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Emotion Driven Biases in Consumer Decision Making: A Study on Cross Border Hand Made Y2K Retro Jewellery Consumption

Xingtong Li

School of Social Sciences, University of Surrey, Guildford, UK
xl01419@surrey.ac.uk

Abstract. Against a backdrop of intensifying cross-cultural exchange, emotion-driven decision-making bias is particularly salient in the rapidly expanding market for cross-border Y2K retro handmade jewellery. Integrating the affect-heuristic perspective and cross-cultural consumption frameworks, grounded in the affect heuristic—which posits that affective reactions serve as informational shortcuts in judgment—and cross-cultural consumption theory, this article investigates how combined emotions of nostalgia, exotic curiosity and identity -seeking produce consumer cognitive biases and various corresponding market outcomes. The current research points out both the positive functions, such as the promotion of cultural diversity and the empowerment of micro-creators, with three important issues: the distortions of the willingness to pay due to over-estimation of emotions, misinterpretations of cross-cultural aesthetics causing substantial returns, and impulsive spending amplified by social media. The study has also developed some solutions, including the application of ethical norms in marketing, visualization tools based on AR technologies, and the education of consumers in digital emotional literacy. The research has extended the affect-heuristic approach beyond the context of domestic retail by applying it to the sphere of transnational consumption and offered useful solutions for artisans, platforms, and lawmakers aimed at developing proper approaches to promote cross-national trade, which support sustainable retro shopping activities.

Keywords: Emotional Heuristics, Y2K Aesthetic, Cross-Cultural Consumption, Consumer Bias, Digital Commerce

1. Introduction

1.1. Research context and market landscape

The Y2K retro style is currently trending, and its bright neon colours, spacecraft presentations, and playful millennial fashion have captivated Generation Z around the world. When it comes to style, social media platforms have placed retro-themed items firmly into the mainstream market after being confined to subcultures for a long time. According to the global market research, by 2023, the retro jewelry market will reach the value of 7.8 billion US dollars, out of which over 35% will come

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from cross-border purchases. The consumers in the age group of 18–30 will account for 72% of the jewelry purchases [1]. The consumption attitude towards jewelry is primarily psychological, which means hedonic and symbolic values get more priority than functional ones. The reasons consumers make purchases of Y2K handmade jewelry are various and may include millennial nostalgia, self-expression, emotional attachment, and appeal of exotic styles rather than the need for quality and practicality. Due to emotional motivation, consumers make a number of decision-making mistakes. That is, people frequently overrate jewelry aesthetic and collecting value but underestimate actual expenses. The figures from the 2024 Cross-border E-commerce Quality Consumption Report say that people have aesthetic exhaustion or some kind of post-buying regret in 58% of cases after they get the Y2K jewelry. Thus, the purchase return rates citing emotions are 23% higher than the ordinary percentage of returned mass-produced items [2]. In cross-border shopping scenarios, cultural differences further amplify such cognitive biases. Western consumers interpret Y2K aesthetics as a symbol of millennial technological optimism, reflecting people's imagination of the digital future around 2000; while Eastern consumers are more likely to understand the same visual elements as sweet, cute, and cartoon-like styles that fit the aesthetic preferences of local young people. This cultural divergence fosters systematic asymmetries in value judgment, ultimately exacerbating information asymmetry and inflating reverse-logistics costs in cross-border transactions [3]. The decision-making deviations induced by multiple emotions not only cause unnecessary economic losses for young individual consumers with limited disposable income but also increase the inventory pressure, after-sales workload of cross-border merchants, and the dispute rate between buyers and sellers.

Therefore, analyzing how multiple emotions shape consumer decision-making biases in a cross-cultural context is of significant commercial value and social significance for optimizing cross-border marketing strategies, improving platform information disclosure rules, and enhancing consumers' rational decision-making ability.

1.2. Literature review

In the field of consumer behaviour research, a large number of academic studies have focused on the relationship between emotions and consumer decision-making biases. Lewenstein proposed the classic "Risk as Feeling" model, which indicates that an individual's current emotional state directly interferes with risk assessment, cognitive judgment, and the final decision outcome. Sometimes, it even overrides rational cost-benefit calculations [4]. In cross-cultural consumer behaviour research, Chen found that different cultural backgrounds would change the weight that consumers attach to various attributes of products, thereby forming significant valuation differences among different consumer groups [5]. The research by Beck and Kennedy showed that nostalgic emotions significantly increase consumers' willingness to pay for retro products, and this premium preference is not related to the actual function or durability of the products [6]. For the Chinese Z-generation youth group, the compensatory nostalgia psychology triggered by real-life pressures will distort price sensitivity, prompting them to be willing to pay higher prices for products with limited practicality but emotional symbolic significance [7]. Furthermore, moving past studies focused on general emotional responses, cross-border e-commerce research identifies the reversed cultural-discount effect. Consumers' imaginative projections toward foreign cultural features grant imported goods extra perceived cultural value, even in the absence of objective supporting evidence [8].

Most existing literature investigates emotional consumption in domestic retail or general cross border scenarios. Though existing studies focus heavily on emotional consumption in domestic retail markets, they seldom elaborate on the systematic pathways by which mixed emotions produce

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decision-making biases for niche subcultural goods like Y2K retro handmade jewelry amid cross-cultural contexts. Prior research often treats emotion as a single dimensional variable, ignoring the compound nature of emotions in Y2K consumption: purchasing behaviour simultaneously integrates multi-faceted mental drivers, including nostalgia, exotic curiosity, and identity seeking anxiety, and different cultural groups interpret these emotional drivers in systematically divergent ways. Additionally, for high emotional involvement categories with low information transparency, like cross border hand crafted jewellery, how emotions interact with product features, including handmade imperfection, material uncertainty and blurred product description to magnify cognitive bias, remains largely underexplored. Practical cross cultural intervention schemes to mitigate such consumption biases are also insufficiently discussed in current academic papers. The general orientation bias of existing research restricts practical guidance for the fast growing retro cross border market.

1.3. Research framework

This paper selects cross-border Y2K retro handmade jewellery as its core research setting and builds an integrated analytical framework. Within this framework, cross-cultural emotional activation gives rise to affective projection and cognitive heuristics, which further trigger consumer decision-making biases and corresponding post-purchase outcomes. This paper integrates literature covering emotional decision-making and cross-cultural consumption, defining emotion-driven decision-making bias grounded in affect-heuristic and cross-cultural cognition theories. Drawing on industry reports, transaction data and social-media content, it detects market distortions, including willingness-to-pay overstatement and algorithm-driven impulse buying, and suggests targeted measures to support sustainable retro-commerce ecosystems.

2. Case description and empirical setting

This case concentrates on Y2K retro handmade jewellery transactions on Etsy, the world's largest marketplace focusing on handmade goods and vintage items, together with Chinese consumer purchasing behaviour via Taobao Global Purchase and personal overseas purchasing agents. Etsy recorded 96 million active buyers in 2023, and the "Y2K Jewelry" sub category achieved annual sales growth exceeding 45 %, far higher than the average growth rate of ordinary jewellery categories on the whole platform [9]. A large share of transaction volume comes from cross border orders between North American independent artisans and Asian young consumers.

The case chosen for this research is a pixel-style heart-shaped alloy earring produced by an independent American craftsman. The raw materials used for making this product are simple alloy and resin, and it costs $5 to make the earring by hand. It is sold on the Etsy site for $35, where the additional pricing is due to the label of Y2K culture and the narrative about the handmade story. Many Chinese people learned about the product from fashion bloggers and online influencers on Xiaohongshu. Motivated by nostalgic feelings and foreign aesthetic feelings of the Western subculture, Chinese customers bought the product through agent purchasing at a price of around 300 RMB. After the purchase, several consumers mentioned on social media that the material is cheap, and the product is poorly made by hand. There was a clear colour difference between the product and the promotional photos taken by the filtering services. As illustrated in Table 1, divergent value orientations lead to polarized evaluations of ostensibly identical products.

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Table 1. Cross-cultural divergence in consumer evaluations of Y2K jewelry

Consumer group	Representative review content	Main evaluation dimension
Western consumers	"Cute and full of millennial nostalgic vibe, perfect for party styling."	Aesthetic-emotional experience
Chinese consumers	"Over-priced for simple alloy material, actual appearance differs greatly from pictures."	Material quality & cost-performance

This divergence underscores how cultural encoding and decoding processes fundamentally alter product perception across geographic boundaries [9]. Short video platforms, including TikTok and Douyin, further spread massive Y2K unboxing and outfit matching content. Emotional contagion among audiences facilitates impulsive orders and reinforces decision making bias. This real world typical case supplies rich empirical materials for investigating cross cultural emotion driven consumption bias.

3. Mechanisms and implications of emotion-driven bias

3.1. Socio-economic affordances of emotional consumption

3.1.1. Catalyzing cross-cultural exchange and aesthetic diversity

Emotion motivated purchasing objectively facilitates cross cultural exchange and cultural diversity transmission in digital commerce. When consumers from Eastern societies acquire Y2K jewellery created by Western artisans, they get exposed to millennial cultural symbols such as fluorescent colour schemes and pixel visual elements beyond physical commodities. Emotional resonance encourages public interest in foreign sub cultures which are hardly accessible under traditional trading modes. Large volumes of consumers share cross cultural outfit content across social media channels, triggering public discussion and mutual aesthetic learning and weakening invisible inter cultural barriers. For creators, feedback from consumers from diverse cultures can also provide inspiration for design iterations, enabling artisans to take into account the aesthetic preferences of different regions. Emotional consumption has become a micro-bridge that promotes cultural integration in the context of globalized business.

3.1.2. Empowering artisans and sustaining the micro-creative economy

Emotional premiums provide a favourable opportunity for self-employed workers who don't have large investments or great promotional opportunities. In platforms such as Etsy, people are guided by their storytelling skills and creativity, thus helping them earn big profits and overcome the cost of making the product. This way of earning money gives independent creative entrepreneurs a chance to keep these people afloat and allows many more ordinary people to become productive members of the creative community instead of waiting until they are eliminated by cheap mass-produced goods.

According to Etsy's official 2023 industry report, emotionally narrative-oriented marketing improves the average annual revenue of platform artisans by approximately 30 % [9]. Meanwhile, purchasing handmade jewellery delivers moral satisfaction for consumers who intend to support

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independent creators, and such positive sentiment reinforces purchasing motivation and forms beneficial market circulation.

3.1.3. Enhancing experiential value and identity construction

Y2K retro jewellery offers an immersive consumption experience and important channels for modern young people to construct self-identity under digital society. Wearing retro accessories allows consumers to immerse themselves in millennial futuristic imagination or adolescent memory recall for effective emotional release. Under cross cultural contexts, self-expression obtains extra layers: personal taste is displayed alongside symbolic recognition of exotic aesthetics. Experiential emotional value exceeds product functional utility and becomes one vital approach for Generation Z to construct digital social identity online.

3.2. Structural anomalies and behavioural distortions

3.2.1. Willingness to pay distortion and financial inefficiency

The most prominent negative impact brought by emotions is the deviation in payment willingness caused by the overestimation of value. When nostalgic and curiosity-driven emotions predominate, consumers resort to affective heuristics, projecting subjective positive affect onto the judgment of the product's value, skipping the rational cost-benefit calculation. In the aforementioned case, a product with a production cost of 5 dollars was sold at a price of 35 dollars, with a premium rate of up to 600%. When the emotional intensity fades, many consumers realize that the product has been overvalued; however, due to the limitation of high international logistics costs, the vast majority of cross-border handmade products do not support no-reason returns, resulting in real and irreparable economic losses. Young people with limited disposable income are the most affected by this deviation. Multiple emotional purchases can even accumulate unnecessary consumption debts [10].

3.2.2. Cultural interpretation gaps and elevated reverse-logistics costs

A cross-cultural setting intensifies cognitive biases, leading to misunderstandings from an aesthetic point of view and raising the level of returns. This paper has shown that different cultures have different attitudes toward Y2K symbols. For instance, if Chinese customers expect to get a "cute style" and receive products in a dark millennial aesthetic instead, they will encounter some cognitive dissonance. According to Taobao Global Shopping statistics, the return rate of Y2K cross-border jewelry is 18% while that for traditional mass-produced jewelry is only 5% [2]. A large number of returns causes wastage of cross-border logistic resources and leads to cross-border disputes and deterioration of the platform's rating. Moreover, advertising photos that are edited and changed by adding emotional components on social media create false expectations and heighten the chances of misinterpretation.

3.2.3. Algorithmic amplification of impulsive buying and psychological dependency

The recommendations generated by algorithms on short-video platforms, along with the contagious nature of emotions, have led to a trend where Y2K jewelry is often bought impulsively and repetitively. Rapid video reviews showcasing jewelry boxes and fashion challenges harness fast-paced editing, vibrant visuals, and engaging narratives to trigger dopamine release, which fosters instant buying urges. The fear of missing out (FOMO) compels consumers to engage in repetitive

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purchasing behaviours. This creates a problematic cycle defined by emotional triggers, desires for acquisition, fleeting satisfaction, and subsequent feelings of emptiness that drive further consumption. According to the "2024 Z Generation Social Media Consumption Report," 42% of individuals who purchase Y2K jewelry express dissatisfaction once they receive their items; despite this discontentment, they continue to make impulsive purchases [2, 11]. Such habitual shopping not only harms personal financial stability but also heightens psychological risks like anxiety, ultimately ensnaring consumers in the cycle of consumerism.

4. Policy implications and strategic interventions

4.1. Institutionalizing ethical frameworks for cross-cultural marketing

To address the issue of overestimation of value and distortion of willingness to pay caused by emotional inducement, cross-border e-commerce platforms should establish a complete set of ethical guidelines for emotional marketing. Merchants shall comprehensively disclose factual product attributes such as materials, dimensions and origin, and must abstain from deliberately provocative or highly emotive advertising expressions. An "emotional cooling reminder" mechanism for the shopping cart can be added: when consumers add Y2K jewelry to the shopping cart, the system will pop up a window to prompt the user to carefully read the product parameters and view high-definition real photos of the material. At the same time, it is recommended to implement cross-cultural aesthetic interpretation labels: sellers should briefly indicate the interpretation of the same aesthetic symbol in different cultures (for example, Western interpretation: optimistic millennial technology; Eastern interpretation: cute cartoon), helping buyers to understand the cultural interpretation differences in advance. Third party neutral evaluation organizations can release de emotionalised product assessments to help consumers build realistic expectation standards instead of being completely influenced by romanticized subcultural narratives.

4.2. Implementing augmented reality (AR) visualization technologies

As a solution to the current problems associated with aesthetic illiteracy and high rates of return, the use of augmented reality pre-trying features is proposed. With the help of AR technologies, customers can overlay various jewelry products on their pictures and preview how these jewelry products will look in different lighting conditions and with various clothes beforehand. It is possible to offer adjustable aesthetic simulation filters that allow showcasing how the same accessories would fit with Eastern and Western clothing. Furthermore, the built-in option of social sharing in AR systems allows for peer-to-peer verification. By doing so, this mechanism broadens the sources of information beyond personal sensations and reduces over-dependence on misleading influencer posts.

4.3. Fostering consumer digital-emotional literacy

Digital literacy programmes must now include emotional consumption cognition in order to combat impulsive buying and the psychological dependence on social media [12]. Schools and communities may provide information about emotional purchasing behaviours so that targeted demographic groups can understand which heuristic thinking traps to avoid when buying niche products. Platforms may provide warnings once their systems notice orders for similar subculture products or online purchases during late-night hours. Social media influencers are obliged to practice ethical

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endorsements: They must name the weaknesses of Y2K vintage jewelry when promoting it, rather than only presenting the augmented images. Community groups can conduct sharing of experiences about limiting impulse buying, thus creating a normative practice of rational consumption among the Z generation consumers.

5. Conclusion

5.1. Key findings

This article takes cross-border Y2K retro handmade jewelry as an example to study the issue of emotion-driven consumption decision-making biases in a cross-cultural environment. Emotion-driven consumption produces overall positive external benefits. It facilitates better cross-cultural exchange and provides vital backing for small-scale creative industries. Even so, three prominent forms of market distortion remain prevalent: inflated consumer willingness-to-pay, cross-cultural interpretive discrepancies, and algorithm-driven impulse-consumption magnification. Nevertheless, three prominent market problems emerge: emotional overestimation distorts willingness to pay and causes unnecessary financial waste for youth groups; cross cultural symbolic misinterpretation creates aesthetic expectation gaps and high cross border return rates; short video social media amplifies impulsive buying behaviours and may produce consumption related psychological dependency. Corresponding countermeasures are proposed covering marketing ethical regulation, AR visualization technology application and consumer emotional digital literacy construction, with the purpose of alleviating bias and optimizing overall market operation.

5.2. Research significance

The present study expands emotion and decision-making theory to cross border sub cultural consumption scenarios and illustrates interaction mechanisms between compound emotion and cultural cognition, enriching consumer behaviour research. Practically, conclusions supply reference for cross border platforms to perfect information disclosure rules. Independent artisans obtain insights to optimize cross-cultural product narrative and description. Furthermore, this research delivers social level implications for protecting young consumers and supporting sustainable development for retro aesthetic cross border industries.

5.3. Limitations and future study

This study primarily relies on publicly available secondary data and typical case qualitative analysis. The original questionnaire or interview primary data collection is absent. Future research can adopt questionnaire surveys or controlled experiments to quantify how different emotions (nostalgia, exotic curiosity, identity anxiety) influence willingness to pay and compare bias magnitude across Eastern and Western consumer groups. Neuro cognitive experimental methods could further uncover inner psychological mechanisms. In addition, as meta verse related virtual jewellery markets expand, subsequent scholarship may explore emotional decision-making bias within virtual retro ornament consumption and corresponding intervention solutions.

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