Thinking About the Future: Positive and Negative Effects on Consumer Judgment and Well-Being

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Session Title: Thinking about the Future: Positive and Negative Effects on Consumer Judgment and Well-being
Motivational Impact of Thinking about the Future: Expectation versus Fantasies
Gabriele Oettingen (New York University/University of Hamburg) Based on William James’s (1890/1950) distinction between beliefs and images, two forms of thinking about the future are distinguished: expectations versus fantasies. It is reasoned and observed that positive expectations (judging a desired future as likely) predict high effort and successful performance; but that positive fantasies (experiencing one’s thoughts and mental images about a desired future positively) predict low effort and little performance. I will present typical studies from three domains, the health, the interpersonal, and the achievement domain. Participants are patients undergoing hip-replacement surgery, students with a crush on a peer of the opposite sex, and graduate looking for job. Findings are discussed with respect to how positive fantasies about the future impact different tasks in everyday life.

Expectations About the Future: Examination of Consumers’ Tendency to Elaborate on Potential Future Outcomes
Gergana Yordanova, J. Jefferey Inman, John Hulland (University of Pittsburgh) In this research we examine a new construct dealing with individuals’ tendency to elaborate on potential future outcomes, and develop the Elaboration on Potential Outcomes (EPO) scale as a measure of this construct. EPO captures the degree to which individuals both generate positive and/or negative consequences of their behavior and evaluate the likelihood and importance of these consequences. In a series of studies we examine how outcome elaboration relates to various consumer traits and behaviors such as exercise of self-control, procrastination, compulsive buying, credit card debt, obesity, and healthy lifestyle. We also show that people’s tendency to think about potential consequences predicts the type of information processing they engage in when making an important consumer decision, and their likelihood to undertake a risky endeavor.

Motivated Expectation Setting and Its Unintended Consequence on Satisfaction
Cecile Cho, Gita V. Johar (Columbia University) This research is concerned with the notion that consumers actively seek to manage their expectation and examines what the consequence of such motivated expectation setting has on satisfaction. The basic premise of this research is that people’s judgments of satisfaction is driven not so much by performance outcome alone but by an interaction between one's expectation and reference point for future outcome. We predict and find consistent evidence that having a low performance outcome does not necessarily lead to lower satisfaction as compared to higher performance. We suggest a "so-close" effect in which having a high expectation confirmed (hence high performance) generates counterfactual thoughts of how things could have been better, hence negatively affecting satisfaction. Implications for consumer judgments of satisfaction and happiness are discussed.

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SESSION OVERVIEW

Many consumer behavior models have implicitly assumed that consumers are forward-looking and anticipate future outcomes, events, behaviors or feelings before making a decision. The ability to think about future events had been examined extensively in psychology, but has been somewhat disregarded in consumer research. With the exception of literature on reference price and time discounting, consumer researchers are only beginning to recognize the role of forward-looking thoughts and behaviors, such as affective forecasting and construal level theory. This session attempts to bring together psychological and consumer research on future oriented thinking and will help to stimulate greater consumer research on different ways to think about the future and their effects on cognition and behavior.

Not all kinds of thinking about the future are equally beneficial when it comes to motivating people, helping them regulate their behavior or attain satisfaction with their outcomes. The objective of the session is to provide a closer look at different modes of thinking about the future and their impact on subsequent judgment and behavior. We present three papers that examine different forms of thinking about the future—fantasies about future events, anticipation of potential future outcomes, and motivated expectation setting. The first paper in the session will compare the differential effects of fantasies and expectations on effective self-regulation, the second paper will examine the positive effects of pre-decision consideration of potential future outcomes on self-regulation and decision making, and the last paper will talk about the negative effects of motivated expectation setting on satisfaction with an outcome. The three papers together will allow for a lively discussion on the issue of whether future-oriented thinking is always beneficial for judgments and behavior.

The topic of future-oriented thinking and its effects on self-regulation, goal pursuit, and satisfaction holds enormous relevance and significance for the issue of consumer happiness and well-being, and thus is particularly relevant to the conference theme of Transformative Consumer Research. Having two of the leading experts on this topic in the session provides an invaluable opportunity for an interesting and meaningful discussion.

Research on thinking about the future has made an important distinction between imagining different possibilities (e.g., fantasies, prefactual thinking, outcome simulations) and expecting them to occur (e.g., outcome expectancies, elaboration on potential outcomes). Some research on thinking about the future has recognized that different modes of future-oriented thinking differ in terms of their motivating function and the extent of persistence towards a goal, such as weight loss and smoking cessation (Oettingen and Wadden 1991; Oettingen 1996; and Oettingen and Mayer 2002). The first paper in the session, by Oettingen herself, provides the latest research on the differential impact of positive expectation (judging a desired future as likely) and positive fantasies (vicarious ruminations of desired future outcomes). Across domains of health, interpersonal, and achievement domains, she demonstrates that, while both are positively-valenced considerations of the future, they differ widely in their predictive ability of effort and performance. Positive expectations aid in self-regulation, but positive fantasies actually interfere with it.

The second paper by Yordanova, Inman, and Hulland examines the extent to which consumers are forward-looking when making decisions—more specifically the extent to which they think about the consequences of their behaviors. They develop a scale to measure individual’s tendencies to elaborate on potential future outcomes and relate the construct to a variety of traits and behaviors. In a series of studies they show that elaboration on potential outcomes is beneficial for consumers’ exercising of self-control, overcoming procrastination, compulsive buying, credit card debt, obesity, and promoting a healthy lifestyle. They also relate the trait to information processing and decision making by showing that it predicts the type of pre-decision elaboration consumers engage in and the decisions they make.

The third paper by Cho and Johar focuses on a particular form of forward-looking, strategic thinking in a consumption situation—motivated setting of expectations. Specifically, they focus on the phenomenon of lowering one’s expectation so as to ensure satisfaction and to avoid disconfirmation. Under purchase or decision situations involving uncertain outcomes, consumers have been known to lower their expectations so as to avoid negative disconfirmation of their expectation. The satisfaction literature’s empirical demonstration that people maintain multiple expectation levels such as “should” and “will” expectations is strongly suggestive of the idea that people lower their expectations in order to assure themselves some degree of satisfaction with the impending outcome. In three studies involving an unfamiliar product domain, the authors find that, contrary to what one intends and anticipates, setting expectation levels low has the unintended consequence of lowering—rather than increasing—one’s satisfaction and happiness with the outcome. They further provide evidence that counterfactual thoughts are the process mechanism by which this occurs.

“Motivational Impact of Thinking about the Future: Expectations versus Fantasies”

Gabriele Oettingen, New York University/University of Hamburg

Psychological research in the past decades has conceived of thinking about the future as judgments on how likely it is that certain events or behaviors will occur or not occur in the future. Such expectancy judgments are held to reflect a person’s performance history. As past behavior has always been a powerful predictor of future behavior, it comes as no surprise that to this date expectancy judgments have been one of the most important cognitive variables to predict motivation and behavior.

My talk had two parts. First, based on William James’s distinction between beliefs and images, I differentiated two forms of thinking about the future, expectancy judgments versus fantasies, and presented a series of studies showing that these two forms of thinking about the future differentially predict motivation and performance (Oettingen & Mayer, 2002).

In these studies, we hypothesized that because high expectations of success are based on successful performances, they signal that future efforts will not be futile. To the contrary, positive fantasies tempt the person to mentally enjoy the desired futures in the present moment, concealing the necessity to still realize them in actuality. Moreover, fantasies about a trouble-free path to success
should hinder planning to prevent potential obstacles and to overcome hindrances. Feeling no necessity to realize the desired events and the lack of preparatory action should compromise motivation and successful performance. In sum, whereas positive expectations should predict high motivation and success, positive fantasies should predict low motivation and success.

A series of studies tested these ideas (Oettingen & Mayer, 2002). We measured expectations and fantasies long before we measured respective effort and success. While positive expectations were precursors of successful recovery, positive fantasies were a hindrance. This pattern of results held for different paradigms, cultures, and life domains, with participants of different ages, and for effort and success measured by subjective and objective criteria. All the studies attest to the problematic consequences of positive fantasies about the future.

However, positive fantasies develop motivationally fruitful consequences when they are turned into binding goals that lead to subsequent goal striving and goal attainment. To turn positive fantasies about the future into binding goals one needs to contrast them with negative reflections on impeding reality (Oettingen, 2000). This conjoint mental elaboration of future and reality makes both cognitively accessible in the sense that the reality stands in the way of the desired future. Thus a necessity to act emerges that activates expectations of success which now guide the forming of goal commitments. To the contrary, when people only indulge in the positive future or only dwell on the negative reality, no necessity to act will emerge and expectations will not guide the formation of goal commitment. It is solely sponsored by the pull effects (indulging) and the push effects (dwelling) of the imagined positive and negative events (summary by Oettingen & Hagenah, 2005).

A series of experimental studies supported these ideas (Oettingen, 2000; Oettingen, Pak, & Schnetker, 2001; Oettingen, Mayer, Thorpe, Janetzke, & Lorenz, in press: summary by Oettingen & Thorpe, in press). We measured expectations of successfully solving an important concern and then had participants mentally contrast their fantasies about solving the concern, indulge in positive fantasies, or dwell on the negative reality. The predicted effects on goal commitment emerged no matter whether we used cognitive, affective, and behavioral indicators, whether goal commitment was measured long-term or short-term, by self-report or objective indicators, whether the studies were conducted in the US or Germany, in the lab or in the field, and whether they pertained to the achievement, interpersonal, or health domains.

In the third part of my talk, I discussed applied implications of the findings. I showed intervention studies showing that mental contrasting make people discriminate in their investments between promising and unpromising projects. In addition, in an intervention that combines the goal setting strategy of mental contrasting and the goal realization strategy of “if-then” panning, 30-50 year old participants improved their health behavior (exercise and healthy diet) over a period of four months (Stadler, Oettingen, & Gollwitzer, 2005). Finally, I presented data showing that individual differences in mental contrasting mediate the classic relationship between responsive parenting style and high academic achievement (Grant, Oettingen, Gollwitzer, & Schneider, 2005).

References

“Expectations About the Future: Examination of Consumers’ Tendency to Elaborate on Potential Future Outcomes”
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It is widely accepted that the extent to which people consider the future consequences of their behaviors can have significant implications for their choices and for their future outcomes. Many psychological theories of motivation have advanced the idea that people’s actions are greatly affected by their beliefs about the probable outcomes of those actions. According to these theories, people motivate themselves and guide their actions anticipatorily by the outcomes they expect to result from given courses of behavior (e.g., Bandura 1997). This assumption of forward-looking individuals who evaluate the potential end results of their actions has not been assessed adequately in the literature. In our research we address the issue by examining the extent to which consumers are forward-looking when making decisions, and more specifically the extent to which they think about the consequences of their behaviors.

In the past people’s consideration of potential consequences has been studied by clinical psychologists, developmental psychologists, and criminologists. Interestingly, no studies on this topic exist in consumer research. This is surprising given the construct’s potential relationship with a variety of consumer behaviors.

In this research we look at individuals’ tendencies to elaborate on potential future outcomes and relate this tendency to a variety of consumer traits and behaviors. We conceptualize the process of consequences consideration as a construct that encompasses three related dimensions: (1) generation/evaluation dimension-the extent to which people generate potential outcomes and evaluate their importance and likelihood, (2) positive focus dimension-the extent to which they focus on the positive potential outcomes, and (3) negative focus dimension-the extent to which they focus on the negative potential outcomes. In a series of studies (total n=887) we
develop the Elaboration on Potential Outcomes (EPO) scale that assesses all three dimensions of the construct. After establishing the scale’s reliability and validity, we conduct several studies that investigate its relationships with various consumer behaviors such as procrastination, compulsive buying, credit card debt, unhealthy eating, drinking, as well as the type of information processing consumers engage in when making an important consumer decision, and their likelihood to undertake a risky endeavor.

Since EPO is a new construct, we first examine its relationship to various existing traits such as impulsiveness, risk aversion, need for cognition, tendency to focus on long-term versus short-term consequences, optimism, chronic regulatory focus, and defensive pessimism. We conclude that EPO is related to these existing constructs in the expected direction, and is yet clearly discriminated from them.

We next compare the EPO tendencies of different naturally existing groups. We find that defensive pessimists tend to focus more on the negative outcomes and less on the positive outcomes than optimists do; that compulsive buyers consider potential positive and negative consequences to a lesser extent than non-compulsive buyers; and that obese people consider potential positive and negative consequences to a smaller extent than non-obese people.

In a subsequent study we examine the effects of people’s tendency to elaborate on the outcomes of their decisions on their information processing and decision making. We find that people who have different tendencies to consider potential outcomes have different information processing patterns and make different decisions. Results revealed that: 1) consistent with their tendency to generate a greater number of consequences, people who score high on the generation/evaluation dimension of the EPO scale consider a greater number of potential outcomes before they make a decision than people who score low on this dimension, and people who score high on the positive (negative) focus dimension, think about more positive (negative) outcomes than people who score low on this dimension; and 2) the more people focus on the positive (negative) outcomes, the more (less) likely they are to engage in consumer behaviors that might result in significant risks and/or benefits.

Next we examine the effect of EPO on consumer self-regulation behaviors. Since self-regulation involves seeing the immediate situation in terms of future concerns, values and goals (Baumeister and Heatherton 1996; Carver and Scheier 1981), effective self-regulation often requires the individual to be able to transcend the immediate situation by considering future consequences and implications. When transcendence is weak and attention is bound to the here and now, the chances of self-regulation failure are increased. Therefore, one proximal cause of self-regulation failure is the failure of transcendence. Baumeister and his colleagues suggest that factors directing attention to future goals and implications will tend to improve the capacity for self-regulation (Baumeister and Heatherton 1996). These may include both situational and dispositional factors. We propose that one dispositional characteristic that is an important determinant of self-regulation is one’s tendency to elaborate on potential outcomes.

To examine this issue we administered the EPO scale to 302 adults ranging in age from 20 to 67 years. Furthermore, following Baumeister et al.’s review (1994) of different spheres of self-regulation failure, we included a number of behavioral contexts that reflect behaviors which can result from lack of self-regulation: procrastination, credit card overuse, excessive drinking, unhealthy eating, and avoidance of exercise.

Results from a series of regressions reveal that consumers’ tendencies to elaborate on a variety of potential outcomes, as measured by the generation/evaluation dimension of the EPO scale, are negatively and significantly related to the extent to which their self-regulation fails and they procrastinate, engage in excessive drinking, incur excessive amounts of credit card debt, and fail to consume healthy food and exercise. Furthermore, EPO has predictive ability above and beyond other existing constructs such as trait self-control, impulsiveness, tendency to focus on the immediate versus the long-term consequences, and risk aversion.

References


“Motivated Expectation Setting and Its Unintended Consequence on Satisfaction”
Cecile Cho, Columbia University
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This research posits that consumers actively seek to manage their expectations and examines the consequences of such motivated expectation setting on satisfaction. Faced with uncertain outcomes (e.g., product performance), consumers are motivated to protect themselves from potential disconfirmation of their expectations and the negative affect that accompanies such disconfirmation. The basic premise of this research is that people try to strategically manage their future affective states through strategic expectation management but that they are not very good at such management. We predict that this is because counter to the initial intention, setting one’s expectation low generates counterfactual thoughts of alternative outcomes or courses of action, such that, even upon confirmation of this expectation, one is dissatisfied. This prediction is inconsistent with the premise and the robust empirical findings of the expectancy-disconfirmation paradigm which posits that confirmation of one’s expectation (positively-valenced) should at least lead to a moderate amount of satisfaction (Oliver 1997).

Recent research has suggested that faced with an uncertain outcome, consumers deliberately lower their expectation so as to ensure future satisfaction with the outcome. Specifically, Kopalle and Lehmann (2001) find suggestive evidence that people lower their expectations strategically, in anticipation of potential product failure and the accompanying discomfort of having their expectations disconfirmed. This is consistent with the notion that people maintain multiple expectation levels of a should (i.e., desired or deserved) and a will (i.e., predicted) expectation (Boulding, Kalra, Staelin and Zeithaml 1993). Kopalle and Lehmann’s findings demonstrate that people who are disconfirmation-sensitive are motivated to set their expectations low, in anticipation of the potential for negative disconfirmation.

Given the intuitive appeal of motivated expectation setting, however, little research has looked at whether such forward-looking behavior does indeed lead to satisfaction as one intends and anticipates. Would having one’s (lowered) expectation confirmed lead to satisfaction as anticipated? On a more theoretical level, would confirmation of deliberately low level of expectation lead to satisfaction, as predicted by the well-established paradigm of expectancy-disconfirmation theory? Three rounds of studies suggest the opposite—and unintended—consequence of lower satisfaction. This research proposes that lowering one’s expectation...
triggers counterfactual thoughts of how the outcome “could have been better,” or how one “could have chosen better,” hence creating a subjective gap between the outcome and an imagined alternative outcome. Counterfactual research provides that such counterfactual thoughts of comparing the outcome to a better imagined outcome lead to negative affect and decrease in satisfaction (Roese and Olson 1993, Roese 1997).

In study one, level of expectation and awareness were manipulated to examine the level of satisfaction upon confirmation of one’s expectation. The purchase scenario involved battery rechargers and it was used to manipulate expectation level (your goal is “at least 1,000” vs. “700” charges); respondents were told that battery rechargers in general could handle “up to 1200” recharges. High awareness level was induced by having the participants respond to a 9-point questionnaire regarding their expectation BEFORE the dependent measure, thus strengthening the awareness level, whereas the control group (low awareness group) responded to the expectation questionnaire AFTER the dependent measure. The outcome of product performance was held constant for all conditions (1000 recharges). Dependent measures were 9-point ratings of satisfaction and regret with the purchase decision and purchase process. Results show a cross-over Expectation x Awareness interaction for repurchase intent and likelihood of recommending to others. For those with high expectations, satisfaction was higher when one was highly aware of having set a high expectation, whereas for those with low expectation, satisfaction was significantly lower when one was made aware of having set a low expectation.

Study two provided stronger support for the idea that setting expectation low leads to lower satisfaction. Expectation (high vs. low) and search (high vs. low) were manipulated using a similar purchase scenario involving battery rechargers. Results indicate a main effect of expectation on satisfaction, namely, one’s likelihood of repurchasing the brand. There was also a main effect of search, where those with high search had a significantly lower happiness with the outcome for both high and low expectations, suggesting that people may be satisfied with the process of buying the brand as long as they feel they did not search too much for this.

In study three, expectation and search were manipulated in a similar manner, but using three levels of expectation (high vs. medium vs. low). The main effect of expectation was replicated for outcome satisfaction, repurchase intention and process satisfaction. Furthermore, the high expectation group had a significantly higher emotional satisfaction than medium and low expectation groups. A significant interaction between search process and the level of expectation suggests that the decision process is an additional factor in people’s judgments of satisfaction. Analysis of thought protocols indicate that respondents in the low expectation groups generated significantly greater number of counterfactuals about their initial expectation and the extent of search they undertook.

In summary, the three studies examined the role of expectations, and whether expectancy confirmation does indeed lead to satisfaction. Results show consistently that people’s levels of satisfaction were negatively impacted when they set low expectations. This result would not be consistent with the expectancy-disconfirmation paradigm, which would predict that having one’s expectation confirmed would lead to some basic evaluative state of satisfaction. Furthermore, it is noted that assigning the participants to different expectation levels, rather than inducing them to set the expectation levels, is a more conservative test of the notion that counterfactual thoughts about how one “could have done better” is the underlying mechanism behind the negative impact of motivated expectation setting. Taken together, the three experiments offer encouraging support to the counterintuitive notion that setting one’s expectation low is likely to lead to dissatisfaction, even when the outcome meets the expectation. This finding suggests that the effects of motivated expectations are not always positive, and contributes to the broader topic on consumer well being.

References