Counterfactual Thinking As a Post-Hoc Consumption Expectation

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Consumers’ reactions are driven by their expectations formed prior to consumption. The present research complements this view by highlighting that expectation may also constructed instantaneously. It is proposed that after a negative consumption experience, counterfactual thinking of “how the company could have acted differently” functions like a post-hoc-generated customized standard against which the company performance is evaluated and thereby affects consumers’ reactions. Results across two experiments demonstrated that company-related counterfactual thoughts intensified consumers’ dissatisfaction and negative postpurchase intentions. This tendency, however, was attenuated when company-unrelated counterfactual thoughts, such as those related to the consumers themselves, were generated simultaneously.

[to cite]:

[url]:
http://www.acrwebsite.org/volumes/14359/volumes/v36/NA-36

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EXTENDED ABSTRACT
Consumer expectation of a consumption experience is seen as pivotal in determining consumer responses to the consumption experience because it serves as a comparison standard against which the consumption is evaluated (e.g., Oliver 1980; Oliver and DeSarbo 1988). Research to date has conceptualized consumer expectations as a set of prior beliefs about a product or service (Olson and Dover 1979), indicating that they are formed before consumption. While these prior expectations are useful as generic and relatively stable standards for evaluating any consumption experience, they might be too general for assessing one particular incident. We argue that after receiving an outcome, consumers may also retrospectively generate case-to-case “customized standards” to evaluate that particular consumption incident. These instantaneous standards are highly contextualized and may even be contradictory to general preexisting expectations. In the present research, we investigate consumers’ retrospective construction of a “customized standard” for a particular consumption instance and examine its effects on consumer responses to the consumption.

It is proposed that in instances of negative consumption experience, consumers’ counterfactual thoughts of “what the company could have done” serve as a retrospectively constructed expectation of “what the company should have done” and determine consumers’ postpurchase responses. Counterfactual thinking is the imagination of alternatives to a factual event in which the factual outcome is undone by altering an antecedent event. For instance, a customer who finds that a fast food shop has stopped selling food just a few minutes before he/she arrives may generate a counterfactual thought that he/she would have made the purchase had the counter extended the service hours just a little bit longer. At that instance, the customer may take that hypothetical action that the company could have done, that is, close later, as what the company should have done. By underscoring what the company should have done and yet failed to do, company-related counterfactuals signal the company is at fault. This will lead to negative reactions toward the company.

We further propose that the extent of negative reactions toward the company depends on the ease of generating those counterfactual actions. The easier it is for the consumers to imagine a company could have done something differently, the stronger is the belief that the company should have acted accordingly. Hence, we hypothesize that consumers would react more unfavorably towards the company in situations where it would be easier to generate company-related counterfactual thoughts.

In addition, we also hypothesize that consumers’ negative reactions will be tempered in the presence of self-related counterfactual thoughts. For example, consumers may react less negatively to the fast food shop when they dropped by somewhere (e.g., grocery store) on their way to the fast food shop than when they did not. The counterfactual of not visiting another place suggests the self as another antecedent that could have turned the situation around. People in general have a tendency to discount the weight of one antecedent given another (Kelley 1972). Thus, the impact of the company-related counterfactual thoughts on consumers’ reactions may depend on the availability of other company-unrelated counterfactual thoughts, such that this effect may be attenuated when it is easy to generate company-unrelated counterfactual thoughts, such as those related to oneself.

We assessed our ideas using scenario experiments, in which undergraduate students participated for course credits. Study 1 tested the effect of company-related counterfactuals on consumers’ postpurchase responses. In the scenario, the ease of generating company-related counterfactuals was altered by temporal closeness. It was easier to generate such thoughts when the temporal closeness for the counterfactual actions was high than when it was low.

Consistent with our contention that temporal closeness should facilitate the construction of company-related counterfactuals, participants in the temporally-close condition (vs. the temporally-far condition) elicited a significantly higher proportion of company-related thoughts. Parallel to our predictions, participants in the temporally-close condition reported significantly higher dissatisfaction toward the company and also higher negative postpurchase intentions than did those in the temporally-far condition. More important, these findings could not be explained by the idea that consumers’ reactions are driven by their prior beliefs about the consumption experience. In fact, the findings were in a direction opposite to those predicted by consumers’ preexisting beliefs.

Study 2 was conducted to show that the impact of company-related counterfactuals was attenuated by the presence of self-related counterfactuals. The study independently manipulated the ease of generating company-related counterfactuals and that of generating self-related counterfactuals.

Consistent with study 1, participants who generated more company-related counterfactuals reported greater dissatisfaction and negative postpurchase intentions towards the company. However, as our discounting argument predicted, this pattern was attenuated among those who generated a higher proportion of self-related counterfactuals. The thought protocols yielded further support that the participants relied on the post-hoc-generated company-related counterfactuals as the standard for evaluations. Again, the results were opposite to the predictions derived on the basis of consumers’ preexisting general beliefs.

To conclude, this research highlights the role of post-hoc constructed expectations in influencing consumers’ responses from a counterfactual thinking perspective. Results from two studies provide converging evidence that counterfactual thoughts of what the company could have done to bring a better outcome set as post-hoc standards for evaluations. The easier is this process, the more dissatisfied are the consumers. This tendency, nevertheless, is attenuated when company-unrelated counterfactual thoughts, such as those related to the consumers themselves, are generated simultaneously. Findings in the current studies could not be readily explained by consumers’ prior expectations. This highlights the uniqueness of post-hoc expectation as standards for evaluations.

REFERENCES
