The Fading of Optimism: Temporal Changes in Expectations About Product Performance
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EXTENDED ABSTRACT - Product expectations refer to predictions about how good a product's performance will be (Boulding, Kalra, Staelin, and Zeithaml 1993). Consider a consumer trying to choose a disposable camera from a set of competing alternatives. For the chosen camera, the consumer can have expectations about the quality of photographs. Moreover, these expectations can exist both before and after choice. The actual performance, in terms of photograph quality, will be revealed only after the consumer takes pictures and gets the film roll processed. In this paper, we try to understand whether expectations about product performance (e.g., about photograph quality) change over time, from the pre-choice stage to the post-choice stage, before actual product performance is revealed. This paper therefore adds to post-choice research like that on satisfaction (e.g., Oliver 1980) by studying how expectations might change after choice, before performance is revealed.

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EXTENDED ABSTRACT
Product expectations refer to predictions about how good a product’s performance will be (Boulding, Kalra, Staelin, and Zeithaml 1993). Consider a consumer trying to choose a disposable camera from a set of competing alternatives. For the chosen camera, the consumer can have expectations about the quality of photographs. Moreover, these expectations can exist both before and after choice. The actual performance, in terms of photograph quality, will be revealed only after the consumer takes pictures and gets the film roll processed. In this paper, we try to understand whether expectations about product performance (e.g., about photograph quality) change over time, from the pre-choice stage to the post-choice stage, before actual product performance is revealed. This paper therefore adds to post-choice research like that on satisfaction (e.g., Oliver 1980) by studying how expectations might change after choice, before performance is revealed.

If no new product information is available after choice (but before performance revelation), the normative answer would be that pre-choice and post-choice expectations should be the same. We challenge this normative notion by drawing predictions from two seemingly divergent theories. On the one hand, dissonance theory (Festinger 1957) suggests that expectations ought to increase after choice since consumers would try to reassure themselves that they chose the right product. On the other hand, research on strategic management of expectations (Kopalle and Lehmann 2001) suggests that expectations ought to decrease after choice since consumers would try to reduce potential disappointment from their products. We show that both these theories hold, but at different points of time. Consistent with dissonance research, we make the prediction that product expectations will increase soon after it is chosen from a set of competing alternatives. Strategic reduction (Kopalle and Lehmann 2001) will occur later, when product performance is about to be revealed. This prediction follows from research showing that optimism fades away when the moment-of-truth arrives (Gilovich, Kerr, and Medvec 1993). For instance, Shepperd, Ouellette, and Fernandez (1996) found that, as the time for exam feedback approached, students’ forecasts changed from optimistic to pessimistic. Also, as graduation day drew near, college seniors became less optimistic about the salary they will receive.

A series of three experiments test our theorizing about fading optimism in products. These experiments were conducted using disposable cameras as the product category and photograph quality as the performance dimension for which expectations were measured. A product-by-attribute ratings table comparing three (fictitious) cameras was provided as the sole piece of information. On the basis of this information, participants formed expectations and chose the disposable camera they would like to receive. The performance of this camera would purportedly be revealed when participants see the actual photographs. At the end of the study, participants were debriefed and gifted a branded disposable camera.

Experiment 1 measured expectations about photograph quality at different points in time. Expectations were measured just before choice, just after choice, and just before performance revelation (two days after choice). For half the subjects, expectations about the chosen product were tracked. For the other half, expectations about the rejected products were tracked. While no pattern emerged for the rejected products, the chosen product showed an inverted-U over time. People became optimistic (i.e., product expectations increased) after choice but this optimism faded away when performance was about to be revealed.

Experiment 2 manipulated the time of performance revelation and provided further evidence for fading optimism in products. On day 1, participants marked pre-choice expectations. Then, on day 8, they chose one product and marked post-choice expectations for it. Before marking expectations however, half the participants believed that they would see the sample photographs (i.e., know the actual performance) a month later, whereas the other half believed that they would get to see the photographs right after the study. The former, performance-distant group, showed optimism after choice. This optimism had faded away for the latter, performance-imminent group.

Experiment 3 tested the hypothesized process. The setting was similar to that of experiment 2 but the manipulation was different. Without changing the temporal distance from performance revelation, participants were made to be concerned either about the choice they made, or about the performance they are going to witness. The former, past-choice group, showed optimism after choice. This optimism had faded away for the latter, future-performance group. Cognitive responses presented additional evidence for our theorizing. When people were concerned about having made the right choice, they tried to re-assure themselves, in line with dissonance theory (Festinger 1957). However, when people were concerned about the performance being disappointing, they tried to keep expectations low, in line with research on strategic management of expectations (Kopalle and Lehmann 2001) and fading optimism (Gilovich et al. 1993).

In addition to helping managers better understand the varying expectations of their consumers, our research also contributes to various theoretical areas. First, we contribute to post-choice research within the marketing area, which has been limited to post-performance processes like that of satisfaction (Oliver 1980). We demonstrate that interesting expectation processes occur post-choice, but pre-performance. Variation in expectations has implications for understanding the expectation-satisfaction relation. Predictions about eventual satisfaction will differ depending on when expectations are measured—just before choice, just after choice, or just before performance revelation. Second, we add to research that suggests that a focus on anticipated satisfaction, rather than choice, can change preferences (Shiv and Huber 2000). We demonstrate that a similar variation in cognitive focus (future-performance vs. past-choice) can also change post-choice expectations. Along similar lines, we also add to temporal construal theory (Liberman and Trope 1998) by demonstrating that predictive judgments like expectations can change based on whether the performance revelation is in the near or the distant future. Finally, we add to the literature on fading optimism (Gilovich et al. 1993) by demonstrating how fading can occur in product situations in which the time of performance revelation marks the moment-of-truth.

REFERENCES


