

# The IKEA effect: How we value the fruits of our labour over instant gratification

April 18 2019, by Gary Mortimer, Frank Mathmann And Louise Grimmer

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There are some anecdotes just so good that almost every story about a particular economic principle begins the same. So too this article begins with cake mix.

In the 1950, the story goes, US food company General Mills wanted ideas on how to sell more of its Betty Crocker brand of instant cake mixes. It put psychologist Ernest Dichter – the "father of motivational research" – on the case.

Dichter ran focus groups. Change the recipe, he then advised the company. Replace powdered eggs in the cake mix with the requirement to add fresh eggs. All-instant cake mix makes baking too easy. It undervalues the labour and skill of the cake maker. Give the baker more ownership in the final result.

And the rest is history.

It's likely this story is [extremely overegged](#). Inconvenient facts include another company, [Duncan Hines](#) having a cake mix recipe using fresh eggs (developed by food chemist [Arlee Andre](#)) as early as 1951. And in 1935, the company P. Duff and Sons [was granted a patent](#) for a cake mix using fresh eggs.

"The housewife and the purchasing public in general seem to prefer fresh eggs," [the patent reads](#), "and hence the use of dried or powdered eggs is somewhat of a handicap from a psychological standpoint."

Even the book sometimes credited as the source of the Dichter anecdote, *Something from the Oven: Reinventing Dinner in 1950s America*, by Laura Shapiro, says that "if adding eggs persuaded some women to overcome their aversion to cake mixes, it was at least partly because fresh eggs made for better cakes".

Nonetheless it is the story of Dichter making a profound psychological insight into consumer behaviour that has passed into legend.

Almost seven decades later, the idea of making things more laborious to

get consumers to value them more is an established marketing tactic.

We now know it as the "IKEA effect".

## Testing the IKEA effect

The IKEA effect – "that labour alone can be sufficient to induce greater liking for the fruits of one's labour" – was named in a [2011 paper](#) in the Journal of Consumer Psychology by Michael Norton, Daniel Mochon and Dan Ariely. They chose the name because products from the Swedish manufacturer typically require some assembly.

Their paper also begins with the cake-mix story. It concedes there might have been other reasons General Mills increased its sales – an alternate view is that the icing on the cake was, in fact, [the icing on the cake](#) – but the authors were still enthused by the idea that "infusing the task with labour" was a crucial ingredient.

To empirically confirm this phenomenon, and its limits, they conducted experiments that involved assembling IKEA boxes, folding origami and building with Lego. The results showed participants valued items they assembled themselves more than items assembled by someone else.

Patented Oct. 8, 1935

2,016,320

UNITED STATES PATENT OFFICE

2,016,320

DEHYDRATED FLOUR MIX AND PROCESS OF MAKING THE SAME

John D. Duff, Pittsburgh, and Louis E. Dietrich, Crafton, Pa., assignors to P. Duff & Sons, Inc., a corporation of Pennsylvania

No Drawing. Application June 13, 1933, Serial No. 675,649

3 Claims. (Cl. 99-11)

Our present invention relates to a dehydrated mix or flour adapted to produce edible products by adding fluid and cooking or baking as well as to the process of making the same and more specifically to such a product and process which enables us to utilize fresh eggs therein, the present invention being a continuation in part of our copending applications Serial No. 501,468, filed Dec. 10, 1930 (now Patent No. 1,931,892), Serial No. 675,646, filed June 13, 1933 (now Patent No. 1,959,466), Serial No. 675,647, filed June 13, 1933 and Serial No. 675,648, filed June 13, 1933.

In our aforesaid copending applications and patents we have pointed out the defects and disadvantages hitherto accepted of necessity by the housewife in making such products as well as certain commercial disadvantages which we have overcome, such processes and products having a more or less psychological disadvantage in that they contain dried or powdered eggs which, while entirely satisfactory in many ways, are considered by some as inferior material. The housewife and the purchasing public in general seem to prefer fresh eggs and hence the use of dried or powdered eggs is somewhat of a handicap from a psychological standpoint.

We have found, however, that we can practice the processes of our copending applications and patents and produce the products made possible thereby without the use of dried or powdered eggs and such accordingly constitutes one of the objects of our present invention.

Another object of our invention includes the use of fresh eggs in making the products by means of the processes contemplated by our copending applications and patents.

Another object is to eliminate any psychological handicap involved in the use of dried or powdered eggs by so modifying our processes and products that the use of fresh eggs is made possible.

A still further object contemplates the improvement of the emulsion formed by the shortening and molasses due to the enhanced emulsifying effect of the albumen in the eggs.

An additional object of our invention lies in producing a dry mix containing fresh eggs in which the volatiles of the eggs are entrapped in a manner analogous to the entrapment of the molasses volatiles elsewhere stated.

Other objects and advantages will be understood by those skilled in this art or will be apparent or pointed out hereinafter.

In one preferred form of our present invention we substantially follow the process set forth in

our above noted application Serial No. 501,468, filed December 19, 1930 (now Patent No. 1,931,892) although, as will be hereinafter pointed out, we may also use the present invention in connection with our other copending applications. Accordingly, we place molasses and shortening in the bowl of a dough mixing machine. This bowl is provided with means for heating the same which may, for example, consist of a steam coil inserted into the bowl or a suitable jacket around the bowl through which the steam or other heating medium may be passed. The bowl is also provided with suitable stirring or agitating means. Accordingly, the molasses and shortening are subjected to heat and agitation in the bowl and if we desire we may also add salt and sugar thereto, although these latter two ingredients may be omitted at this stage and added later with the other dry ingredients as will be understood from our copending applications. To such molasses and shortening, with or without the salt and sugar, we add fresh eggs either at the same time the shortening and molasses are put into the bowl or during the heating and agitation thereof. The albumen of the eggs aids in the emulsification and produces a better, more complete and more stable emulsion. At the same time the values in the eggs are fully utilized and there is no prior fixation or other conversion of the albumen or other egg constituents so as to represent an incomplete utilization of such eggs. The amount of fresh eggs added is such an amount as constitutes from about 5% to about 20% of the weight of the wet dough which is eventually formed after the flour has been added. A preferred amount of fresh eggs in the case of gingerbread is about 5% of the weight of the wet dough.

After the fresh eggs have been added and exerted their action on the shortening and molasses we then gradually add flour to the emulsion until a dough is formed in accordance with our aforesaid Patents 1,931,892 and 1,959,466 and our other applications. The dough formed is what we have termed a wet dough and considering the weight of the wet dough the fresh eggs constitute 5 to 20% thereof as above explained. The dough is, of course, suitably kneaded or the like and is then ready for drying.

We may dry the dough in a variety of ways. We may, for example, roll the dough into a relatively thin sheet which is dried by subjecting it to the influence of a blast of warm air, or we may divided the dough mechanically into relatively small pieces which may be placed on trays or dried in a suitably heated drying cabinet. We

The following graph shows the results from one of the experiments, in which participants were asked to fold origami cranes or frogs and then bid to buy the creations. The bidding phase also included origami made by expert folders. They tended to see their own creations as much more valuable than those made by other participants, and almost equal in value to the expert origami.

The experiments also showed the effect had limits.

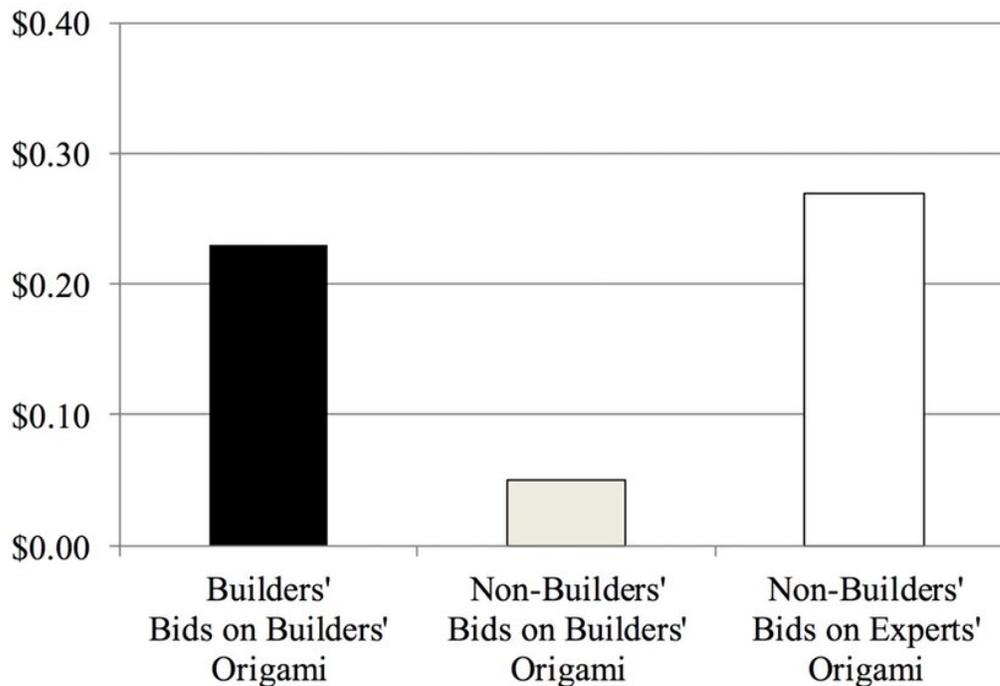
When participants spent too much time building or deconstructing their creations, or failed to complete the task, their willingness to pay for the item declined.

The following graph shows the results of the experiment in which some participants built an IKEA box, while others were allowed to complete only half the steps required to build the box.

Those who got to complete their box valued it much more, shown by their willingness to pay to keep it. "Most importantly," the paper notes, "this increase in valuation was not limited to only participants who considered themselves DIYers."

## **Related, but different, concepts**

The IKEA effect is connected to, but not quite the same as, a number of other important economic behaviours.



Results show participants' willingness to pay (WTP) for origami frogs and cranes made by themselves or others. Participants saw their amateurish creations as similar in value to experts' creations. Credit: [Harvard Business School](#), [CC BY](#)

First, there is the [endowment effect](#), in which simply owning a product increases its perceived value. Though this effect has long been recognised, it was formally named by economist Richard Thaler in a [1980 paper](#). Since then many studies have demonstrated that individuals usually want more money to give up something they own than they are willing to pay to acquire a similar item from someone else.

Second is the psychological idea of [effort justification](#). This goes back to studies in the 1950s. The idea is that an individual who makes a sacrifice to achieve a goal rationalises the effort by attributing greater value to the achievement. In one celebrated study, for example, women made to

undergo an embarrassing initiative to join a social group subsequently rated membership of that group higher than those who did not.

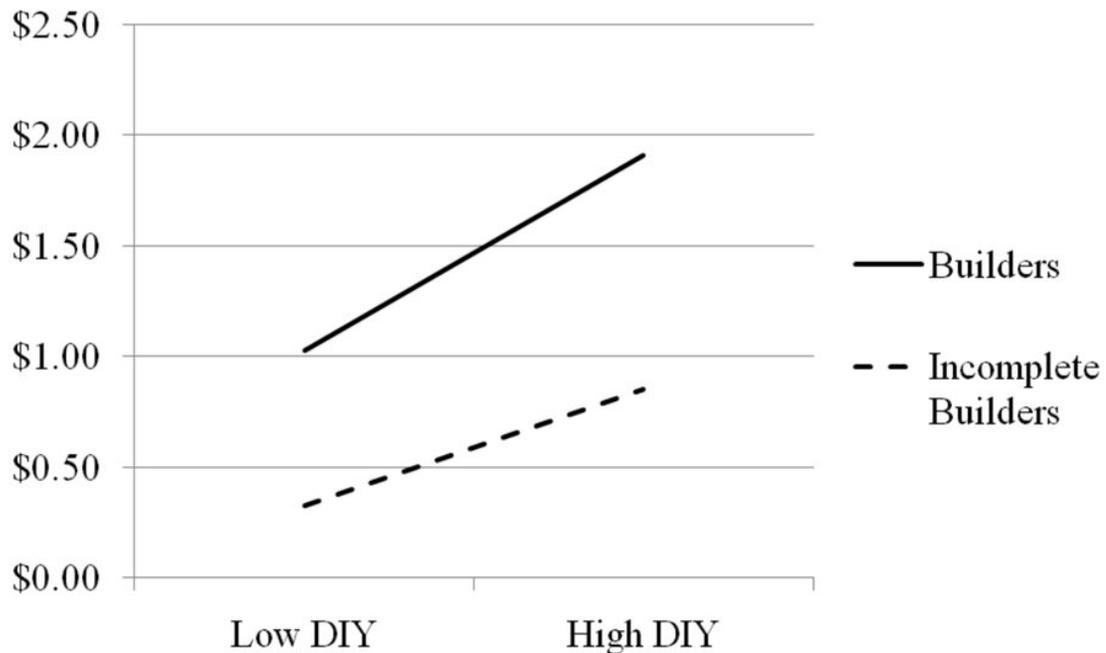
Third is personal preference, which is expressed in consumers [being attached](#) to particular brands. Being involved in the creative process might be regarded as an extension of this attachment to individual tastes, something companies seek to leverage through customisation options.

In their experiments Norton, Mochon and Ariely were very careful to control for these effects. For example, none of the items they had participants assemble entailed customisation.

Their findings have been supported by subsequent studies that [disentangle ownership and personal preference](#) from valuing the fruits of one's labour.

## **Convenience isn't everything**

Having customers do most of the work, feel great about it, and at the same time perceive they have attained "greater value for money" is the Holy Grail for marketers.



Results shows participants' willingness to pay (WTP) for assembled IKEA boxes. Those who built their boxes bid more for their creations than did incomplete builders. Credit: [Harvard Business School](#), [CC BY](#)

Even if the Dichter [cake](#)-mix story is more legend than history, food and grocery brands are using the IKEA effect to attract new "value-seeking" customers.

Consider the "ready-to-create" meal kit – prepackaged raw ingredients you prepare and cook yourself. These meals seek to balance the desire for convenience with concerns about about healthy eating and the pleasure of cooking.

Brands getting in on the action include YouFoodz (known for its convenient "ready-made" meals) launching "[ready-to-create](#)" options,

and Pataks (known for its "pre-made" curries in a jar) offering "[curry kits](#)".

Market research company Nielsen estimates more than [one million Australian households](#) will buy meal kits by the end of 2019.

While many retailers focus their efforts on speedy deliveries and ready-made, convenient solutions, the IKEA effect suggests the secret to success may be to make things a little more challenging.

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