledge ( $F(1, 300) = 29.29, p < .001, \eta_p^2 = .09$ ), a main effect of gift type ( $F(1, 300) = 17.48, p < .001, \eta_p^2 = .06$ ), and the hypothesized interaction between gift type and social distance ( $F(1, 300) = 4.38, p = .037, \eta_p^2 = .01$ ).

whether cost explains our effect, we calculated a difference score in the estimated price of material and experiential gifts and added this cost difference variable, along with its interaction with knowledge preference, to our basic model (details are in table 2). The results did not show either a significant main effect of cost difference or a cost difference by preference knowledge interaction ( $F_s < 1$ ). Further, our key interaction between preference knowledge and gift type was still marginally significant ( $F(1, 296) = 3.50, p = .062, \eta_p^2 = .01$ ).

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Insert table 2 about here

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### Study 2c

*Methods and Procedure.* We recruited 400 MTurk workers and 403 participated ( $M_{\text{age}} = 35.03$ , 51% female, U.S. only, 95% approval or higher, previous workers blocked from participation). Similar to studies 2a and 2b, participants first wrote the initials of a female friend who they knew very well (high knowledge condition) or who they did not know very well (low knowledge condition) and then described how well they knew or did not know her. Since the product stimuli (i.e., spa related product) used in this study were female-oriented purchases, we controlled for potential gender effects by asking participants to imagine that they were buying a birthday gift for a female friend. Participants were told that they narrowed a birthday gift to two items—a home spa gift basket (material gift) and an aroma deep facial massage (experiential gift)—and were asked to make a choice between the two. Although we attempted to minimize any possible differences other than the material-experiential dimension by using similar gifts, participants could still perceive these items differently. To rule out this possibility, we again

measured participants' perception of hedonic and utilitarian nature of each gift by using similar measures as in study 2a (1 = definitely not hedonic/utilitarian at all, 7 = definitely hedonic/utilitarian). Finally, participants reported the gender of their friend as well as whether their friend was "real, fake, or a little bit of both."

*Results.* Six participants reported that they listed a fake friend rather than a real person, and thirteen participants thought of a male friend instead of a female friend. The results reported below exclude them from the subsequence analysis; however, including these participants did not substantially change the findings or significance.<sup>7</sup>

As predicted, choice of experiential gift (vs. material gift) was significantly greater in the high knowledge condition (39.27%) compared to the low knowledge condition (28.50%;  $b = .24$ , Wald  $\chi^2(1) = 4.94$ ,  $p = .03$ ).

*Testing an Alternative Account.* To examine whether this effect was driven by differences in the hedonic or utilitarian nature of the gifts, we conducted a set of additional analyses. First, compared to material gifts, experiential gifts were indeed rated as more hedonic ( $M_{\text{experiential}} = 5.72$  vs.  $M_{\text{material}} = 4.79$ ;  $F(1, 382) = 134.89$ ,  $p < .001$ ,  $\eta_p^2 = .26$ ) and as less utilitarian ( $M_{\text{experiential}} = 2.64$  vs.  $M_{\text{material}} = 3.81$ ;  $F(1, 382) = 166.40$ ,  $p < .001$ ,  $\eta_p^2 = .30$ ).<sup>8</sup>

Second, if our key effect is driven by any of these alternative accounts, then we would expect one of these accounts to interact with preference knowledge to predict gift choice. To test

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<sup>7</sup> Results of study 2c does not change substantially when we include the 19 participants that did not follow instructions. The hypothesized effect of preference knowledge remains significant ( $b = .24$ , Wald  $\chi^2(1) = 5.19$ ,  $p = .02$ ).

<sup>8</sup> A preference knowledge by product type interactions was marginally significant on hedonic rating ( $F(1, 382) = 3.42$ ,  $p = .065$ ,  $\eta_p^2 = .01$ ) as well as on utilitarian rating ( $F(1, 382) = 4.47$ ,  $p = .04$ ,  $\eta_p^2 = .01$ ). Compared to low knowledge, high knowledge participants showed smaller differences for both hedonic and utilitarian natures.

these alternatives, we created two difference scores (one hedonic and one utilitarian) subtracting the material gift rating from the experiential gift rating in terms of both hedonic and utilitarian nature of the gifts. Then we conducted two logistic regressions with gift choice (0 = material gift, 1 = experiential gift) as the dependent variable and preference knowledge (-1 = low, 1 = high), hedonic or utilitarian difference score (mean-centered), and their interaction as predictors (details of each model are in table 3). In the hedonic model, we found that the hedonic difference score was marginally significant ( $b = .13$ , Wald  $\chi^2(1) = 3.22$ ,  $p = .073$ ) but the hedonic difference score by preference knowledge interaction was not ( $p = .83$ ), and our key effect of preference knowledge on gift choice remained significant ( $b = .26$ , Wald  $\chi^2(1) = 5.61$ ,  $p = .02$ ). In the utilitarian model, the utilitarian difference score was significant ( $b = .21$ , Wald  $\chi^2(1) = 10.72$ ,  $p = .001$ ), but the utilitarian difference score by preference knowledge interaction was not ( $p > .60$ ). Our key effect of preference knowledge decreased slightly to become marginally significant ( $b = .20$ , Wald  $\chi^2(1) = 3.34$ ,  $p = .068$ ). In sum, consistent with studies 2a and 2b, none of these alternative models led to a significant mediator that predicted our hypothesized gift preference by preference knowledge interaction, suggesting that they are not viable alternative explanations.

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Insert table 3 about here

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## Discussion

By manipulating the knowledge that a giver has of their recipient's preferences, studies 2a-c showed that consumers were more likely to give experiential gifts over material gifts when

their knowledge of their recipient's preference was high compared to low. We consistently observed this shift in gift preference across different samples (i.e., undergraduate and Mturk workers) and different methodologies (i.e., preference rating and choice, between subjects and within-subject). Studies 2a-c also provide evidence suggesting that our effect cannot be fully explained by cost and the differential utilitarian or hedonic dimensions of these gifts. In sum, the results provide support for our theoretical process that consumers are likely to prefer material gifts relatively more than experiential gifts when they do not have sufficient knowledge of recipients' preferences.

### **STUDY 3: SHARED CONSUMPTION**

Our goal for study 3 was twofold. First, we sought to capture more direct evidence on our proposed mechanism of preference knowledge. Thus, we measured gift givers' perceived knowledge of their recipients' preferences and tested whether this knowledge mediates the effect of social distance on gift type. Second, we aimed to rule out the alternative explanation that the effect of social distance is driven by the shared nature of experiential gifts. Experiences are often consumed with others (Caprariello and Reis 2013), and participants might have preferred to give gifts that they could experience with their recipient (shared consumption) only when they were socially close to the recipient. To examine this alternative account, we manipulated whether the experiential gifts were jointly consumed by givers and recipients or consumed alone. If our findings are due to the shared consumption of experiences, then a gift giver should prefer to give experiential gifts for a close recipient only when s/he can participate in the experiences with the recipient. Alternatively, if social distance affects gift preference independent of shared

consumption, then the effect of social distance should not interact with shared consumption. Further, to distinguish sharing between the giver and recipient from sharing in general, we added a third condition where experiential gifts were described as to be shared with someone else (but not with the giver).

## Method and Procedure

We recruited 300 participants via MTurk and 291 responded ( $M_{\text{age}} = 32.47$ , 47% female, U.S. only, 95% approval or higher, previous workers blocked from participation). Sample size was set based on a power analysis indicating that we would need 139 participants to replicate the effect with 80% power, but given that we were testing a potential moderator as an alternative explanation, we more than doubled our sample size to be conservative.

The study was a 2(social distance: close vs. distant; between subjects) x 3(shared consumption of experience: non-shared vs. shared but not with giver vs. shared with giver; between subjects) x 2(gift type: material vs. experiential; within-subject) mixed design. The procedure of study 3 was similar to that of study 1a. Participants first provided the initials of either a close or distant friend (depending on condition) and then were presented with a similar set of gifts to those used in study 1a (see appendix B). In the non-shared condition, the experiential gifts were described as for a single person's use (e.g., individual massage/spa pass for one person), and participants were told that they would not be able to join the experiences. In the shared-but-not-with-giver condition, the experiential gifts were described as for two people, but participants were told that they would not be able to participate in these experiences, suggesting that a recipient would share the experiences with someone other than the giver. In the



shared-with-giver condition, the experiential gifts were described as for two people (e.g., massage/spa day pass with the friend), and participants were asked to assume that they would participate in these experiences with a recipient. For each gift, participants reported their preferences for the gift by using the same scale as in study 2b. In addition, participants reported their knowledge of their friend by indicating 1) how well they knew their friend's preferences and 2) how well they knew what their friend likes and dislikes ( $r = .98$ ).

## Results

*Gift Preference.* Our key dependent measure was relative gift preference for experiential gifts compared to material gifts. To calculate this measure, we averaged participants' ratings for the five experiential gifts and for the five material gifts, respectively, and then created a difference score by subtracting the average rating of material gifts from that of experiential gifts. Thus, a larger number indicates a greater relative preference for experiences over material gifts.

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Insert table 4 about here

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Consistent with our previous findings, relative preference for experiential gifts compared to material gifts depended on social distance ( $F(1, 285) = 21.18, p < .001, \eta_p^2 = .07$ ; see table 4 and figure 5). Participants' relative preference for experiential gifts over material gifts was greater when selecting a gift for a close friend ( $M = .57$ ) than for a distant friend ( $M = -.83$ ).

Supporting the notion that experiences are often associated with shared consumption (Caprariello and Reis 2013), we also found a significant main effect of shared consumption on

preference for experiences over material gifts ( $F(2, 285) = 4.07, p = .02, \eta_p^2 = .03$ ). Participants preferred experiences more (relative to material goods) when experiential gifts were described to be shared with the giver than not shared ( $M_{\text{shared-with-giver}} = .31$  vs.  $M_{\text{non-shared}} = -.71; F(1, 285) = 7.83, p = .006$ ). We found a similar pattern between the shared-but-not-with-giver condition and non-shared condition, but the difference was marginally significant ( $M_{\text{shared-but-not-with-giver}} = -.03$  vs.  $M_{\text{non-shared}} = -.71; F(1, 285) = 3.49, p = .064$ ). We did not find a significant difference between the two shared conditions ( $M_{\text{shared-with-giver}} = .31$  vs.  $M_{\text{shared-but-not-with-giver}} = -.03; F < 1$ ).

For our purpose, we were interested in whether shared consumption could explain the effects of social distance. That is, whether our key effect (social distance on relative gift preference) was moderated by shared consumption. While this effect was not significantly moderated by a shared consumption ( $F(2, 285) = 1.91, p = .15$ ), to be thorough we examined two planned contrasts and the simple effect of social distance in each condition. The effect of social distance in the shared-with-giver condition was marginally stronger than the non-shared condition ( $F(1, 285) = 2.93, p = .088, \eta_p^2 = .01$ ) and marginally stronger than the shared-but-not-with-giver condition ( $F(1, 285) = 2.76, p = .098, \eta_p^2 = .01$ ). Next, we tested the simple effect of social distance in each condition. We found a significant social distance effect in the shared-with-giver condition: Participants preferred experiential gifts more when selecting a gift for a socially close friend rather than a socially distant friend ( $M_{\text{close}} = 1.41$  vs.  $M_{\text{distant}} = -.78; F(1, 285) = 18.57, p < .001, \eta_p^2 = .06$ ). More importantly, and consistent with our hypotheses, the same pattern was found in the shared-but-not-with-giver condition ( $M_{\text{close}} = .48$  vs.  $M_{\text{distant}} = -.50; F(1, 285) = 3.35, p = .068, \eta_p^2 = .01$ ) and in the non-shared condition ( $M_{\text{close}} = -.22$  vs.  $M_{\text{distant}} = -1.18; F(1, 285) = 3.51, p = .062, \eta_p^2 = .01$ ), although the effect became marginal in these conditions.

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Insert figure 5 about here

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*Mediation Analysis.* We proposed that the effect of social distance on relative gift preference is driven by perceived knowledge of recipients' preferences. To test this hypothesis, we first examined the effect of social distance on preference knowledge. Consistent with our prediction, the analysis revealed a main effect of social distance: Participants reported better knowledge about close friends than distant friends ( $M_{\text{close}} = 9.22$  vs.  $M_{\text{distant}} = 5.67$ ,  $F(1, 284) = 212.56$ ,  $p < .001$ ,  $\eta_p^2 = .43$ ).<sup>9</sup> There was no significant main effect of shared consumption or interaction of shared consumption and social distance on preference knowledge ( $F_s < 1$ ). Next, we tested whether knowledge of recipients' preferences mediates the effect of social distance on gift preference. A mediation analysis on the relative preference difference score using the PROCESS macro (Hayes 2013; Model 4 with shared consumption as a covariate) revealed a significant indirect effect of social distance on relative gift preference through preference knowledge (95% CI = [.1956, 1.1798]; 5000 samples).

## Discussion

Study 3 provides more compelling evidence for our theory. Consistent with our previous results, participants exhibited stronger relative preferences for experiential gifts over material gifts when they were socially close to their recipients rather than distant. In addition, the

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<sup>9</sup> One respondent did not answer both preference knowledge measures, leaving 290 usable responses.

mediation analysis revealed that this preference pattern was driven by the increase in knowledge about recipients' preferences. Although the effect of social distance increases when experiences are shared (with the gift giver), this effect still holds even when experiential gifts are not shared. Taken together, these results suggest that our key effect of social distance cannot be solely explained by the social nature of experiences and this effect is at least partly driven by preference knowledge of recipients.

### **STUDIES 4A AND 4B: SOCIAL RISK AS A MODERATOR**

We proposed that a gift giver's relative preference for experiences over material gifts is greater for a close recipient rather than for a distant one because choosing experiential gifts requires a deeper knowledge of a recipient's individual tastes and preferences. The mediating process of preference knowledge suggests that social risk is an important moderator—specifically, the social risk of choosing a gift that may not match a recipient's individual preferences. Given that experiential gifts are perceived as more unique (Carter and Gilovich 2010; Dai et al. 2017), we proposed that material goods would be a safer, less socially risky alternative compared to experiences when givers are socially distant. To test this social risk component, in studies 4a and 4b, we manipulated the social risk associated with experiential gifts by varying the specificity of experiential gifts. Compared to specific experiences (e.g., aroma deep facial massage), general experiences (e.g., spa gift certificate) should require less knowledge of the recipient, involving relatively little social risk. Accordingly, although givers tend to shy away from giving experiential gifts to a distant recipient (vs. close recipient), they are more likely to give experiences when these gifts carry relatively low social risk.

## Study 4a

*Method and Procedure.* We recruited 400 MTurk workers and 399 participated ( $M_{\text{age}} = 40.17$ , 50% female, U.S. only, 95% approval or higher, previous workers blocked from participation). The study was a 2(social distance: close vs. distant; between subjects) x 2(gift type: low-risk experiential vs. high-risk experiential; between subjects) x 2(product replicate: spa domain vs. glass accessories; within-subject) mixed design. Similar to the previous studies, participants typed the initials either of a close or distant female friend. Since the product stimuli used in this study (i.e., spa related product and glass accessories) were female-oriented purchases, we asked participants to imagine that they were buying a birthday gift for a female friend. All participants were presented with two pairwise choices that consisted of one material gift and one experiential gift in each choice. To manipulate the social risk associated with experiential gifts, we varied the specificity of experiential gifts. In the low risk condition, participants chose between (1a) a spa gift basket (material) and (1b) a gift certificate for a massage, facial, or any other spa treatment (low-risk experience) and between (2a) a glass pendant necklace (material) and (2b) a glass ornament making class, other art class, or special exhibit entrance at a local museum (low-risk experience). In the high-risk condition, participants chose between (1a) a spa gift basket (material) and (1b) an aroma deep facial massage (high-risk experience) and between (2a) a glass pendant necklace (material) and (2b) a glass pendant making class (high-risk experience). To test whether participants followed instructions, we asked whether their friend was (1) male or female and (2) “real, fake, or a little bit of both.”

*Results.* Three participants did not follow instructions and generated a male friend instead of a female friend, and six participants admitted to listing a fake friend rather than a real person. Consistent with our previous studies, the results reported below exclude these participants from the subsequence analysis, but including these responses leads to similar results.<sup>10</sup>

Using a generalized estimating equation (GEE) model, we examined participants' choices between material and experiential gifts. The analysis yielded a significant main effect of social distance (Wald  $\chi^2(1) = 13.49, p < .001$ ) and of social risk (Wald  $\chi^2(1) = 12.57, p < .001$ ). More importantly, these main effects were qualified by a marginally significant social distance and social risk interaction (Wald  $\chi^2(1) = 2.72, p = .099$ ; see figure 6). Consistent with the previous findings, when experiential gifts carried high social risk, participants were more likely to choose experiential gifts for a close friend rather than for a distant friend ( $M_{\text{close}} = 44.4\%$  vs.  $M_{\text{distant}} = 25.5\%$ ; Wald  $\chi^2(1) = 14.80, p < .001$ ). However, when experiential gifts involved low social risk, choice of experiential gifts did not differ for a close and distant friend ( $M_{\text{close}} = 52.1\%$  vs.  $M_{\text{distant}} = 43.9\%$ ; Wald  $\chi^2(1) = 2.08, p > .15$ ). The product replicate factor did not have a significant effect, nor did it interact with other factors ( $ps > .1$ ; see appendix C for the choice distributions across product replicates).

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Insert figure 6 about here

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#### Study 4b

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<sup>10</sup> When we include the 9 participants that did not follow instructions, we found a significant main effect of social distance (Wald  $\chi^2(1) = 13.00, p < .001$ ) and of social risk (Wald  $\chi^2(1) = 11.15, p < .001$ ). The hypothesized interaction between social distance and social risk was marginally significant and virtually unchanged (Wald  $\chi^2(1) = 2.58, p = .108$ ).

*Method and Procedure.* We recruited 500 MTurk workers and 501 participated ( $M_{\text{age}} = 34.80$ , 47% female, U.S. only, 95% approval or higher, previous workers blocked from participation).

This study was a 2(social distance: close vs. distant; between subjects) x 2(gift type: low-risk experiential vs. high-risk experiential; between subjects) x 3(product replicate: spa domain vs. glass accessories vs. coffee domain; within-subject) mixed design. The procedure was identical to study 4a, except that participants were presented with three pairwise choices instead of two. The third pairwise choice was between (3a) a tea and coffee mug gift basket (material) and (3b) a local cafe gift card (low-risk experience) or between (3a) a tea and coffee mug gift basket (material) and (3b) a local coffee tasting (high-risk experience). To ensure that our social risk manipulation was effective, we conducted a separate pretest in which 101 MTurk workers rated how risky they thought each gift was to give an average female. These ratings confirmed that high-risk experiences were perceived as more risky than low-risk experiences ( $M_{\text{high}} = 3.47$  vs.  $M_{\text{low}} = 2.45$ ;  $F(1, 100) = 73.34$ ,  $p < .001$ ,  $\eta_p^2 = .42$ ; see appendix D for details).

*Results.* Ten participants did not think of a female friend, and seven participants admitted to listing a fake friend rather than a real person. Consistent with our previous studies, the results reported below exclude these participants from the subsequence analysis, and including them does not change the results.<sup>11</sup>

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<sup>11</sup> When we include those 17 participants that did not follow instructions, we found a significant main effect of social distance (Wald  $\chi^2(1) = 4.53$ ,  $p = .03$ ), of social risk (Wald  $\chi^2(1) = 16.24$ ,  $p < .001$ ), and of product replicate (Wald  $\chi^2(2) = 40.65$ ,  $p < .001$ ). Additionally, a social distance by product replicate interaction was significant (Wald  $\chi^2(2) = 8.66$ ,  $p = .01$ ). Most importantly, the hypothesized interaction between gift type and social distance was marginally significant and virtually unchanged (Wald  $\chi^2(1) = 3.77$ ,  $p = .052$ ).

A GEE model analyzing participants' choices between material and experiential gifts revealed main effects of social distance (Wald  $\chi^2(1) = 4.76, p = .03$ ), social risk (Wald  $\chi^2(1) = 16.42, p < .001$ ), and product replicate (Wald  $\chi^2(2) = 40.64, p < .001$ ). Additionally, a social distance by product replicate interaction emerged (Wald  $\chi^2(2) = 7.10, p = .03$ ), but a social risk by product replicate interaction was not significant (Wald  $\chi^2(2) = 2.83, p > .24$ ).

Most importantly, replicating the results of study 4a, a social distance by social risk interaction was marginally significant (Wald  $\chi^2(1) = 3.67, p = .055$ ; see figure 7). When experiential gifts carried high social risk, participants were more likely to choose experiential gifts for a close friend rather than for a distant friend ( $M_{\text{close}} = 44.1\%$  vs.  $M_{\text{distant}} = 31.6\%$ ; Wald  $\chi^2(1) = 7.93, p = .005$ ). However, when experiential gifts were associated with low social risk, social distance did not affect choice of experiential gifts ( $M_{\text{close}} = 50.8\%$  vs.  $M_{\text{distant}} = 49.9\%$ ; Wald  $\chi^2(1) = .04, p > .84$ ). The three-way interaction was not significant, which means the social distance by social risk interaction did not vary by product replicate (Wald  $\chi^2(2) = 1.27, p > .53$ ; see appendix C for the choice distributions across product replicates).

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Insert figure 7 about here

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### Single-Paper Meta-Analysis, Replication, and Discussion

While the simple effects in studies 4a and 4b were significant at traditional levels, we should note that our interactions were both marginally significant at traditional alpha levels. Thus, for reliability we conducted both a single-paper meta-analysis (SPM; McShane and Böckenholt 2017) and a conceptual replication. An SPM of our studies estimates the social



distance by social risk interaction at  $-.11$  (95% CI:  $-.03, -.20$ ). The confidence interval did not contain zero, demonstrating the robustness of our findings. Examining the simple effects also showed robust results. When experiential gifts carried high social risk, the SPM showed that participants were more likely to choose experiential gifts for a close friend rather than for a distant friend ( $.14$ , 95% CI:  $.09, .21$ ); however, when experiential gifts were associated with low social risk, social distance did not affect choice of experiential gifts ( $.03$ , 95% CI:  $-.02, .09$ ).

For our conceptual replication of studies 4a and 4b, we used ten replicates in a within-subject design similar to studies 1a and 3 (see web appendix C for study details). We again found that social risk moderated the effect of social distance on gift type preference ( $F(1, 364) = 15.19$ ,  $p < .001$ ,  $\eta_p^2 = .04$ ). When experiences were high risk, relative preference for experiential gifts (vs. material gifts) was greater for close recipients ( $M_{\text{experiential}} = 4.57$  vs.  $M_{\text{material}} = 3.72$ ) than for distant recipients ( $M_{\text{experiential}} = 2.04$  vs.  $M_{\text{material}} = 2.80$ ;  $F(1, 364) = 23.75$ ,  $p < .001$ ). But, when experiences were low risk, there was no relative preference difference for close recipients ( $M_{\text{experiential}} = 3.78$  vs.  $M_{\text{material}} = 3.24$ ) compared to distant recipients ( $M_{\text{experiential}} = 2.64$  vs.  $M_{\text{material}} = 1.90$ ;  $F < 1$ ). In sum, we replicated the effect of social distance when the risk associated with experiential gifts was high, and the effect of social distance was mitigated when the risk was low.

In sum, studies 4a and 4b provide further support for our theorization by showing the moderating effect of the social risk associated with experiential gifts. Namely, when the social risk associated with experiences was high, participants' relative preference for experiential gifts over material gifts was greater for close friends than for distant friends (consistent with our previous studies). However, when experiential gifts did not involve such risk, the effect of social distance on relative preference was mitigated. In other words, when experiential gifts carry the

higher social risk of giving a gift that poorly matches a recipient's preference, consumers shy away from giving these experiential gifts to distant recipients whom they do not know well; however, when this social risk is reduced, socially distant recipients are more likely to be given experiential gifts.

## GENERAL DISCUSSION

Despite evidence suggesting that givers should prefer to give experiential gifts because experiences tend to be more individualized and unique, we found that on average gift givers prefer to give material gifts instead of experiences. The current research explored this mismatched preference for material gifts by focusing on the social distance between givers and recipients, a key component in gift exchange. We proposed that gift givers' preferences shift towards experiential gifts when they are socially close to their recipients compared to socially distant from their recipients. Further, we hypothesized that this effect of social distance on gift type preference is due to givers' perceived knowledge of the recipients' individual preferences—knowledge that is necessary for avoiding the social risk of giving a gift that poorly matches recipients' preferences.

We provided evidence for our hypotheses across eight studies. Study 1a compared preferences for various material and experiential gifts and found that relative preferences for experiential gifts were greater when the recipients were socially close compared to socially distant. Study 1b used open-ended responses that allow participants to generate a gift that they were willing to give. Consistent with the findings of study 1a, we again found that gifts chosen for close recipients were more experiential than those chosen for distant recipients.

By manipulating (studies 2a-c) and measuring (study 3) perceived preference knowledge, we tested whether the effect of social distance was driven by a giver's perceived knowledge of their recipient's preferences. Studies 2a-c provide converging evidence that participants' relative preferences for experiential gifts over material gifts were greater when their knowledge of recipient was high compared to low. In these studies, we also ruled out an alternative explanation based on cost and the differential utilitarian-hedonic dimensions of these gifts. Further supporting the preference knowledge process, study 3 showed that the effect of social distance was mediated by givers' knowledge of their recipients. Additionally, study 3 ruled out joint/shared consumption as an alternative explanation by demonstrating that the mediating effect of preference knowledge remained constant regardless of shared consumption of experiential gifts. Studies 4a and 4b identified a moderator—the social risk of experiences—that further tested our proposed process. While we found the effect of social distance with relatively high social risk experiential gifts, this effect was significantly mitigated with low social risk experiential gifts. In other words, when experiential gifts were less socially risky to give, the difference in gift preference due to social distance was reduced. In sum, these results suggest that consumers are willing to give experiences, but only when they feel close enough to choose appropriate experiential gifts to avoid the social risk of giving experiences that might not match a recipient's individual preferences.

### Alternative Explanations and Future Research

We should note that, in addition to social distance, there might be other independent factors influencing consumers' choices of material versus experiential gifts. In the current

research, we focused on social distance because it is a key component to the social exchange of gift giving. To choose unique and individualized gifts, consumers must have knowledge about their recipients, which made social distance a natural and critical variable to study. Nonetheless, given other differences between material and experiential gifts, we did address and attempt to rule out several alternative accounts as to why social distance affects preference for material and experiential gifts. For example, experiential gifts can be consumed with others (Caprariello and Reis 2013), and givers might prefer to share an experience only with close recipients, but not with distant recipients. We tested this explanation in study 3 by manipulating whether the experience was shared with others or consumed alone. We found that the effect of social distance replicated regardless of joint consumption, suggesting that shared consumption does not drive our findings.

Another possible explanation is that material goods better adhere to social norms or are more memorable because of their tangible and physical nature (Goodman, Malkoc, and Stephenson 2016). We ran a follow-up study to rule out these two alternatives by examining whether socially distant givers were more concerned about social norms and/or giving a physical reminder (and thus less likely to give experiences). The follow-up study used the same procedures of study 1a but with additional measures. At the end of the survey, we asked participants, “When you were evaluating the gifts, how much did you consider the following dimensions?” (1 = not at all, 10 = very much). Social norms and physical reminder were collected using two measures each (social norms: “Whether the gift is socially acceptable,” and “Whether the gift would be appropriate for our friendship,” physical reminder: “Whether the gift is a physical reminder of me or the relationship,” and “Whether the gift physically persists over time.”). As expected, we replicated our previous effect of social distance on gift type preference

such that the relative preference to give experiential gifts (vs. material gifts) was significantly greater when the recipient was socially close ( $M_{\text{experiential}} = 4.36$  vs.  $M_{\text{material}} = 3.48$ ) compared to socially distant ( $M_{\text{experiential}} = 2.65$  vs.  $M_{\text{material}} = 2.86$ ;  $F(1, 398) = 24.08$ ,  $p < .001$ ,  $\eta_p^2 = .06$ ). More importantly, in terms of a physical reminder, the alternative explanation did not pan out: We found that socially distant gift givers actually indicated *less* of a need for a physical reminder ( $M = 2.38$ ), compared to close givers ( $M = 3.07$ ;  $F(1, 398) = 7.79$ ,  $p = .006$ ,  $\eta_p^2 = .02$ ). In terms of social norms, we did find that participants were more concerned with social norms when they were selecting a gift for a socially distant friend ( $M = 5.80$ ) compared to a socially close friend ( $M = 5.18$ ;  $F(1, 398) = 4.61$ ,  $p = .03$ ,  $\eta_p^2 = .01$ ); however, a concern for social norms did not predict preference for material versus experiential gifts ( $p > .6$ ). Thus, neither a need for a physical reminder nor social norms are viable alternative explanations for our findings.

### Implications and Contribution

This research has important contributions to both gift giving and the happiness literatures. First, in terms of happiness, the current findings highlight that an experiential gift might not always be a viable option for givers, despite evidence suggesting that experiences contribute more to recipients' happiness and strengthen relationships between givers and recipients (Chan and Mogilner 2017; Goodman and Lim 2017; Wallman 2015). Given that money spent on others leads to more happiness than money spent on oneself (Dunn, Aknin, and Norton 2008), it seems that the optimal strategy would be to double down: Not only spend money on others, but also buy them experiential gifts. However, based on the current findings, buying experiential gifts seems to come with a tradeoff: Gift givers believe that choosing an experiential gift requires

more knowledge about recipients' individual preferences and thus giving an experiential gift carries greater social risk. Of course, gift givers could be wrong and unnecessarily concerned, and distant receivers may still be better off with an experiential gift. Future research may want to investigate the accuracy and consequences of such choices.

To give experiences, gift givers believe that they need the proper knowledge of what their recipients like and dislike, and acquiring this knowledge may require a large investment (in time or social resources). If givers do not have such information, then they will try to avoid the social risks in giving an experiential gift that does not match their recipient's preference. However, if this is merely a perception, then it is possible that simply thinking about all the ways that a giver feels more knowledgeable about their recipient could increase the gifting of experiential gifts. Future research need to investigate other methods to reduce social risks associated with giving experiential gifts.

Second, the studies extend the social relevance theories to experiential purchases. Previous literature has highlighted that experiential consumption promotes a sense of social connectedness and therefore brings greater happiness to consumers (Caprariello and Reis 2013; Chan and Mogilner 2017). Adding to this line of research, the current research suggests that social factors can affect people's experiential purchases. Our research demonstrates that greater social closeness increases the rate in which consumers give experiential gifts, highlighting social closeness as an important antecedent of experiential giving.

The present findings, coupled with the recent finding that experiential gifts can increase social connectedness between givers and receivers (Chan and Mogilner 2017), suggest that further research is needed to explore experiential gift giving and consumption. There is a vast literature exploring the nuances of gift giving, but most of this literature has assumed (perhaps

indirectly) that gifts are material in nature—that is, they are, and should be, physically given in a box wrapped neatly with a bow. Our research challenges this assumption and identifies situations where experiential gifts may be preferred.

The results also suggest that there is an opportunity for firms to provide more experiential gifts, particularly those types of gifts that entail low social risk. Websites that facilitate giving experiences (such as Excitations, Cloud9 Living, and Blueboard) seem to have already noticed the value of experiential giving. Further, they seem to be aware that experiential gifts are still not the norm, as Excitations tagline is “Give the unexpected.” Yet, giving experiences does not have to be unexpected or a niche business, and these perceptions may change over time. Just as retailers have adapted strategies to be friendlier to giving material gifts—offering exchanges, gift receipts, gift boxes, and gift cards—perhaps marketers of experiential purchases (e.g., Ticketmaster, Travelocity, or the local theater) should be doing the same: Finding ways to lower the risk of experiential gifts by offering exchanges, gift cards, and gift receipts. If firms can provide better offerings that lower the social risk of experiential gift giving, thus lowering the knowledge needed to give an experience, then we may find a future where giving experiences becomes mainstream.

## DATA COLLECTION INFORMATION

Two pilot studies in the introduction were conducted on Amazon Mechanical Turk. The first one was ran in 2013 and the second one in 2017. Studies 1a and 1b were collected at Washington University in St Louis in 2015 and 2014 respectively. The conceptual replication in the discussion of Study 1a was conducted on Mechanical Turk in 2015. Study 2a was collected at The Ohio State University in 2017. Studies 2b, 2c, 3, 4a, and 4b were collected on MTurk, along with the conceptual replication of study 4 and the follow-up study in the General Discussion. The authors conducted studies 2b and 2c in 2017, study 3 in 2016, studies 4a and 4b in 2017, the replication of study 4 in 2016, and the follow up study in 2015. The data were analyzed by the second author with oversight from the first author.



**APPENDIX A: STIMULI AND PRETEST RESULTS (STUDY 1A)**

**MEAN RATING OF EXPERIENTIAL AND MATERIAL GIFTS**

Gift type	Items	Mean	SD	t
Material Gifts	Hand-made pen	1.61	2.43	-13.86*
	Sunglasses	1.29	2.17	-16.99*
	Headphones	2.27	2.78	-9.76*
	Leather gloves	1.21	2.03	-18.56*
	Wallet/ Purse	1.20	2.24	-16.86*
Experiential Gifts	Concert ticket	8.91	1.71	22.76*
	Sightseeing boat ride (available in over 50 cities)	9.22	1.33	31.49*
	Ticket for comedy night	8.89	1.75	22.12*
	Wine tour and tasting	9.00	1.43	27.90*
	Cooking classes (four sessions)	8.68	1.85	19.79*

Note: 11-point Likert scale (0 = Material, 10 = Experiential); one-sample t-test; \* $p < .001$ .

**APPENDIX B: STIMULI (STUDY 3)**

Material gifts	Non-shared experience	Experience shared but not with a giver	Experience shared with a giver
Leather gloves	Massage/spa day pass for one person (You wouldn't be able to go)	Massage/spa day pass with a friend (You wouldn't be able to go)	Massage/spa day pass with the friend (You would go together)
Sunglasses	Sightseeing boat ride for one person (available in over 50 cities; You wouldn't be able to go)	Sightseeing boat ride with a friend (available in over 50 cities; You wouldn't be able to go)	Sightseeing boat ride with the friend (available in over 50 cities; You would go together)
Headphones	Wine tour and tasting for one person (You wouldn't be able to go)	Wine tour and tasting with a friend (You wouldn't be able to go)	Wine tour and tasting with the friend (You would go together)
Hand-made pen	Cooking classes (private class with four sessions; You wouldn't be able to go)	Cooking classes with a friend (private class with four sessions; You wouldn't be able to go)	Cooking classes with the friend (private class with four sessions; You would go together)
Wallet/Purse	A ticket for a music concert (You wouldn't be able to go)	Tickets for a music concert with a friend (You wouldn't be able to go)	Tickets for a music concert with a friend (You would go together)

**APPENDIX C: GIFT CHOICE ACROSS CONDITIONS (STUDIES 4A AND 4B)**

Study	Product replicate	Social risk	Social distance	Gift choice	
				Material	Experiential
Study 4a	Spa domain	Low risk	Distant	53.5%	46.5%
			Close	48.9%	51.1%
		High risk	Distant	79.6%	20.4%
			Close	57.6%	42.4%
	Glass accessories	Low risk	Distant	58.6%	41.4%
			Close	46.8%	53.2%
		High risk	Distant	69.4%	30.6%
			Close	53.5%	46.5%
Study 4b	Spa domain	Low risk	Distant	49.6%	50.4%
			Close	44.4%	55.6%
		High risk	Distant	72.4%	27.6%
			Close	52.1%	47.9%
	Glass accessories	Low risk	Distant	47.1%	52.9%
			Close	40.5%	59.5%
		High risk	Distant	56.9%	43.1%
			Close	45.5%	54.5%
	Coffee domain	Low risk	Distant	53.7%	46.3%
			Close	62.7%	37.3%
		High risk	Distant	75.9%	24.1%
			Close	70.2%	29.8%

**APPENDIX D: SOCIAL RISK PRETEST (STUDY 4B)**

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Product categories	Low risk experience Mean (SD)	High risk experience Mean (SD)
Spa domain	1.97 (2.14)	2.51 (2.33)
Glass accessories	3.69 (2.52)	4.29 (2.77)
Coffee domain	1.68 (1.97)	3.59 (2.45)

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TABLE 1  
STUDY2A: ANALYSIS AND ALTERNATIVE MODELS

Variable	Model 1			Model 2			Model 3			Model 4		
	<i>F</i>	<i>p</i>	$\eta_p^2$	<i>F</i>	<i>p</i>	$\eta_p^2$	<i>F</i>	<i>p</i>	$\eta_p^2$	<i>F</i>	<i>p</i>	$\eta_p^2$
Preference Knowledge	8.28	.005	.07	.70	.41	.01	2.47	.12	.02	1.20	.28	.01
Material-Experience	4.31	.04	.04	.00	.97	.00	5.91	.017	.05	3.02	.085	.03
Mat.-Exp. X Pref. Knowl.*	2.92	.09	.02	3.12	.08	.03	.75	.39	.01	2.88	.093	.02
Hedonic				7.79	.006	.06						
Hedonic x Pref. Knowl.^				.00	.99	.00						
Utilitarian							1.58	.21	.01			
Utilitarian x Pref. Knowl.^							.30	.58	.00			
Cost										.00	.95	.00
Cost x Pref. Knowl.^										.45	.51	.00

\*Key hypothesized effect

^Potential alternative explanations

TABLE 2

## STUDY2B: ANALYSIS AND ALTERNATIVE MODELS

Variable	Model 1			Model 2		
	<i>F</i>	<i>p</i>	$\eta_p^2$	<i>F</i>	<i>p</i>	$\eta_p^2$
Preference Knowledge	28.23	<.001	.09	22.69	<.001	.07
Material-Experience	17.02	<.001	.05	11.03	.001	.04
Material-Experience X Pref. Knowl.*	4.57	.03	.02	3.50	.062	.01
Price Difference				.12	.72	.00
Price Diff. X Pref. Knowl.^				.07	.80	.00
Price Diff. X Material-Experience				1.04	.31	.00
Price Diff. X Pref. Knowl. X Material-Experience				.18	.67	.00

\*Key hypothesized effect

^Potential alternative explanations

TABLE 3

## STUDY 2C: ANALYSIS AND ALTERNATIVE MODELS

Variable	Model 1			Model 2			Model 3		
	b	Wald $\chi^2$	<i>p</i>	b	Wald $\chi^2$	<i>p</i>	b	Wald $\chi^2$	<i>p</i>
Preference Knowledge*	.24	4.94	.03	.26	5.61	.02	.20	3.34	.068
Hedonic Difference				.13	3.22	.073			
Hedonic Diff. x Pref. Knowl.^				.01	.04	.83			
Utilitarian Difference							.21	10.72	.001
Utilitarian Diff.x Pref. Knowl.^							.03	.27	.60

\*Key hypothesized effect

^Potential alternative explanations

TABLE 4

## STUDY 3: GIFT PREFERENCE MEAN ACROSS CONDITIONS

Shared consumption of experience	Social distance	Material gifts	Experiential gifts	Relative gift preference (Exp.– Mat.)
Non-shared	Distant	3.62	2.45	-1.18
	Close	3.96	3.74	-0.22
Shared but not with giver	Distant	3.06	2.56	-0.50
	Close	3.21	3.69	0.48
Shared with giver	Distant	3.11	2.32	-0.78
	Close	3.43	4.84	1.41

FIGURE 1  
THEORETICAL MODEL AND HYPOTHESES

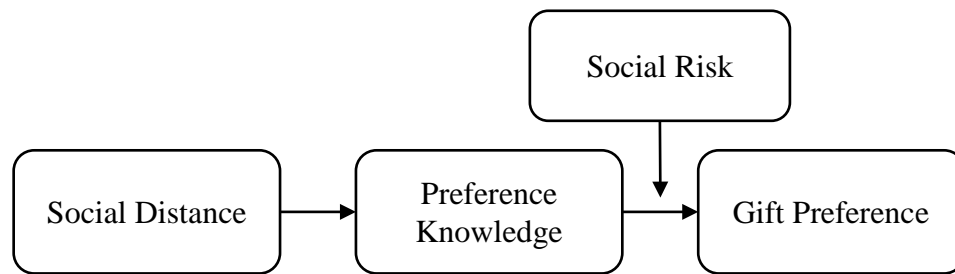
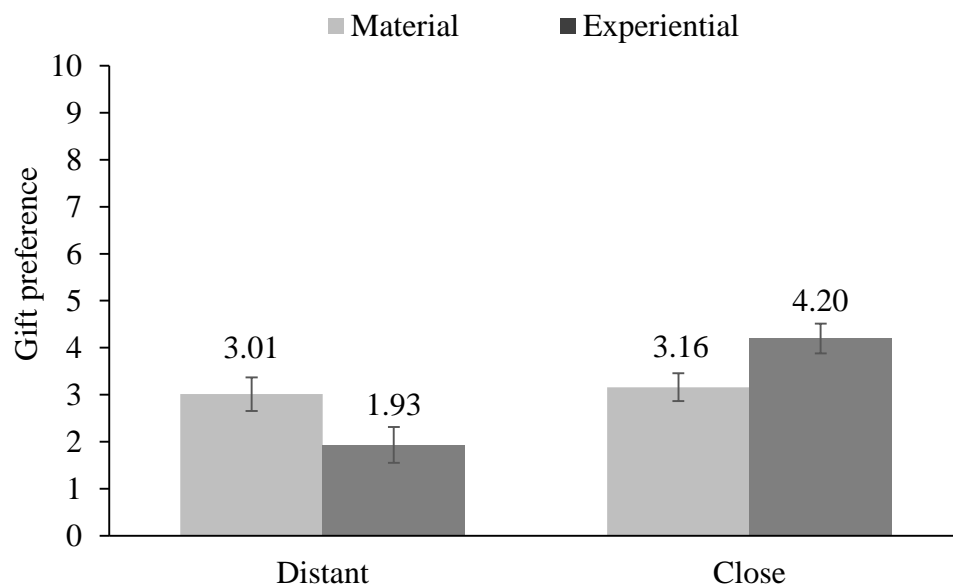


FIGURE 2

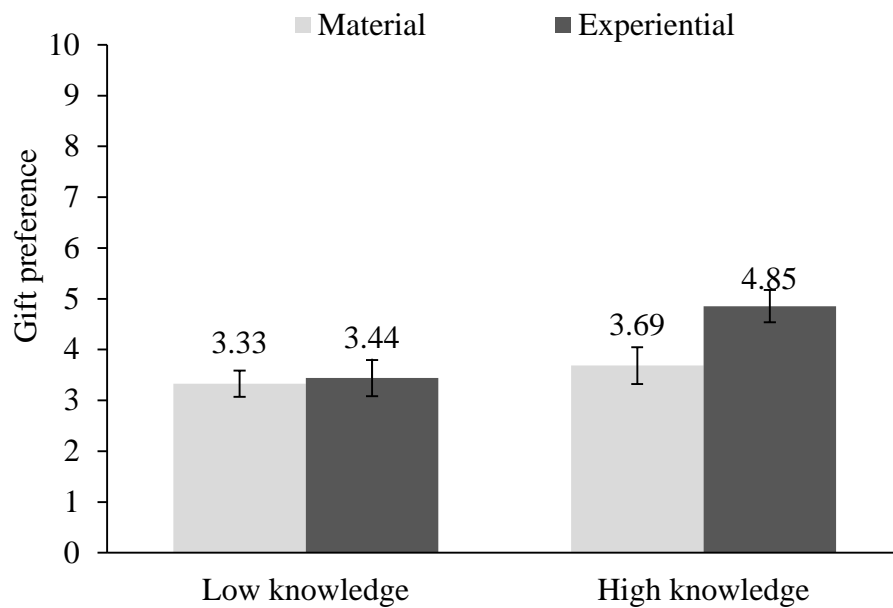
## STUDY 1A: THE EFFECT OF SOCIAL DISTANCE ON GIFT PREFERENCE



Note: Error bars represent +/- 1 standard error; not corrected for within-subject variance

FIGURE 3

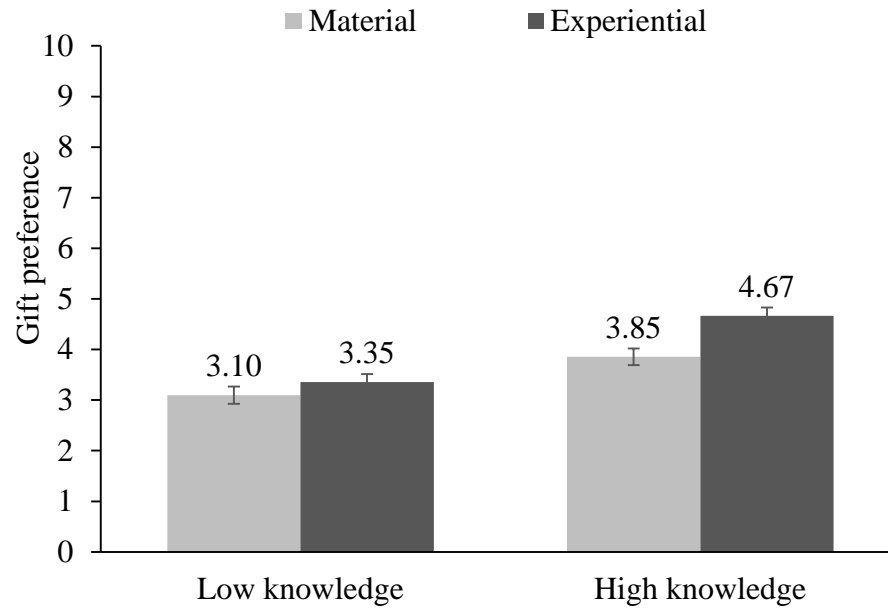
STUDY 2A: THE EFFECT OF PREFERENCE KNOWLEDGE ON GIFT PREFERENCE



Note: Error bars represent +/- 1 standard error



FIGURE 4  
STUDY 2B: THE EFFECT OF PREFERENCE KNOWLEDGE ON GIFT  
PREFERENCE

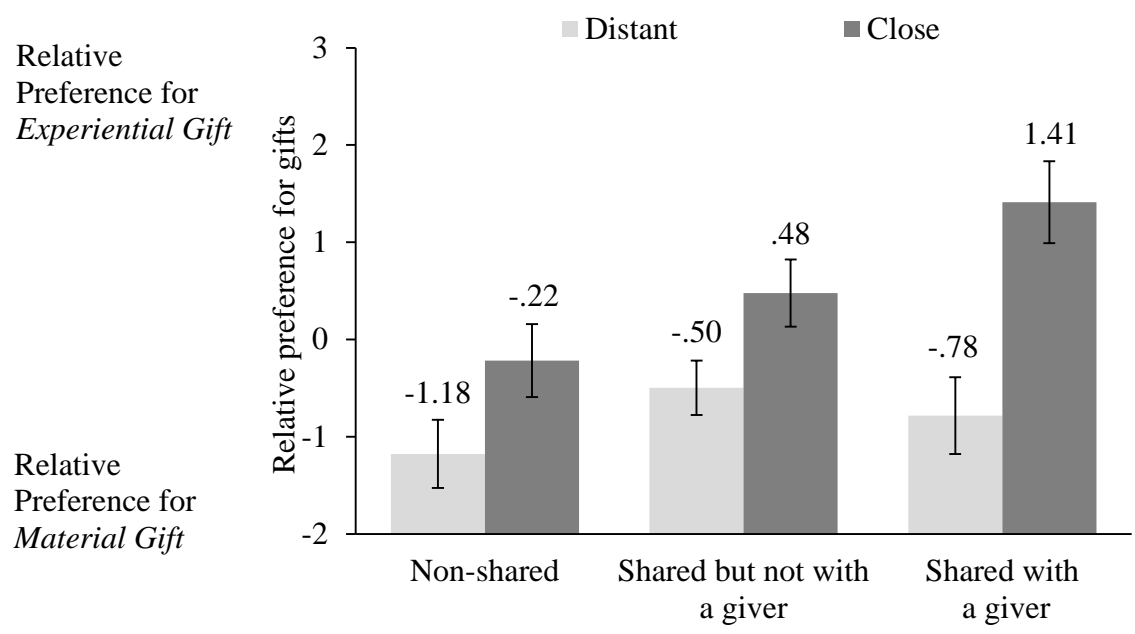


Note: Error bars represent +/-1 standard error; not corrected for within-subject

variance

FIGURE 5

STUDY 3: GIFT PREFERENCE ACROSS CONDITIONS



Note: Error bars represent +/-1 standard error; not corrected for within-subject variance

FIGURE 6

## STUDY 4A: MODERATING EFFECT OF SOCIAL RISK ON GIFT PREFERENCE

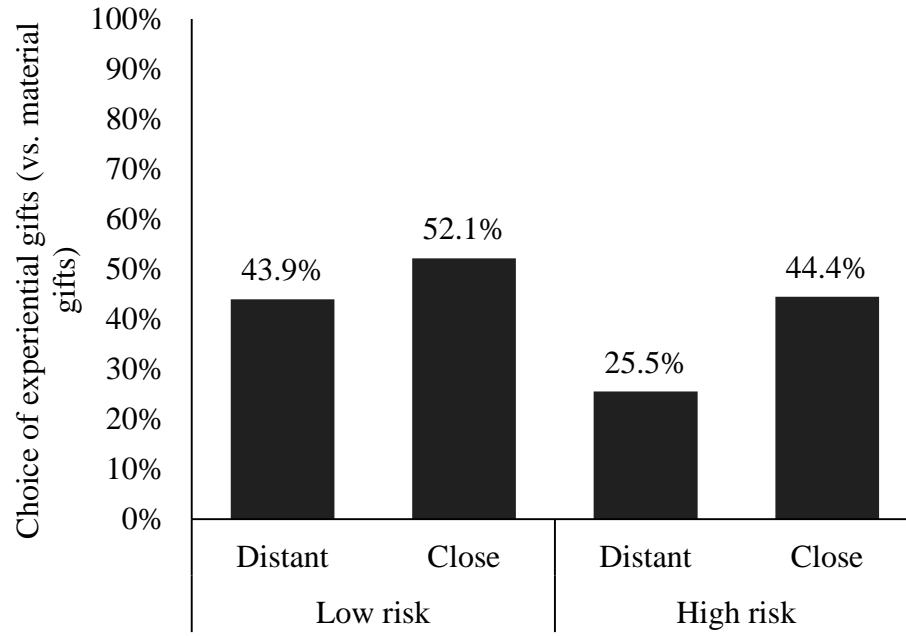
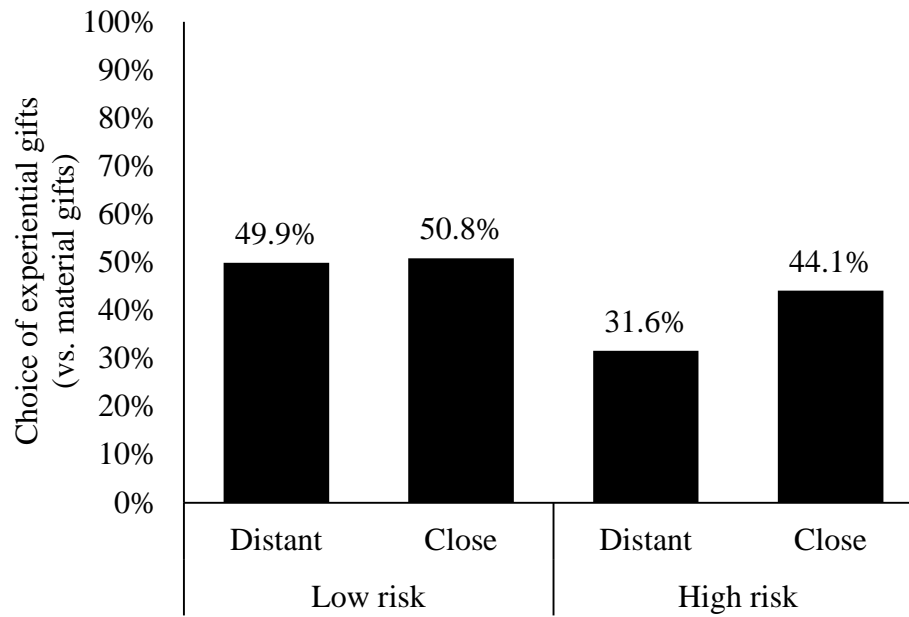


FIGURE 7

## STUDY 4B: MODERATING EFFECT OF SOCIAL RISK ON GIFT PREFERENCE



## HEADINGS LIST

### 1) SOCIAL DISTANCE AND GIFT GIVING

#### 1) STUDIES 1A AND 1B: THE ROLE OF SOCIAL DISTANCE IN GIFT PREFERENCE

2) Study 1a

3) *Method and Procedure.*

3) *Results.*

2) Study 1b

3) *Method and Procedure.*

3) *Results.*

2) Discussion

#### 1) STUDIES 2A, 2B, AND 2C: PREFERENCE KNOWLEDGE

2) Study 2a

3) *Methods and Procedure.*

3) *Manipulation Check.*

3) *Gift Preference.*

3) *Testing Alternative Accounts.*

2) Study 2b

3) *Methods and procedure.*

3) *Results.*

3) *Testing an Alternative Account.*

2) Study 2c

3) *Methods and Procedure.*

3) *Results.*

3) *Testing an Alternative Account.*

2) Discussion

#### 1) STUDY 3: SHARED CONSUMPTION

2) Method and Procedure

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3) *Gift Preference.*

3) *Mediation Analysis.*

2) Discussion

#### 1) STUDIES 4A AND 4B: SOCIAL RISK AS A MODERATOR

2) Study 4a

3) *Method and Procedure.*

3) *Results.*

2) Study 4b

3) *Method and Procedure.*

3) *Results.*

2) Single-Paper Meta-Analysis, Replication, and Discussion

#### 1) GENERAL DISCUSSION

2) Alternative Explanations and Future Research

2) Implications and Contribution

## Web Appendix

### When Consumers Prefer to Give Material Gifts Instead of Experiences: The Role of Social Distance

JOSEPH K. GOODMAN

SARAH LIM

This online appendix includes detailed descriptions of the risk perception study discussed in the introduction, gift categories listed by participants in study 1b, and the conceptual replication of study 4.

## WEB APPENDIX A: SOCIAL RISK PILOT STUDY

### Method and Procedure.

We recruited 200 MTurk workers and 188 responded,  $M_{\text{age}} = 46.53$ , 57% female, U.S. only, 95% approval or higher, previous workers blocked from participation). We asked participants to imagine that they were going to their friend's birthday party. They were asked to type an experiential gift and a material gift that they would like to give their friend after reading the definition of each gift type (order counterbalanced). Experiential gifts were described as intangible events for a recipient to live through, whereas material gifts were described as tangible objects for a recipient to keep over time (Chan and Mogilner 2017, Tully et al. 2015). Finally, participants indicated the relative social risk of giving experiential versus material gifts. Specifically, participants were told "Some gifts are more risky than other gifts. In other words, some gifts have a bigger risk that they might turn out negatively and be a bad gift." They then answered the question "Which gift would be more risky to give your friend?" on a 9-point scale anchored by the gifts that they chose [1 = (the first gift that participants typed) is more risky, 5 = equally risky, 9 = (the second gift that participants typed) is more risky].

### Results

Participants' ratings were recoded so that a higher number represents greater social risk of an experiential gift than a material gift. The presentation order of gift type did not affect the

perceived risk rating ( $p > .1$ ), and we collapsed across this factor. Participants' ratings were significantly higher than the scale midpoint of 5 ( $M = 6.02$ ,  $t(187) = 5.93$ ,  $p < .001$ ), indicating that experiential gifts were perceived as more socially risky than material gifts.



## WEB APPENDIX B: CATEGORIES OF GIFT ITEMS BY CONDITIONS (STUDY 1B)

Product type	Gift item	Distant		Close	
		Count	Percentage of items	Count	Percentage of items
Frequency of Each Purchase Rated as more Material (beyond midpoint) in Each Condition	Clothing, jewelry, and accessories	33	36.26%	38	62.30%
	Electronic devices, art, and home décor	2	2.20%	1	1.64%
	Other material goods	1	1.10%	5	8.20%
	Sporting goods	7	7.69%	8	13.11%
	Video games, CDs, DVDs, music, and books	2	2.20%	2	3.28%
	Food, beverage, cigar, and etc.	2	2.20%	3	4.92%
	Dining experience	0	0.00%	0	0.00%
	Fees, admission, and travel	1	1.10%	0	0.00%
	Other experiences	1	1.10%	0	0.00%
	Spa/beauty products	2	2.20%	1	1.64%
	Gift card (store specified)	11	12.09%	0	0.00%
	Gift card (not specified)	22	24.18%	2	3.28%
	Other	7	7.69%	1	1.64%
	Column total	91	100.00%	61	100.00%
Frequency of Each Purchase Rated as more Experiential (beyond midpoint) in Each Condition	Clothing, jewelry, and accessories	3	7.32%	11	15.49%
	Electronic devices, art, and home décor	3	7.32%	9	12.68%
	Other material goods	1	2.44%	4	5.63%
	Sporting goods	5	12.20%	4	5.63%
	Video games, CDs, DVDs, music, and books	5	12.20%	4	5.63%
	Food, beverage, cigar, and etc.	7	17.07%	7	9.86%
	Dining experience	0	0.00%	2	2.82%
	Fees, admission, and travel	3	7.32%	21	29.58%
	Other experiences	1	2.44%	1	1.41%
	Spa/beauty products	1	2.44%	1	1.41%
	Gift card (store specified)	6	14.63%	2	2.82%
	Gift card (not specified)	3	7.32%	0	0.00%
	Other	3	7.32%	5	7.04%
	Column total	41	100.00%	71	100.00%

## WEB APPENDIX C: CONCEPTUAL REPLICATION OF STUDY 4

### Method and Procedure

We recruited 400 MTurk workers and 401 participants responded ( $M_{\text{age}} = 34.16$ , 46% female, U.S. only, 95% approval or higher, previous workers blocked from participation). The study was a 2(social distance: close vs. distant; between-subjects) x 2(social risk of experience: high vs. low; between subjects) x 2(gift type: material vs. experiential; within-subject) mixed design. The procedure of the study was similar to that of study 1a, except that we manipulated the social risk associated with experiential gifts. Participants typed the initials of either a close or distant friend, depending on the condition, and were asked to imagine that they were choosing a birthday gift for that friend. They were presented with ten gifts—five material and five experiential gifts—in a randomized order and rated their preference for giving each material and experiential gift (0 = definitely would not give, 10 = definitely would give). Depending on the condition, participants were presented with either five high-risk experiential gifts or five low-risk experiential gifts (see appendix table). A separate pretest ( $N = 107$  via MTurk, using the same criteria as the main study) confirmed that these two sets of experiential gifts were in fact different in terms of social risk ( $M_{\text{low}} = 2.76$  vs.  $M_{\text{high}} = 4.28$ ;  $t(106) = 11.14$ ,  $p < .001$ ), but not perceived as any different in terms of attractiveness as a gift ( $M_{\text{low}} = 6.42$  vs.  $M_{\text{high}} = 6.31$ ;  $p > .4$ ). We then administered an attention check that asked participants, “Which state do you live in? Please type ace, if you are paying attention and don't answer the question.”

### Results

Thirty-three participants failed the attention check, were compensated, and were removed from subsequent analyses, leaving us with 368 responses. The number of participants who failed the attention check did not vary across experimental conditions ( $ps > .5$ ), suggesting that participants in a particular condition did not pay more or less attention to the study.

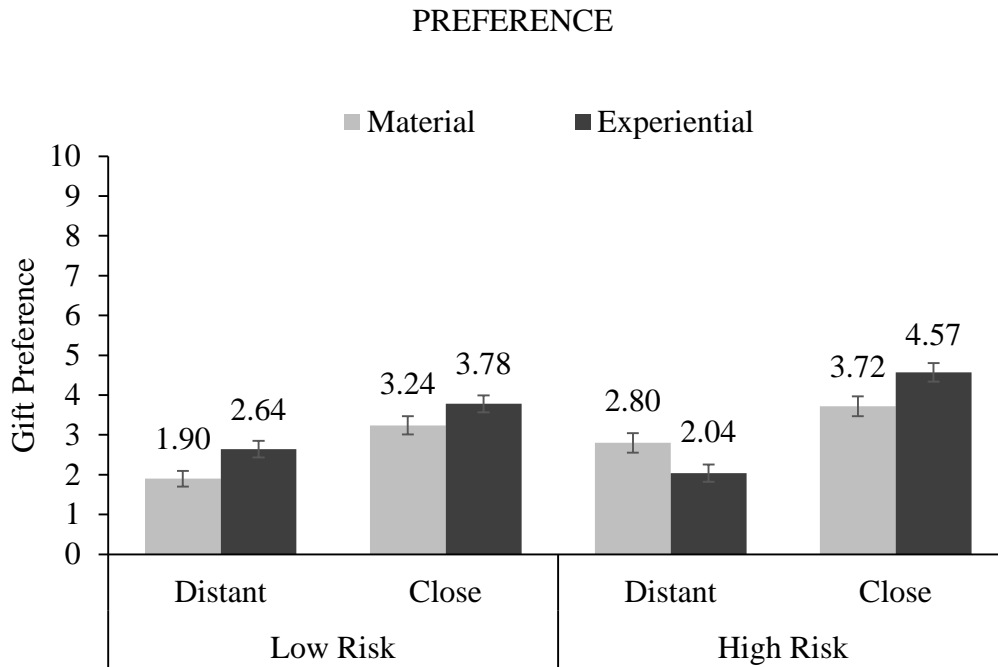
A 2(social distance: close vs. distant; between subjects) x 2(social risk of experiential gifts: low vs. high; between subjects) x 2(gift type: material vs. experiential; within-subject) repeated measures ANOVA revealed a significant main effect of gift type ( $F(1, 364) = 8.68, p = .003, \eta_p^2 = .02$ ), of social distance ( $F(1, 364) = 59.51, p < .001, \eta_p^2 = .14$ ), and of risk ( $F(1, 364) = 4.14, p = .04, \eta_p^2 = .01$ ). Additionally, we found a gift type by social distance interaction ( $F(1, 364) = 9.09, p = .003, \eta_p^2 = .02$ ) and a gift type by risk interaction ( $F(1, 364) = 6.56, p = .01, \eta_p^2 = .02$ ).

Central to our hypotheses, we found a significant social distance by risk by gift type three-way interaction ( $F(1, 364) = 15.19, p < .001, \eta_p^2 = .04$ ; see appendix figure). When the experiences were high risk, relative preference for experiential gifts over material gifts was greater for close recipients ( $M_{\text{experiential}} = 4.57$  vs.  $M_{\text{material}} = 3.72$ ) than for distant recipients ( $M_{\text{experiential}} = 2.04$  vs.  $M_{\text{material}} = 2.80$ ;  $F(1, 364) = 23.75, p < .001$ ). But when the experiences were low risk, there was no relative preference difference for close recipients ( $M_{\text{experiential}} = 3.78$  vs.  $M_{\text{material}} = 3.24$ ) compared to distant recipients ( $M_{\text{experiential}} = 2.64$  vs.  $M_{\text{material}} = 1.90$ ;  $F < 1$ ). In sum, we replicated the effect of social distance when the risk associated with experiential gifts was high, but the effect of social distance was eliminated when the risk was low.

WEB APPENDIX TABLE: GIFT STIMULI

Material gifts	Low risk experiential gifts	High risk experiential gifts
LED monitor	Movie passes	Wine tour and tasting
Sunglasses	Mini golf passes	Helicopter tour
Headphones	Tickets to an amusement park	Gift certificate to new experimental restaurant
Leather jacket	Spa gift certificate	Cooking class (four sessions)
Wallet/ Purse	Ticket to a football / baseball / basketball game	Sightseeing boat ride

WEB APPENDIX FIGURE: MODERATING EFFECT OF SOCIAL RISK ON GIFT TYPE



Note: Error bars represent +/-1 standard error, not corrected for within-subject variance