

# *A Review of research on Compensatory Consumer Behavior*

Jinsong Chen<sup>1</sup>, Runqiang Shen<sup>1</sup>

<sup>1</sup>*School of Business Administration, Guizhou University of Finance and Economics, 550025, Guiyang, Guizhou, China*

**Keywords:** Compensatory Consumption, Self-Perception, Psychological Mechanism, Influencing Factors

**Abstract:** This paper focuses on compensatory consumption behavior. The study aims to analyze its connotations, mechanisms and influencing factors. Important influencing factors include consumers' self-perception, anxiety traits, emotional state and values. Meanwhile, compensatory consumption behavior promotes the development of the tourism industry and is an effective strategy for alleviating the sense of a self-gap. This paper reviews the concepts and dimensions of compensatory consumption behavior by collating relevant literature from both domestic and international sources, and considers future research directions.

## **1. Introduction**

In recent years, the economy has continuously improved, and people's consumption concepts have changed. In this context, the consumption levels, attitudes and modes of residents have also changed, with consumption characteristics showing diversification and personalization. The consumption patterns of certain industries have also increased significantly. At the same time, the proportion of consumption invested in residents' enjoyment and development is also steadily increasing, making consumption a positive experience. Everyone wants to consume rationally, but this is difficult to achieve. Rational consumption is the basic guideline for making purchasing decisions, and responsible consumption is becoming increasingly important[1]. However, overconsumption, excessive consumption and comparative consumption are common in real life. Consumption behavior is often seen as an effective way to alleviate self-threat and reduce psychological suffering[2]. Since the global spread of the new Coronavirus epidemic, it has not only brought a heavy blow to the global economy, but also had a significant impact on people's psychological state and consumption behavior. Compensatory consumption behavior has frequently appeared, attracting more and more scholars' attention and becoming a hot topic in the field of consumer behavior research[3]. Compensatory consumption belongs to a typical consumption behavior that can realize psychological values such as status value and face value. Many of us may have experienced similar compensatory behaviors[4]. When we are emotionally sad or disappointed, we may choose to eat food such as chocolate, or treat ourselves through something special when we find the job of our choice[5]. In essence, compensatory practice is typically an individual's response to the discrepancy or inconsistency between their ideal and actual selves[6]. For instance, in everyday life, various temporary situations, such as receiving poor test results or failing interviews, can trigger threats to the ego[7].

## 2. Compensatory consumption behavior concept and composition

Compensatory consumption is more of a psychological consumer behavior. The sociologist Gronmo first proposed the concept of compensatory consumption in 1988. In his consumer behavior research, he conducted a survey of local residents and found that there exists a phenomenon where people's consumer behavior and their actual needs do not match. Specifically, when consumers are in a low ego state marked by abnormal anger or sadness, they may generate shopping behavior that exceeds their own actual needs. In such situations, consumers tend to use consumption and shopping as a means to vent their negative emotions. Firstly, he limits the study of individual compensation to consumers' behavior, whereby they make up for or eliminate negative emotions through consumption. Secondly, he proposed that consumers can experience the same feelings by doing different things to compensate for their inner lack. In this case, consumer behavior is regarded as compensatory. For instance, when an individual is excluded from social activities and develops low self-esteem, they may engage in behavior such as helping or sympathizing with others as a means of compensating for their own feelings[9]. Liu Wumei (2014) suggested that compensatory consumer behavior refers to the discrepancy between consumers' actual and ideal selves when they receive defective information. This discrepancy leads to psychological maladjustment, and consumers reduce their sense of threat by shopping or displaying their belongings in order to eliminate this negative feeling[10].

## 3. Research on Compensatory Consumption Behavior

Current research has made significant progress in the areas of tourism industry recovery, mental health, consumer behavior, and the compensatory consumption mechanism. Research on tourism industry recovery focuses on the willingness to engage in compensatory tourism and consumption behavior, revealing consumer behavior trends in crisis situations. During the novel coronavirus epidemic, the interest of Chinese consumers in traveling increased, and this compensatory consumption trend emerged when travel was restricted by the epidemic, positively impacting the tourism industry[11]. Research in mental health and consumer behavior explores the associations between social isolation, self-efficacy, and consumption intentions, revealing the complex relationships between emotions, health perceptions, and activity choices. Perceived powerlessness in social structures can drive individuals to seek psychological equilibrium through compensatory consumption behaviors. Powerless consumers view social robots as a means of enhancing their well-being, particularly when the robots have low autonomy. This perception affects purchase intentions and makes robots' autonomy and age key factors in understanding this psychological mechanism[12]. Bai, X. F., et al. (2025) emphasized that job replacement by AI exacerbates individuals' perceptions of threat. This results in a tendency toward self-aggrandizement rather than prosocial behaviors in consumption, as well as a significant reduction in perceived threat and compensatory behaviors through self-affirmation strategies[13]. On the other hand, research on compensatory consumption mechanisms delves deeper into consumption behavior and psychological mechanisms. This research reveals the complex relationship between self-evaluation, social cognition, and consumption behavior. Social cognition influences consumption behavior at three levels: self-consumption, consumption by others, and systematic consumption. This causes tensions and misunderstandings in individual consumption choices, outcomes, and intentions. In turn, this drives in-depth exploration in future research[14]. As a typical strategy for consumers to alleviate their sense of self-gap, compensatory consumption is prevalent in multiple contexts. This points out that the framework constructed through the ADO model can connect types of individual differences to the mechanisms and coping strategies behind compensatory behaviors. This further reveals the possible positive and negative consequences of these behaviors, as well as the potential for forming a continuous compensatory cycle. It also emphasizes that future research needs to explore four important themes

in depth[15].

To study compensatory consumption behavior, scholars have explained its multidimensional classification. This classification helps us deeply understand the context and boundary conditions in which the behavior occurs. First, depending on whether they are in response to a potential or actual threat, consumption behaviors are classified into two categories: proactive compensatory consumption and reactive compensatory consumption. This categorization explains consumers' motivations and consumption psychology at different times, reflecting their strategies for coping with threats. Secondly, from the perspective of the source of the threat, compensatory consumption can be divided into three types: self-esteem threat, belongingness deficit, and control deficit. Tesser suggested that people always try to maintain their self-esteem so that it will not be damaged and will protect it in various ways[16]. When an individual's need to belong is not met, there are two ways to cope. One way is direct coping, which involves establishing connections through socialization or following the group's rules to fit in[17]. The other way, indirect coping, involves reestablishing a sense of belonging through nonsocial goals[9]. A lack of control, which tends to occur when people are in a certain environment, stimulates consumers to engage in compensatory consumption when their sense of control is not satisfied[18]. This classification, from the perspective of consumer psychology and its underlying logic, provides an important basis for further research on behavioral patterns. Furthermore, compensation can be divided into intra-domain and extra-domain compensation based on the degree to which the product is relevant to the self-concept. Intra-domain compensation refers to consumers making up for their deficiencies or psychological gaps through consumption behaviors within the same need domain. Extra-domain compensation refers to consumers compensating for psychological gaps between different need domains through consumption behaviors that provide more substitutive satisfaction[19]. This categorization shows that compensation does not only come from the need itself but also satisfies the need through substitution. This provides a logical basis for market segmentation and product positioning. Finally, it is categorized by specific manifestations, including retail therapy, compulsive shopping, impulsive buying, hedonistic buying, and conspicuous consumption[20]. These intuitive manifestations help us understand compensatory behaviors, explore their impact on consumers, and delve deeper into the actual situation of these behaviors.

#### 4. Prospects for Future Research

First, existing studies have revealed the universality of compensatory consumption willingness in crisis situations. However, there has been little in-depth exploration of the specific differences in compensatory willingness among individuals and in different cultural contexts. Second, insufficient research has been conducted on the correlation between compensatory willingness and actual consumption behavior. This failure to effectively explain the dynamic change and transformation mechanism between willingness and behavior is a significant gap in the literature. Third, research on the specific operational processes and effects of the compensation mechanism is limited. This research fails to reveal how the compensation mechanism works in different contexts. Third, most existing research focuses on short-term effects and lacks long-term research. Lastly, most studies focus on a single domain, failing to consider the relationship between cross-domain compensation mechanisms and effects comprehensively. This makes it difficult to reveal the mismatch between compensation mechanisms and effects. In the future, we can explore compensatory consumption through AI technology and by in-depth examining the underlying mechanism of compensatory psychology and exploring the impact of the compensation mechanism on other behaviors.

## References

- [1] Ulusoy E. *Experiential responsible consumption*[J]. *Journal of Business Research*. 2016, 69(1):284-297. DOI:10.1016/j.jbusres.2015.07.041.
- [2] Yu, W.; Sun, Z.; He, Z.; Ye, C.; Ma, Q. Symbolic Product Superiority in the Neural Salience of Compensatory Consumption Behavior. *Front. Psychol.* 2020, 11, 838, doi:10.3389/fpsyg.2020.00838.
- [3] Zhao, S.; Liu, Y. Mental Health Issues and Revenge Tourism. *Journal of Travel & Tourism Marketing*. 2024, 41, 344–358, doi:10.1080/10548408.2024.2318431.
- [4] LUO, Z.; CHEN, S. The Influence of Social Support on Compensatory Consumption. *Soft Science*. 2018, 32, 114–117, doi:10.13956/j.ss.1001-8409.2018.01.24.
- [5] Soo Kim, David Gal, From Compensatory Consumption to Adaptive Consumption: The Role of Self-Acceptance in Resolving Self-Deficits, *Journal of Consumer Research*, Volume 41, Issue 2, 1 August 2014, Pages 526–542, <https://doi.org/10.1086/676681>.
- [6] Gould, S.J. Assessing Self-Concept Discrepancy in Consumer Behavior: The Joint Effect of Private Self-Consciousness and Self-Monitoring. *Advances in Consumer Research*. 1993, 20, 419–424, doi:10.1086/192030.
- [7] Higgins, E.T. Self-Discrepancy: A Theory Relating Self and Affect. *Psychological Review*. 1987, 94, 319–340, doi:10.1037/0033-295X.94.3.319.
- [8] GRONMO S. Compensatory consumer behavior: elements of a critical sociology of consumption[J]. *The Sociology of Consumption*, 1988.
- [9] Lee, J.; Shrum, L.J. Conspicuous Consumption versus Charitable Behavior in Response to Social Exclusion: A Differential Needs Explanation. *J Consum Res*. 2012, 39, 530–544, doi:10.1086/664039.
- [10] Liu, W.; Wang, H.; Chen, Z. A Literature Review of Compensatory Consumption and Prospects. *Foreign Economics & Management* 36(09), 20–28, doi:10.16538/j.cnki.fem.2014.09.006.
- [11] Zhang, Y.; Lingyi, M.; Peixue, L.; Lu, Y.; Zhang, J. COVID-19's Impact on Tourism: Will Compensatory Travel Intention Appear? *Asia Pacific Journal of Tourism Research*. 2021, 26, 732–747, doi:10.1080/10941665.2021.1908383.
- [12] Dang, N.B.; Bertrandias, L. Social Robots as Healing Aids: How and Why Powerlessness Influences the Intention to Adopt Social Robots. *Technological Forecasting and Social Change*. 2023, 196, 122845, doi:10.1016/j.techfore.2023.122845.
- [13] Bai, X.; Zhang, H.; Ma, Z.; Qi, C. Pro-Self or Pro-Social? How AI and Human Job Replacement Elicit Compensatory Responses. *Journal of Business Research*. 2025, 195, 115402, doi:10.1016/j.jbusres.2025.115402.
- [14] Ordabayeva, N.; Lisjak, M.; Jones, A.C. How Social Perceptions Influence Consumption for Self, for Others, and within the Broader System. *Current Opinion in Psychology*. 2022, 43, 30–35, doi:10.1016/j.copsyc.2021.06.009.
- [15] Rauber, G.N.; Barros, L.S.G.; Zambaldi, F.; Perin, M.G. When Life Throws Curveballs: Unpacking Consumers' Compensatory Strategies. *Psychology and Marketing*. 2024, 41, 2525–2536, doi:10.1002/mar.22067.
- [16] Tesser, A. Toward a Self-Evaluation Maintenance Model of Social Behavior. In *Advances in Experimental Social Psychology*; Elsevier, 1988; Vol. 21, pp. 181–227 ISBN 978-0-12-015221-6.
- [17] Maner, J.K.; DeWall, C.N.; Baumeister, R.F.; Schaller, M. Does Social Exclusion Motivate Interpersonal Reconnection? Resolving the “Porcupine Problem.” *Journal of Personality and Social Psychology*. 2007, 92, 42–55, doi:10.1037/0022-3514.92.1.42.
- [18] Rotter, J.B. Generalized Expectancies for Internal versus External Control of Reinforcement. *Psychological Monographs: General and Applied*. 1966, 80, 1–28, doi:10.1037/h0092976.
- [19] Syahrivar, J.; Chairy, C.; Juwono, I.; Gyulavári, T. Pay to Play in Freemium Mobile Games: A Compensatory Mechanism. *International Journal of Retail & Distribution Management*. 2021, ahead-of-print, doi:10.1108/IJRDM-09-2020-0358.
- [20] Koles, B.; Wells, V.; Tadajewski, M. Compensatory Consumption and Consumer Compromises: A State-of-the-Art Review. *Journal of Marketing Management*. 2018, 34, 96–133, doi:10.1080/0267257X.2017.1373693.