Although most research on consumer decision making has focused on individual choices, the majority of products are purchased and consumed with other products (e.g., an appetizer, an entree, and a dessert) as part of the same purchase and/or consumption episode (e.g., a meal). The authors investigate consumption episode effects, whereby the attribute levels of one component affect the chosen levels of another component (e.g., the effect of consuming a tasty, unhealthy entree on the experience and likelihood of choosing a tasty, unhealthy dessert). Building on a distinction between goals and resources, the authors propose that (1) in episodes involving a tradeoff between a goal (e.g., pleasure) and a resource (e.g., money), consumers tend to highlight either goal fulfillment or resource conservation by selecting similar attribute levels for items consumed in the same episode (e.g., a tasty, expensive appetizer and a tasty, expensive entree on one occasion and less tasty, less expensive items on another occasion) and (2) if each choice involves a tradeoff between two goals (e.g., pleasure and good health), consumers tend to balance attribute levels (e.g., in each episode have one tasty item and one healthy item). These predictions are supported in a series of studies, with a total of approximately 2650 respondents, that also examined rival explanations and the boundaries of consumption episode effects. The authors discuss the theoretical and practical implications of the findings.

Making Complementary Choices in Consumption Episodes: Highlighting Versus Balancing

Consumer choice has been one of the most researched areas in the marketing literature. Much of that research has examined issues relating to the manner in which choices are made, such as the decision rules that consumers employ and the effects of task and context characteristics (for a review, see Bettman, Johnson, and Payne 1991). However, there has been little empirical research on the determinants of the actual consumption experience as opposed to the perceived utilities of options at the time of purchase or how anticipation of that experience affects purchase decisions. An exception is the work of Kahneman and colleagues (for a review, see Kahneman 1994), which introduced the distinction among decision, experience, and predicted utility. Kahneman showed that consumers often make poor predictions of experience utility, such as the enjoyment from eating ice cream on a later day (Kahneman and Snell 1992).

A basic characteristic of consumption experiences is that products (and services) typically are consumed with other products that belong to the same episode and are consumed in temporal proximity (hereafter, the “consumption episode”). Prior research and economic theory have examined some of the implications of coconsumption, in particular the functional complementarity and substitutability relations between products such as coffee and cream or coffee and tea (e.g., Deaton and Muellbauer 1980). However, in addition to function, consumed items differ in terms of their attribute levels and fit with consumers’ goals (e.g., pleasure, good health). A question that naturally arises is how the attribute levels of different items that belong to the same consumption episode interact to determine the overall experience.

For example, consider a consumer who wants to maximize both enjoyment and good health. If, on a particular visit to a restaurant, that consumer orders a healthy but less tasty entree, would that increase or decrease the likelihood of selecting a healthy but less tasty dessert? There are at
least three possibilities. First, the choice of each item might be considered independently, such that no consumption episode effects occur. Second, the consumer might highlight in that meal episode either health or pleasure, such that a healthy (tasty) entree enhances the likelihood of also selecting a healthy (tasty) dessert (referred to hereafter as “highlighting”). Third, the consumer might employ a compensatory strategy (referred to hereafter as “balancing”), such that a healthy (tasty) entree is balanced by consuming a tasty (healthy) dessert.

In this research, we examine some of the factors that determine which of these options is preferred. Building on a distinction between goals and resources, we propose that (1) in contexts involving a tradeoff between a goal (e.g., pleasure) and a resource (e.g., money), consumers tend to prefer highlighting (e.g., a tasty, expensive appetizer and a tasty, expensive entree on one occasion and less tasty, less expensive items on another occasion) and (2) if each choice involves a tradeoff between two goals (e.g., pleasure and good health), consumers tend to prefer balancing.

These generalizations can improve our understanding of the manner in which consumption experiences are designed and evaluated. The research also can have significant practical implications. In particular, whereas typical marketing efforts and market research focus on individual products and services, an understanding of consumption episode effects might suggest ways to appeal more effectively to consumers’ desire for overall satisfying experiences.

The article is organized as follows: After reviewing prior work that is relevant to consumption episode effects, we outline our assumptions and derive predictions regarding the conditions in which consumers prefer highlighting or balancing. We focus on a simple case with two consumption episodes, each including two choices that involve a tradeoff between two dimensions that are at one of two levels. We test the predictions in a series of studies that also examined alternative explanations and boundary conditions. Finally, we review and integrate the findings and explore their theoretical and practical implications.

**CONSUMPTION EPISODE EFFECTS ON CHOICE**

We use the term “consumption episode” to refer to the set of items belonging to the same event and occurring in temporal proximity. Although we do not attempt to offer precise measures of items that belong to the same consumption episode, it is important to note that it is more a continuum than a dichotomy. For example, an appetizer, an entree, and a dessert are contained in the same episode to a greater degree if all are consumed at the same restaurant than if the dessert is consumed elsewhere (e.g., in an ice-cream parlor on the way home). The dependency between choices made at the restaurant and choices made at a supermarket on the way home from the restaurant is likely to be even lower, because visits to the restaurant and the supermarket represent separate episodes.

Even for decisions with a high degree of episode commonality, it is not obvious that consumption episode effects will occur. In economic terms, it is possible that consumers assess the value of each item separately and make utility maximizing choices regarding each component. However, the economic concept of preference separability does not necessarily imply independence of decisions in the same context. Specifically, economics assumes that there are subutility functions for groups of goods or preferences (for example, see Deaton and Muellbauer 1980). Within each group (e.g., beverages) choice items might be substitutes (e.g., coffee and tea) or complements (e.g., coffee and cream), as measured on the basis of cross-price elasticity, whereas items from different groups generally are assumed to be independent.

In this research, we study the interaction between attribute levels of coconsumed items that may or may not be functionally related. Economic theory makes no predictions about consumer preferences between highlighting and balancing because of the assumption that there is no arguing about tastes (de gustibus non disputandum est; Stigler and Becker 1977). That is, tastes require no explanation as long as preferences fit the general rules, including completeness, transitivity, continuity, and the rules relating to dynamic consistency and choice under uncertainty. However, a general assumption of economic theory is that the best solution for any sequence of choices is based on an analysis of the outcomes at the most comprehensive level (Thaler 1998). Conversely, research in mental accounting indicates that the manner in which choices are bracketed (or grouped) can influence their attractiveness (e.g., Thaler 1985). In a similar vein, to the extent that consumers focus on the experiences within each episode, the preference for highlighting or balancing is influenced by the boundaries of the consumption episode and, therefore, may not be the best global solution.

Whereas economics does not provide much guidance, prior consumer and decision research leads to conflicting predictions regarding preferences between highlighting and balancing. On the one hand, the notion of diminishing marginal value (or diminishing sensitivity) and the associated concept of satiation (e.g., McAlister 1982) suggest that achieving a high level on a particular dimension (e.g., consuming a very tasty but unhealthy entree) will decrease the value derived from high levels on that dimension subsequently (e.g., consuming a tasty but unhealthy dessert). Consistent with this argument, Loewenstein and Prelec (1993) show that people generally prefer to spread pleasurable experiences (e.g., going to their favorite type of restaurant) over time. Thus, satiation implies that consumers will tend to balance related choices in a consumption episode. A budget constraint also may support balancing, such that high expenditure on one item is balanced by low expenditure on another item, though budgets typically relate to a longer period (e.g., a month) than a particular context.

On the other hand, other psychological processes may promote a preference for highlighting. In particular, in sequential choice, the first selection may form a reference point for the second. Thus, for example, switching from a tasty, unhealthy entree to a less tasty, healthy dessert involves a loss on taste and a gain on health. Because losses loom larger than corresponding gains (Tversky and Kahneman 1991), such a balanced option should be less attractive than maintaining the same levels on the two dimensions across the two choices (i.e., highlighting). Barsalou’s (1985) notion of “ideals” also might be interpreted as suggesting a preference for highlighting, such that an episode with the highest values on all components is the ideal to which people strive. An ideal is a characteristic that exemplars should have to serve a goal optimally, such as a zero-calorie food.
item for the goal of dieting. A closer examination, however, indicates that Barsalou’s theory does not lead to clear predictions regarding preferences between highlighting and balancing, because, as he points out (1991, p. 17), people may try to achieve multiple ideals simultaneously. For example, minimal calories, maximal nutrition, and maximal choice may exist simultaneously in the prototype for foods to eat on a diet, serving the goals of losing weight, staying healthy, and enjoying food.

A related research stream has provided insights into the manner in which consumers evaluate pairs of positive (gains) and negative (losses) events. The hedonic editing hypothesis (Thaler 1985; see also Thaler and Johnson 1990) suggests that people integrate or segregate events to maximize hedonic value. Consistent with this hypothesis, Thaler shows, for example, that people prefer to segregate gains, integrate losses, and integrate gains with smaller losses. However, contrary to hedonic framing, Thaler and Johnson (1990) find that respondents preferred to separate losses that occur on the same day.

The renewable resources model, proposed by Linville and Fischer (1991), suggests that people possess limited physiological, cognitive, and social resources for consuming negative and positive events. These resources must be shared by events that occur together, but they are renewable over time (e.g., the following day). Linville and Fischer test their model by asking people whether they preferred two events to occur on the same or different days. For example, respondents indicated whether they would prefer two excellent grades on the same or different days. The results generally were supportive of the model, primarily when the two events were in the same domain (e.g., two financial gains) as opposed to different domains (e.g., a financial gain and a good grade).

Both the hedonic framing and renewable resources models may appear to suggest that consumers would prefer balancing to highlighting. For example, a preference for separating gains could suggest that a consumer would prefer to have a gourmet, expensive appetizer on one occasion and a gourmet, expensive entree on another visit to a restaurant, rather than both gourmet items on the same occasion. However, a closer examination indicates that the problem studied in this research is different than that studied by Thaler (1985) or Linville and Fischer (1991). In particular, in this research, we investigate how the attribute levels of two goal-related items that are consumed in the same context combine to produce the overall value of a particular event, as opposed to the combined value of two unrelated events. In the next section, we state our assumptions and examine several generic cases involving two choices in a decision episode.

Goals and Resources as Determinants of Consumption Episode Effects

Our analysis of consumption episode effects is based on four key assumptions. First, we assume that consumers have a set of underlying goals, such as enjoyment and good health, that they try to achieve when making choices and that require the allocation of resources (e.g., money, energy, time). Second, consumers have a strong preference for attaining peak goal fulfillment in a consumption episode, as opposed to achieving the same cumulative level across episodes (i.e., superadditivity of goal-consistent items in an episode). Such a peak can be achieved by consuming high levels of two different items with a common goal, but not by consuming high levels of two items that are the same or nearly identical. Third, consumers are relatively insensitive to the allocations of resources, within the normal range of expenditures, that are designed to achieve a goal in a consumption episode. Fourth, in episodes with two active goals (e.g., pleasure and good health), extreme solutions (i.e., making two choices in an episode that achieve one goal at the expense of the other) offer lower value because the sacrificed goal “spoils” the peak experience of the other goal.

The first assumption, regarding the existence of underlying goals, appears straightforward and has received a great deal of support (e.g., Barsalou 1991). Furthermore, there is evidence that affect and evaluation of experiences are tied to goals (for a review, see Emmons and King 1986). Pervin (1983) notes that affect is central to motivation and goal-directed behavior. Chekola (1975) has introduced the concept of “life plans,” which consist of the important goals and desires of a person and are the primary causes of happiness. And Little (1983) has developed the concept of personal projects, which are an interrelated sequence of actions intended to achieve some personal goal. In addition, there is evidence that goal conflict is associated with negative affect and even depression (e.g., Emmons and King 1988).

The first assumption also makes a distinction between goals and resources, which is important for our analysis. In particular, the achievement of goals generates utility in and of itself. Conversely, though controlling or enhancing resources (e.g., saving money) may have a favorable psychological impact, the purpose of resources is usually to facilitate the future achievement of goals. As we argue subsequently, this distinction suggests that consumers treat allocations of resources differently than losses in terms of goal fulfillment (see also Tversky and Kahneman 1991).

The second assumption indicates that consumers have a strong preference for achieving peak experiences in a given episode or, in other words, that two components of a consumption episode with high levels on a particular goal are superadditive. Consider the baseball example we present, in which Mr. A must choose between having two superior, expensive options in one game, along with two inferior, inexpensive options in another game (highlighting), and two “mixed” games (balancing):

Baseball Game: Assume that Mr. A, who is a baseball fan, frequently goes to watch games at the local stadium. Mr. A often buys beer at the stadium, purchasing expensive, imported beer on some occasions and standard, domestic beer on other occasions. Consider his two recent trips to baseball games: On one trip, Mr. A purchased a ticket in a section with a superior view at the price of $16. On another trip, Mr. A purchased a ticket in a section with an average view at the price of $8. On each occasion, Mr. A decided to buy some beer at the stadium. The concession stand at the stadium offered a choice between two beers: a gourmet imported beer priced at $4 and a regular domestic beer priced at $1.50. When was Mr. A more likely to buy the expensive, imported beer—when he paid $16 for the ticket with the superior view or when he paid $8 for the tick-
et with average view? (Superior View, Average View, No Difference)

Consider the value of a game with both of the good options and that of a game with both of the mediocre options relative to the value of two mixed experiences, ignoring any psychological effect of the resources spent in each game. With the balancing (mixed) option, the enjoyable component is likely to be diluted by the less enjoyable component, such that neither game produces peak enjoyment. Furthermore, goals provide motivation (e.g., Latham and Locke 1991), and consequently, the experience of a game with relatively inferior seats and beer is likely to seem less aversive than if Mr. A did not recognize this low experience as the price he must pay to achieve a goal (i.e., having a truly enjoyable game). This analysis suggests that a goal fulfillment climax in a consumption episode has a special status that more than compensates for the low experience.

Note, however, that a peak experience is less likely to occur when the two goal-consistent items in an episode are nearly identical or more of the same, as opposed to two different components of an experience. A superior seat with a superior beer or going out to see an acclaimed play followed by a visit to an exceptional restaurant can produce memorable events. However, a second superior beer or acclaimed play in the same episode is likely to generate satiation and boredom and, thus, may fail to provide a peak experience while wasting the opportunity to enjoy those superior experiences on other occasions. Accordingly, consumers are expected to prefer balancing to highlighting when the two items represent more of the same. This prediction is consistent with the preference for spreading demonstrated by Loewenstein and Prelec (1993).

Our third assumption is that consumers are relatively insensitive to the normal resource allocations that are expended to achieve goals. Thaler (1998) suggests that transaction costs are not treated as losses, but rather as a cost of doing business. Similarly, because resources are accumulated for the purpose of achieving goals, using resources (within the normal range) for that purpose is to be expected and unlikely to be perceived as a loss. Existing constraints (e.g., the budget constraint) usually guarantee that, over time, resource use will balance out. Furthermore, though low resource use contributes to the level of resources available for the future, it also implies a low level of goal achievement (“no pain, no gain”). Accordingly, we assume that consumers are relatively insensitive to resource allocations in particular episodes if these resources are used for achieving goals.

Combining the second and third assumptions, consumers are assumed to derive disproportionally high value from peak goal achievement in an episode, and this experience is not spoiled by the associated (high) resource allocation. Conversely, our fourth assumption indicates that when consumers must trade between two active goals, a consistent neglect in a given episode of one goal is expected to detract from the peak experience for the other goal. In particular, when one goal requires self-control to achieve (e.g., health) and the other is tempting and requires self-control to avoid overconsumption (e.g., pleasure), a complete neglect of the former is likely to generate feelings of guilt, whereas a complete neglect of the latter leads to an unfulfilling experience.

Consider the following example:

**Dessert**: Assume that Mr. A is considering having some dessert after dinner at a nice restaurant. Mr. A eats out frequently, eating low-fat, healthy desserts on some occasions and rich, tastier desserts on other occasions. Consider his two recent trips to a restaurant: On one occasion, Mr. A had a main course of tasty but unhealthy New York steak. On another occasion, Mr. A had a main course of a healthy but not as tasty low-fat pasta dish. On each occasion, after the main course, Mr. A is deciding between two desserts: a great tasting but high-fat chocolate cake and a low-fat seasonal fruit salad. When is Mr. A more likely to order the great tasting but fatty chocolate cake—when he just had a tasty, unhealthy steak or when he had a healthy, less tasty pasta dish? (Tasty Steak, Healthy Dish, No Difference)

In this situation, the knowledge that he already “committed a sin” by having a tasty but unhealthy steak is likely to generate guilt and diminish the pleasure that Mr. A derives from a tasty but also unhealthy cake. Similarly, after depriving himself of a tasty entree, Mr. A is less likely to appreciate the value of a dessert that is also healthy but not tasty. More generally, a large loss on a salient goal in an episode is aversive and spoils (i.e., diminishes) the value derived from achieving a high level on the other goal.

These four assumptions lead to several predictions regarding the determinants of preferences between highlighting and balancing. The value derived from peak goal fulfillment, combined with the low sensitivity to the resources allocated for that purpose, suggest that consumers will prefer highlighting in episodes involving a tradeoff between a goal and a resource. For example, in the preceding Baseball Game example, we expect the majority of consumers to prefer having one game with both a good seat and a good beer and a second game with an inferior seat and a regular beer to two games with mixed levels. Furthermore, assuming that a consumer made the first choice in an episode (e.g., Mr. A chose the seat and now must choose a beer), we predict that a good beer will generate greater enjoyment in the game in which Mr. A chose the superior seat. However, if the choice is between having more of the same or another nearly identical option in the same episode, the synergetic effect of multiple goal-consistent items no longer exists, and satiation would make balancing more attractive than highlighting.1

With respect to situations involving a tradeoff between two active goals (see the Dessert example), the prior analysis suggests that the majority of consumers will prefer balancing to highlighting. That is, though balancing requires a compromise with respect to goal fulfillment in a consumption episode, highlighting is less attractive because a complete neglect of one of the goals will spoil the satisfaction derived from peak fulfillment of the other goal. For example, assuming that Mr. A in the Dessert example already chose the entree and is now considering the desserts, we expect the tasty but less healthy option to provide less pleasure

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1These assumptions also imply that average episodes are the least satisfactory. For example, in the Baseball Game example, Mr. A might have a third option of consuming a beer and a seat that offer intermediate enjoyment levels. This option, however, is likely to be even less attractive than balancing, which includes at least one “good” item in each game. Average episodes are least likely to produce a sense of goal fulfillment. The prediction that both highlighting and balancing will be preferred to average episodes was supported in a separate study, which is not reported here. Information about that study can be obtained from the authors.
and possibly generate guilt after he had the tasty but unhealthy steak. The discussion can be summarized with the following hypotheses:

- **H1**: When each of two choices involves a tradeoff between a goal and a resource, consumers prefer within-episode highlighting to balancing of (goal-relevant) attribute levels.
- **H2**: A goal-consistent item contributes greater value if it is consumed after another (different) goal-consistent item in the same episode than if the previous item offered a low level on the same goal.
- **H3**: When making choices that involve a tradeoff between a goal and a resource, consumers prefer within-episode balancing to highlighting if the two selected items within each episode are nearly identical or more of the same.
- **H4**: When making choices that involve a tradeoff between two goals, consumers prefer balancing their consumption experiences within each episode.

**STUDIES OF CONSUMPTION EPISODE EFFECTS**

We conducted a series of studies to test H1–H4 and the hypotheses presented subsequently, using a total of approximately 2650 respondents. Most of the respondents were visitors to a popular science museum, were between 18 and 80 years of age, and represented a wide range of demographic characteristics. In a few of the studies, the respondents were undergraduate and graduate students.

In most studies, respondents were given three or four problems from different domains (e.g., a restaurant visit, a baseball game) and asked about their preferences or the preferences of another consumer (e.g., “Mr. A”). It was emphasized that there were no right or wrong answers and they simply should indicate their opinions or preferences. As we describe subsequently, the problems involved different tradeoffs, in particular, tradeoffs between pleasure and cost, health and cost, pleasure and health, and pleasure and waiting time.

**Tests of Preferences for Highlighting in Tradeoffs Between a Goal and a Resource (H1, H2)**

H1 suggests that consumers tend to prefer highlighting in choices involving tradeoffs between a goal and a resource. To test the generalizability of this prediction across different goals and resources, we examine three cases: tradeoffs between pleasure and cost, health and cost, pleasure and health, and pleasure and waiting time.

**Tradeoffs between pleasure and monetary cost.** The Baseball Game example illustrates the type of problems we used to test H1 for the case of tradeoffs between pleasure and monetary cost. As we show in that example, respondents were told about one set of options that Mr. A frequently consumes, with each option at one of two levels, and were asked about the likely choice of a second item, which is also at one of two pleasure (cost) levels. (We subsequently examine the case of simultaneous rather than sequential choices.) The question is whether respondents expect the two choices of pleasure (cost) levels in an episode to be related, and if so, whether a high (low) pleasure (cost) on one item increases (highlighting) or decreases (balancing) the probability of making a second choice at the same pleasure (cost) level.

Across studies, we used different variations of this task. In one study, instead of predicting the preference of Mr. A, the respondents indicated the scenario in which they would be more likely to select the specified option. In other studies, we described Mr. A and Mr. B., both of whom consume over time the same options and are similar in terms of their wealth, willingness to spend money, and other characteristics. The respondents were asked to indicate which of the two was more likely to make a particular second choice (e.g., buy the imported beer), assuming that they made different initial choices on that occasion (e.g., “In that game, Mr. A sits in the section with the average view, and Mr. B sits in the section with the superior view”). The results of these alternative test formats were similar in all cases, as we show in Table 1 for the Baseball Game example.

Consistent with H1, the majority of respondents preferred the highlighting option. We used several similar problems, including choice of airport transportation (see the Appendix), restaurant type, snacks at a movie, and dessert. In all cases, the results were in the expected direction, with an average difference across the three designs (Mr. A, Messrs. A and B, and respondent) of 38%, 42%, and 40%, respectively, between the highlighting and balancing options. These results can be tested statistically using a comparison of the actual response shares with a null prediction that implies that subjects had no preference between highlighting and balancing and chose randomly (i.e., 50% of those expressing a preference chose the highlighting option, and 50% preferred the balancing option). This is equivalent to a binomial test. The results corresponding to the “Mr. A,” “Messrs. A and B,” and respondent versions are all statistically significantly greater than chance ($\chi^2_{(1)} = 28.6, p < .001; \chi^2_{(1)} = 33.6, p < .001; \chi^2_{(1)} = 31.3, p < .001$, respectively). These results support H1 for the case of pleasure–cost tradeoffs.

According to H2, the preference for highlighting reflects the greater perceived value derived from the superior second item (e.g., an imported beer) when the first item in the same episode is also superior (a good seat). We tested H2 by asking a different group of respondents (n = 66) to indicate the situation in which Mr. A will enjoy the superior beer more. For example, in the Baseball Game example, we used the same description, with the following concluding question:

When is Mr. A likely to enjoy more the higher quality imported beer—when he is in the section with the superior view or when he is in the section with the average view?

The responses were as follows: 58% answered that imported beer was more enjoyable when sitting in the superior section, 12% said imported beer was more enjoyable when sitting in the average section, and 30% said it made no difference.

**Table 1**

**BASEBALL GAME VERSION**

<table>
<thead>
<tr>
<th>Mr. A (n = 60)</th>
<th>Mr. A / Mr. B (n = 64)</th>
<th>Respondent (n = 36)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preference for Highlighting*</td>
<td>62%</td>
<td>64%</td>
</tr>
<tr>
<td>Preference for Balancing*</td>
<td>16%</td>
<td>8%</td>
</tr>
<tr>
<td>No Difference</td>
<td>22%</td>
<td>28%</td>
</tr>
</tbody>
</table>

*Responses that the better beer is more (less) likely to be chosen when sitting in the superior section indicate preference for highlighting (balancing).
As we predicted, subjects expected to find the higher quality beer more enjoyable in the highlighting scenario. We obtained similar results in four other problems, which also were used to test $H_1$. In all cases, the results were in the same direction, with an average difference of 44% between the highlighting and balancing options, which is significantly greater than chance ($\chi^2(1) = 32.2, p < .001$). To control for potential framing effects, we tested the same problems with the concluding question focusing on “When is Mr. A likely to enjoy less the standard beer?” Accordingly, the corresponding choice options in the Baseball example were “Standard beer less enjoyable when sitting in the superior section” and “Standard beer less enjoyable when sitting in the average section.” The results were similar to those obtained with the other frame, suggesting that the regular beer was expected to be less enjoyable when sitting in the superior section.

Another way to test the relationship between enjoyment and highlighting of experiences in an episode is by manipulating the goal-attainment level directly and examining the effect on preferences for highlighting versus balancing. The following is one of the problems we used:

**Baseball Game** (n = 60): Assume that Mr. A and Mr. B, who are equally wealthy and equally calculated with money, are at a baseball stadium. Mr. A purchased a ticket priced at $16. Mr. A finds that his seat is located in a poor view and many noisy supporters of the opposite team. Mr. B also purchased a ticket for $16. However, Mr. B finds that he has a good view and sitting with many friendly people. At the stadium, Mr. A and Mr. B decide to buy some chocolate candy bars. The concession stand offers a choice between two chocolate candy bars, a gourmet Swiss candy bar by Tobler that costs $4 and a regular Hershey chocolate bar priced at $1.50. Who is more likely to buy the more expensive Swiss chocolate—Mr. A who is not enjoying the game or Mr. B who is enjoying the game?

Of the respondents, 26% chose Mr. A, 54% said Mr. B, and 20% answered no difference.

As we predicted, most subjects expected the consumer who was enjoying the game to be more likely to buy the higher quality snacks. We obtained similar results in other problems, indicating, for example, that a consumer who enjoyed a play is more likely subsequently to choose a high quality, no wait plan rather than two mixed-level plans. Similar results were obtained in a second problem involving a tradeoff between pleasure and a resource, time. Further analysis of questions involving good health and cost.

**Tradeoffs between pleasure and waiting time.** So far, we have shown a preference for highlighting in consumption episodes that involve tradeoffs of pleasure and monetary cost, as well as health and cost. To test whether $H_1$ generalizes to situations in which the resource is not monetary cost, we used problems in which consumers trade pleasure and another resource type, time. Consider the following problem:

**Entertainment Plans** (n = 56): Assume that Mr. and Ms. A frequently go to the city for entertainment. Consider their plans for the next two weekends: On one weekend, Mr. and Ms. A are planning to see a play that received rave reviews and was described as one of the best plays of the year. Buying tickets for this play before the show will require a wait of approximately 40 minutes. On another weekend, Mr. and Ms. A are planning to see a lesser-known play that received good but not exceptional reviews. Buying tickets for that play will require little or no wait. After the play, Mr. and Ms. A are planning to go to a restaurant and are debating between two restaurants that have the same dress code and are equally expensive. One of the restaurants received a four-star (highest quality) rating but takes no reservations and requires a wait of approximately 30 minutes. The other restaurant received a two and a half-star (above-average quality) rating and requires no wait.

The responses were as follows: 56% said the rave reviews but long wait play, 24% said moderate reviews but no wait play, and 20% said no difference.

Consistent with $H_1$, the responses indicate a preference for a high quality, long wait entertainment plan and a low quality, no wait plan rather than two mixed-level plans. Similar results were obtained in a second problem involving a tradeoff between pleasure and waiting time. The average difference between the highlighting and balancing options is significantly greater than chance ($\chi^2(1) = 9.3, p < .002$). These results extend our previous findings to the case of tradeoffs between health and cost.
was 31%, which is significantly greater than chance ($\chi^2_{(1)} = 7.4, p < .005$).

In summary, the results demonstrate a consistent preference for highlighting within a consumption episode when each choice involves a tradeoff between a goal and a resource. This pattern was observed for three different tradeoffs, including (a total of) two goals, pleasure and good health, and two resources, monetary cost and waiting time. Furthermore, consistent with H2, the results suggest that most consumers expect a second superior option to contribute greater value to the overall experience when the first item is also superior.

All tests of H1 involved situations in which two items combine to achieve the same goal by different means, such as the quality of the seat and the quality of the beer. Next, we examine the prediction that the pattern of preferences will reverse when the two choices in an episode involve identical or nearly identical means for attaining a goal.

Tests of Preference for Balancing in Episodes Involving Nearly Identical Options (H3)

H3 suggests that consumers will tend to balance choices in episodes involving two identical or nearly identical items. The following example illustrates the type of problems we used to test this prediction (see an additional example in the Appendix):

Dinner Cigars (n = 62): Assume that Mr. A often goes out for dinner. Each time, Mr. A likes to have one cigar before the main course and a second cigar after dessert. Consider his two recent trips to a restaurant: For one meal, Mr. A had the more expensive, more enjoyable Cuban cigar before the main course. For another meal, Mr. A had a less enjoyable, cheaper cigar before the main course. On each occasion, Mr. A is deciding between the second cigar after the main course and is debating between the same two options. Both types of cigars are equally unhealthy. When is Mr. A more likely to smoke the expensive Cuban cigar after the main course—when he had the expensive Cuban cigar before the main course or when he had the less expensive, less enjoyable cigar before the main course?

Twenty-eight percent of the respondents answered when he had the more enjoyable cigar before the main course, 54% said when he had the less enjoyable cigar before, and 18% said no difference.

As we predicted, subjects indicated that they were more likely to have a second, more expensive cigar if they had first had the less expensive cigar. In other words, in this case, the majority indicated a preference for balancing over highlighting. A possible alternative explanation for this result is a preference for improving sequences or happy endings (e.g., Loewenstein and Prelec 1993; Ross and Simonson 1991), which is also consistent with the selection of a better cigar at the end of the meal. To examine this possible confound, we revised the problem by asking respondents to indicate when Mr. A would be more likely to select the less enjoyable cigar after the main course. Note that, in this case, a preference for happy endings cannot account for a preference for balancing. Forty-two percent of the respondents selected the option indicating a preference for balancing, 25% chose the highlighting option, and 33% selected the no difference option. Thus, though the difference is not as large, balancing is still the modal response when the two consumed items are in the same category. We used three other problems involving tradeoffs between enjoyment and cost for which the two goal-consistent options were similar. For example, we asked respondents whether a consumer who eats two pan pizzas (or goes on two amusement park rides) would prefer to have two pizzas with superior rather than standard toppings (or two superior rides) on the same occasion (i.e., highlighting) as opposed to spreading the two superior options across occasions (i.e., balancing). In all cases, the results showed a clear preference for balancing, with an average difference of 30% between balancing and highlighting ($\chi^2_{(1)} = 12.4, p < .001$).

The preference for balancing for similar items also was tested in two problems involving health-cost tradeoffs (e.g., a healthier food item is more expensive). Again, a majority of the respondents preferred the balancing option. These findings support H3, indicating that, when two items in an episode represent more of the same or nearly identical items, consumers prefer to balance (or spread) their experiences. Next, we examine consumer preferences in consumption episodes with two salient goals.

Tests of Preference for Balancing in Episodes with Two Active Goals (H4)

H4 suggests that consumers prefer balancing in episodes involving tradeoffs between two active goals. Consider the Dessert example presented previously, in which a consumer must choose between a healthy and a tasty dessert after consuming a more healthy or more tasty entree. In that problem, 54% of the respondents (n = 60) expected Mr. A to be more likely to select the tasty dessert after having a healthy entree (i.e., balancing), compared with 30% who selected the highlighting option.

We used two other problems involving items that differed in terms of enjoyment and health. In all cases, the results were consistent with H4, with an average difference of 24% between the highlighting and balancing options ($\chi^2_{(1)} = 9.5, p < .001$). Thus, as we expected, with two active goals, consumers prefer to avoid extreme (highlighting) solutions, consistent with the assumption that a total neglect of any (important) goal spoils the value or pleasure derived from attaining a peak level on the other active goal.

To test this interpretation more directly, we asked a separate group of respondents to indicate the scenario in which Mr. A would enjoy more the pleasurable, less healthy option (e.g., the tastier dessert) as the second choice. Consider the following example:

Workout and Dinner (n = 63): Assume that Mr. A is deciding on his plans for the weekend. Each weekend he likes to engage in activities that range from pure fun (such as watching sports on television) to a strenuous workout (such as running five miles). In terms of food, he likes to eat dishes that range from being tasty but high-fat (such as pizza) to those that are low-fat but less tasty (such as vegetarian meals). Consider his two recent weekends: On one weekend, Mr. A had a thorough workout at the gym before going to the restaurant. On another weekend, Mr. A just finished watching a football game on television before going to the restaurant. When is Mr. A likely to enjoy more eating the tasty but unhealthy pizza dish—after watching sports on television or after engaging in a strenuous workout?
Of the respondents, 60% answered pizza would be more enjoyable after a workout, 28% answered that pizza would be more enjoyable after watching television, and 12% said no difference.

As we expected, these results indicate that the unhealthy pizza dish would be more enjoyable if it is consumed after a workout rather than after watching television ($\chi^2(1) = 7.5, p < .01$). Similar results were obtained in another problem involving a tradeoff between health and enjoyment. These results are consistent with the notion that extreme neglect of a goal in a consumption episode detracts from the peak experience on the other goal. Similarly, selecting an item that is less tempting and more demanding (e.g., spinach salad with no dressing) makes it easier to choose another item that is more tempting (e.g., a high-fat steak). This reasoning is illustrated by the subsequent think-aloud protocols.

Discussion

The results thus far support the conclusion that, in choices involving tradeoffs between a goal and a resource, consumers tend to highlight either the goal or the resource in each episode, as long as the two selected items represent different means of attaining the same goal. In contrast, consumers prefer balancing when the two items are the same or nearly identical. We also show that, when the two goals are salient, consumers tend to prefer balancing to highlighting.

These findings are consistent with the four assumptions previously outlined. However, some of the results also may be explained on the basis of other factors. First, the finding that most consumers prefer highlighting to balancing in choices involving tradeoffs between a goal and monetary cost might be explained on the basis of diminishing sensitivity for money. Second, all the problems presented involve hypothetical choices, for which respondents are given one choice and asked how that will affect a subsequent choice in each episode, as long as the two selected items represent different means of attaining the same goal. With such problems, it is possible that the first experienced option creates a reference point (e.g., a high-pleasure experience) against which the second choice is compared, in which case loss aversion could account for a tendency to avoid lower levels on the same dimension (i.e., lead to a preference for highlighting).

Third, all the problems presented thus far involve hypothetical choices. A question that naturally arises is whether the same pattern, in particular the preference for highlighting in tradeoffs between a goal and a resource, is observed in choices with real consequences. We examine these three issues next.

Rival Explanations

Diminishing Sensitivity for Money

The finding that consumers tend to prefer highlighting in consumption episodes involving a tradeoff between pleasure or health and money can be explained on the basis of diminishing sensitivity to money and the psychophysics of spending (e.g., Christensen 1989; Tversky and Kahneman 1986). Specifically, a high price for one item (e.g., a seat) can decrease the sensitivity to the price of another item (e.g., a beer) consumed in the same episode and make it appear lower, just as the price of a car option appears less significant when added to the price of a new car.

To test this alternative explanation, we modified the problems originally used to test $H_1$, such that diminishing sensitivity for money could not account for a preference for highlighting. Specifically, we examined three different variations of the preceding problems: (1) having a second choice between equally priced items, one offering higher quality and the other higher quantity; (2) presenting the first component of the consumption episode (e.g., the baseball game seat) as a (free) gift; and (3) attributing the higher price of one of the two items to greater quantity rather than quality. The following problem illustrates the first test:

Entertainment Plans ($n = 58$): Assume that Mr. and Ms. A and Mr. and Ms. B, who are equally wealthy and equally calculated with money, are planning to spend an evening in the city. Mr. and Ms. A are going to see a Broadway play that is in town for a week. Two tickets for this play cost $80. Mr. and Ms. B are going to see a movie. Two tickets for this movie cost $14. After the play/movie, both couples decide to go to a local Italian restaurant. This restaurant offers spaghetti dishes that come in large portions and are of good quality. The restaurant also offers unique Italian dishes that come in relatively small portions but with exquisite taste. All items offered by that restaurant have a standard price of $16. In your opinion, which couple is more likely to choose a unique, exquisite, but small dish—Mr. and Ms. A who saw the Broadway play or Mr. and Ms. B who saw the movie?

Responses were as follows: 66% chose Mr. and Ms. A, 14% chose Mr. and Ms. B, and 20% said no difference.

Again, the results indicate a preference for highlighting, consistent with the notion that consumers seek a peak-quality experience. This result, however, cannot be explained on the basis of diminishing sensitivity to money, because the price is held constant. We obtained similar results in three other problems, with an average difference of 36% between highlighting and balancing ($\chi^2(1) = 14.4, p < .001$).

The second test of diminishing sensitivity involved changing the first item in each episode (e.g., the play and movie) to a gift. Again, the preference for highlighting over balancing (as per $H_1$) was unaffected by that change, contrary to the diminishing sensitivity account ($\chi^2(1) = 14.9, p < .001$).

In a third test of diminishing sensitivity, the second choice was between two items that differed in terms of quantity (rather than quality) and price. For example, subjects in the Entertainment Plans example were asked whether the couple that saw the (expensive) play or the couple that saw the (inexpensive) movie was more likely to order a higher quantity, higher price spaghetti dish. The results indicated a slightly higher (not statistically significant) likelihood that the couple who saw the movie would be more likely to order the larger quantity, expensive spaghetti dish. Similar results were obtained in three other problems. This finding is again inconsistent with the diminishing sensitivity explanation of the preference for highlighting in tradeoffs between a goal and a resource.

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2It is noteworthy that loss aversion also could lead to the opposite prediction, according to the notion that balancing, similar to extremeness aversion (Simonson and Tversky 1992), avoids an extreme solution that includes a large loss.
Sequential Choice and Loss Aversion

In a sequential choice problem, the first selected item may provide a reference frame for subsequent evaluations of other items. If the first choice achieves a high (low) level on a particular dimension, then a lower (higher) level on the same dimension in a subsequent choice might be perceived as a loss (gain). Given the property of loss aversion, consumers might be more likely to match the levels of two items selected in a consumption episode, so that a loss on the dimension favored in the first choice is avoided. Thus, loss aversion potentially can explain the preference for highlighting (H₁), though this interpretation of the loss aversion account cannot explain the preference for balancing observed in problems with two goals or two choices with nearly identical items.

To test this alternative explanation for H₁, we revised the sequential choice problems and asked respondents to make the two choices in each episode simultaneously. Consider the following example:

Dinner (n = 110): Assume that Mr. A often goes out for dinner. He orders an expensive gourmet steak on some occasions and a regular steak on other occasions. After the main course, Mr. A often has dessert, ordering fancy, expensive desserts on some occasions and plain, moderately priced desserts on other occasions. Consider his plans for the next two dinners at a restaurant: Mr. A plans to have a gourmet steak and a regular steak for two different dinners. He also plans to have a fancy chocolate cake with raspberry sauce after one dinner and a scoop of plain vanilla ice cream after the other dinner. Circle the combination of entree and dessert for the two dinners that you think Mr. A is more likely to choose (Note: Mr. A can afford a gourmet, expensive steak only once and a fancy, expensive dessert only once).

<table>
<thead>
<tr>
<th>Option A: First Dinner</th>
<th>Second Dinner</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entree: Gourmet steak</td>
<td>Entree: Regular steak</td>
</tr>
<tr>
<td>Dessert: Fancy cake</td>
<td>Dessert: Vanilla ice cream</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Option B: First Dinner</th>
<th>Second Dinner</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entree: Gourmet steak</td>
<td>Entree: Regular steak</td>
</tr>
<tr>
<td>Dessert: Vanilla ice cream</td>
<td>Dessert: Fancy cake</td>
</tr>
</tbody>
</table>

Consistent with H₁ and the previous results, 68% selected the highlighting package (Option A) compared with only 32% who chose the balancing package (Option B). Similar results were obtained in four other problems (χ²(1) = 42.3, p < .001). This finding cannot be explained on the basis of loss aversion, because the item that is consumed first no longer serves as the reference point for the second. It might be argued that respondents can predict how loss aversion will affect their evaluations of the second experience, which guides their choices of the experience package. However, there is evidence that people are incapable of predicting the effect of loss aversion (Loewenstein and Adler 1995), suggesting that anticipatory loss aversion also does not account for the results. Conversely, the assumptions that we presented previously focus on the manner in which consumers evaluate goals and resources and are not dependent on whether choices are made sequentially or simultaneously.

We also used a simultaneous choice version of problems involving a tradeoff between enjoyment and waiting time. Contrary to our predictions, we did not find any systematic preference for highlighting or balancing. In retrospect, this could be because the total waiting time appears salient in this packaged format, making it less likely that consumers will precommit to waiting a long time in both places.

Our assumptions further suggest that the preference for balancing in situations with two active goals should not be influenced by changing the task to simultaneous choices. Consistent with this prediction, simultaneous choice versions of the three problems that previously were used to test H₄ indicated a majority preference for balancing over highlighting (an average difference of 28%, χ²(1) = 16.4, p < .001). Again, these results show that the prior findings (with one exception) hold equally with sequential and simultaneous choice formats.

Real Consequences

A limitation of the tests presented thus far is that they all involve hypothetical choices. To test H₁, such that respondents perceive the task as having real consequences, without exceeding our research budget, we informed 140 MBA students that, to show our appreciation for their participation in a study (unrelated to the current research), three students selected at random would win a set of prizes donated by local establishments. These prizes were described as consisting of a package of (1) two tickets to the movie or two tickets for a play at the local repertory theater (with similar casual dress code in both places) and (2) a dinner for two at two different restaurants, one offering more gourmet foods than the other (both with similar, casual dress code). In the event that the students won these prizes, they were asked to indicate which prize components they wanted to include in each evening. The results again showed a strong preference for highlighting, with 82% of the students preferring to go to the repertory theater and gourmet restaurant on one evening, and to the movie and less gourmet restaurant on the other evening, compared with 18% who preferred two balanced evenings.

In summary, the results indicate that neither diminishing sensitivity nor loss aversion can account for the observed findings. Furthermore, the preference for highlighting, as per H₁, still was observed when the choices had real consequences. These findings provide further support for our analysis of the principles underlying consumption episode effects. However, in addition to presenting evidence that is consistent with the proposed theory and inconsistent with alternative explanations, it is important to provide as rigorous a test of the theory as possible. Accordingly, we next present a more direct test of our theory by manipulating whether particular dimensions are framed as goals or resources.
Framing Effects on Preferences Between Highlighting and Balancing

We have argued that the key factor underlying preferences between highlighting and balancing is the distinction between goals and resources. Specifically, we predicted and demonstrated that episodes involving tradeoffs between two goals tend to be associated with a preference for balancing, whereas selections of two different items that involve tradeoffs between a goal and a resource are associated with preferences for highlighting. Although these results are consistent with our analysis, an even stronger test of the theory can be conducted by examining the effect on preferences of framing a dimension, such as money and calories/weight loss, as either a goal or a resource. In particular, framing money as a goal, instead of its default frame as a resource, would be expected to generate preferences for balancing in problems involving tradeoffs between money and enjoyment. The following is one of the problems we tested:

**Entertainment Plans (n = 51):** Assume that Mr. A and Mr. B are equally wealthy but differ in their attitude toward money. Mr. A thinks of money just as a means or a resource for achieving his different goals (such as entertainment, travel, and so forth). Conversely, Mr. B’s goal in life is to be rich and make as much money as possible (even if he does not need the money). Both Mr. A and Mr. B frequently go to the city for entertainment. Afterward, they dine out, going to gourmet, expensive restaurants on some occasions and standard, moderately priced restaurants on other occasions. Consider their plans for the next two weekends: On one weekend, each (separately) is going to see a Broadway play that is in town for a week. A ticket for this play costs $50. On another weekend, each is going to see a movie. A ticket for this movie costs $7. Afterward, each person is thinking of eating at an expensive gourmet Italian restaurant on one weekend and a moderately priced Italian restaurant on the other weekend.

Consider Mr. A, who views money just as a means or resource to achieve his different goals. In your opinion, when is Mr. A more likely to eat at the higher quality, gourmet, expensive Italian restaurant—on the evening in which he went to see a Broadway play for $50, or on the evening in which he saw a $7 movie?

Next, consider Mr. B, whose goal in life is to be rich and make as much money as possible. In your opinion, when is Mr. B more likely to eat at the higher quality, expensive Italian restaurant—on the evening in which he went to see a Broadway play for $50, or on the evening in which he saw a $7 movie?

For both questions, the possible responses were gourmet after the Broadway play, gourmet after the movie, and no difference. Note that Mr. A views money as a resource, suggesting a preference for highlighting (H1), whereas money is a goal of Mr. B, suggesting a preference for balancing (H4). Consistent with these predictions, 80% of the respondents selected the highlighting option for Mr. A, indicating that he was more likely to eat at the expensive restaurant on the evening he saw the Broadway play, whereas only 6% selected the balancing option. Conversely, in the case of Mr. B, only 18% believed that he was more likely to prefer the highlighting option, whereas 59% expected him to prefer the balancing option. A framing of money as a goal or as a resource generated similar results in the Baseball Game example.

We conducted an additional framing test that differed from the first test in several ways. First, we used a between-subjects design, whereby each respondent was presented with just one consumer (Mr. A). Second, instead of referring to a “resource,” we found it more natural to use a “budget.” Third, the tradeoff in this problem involved calories and enjoyment instead of monetary cost and enjoyment. The problems was as follows:

**Calories (n = 52):** After the holidays, Mr. A set a goal for himself to lose 15 pounds within two months, which means that he could consume up to 10,000 calories per week. Mr. A goes out for dinner twice a week, each time ordering an entree and a dessert. Similar to many other people, Mr. A prefers the taste of high-fat, high-calorie entrees and desserts. Considering his goal of losing weight and limiting the number of calories he consumes, which of the following options for the next two meals at a restaurant is Mr. A more likely to choose?

<table>
<thead>
<tr>
<th>First Dinner</th>
<th>Second Dinner</th>
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</thead>
<tbody>
<tr>
<td><strong>Option A:</strong> (2000 Calories)</td>
<td><strong>Option A:</strong> (1000 Calories)</td>
</tr>
<tr>
<td>Entree: High-calorie</td>
<td>Entree: Low-calorie</td>
</tr>
<tr>
<td>gourmet</td>
<td>chicken</td>
</tr>
<tr>
<td>steak</td>
<td>breast</td>
</tr>
<tr>
<td>Dessert: High-calorie</td>
<td>Dessert: Low-calorie</td>
</tr>
<tr>
<td>chocolate</td>
<td>fruit</td>
</tr>
<tr>
<td>cake</td>
<td>salad</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>First Dinner</th>
<th>Second Dinner</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Option B:</strong> (1500 Calories)</td>
<td><strong>Option B:</strong> (1500 Calories)</td>
</tr>
<tr>
<td>Entree: High-calorie</td>
<td>Entree: Low-calorie</td>
</tr>
<tr>
<td>gourmet</td>
<td>chicken</td>
</tr>
<tr>
<td>steak</td>
<td>breast</td>
</tr>
<tr>
<td>Dessert: Low-calorie</td>
<td>Dessert: High-calorie</td>
</tr>
<tr>
<td>fruit</td>
<td>chocolate</td>
</tr>
<tr>
<td>salad</td>
<td>cake</td>
</tr>
</tbody>
</table>

Because in this version the tradeoff is between two goals (enjoyment and losing weight), we expected to find a preference for balancing. Indeed, 73% chose the balancing option, and 27% selected the highlighting option.

The second version of the problem was identical, except that instead of setting a goal of losing 15 pounds, Mr. A “set a budget of consuming no more than 10,000 calories per week.” In this version, the tradeoff was between a goal (enjoyment) and a resource (i.e., a budget of 10,000 calories per week), leading to the prediction that consumers would prefer highlighting. However, respondents were approximately evenly split between highlighting and balancing, with 25 of 49 respondents (51%) selecting the highlighting option. We can speculate that framing the issue in terms of a calorie budget rather than a weight-loss goal might not have been

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3This problem is based on an idea proposed by Kim Corfman.
sufficient to cause respondents to treat it as a resource. That is, Mr. A’s calorie budget had a rather transparent implication that he had a goal of losing weight, which might account for the relatively high share of balancing-consistent responses.

In summary, the results of the framing manipulations provide further evidence that the different treatment of goals and resources underlies the preferences between highlighting and balancing. These results were obtained with the assumption that consumed items belong to well-defined episodes and that the question of interest relates to the combination of attribute levels consumers prefer. However, in many situations, it may not be so clear what constitutes an episode and, accordingly, whether the predicted preferences for highlighting or balancing apply. Next, we examine more systematically the factors that define such episodes in consumers’ minds and some of the boundaries of our preceding findings.

**DETERMINANTS OF CONSUMPTION EPISODES**

We have proposed that choices are in the same consumption episode if they relate to the same event and are in temporal proximity. In this section, we examine the determinants of consumption episodes as they relate to preferences for highlighting (per H1). In particular, if the preference for highlighting applies only to choices that belong to the same episode, as we suggest, it should be possible to eliminate the preference for highlighting by placing two choices in different consumption episodes. This could be achieved in at least two ways: a topical or temporal separation of episodes. The former approach is illustrated by the following problem:

**Wine Tasting and Music** (n = 64): Mr. A often goes to wine-tasting events. He sometimes spends more money to taste expensive, gourmet wines and at other times spends less money to taste moderate quality wines. Consider his plans for the next two weeks: In one week, Mr. A decides to go to a gourmet wine-tasting event at the price of $25. In another week, Mr. A decides to go to a tasting of average quality wines at the price of $15. Each time, after the wine-tasting event, Mr. A decides to stop at the local music store to purchase a new recording of his favorite group. The store offers a choice between a high quality CD recording that costs $12.99 and a cassette version that costs $6.99. In which of the two weeks do you think Mr. A is more likely to buy the higher quality CD version of his favorite group—the week in which he paid $25 for tasting the gourmet quality wines or the week in which he paid $15 for tasting the average quality wines?

Twenty-two percent of the respondents chose gourmet wines, 28% chose average wines, and 50% said no difference.

These results indicate that there was no clear preference for highlighting or balancing, and “no difference” was the most common response.4 We used two other problems, involving a second item (consumed on the same day) that was unrelated to the first choice (e.g., a baseball game seat and an amusement park ride). Across the three problems, the average difference was 4% between the highlighting and balancing options ($X^2(1) = .2$, NS). Thus, when choices relate to different events, even if they are in temporal proximity, neither highlighting nor balancing is preferred consistently.

The same result is expected to occur if the two choices are separated temporally. We tested this prediction in three problems. In one, we used a variation of the Entertainment Plans example (n = 74). Respondents were told that, in each of two months, Mr. A was planning to see a play for which he can buy either an expensive or an inexpensive ticket. Two weeks after seeing the play, he would go to either an expensive or an inexpensive restaurant. In this case, 45% believed that Mr. A was more likely to eat at the expensive restaurant during the month that he purchased the cheaper theater ticket, whereas 35% made the opposite prediction. In other words, with a temporal separation of the play and the restaurant meal, the preference for highlighting is no longer observed. Similar results were obtained in two other problems, with the average share of the balancing option 15% greater than that of the highlighting option ($X^2(1) = 3.4 < .07$). In summary, the results are consistent with the assumption that the preference for highlighting in tradeoffs between a goal and a resource apply only when the two items belong to the same event or episode, both topically and temporally. Furthermore, consistent with the notion of category budgets (Heath and Soll 1996), a small majority prefers balancing when two items are in the same general category (e.g., entertainment) but belong to different events.

**GENERAL DISCUSSION**

In this research, we investigated consumption episode effects, focusing on a generic case with two items (e.g., an entree and a dessert) that are consumed in two episodes (e.g., two visits to a restaurant) and evaluated on two dimensions (e.g., pleasure and health), each having two possible levels (e.g., high and low). In this generic situation, there are three primary options. If the evaluation of one item is independent of the level of the other item consumed in the same episode, there should be no consumption episode effects. Alternatively, consumers may prefer either to highlight or balance the levels of the two items within each episode. Our findings suggest that both highlighting and balancing are observed in certain situations, with the preference between the two governed by several simple principles. In this section, we summarize the main findings and discuss their theoretical and practical implications.

**Summary of Findings and Their Theoretical Implications**

Product complementarity is a key concept in the classical theory of the consumer. Complementarity (similar to substitutability) usually has been defined in terms of product function (e.g., tea and lemon) and is measured on the basis of cross-price elasticity. In this research, we treat complements more broadly, focusing on the relations between goal-consistent attribute levels of items that are consumed in the same episode. Our main finding can be summarized as follows: When two (different) experiences in each of two episodes involve a tradeoff between a goal and a resource, consumers prefer highlighting, whereas in tradeoffs between

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4To confirm that this result is due to the topical separation of the wine tasting and CD/cassette purchase, we tested a variation of this problem in which respondents indicated whether a superior wine was more likely to be selected during the intermission of a superior or an inferior concert. In that version, as we expected (per H1), there was a clear preference for highlighting.
two goals, they prefer balancing. More specifically, we show that

1. Most consumers prefer highlighting of two (different) items consumed in an episode when the tradeoff is between a goal and a resource, including pleasure and cost, health and cost, and pleasure and waiting time;
2. Most consumers prefer balancing when the two consumed items are the same or nearly identical;
3. Most consumers prefer balancing in tradeoffs between two goals;
4. Preferences between highlighting and balancing can be manipulated systematically by framing a particular dimension (e.g., money) as a goal or resource;
5. The preference for highlighting in tradeoffs between a goal and a resource cannot be explained on the basis of diminishing sensitivity for money or loss aversion; and
6. The preference for highlighting in tradeoffs between a goal and a resource applies only when the two items relate to the same event and are in temporal proximity.

Next, we examine more closely the distinction between goals and resources and between consumption episode effects and decision episode effects.

The difference between goals and resources. Our explanation for the findings depends on the distinction between goals and resources. In particular, we propose that, within a particular episode, there is an asymmetry in the evaluation of extreme values of goals compared with resources. People derive great satisfaction when they fulfill a goal or reach a climax in an episode, and they are willing to endure a low goal-achievement episode for that purpose. Conversely, as long as resources fit within a budget constraint over time, the value difference between saving resources and expending resources to achieve a goal is relatively small. That is, resources are saved and allocated over time for the purpose of achieving goals, making consumers less sensitive to expenditures during specific episodes.

Furthermore, we cannot assume that each dimension is inherently either a goal or a resource. In particular, though the default frame of money for most people might be as a resource, money also can be framed as a goal in and of itself ("get rich"). As demonstrated in this research and consistent with our analysis, the particular frame used can affect the preferences between highlighting and balancing systematically.

Further support for our interpretation of the results is provided by think-aloud protocols that we collected. Although these protocols usually include the obvious arguments for preferring highlighting or balancing, the manner in which respondents express their reasoning is instructive. The following three protocols illustrate the difference in the way goals and resources are treated; the first two relate to a choice of a gourmet Swiss over a regular chocolate bar during a baseball game that Mr. B enjoys and Mr. A does not:

If I were at a baseball game having a good time, money becomes no object, so I would say Mr. B would be more likely to buy the gourmet chocolate bar. Mr. A is upset enough, so he wants to minimize the damage.

I’ll go with Mr. B. Everything is going well for him. He doesn’t mind coughing the dough. Mr. A is having sucky time, so why spend the money?

The third protocol relates to a choice of a fancy over an ordinary dessert, depending on the quality and price of a steak entrée:

It seems like he would maximize his enjoyment at once by having both the good steak and the good cake. When it comes time that he has to eat the lesser steak and the vanilla ice cream, he can also take satisfaction that he’s saving money.

In addition to illustrating the asymmetry between goals and resources, these protocols highlight the superadditivity of two goal-consistent items in a consumption episode. It appears that peak goal fulfillment has a special status that consumers try to achieve from time to time, and they are willing to pay the price for such memorable experiences, as illustrated by the following protocol:

At least for one night he’s going to eat well and have a gourmet steak and fancy cake and go all out and feel like a king. On another night, he’ll basically realize he has no more money left and he’s poor and he’ll just have the standard steak and the plain vanilla ice cream, which brings him back to reality.

An important qualification for the generalization that consumers prefer highlighting in tradeoffs between a goal and a resource is that the two selected items must be perceived as different means for achieving the goal and as part of the same episode. A superior entree one day followed by a superior dessert the following day does not produce the sense of elation that can be achieved if both occur in the same meal. Thus, for temporally separated items, consumers are likely to prefer balancing to highlighting. This suggests that implicit budgets that consumers set for categories such as entertainment (Heath and Soll 1996) are more likely to affect choices that are separated temporally rather than consumed contiguously. Also, note that the preference for highlighting in tradeoffs between a goal and a resource has been demonstrated for the case of two items per episode. However, as the number of items consumed in an episode increases, satiation with high values and growing sensitivity to resource expenditure are likely to increase the preference for balancing.

The argument that consumers prefer highlighting in tradeoffs between a goal and a resource was explained, in part, on the basis of the superadditivity of goal-consistent items in an episode. The special status of goal fulfillment climax, combined with the willingness to endure “anticlimax” and invest resources for that purpose, could lead us to expect that consumers also will prefer highlighting in tradeoffs between two goals. For example, consumers could prefer to experience one tasty, though unhealthy meal, and a second healthy, though unenjoyable meal. However, we propose that when both goals are salient in the consumption episode, a consistently low level on one goal spoils the value derived from fulfillment of the other goal. In particular, when one goal requires self-control to achieve (e.g., health) and the other goal is tempting and requires self-control to avoid overconsumption (e.g., pleasure), the mechanism that may account for such spoilage effect is guilt (e.g., Lascu 1991). Consider the following think-aloud protocols of consumers who were asked whether a tasty but unhealthy dessert was more likely to be selected after eating a tasty but unhealthy entree or after eating a healthy but less tasty entree:
If he has just had a fatty, gourmet main dish, he would feel sort of guilty about that so he might not order the cake; he wouldn’t want that because he would feel guilty about the whole dinner and not enjoy it as much. But if he has just had the healthy main dish, then he feels like he can go for it and have the high-fat dessert since he had a really healthy dish.

I think he’s going to go for the fatty cake after he has had the healthy main dish because they kind of balance out. Because after you have a big, fatty, gourmet main dish you probably feel a little guilty and probably wouldn’t go for the fatty dessert.

I would say that he would choose the fatty chocolate cake when he had the healthy dish because after having a healthy dish he feels that he can afford to have a fatty chocolate cake. Also, if the dish is not as good-tasting, he would feel that he could have a dessert that is good-tasting.

I’d say when he just had a healthy dish because then he feels like he can indulge.

As these protocols illustrate, a neglect of one goal spoils the value of a peak experience on the other goal, for example, by creating guilt feelings. Consistent with this interpretation, the decision of the American Red Cross to stop serving butter cookies generated a major blood donor backlash (The Wall Street Journal 1996). As two disappointed blood donors said, “As an adult, how better to indulge in a low-budget plunge off the low-fat wagon than after an act of self-sacrifice”; “It [giving blood] was an excuse to splurge.” That is, pleasurable experiences must be earned, and their value diminishes unless the consumer fulfills, during the same episode, another, more noble and responsible goal. Conversely, high resource expenditure on some occasions is to be expected and, thus, tends not to spoil the value of a goal climax.

Another related mechanism that might account for the finding that consumers prefer balancing in tradeoffs between goals is self-control (e.g., Thaler and Shefrin 1981). Specifically, whereas the allocation of resources is usually self-correcting, for example, through a budget or time constraint, the same may not apply to goals. For example, there is no simple mechanism that ensures that an unhealthy meal subsequently will be compensated by a healthy meal. Thus, within-episode balancing may be employed as a self-control tactic.

The finding that, within a particular episode, consumers are less sensitive to and more tolerant of resource spending than goal neglect suggests that resources are managed more efficiently than goals. In particular, consumers treat resources more globally, such that the budget constraint is satisfied across episodes but does not need to be balanced within each consumption episode. Conversely, a neglect of a goal in an episode spoils the value derived from peak achievement of another goal, which enhances the need to address all salient goals in every episode (though consumers are willing to accept a low level on a goal to achieve a peak level on that same goal in another episode).

These generalizations about the treatment of goals and resources, as well as regarding preferences for highlighting versus balancing, do not apply to every consumer. In many cases, there is a significant minority that expresses the opposite preferences. Certain individual differences might account for this heterogeneity of preferences. Some of the relevant individual differences, which could be examined in further research, include (1) the degree to which people seek peak goal fulfillment in an episode, (2) their propensity to feel guilty if they neglect a goal in an episode, and (3) the degree to which money is treated more as a goal in and of itself rather than as a resource for achieving other goals.

Additional research might further examine the beliefs that underlie preferences for peak experiences and highlighting, as well as the conditions that lead to violations of the principle that “good things satiate” (Coombs and Avrunin 1977). It is intuitively clear that almost achieving a goal is significantly less rewarding than actually reaching the peak, and the superadditivity associated with that difference probably accelerates as people get closer to the ultimate goal fulfillment. One mechanism that may account for this phenomenon relates to the strength of the counterfactual, which is a function of the distance from the peak. It is also reasonable to expect that the disproportional preference for a climax is particularly salient when that peak “makes a good story.” The social context thus may be partially responsible for the search for memorable experiences. It also would be interesting to examine whether small groups are more likely than individuals to prefer highlighting to balancing, which might be regarded as a form of group polarization (for example, see Isenberg 1986).

Further research also might investigate the accuracy of people’s intuitions about consumption episode effects, which is related to the more general topic of the correspondence between decision, predictive, and experience utility (Kahneman 1994). For example, is reaching a climax on a particular goal within a consumption episode as elating and memorable as many consumers believe? Furthermore, it is reasonable to assume that not all goals and not all resources are treated equally, and it thus might be interesting to examine differences among types of goals and resources. For example, we found that consumers prefer balancing in tradeoffs between pleasure and health. But suppose the tradeoff is between pleasure and a higher order goal, such as adhering to religious edicts. Consider, for example, a somewhat religious Jewish person who sometimes attends services, even though he does not enjoy it, and sometimes eats pork, because he likes it. In this case, it is reasonable to expect a preference for highlighting rather than balancing, such that the person does not eat pork on a day that he attends services (which might imply that “religious credit” is treated similar to a resource). In contrast, making charitable donations can facilitate the consumption of frivolous products (Strahilevitz and Myers 1998), indicating a preference for balancing. Additional research might further examine the underlying characteristics of goals and resources that account for the direction of consumption episode effects. It also might be interesting to extend the analysis to situations involving tradeoffs between two resources, such as time and money. Finally, further research could examine consumption episode effects in situations with more than two goal-relevant choices per episode. We expect that, as the number of choices per episode increases, satiation will become a more important factor than the desire for an even higher peak, leading to greater preference for balancing.
consumption episode effects and decision episode effects. In this research, we focused on consumption episode effects. Such effects can be distinguished from decision episode effects, which occur when one decision influences another decision in the same episode. An example of a possible decision episode effect is a case in which a purchase of one item on sale increases or decreases the likelihood of buying another item on sale during the same shopping trip.

To the extent that consumers can predict consumption episode effects, they are likely to generate corresponding decision episode effects. For example, a consumer who knows that she will not enjoy a high-fat chocolate dessert after having a filet mignon steak (i.e., a consumption episode effect) is unlikely to order both items in the same meal (a decision episode effect). However, decision episode effects are not simply the mirror images of corresponding consumption episode effects. In particular, decisions that are made in the same episode often are not consumed in the same episode, and items that are consumed in the same episode often are not decided during the same episode.

Consider the following example, in which items that are selected in an episode are not consumed in the same episode:

Supermarket: Assume that Mr. A is a regular shopper at the local supermarket. Mr. A shops once a week, purchasing items that are low calorie and healthy, as well as items that are rich (high-fat) and great tasting. Consider his two different trips to the supermarket. In one week, Mr. A purchased healthy, low-fat, sugar-free bran cereal. In another week, Mr. A purchased a sugar-coated cereal. On each occasion, Mr. A is deciding between two types of ground beef for hamburgers: rich (25% fat), great tasting ground beef and lean (5% fat), less tasty ground beef. When was Mr. A more likely to purchase the great tasting and high-fat ground beef—the week in which he purchased the sugar-free bran cereal or the week in which he purchased the sugar-coated cereal?

The responses were as follows: 26% said bran cereal, 34% chose sugar-coated cereal, and 40% said no difference.

In this and similar problems, there was no clear preference for highlighting versus balancing, and a large proportion selected the "no difference" option. The following think-aloud protocols illustrate the reasoning of respondents:

I would say no difference. Somehow the two just don’t go together, don’t coincide. You know, whether he bought the meat and the cereal, it just seems like he probably wouldn’t think about how they would affect each other. They’re eaten at two different times of the day. It just seems like regular shopping. It wouldn’t matter. There’s virtually no difference in what cereal he would grab whether he got the high-fat ground beef.

In this case, it’s two different meals. You don’t eat ground meat with breakfast cereal, so I don’t really think that the decision is going to have that much of an effect on it. Assuming that he is buying other stuff than these items, then it is not going to be as directly connected as it would if all were in one meal. So no difference.

As these protocols illustrate, consumers can recognize the distinction between decision and consumption episode effects. In this example, because the two items do not belong to the same consumption episode, it is less likely that any systematic decision episode effect will occur. In other situations, characteristics of the decision episode and procedure, rather than the consumption episode, generate decision episode effects. For example, holding the consumption episode and timing constant, simultaneous choices of several items in a category (e.g., snacks) lead to the selection of more variety than if the same number of choices are made separately (Read and Loewenstein 1995; Simonson 1990). Additional research might investigate further the relations and correspondence between consumption and decision episode effects.

Further research also might examine the factors that determine which items are perceived as belonging to the same episode. This problem is somewhat similar to the question of the determinants of items included in the same mental accounts (e.g., Kahneman and Tversky 1984; Thaler 1985). In this research, we showed that the preferences for balancing or highlighting do not apply to items that are either temporally separated or belong to different events. However, the degree to which two items are treated as belonging to the same episode is likely to depend on other factors, such as item similarity and individual differences.

Practical Implications

This research demonstrates consumption episode effects, whereby the levels of one item on goal-related dimensions affect the experience of and preference for another item consumed in the same episode. Such effects might have significant implications for the manner in which marketers bundle, present, and promote their offerings, as well as for research techniques that are used to predict consumer preferences. Many businesses, services in particular, offer different items that are consumed in the same episode (e.g., entertainers, restaurants, educational programs). The results of this research suggest that such businesses can satisfy their customers’ needs better by offering bundles that build on the observed consumption episode effects. For example, some food establishments specialize in health food, such as fresh-fish smoothies and nonfat frozen yogurt, whereas others offer mostly tasty but unhealthy food, such as pizza parlors. This research suggests that pizza parlors can support their main (pizza) business by also offering fresh-fish smoothies, which enable customers to balance the "sin" associated with eating pizza. Similarly, an entertainment establishment might offer package deals for multiple occasions, such as a season ticket that offers a high pleasure combination on some occasions (e.g., better seat and food) and a less attractive package on other occasions.

Marketers also might try to prime a particular episode by influencing the item selected first. For example, a restaurant might offer a glass of a high-quality wine at a discount so that consumers will be more likely to designate the meal as a special event. Conversely, offering a cheap, low-quality item for free may have a detrimental effect on the level of other items in the same consumption episode. The existence of consumption episode effects has implications for communications strategies. In particular, instead of focusing on one component, service providers (e.g., of a cruise or an executive education program) could emphasize in their communications how the attribute levels of the various items will produce peak experiences together, even if some of the components are supplied by another company.
For example, Stanley Kaplan offers a preparatory program for law school in Hawaii that presumably provides guilt-free fun. Similarly, anecdotal observation suggests that many consumers top off a huge ice cream float with diet soda and seem to prefer low-fat crackers with regular cheese.

Finally, the observed effects suggest that marketing research techniques used for predicting consumer preferences should focus on consumption episodes rather than individual components. Such studies will provide information regarding the manner in which preferences for one item interact with the levels of other coconsumed items. More generally, market research on consumer preferences in a consumption episode will enhance our understanding of the factors that determine the perceived values of products and services.

APPENDIX

An Additional Test of Preference for Highlighting in Goal-Resource Tradeoffs ($H_1$)

Airport Transportation: Assume Mr. A is a frequent traveler from New York to Chicago. To get to the airport, Mr. A takes the taxi on some trips and the shuttle bus on other trips. Consider his next two trips to Chicago: For one trip, Mr. A purchased a coach, round-trip ticket for $69. For another trip, Mr. A purchased a first-class, round-trip ticket for $199. For his trip to the airport, Mr. A is thinking of taking the taxi on one trip and the shuttle bus on another trip. The taxi costs $35 and takes one hour to arrive at the airport. The shuttle costs $15 and takes two hours to arrive at the airport. In your opinion, when is Mr. A more likely to take the taxi to the airport—when he is flying coach or when he is flying first class?

Possible responses are: when flying first class, when flying coach class, and no difference.

An Additional Test of Preference for Balancing in Episodes with Similar Items ($H_2$)

Pizza: Assume that Mr. A frequently goes to a restaurant that serves a variety of small pan pizzas. Although all pan pizzas are equally filling, those that have more toppings are more enjoyable and more expensive. Consider his two recent visits to the restaurant: On one visit, Mr. A had the tastier, more expensive pan pizza. On another visit, Mr. A had a slice of the regular cheese pan pizza with no toppings. On each occasion, Mr. A is still hungry and thinking of ordering a second pan pizza. He is debating between two options; a second pizza that is highly tasty and more expensive and one that is somewhat less tasty and less expensive. When is Mr. A more likely to order a second pan pizza that is tastier and more expensive—on the occasion on which he just ate a tasty but more expensive pizza or on the occasion in which he just ate a somewhat less expensive, less tasty slice?

The possible responses are: had tastier but more expensive pan pizza first, had less tasty but cheaper pan pizza first, and no difference.

REFERENCES


