Special Session Summary   Magnifying Effects of Immediate Consumer Experiences
    Ziv Carmon, INSEAD
    Joachim Vosgerau, INSEAD

[to cite]:

[url]:
    http://www.acrwebsite.org/volumes/9153/volumes/v32/NA-32

[copyright notice]:
    This work is copyrighted by The Association for Consumer Research. For permission to copy or use this work in whole or in part, please contact the Copyright Clearance Center at http://www.copyright.com/.
SESSION OVERVIEW

Consumer researchers are becoming increasingly interested in consumers’ experiences (see e.g., Ariely and Carmon 2003; Schmitt 2003). This session explored an important characteristic of such experiences—their immediacy. We show that immediate experiences have significantly greater impact on judgment and decision-making than experiences that are less immediate. Each of the papers in the sessions focuses on a different aspect of immediacy.

The first paper shows that consumers weigh information drawn from direct experiences more heavily, controlling for content, format, vividness, and reinforcement learning. The second paper demonstrates that consumers judge immediate feelings as more intense than equivalent past feelings due to greater accessibility for visceral arousal states. The authors also identify a simple de-biasing method, waiting, and show that it can diminish the difference in accessibility and eliminate the intensity-bias. The third paper shows that consumers prefer immediate (‘real-time’) broadcasts over less immediate (tape-recorded) ones. The notion is that immediate experiences such as real-time broadcasts are indeterminate and thus associated with greater excitement than determinate experiences, leading to judgments that are more optimistic yet also more pessimistic.

Collectively the papers in the session show that immediacy of experiences can have magnifying effects, significantly influencing consumer judgments and decisions, and they explore several reasons for those effects. The discussant, Baba Shiv, concluded the session, offering insightful comments and suggestions for each of the papers.

Extended abstract of those three papers appear below.

EXTENDED ABSTRACTS

“The Tree of Experience in the Forest of Information: Overweighing Personal Over Vicarious Experience”

Niklas Karlsson, Göteborg University
George Loewenstein, Carnegie Mellon University
Uri Simonsohn, University of Pennsylvania

Information often comes from multiple sources. Standard models of decision-making assume that, when forming expectations, people will weigh different sources according to their diagnosticity. Holding diagnosticity constant, how a specific piece of information was obtained should be irrelevant. Psychological research as well as intuition, however, suggests that the process through which information is obtained often has an impact on the weight information is given.

One dimension over which sources of information differ is vividness, defined by Nisbett and Ross (1980) as the propensity of information to attract and hold attention. Prior research has shown that vivid information is given more weight in decision-making than comparatively pallid information. For example, people respond more strongly to single cases than statistics about multiple ones, to identified than statistical victims, and, most central to the research reported here, to direct than vicarious experience.

Most of the research documenting such effects, however, confounds three differences between vivid and pallid information: content, format and vividness. The potential confound of informational content is particularly problematic when it comes to assessing the significance of vividness, since differences in informational content, unlike difference in vividness, are relevant. For example, previous work has shown that individuals are more likely to purchase insurance after having experienced a natural disaster first hand (Kunreuther and Slovic 1978). Living through an earthquake is certainly a more vivid experience than learning about them vicariously, but it is also more informative. There are many details about the consequences of an earthquake (e.g. idiosyncratic risks) that can only be learned by experiencing one directly. The documented effect of living through such disasters, therefore, cannot unambiguously be attributed to its vividness.

The format of information may also be an important confound. Typically, people learn about vivid and pallid information from sources that present information in dramatically different formats; for example, those who live through an earthquake observe actual damage while those who don’t are likely to acquire most of their information from news reports and the like. Taylor and Thompson (1982), in an important review of the vividness literature, suggest that people’s inability to adequately understand information presented in statistical format may be all that’s behind the premium placed on direct experience. This highlights the importance of adequately controlling for format when studying the relative importance of vividness.

In this paper we present findings from two studies designed to vary only the source of the information (experienced vs. vicarious) while holding constant both informational content and format. Our results suggest that people overweight personal experience even in these circumstances. We report results from two experiments, which employed the same basic paradigm. In both experiments groups of subjects participated in several rounds of a game in randomly assigned subgroups that played independently of one-another. In every round each of the subgroups played the game once. After every subgroup had played a round of the game, all subjects observed the actions of all participants in each subgroup. Subjects were then reassigned to new subgroups for the next round (again randomly formed). This process was repeated until the end of the experiment.

The key feature of these experiments is that, because of the random rematching, the behavior of all subjects in all subgroups is equally informative of what to expect in subsequent rounds, and hence should be equally relevant to everyone. Thus, everyone observed the same factual information (the choices of all participants in that round) in the exact same format; yet for each subject some actions were directly experienced (those of subjects in their subgroup) while others were not (those of subjects in other subgroups). We compared players’ reactions to the behavior of the person(s) they were directly playing with, to their reactions to the behavior of others. By creating a situation in which vicarious experience was objectively as informative as personal experience, we avoided the problem inherent in many previous studies that personal experience could in fact be more informative of one’s own future outcomes.

The two games we examined were the “weak-link” game and the prisoner’s dilemma (PD). These games differ in ways that allow us to address overlapping, but somewhat different issues. In the
weak-link game, optimal behavior for oneself depends on the behavior of other players; it is, therefore, a good game for examining the optimality of information utilization. In the prisoner’s dilemma game, on the other hand, defecting is always the dominant action, particularly when, as in our game, there is anonymity and random switching of partners across rounds. The fact that defecting always yields a higher payoff in the PD game provided further evidence for overweighting of experienced information because it allowed us to rule out reinforcement-learning as an alternative explanation. The simpler structure of the PD also allowed us to conduct additional analyses to examine the specific process underlying the effect.

“Intensity Bias in Temporal Emotional Comparisons”

Leaf Van Boven, University of Colorado, Boulder
Katherine White, University of Calgary

When people experience an emotion, it is natural for them to compare the intensity of their current feelings to the intensity of their previous feelings. Enjoying a comedic theater production, fine cuisine, or vacation naturally raises the question of whether one’s current enjoyment is more or less intense than previous feelings of amusement, culinary delight, or relaxation. Such temporal emotional comparisons may pervade consumer experience and influence consumer decision making. Consumers presumably prefer to spend money on funnier plays, better meals, and more relaxing vacations.

An initial set of field and laboratory studies indicates that consumers experience an intensity bias when they make temporal emotional comparisons. That is, they (erroneously) judge their current feelings to be more intense, all else equal, than their previous feelings. Consumers who had just completed an aerobics class judged their current feelings of aerobic intensity to be more intense than their feelings during their previous workout (Study 1). Participants who were “in love” reported that their current romantic feelings to be more intense than their previous romantic feelings (Study 2). Bringing our investigation into the lab, participants who watched a series of scary movies judged their current fear to be more intense than their previous feelings of fear (Study 3). Importantly, these participants also misremembered their previous feelings as having been less intense than they initially reported them as being.

We suggest that the intensity bias stems partly from the differential accessibility of perceptions of current visceral arousal versus memory for previous visceral arousal. Because perceptions of current visceral arousal are more accessible than memory for previous visceral arousal, consumers infer that their previous emotions were less intense than their current emotions. In one pair of studies, participants used the accessibility of another person’s memories for visceral arousal to infer the intensity of that person’s previous emotional experience (Study 4a); participants also used the intensity of another person’s previous emotional experience to infer the accessibility of that person’s memories for visceral arousal (Study 4b). In another study, participants who watched a series of sad and amusing films reported more perceptions of current visceral arousal compared to memories of visceral arousal during a previous emotional experience (Study 5); moreover, the differential accessibility of visceral perceptions versus memories was closely associated with participants’ judgments that their current feelings were more intense than their previous feelings. In another experiment, some participants were led to believe that they had the unique ability to recall visceral memories (Study 6). We reasoned that these participants would give their limited visceral memories greater weight when making temporal emotional comparisons than participants in a control condition, who were told nothing about the uniqueness of their visceral memories. As expected, participants who were led to believe that their ability to recall visceral memories was unique exhibited a larger intensity bias, misremembering their previous feelings as less intense, compared to participants in a control condition.

Preliminary results from an ongoing study suggest that the intensity bias influences decision making. Participants are asked to listen to two annoying sounds, twenty minutes apart. Immediately after listening to the second noise, participants select one of the two sounds to listen to a second time in the future. Consistent with the intensity bias, participants tend to select the first, more temporally distant noise, to listen to a second time, presumably because they judge their feelings of annoyance while listening to that noise to be less intense compared to their feelings during the second, more recent sound.

How might people learn to make more accurate temporal emotional comparisons? A final pair of studies suggests a simple debiasing strategy: wait. Participants were asked to indicate whether their feelings while climbing a mountain (Study 6) or crossing a scary suspension bridge (Study 7) on a particular day were more intense than during previous climbs and crossings. Immediately after climbing or crossing, participants reported that their current feelings were more intense than their previous feelings. However, this intensity bias was reliably diminished when participants answered these questions following a 30-minute delay, when their current emotions had subsided. This pattern is consistent with the possibility that the differential accessibility of emotional knowledge diminished as time passes and current feelings become past feelings. That is, the difference in accessibility of emotional knowledge is less for two past emotions than for a current versus past emotion.

Taken together, these studies indicate that people judge their current emotional experience to be perpetually unique. Current emotions of various kinds are falsely judged to be more intense than previous emotions. This intensity bias appears to influence decision making, and may have important implications for self-control and addiction. These studies illustrate an important way in which people’s judgments of the emotional here and now is biased by mismemory of emotions past.

“Indeterminacy and Live Television”

Joachim Vosgerau, INSEAD
Klaus Wertenbroch, INSEAD
Ziv Carmon, INSEAD

When the exam schedule for our MBA program was announced for a recent term, curious students stormed into the dean’s office, demanding that an exam be rescheduled. This exam had unintentionally been scheduled such that it was to perfectly overlap with a semi-final game of the soccer world cup. The dean felt that rescheduling the exam would set a dangerous precedent. He announced a seemingly perfect solution: the exam would proceed as scheduled, the game would be recorded and then shown in the exam auditorium as soon as the exam, and coincidentally also the game, ended. Anticipating possible objections to his plan, the dean explained that examinees would not be able to obtain any information about how the game had evolved before or while watching the recorded game (the exam auditorium plus adjacent lavatory and vending machine areas would be closed off, cell phones would not be allowed, etc.). Hence, he explained, except for the time delay, students would have the same sensory experience and uncertainty as if the exam were rescheduled. However, far from settling the issue, student protests intensified.

A key difference between what the dean suggested and what the students wanted is that viewers of live TV know that at any time during the broadcast what will happen is not decided a priori.
Watching the game live is thus an indeterminate experience. In contrast, although they may well not know what will happen, viewers of a taped broadcast of the same game know that this is set a priori (e.g., by how the game was actually played). Watching the game taped is thus a determinate experience. Our proposition is that indeterminate experiences (e.g., watching an interesting sports match live) are associated with greater excitement than equivalent determinate experiences (e.g., watching the same match on tape without knowing the result). Greater excitement for indeterminate experiences in turn is hypothesized to cause the preference for the former, and to cause emotions to be stronger leading to more optimistic yet more pessimistic judgments about the event.

To test our hypotheses, we control for several alternative explanations that could account for why consumers might prefer live TV. First, people often watch live broadcasts together with others. Such sharing of experiences may enhance their appeal as it may serve a social verification function (e.g., Hardin and Higgins 1996). Second, anyone who is impatient (i.e., has a positive discount rate) should prefer to watch a desirable event in real time, at the first possible opportunity, to watching the same event tape-delayed, all else equal (Frederick, Loewenstein, and O’Donoghue 2002). Third, watching an event live may give viewers with a stake in its outcome an illusionary sense of being able to influence that outcome (Langer 1975), as if by magic, for example, they could help their team beat its opponent.

The first study set out to show that indeterminacy can account for a preference for live TV independently of a preference for sharing experiences. If the latter causes the preference for live broadcasts, this preference should disappear when the experience cannot be shared. As predicted by indeterminacy and contrary to the sharing experience explanation, respondents were more likely to watch an upcoming soccer match when they had the prospect of watching it live—even when they could not share the experience with others (respondents were told that they would not learn anything about how the match unfolded before watching it to assure that manipulating indeterminacy did not affect their uncertainty about the game, as in the opening anecdote). Furthermore, anticipated excitement fully mediated viewing preferences, lending further support to the proposition that indeterminacy causes excitement which leads to a preference for live-broadcasts.

To demonstrate that effects of indeterminacy extend beyond sports competitions, we investigate another domain of broadcast events in a second experiment, a talk show, in addition to soccer. To manipulate indeterminacy, we informed participants that the referee of an upcoming soccer match was bribed and that the questions and answers in the talk show were agreed upon before the broadcast. Making both events less indeterminate in this way should reduce the appeal of watching them live. In fact, under such circumstances, viewers may be better off with delayed recordings that allow them to choose freely when to watch the event, to forward and rewind the recording, and to skip commercials. The alternative account of impatience predicts that consumers will always prefer live rather than recorded broadcasts, whether the events are indeterminate or not. As predicted, there was an interaction of broadcast format and indeterminacy. Respondents were more likely to watch the indeterminate soccer match and the unscripted talk show live rather than taped. In contrast, the determinate soccer match with the bribed referee and the scripted talk show were preferred taped rather than live.

Study 3 tests indeterminacy against illusion of control. According to illusion of control, viewers of a live broadcast of, say, a soccer match would experience a sense of control over the outcome of the game. Hence, they would judge their favored team to be more likely to win and less likely to lose than viewers who watch the same match taped. In contrast, indeterminacy would cause participants to be more excited and to interpret their excitement as indicating more intense feelings about the outcome in question. The greater intensity of these feelings, in turn, makes the outcomes appear more likely (Rottenstreich and Hsee 2001). So when asked about the probability that their favored team will lose, they attribute the greater excitement from watching the match live as indicating that a loss is more likely (than if they were watching the game taped). Importantly, the same logic applies when the question is about the probability that the favored team will win rather than lose. Thus, we predict that an indeterminate live broadcast can yield superadditive probability judgments of complimentary outcomes (i.e., \( p(\text{win or draw}) + p(\text{loss}) > 1\)).

When having the prospect of watching the soccer match taped, respondents judged the probability of Stuttgart winning or tying as equally likely as Stuttgart losing, with neither rating differed from 50%. In contrast, for the live broadcast conditions, participants rated Stuttgart as more likely to win or draw and also more likely to lose; as predicted, both ratings were significantly greater than 50% indicating superadditivity of the complementary probabilities. A similar pattern was observed for the respondents’ willingness to bet. These results support hypothesis two that indeterminacy magnifies emotions causing consumers to be more optimistic yet more pessimistic about the same event.

An important theoretical implication is that indeterminacy may well shed new light on well-known findings of illusion of control. Extant demonstrations of illusion of control in terms of exaggerated confidence in obtaining the desired outcome have relied only on measures of success. We observed exaggerated probabilities for success and for failure. Such a pattern of both enhanced optimism and enhanced pessimism is predicted by indeterminacy but is at odds with illusion of control that predicts greater optimism and less pessimism.

In conclusion, in this paper we introduce the notion of indeterminacy and show that it is associated with greater excitement that can influence preferences and judgments. Interestingly, indeterminacy has these effects even though comparable indeterminate and determinate experiences do not differ at a sensory level or in terms of uncertainty. All that is different is the meta-knowledge about whether the experience is indeterminate or not. We believe that this seemingly subtle characteristic can help explain perceptions of consumption experiences in a variety of domains such as performing arts, vacations, or gaming.

REFERENCES


