

Review of M. Bianchi's and R. Patalano's *Storytelling and Choice*, Rounded Globe, pp. 95.

Mark Blaug famously argued that the arts could be a fertile testing ground for economic theory, since it was there that many phenomena are more distinct than elsewhere in the economy. The quality of goods is more uncertain than elsewhere, motivational structures are more complex and the impact of technological change less uniform. Marina Bianchi and Roberta Patalano suggest that we should add the meaning of goods to that list in their charming free digital book *Storytelling and Choice*.

In the pages of this journal Bianchi has argued as far back as 1997 that consumption could be better understood by thinking through practices such as collecting, which exploit goods beyond their use-value, and which demonstrate the wide range of possible relations between goods (Bianchi, 1997). That story is now broadened into an argument that it is through stories, that is by linking artefacts to a past and a future, that goods obtain value. The book makes that argument most forcefully by a reinterpretation of the endowment effect. The endowment effect, as readers of this journal well know, marks the discrepancy between the price at which individuals are willing to buy an object and at which they are willing to sell an object. In the most simple explanation, the bias results merely from the fact of ownership - we irrationally value more highly what we already have. But by now there are a variety of nuanced interpretations in the literature which variously stress ownership effects, loss aversion, status quo bias or even evolutionary advantages of bargaining in small groups. Bianchi and Patalano offer an account that bears resemblance to the interpretation put forward by some psychologists who have suggested that individuals quickly grow attached and identify with what they own (Morewedge & Giblin, 2015). So the famous 'mug' used in the experiments becomes 'my mug'. Or in the words of Bianchi and Patalano: "For around an object, even something as humble and ordinary as a cheap mug, there takes place a process of singularization that records the novelty of the event. Facing loss simply reveals something that was unperceived before, namely, that the mug has become a small repository of a new and larger story" (p. 17).

But perhaps the most novel element of their theory is that they stress the open-endedness of stories, and therefore of the meaning of goods. The book illustrates that wonderfully by recounting a number of stories including that of the 17th-century *Still-life with a Bridle* ascribed to the enigmatic painter Torrentius. The story of the endowment effect emphasizes the more conservative side of consumption, that in which goods are attached to the past, like memorabilia. The story of Torrentius and his *Still Life with a Bridle*, in contrast, reveals the new meanings that an artefact can acquire, and its ability to surprise the individual. It is the adventurous and forward-looking nature of consumption, the chase, the aroused curiosity, and the surprises that consumption can bring which are brought out by the authors.

These two elements are recognized merely on the fringes of theories of choice, and when they are, they are frequently written off as biases. What Bianchi and Patalano seek to do is to give an integrated account of these phenomena in which artefacts become the elements in particular stories, and through these stories become meaningful, and valuable, goods. They argue that we experience goods as particulars: not just any mug but *my* mug, not just any record but the one I discovered in the bargain bin while visiting my friend in Brooklyn. And through such stories in which these goods become meaningful, and hence valuable, we form emotional attachments to them, and therefore we like to keep them around us: the necklace my grandmother left me, and the novel which meant so much to me when I first moved out of the family home. Moreover, I can reread the novel now, not just for the remembrance of things past, but to discover new meaning in relation to the books I have read since.

However, in attempting to integrate these two elements into a new theory of consumption¹, the book also leaves much to be desired. To begin with, the book is uneven in how it relates to the relevant literature. The work building on Appadurai and Kopytoff and the ‘social life of things’ is curiously absent (Appadurai, 1986). The same is true for the more recent work on valuation to which cultural economists and sociologists have contributed (Antal, Hutter, & Stark, 2015; Beckert & Aspers, 2011; Karpik, 2010). And this while the book is explicitly concerned with the same questions: “how do things become goods” and “how do goods become singular objects”.

For this reviewer, there is a more important lacuna to the book when it is judged as a theory of consumer choice: the absence of an institutional and social environment. Choice is conceptualized as a highly individualized process, in which the individual relates to the things around herself. But one simple answer to the question of how things become goods is that they are produced and marketed as such, say as souvenirs. And one simple answer to the question of how goods are made singular objects again is that they are valued in institutions which attempt to shield themselves from the market, say by museums.

By making ‘newness’ into a psychological category, as the book does, we are in danger of forgetting that new cultural products are typically marketed as variations on existing (exemplary) goods. And by emphasizing personal stories central to the valuation of goods, we lose sight of the social aspect of stories, and meaning more generally. The social and institutional aspects of consumption are themes to which cultural economists have a lot to contribute, but this book does not quite deliver on these fronts.

That being said, it manages to offer an alternative way of thinking about consumption, away from what is sometimes called the ‘banana model’ of consumption: we eat the banana and our hunger fades, our preference is satisfied. Instead it integrates consumption into the life-story of individuals, into their becoming, the discovery of what they like, but more importantly of what sparks their curiosity and excites them, what draws them in. Stories are an essential element in that process: they connect one experience to the next and add meaning, add value, and they capture the particularity of the experience. How that basic insight relates to the durability of goods, the digital world, or the experience economy, and different markets remains to be explored.

References

- Antal, A. B., Hutter, M., & Stark, D. (2015). *Moments of Valuation: Exploring Sites of Dissonance*. Oxford: Oxford University Press.
- Appadurai, A. (1986). *The Social Life of Things: Commodities in Cultural Perspective*. Cambridge, MA: Cambridge University Press.
- Beckert, J., & Aspers, P. (2011). *The Worth of Goods: Valuation & Pricing in the Economy*. Oxford: Oxford University Press.
- Bianchi, M. (1997). Collecting as a Paradigm of Consumption. *Journal of Cultural Economics*, 21, 275–289.
- Karpik, L. (2010). *Valuing the Unique: The Economics of Singularities*. Princeton: Princeton University Press.

¹ The latter half of the book is more directly about literary theory and the function of stories, so the authors might disagree that this is the central purpose.

Morewedge, C. K., & Giblin, C. E. (2015). Explanations of the endowment effect: an integrative review. *Trends in Cognitive Sciences*, 19(6), 339–348.