

## **LOW INCOME CONSUMER IS CHRONIC ORIENTED TO PREVENTION FOCUS**

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## Abstract

Low income consumers are the most vulnerable people to indebtedness. Even without financial conditions, they consume more than high income. The researches are trying to discover the variables that explain this behaviour, but the results still superficial and unclear. This paper aimed to analyse deeper the nature of behaviour to advance this field, expecting regulatory focus and construal level be strong predictors. To do so, an experiment was conducted with 140 Brazilian low income consumers. Our results suggest that low income consumers are chronic oriented to prevention focus, and distal psychological distance is a strong predictor of low income propensity to indebtedness. Based on it, low income consumers need to deal with everyday problems in a more concrete way, seeing future implications as real and close.

Keywords: Indebtedness. Low-income consumer. Regulatory focus. Construal level theory.

## 1 Introduction

Consumerism combined to lack of self-control can be observed today, and it has negative repercussions for consumers lives. The increase of indebtedness is one of these, especially, for individuals classified as low income, who are the most vulnerable ones (D'Orazio, 2019). A survey of consumers profile and behaviour in relation to debts, released by the Credit Protection Service (SPC) in Brazil (2018), reveals that 93.3% of 10 indebted consumers belong to classes C, D, or E — categorized, in Brazil, as low income —, and only 6.7% belong to classes A and B — who are classified as high income —.

It is known, so far, that low income consumers' psychology is idiosyncratic because every single day they face difficulties decisions related to surviving. So, researches address that it influences their worldview, and hence their psychological aspects (Haushofer & Fehr, 2014). On this way, researchers have been trying to understand their behaviour and background (e.g. Gathergood, 2012; Santos & Barbosa, 2014; Matos, Vieira, Bonfanti, & Mette, 2019; Abrantes-Braga, & Veludo-de-Oliveira, 2020).

Some of the main drivers of indebtedness that is already discovered are related to status desire as well as some external factors, for example, macroeconomic factors, such as the Gross Domestic Product (GDP), Brazilian exchange rate, unemployment and health problems, high interest rates, in addition to social appeal to consumption (Artifon & Piva, 2013), and aspiration for increased living standards (Pavlíková & Rozbořil, 2014).

Despite these results, the real nature of low income consumer decision making process is still unclear. Two constructs from Social Psychology field has demonstrated potential to explain the reasons behind consumers' decisions. The first one is regulatory focus proposed by Higgins (1997), which classifies decision-making motivations into: promotion and prevention orientations. It is presented in literature as an advance of motivational factors, more specific an advance to understand hedonic principle, which consider that people look for experiences that result in pleasure, and avoid experiences that result in a condition of discomfort. Initially, the construct was applied only by researches of Psychology. However, its relevance for studies in the Marketing area was observed and, since then, it has been the target of several researches (e.g. Pham & Avnet, 2004; Chatterjee, Roy & Malshe, 2011; Lee, Choi & Li, 2014; Chan & Ho, 2017).

The second one is construal level reported by Trope and Liberman (2003), which is relevant in terms of explanations and predictions of consumer intentions and purchase decisions in different scenarios (Fiedler, 2007), and it is also subject of several researches (e.g. Khan; Zhu & Kalra, 2011; Goodman & Malkoc, 2012; Han, Duhachek & Agrawal, 2014). This construct discusses the level of psychological distance from an object, event, or person, and how perception of individuals changes in the decision-making process, because the way people understand the world is based on a hierarchy, divided into high and low interpretation (Trope & Liberman, 2003).

These two constructs were already combined in literature to explain motivational decisions process (e.g. Pennington & Roese, 2003; Mogilner, Aaker, & Pennington, 2008), and they showed higher level of explanation to this issue. In this way, this study aims to go deeper on understanding low income decisions, by testing if these two can also explain their behaviour. We expect that low income consumer oriented to promotion focus, combined to high psychological distance, will be more prone to indebtedness, because, in this situation, individuals tend to fail on considering the utility of possibilities, focusing on desirability (Trope & Liberman, 2010).

## **2 Theoretical framework**

### **2.1 Low-income Consumer Indebtedness**

Consumers face an everyday decision about saving and consuming (Nascimento et al., 2017). In this process, low income households choose to consume even without financial conditions (Santos & Barbosa, 2014). In accordance, Fisher, Johnson, Smeeding, and Thompson (2020) support it by showing that higher marginal propensity to consume is related to lower income. It can explain why these consumers are the most vulnerable to indebtedness (D'Orazio, 2019).

Low income consumer is classified, according to Brazil standard, as C1 — household income of R\$ 2,705.00 —; C2 — household income of R\$ 1,625.00 —, and D-E — household income of R\$ 768.00 — (ABEP, 2016). They differ from high income not just to their income average, but also to savings decisions and preferences. Low income ones face different risks because they have idiosyncratic values, and hence, financials decisions making (Matos et al., 2019).

Fulford (2020) reports an interesting result related to these individuals: as precaution rises, incomes fall. By that, it is concluded that low income consumer has a higher precaution even though they are more prone to negative situations such as indebtedness. The author yielded that it is explained by their decisions related to get over financial problems, and also because borrowing is pointed by low income as the most common decision to get over some financial problems; high-income, in turn, points savings as a fund to deal with it.

Nevertheless, it is not the only factor that leads to indebtedness. Behavioural aspects also contribute such as valuation of money, materialism, risk (Ponchio, Cordeiro, & Gonçalves, 2019), and lack of self-control (Gathergood, 2012). As well as the ease of obtaining credit in Brazil combined to the absence of a credit culture usage and scarcity of planning by individuals, those are related to lack of financial education (Hoffmann & McNair, 2019). Furthermore, a risk issue is when they consider credit as being part of their income, and not as an anticipation of it (Abrantes-Braga, & Veludo-de-Oliveira, 2020).

Similarly to American low income consumers, Brazilian ones have little knowledge regarding the use of credit card, and, therefore, becomes more vulnerable to the multiplication of their primary debt (Litwin, 2008). As elucidated by Matos et al. (2019), the main reason why

low income consume more than they earn are related to materialism, which by itself explain indebtedness, but also acts as a strong mediator among impulsivity and indebtedness; attitude forward debt and indebtedness.

Moreover, these authors suggest that the main key that explain indebtedness and connect emotional, psychological, and personality aspects of low income is materialism. Although materialism is a personal value, it is strong guided by a desired final state (Segev, Shoham, & Gavish, 2015). Thus, to understand it deeply, it is important to evaluate the main nature of decision-making motivation that leads to materialism. The theory proposed by Higgins (1997) seems to be a way to analyse it.

## **2.2 Regulatory Focus Theory**

Regulatory focus theory was proposed by Higgins (1997) and assumes that the motivational nature of decision-making goes beyond hedonic principles. It is related to self-regulation. In this sense, individuals distinguish between two self-regulation according to their desired final state: obtain gains — focus on promotion — or avoid losses — focus on prevention —. This theory yields people seek to achieve these desired end states in different ways. Promotion focus emphasizes the aspiration and search for the ideal self. On the other hand, prevention focus is characterized by search for obligatory self, which aims to fulfil duties (Xu & Chen, 2020).

It is important to point that promotion focus or prevention exist simultaneously in individuals, and can be influenced and induced, because they do not always represent an invariable and characteristic state, but it can be developed as chronic. It is due to socialization process and parenting influences during individual grow up (Higgins, Nakkawita, & Cornwell, 2019). Thus, they might develop a strong/chronic inclination to peculiar valence — avoidance or attractiveness —.

Focus on avoidance of negative results is related to prevention. This focus orients to needs of safety and duties (Jones & Memmert, 2019). In contrast, promotion focus seems to target nutrition needs, based on ideals and positive results achievement. The study by Safer and Higgins (1997) clarifies the consumption behaviour with promotion or prevention focus. The survey results indicate that people with a focus on promotion tend to buy goods, for example, cars focusing on comfort-related and non-safety-related ideals. In this sense, they seek to obtain gains focused on desire and not on the product functionality itself.

Regulatory focus is also applied to understand consumers behaviours from different cultures. Lee, Aaker and Gardner (2000) pointed out that individuals who are immersed in an individualistic culture are more oriented to the focus on promotion than consumers from a culture focused on the collective. In this way, it can be conjectured that because Brazilians are part of a collectivist culture (Gouveia & Clemente, 2000), they might be more oriented to prevention focus.

The literature show consumer oriented to promotion focus is more willing to take risks in contrast to prevention (Pham & Hingins, 2005), because of it, they are more anxious about enjoying opportunities and tend to consume more. On the other hand, prevention oriented ones is based on vigilance state, being more caution about decision making (Werth & Foerster, 2007). Because a significant amount of low income consumer is high materialistic (Matos et al., 2019), it is inferred that they might be oriented to promotion focus, and it might explain why they are more prone to indebtedness. To validate it, the following hypothesis was elaborated:

**H1:** Low income consumers oriented to promotion focus will be more prone to indebtedness than prevention ones.

### **2.3 Construal Level Theory**

The way people understand the world is based on a hierarchy, divided into high and low interpretation (Trope & Liberman, 2003). This perspective is what builds the scope of construal level theory. This theory is based on psychological distance level from a particular object, event or person, arguing that this distance changes the perception of individuals. In a high level, interpretation is more abstract, based on desire (desirability) to own the observed object. In contrast, in a low level, people describe the object with more specifications, focusing on details and in functional benefits of acquiring it. Nevertheless, construal level is observed from different possibilities.

Psychological distance can refer to four scenarios: temporal, spatial, social, and hypothetical. Temporal is related to decision making regarding the observed object in a past, present, or future situation; spatial competes with the most common concept related to distance, that is, geographical one, which in decision making is related to psychologically close or far away; social one encompasses the decision making of an individual regarding himself, relatives, members of the same group, considered socially close and to people who are not part of individual's daily life, considered socially distant; finally, hypothetical is the probability of an event occurs (Liberman & Trope, 2014).

However, as aforementioned, it not only on possibilities that construal level differs, it is also on distance level. In a situation of low psychological distance, the individual will focus on more specific aspects. On the other hand, in a situation of high psychological distance, the concentration falls on more abstract aspects. Thus, when a stimulus is perceived by consumers as psychologically close, they tend to have a low level of interpretation. However, when the stimulus is perceived as distant, consumers have a high-level interpretation (Trope & Liberman, 2003; Chen, 2020).

Assuming that, Carrera, Fernández, and Muñoz (2020) conducted an experimental research to test if high construal level premises is also valid to desirable actions combined to hardship. Their results suggest, in a difficult task, individuals are more motivated to deal with it in an abstract mindset. This result might help to understand how low income consumer psychology works. They face more difficult tasks to survive than high income (Matos et al., 2019). To get through it, they might find motivation to perform these tasks on an abstract mindset.

Furthermore, the level of individuals interpretation about financial products can influence their propensity to indebtedness. According to Hansen, Kutzner, and Wanke (2013), money presents an abstract construction for consumers, as they describe it at a high level of distance. In intertemporal decisions, when there is an implicit trade-off for consumer, for example: to save or consume, individuals might also have an incomplete understanding, leading them to fail on analysing the future implications of their decisions, which results on they basing decisions in present (Zauberman & Urminsky, 2016).

Based on literature, it is known that higher marginal propensity to consume is related to low income consumers (Fisher et al., 2020). In this sense, they might be more prone to consume because they face daily difficult tasks in an abstract mindset (Carrera, Fernández, & Muñoz, 2020). This abstractness leads them to not analyse future implications of decisions (Zauberman & Urminsky, 2016), which results in indebtedness. To test this conjecture, the following hypothesis was elaborated:

**H2:** Low income consumers in a situation of high psychological distance will be more prone to debt than in a low distance.

## **2.4 Construal Level, Regulatory Focus and Propensity toward Indebtedness**

The lack of risk aversion tends to lead individuals to a situation of indebtedness. Thus, it is worth noting that risk aversion is a constituent element of prevention focus, while the search for reaching ideas regardless of circumstances is intrinsic to promotion oriented. As well, individuals with promotion focus tend to seek to achieve their goals with greater enthusiasm than prevention ones, who tend to seek their desires with greater caution (Kirmani & Zhu, 2007).

The ideal ways to achieve goals is interpreted differently, according to individuals' subjective perception. In this way, construal level theory is concerned to understand how this psychodynamics happens on mindset. Thus, according to Ledgerwood, Trope, and Liberman (2015), high-level construction helps to highlight, in the present, individuals' future aspirations, expanding their horizons. So, they look for ways to form a path to achieve these aspirations. However, the emphasis on objectives in the present is considered one of the main causes of indebtedness, since correlation between focus on present and self-control is negative (Diomin, 2020).

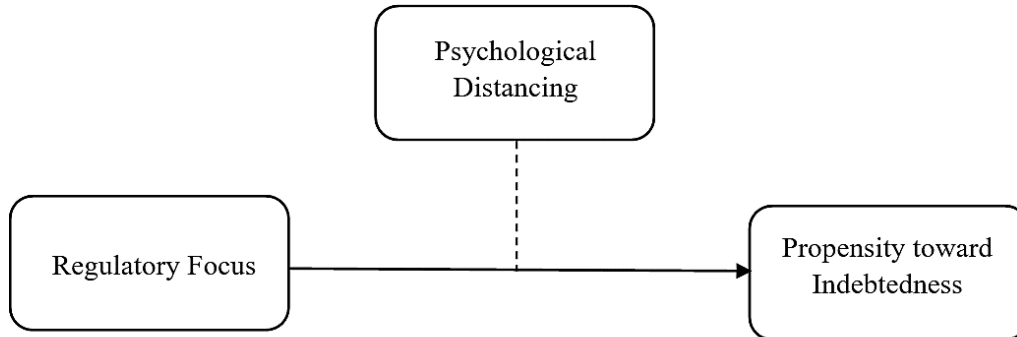
The research conducted by Pennington and Roese (2003), related to psychological distance and regulatory focus, showed orientation to focus on promotion is focused on distant future goals — high distance —, while the prevention focus is oriented to near future goals — low distance —. In this perspective, Trope and Liberman (2010) demonstrated that at high levels of interpretation, individuals are based on desire to have a certain product. Thus, they are interested in the benefit it will provide and can fail to measure the impact and duration of consequences in future events, because they focus on immediate consequences, underestimating the impact of contingencies.

Nevertheless, when a purchase is proximal, consumers tend to prefer products related to security, and hence, described in a low distance in a way to reduce any discomfort resulting from purchase. On the other hand, in a distal situation, products related to hedonic are more attractive to consumer (Mogilner, Aaker, & Pennington, 2008). However, low income consumer seems to present a peculiar feature, because they face hard daily tasks in an abstract way (Carrera, Fernández, & Muñoz, 2020), and consume more than high income consumer (Fisher et al., 2020).

Therefore, low income consumer, according to literature, must be more promotion oriented, and if they are in an abstract situation, they might fail on considering each possibility of purchase (Trope & Liberman, 2010). In this sense, it might be the main nature of their decision-making process, which leads them to indebtedness. To evaluate it, the following hypothesis was developed:

**H3:** Low income consumers in a situation of high psychological distance and oriented to promotion focus will be more prone to indebtedness than individuals in a situation of low distance combined to prevention focus.

**Figure 1**  
Theoretical Research Model



### 3 Methodological Procedures

This study has a quantitative approach that aims to understand the causal relationships inferred through the literature review. Thus, it is characterized as explanatory (Creswell, 2010). To achieve the purpose of this study, the experimental research with between subjects design is the more properly way (Creswell, 2010). This study is also cross-sectional (Hair *et al.*, 2005).

#### 3.1 Population and Sample

The sample used in this research was non-probabilistic and for convenience (Churchill, 1999; Hair *et al.*, 2005), being sample technique delimited through observation of studies that used experiments. Our sample is composed of 140 final respondents, who voluntarily participated of the study. However, 250 participants composed the initial sample, but some of them were eliminated because they missed fulfilling some questions. This research also used a filter question to just analyse low income consumer. In this sense, the ones who did not qualify as belonging to the low-income (C, D, or E) class were excluded. In this way, 62 instruments were eliminated from the final sample. The experiment had an attention check question as well to validate participants involvement. This test helped to get more reliable answers. The wrong responses to attention check were responsible for excluding 48 others instruments.

#### 3.2 Data Collection Instrument

The instrument used for this research was an experiment, which went through phases of pre-tests for its validation. The pre-tests were done with 80 respondents (20 for each scenario — Promotion and proximal; promotion and distal; prevention and proximal; prevention and distal —), and it indicated just one change about manipulation of high psychological distance. It was considered 30 days, but the respondents interpreted it as low distance. So, it was extended for 90 days.

In the initial part of the experiment, regulatory focus manipulation was carried out through the guidelines of Freitas and Higgins (2002) adapted by Costa *et al.* (2018). To manipulate the focus on promotion, participants were asked to think about their hopes, dreams, and aspirations from past and present. To focus on prevention, they were asked to think about their current and past duties, obligations and responsibilities. As a way of validating the manipulation, the check was made through the following question: what is most important for

you to do? (1) something that I should do, or (7) something that I wanted to do. They answered it in a Likert scale of 7 items.

Psychological distance manipulation — temporal — were done by Goodman and Malock (2012) logic, which was adapted by Silva (2014). To manipulate the low distance, participants were asked to imagine going to a restaurant tonight, and, to high distance, they would go to a restaurant in 90 days. As a way of checking the manipulation, a semantic differential scale was used: (1) Short term: long term (7).

As a way of analysing the interference of other aspects in this study, control variables were used, which, as explained in the literature, most affect the propensity toward indebtedness, namely: money valuation, compulsive buying, and financial attitude. To measure the impact of money valuation, nine items were selected from the scale developed by Moreira and Tamayo (1999), with the selection criteria being the adequacy to the objective of this study. The original scale contains 82 items, subdivided into 9 categories, namely: pleasure, power, conflict, detachment, suffering, progress, inequality, culture and stability. So, items from the pleasure sub-dimension were used, and three items were selected that best fit the scope of this research.

For the analysis of compulsive purchase factor, it was opted to use the scale developed by Faber and O'Guinn (1989), which originally has fourteen items. However, for the purposes of this study, nine items were used. Subsequently, to verify the impact of financial attitude, it was adopted the instrument used in the study by Potrich et al. (2014), which originally has ten items. However, for this research, five items were selected with greater adherence to the theme in question. These scales that made up the control variables were measured using a seven-point Likert scale, asking participants to indicate the degree of agreement with the information presented (totally agree; totally disagree).

To identify whether the participants were following the instructions and paying attention to the questions, an attention check was used, which is a question to check the individuals' attention. In the initial part of the question, they were asked about their favourite dessert, but in the second part, we put instructions to mark other and put ice-cream. The answers to this question helped to identify the ones, who were totally involved in the study. Thus, the questionnaire with wrong answers to this question were excluded from final sample.

The last three parts of the experiment were related to indebtedness, to demographic profile, which had the filter question about income, and to identification if respondents discovered the real purpose of the study. A scale used to measure propensity toward indebtedness were developed by Moura (2005), containing 9 items.

### **3.3 Data Collection Procedures and Results Analysis**

The collection was done in printed form. Respondents were approached in classrooms and taken to a room prepared for the experiment. As aforementioned, to validate the collection instrument, first of the final application, it was done a pre-test in the same conditions.

The main techniques used to analyse the data collected in this study were descriptive statistics (frequencies, means and standard deviations), T-Student test and Analysis of Variance (ANOVA) two way, which made it possible to verify the effect of the independent variables listed under the variable dependent both of a quantitative nature. In addition, Cronbach's alpha coefficient (0,6) was used to verify the level of items reliability.

## **4 Results**

***Respondents profile.*** Participants were students from a public university from Northeast region of Brazil, 63% of them were female and 37% male. Single marital status was



predominant since we got 90% of participants this way classified. The others ones were married (7.1%) and divorced (2.9%). Our sample education level was divided into two categories: incomplete higher education (95.7%) and second graduation in course (4.3%). In relation to age, we got a mean of 23 years old (lower: 17; higher: 50). To reach the purpose of this paper, we included, in our experiment, filter questions, which were related to respondents' income. The ones not classified as low-income were excluded from this study. In this way, the monthly familiar income mean was R\$ 2,542.62, and *per capita* income mean was R\$ 913,36.

**Manipulation Check.** As a way of checking regulatory focus manipulation, a questioning with semantic differential was used. The check question was about what was most important to them “something I should do = 1” or “something I wanted to do = 7”. The manipulation was confirmed, as the means for promotion and prevention focus are statistically different and the values converge with the expected for each manipulated group ( $M_{\text{prevention}} = 2.82$ ,  $N = 61$ ;  $M_{\text{promotion}} = 5.24$ ,  $N = 79$ ;  $T = 10.738$ ,  $p < 0.01$ ).

The checking psychological distance manipulation was also confirmed; it was done based on semantic differential scales: “near = 1” and “distant = 7” ( $M_{\text{near}} = 2.62$ ,  $N = 77$ ;  $M_{\text{distant}} = 6.05$ ,  $N = 63$ ;  $T = -14.333$ ,  $p < 0.01$ ); “Short term = 1” and “long term = 7” ( $M_{\text{Short term}} = 3.05$ ,  $N = 77$ ;  $M_{\text{Long term}} = 5.43$ ,  $N = 63$ ;  $T = -8.794$ ,  $p < 0.01$ ); “Close to happening = 1” and “far from happening = 7” ( $M_{\text{Close to happening}} = 2.74$ ,  $N = 77$ ;  $M_{\text{Far from happening}} = 5.86$ ,  $N = 63$ ;  $T = -12.869$ ,  $p < 0.01$ ).

**Hypothesis testing.** To test the hypotheses, the two-way ANOVA test was used. The means found for each treatment group for the two independent variables — regulatory focus and psychological distance — are elucidated in Table 1.

**Table 1**  
Descriptive Statistics

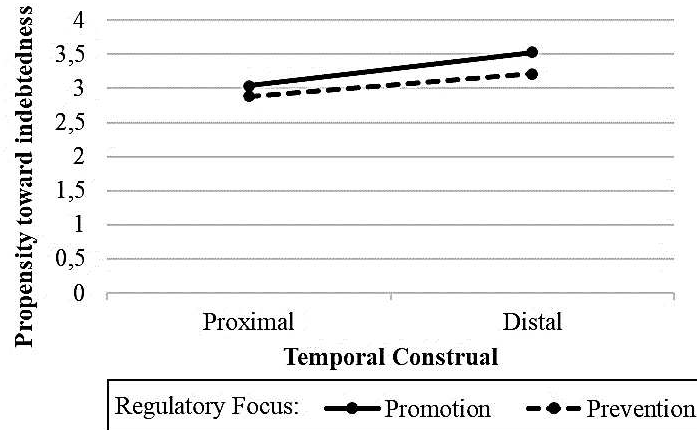
| Dependent variable: Propensity toward Indebtedness |                          |      |                    |     |
|--|--------------------------|------|--------------------|-----|
| Regulatory Focus                                   | Psychological Distancing | Mean | Standard Deviation | N   |
| Focus in promotion                                 | Low                      | 3.04 | 1.15               | 46  |
|  | High                     | 3.53 | 1.28               | 33  |
|  | Total                    | 3.24 | 1.22               | 79  |
| Focus in prevention                                | Low                      | 2.89 | 1.23               | 31  |
|  | High                     | 3.22 | 1.33               | 30  |
|  | Total                    | 3.05 | 1.28               | 61  |
| Total  | Low                      | 2.98 | 1.18               | 77  |
|  | High                     | 3.38 | 1.30               | 63  |
|  | Total                    | 3.16 | 1.25               | 140 |

The results show that there was no significant effect of regulatory focus variable on propensity to indebtedness ( $F(1) = 1.197$ ,  $p > 0.05$ ,  $\eta_p^2 = 0.09$ ), because its influence was lower than expected. However, a higher statistical value was obtained from psychological

distance on dependent variable ( $F(1) = 3.744, p \leq 0.05, \eta_p^2 = 0.027$ ). In turn, the matching of the two independent variables did have lower statistical effect on propensity to indebtedness ( $F(1) = 0.147, p > 0.05, \eta_p^2 = 0.001$ ). Figure 2 presents graphically the results.

**Figure 2**

Influence of Regulatory Focus and Temporal Construal on Propensity toward Indebtedness



**Additional tests.** The reliability scales analysis used for control variables was performed. For money valuation scale, three items were considered. They were related to pleasure category (*when I buy new things, I forget my problems; money helps to be happy; and money means pleasure*). The result was  $\alpha = 0.638$ , considerate acceptable. Regarding compulsive buying, an  $\alpha = 0.820$  value was obtained, considering the nine items of the scale. Finally, the financial attitude control variable, obtained  $\alpha = 0.684$ , considering the 5 items.

To test the influence of control variables, ANOVA two-way was used. The money valuation variable had a significant effect on the dependent variable ( $F(1) = 7.785, p < 0.01, \eta_p^2 = 0.055$ ). However, there was no significant influence in relation to psychological distance ( $F(1) = 4.098, p < 0.05, \eta_p^2 = 0.029$ ), and neither to regulatory focus ( $F(1) = 0.796, p > 0.05, \eta_p^2 = 0.006$ ). The interaction of regulatory focus with psychological distance ( $F(1) = 0.198, p > 0.05, \eta_p^2 = 0.001$ ) did not suffer a statistically significant variation.

The compulsive buying variable has a statistically significant influence on propensity to indebtedness ( $F(1) = 28.982, p < 0.01, \eta_p^2 = 0.177$ ). This variable changed the relationship of psychological distance ( $F(1) = 0.298, p > 0.05, \eta_p^2 = 0.002$ ), because before the inclusion of this variable, the relationship was significant ( $p < 0.05$ ). Regard to regulatory focus ( $F(1) = 0.069, p > 0.05, \eta_p^2 = 0.793$ ), and the relationship between regulatory focus and psychological distance ( $F(1) = 0.363, p > 0.05, \eta_p^2 = 0.003$ ) did not obtain a significant statistical influence.

In relation to financial attitude variable, there is a significant influence on propensity to indebtedness ( $F(1) = 8.835, p < 0.01, \eta_p^2 = 0.061$ ). The inclusion of this variable in the test carried out previously had an influence on psychological distance ( $F(1) = 2.356, p > 0.05, \eta_p^2 = 0.017$ ), since without the influence of this variable the relationship of psychological distance on the propensity for indebtedness was significant ( $p < 0.05$ ). Therefore, the relationship of regulatory focus ( $F(1) = 0.204, p > 0.05, \eta_p^2 = 0.002$ ) and the interaction of it with psychological distance ( $F(1) = 2.356, p > 0.05, \eta_p^2 < 0.01$ ) were not affected, remaining unchanged.

#### 4.1 Discussion

Consumer decision making is studied from different perspectives and the ones, which show interesting results for this issue, is regulatory focus combined to psychological distance.

In this sense, the main concern that supported this study was to analyse if regulatory focus combined to psychological distance could explain low income consumer indebtedness since these constructs is related to motivational decision principles.

First of all, based on our additional testes results, we confirm the strong prediction of compulsive buying, money valuation, and financial attitude on propensity to indebtedness of low income consumer. Therefore, this study shows that low income consumers manipulated to promotion focus are not more prone to indebtedness than prevention ones. It is a counter-intuitive result when we look to literature arguments (e.g. Pham & Higgins, 2001; Werth & Foerster, 2007). However, low-income individuals tend to be more cautious in trying to avoid shocks (Fullford, 2020). Based on this result, it can be observed that there is a relationship between income and valence self-regulation.

Nevertheless, low-income consumer has a strong activation for duties related to the need for security and guaranteeing non-losses (Jones & Memmert, 2019) and it is possible due to their routine and socialization process, which leads them to have a chronic regulatory focus (Higgins, Nakkawita, & Cornwell, 2019) related to prevention, which probably differed from the manipulated focus — promotion —, affecting the results. Therefore, it is pointed out as a limitation of this study not to have evaluated the chronic regulatory focus of individuals. This can be explored and validated in a future research.

Our results confirm that low income consumer, in a distal situation, is more prone to indebtedness than in a proximal one. It can be explained by the idiosyncratic way that this consumer has to deal with difficulty tasks, which they face every day to survive (Carrera, Fernández, & Muñoz, 2020). They deal with it in an abstract way, not considering concrete implications (Zauberman & Urminsky, 2016), which leads them to be more prone to indebtedness.

Finally, we have found an interesting result for interaction of regulatory focus and psychological distance. The combination of these constructs was statistically lower than expected to explain consumer indebtedness. In this way, the proposed scenario about the higher influence of promotion focus combined to distal situation on propensity toward indebtedness were not confirmed. Then, because low income consumer tends to consume more (Fisher et al., 2020), we suggest that their chronic regulatory focus guides all their decisions. Based on it, they tend to take decisions related to fulfil their security necessities, and could overestimated some products as extremally necessity, which leads them to consume more than high income consumers.

However, these results cannot be generalized because the sample homogeneity. In this way, they initially contribute to this issue. The sample is composed of single consumers, who are in higher education, even they being low income, they don not represent all low income consumers' features. Therefore, it gives opportunity to future studies also explore it, and use a heterogeneous sample in a way to confirm the results. Furthermore, a study, involving high income consumer can be developed in a way to check if regulatory focus combined to psychological distance explains their behaviour.

## **5 Conclusion**

Despite the effort of researches to identify variables that influence low income consumers decisions, these results still superficial, because they just describe others behaviours that lead to indebtedness. In a way to go deeper in this issue, this research looks for understand the motivational nature behind low income consumer indebtedness. To do so, we aimed to test if regulatory focus and psychological distance are strong constructs to explain it. Our results show that high psychological distance — distal — increases low income consumer propensity to indebtedness, and suggests that low income consumer is chronic oriented to prevention focus.

These results contribute theoretically showing the higher influence of high psychological to predict propensity to indebtedness of low income consumer. Social implication is related to the higher necessity of low income consumer to deal with every day problems in a more concrete way, focusing on specific attributes of the problem and the products, leading them to make more conscious decisions, seeing future implications as real and close.

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