**Who Chose the Forgone Alternative?: the Effects of Social Comparison on Regret**

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Previous work on regret theory has demonstrated that regret occurs due to comparisons to forgone alternatives. We argue that regret is also likely to be impacted by social comparison to other individuals. In the first study we demonstrate that the effect of comparison to forgone alternatives is impacted by who chose the forgone alternative. In the second study, the effect of individual differences in attention to social comparison information is found to moderate the effect of social context on regret.

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EXTENDED ABSTRACT

Previous regret literature has focused on individual comparisons to any alternative that was not selected (Inman, Dyer, and Jia 1997; Tsios 1998), yet findings suggest that social comparisons play an important role in feelings and decisions (Hoelzl and Loewenstein 2005; Kumar 2004). This paper draws on research in social psychology regarding evaluations in group settings (Beach et al. 1998; Brewer and Weber 1994; Brown et al. 1992; Tesser 1988) to consider the effect of social comparisons on regret. Specifically, we examine the effects of group identity and closeness to others on regret.

The prior regret literature has demonstrated that regret occurs from comparison to forgone alternatives. How is this affected when comparisons are made to in-group members versus out-group members or to a significant other versus a stranger? Kumar (2004) finds that the valence of the decision maker’s relationship with an other and the proximity of the other moderate the effect that the decision of the other impacts one’s likelihood to take action. Specifically, purchase likelihood is less when a referent other in close proximity took advantage of a previous opportunity. These results indicate that social comparison to a close other can negatively impact purchase likelihood. Yet, social comparison to a close other may have positive effects on our decisions (Hoelzl and Loewenstein 2005).

Larrick (1993), drawing on social psychology literature, argues that decision-makers are concerned not only with outcomes, but also with maintaining a positive self-image. This research on group identity has found that, at the group level, a success by an in-group member leads to a positive evaluation, or minimal regret, through association with the group member and reflection upon their positive performance (Brewer and Weber 1994; Brown et al. 1992; Tesser 1988). Thus, when individuals make comparisons to the choice of an in-group member (someone who is a member of their group), reflection occurs. This reflection effect (Brewer and Weber 1994; Tesser and Campbell 1982) predicts that regret will be decreased when a group member chooses a highly satisfying alternative. In contrast, when individuals make comparisons to the choice of an out-group member (someone who is not a member of their own group), an upward comparison, or a comparison to a forgone alternative perceived to be better, is expected to increase regret.

These predictions are tested via a 2 (closeness: significant other vs. stranger) X 2 (outcome: better vs. worse) between-subjects design with MBA students (N=183). After reading a scenario about the outcome of their entrée choice at a banquet, participants indicated their regret for their dining experience. The results indicate that the interaction of closeness and outcome is significant (p≤0.01), as predicted. Examining the simple effects, we find that for participants in the better outcome condition, regret is greater among those comparing their entrée against that of a significant other than that of a stranger (3.04 vs. 2.44; t=2.32, p≤0.05). For participants in the worse outcome condition, regret is less among those in the significant other condition than those in the stranger condition (3.16 vs. 3.60; t=-1.70, p≤0.10).

A second study further examines this effect of social comparison on regret by considering the effect of individual differences in social comparisons (Lennox and Wolfe 1984). It is hypothesized that regret for individuals who are susceptible to social comparison information should be influenced by the interaction of the other’s outcome and one’s own outcome. When individuals perceive they did worse than a stranger, regret should be significantly more when one has low satisfaction with their own entrée than when they have high satisfaction with their own entrée. In contrast, for individuals who are low in social comparison and perceive they did worse than a stranger, regret should not differ between high and low satisfaction because their regret is not influenced by the other individual’s better performance.

These effects are examined in a field study with restaurant customers, greatly enhancing the generalizability of these findings. A total of 215 customers at a casual dining American restaurant were surveyed about their entrée choice, their satisfaction and regret with entrée, their comparisons to entrées ordered by individuals seated at other tables, and their attention to social comparison information (ATSCI) tendencies. A significant three-way interaction among satisfaction, perception of own entrée, and ATSCI is found (b=0.36, p≤0.05). Further analysis, results show that for low ATSCI individuals, the two-way interaction of satisfaction x perception of own entrée is not significant (F 1, 113=0.35, ns), as expected. In contrast, for high ATSCI individuals, the two-way interaction of satisfaction x perception of own entrée is significant (F 1, 100=4.98, p≤0.05), such that when a high ATSCI individual perceives their entrée to be worse, regret is significantly greater when there is low satisfaction with own entrée than when there is high satisfaction with own entrée (M=4.13 vs. 2.10; t=3.46, p<0.01). When a low ATSCI individual perceives their entrée to be worse, regret does not differ between high and low satisfaction (M=2.84 vs. 2.44; t=0.65, ns).

The joint results of these studies indicate that it is not only who chose the forgone alternative, but also one’s individual susceptibility to social comparisons that impacts regret. These two studies use different measures (imagined vs. real regret) and methods (between-subjects and survey) to indicate robust findings that make significant contributions to the regret literature by recognizing that regret is impacted by the social aspects of comparisons, which is consistent with previous findings on the effects of social comparisons. Since individuals frequently make social comparisons, these results have broad implications for understanding the regret consumers experience.

REFERENCES


