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경영학석사 학위논문

How emotion and regulatory focus
affects purchase of new product
according to risk perception

정서와 조절초점이 위험도에 따라
신제품 구매에 미치는 영향

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ABSTRACT

How emotion and regulatory focus affects purchase of new product according to risk perception

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This study reviews the results of an experiment on the effect of the emotion and self-regulatory system when consuming experiential goods. The emotion involves in either happy or sad emotional status, and the self-regulatory system involves in either a promotion focus or a prevention focus.

This study shows that emotion and self-regulatory system of a consumer influences the purchase of new products. New product is chosen as movies that are about to be released, and this study sees how people react to high-risk and low-risk movies when their emotion and self-regulatory system is manipulated.

The results of this study suggest that happy consumers are more risk-prone, and have favorable attitude toward risky product, and that sad people are risk-averse and have favorable attitude toward low-risk product. Likewise, promotion focused

consumers are risk-prone and prevention focused consumers are risk-averse. This study implies that emotion and self-regulatory system can act together as variable when confronted with new product.

Key words: Emotion, self-regulatory system, regulatory focus, new product, risk perception

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I. Introduction

1. Purpose of Research

Emotions have strong impact on choice and making decisions. People go through various stages of mood throughout the day, and this change of mood can affect their behaviors on making decisions. Our actual feelings of happiness, sadness, anger, fear, surprised, and disgust shape our decision. When it comes to spending, emotion plays a large role. Most merchants and stores try to please the customers to lead their browsing behavior to an actual purchase that will increase store's sales. However, not only happy people make purchases, but also sad people do make purchases. And when happy or sad consumers decide to make some economical contribution by shopping, these people go through numerous thought processing when they make a purchase. People think, 'Should I buy this?' 'What good will this do to me?' 'Is this necessary?' 'Is this too expensive?' These kinds of questions rise in people's minds, so they consider carefully when choosing a new product. People go through self-regulatory system (Higgins 1997), which indicates that regulatory orientation can be either promotion focus or prevention focus. The regulatory focus theory by Higgins (1997) says that in terms of both information processing and motivation it makes a difference whether people have a promotion or prevention focus. It takes a collective look at the various components influencing consumer behavior (Higgins, 1997). The regulatory focus theory reveals that due to self-regulatory functions, higher needs or goals such as safety and ideals have an important influence on consumer's decision making. And one's decision making can be affected by regulatory orientation's goal. Moreover, people consider consequences when buying a new product. They consider psychological and economical risk that can follow from the consumption. Even if the product is very attractive and innovative, people do consider many other risk factors before purchasing it. Herzstein (2007) has

studied that self-regulation inclination can affect purchase of new product. In addition, the study reveals that happy and promotion focused consumer has more positive attitude toward consumption of new product or high-risk product in comparison to sad and prevention focused consumer.

There are many variables that affect consumer's decision making, and there already exists many studies on emotion and choice from psychology and marketing researchers. Thus, this research is going to examine the variables that can affect purchase of new product according to consumer's disposition toward riskiness.

II. Literature Review

1. Emotion

According to Merriam-Webster's dictionary, emotion is defined as a state of feeling and a conscious mental reaction subjectively experienced as strong feeling usually directed toward a specific object and typically accompanied by physiological and behavioral changes in the body. In psychology, emotion is often defined as a complex state of feeling that results in physical and psychological changes that influence thought and behavior. According to David G. Meyers, human emotion involves "physiological arousal, expressive behaviors, and conscious experience." Emotion is studied in many areas such as psychology, neurology, philosophy, sociology and history. It is discussed by many researchers, and there already exist hundreds of studies on emotion each having different perspectives. The concept of emotion has been one of the most controversial topic and source of discussion by researchers.

Among many studies on emotion, this study is going to discuss Paul Ekman's emotion. Paul Ekman has supported the interpretation that emotions are measurable and distinct. Through his numerous researches, Ekman has found out that he can distinguish it into six basic emotions, which are anger, disgust, fear, happiness, sadness and surprise (Ekman, 1992). Developing this idea of basic emotions, Robert Plutchik established "wheel of emotions", which suggests eight primary emotions grouped on a positive or negative basis. Some basic emotions can be combined together to form complex emotions, where this idea is similar to the way primary colors combine. An example could be anger and disgust combined together to form contempt. Relationships exist between basic emotions, resulting in positive or negative influences (Plutchik, 2002). This study

considered happiness and sadness as the most representative emotional status from positive and negative moods; thus, this study chose to discuss happiness and sadness among many emotions.

Meaning of Happiness

Over the past decade, the concept of happiness has enjoyed much resonance among researchers across disciplines. Psychologists, economists, and sociologists have made tremendous strides in determining best measures of happiness, ways to increase happiness, and why happiness is important (Diener and Chan 2011; Diener and Seligman 2002; Dunn, Aknin, and Norton 2008; Easterlin 2003; Kahneman et al. 2004, 2006; Lyubormirsky, Sheldon, and Schkade 2005; Mogilner 2010; FVan Boven and Gilovich 2003).

Happiness is defined as “a state of well-being and contentment; a pleasurable or satisfying experience” (Merriam- Webster’s Collegiate dictionary 2012). Drawing this definition, some researchers treat happiness as singular in nature with happiness meaning the same thing to all individuals (Layard 2005; Myers and Diener 1995). Other researchers suggest that happiness is highly subjective, meaning distinct things to each individual (Gilbert 2006). Happiness is a mental or emotional state of well-being characterized by positive or pleasant emotions ranging from contentment to intense joy. A variety of biological, psychological, religious, and philosophical approaches have striven to define happiness and identify its sources. Various research groups, including positive psychology, endeavor to apply the scientific method to answer questions about what "happiness" is, and how we might attain it.

In Mogilner’s previous research, meaning of happiness is malleable, shifting both moment to moment and over the course of one’s life. In

particular, the meaning of happiness appears to depend on one's temporal focus. Mogilner looked at happiness into excitement and feeling calm and associated these two with temporal focus. The results from his study states that when one is more focused on the future, happiness is more strongly associated with feeling excited, whereas when one is more focused on the present moment, happiness is more strongly associated with feeling calm (Mogilner, Aaker and Kamvar, 2012). Thus, this emotional status is a popular variable in studies.

Meaning of Sadness

Sadness is defined as a state of “expressing of grief or unhappiness” (Merriam-Webster's Collegiate dictionary 2012). Sadness is a natural feeling which, if unfelt, just stays in our array of unresolved trauma knots. As with other emotions, this feeling comes and goes. We all feel sadness and grief at times. Sadness is emotional pain associated with, or characterized by feelings of disadvantage, loss, despair, helplessness and sorrow (Lazarus, 1991). These feelings of certain things are usually negative. When one is sad, people often become less outspoken, less energetic, and emotional. Sad people may become lower in control of decision making process. Emotion research (Keltner, Locke, & Audrain, 1993; Lazarus, 1991) suggests that each emotion has a core relational theme that defines it and that sadness has the core theme of loss and helplessness. Accordingly, a heightened sense of situational, rather than individual, control (the extent to which a person believes that a human agent is in control of the situation) characterizes sadness (Lerner & Keltner, 2000; Scherer, 1997; Smith & Ellsworth, 1985; Weiner, 1985). Thus, sadness is distinct from other low-control negative emotions, such as fear and anxiety, which are characterized by distinct relational themes

of “immediate, concrete, and overwhelming physical danger” and “facing uncertain, existential threat” (Lazarus, 1991), respectively.

2. Emotion and Choice

When it comes to spending, emotion plays a large role. Emotions, such as happiness and sadness, can be very influential on choice. One’s mood changes variously throughout the day. When a person has good news that makes him or her ecstatically happy, one might pay for everyone’s dinner that night. This kind of behavior is very common in Korean culture. On the other hand, when one is in bad mood, he or she may go to a store and spend lots of money buying something unnecessary, but this sort of behavior might make the person feel better from self-enhancement. There are several studies on happiness and choice and sadness and choice, and their literature is summarized below.

Happiness & Choice

A vast literature shows that being in a positive mood affects individuals’ cognitive processing, which can influence the types of choices they make. For instance, when people are in a positive mood, they are more likely to engage in heuristic processing (Schwarz and Clore 1983), to be optimistic about favorable events occurring (Wright and Bower 1992), to think abstractly rather than focus on immediate and proximal concerns (Labroo and Patrick 2009), to be creative in their problem solving (Isen 1999; Isen, Daubman, and Nowicki 1987), and to evaluate people and objects more favorably (Adaval 2003; Forgas 1990; Forgas and Ciarrochi 2001; Isen and Shalcker 1982; Meloy 2000). Positive

mood also influences choice directly- both in terms of the way in which people make choices (e.g., producing faster decisions; Isen and Means 1983) and in terms of the choices people make. For example, people in a positive mood tend to choose less risky options (Isen and Patrick 1983), more variety within selections (Kahn and Isen 1993), and more prosocial options (Fishbach and Labroo 2007; Oishi, Diener, and Lucas 2007). Fishbach and Labroo add that positive mood promotes a general tendency to adopt goal states, and it also broadens attention and allows people to focus on future opportunities. People feeling happy have also been shown to make healthier choices both in their personal lives, for example drinking less alcohol and smoking less, and in their professional lives, behaving in less disciplinary toward coworkers, searching for and securing more job interviews (Lyubomirsky, Sheldon, et al. 2005). Happy people are favorable to even less attractive options.

Sadness & Choice

In a PBS special, “Mind over Money” mentions behavioralists, who believe that emotion, excitement, and mood play a larger role in economic decision-making than rationalists, evaluating all available alternatives in a world of perfect information.

Sad and self-focused individuals spend more on commodities than other people do because they seek self-enhancement. This in turn allows them to “increase the valuation of possessions that one might acquire.” In other words, people feeling sad or even depressed may find themselves overpaying for items in an effort to improve their state of mind.

This sadness, compared to neutral emotion, made people more myopic, and therefore willing to forgo greater future gains in return for

instant gratification (Lerner, 2004). As a result, sadness may evoke implicit goals of changing one's circumstances (Lerner et al., 2004) and acquiring rewarding outcomes (Raghunathan & Pham, 1999) to compensate for the corresponding sense of loss and helplessness. Thus, underlying the idea of risk perception, sad people will focus on their instant mood change by choosing less risky option.

3. Regulatory Focus and Choice

Consumer decision making is complicated and many alternatives and attributes affect in the process. Therefore, consumer relies on trade off strategy of situation, purpose, personal difference and information processing (Wang and Lee 2006). Information processing can be considered as one of the approaches in decision making, and self-regulatory system by Higgins (1997) is one of the typical processing ideas. This research regards that people pay more attention to one's purpose and one's self-regulatory status in making choice.

Regulatory focus theory refers to when a person pursues a goal in a way that maintains the person's own personal values and beliefs, also known as regulatory orientation. There are two foci in Regulatory Focus Theory, promotion focus and prevention focus. A promotion focus is concerned with higher-level gains such as advancement and accomplishment. Individuals with promotion focus concentrate on product aspects that relate to their desires, ideals and hopes, which are also known as ideal goals (Crowe & Higgins, 1997). A good example for promotion focus would be someone purchasing promising or comfortable product. Another focus is prevention focus, and this focus emphasizes security and safety by following the guidelines and the rules. People with this focus

have a need for protection and safety against the occurrence of unpleasant states (Crowe & Higgins, 1997). Crowe and Higgins (1997) have also said that promotion oriented consumers use enhancement approach to accomplish and are rather risk takers, but prevention oriented consumers try to avoid mistakes and approaches with cautious and preventive strategies. These two types differ in accomplishing their ultimate goals. Promotion focused people put emphasis on maximizing positive results, but prevention focused people plans to minimize predictable negative results (Aaker and Lee 2001). Therefore, consumers in a promotion focus, which emphasizes advancement, may be quite willing to purchase new products, while consumers in a prevention focus, which embraces security and safety, may be less likely to purchase these products.

Thus, this study can state that these two mechanisms are highly related to risk propensity. In most cases, promotion focus tends to be more risk-prone; on the other hand, prevention focus tends to be more risk-averse.

A new product has no reviews or credible verification on its quality that it can be considered as a risky product for purchase. But this can also give a consumer a feeling of accomplishment by having something others do not have as one becomes the first owner of new product. One will go through numerous thinking processes in acquiring a new product, and this study hypothesizes that self-regulatory system and emotion will affect the consumption.

4. Perceived Risks of Innovations

Ram and Sheth (1989) classified consumers' perceived risks of innovations into four different groups: economic, physical, performance uncertainty and social. Consumers resist adopting innovation because new

products can bring many other side effects such as technological difficulty, high price which can affect their current lifestyle. Perceived risks are not expected in choosing a product, and makes consumers to think once more in selecting. Consumers try to avoid risk when buying something new, and try to lower the risk by having additional information. Likewise, Rogers (1995) have indicated that as the level of risk increase, the diffusion rate and adoption of new product decrease. These risk factors can be affected by consumer's emotion and self-regulatory system. People may be more risk-prone when they are happy, and people may be risk-averse when they are sad and depressed.

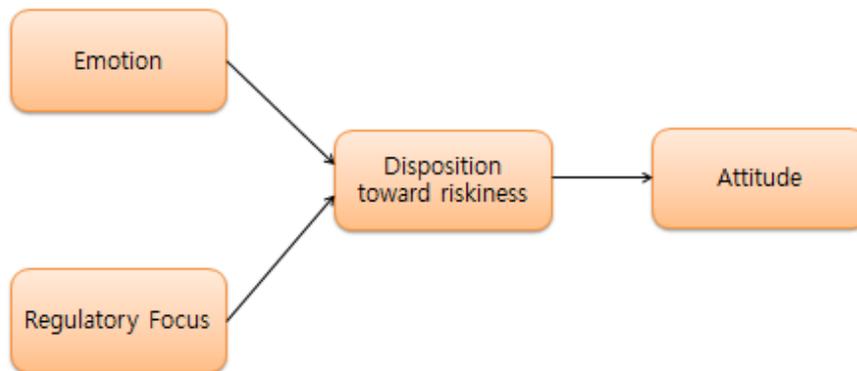
Therefore, this research is going to study how consumer's disposition toward riskiness is affected by emotion and regulatory focus. If the consumer turns out to be risk prone, this will indicate that consumer has willingness to buy a new product. On the other hand, if the consumer is risk-averse, this will imply that consumer has low level of consumption.

III. Model & Hypotheses

1. Research Model

This study is going to analyze whether regulatory focus and emotion affects risk propensity as independent variables. Developing Herzstein's research (2007) that promotion focused consumers are more likely to purchase new product than prevention focused consumers, this study is going to hypothesize that prevention focused consumer are more risk prone than promotion focused consumers. Likewise, emotion will also affect consumers' risk propensity. Then, this study will check whether risk propensity will affect consumer's attitude towards buying a new product.

[Figure 3-1] Research Model



2. Hypothesis

This study is going to prove that emotion (happy vs. sad) and regulatory focus (promotion vs. prevention) will affect consumer's disposition toward riskiness (risk-prone vs. risk-averse) when buying a new product. The first two hypotheses are made according to emotions.

Considering that happy people are in pleasant mood, they will be willing to take a risk in choosing not yet released movies. Therefore, this study hypothesizes as follows.

H1: Happy people are risk-prone when buying a new product.

H2: Sad people are risk-averse when buying a new product.

These hypotheses are established with regulatory focus variable. Developing from the study of Herzstein (2007), since promotion focused consumers will be more willing to buy a new product than prevention focused consumers, promotion focused people will be risk prone and prevention focused people will be less risk-prone.

H3: Promotion focused people are risk-prone when buying a new product.

H4: Prevention focused people are risk-averse when buying a new product.

To see the interaction emotion and regulatory focus, risk propensity is set as dependent variable, and hypotheses were made. When elated emotion meets with promotion focus, which aims accomplishment and higher goals, this will increase consumer's risk taking level. However, when negative mood is combined with prevention focus, this will lower the consumer's consumption of high risk product. Prevention focused consumer will seek safe and cautious product that risk taking level will be very low.

H5a: When happy consumer is promotion focused, he/she will be more risk-prone than that of sad consumer.

H5b: When happy consumer is prevention focused, he/she will be less risk-prone than that of sad consumer.

H6a: When sad consumer is promotion focused, he/she will be less risk-averse than that of happy consumer.

H6b: When sad consumer is prevention focused, he/she will be more risk-averse than that of happy consumer.

Lastly, this research hypothesizes that risk aptitude will affect their preference of a new product (high-risk vs. low-risk). Risk-averse consumers will not like high-risk product, and risk-prone consumers will not dislike high-risk product.

H7: Risk-averse consumers have favorable attitude toward low-risk product.

H8: Risk-prone consumers have favorable attitude toward high-risk product.

3. Variable Measure

3.1 Emotion

Participants' emotion is manipulated through writing down at three happy or sad memories, and then they are to choose the happiest or saddest memory from prior three memories, and they need to write at least six lines of that experience. Then, using 7 point Likert Scale, emotion manipulation is measured.

3.2 Regulatory Focus

Regulatory focus is manipulated through giving the participants a scenario of promotion focus and prevention focus. The question for promotion focused situation was primed with an emphasis on having a

good time from watching a movie is important, and for prevention focused situation was primed with a scenario of not having a boring situation while watching movie is important. Moreover, to manipulate the participants more definitely, they are to write down what they want to gain (promotion focus) or to avoid (prevention focus) from watching a movie. To prove that manipulation, participants are to answer two questions with 7-point Likert Scale (Yeo and Park 2006).

3.3 Risk Level

Risk level is also manipulated through a given scenario. High-risk movie is chosen as <Populaire>, which is a French movie with not too well known actors with interesting topic. Low-risk movie is chosen as <Before Midnight>, which is a trilogy of the 'Before' series, but it is only known to the fans of this series. These two are chosen, for both do not have superstars starring in the films that may disturb survey's purpose.

3.4 Attitude

Attitude is measured with product's uncertainty. Three questions are asked about how participants react and think about towards a new movie that is about to be released, and it also uses 7-point Likert Scale.

3.5 Disposition toward riskiness

Riskiness is measured by giving them six questions, using 7-point Likert Scale. Three questions are about risk-prone behavior and the other three are about risk-averse behavior.

IV. Methods

1. Research Design

This research is premeditated as 2 X 2 design to test the interaction between emotion (happy vs. sad) and regulatory focus (promotion focus vs. prevention focus). This study was done by four groups as shown in <Table 4-1>.

<Table 4-1>

| Group | Emotion | Regulatory Focus | Risk Propensity |
|-------|---------|------------------|-----------------|
| 1a | Happy | Promotion focus | Risk-prone |
| 1b | Happy | Prevention focus | Risk-averse |
| 2a | Sad | Promotion focus | Risk-prone |
| 2b | Sad | Prevention focus | Risk-averse |

For the experiment, emotion was manipulated through writing down participant's happy or sad memories. And the product was chosen as coming soon movies. Contributors were not to have much information about new movie besides the information given from the survey. And they were to select whether they will choose to watch this movie or not. Movie was chosen as a product among many other choices for it is easy to access and has high familiarity. In this study, <Populaire> and <Before Midnight> were chosen as products, which are planned to be released in theaters in late May 2013. These two films are common in that they both do not have super famous actors starring in the movie, which will not affect consumer's selection in experiment.

2. Data Collection

2.1 Participants and experimental design

This study was tested among Seoul National University's undergraduate and graduate students, and workers in Seoul area from May 20th to May 27th, 2013. New product was chosen as a movie that has not been released yet, and I manipulated the emotion by making the participants to write down their happy or sad memories. Then, there were lists of different emotional status from 1 to 7 scale and participants could mark down their emotion after writing down their happy or sad experiences. Regulatory focus was manipulated by making them write down what they consider to gain from watching a movie under certain circumstances that I made differently for promotion focus and prevention focus. Afterwards, participants were to read a description about a new movie, and there were two types of movies: high-risk and low-risk. There were 4 types of survey and average of 29 people participated in each type.

2.2 Sample Organization

Of total 118 participants, five people failed in emotion manipulation, so I eliminated those five, and used 113 surveys to analyze the data. The sample was constituted by 50 men (44.2%) and 63 women (55.8%).

Table <4-2> Size of each group

| | | Regulatory Focus | | Total |
|---------|-------|------------------|------------------|-------|
| | | Promotion Focus | Prevention Focus | |
| Emotion | Happy | 27 | 28 | 55 |
| | Sad | 28 | 30 | 58 |
| Total | | 55 | 58 | 113 |

3. Cronbach's Alpha and Factor Analysis

3.1 Cronbach's alpha

Cronbach's alpha was used to test the internal consistency of multi-item scales. Several sets of items were designed to measure different aspects, and Cronbach's alpha is a reliable test. The value has to be 0.7 or greater to indicate satisfactory internal consistency. First, there were total 8 emotions listed in the survey, and these were divided into three different groups by positive (Cronbach's $\alpha = 0.840$), negative (Cronbach's $\alpha = 0.702$) and neutral (Cronbach's $\alpha = 0.891$), and all the results came out significant. And all other sets of questions also came out with significant Cronbach's α value. The reliability test result is shown below in <Table 4-3>.

<Table 4-3> Reliability Test Results

| Variable | N | Cronbach's α |
|------------------|---|---------------------|
| Positive emotion | 6 | 0.840 |
| Negative emotion | 4 | 0.702 |
| Neutral emotion | 2 | 0.891 |
| Riskiness | 3 | 0.763 |
| Attitude | 3 | 0.935 |
| Risk-Prone | 3 | 0.833 |
| Risk-Averse | 3 | 0.799 |

3.2 Factor Analysis

Factor analysis was used in order to check the validity of each question on the survey. Factors with eigenvalue greater than 1.0 are retained, and extracted factor loading greater than 0.5 are also retained from factor analysis. With this standard, the questionnaire used in this research has proved its validity. Table <4-4> displays extracted factor loading values and eigenvalues.

<Table 4-4> Factor Analysis Results

| | Emotion | Factor | Eigenvalue |
|----------|------------|--------|------------|
| Positive | Elated | 0.850 | 3.488 |
| | Pleased | 0.911 | |
| | Relaxed | 0.754 | |
| | Excited | 0.842 | |
| | Delighted | 0.746 | |
| Negative | Depressed | 0.705 | 2.103 |
| | Annoyed | 0.819 | |
| | Dispirited | 0.788 | |
| | Sad | 0.585 | |
| Neutral | Calm | 0.867 | 1.504 |
| | So-so | 0.867 | |

| Riskiness | Factor | Eigenvalue |
|---|--------|------------|
| It is safe to choose this movie. | 0.677 | 2.044 |
| The result of choosing this movie is uncertain. | 0.931 | |
| It is risky to choose this movie. | 0.848 | |

| Attitude | Factor | Eigenvalue |
|--------------------------------|--------|------------|
| This movie will be fun. | 0.910 | 2.666 |
| I am interested in this movie. | 0.975 | |
| I feel fond of this movie. | 0.964 | |

| Risk-prone | Factor | Eigenvalue |
|--|--------|------------|
| It is fun to take a risk. | 0.910 | 2.260 |
| It is okay to take a spontaneous action in | 0.910 | |

| | | |
|---|--------|------------|
| new situation. I want to pursue new possibilities though it may be uncertain. | 0.777 | |
| <hr/> | | |
| Risk-averse | Factor | Eigenvalue |
| I want to avoid uncertain results. | 0.822 | 1.708 |
| I prefer safe options. | 0.614 | |
| I prefer predictable situations. | 0.809 | |

3.3 Manipulation Check

To see whether independent variables were well manipulated, I used the manipulation check. Emotion and regulatory focus' manipulation was tested through a T-test. As a result, happy (M=5.55) and sad (M=5.54) emotion were manipulated well from writing down participants' happy or sad memories. And t-test results showed that two different emotions are statistically significant ($t(54) = 27.092, p < .05$, $t(57) = 21.512, p < .05$). On regulatory focus' manipulation, promotion focus (M=5.73) was manipulated better than prevention focus (M=5.10). Not only the mean of promotion focus is greater than that of prevention focus, but also the mean difference (2.07 vs. 0.71) between the two regulatory focus systems is greater in promotion focused group. Likewise, the outcomes of regulatory focus' T-test shows that both promotion focus and prevention focus are statistically significant ($t(54) = 10.243, p < .05$, $t(57) = -2.704, p < .05$). Although prevention focus manipulation is weaker than promotion focus, the difference between the two are still significant, which makes the questionnaire reliable.

<Table 4-5> Stats of happy manipulation (Group 1a & 1b)

| | N | Mean | Standard Deviation | Average Standard Error |
|-------|----|------|--------------------|------------------------|
| Happy | 55 | 5.55 | 0.878 | 0.12 |
| Sad | 55 | 1.51 | 0.691 | 0.10 |

<Table 4-6> Happy manipulation T-test

| T | Degree of Freedom | Significance | Standard Error |
|--------|-------------------|--------------|----------------|
| 27.092 | 54 | 0.000 | 0.1489 |

<Table 4-7> Stats of sad manipulation (Group 2a & 2b)

| | N | Mean | Standard Deviation | Average Standard Error |
|-------|----|------|--------------------|------------------------|
| Happy | 58 | 1.79 | 0.8792 | 0.1155 |
| Sad | 58 | 5.54 | 0.8936 | 0.1173 |

<Table 4-8> Sad manipulation T-test

| T | Degree of Freedom | Significance | Standard Error |
|--------|-------------------|--------------|----------------|
| 21.512 | 57 | 0.000 | 0.1683 |

<Table 4-9> Stats of Promotion focus manipulation (Group 1a & 2a)

| | N | Mean | Standard Deviation | Average Standard Error |
|------------------|----|------|--------------------|------------------------|
| Promotion Focus | 55 | 5.73 | 1.0084 | 0.1359 |
| Prevention Focus | 55 | 3.60 | 1.3416 | 0.1809 |

<Table 4-10> Promotion focus manipulation T-test

| t | Degree of Freedom | Significance | Standard Error |
|--------|-------------------|--------------|----------------|
| 10.243 | 54 | 0.000 | 0.2077 |

<Table 4-11> Stats of prevention focus manipulation (Group 1b & 2b)

| | N | Mean | Standard Deviation | Average Standard Error |
|------------------|----|------|--------------------|------------------------|
| Promotion Focus | 58 | 4.39 | 1.4258 | 0.1872 |
| Prevention Focus | 58 | 5.10 | 1.1651 | 0.1530 |

<Table 4-12> Prevention focus manipulation T-test

| t | N | Significance | Standard Error |
|--------|----|--------------|----------------|
| -2.704 | 57 | 0.009 | 0.2615 |

<Table 4-13> Stats of high and low risk

| | N | Mean | Standard Deviation | Average Standard Error |
|-----------|-----|------|--------------------|------------------------|
| High-Risk | 113 | 4.61 | 1.2629 | 0.1188 |
| Low-Risk | 113 | 2.85 | 1.2165 | 0.1144 |

<Table 4-14> High-risk and Low-Risk movie manipulation T-test

| t | Degree of Freedom | Significance | Standard Error |
|-------|-------------------|--------------|----------------|
| 9.749 | 112 | 0.000 | .1761 |

4. Hypothesis Verification

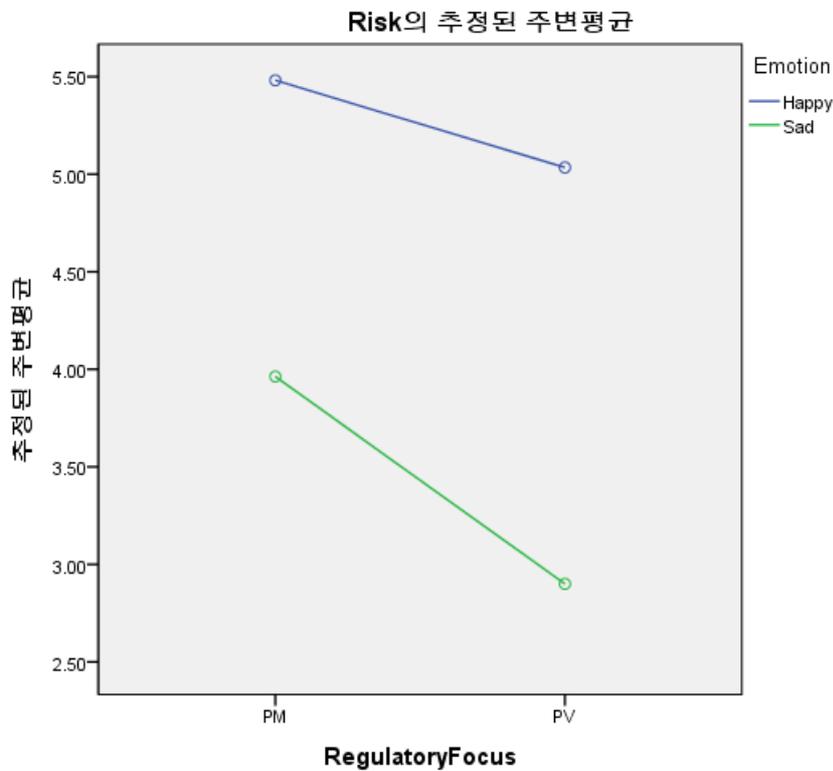
4.1 Emotion and Regulatory Focus Effect

To verify the hypothesis about risk perception, this study used 2-way ANOVA for 2(Emotion: Happy vs. Sad) X 2(Regulatory focus: Promotion focus vs. Prevention focus). As expected, the interaction between the two independent variables is statistically significant ($F = 3.97, p < .05$). In addition, emotion ($F = 139.72, p < 0.05$) and regulatory focus ($F = 28.87, p < .05$) also came out significant on risk. This result validates hypotheses 5 and 6.

<Table 4-15> Emotion and Regulatory Focus Interaction

| | Degree of Freedom | F | Significance |
|--------------------------|-------------------|--------|--------------|
| Emotion | 1 | 139.72 | 0.000 |
| Regulatory Focus | 1 | 28.87 | 0.000 |
| Emotion*Regulatory Focus | 1 | 3.97 | 0.049 |

[Figure 5-1] Interaction of emotion and regulatory focus on risk



<Table 4-16> Mean values of risk taking level

| Dependent Variable | Emotion | Regulatory Focus | |
|--------------------|---------|------------------|------------------|
| | | Promotion Focus | Prevention Focus |
| Risk | Happy | 5.48 | 5.03 |
| | Sad | 3.96 | 2.90 |

The risk level in happy/promotion focus consumers was the greatest (M=5.48) among four different groups. This outcome supports hypothesis 1, which says that happy people are risk-prone. Promotion focused participants showed greater risk level in both happy (M = 5.48) and sad (M = 3.96) than prevention focused people (M =5.03, M = 2.90). These results validate hypothesis 3 and 4 that promotion focused consumers are more risk-prone than prevention focused consumer, and that prevention focused consumers are more risk-averse than promotion focused consumer.

4.2 Regression

Regression was used to examine that risk has an effect in consumer's attitude towards a product.

$$Y = \beta_0 + \beta_1 X_i + \varepsilon_i$$

Y: Attitude (Dependent variable)

X_i: Risk (Independent variable)

To prove that risk-averse consumers have favorable attitude toward low-risk product, this study valuated sad consumers' riskiness toward low-risk movie as independent variable and attitude as dependent variable. As expected, the result came out significant ($t = -3.661$, $p < 0.05$). From regression's result, the equation can be formed as shown below, and this outcome validates hypothesis 7.

$$\text{Attitude} = 7.146 - 0.82 (\text{Risk})$$

From previous result, hypothesis 1 was verified that happy people are risk-prone when buying a new product, so this study calculated the regression of happy consumers' riskiness toward high-risk movie as independent variable and attitude as dependent variable. The outcome of the regression came out as $p = 0.089$, which is greater than 0.05. Therefore, this study changed confidence interval to 90%, to accept the hypothesis 8. The equation comes out as below.

$$\text{Attitude} = 5.425 - 0.262 (\text{Risk})$$

5. Hypothesis verification results summary

The summary of influence of emotion and regulatory focus on disposition toward riskiness is summarized in <Table 4-18>.

<Table 4-17> Hypothesis verification summary

| | Hypothesis | Result |
|------|---|--------|
| H 1 | Happy people are risk-prone when buying a new product. | True |
| H 2 | Sad people are risk-averse when buying a new product. | True |
| H 3 | Promotion focused people are risk-prone when buying a new product. | True |
| H 4 | Prevention focused people are risk-averse when buying a new product. | True |
| H 5a | When happy consumer is promotion focused, he/she will be more risk-prone than that of sad consumer. | True |
| H 5b | When happy consumer is prevention focused, he/she will be less risk-prone than that of sad consumer. | True |
| H 6a | When sad consumer is promotion focused, he/she will be less risk-averse than that of happy consumer. | True |
| H 6b | When sad consumer is prevention focused, he/she will be more risk-averse than that of happy consumer. | True |
| H 7 | Risk-averse consumers have favorable attitude toward low-risk product. | True |
| H 8 | Risk-prone consumers have favorable attitude toward high-risk product. | True |

V. Results and Discussion

1. Summary of research

Mogliner's research indicated that different type of happiness affects the choices people make. Emotion has an effect in decision making, and developing the idea of Herzstein's research that regulatory focus affects adoption of new product; this study examined the effect of emotion and regulatory focus on purchase of new product according to risk perception.

This study first examined how emotion and self-regulatory system affect consumers' disposition toward riskiness. The results of the experiment showed that interaction of the two independent variables are significant. First, Happy people and sad people showed different level of riskiness toward new product. Happy people showed higher level of risk than sad people. Likewise, promotion focused people showed higher level of risk than prevention focused people in both happy and sad cases. Then, this study could indicate that happy and promotion focused people are the most risk-prone consumers, and sad and prevention focused consumers are the most risk-averse consumers. Emotion and regulatory focus both applied well as independent variables for riskiness. Secondly, the results of this study convey that consumers' disposition toward riskiness affects the attitude toward a new product. Risk-averse consumers showed favorable attitude toward low-risk product, and risk-prone consumers showed favorable attitude toward high-risk product.

2. Marketing Point

The results of this study suggest that promotion focused and happy consumer has the highest tendency to take a risk. Likewise, prevention focused consumers showed lower risk taking level than promotion focused consumers. Thus, when marketers use this insight, they can apply this in making consumers more promotion focused by slogans or images they use. Making consumers to become more promotion focused will be effective since people gain interest and attentiveness from new experience.

Finally, these findings inform marketers looking to connect with consumers by promising happiness. Clearly, happy people showed higher risk taking level than sad people. To attract sad consumers, marketers can make consumers happy by providing free popcorn or 1+1 movie tickets. This will not only please depressed consumers but also make happy consumers happier, and benefit the marketers as well.

3. Limitations and future research

Although the results came out significant and validated all the hypotheses, there are some limitations. The new product in this research was chosen as movie, but the fact that one movie ticket price costs about 8,000 -9,000 won has relatively low economical risk when it is compared to buying a new cell phone. Thus, to get better results, movie can be replaced with concert or musical that costs more and has more risk effect in the future research. And to attract consumers who has low tendency in taking a risk, marketers should try their best to make sure weak points and ambiguity of a

product are not revealed to consumers. This will only lower the risk taking level of prevention-focused consumers.

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Appendix 1. Questionnaire (English version)

1. Have a moment to think about sad experience, and please write down your top three sad memories.

()

()

()

And descriptively write down your saddest memory at least six lines.

2. These are the questions on your current feelings and thoughts.

I do not feel this emotion at all.

I do feel this emotion strongly.

1-----2-----3-----4-----5-----6-----7

| | | | | | | | |
|------------|---|---|---|---|---|---|---|
| Depressed | ① | ② | ③ | ④ | ⑤ | ⑥ | ⑦ |
| Annoyed | ① | ② | ③ | ④ | ⑤ | ⑥ | ⑦ |
| Dispirited | ① | ② | ③ | ④ | ⑤ | ⑥ | ⑦ |
| Sad | ① | ② | ③ | ④ | ⑤ | ⑥ | ⑦ |
| Calm | ① | ② | ③ | ④ | ⑤ | ⑥ | ⑦ |

| | | | | | | | |
|-----------|---|---|---|---|---|---|---|
| So-so | ① | ② | ③ | ④ | ⑤ | ⑥ | ⑦ |
| Pleased | ① | ② | ③ | ④ | ⑤ | ⑥ | ⑦ |
| Delighted | ① | ② | ③ | ④ | ⑤ | ⑥ | ⑦ |
| Relaxed | ① | ② | ③ | ④ | ⑤ | ⑥ | ⑦ |
| Elated | ① | ② | ③ | ④ | ⑤ | ⑥ | ⑦ |
| Excited | ① | ② | ③ | ④ | ⑤ | ⑥ | ⑦ |
| Happy | ① | ② | ③ | ④ | ⑤ | ⑥ | ⑦ |

3. You are planning to watch a movie this weekend. It is very important for you to gain fun and new experience from watching a movie this time. Please write down descriptively what you want to gain from watching a movie.

*. Now, what are going to consider in choosing a movie?

| | |
|---|---------------------------------------|
| | Not at all very likely |
| I am going to consider accomplishment or interest that a movie will give. | 1-----2-----3-----4-----5-----6-----7 |
| I am going to consider avoiding negative results. | 1-----2-----3-----4-----5-----6-----7 |

| | |
|-----------------------------------|---------------------------------------|
| I feel fond of this movie. | 1-----2-----3-----4-----5-----6-----7 |
| I am willing to watch this movie. | 1-----2-----3-----4-----5-----6-----7 |

5. You have received information about the movie below from a movie magazine.

Read the description and answer the following questions

| | |
|--|---|
| | <p><Before Midnight> is the final movie of the 'Before' series, <Before Sunrise (1995)>, and <Before Sunset (2004)>. It is a love story that has been continuing for 18 years, and this one is the final one. All the actors and the director are still the same, so the movie has some mass appeal, and it makes audience curious about what story it will tell.</p> |
|--|---|

Absolutely disagree

neutral

Totally agree

1-----2-----3-----4-----5-----6-----7

| | |
|--|---------------------------------------|
| I have heard of this movie. | 1-----2-----3-----4-----5-----6-----7 |
| I have received some information about this movie. . | 1-----2-----3-----4-----5-----6-----7 |
| I am well aware of this movie. | 1-----2-----3-----4-----5-----6-----7 |

| | |
|---|---------------------------------------|
| It is safe to choose this movie. | 1-----2-----3-----4-----5-----6-----7 |
| The result of choosing this movie is uncertain. | 1-----2-----3-----4-----5-----6-----7 |

| | |
|-----------------------------------|---------------------------------------|
| It is risky to choose this movie. | 1-----2-----3-----4-----5-----6-----7 |
|-----------------------------------|---------------------------------------|

| | |
|-----------------------------------|---------------------------------------|
| This movie will be fun. | 1-----2-----3-----4-----5-----6-----7 |
| I am interested in this movie. | 1-----2-----3-----4-----5-----6-----7 |
| I feel fond of this movie. | 1-----2-----3-----4-----5-----6-----7 |
| I am willing to watch this movie. | 1-----2-----3-----4-----5-----6-----7 |

6. What were your thoughts about risk in evaluating the movies above?

Absolutely disagree

Neutral

Totally agree

1-----2-----3-----4-----5-----6-----7

| | |
|--|---------------------------------------|
| It is fun to take a risk. | 1-----2-----3-----4-----5-----6-----7 |
| It is okay to take a spontaneous action in new situation. | 1-----2-----3-----4-----5-----6-----7 |
| I want to pursue new possibilities though it may be uncertain. | 1-----2-----3-----4-----5-----6-----7 |
| I want to avoid uncertain results. | 1-----2-----3-----4-----5-----6-----7 |
| I prefer safe options. | 1-----2-----3-----4-----5-----6-----7 |
| I prefer predictable situations. | 1-----2-----3-----4-----5-----6-----7 |

Answer the questions below.

1. How often do you go to a movie theater?

- ① 2-3 times in a month
- ② 2 times in a month
- ③ 3-4 times in 6 months
- ④ 1-2 times in 6 months
- ⑤ Less than the above

2. Which genre do you like?

- ① Drama
- ② SF
- ③ Comedy
- ④ Action
- ⑤ Romance
- ⑥ Thriller
- ⑦ Fantasy
- ⑧ etc: _____

3. How old are you? _____

4. What is your sex?

- ① Male
- ② Female

5. What is your occupation?

- ① Undergraduate student
- ② Graduate student
- ③ Office worker
- ④ Professional job
- ⑤ Etc.

6. Where do you live?

- ① Seoul
- ② Gyung-gi or near Seoul area
- ③ Province
- ④ Etc.

Appendix 2. Questionnaire (in Korean)

1. 본인이 과거에 경험했던 슬펐던 기억을 떠올려보시고 그 기억들 중 특별히 슬펐던 기억들을 3개만 적어주세요.

()

()

()

또, 이중에서 가장 슬펐던 기억을 다른 사람이 읽어도 똑같이 슬픔을 느낄 만큼 생생하게 서술해주세요 (최소 6 줄 이상 적어주세요).

2. 다음은 당신이 이 과제를 수행하는 과정에서 갖게 된 현재 당신의 생각과 느낌에 대한 질문들입니다.

이런 감정을 전혀 느끼지 않는다

이런 감정을 어떤 때보다 강하게 느낀다

1-----2-----3-----4-----5-----6-----7

| | | | | | | | |
|----------|---|---|---|---|---|---|---|
| 우울하다 | ① | ② | ③ | ④ | ⑤ | ⑥ | ⑦ |
| 짜증이 나 있다 | ① | ② | ③ | ④ | ⑤ | ⑥ | ⑦ |
| 의기소침해 있다 | ① | ② | ③ | ④ | ⑤ | ⑥ | ⑦ |

영화 관람의 실패나 부정적 결과를 피하는 것에 대해 주로 고려하겠다.

1-----2-----3-----4-----5-----6-----7

4. 당신은 영화 잡지를 통해 아래 영화의 정보를 접했습니다. 설명문을 읽은 후 아래 질문에 답해 주십시오.



1958년 당시 최고 인기 스포츠였던 타이핑을 소재로 만든 로맨틱 코미디 영화다. 프랑스 영화로서 감독이나 출연 배우들은 우리나라 사람들에게는 다소 생소하지만 프랑스를 대표하는 감독과 국민배우들이다. 어느 정도 우리나라 관객들의 취향에 맞을지는 미지수이지만, 할리우드 영화에서는 맛볼 수 없는 또 다른 참신한 재미를 선사할 것으로 기대된다.

아주 그렇지 않음

보통

아주 그러함

1-----2-----3-----4-----5-----6-----7

| | |
|------------------------|---------------------------------|
| 이 영화를 들어 본 적이 있다. | 1----2----3----4----5----6----7 |
| 이 영화에 대한 정보를 접한 적이 있다. | 1----2----3----4----5----6----7 |
| 이 영화를 잘 알고 있다. | 1----2----3----4----5----6----7 |

| | |
|-----------------------|---------------------------------|
| 이 영화의 관람은 안전한 선택이다 | 1----2----3----4----5----6----7 |
| 이 영화는 선택 결과의 불확실성이 크다 | 1----2----3----4----5----6----7 |
| 이 영화의 관람은 위험성이 큰 선택이다 | 1----2----3----4----5----6----7 |

| | |
|-----------------|---------------------------------|
| 이 영화는 재미있을 것이다. | 1----2----3----4----5----6----7 |
|-----------------|---------------------------------|

2. 귀하가 좋아하는 영화의 장르는?

- ⑥ 드라마
- ⑦ SF
- ⑧ 코미디
- ⑨ 액션
- ⑩ 멜로
- ⑪ 공포
- ⑫ 판타지
- ⑬ 기타: _____

3. 귀하의 연령은? _____

4. 귀하의 성별은?

- ① 남성
- ② 여성

5. 귀하의 직업은?

- ① 대학생
- ② 대학원생
- ③ 회사원
- ④ 전문직
- ⑤ 기타

6. 귀하의 거주 지역은?

- ① 서울
- ② 경기 및 수도권
- ③ 지방
- ④ 기타

정서와 조절초점이 위험도에 따라 신제품 구매에 미치는 영향

서울대학교 대학원
경영학과 마케팅전공
이 현 주

본 논문은 소비자들이 신제품 구매를 할 때 정서 (emotion)와 조절초점 (regulatory focus) 이 어떻게 구매에 영향을 미치는지에 대하여 연구한 결과이다. 정서는 행복 (happy) 한 상태와 슬픈 (sad) 상태로 나뉘어 졌고, 조절초점은 향상초점 (promotion focus) 과 예방초점 (prevention focus) 으로 나누어 보았다.

본 논문은 정서와 조절초점이 신제품 구매를 할 때 영향을 미친다는 것을 보여준다. 본 연구에서 신제품은 개봉 예정인 영화로 설정하여 정서와 조절초점에 따라 위험도가 높은 영화와 낮은 영화 중 선택을 어떻게 다르게 하는지에 대하여 연구하였다.

연구 결과는 크게 두 부분으로 요약할 수 있다. 첫째, 소비자가 행복하면 좀 더 위험요소가 큰 영화를 선택하였고, 슬픈 소비자들은 위험도가 낮은 영화를 선택하였다. 둘째, 향상초점인 소비자들은 위험도가 높은 것을 선택하였고, 예방초점인 소비자들은 위험도가 낮은 것을 선택하였다. 이에 따라 정서와 조절초점은 신제품 구매를 할 때에 영향을 미친다는 것이 증명되었다.

주요어: 조절초점, 정서, 신제품, 위험도, 영화

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