

Dissertation Proposal

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Ownership Polarizes Evaluations: Self-Reference As An Alternate Account To Self-Enhancement

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The endowment effect is the tendency for people who own a good to value it more than people who do not. This robust pattern was first attributed to loss aversion, however a growing body of evidence has emerged in favor of alternate accounts. Recently we developed an integrative theoretical framework attributing the endowment effect to cognitive framing effects determining the subset of information accessible at the time an object is evaluated (Morewedge & Giblin, 2015). Ownership appears to be an especially potent frame—merely owning a good is sufficient to induce more positive evaluations even in the absence of any threat of losing it. Self-enhancement theories of ownership suggest that this effect is due to implicit self-esteem creating an additional positive self-association with owned objects. However, many of these findings are also consistent with an alternate account of ownership based on self-referential effects in memory—associating a stimulus with the self generally results in increased attention and better memory encoding.

In this proposal I develop novel predictions that differentiate these competing accounts of ownership effects, arguing that consideration of the self-concept as a cognitive structure affecting information processing (i.e., enhancing attention and memory for self-related stimuli) can explain why ownership might serve as an especially potent cognitive frame sufficient to produce an endowment effect even under minimal conditions enhancing psychological ownership. Because most goods have predominantly positive features, increased salience of those features due to ownership should generally increase their perceived value. For objects with predominantly negative features, increased salience of those features due to ownership should generally decrease their perceived value. Thus, the present-self reference account can explain a previously puzzling finding that standard self-enhancement based theories of ownership would not predict—the reversal of the endowment effect for objects with predominantly negative attributes. I report the results of a first study demonstrating the reversal of the endowment effect for “bads” in a mere-ownership paradigm, consistent with the present self-reference theory. I develop a series of empirical tests pitting the predictions of the present self-reference theory against previous self-enhancement theory. Five proposed studies examine novel moderators derived from a self-reference perspective, including reversals in the direction of the endowment effect depending on valence and culture, and moderation of the magnitude of these effects depending on differences affecting self-reference effects in memory (i.e., private self-consciousness and features of the good that affect how readily it is connected in memory to salient identities).