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From 0 to 100: How Car Leasing Shapes Customer Quality Expectations

Abstract

This thesis investigates how acquisition mode, particularly leasing vs. purchasing, affects customers' expectations of product quality with a specific focus on the role of psychological ownership. Drawing on access-based consumption theory, we conduct a 2×2 factorial experiment in the context of the UK automotive market, manipulating acquisition mode (lease vs. purchase) and vehicle segment (sports coupé vs. compact sedan). Results show that leasing significantly lowers psychological ownership compared to purchasing. This reduction in ownership mediates the relationship between acquisition mode and expected product quality where consumers expect lower quality when ownership feelings are diminished. While this mediation effect was consistent across vehicle segments, we observed that leasing directly increased expected product quality when assuming equal ownership, but was indirectly reduced through psychological ownership. This means that when psychological ownership is assumed to be equal between the two acquisition modes, leasing leads to higher product quality expectations. These findings will contribute to theories of psychological ownership and consumer quality inference, and offer actionable insights for marketers.

Keywords

Acquisition mode, Psychological ownership, Expected product quality, Leasing, Purchasing, Access-based consumption, Car leases, Consumer perceptions, Consumption motivation.

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1 Introduction

When a 24-year-old Briton chooses a three-year lease instead of purchasing her first car, paying only to use it for a fixed term without becoming its legal owner, does it ever truly feel like hers? A lease is a contractual arrangement whereby the lessee pays to use an asset for a set period without acquiring legal title (Stickney and Weil, 2007, p. 791). Across the UK, leasing turnover has more than doubled in the past decade (Statista, 2024), and nearly 70 percent of drivers aged 18-24 say their next car will be leased (Gridserve, 2023). Drawn by trend- and convenience orientations, consumers are trading the permanence of legal ownership for the flexibility of access (Moeller and Wittkowski, 2010).

This trend is part of a broader shift toward access-based consumption (ABC). ABC is becoming an increasingly popular alternative to outright ownership and conventional consumption (Fritze et al., 2020). Through ABC, transactions are market-mediated without any formal transfer of ownership taking place (Bardhi and Eckhardt, 2012), and instead, customers pay for the experience of temporarily using the product (Lawson et al., 2016). From Netflix, to furniture rentals and eyewear, access models now span digital and tangible goods alike (Lawson et al., 2021; NorNorm, 2025; Synsam, 2025). Yet cars occupy a unique spot: they are high-value, self-expressive assets long celebrated as symbols of freedom and adulthood. When such a "status-symbol" is leased rather than bought, what happens to the feeling that it belongs to you, and how does that feeling shape expectations before the key is even turned?

Prior work shows that psychological ownership (the feeling that something is "mine" regardless of legal title) raises willingness to pay and strengthens product attachment (Bagga, Bendle and Cotte, 2018; Reb and Connolly, 2007), and has also explored why consumers choose to rent rather than buy (Pichierri, Scarpi and Pizzi, 2018). Despite this, it has not yet been researched whether the mode of acquisition itself (leasing vs. purchasing) alters consumers' initial quality expectations. Addressing this gap is essential, as perceived product quality shapes consumer perceptions, driving both perceived value and risk (Snoj, Pisnik Korda and Mumel, 2004). Demonstrating higher perceived quality substantially boosts value judgments while simultaneously reducing consumers' sense of risk (Snoj, Pisnik Korda and Mumel, 2004). If leasing dampens expected quality through psychological ownership,

marketers must find ways to counter that belief or risk the perception leased products are lower quality.

This thesis therefore asks: *Does leasing, compared with purchasing, lower expected product quality, and is this effect mediated by psychological ownership?* To investigate this, we ran a 2×2 factorial online experiment in the UK, manipulating acquisition mode (lease vs. purchase) and vehicle segment (sports coupé vs. compact sedan). Comparing two distinct vehicle segments allows us to see whether any lease or purchase effect generalises across products that differ in symbolic versus functional emphasis, while the key causal inference still comes from the within-segment lease and purchase comparisons. Guided by Garvin's (1987) multidimensional framework, we measure expected product quality at the time of acquisition.

By linking acquisition mode to both psychological ownership and pre-use quality inference, the study extends theories of ownership, context effects, and their impact on product perceptions. These findings can guide managers in crafting messaging, shaping customer touchpoints, and designing service elements to uphold favorable product perceptions as leasing and other access models evolve.

2 Background and Hypotheses

This section is organised in two tiers. First, Chapter 2.1 introduces context effects which is the foundational idea that changing the context the product is offered under can reshape how consumers perceive the very same product. This chapter establishes *why* the present study is necessary. Second, Chapters 2.2 - 2.4 extend that foundation, reviewing prior work on expected product quality, psychological ownership, and varying product types. Together, these chapters map existing findings onto the car-leasing setting and show how the literature converges to support our specific hypotheses.

Main themes will consist of *(1) Context effects (2) Expected Product Quality (3) Psychological Ownership, and (4) Product Types.*

2.1 Context Effects

Because leasing and purchasing differ not only in terms of legal ownership but also in the psychological meaning they convey, it is important to consider how the context of acquisition shapes consumers' perceptions beyond traditional product attributes. The operational principle of the brain is to process each input in relation to the context in which it occurs (Nikolić, 2010), and in studies on consumer behaviour, context effects have been shown to shift consumer perceptions about products (Baek and Kim, 2022). In a study comparing the effect of offering a product previously sold as a traditional one-time purchase transitioning to being offered as a subscription, Baek and Kim (2022) showed how merely the different purchase context of a subscription shifted respondents' consumption motivation for the same product from utilitarian to hedonic motives. Furthermore, the same products, when offered on a subscription basis, were no longer judged primarily by information or specifications available beforehand (as one might do for a search good); instead, consumers shifted their assessment of the product to more of an experience good where quality had to be experienced firsthand. (Baek and Kim, 2022).

Building on these subscription findings, chapters 2.2 - 2.4 will develop the theoretical rationale for expecting comparable context effects in car leasing, by showing how acquisition

mode could influence expected product quality, shape psychological ownership, and interact with hedonic versus utilitarian vehicle types.

2.2 Expected Product Quality

Drawing on the contributions of Garvin (1987) and Zeithaml (1988), product quality is understood as a multifaceted construct that fundamentally shapes consumer expectations and purchasing behavior. Garvin (1987) delineates quality into eight distinct dimensions:

Reliability	The consistency with which a product performs over time.
Durability	The product's expected lifespan or resistance to wear and tear.
Performance	How well a product fulfills its intended function.
Serviceability	The ease and speed with which a product can be repaired or maintained.
Aesthetics	The sensory attributes such as design, style, and appeal.
Features	The additional characteristics that enhance the product's appeal.
Conformance	The degree to which a product meets predefined specifications.
Perceived Quality	The overall impression of quality

Table 1. Garvin's (1987) eight dimensions of quality.

Each dimension provides a comprehensive baseline for assessing overall product quality, allowing researchers and practitioners to capture a nuanced picture of how products perform from a consumer's perspective (Garvin, 1987). These dimensions have remained relevant since Garvin's initial publication and are widely used in literature to measure product quality (Curkovic and Vickery, 2000; Larson, 1994; Prajogo, 2007; Millson and Wilemon, 2008).

In contrast, Zeithaml (1988) expands on this framework by emphasizing that quality is ultimately an overall judgment that consumers form through the interplay of both intrinsic and extrinsic cues. Intrinsic factors, such as the physical attributes and performance outcomes of a product, are directly observable and measurable (Zeithaml, 1988). However, extrinsic cues, including brand reputation, price, and packaging, also play a role in shaping consumer expectations (Zeithaml, 1988). Zeithaml (1988) argues that these extrinsic factors often serve

as proxies for quality, particularly when the intrinsic attributes are difficult to evaluate prior to purchase. Consumers rely on these external signals to form a holistic assessment of product quality (Zeithaml, 1988).

This dual perspective is particularly relevant in access-based consumption contexts. For example, when consumers evaluate leased or rented products, immediate performance, reliability, and aesthetics may be more salient, whereas long-term durability might be less critical than in ownership contexts. Because leasing foregrounds the product's temporary status and lower consumer investment, we hypothesize that it can act as a negative extrinsic cue where purchasers may infer less durability, reliability, and overall perceived quality than if the same vehicle were bought outright. This downgrade aligns with Garvin's (1987) durability and reliability dimensions and with Zeithaml's (1988) notion that extrinsic signals substitute for difficult-to-assess intrinsic attributes. Accordingly, we hypothesize:

H1: *Leasing (purchasing) will lead to lower (higher) levels of expected product quality.*

2.3 Psychological Ownership

Psychological ownership refers to the feeling that a thing is "mine" (Harmeling et al., 2016), regardless of legal ownership (Bagga, Bendle and Cotte, 2018). It is the sense of possession and attachment an individual develops toward an object, even in cases where they do not legally own it (for example, fans feeling ownership of a sports team, or a tenant feeling a home is "their place"). Psychological ownership can arise through three primary routes: control over the object (the ability to use and manage it freely), self-investment into the object (time, effort, or money put into it), and intimate knowledge (knowing how the product functions) of the object (Bagga, Bendle and Cotte, 2018). When people purchase a product outright, they typically activate all three routes, they have full control, invest financially (and often emotionally) in the item, and gain knowledge through prolonged use, leading to a strong sense of ownership.

When considering acquisition mode, these principles suggest stark differences between buying and leasing. An outright buyer is more likely to experience higher levels of psychological ownership (Bagga, Bendle and Cotte, 2018; Shu and Peck, 2011), whereas a lessee's ownership feelings may be tempered by the knowledge that the item must be returned and by limits on control or customization. Accordingly, we hypothesize:

H2: *Leasing (purchasing) will result in a lower (higher) level of psychological ownership at the time of purchase.*

Connecting psychological ownership to expected product quality, the endowment effect is a well-documented phenomenon where simply owning an item causes people to value it more highly than they would if they did not own it (Kahneman, Knetsch, and Thaler, 1990). Traditionally, the endowment effect was explained by loss aversion: giving up an owned item is perceived as a loss, which people are biased to avoid. However, newer research emphasizes the role of ownership itself (independent of loss aversion) in driving this effect (Morewedge et al., 2009).

Psychological ownership, therefore, plays a central role in shaping product valuation. People tend to value objects more when they feel like they own them (Reb and Connolly, 2007). This sense of psychological ownership is a stronger predictor of increased valuation than legal ownership alone (Reb and Connolly, 2007). However, legal ownership can facilitate the emergence of psychological ownership (Pierce, Kostova and Dirks, 2003); when individuals lack legal title to an item, they may be less likely to develop strong feelings of ownership, which in turn can weaken the endowment effect (Bagga, Bendle and Cotte, 2018). Because stronger psychological ownership enhances perceived product value (Reb and Connolly, 2007), we expect it to also drive up the related measure of consumers' quality expectations. This logical link underlies our third hypothesis.

H3: *Psychological ownership will be positively correlated with expected product quality.*

A study on non-ownership possession (renting/borrowing) showed that consumers who rented an item had a higher willingness-to-pay than those who never possessed it; however, they still valued the item less than if they had owned it, which is consistent with reduced psychological ownership of rented products (Bagga, Bendle and Cotte, 2018). Applied to the leasing context, a lessee is less likely to regard the product as "part of me" than a buyer, which may lower attachment and concern for its long-term condition, whereas an owner may expect enduring quality and feel personally responsible for care. Psychological ownership and the endowment effect therefore predict that purchasing elevates subjective value, and possibly quality expectations, while leasing dampens them. Together with H2 and H3, this yields our mediation hypothesis:

H4: *Psychological ownership will mediate the effect of acquisition mode on expected product quality, such that higher ownership leads to higher expected quality.*

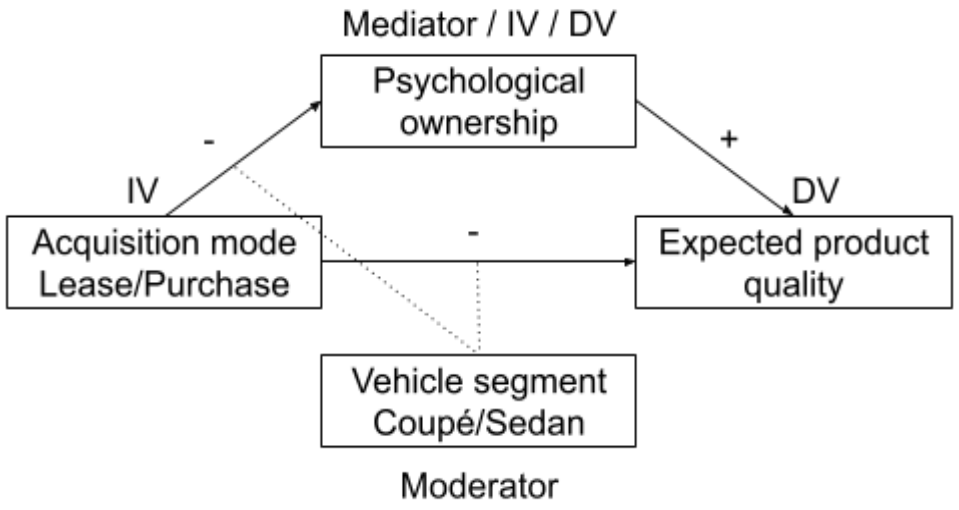
2.4 Product Types: Hedonic versus Utilitarian Evaluations

Products can be classified into two categories based on if their consumption motivation is primarily hedonic or utilitarian (Batra and Ahtola, 1991; Dhar and Wertenbroch, 2000). Utilitarian goods are valued chiefly for reliability, durability and efficiency (Dhar and Wertenbroch, 2000; Brucks, Zeithaml and Naylor, 2000) and possess practical attributes that aligns with this functional role (Batra and Ahtola, 1991). In contrast, hedonic goods derive their worth from immediate sensory or affective gratification (Dhar and Wertenbroch, 2000) and are tightly bound to self-expression and symbolic meaning (Belk, 1988). Consumers already enjoy countless hedonic experiences such as streaming music, theme-park rides or short-term rentals, without ever holding title (Belk, 2014; Bardhi and Eckhardt, 2012).

Most product categories are neither purely hedonic or utilitarian, different products can be high or low in both hedonic and utilitarian attributes (Crowley, Spangenberg, and Hughes 1992; Babin, Darden and Griffin, 1994), and the different levels of importance of the hedonic/utilitarian dimension can vary, for some products, the hedonic or the utilitarian dimension is the most important whereas for other products, both dimension are important to the consumer (Voss, Spangenberg and Grohmann 2003; Batra and Ahtola, 1991; Kempf, 1999).

In the context of access-based consumption and product valuations, experimental studies have found markedly larger endowment premiums for pleasure-oriented products than for functionally equivalent utilitarian ones (Shu and Peck, 2011; Chan, 2015), suggesting that hedonic evaluations are especially sensitive to shifts in felt ownership. Leading us to to hypothesize the following:

H5: *Vehicle segment moderates the indirect effect of acquisition mode on expected product quality through psychological ownership: the indirect effect is stronger for the hedonic sports coupé segment than for the utilitarian compact sedan segment.*



IV = Independent variable

DV = Dependent variable

Moderator = Moderates relationships

Mediator = Mediates relationships

Solid arrow = Direct causal path

Dotted arrow = Moderating path

+ = Positive relationship

- = Negative relationship

Figure 1. Proposed model of relationships.

3 Methodology

The Method section proceeds as follows: (1) Research design, which outlines the experiment; (2) Participants and sampling, explaining who was recruited and how; (3) Stimuli and manipulations, detailing the scenario variations; (4) Measures, covering the manipulation checks plus the quality and ownership scales; (5) Procedure, describing the step-by-step Qualtrics flow; and (6) Ethics, summarising consent, anonymity, and GDPR compliance.

3.1 Research Design

In order to test the hypotheses, this research employs a 2×2 between-subjects experiment that manipulates acquisition mode (lease vs. purchase) and vehicle segment (sports coupé vs. compact sedan). In the analyses, the vehicle segment is theoretically treated as a categorical moderator of the relationship between acquisition mode, psychological ownership and expected product quality. Vehicle segment was selected because a sports coupé typically signals hedonic value whereas a compact sedan signals utilitarian value, and consumption motivation has been shown to have an impact on the endowment effect (Shu and Peck, 2011; Chan, 2015). Vehicle segments, however, can also be interpreted to vary on price, prestige, and styling. To isolate acquisition effects we therefore base all substantive conclusions on the lease-versus-purchase contrast within the same segment. Each participant is randomly assigned to one of four conditions: (1) Sports Coupé-Lease, (2) Sports Coupé-Purchase, (3) Compact Sedan-Lease, or (4) Compact Sedan-Purchase. Each participant saw only one scenario, avoiding carry-over effects.

2×2 between-subjects design		**Product type**	
		Coupé	Sedan
Acquisition mode	Lease	Leased Coupé n = 76	Leased Sedan n = 75
	Purchase	Purchased Coupé n = 73	Purchased Sedan n = 74

Figure 2. 2×2 Between-subjects experiment design.

3.2 Participants and Sampling Strategy

Participants. The target population for the study was UK-based consumers, reflecting a relatively homogeneous context in terms of language and car market norms. Inclusion criteria required participants to be adults (18 years or older), fluent in English (the survey language), and residing in the United Kingdom. The UK restriction was implemented to control for cultural and market differences in leasing vs. purchasing practices, and to ensure that scenario details such as terminology were familiar and realistic to respondents.

Sample Size. For the pre-test, 40 participants (8-12 per condition) were recruited online on Prolific to pilot the stimuli and see if the manipulations were effective. For the main study, the number of valid respondents was N = 298 (between 73-76 participants per condition). This sample size was determined based on a power analysis for a 2×2 ANOVA design at the .05 significance level with adequate power (0.80) and a small effect size of 0.20 (Sullivan and Feinn, 2012), resulting in 277 required respondents. Our valid sample size of 298 slightly exceeds the suggested sample size from our power analysis.

Sampling Strategy. The study utilized a convenience sampling approach through the Prolific platform. Within the platform, participants were invited from the eligible UK pool until the target sample size was reached. Random assignment to the four experimental conditions was implemented in the Qualtrics survey itself (using the platform's randomizer to evenly distribute participants across conditions). Because participants were assigned groups at random, group differences in personal characteristics are minimized in expectation. Post-hoc tests confirmed that demographics did not differ significantly across the four conditions. The sampling strategy prioritized data quality as Prolific allows pre-screening for English fluency, enables attention checks, and has been found to yield reliable data for behavioral experiments (Palan and Schitter, 2018). No specific demographic quotas were set, however, random assignment and our final sample of N = 298, verified by post-hoc balance tests, resulted in statistically comparable groups. Participants provided informed consent before beginning the survey and were free to withdraw at any time.

3.3 Experimental Stimuli and Condition Setup

Stimuli Development. The experimental stimuli consisted of four written scenarios, each describing a situation in which the participant acquires a 2023 model car. Each scenario was structured into two brief paragraphs. The first paragraph provides a concise description of the car, ensuring that essential product features are clearly conveyed. This short description is purposefully kept constant in structure, length, and tone across conditions so that only the key manipulated factors differ.

The second paragraph describes the mode of acquisition, either leasing or purchasing. In the lease conditions, the scenario specifies that the car is obtained via a fixed-term lease with a monthly fee, where legal ownership is not transferred, whereas in the purchase conditions, the car is bought outright, conferring full legal ownership.

We kept the product descriptions brief and identical across conditions, varying only the vehicle segment (sports coupé vs. compact sedan) and the acquisition mode (lease vs. purchase). This design choice reduces the likelihood that any differences in expected product quality or psychological ownership stem from factors other than our experimental manipulations.

Acquisition Mode (Lease vs. Purchase): The main manipulation, acquisition mode, manipulates how the participant acquires the car between leasing and purchasing. In the lease conditions, the scenario explicitly stated that *"you decide to lease the car"* for a fixed term, and described paying a monthly lease fee. In the purchase conditions, the scenario stated *"you decide to purchase the car"*, implying full ownership. The language and tone were kept neutral and consistent; neither leasing nor buying was portrayed as superior. The key distinction was legal ownership: in purchase scenarios the respondent is to be the owner of the car, whereas in lease scenarios they are leasing it. This difference was made explicit in simple terms to ensure participants grasped it.

Hedonic vs. Utilitarian Product Framing: The second manipulation varied the vehicle segment, framing the car either as a sports coupé (hedonic) or as a compact sedan (utilitarian). In the hedonic condition, the car was described as a "sports coupé" with attributes emphasizing pleasure, excitement, and indulgence. The scenario highlighted features like an aerodynamic design and bold styling, characteristics meant to elicit a sense of

fun and enjoyment. This framing aligns with the notion that hedonic goods are multisensory and provide experiential consumption, fun, pleasure, and excitement (Dhar and Wertenbroch, 2000). In contrast, the compact sedan conditions described a "compact sedan" focusing on functionality. The compact sedan car's attributes included fuel efficiency, low maintenance costs, and practical performance, emphasizing usefulness and necessity. This reflects that utilitarian goods are primarily instrumental and motivated by functional aspects (Dhar and Wertenbroch, 2000). Apart from these content differences, the two product descriptions were matched in overall positivity and detail. The intention was that a reader would clearly perceive the coupé as a "experiential/fun" car and the sedan as a "practical" car, consistent with hedonic vs. utilitarian categorization (Dhar and Wertenbroch, 2000).

Pre-test and Stimuli Validation: A small-scale pre-test was conducted prior to the main experiment to refine the design and ensure that the stimulus were working. The pre-test used the same 2×2 design on a sample (N = 40). Participants were asked: (a) to identify whether the scenario described a lease or a purchase (a multiple-choice question serving as a comprehension check), and (b) to evaluate the car on hedonic vs. utilitarian attributes.

Hedonic and utilitarian perceptions were assessed with single-item, 7-point scales adapted from Okada (2005). Okada (2005) shows that this parsimonious, one-item format correlates strongly and positively with the fuller multi-item hedonic-utilitarian scale of Voss, Spangenberg and Grohmann (2003). To minimize respondent burden and streamline the questionnaire, the single-item approach was therefore judged the most appropriate for our study.

The result from this pilot stage was used to ensure that the scenarios unambiguously conveyed the intended conditions and that they were ready to be tested in the main study.

3.4 Measures

In the main study, participants completed a questionnaire testing the same manipulation checks as in the pre-test, the dependent variables, and related constructs. The same multi-item scales using a 7-point Likert format (1 = "Strongly disagree", 7 = "Strongly agree") was used. Established scales were adapted slightly to fit the context (e.g., wording items to refer to "this car" in the scenario). Key measures are detailed below:

Comprehension Check (Acquisition Mode): To ensure participants understood the scenario, a simple multiple-choice question asked: *"Based on the description you just read, is the product offered under a lease agreement or available for purchase?"* Participants had to select either "Lease agreement" or "Purchase". This served as an attention check; those who chose the incorrect option (indicating misunderstanding) were discarded from the survey.

Manipulation Check (Consumption motivation): Participants rated hedonic and utilitarian perceptions using two distinct single-item measures. For the hedonic evaluation, respondents were given a definition of hedonism and asked: "To what extent do you perceive this product as hedonic?" and rated the product on a 7-point scale ranging from 1 ("Not hedonic at all") to 7 ("Extremely hedonic"). For the utilitarian evaluation, participants were given a definition of utilitarianism and responded to a separate item: "To what extent do you perceive this product as utilitarian?" using the same 7-point scale from 1 ("Not utilitarian at all") to 7 ("Extremely utilitarian").

Expected Product Quality: The primary dependent variable, expected quality of the product, was measured with the multi-dimensional scale adapted from Garvin's (1987) eight dimensions of quality: performance, features, reliability, conformance, durability, serviceability, aesthetics, and perceived quality. In this study, seven of these eight dimensions were assessed, excluding the "serviceability" dimension. The exclusion of serviceability was deliberate as serviceability refers to the ease and speed of repair or servicing (Garvin 1987), which in the context of a car lease could be misleading because maintenance is often included by the leasing company. In other words, serviceability may be artificially high for leased cars (since lessees typically do not worry about repair logistics) and thus not a fair basis for comparing inherent product quality across conditions.

By ignoring serviceability, we focused on quality aspects intrinsic to the product itself. For each of the seven included dimensions, a survey item asked participants to rate their expectation of the car's quality on those aspects shown in Table 2 below:

Reliability	*I expect that this car will be very reliable unlikely to break down*
Durability	*I expect that this car will last a long time without major issues*
Performance	*I expect that this car will have excellent performance*
Aesthetics	*I expect that this car will have high quality design and style*
Features	*I expect that this car will have many useful features and advanced technology*
Conformance	*I expect that this car will be well-built and meet high manufacturing quality standards*
Perceived Quality	*I expect that this car will overall be of very high quality*

Table 2. Items used to capture Garvin's (1987) dimensions of quality.

Participants indicated agreement with each statement on a 7-point scale. These seven items were averaged to form an "expected quality index", with higher scores indicating higher anticipated product quality. Importantly, all items were framed as expectations based on the scenario (since participants did not physically inspect an actual car). This measure thus taps into expected quality (level of quality the participant expects the product to deliver). Adaptation from Garvin's dimensions allowed a comprehensive assessment of quality perceptions beyond just overall opinion, giving insight into specific facets, for example, whether leasing might affect expected reliability or performance perceptions differently. As noted, serviceability was omitted to avoid confounding due to the lease context where repairs are not managed by the consumer, a consideration that we explicitly acknowledged while interpreting results.

Psychological Ownership: The second dependent variable (and mediator + independent variable) was psychological ownership towards the product. We measured this construct using a three-item scale adapted from Shu and Peck (2011), who studied consumers' feelings of ownership and attachment. Participants were asked to indicate their agreement with statements reflecting their sense of ownership over the car described in their scenario. The three items (7-point agreement scales) were: (1) *"I feel a very high degree of personal ownership of the car in the scenario."* (2) *"I feel like I own the car."* (3) *"I feel like this is my car."*. Despite the hypothetical nature of the scenario, participants can project their likely feelings; thus, this measure captures anticipated or immediate psychological ownership

arising from the described situation. The three items were indexed to form a psychological ownership score.

This measure is pivotal because it serves both as an outcome to see if acquisition mode influences ownership feelings, if it correlates with expected product quality, and as a mediator in the link between acquisition mode and quality expectations.

Control and Demographic Measures: We recorded age, gender, and education for sample description, and measured prior leasing experience and prior *car* leasing experience (both scales being 1 = none, 7 = very extensive) in case covariate controls were needed. Random assignment should balance these factors, but we examined them for baseline equivalence. An attention check ("Select "Yes" for this statement") screened inattentive respondents.

3.5 Procedure

The study procedure was carried out entirely online. Participants completed the experiment in their web browser or on their smartphones (which the survey was compatible with) via a Qualtrics survey link. The general flow of the main study was as follows:

1. **Informed Consent:** Upon clicking the study link (distributed through Prolific), participants first saw an information and consent page. Participants were informed about the estimated time (approximately 3-4 minutes), their rights (voluntary participation, ability to quit anytime), and data confidentiality. They indicated consent by clicking "I agree to participate" and continuing to the next page (those who declined exited the survey).

2. **Scenario Presentation:** Participants were then randomly assigned by the survey software to one of the four scenario conditions. The scenario vignette (as described under Stimuli) was presented as a block of text on the screen, followed by an image of a car fitting the description (Figure 3). Participants were instructed to read the scenario carefully and picture themselves in that situation. The scenario text remained visible on the screen while they answered the next few questions, so they could scroll back to refer to details if necessary.

Vehicle Segment stimuli: compact sedan (utilitarian cue)	Vehicle Segment stimuli: sports coupé (hedonic cue)



Figure 3. Images of the cars used in the survey.

3. **Manipulation Check Questions:** Immediately after the scenario, participants answered the comprehension and product perception questions. The first question asked whether they had read the scenario carefully, whereas the next question asked if the scenario involved leasing or purchasing as the acquisition mode of the car (as described in Measures). This served to reinforce the scenario details and also allowed us to ensure the participant understood the key manipulation.

   On the next page, they were reminded of the acquisition mode and type of car (through dynamic text considering their manipulation) and asked to rate the hedonic vs. utilitarian nature of the car on two separate 7-point scales. These questions were straightforward and factual, thus unlikely to prime any evaluative response beyond what the scenario already did).

4. **Dependent Measures:** After the manipulation checks, participants proceeded to the main survey questions about the car. They were again reminded of their acquisition mode and type of car before completing the expected product quality scale. The seven chosen quality expectation items from Garvin (1987) were presented in a randomized order to mitigate any ordering effects within that scale. Next, on a new page, participants received another dynamic reminder of the acquisition mode and product type before completing the psychological ownership three item scale. We separated

the quality and ownership sections to avoid any potential halo effects (where thinking about quality might influence immediate feelings of ownership or vice versa). The order of these two sections (quality first, then ownership) was fixed for all participants, following the logic that psychological ownership might conceptually result from the situation and potentially influence quality perceptions.

5. **Additional Measures:** After completing the primary scales, participants answered the leasing-familiarity items, an attention-check item, and standard demographics priorly explained under Control and Demographic Measures.

6. **Final page:** After all questions, participants had their Prolific IDs automatically generated into the questionnaire through embedded data and were directed through a URL back into Prolific to receive their payment.

3.6 Ethical Considerations

This study was conducted with careful adherence to ethical guidelines for research with human participants. Informed consent was obtained from all participants at the outset (as detailed in Procedure). Participants were assured that their data would be kept confidential and anonymous. No personally identifying information (such as names, contact details, or IP addresses) was collected in the survey, participants were only identified by arbitrary IDs from the Prolific platform. Data was stored securely on password-protected computers accessible only to the research team. Participants' right to withdraw at any time was emphasized. If a participant chose to exit the survey early, they could do so by closing the browser and no partial data would be used without consent.

Privacy and Data Protection: As data were collected from UK participants, we complied with GDPR guidelines. Participants were informed about how their data would be used (for a bachelor's thesis and possible publication in aggregate form). They were told that individual responses would not be identifiable in any report. The online survey used Qualtrics, which is GDPR-compliant and secure (Qualtrics, 2018). Data will be deleted upon final completion of the thesis.

4 Results

The results are organized into (1) Pre-Study Analysis, (2) Preliminary Main-Study Analyses (data screening, manipulation checks, descriptives), followed by (3) Main Hypothesis Testing for H1 through H5, including any exploratory observations where relevant.

4.1 Pre-Study Analysis

With a deliberately small pilot sample of forty respondents (twenty women, twenty men, aged 24–68 years, $M = 42.35$, $SD = 11.39$), we sought only a descriptive check that the scenarios created the intended impressions. All participants correctly identified whether the vignette described leasing or buying. As expected, the sports coupé was judged far more hedonic ($M = 5.56$) than the compact sedan ($M = 3.55$), whereas the sedan was viewed as much more utilitarian ($M = 5.86$) than the coupé ($M = 3.39$). To gauge whether these gaps were already statistically discernible, we ran exploratory Mann–Whitney U tests. Hedonic ratings produced U = 54.5, $z = –3.98$, $p < .001$, with a large effect size ($r = –.63$), indicating that coupé scores clustered at the upper end of the rank distribution. Utilitarian ratings showed the reverse pattern, U = 35.5, $z = –4.56$, $p < .001$, $r = –.72$, confirming that sedans dominated the higher ranks on that scale. Although each cell contained only 8–12 cases, these non-parametric results reinforced the descriptive picture: the coupé stimulus was perceived as distinctly hedonic and the sedan as distinctly utilitarian. Confident that the manipulation worked, we moved on to the main study and repeated the same checks with a much larger sample.

4.2 Preliminary Main-Study Analyses

4.2.1 Data Screening and Cleaning

Exclusions and Final Sample

The initial sample consisted of $N = 312$ respondents. We applied predetermined exclusion criteria for data quality. Nine cases failed the comprehension-check questions embedded in the survey and were removed. Four cases were dropped due to incomplete responses or survey timeouts, and one respondent was excluded for providing an implausible age (5 years old). This left a final sample of N = 298 valid participants for analysis. Assignment to the 2×2 conditions was approximately equal (73-76 participants per group).

Sample Characteristics

Participants ranged in age from 18 to 80 years ($M = 43.87$, $SD = 15$). The sample was 60.4% female, 38.3% male, and ~1.3% non-binary or undisclosed. Education levels were diverse: approximately 36% held a Bachelor's degree, 25% had an upper secondary education, 11.7% held a Master's degree, and about 13% had completed some college/university coursework. A one-way ANOVA comparing the mean ages among the four experimental groups revealed no significant differences ($p = .529$), and a chi-square test revealed that gender distribution did not either differ significantly across conditions ($p = .564$). Indicating that the groups were demographically comparable.

Missing Data and Outliers

There was no missing data on the key measures after cleaning as participants were required to answer all relevant questions. We screened for outliers on the dependent measures by examining z-scores and boxplots. No extreme outliers were detected on the composite scales for psychological ownership (maximum $|z| = 1.68$), and expected quality (maximum $|z| = 1.84$); hence all remaining cases were retained.

Reliability of Measures:

All multi-item scales demonstrated good internal consistency. The expected product quality scale (7 items) had Cronbach's $\alpha = .86$. The psychological ownership scale also showed high reliability (Cronbach's $\alpha = .96$), both well above the generally acceptable .70 criterion (George and Mallery, 2003). We computed composite scores for each construct by averaging the respective item ratings so that higher scores indicate greater psychological ownership and higher expected quality.

Assumption Checks:

We tested assumptions for our ANOVA analyses. Levene's tests for equality of variances were non-significant for the indices of psychological ownership and expected product quality (both $p > .10$), confirming homogeneity of variances across groups. Furthermore, residual diagnostics from the ANOVAs indicated no severe violations of normality or homoscedasticity. Thus, we proceeded with parametric analyses without data transformation.

4.2.2 Manipulation Checks

We included manipulation checks to ensure participants understood and internalized the experimental conditions.

Acquisition Mode Comprehension

At the beginning of the survey, participants answered a comprehension question about the product's acquisition arrangement. As the vast majority correctly identified whether the scenario involved leasing vs. purchasing the product, it suggests that the acquisition mode manipulation was clear. The cases where respondents failed the attention check were removed. Overall, participants appeared to pay attention and understood whether they were leasing or purchasing the product.

Vehicle Segment Manipulation

We also verified that the vehicle segment manipulations were successful across the two segments so that the respondents perceived the sports car as significantly more hedonic than utilitarian; while the remaining respondents perceived the sedan as significantly more utilitarian than hedonic.

As expected, those in the *sports coupé* condition perceived the product as far more hedonic (and less utilitarian) than those in the *compact sedan* condition. For instance, on the 7-point scale (higher values = more hedonic), the sports coupé scenario was rated $M = 5.71$ (SD = 1.04) whereas the compact sedan scenario averaged $M = 3.53$ (SD = 1.45). This difference was statistically significant ($p < .001$). At the same time, for the utilitarian evaluation, the sports coupé rated M = 3.46 (SD = 1.50), and the compact sedan M = 5.39 (SD = 1.16). This mean difference was also statistically significant ($p < .001$), indicating a clear manipulation effect.

4.2.3 Descriptive Statistics

Table 3 presents descriptive statistics for the two key dependent variables: psychological ownership and expected product quality, as well as hedonic and utilitarian consumption motivation, broken down by the 2×2 experimental conditions. All rating scales ranged from 1 (lowest) to 7 (highest). Expected quality ratings were relatively high on average (overall M = 5.4 on the 7-point scale), reflecting generally positive quality expectations for the product in the scenarios.

Notably, certain patterns emerge when comparing means across conditions (Table 3). Participants who were exposed to the purchase scenarios reported higher psychological ownership (Purchase-coupé M = 4.84, Purchase-sedan M = 4.58) than those who leased the product (Lease-coupé M = 2.76, Lease-sedan M = 2.72). In terms of expected product quality, all conditions showed relatively high expected quality (Purchase-coupé M = 5.79, Purchase-sedan M = 4.99, Lease-coupé M = 5.70, Lease-sedan M = 5.27), with the lease condition having slightly lower expected quality for the hedonic product, but slightly higher expected quality for the utilitarian product. As for hedonic consumption motivation, there was a large difference by vehicle segment: scenarios featuring a sports coupé product yielded much higher hedonic motivation (Purchase-coupé M = 5.74, Lease-coupé M = 5.68) than scenarios with a compact sedan (Purchase-sedan M = 3.39, Lease-sedan M = 3.67), whereas acquisition mode made little difference in consumption motivation within segments, although a slight increase in hedonic consumption motivation for the lease condition for the sedan.

Measure	Lease-coupé (n=76)	Purchase-coupé (n=73)	Lease-sedan (n=75)	Purchase-sedan (n=74)
Psychological Ownership	2.76 (1.43)	4.84 (2.04)	2.72 (1.41)	4.58 (1.86)
Expected Product Quality	5.70 (0.81)	5.79 (0.72)	5.27 (0.84)	4.99 (0.78)
Hedonic Consumption Motivation	5.68 (1.07)	5.74 (1.01)	3.67 (1.52)	3.39 (1.37)
Utilitarian Consumption Motivation	3.33 (1.52)	3.59 (1.47)	5.25 (1.29)	5.53 (1.01)

Table 3. Means (SD) of psychological ownership, expected product quality, hedonic- and utilitarian consumption motivation by acquisition mode and vehicle segment (N = 298).

All variables are measured on 7-point scales (higher = greater psychological ownership, higher expected quality, more hedonic/utilitarian motivation).

4.3 Main Hypotheses Testing

To guide our analysis, Table 4 provides an overview of the hypotheses that follow.

	Hypotheses
H1	*Leasing (purchasing) will lead to lower (higher) levels of expected product quality.*
H2	*Leasing (purchasing) will result in a lower (higher) level of psychological ownership at the time of purchase.*
H3	*Psychological ownership will be positively correlated with expected product quality.*
H4	*Psychological ownership will mediate the effect of acquisition mode on expected product quality, such that higher ownership leads to higher expected quality.*
H5	*Vehicle segment moderates the indirect effect of acquisition mode on expected product quality through psychological ownership: the indirect effect is stronger for the hedonic sports coupé segment than for the utilitarian compact sedan segment.*

Table 4. Summary of hypotheses.

4.3.1 Expected Product Quality

H1 proposed that *leasing (purchasing) will lead to lower (higher) levels of expected product quality.*

To evaluate this, we conducted an independent samples t-test on the indexed measure of expected product quality. The results revealed no statistically significant difference in expected product quality between leasing and purchasing conditions. Participants in the lease condition reported a mean expected quality of 5.49 (SD = 0.85), while those in the purchase condition rated it at 5.39 (SD = 0.85), p = .145. Interestingly, the mean for leased products

was slightly higher than for purchased products, contrary to our prediction, but since this difference was not statistically significant. We therefore fail to reject the null hypothesis, suggesting that acquisition mode alone does not significantly influence expected product quality.

H1: Independent samples T-tests

	Leasing			Purchasing								
	N	**M**	**SD**	**N**	**M**	**SD**	**Mean difference**	**95% CL**	**df**	**Cohen's d**	**t**	***p***
Expected product quality	151	5.49	.85	147	5.38	.85	.10	[-.9, .30]	296	.123	1.06	.145

Significance at p<0.001***, p<0.01**, p<0.05*

Table 5. Mean comparison between leasing and purchasing on expected product quality.



To further explore potential effects, we conducted a 2 × 2 between-subjects ANOVA with acquisition mode (lease vs. purchase) and vehicle segment (sports coupé vs. compact sedan) as fixed factors. The analysis revealed a significant main effect of the vehicle segment, with participants rating the sports coupé significantly higher than the compact sedan ($p < .001$). However, the main effect of acquisition mode remained non-significant ($p = .275$). Importantly, a significant interaction between acquisition mode and product type emerged ($p = .043$), suggesting that the effect of acquisition mode on expected product quality depends on whether the product was a sports coupé or a compact sedan.

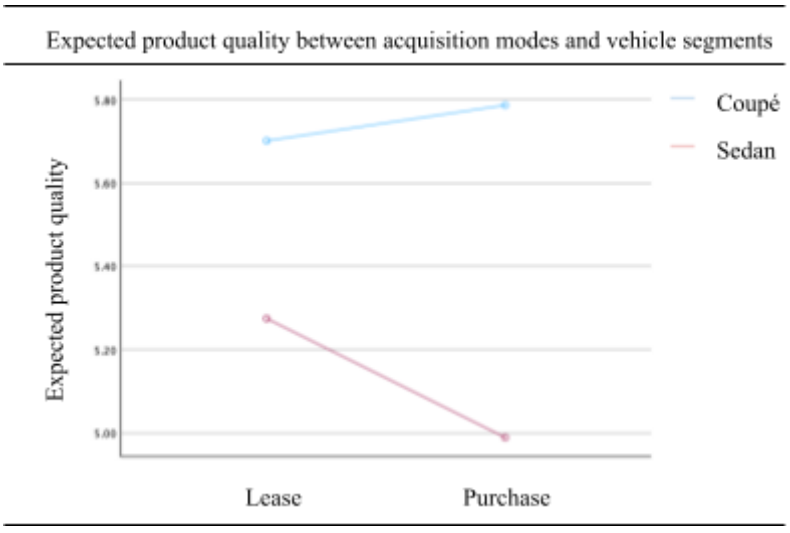


Figure 4. Interaction effect, expected production quality between acquisition mode and vehicle segments.

Taken together, these results do not support H1 as originally stated, but they conclude that acquisition mode does influence expected product quality for different vehicle segments, an effect further examined in H5.

4.3.2 Psychological Ownership

H2 predicted that *leasing (purchasing) will result in a lower (higher) level of psychological ownership at the time of purchase.*

To test this, we conducted an independent sample t-test comparing psychological ownership scores between leasing and purchasing conditions. Psychological ownership was measured using three items, which were indexed into a composite scale.

The results of the t-test revealed a significant difference in psychological ownership between acquisition modes. As hypothesized, participants who purchased the product reported significantly higher levels of psychological ownership (M = 4.71, SD = 1.95) compared to those who leased it (M = 2.74, SD = 1.42), $p < .001$.

H2: Independent samples T-tests

	Leasing			**Purchasing**								
	N	**M**	**SD**	**N**	**M**	**SD**	**Mean difference**	**95% CL**	**df**	**Cohen's d**	**t**	***p***
Psychological ownership	151	2.74	1.42	147	4.71	1.95	-1.97	[-2.35, -1.58]	296	-1.158	-9.99	<.001 ***

Significance at p<0.001***, p<0.01**, p<0.05*

Table 6. Mean comparison between leasing and purchasing on psychological ownership.



4.3.3 Correlation Analysis

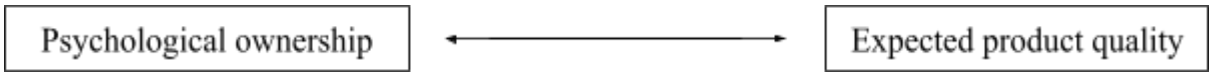
H3 proposed that *psychological ownership will be positively correlated with expected product quality*.

To test this, we computed a Pearson product–moment correlation between the two composite scales (N = 298). Psychological ownership and expected product quality were indeed positively associated, r(296) = .186, p = <.001, 95 % CI [.074, .294]. Although the effect is modest (about 3.5 % shared variance), the result supports H3: participants who felt a stronger sense of ownership also tended to expect slightly higher product quality.

H3: Pearson correlation						
	N	**R**	**95% CL**	**df**	**t**	***p***
Psychological ownership ↔ Expected product quality	298	.186	[.074, .294]	296	3.26	.001 **

Significance at p<0.001***, p<0.01**, p<0.05*

Table 7. Correlation between psychological ownership and expected product quality.



4.3.4 Mediation Analysis

H4 proposed that *Psychological ownership will mediate the effect of acquisition mode on expected product quality, such that higher ownership leads to higher expected quality.*

To test this, we conducted a mediation analysis using Hayes' PROCESS macro (Model 4) in SPSS, with acquisition mode (lease = 1, purchase = 2) as the independent variable (X), psychological ownership as the mediator (M), and expected product quality as the dependent variable (Y). A bootstrapping procedure with 5,000 samples and 95% confidence intervals was applied.

The total effect of acquisition mode on expected product quality was not statistically significant (b = -0.104, p = .291, 95% CI [-0.298, 0.090]). However, the direct effect, controlling for psychological ownership, was significant (b = -0.351, p = .002), indicating that when psychological ownership is accounted for (i.e., when both leasing and purchasing

are assumed to generate the same level of psychological ownership), purchasing is associated with lower expected product quality compared to leasing.

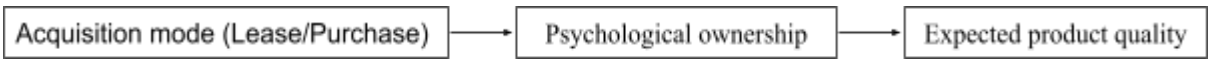
Importantly, the analysis revealed a significant indirect effect of acquisition mode on expected product quality through psychological ownership, $b = 0.247$, 95% CI [0.122, 0.393].

H4: Hayes' PROCESS macro (Model 4)					
Effect	**Effect size**	**SE**	**t/z**	**95% CL**	***p***
Total effect	-.104	.098	.-1.059	[-.298, .090]	.291
Direct effect	-.351	.110	-3.184	[-.569, -.134]	.002**
Indirect effect	.247	-	-	[.122, .393]	-

Significance at p<0.001***, p<0.01**, p<0.05*

Table 8. *Mediation of psychological ownership on expected product quality.*

Although the total effect of acquisition mode on expected product quality was not statistically significant, the mediation analysis revealed two significant and opposing effects. Leasing reduced psychological ownership, which in turn lowered expected product quality (indirect effect), while simultaneously increasing expected product quality through a separate direct pathway. These opposing effects work in different directions, resulting in a non-significant total effect. This pattern is consistent with a suppression effect.



4.3.5 Moderated Mediation

H5 suggested that *Vehicle segment moderates the indirect effect of acquisition mode on expected product quality through psychological ownership: the indirect effect is stronger for the hedonic sports coupé segment than for the utilitarian compact sedan segment.* This means that the mediation effect identified in H4 would be stronger for hedonic products (sports coupé) than for utilitarian products (compact sedan).

We tested this moderated-mediation with PROCESS Model 8 (5 000 bootstrap samples; 95 % CIs; N = 298), treating acquisition mode as the independent variable (X), psychological

ownership as the mediator (M), vehicle segment as the moderator (W), and expected product quality as the outcome (Y). Purchasing (vs. leasing) substantially increased psychological ownership (b = 2.30, p < .001), and this "a-path" did not depend on product type (X × W interaction *p* = .58). Ownership, in turn, positively predicted expected quality (b = 0.13, p < .001). The resulting indirect effect of acquisition mode on expected quality was significant for both products: b = 0.24, 95 % CI [0.12, 0.40] for the coupé and b = 0.22, 95 % CI [0.11, 0.36] for the sedan.

Crucially, these two indirect effects did not differ, the index of moderated mediation was non-significant (b = 0.03, 95 % CI [–0.12, 0.07]). Taken together, psychological ownership consistently transmits the influence of acquisition mode on quality expectations, but the size of this mediation is virtually identical for the sports coupé and compact sedan. Accordingly, H5 is not supported: we could not reject the null hypothesis of vehicle segment not having an impact on the acquisition mode-to- expected product quality pathway."

H5 Hayes' PROCESS macro (Model 8)

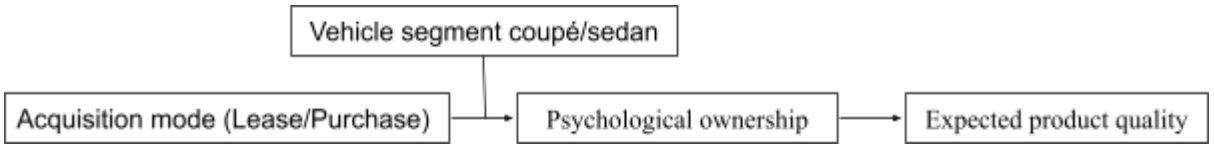
Path/Effect	**b**	**SE**	**t / Boot SE**	**95% CI**	***p***
Path a: Acquisition mode → Psychological ownership	2.30	0.63	t = 3.68	[1.07, 3.53]	<.001***
X × Vehicle segment → Psychological ownership	-0.22	0.39	t = -0.56	[–1.00, 0.56]	.58
Path b: Psychological ownership → Expected product quality	0.13	0.03	t = 4.43	[0.06, 0.17]	<.001***
Direct effect c′: Acquisition mode → Expected quality	-0.19	0.29	t = -0.66	[–0.76, 0.38]	.51
X × Vehicle segment → Expected quality	-0.35	0.18	t = -1.95	[–0.70, 0.00]	.053

Significance at p<0.001***, p<0.01**, p<0.05*

Table 9. Moderated mediation analysis of the effect of acquisition mode on expected product quality via psychological ownership.

H5 Hayes' PROCESS macro (Model 8)			
Path/Effect	Sports coupé	Compact sedan	Index
Indirect b	0.24	0.22	-0.03
Boot 95 % CI	[0.12, 0.40]	[0.11, 0.36]	[–0.12, 0.07]

Table 10. Conditional indirect effects & index of moderated mediation.



4.3.6 Summary of H1–H5:

#	Hypothesis	Result
H1	*Leasing (purchasing) will lead to lower (higher) levels of expected product quality.*	Not supported
H2	*Leasing (purchasing) will result in a lower (higher) level of psychological ownership at the time of purchase.*	Supported
H3	*Psychological ownership will be positively correlated with expected product quality.*	Supported
H4	*Psychological ownership will mediate the effect of acquisition mode on expected product quality, such that higher ownership leads to higher expected quality.*	Supported
H5	*Vehicle segment moderates the indirect effect of acquisition mode on expected product quality through psychological ownership: the indirect effect is stronger for the hedonic sports coupé segment than for the utilitarian compact sedan segment.*	Not supported

Table 11. Summary of results.

5 Discussion

5.1 Summary of Main Findings

The purpose of this thesis was to answer the question *"Does leasing, compared with purchasing, lower expected product quality, and is this effect mediated by psychological ownership?"*. Our analysis shows that acquisition mode has an impact on expected product quality, but that this relationship is nuanced.

The results reveal that framing a vehicle as being offered as a lease rather than as a purchase did not produce a significant drop in expected quality, yet a closer look uncovers two opposing forces. First, participants exposed to a leasing scenario reported a weaker sense of "mine" than those exposed to a purchase, and this reduction in psychological ownership translated into lower quality expectations. Mediation analysis confirmed that only the indirect path through psychological ownership was significant. Second, leasing appears to convey positive quality cues that boosts expected product quality. These opposing indirect and direct effects work in opposite directions, yielding no overall difference in expected product quality.

Product context further refines this insight. Although neither leasing nor purchasing showed a significant simple effect of acquisition mode on expected quality, the interaction between acquisition mode and vehicle segment was significant. Leasing produced an increase in expected quality for the utilitarian sedan and a small decrease for the hedonic coupé; these opposing trends, when analysed together, drove the significant interaction. In practical terms, leasing can enhance perceived quality for utility-focused products compared to a more symbolic, hedonic good.

5.2 Theoretical Contributions

The main contributions of this paper are to the literature on acquisition-mode framing and psychological ownership within access-based consumption, offering a sharper theoretical account of how feelings of "mine" connect acquisition mode to product judgments and how this connection varies based on type of vehicle.

Our research expands previous work showing how the endowment effect, and consequently a higher willingness to pay, is often driven by the degree of psychological attachment to an object (Bagga, Bendle and Cotte, 2018; Morewedge et al., 2009). This study shows that

psychological ownership mediates the effect of acquisition mode on expected product quality. It also extends research on the endowment effect by demonstrating that feelings of ownership influence intrinsic quality expectations and not only willingness to pay. Prior research has linked ownership feelings primarily to price‑related outcomes (Reb and Connolly 2007; Morewedge et al. 2009; Bagga, Bendle and Cotte 2018). Our mediation test shows that the same construct also predicts how reliable, durable and well-engineered a product is expected to be before use. In other words, the "mine" heuristic informs competence-based judgments usually thought to depend on objective information, extending psychological ownership theory from value assessments to quality expectations.

Furthermore, the absence of a direct effect of acquisition mode on expected quality is itself a noteworthy theoretical insight. This null finding suggests that acquisition mode per se (simply purchasing vs. leasing a product) does not inherently boost consumers' overall perceptions of product quality. Such a result resonates with prior research on product valuation indicating that physical possession and personal experience with a product may influence consumer valuations more strongly than the legal fact of ownership (Reb and Connolly, 2007). In our study's context, whether participants were told they would lease or buy the item, they likely assumed the same ability to use and experience the product; consequently, their quality expectations did not diverge unless psychological ownership was held constant. Rather than assuming that ownership always boosts perceptions, our results extend theory by demonstrating that other factors also affect the relationship. Notably, some theorists have argued that the reduced psychological ownership in access-based consumption could be detrimental to consumer attitudes and outcomes (Morewedge et al., 2020). Our findings qualify this view: when it comes to expected product quality, leasing does not inherently reduce quality perceptions. In fact, as we discuss next, under certain conditions it can even have a positive effect due to extrinsic factors connected to the leasing concept itself. This nuance adds depth to theories of access-based consumption by indicating that access-based-consumption models can make up for losses connected to the reduction in psychological ownerships via quality cues from the access-based acquisition mode context.

The significant interaction between acquisition mode and vehicle segment clarifies the earlier null main effect. For the utilitarian compact sedan, leasing led to higher expected quality than purchasing, whereas for the sports coupé the opposite pattern emerged, showing that the impact of leasing versus buying depends on the characteristics of the product. One possible

explanation is that consumers may separate what a car can do (performance) from what it's worth in their minds (value). Knowing that a product is offered as a lease can prompt consumers to view it as a lower-cost route to a higher-spec model, complete with maintenance and scheduled upgrades. This raises expectations of superior quality, yet the absence of ownership limits the attachment that would otherwise boost monetary valuation. The idea echoes Pichierri, Scarpi and Pizzi's (2018) experimental evidence: even when leasing granted access to a full-optional car for the same total cost as purchasing the base model, more than 80 % of participants still chose to buy.

This previously mentioned finding contrasts with conventional consumer behavior patterns in ownership: for example, earlier studies observed that consumers are generally willing to pay more to own physical utilitarian products rather than rent them (Morewedge et al., 2020). Our results, however, indicate that in terms of expected quality (as opposed to cost or value), a leased utilitarian product can be seen as equally good as, or even better, than an owned one. By demonstrating this, we add a novel nuance to the literature on access-based consumption. Specifically, whereas previous research did not find significant differences between utilitarian and hedonic products in the context of rental valuation (Bagga, Bendle and Cotte, 2018), our study shows that such differences do emerge in the context of quality expectations. This suggests that consumers' evaluations of access-based consumption depend on the specific outcome being considered (e.g., expected quality versus monetary valuation) and the type of product in question.

A further contribution of this study concerns the timing at which the gap in psychological ownership appears. The decision-stage divergence between leasing and purchasing demonstrates that ownership feelings can be shaped before any physical interaction with the product, illustrating the potency of acquisition framing in activating or suppressing the control, self-investment and intimate-knowledge routes to psychological ownership outlined by Bagga, Bendle and Cotte (2018). A key factor for this could be that legal ownership is not acquired, which can facilitate the emergence of psychological ownership (Pierce, Kostova and Dirks, 2003), however, something that is not necessary for it to develop (Reb and Connolly, 2007). By situating the ownership effect at the moment of choice, the study extends earlier demonstrations of post-purchase attachment and underscores how early cognitive appraisals translate into downstream quality expectations. This early effect highlights the power of acquisition framing. It also extends recent evidence (Bagga, Bendle and Cotte,

2018; Morewedge et al., 2020) by confirming that ownership feelings can diverge purely from the transaction mode, a phenomenon related to the classic endowment effect.

Finally, the analysis also shows that the indirect path from acquisition mode to expected quality through psychological ownership does not differ between the two vehicle segments. This finding stands in contrast to prior theorising that hedonic goods (sports coupé in this study), whose value is closely tied to self-expressive and affective meaning (Belk 1988), should be more sensitive to reductions in ownership. Studies demonstrating larger endowment premiums for pleasure-oriented items (Shu and Peck 2011; Chan 2015) similarly imply that lower ownership, such as in a lease, ought to depress evaluations of hedonic goods more than those of utilitarian ones. Our result therefore challenges the view that hedonic products are uniquely vulnerable to diminished feelings of "mine", at least in the context of expected product quality. A plausible explanation is that competence-based quality judgements, unlike monetary valuation or affective enjoyment, rely on ownership cues in much the same way across product categories; when consumers concentrate on functional performance rather than symbolic fit, product orientation exerts limited leverage over the psychological-ownership mechanism, refining the boundary conditions of ownership theory.

In summary, this study advances the ownership literature by demonstrating that psychological ownership shapes perceptions of a product's intrinsic quality expectations, beyond its traditionally examined role in monetary valuation (Reb and Connolly, 2007; Morewedge et al., 2009; Bagga, Bendle and Cotte, 2018). By highlighting the mediating role of psychological ownership on consumers' competence-based judgments, this research expands the understanding of how feelings of ownership influence perceptions about product quality prior to actual use. Additionally, the interaction between acquisition framing and product type, where acquisition mode impacts expected product quality differently depending on the vehicle segment, introduces an important nuance. Our findings complements the prevailing view that non-ownership undermines product evaluations (Bagga, Bendle and Cotte, 2018) and aligns with evidence suggesting that consumers may decouple functional quality perceptions from attachment-based valuations (Pichierri, Scarpi and Pizzi, 2018). Collectively, these insights reposition acquisition mode as a critical factor shaping consumer cognition, revealing the complex relationship between psychological ownership, product type, and contextual factors intrinsic to access-based consumption.

5.3 Practical Implications

These findings provide managers with guidance on how to tailor leasing programmes to align with consumers' psychological responses to ownership and acquisition mode. Understanding the nuances of psychological ownership, product type, and quality expectations can help firms optimize their leasing strategies to enhance customer perceptions and satisfaction. Specifically, managers should focus on mitigating the psychological ownership gap, strategically deploying leasing depending on product orientation, and clearly communicating leasing-related advantages to strengthen consumer evaluations.

Proactively address the clear reduction in psychological ownership under leasing conditions. Companies offering leased products should implement strategies to counterbalance the lower attachment typically experienced by lessees. Such approaches could include personalized customization, rent-to-own opportunities, or loyalty programs designed explicitly to foster stronger psychological ties despite the absence of formal ownership.

Use leasing strategically for utilitarian products, not as a blanket solution for all categories. Because the lease frame nudges quality expectations slightly upward for utilitarian goods yet nudges them downward for hedonic ones, a leasing offer is most advantageous when the product's value proposition hinges on reliability, low upkeep, and functional efficiency. However, managers must exercise caution: if a leased utilitarian product fails to meet these heightened quality expectations, customer satisfaction may suffer, ultimately undermining trust in the brand. Consequently, leasing services should ensure rigorous maintenance and quality assurance protocols to safeguard against the potential mismatch between elevated expectations and actual product performance.

Clearly communicate leasing-related benefits to strengthen quality perceptions. Given that leasing contexts may signal higher-quality standards through, for example, bundled maintenance, upgrades, or assurances of reliability, marketers should explicitly highlight these advantages in promotional messaging. Clarifying these service-related aspects can reinforce perceptions of competence and reliability, thereby enhancing overall consumer evaluations of leased products, especially in utilitarian categories.

5.4 Limitations and Future Research

Our research design was a scenario-based online experiment, which let us manipulate acquisition mode and vehicle segment in a controlled setting but relies on participants' self-reported measures rather than observed real-world behaviour. The responses may therefore differ from those of consumers making actual leasing or purchasing decisions, and the scenarios may not capture the emotional investment that genuine ownership involves. This could make the data susceptible to social-desirability bias and common-method variance, limiting causal inference. Future studies should examine field settings in which consumers make real leasing or purchasing decisions and use longitudinal or multi-method designs to track how ownership feelings and quality evaluations evolve over time.

Furthermore, the study focused exclusively on a single product category (cars) which limits the generalizability of the results to other industries. Cars possess both utilitarian and hedonic characteristics, yet other product categories (such as electronics, fashion, or digital services) might evoke different degrees of psychological ownership and quality expectations when leased or purchased. The use of a single example for each product type (hedonic vs. utilitarian) may oversimplify the continuum on which many products actually lie. In real-world scenarios, products often blend hedonic and utilitarian elements, making it challenging to isolate the effects observed in our experimental design. Future studies should explore whether the patterns observed in the automotive context hold for other goods, such as technology, fashion, or even digital media. By examining a broader range of products, researchers can assess if the impact of leasing on psychological ownership and subsequent quality expectations is consistent or if it varies according to product characteristics. This could be particularly valuable for industries transitioning towards access-based consumption models.

Additionally, the experiment used two vehicle segments (a sports coupé and a compact sedan) because they are familiar marketplace examples that evoke different hedonic versus utilitarian perceptions. We recognise that these segments also carry prestige and performance cues, so absolute quality ratings are likely to reflect those attributes as well, which may confound observed effects. However, our focal tests compare leasing versus purchasing within each segment, where the physical product is identical; consequently, any lease or purchase differences we observe, including those mediated by psychological ownership, cannot be

attributed to the coupé-versus-sedan distinction. Including a second segment nonetheless offers an initial check that the pattern is not tied to a single exemplar. Future studies could present the same vehicle to every participant and shift hedonic-versus-utilitarian perceptions solely by manipulating the use case, thereby ruling out any influence of residual product cues.

Finally, future studies should extend the criterion space beyond expected quality. Tracking satisfaction, actual product care, repeat purchase intent, and advocacy behaviour over the lifecycle of a lease would reveal whether the initial ownership deficit translates into long-term disadvantages or whether heightened quality expectations, if met, ultimately strengthen customer relationships. Together, these avenues promise to refine theory on access-based consumption while offering managers evidence-based levers for designing leases that satisfy both experiential and quality-driven consumers. In addition, experimental manipulations that build “ownership bridges”, such as personalised customization, rent-to-own schemes, or loyalty rewards, should be explored to determine whether they can restore attachment levels and improve downstream outcomes (satisfaction, word-of-mouth, brand loyalty) when psychological ownership is diminished.

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7 Appendices

Appendix 1: Full survey questionnaire

Question	Response options
Select “I agree to participate” to participate in the study. Select “I do NOT agree to participate” to be removed from the study.	I agree to participate / I do NOT agree to participate
Have you read the scenario carefully?	Yes / No
Based on the description you just read, is the product offered under a lease agreement or available for purchase?	Lease agreement / Purchase
Please indicate the extent to which you perceive the car as hedonic.	1 = Not hedonic at all … 7 = Extremely hedonic
Please indicate the extent to which you perceive the car as utilitarian.	1 = Not utilitarian at all … 7 = Extremely utilitarian
I expect that this car will overall be of very high quality.	1 = Strongly disagree … 7 = Strongly agree
I expect that this car will have high-quality design and style.	1 = Strongly disagree … 7 = Strongly agree
I expect that this car will be well-built and meet high manufacturing quality standards.	1 = Strongly disagree … 7 = Strongly agree
I expect that this car will have many useful features and advanced technology.	1 = Strongly disagree … 7 = Strongly agree
I expect that this car will last a long time without major issues.	1 = Strongly disagree … 7 = Strongly agree
I expect that this car will be very reliable and unlikely to break down.	1 = Strongly disagree … 7 = Strongly agree
I expect that this car will have excellent performance.	1 = Strongly disagree … 7 = Strongly agree
I feel a very high degree of personal ownership of the car in the scenario.	1 = Strongly disagree … 7 = Strongly agree
I feel like I own the car.	1 = Strongly disagree … 7 = Strongly agree

I feel like this is my car.	1 = Strongly disagree … 7 = Strongly agree
How familiar are you with leasing products in general?	1 = Not familiar at all … 7 = Extremely familiar
How familiar are you with leasing products of this type (i.e., cars)?	1 = Not familiar at all … 7 = Extremely familiar
Age	Numeric entry
Gender	Male / Female / Non-binary / third gender / Prefer not to say
What is your highest level of education?	No upper secondary school degree / Upper secondary school degree / Some BSc studies / BSc degree / Some MSc studies / MSc degree / Some PhD studies / PhD degree
What is your main occupation status?	Employed full-time / Employed part-time / Student / Unemployed / Retired
Select "Yes" for this statement (attention-check)	No / Maybe / Yes

Appendix 2: AI Disclaimer

Two AI tools have been used for this thesis. ChatGPT-4o was used for generating images of the two cars for our stimulus, as it was the most advanced image generation model at the time (after the image generation update on March 25), allowing for more realistic stimuli that fit the description accurately. Furthermore, OpenAIs model o3-mini-high has been used as a language tool for improving the formality, grammar, and the readability of the report. Additionally, we have used the deep research function as a way of adding to our literature library by screening for sources that we did not initially manage to locate with our keywords on Scopus or Google Scholar, but that were deemed to be relevant to the report after a manual check.

Potential risks of using AI were clear, it did not perform well in utilizing sources effectively. Even when simply improving grammar it could begin hallucinating around which sources were used and where. To mitigate these risks we did not allow AI to generate sources. Potential articles that were found using deep research had to be properly vetted by us before being added to our library of relevant articles.