When Seeing Is Believing: Visualization Effects on Regulating Savings Behavior

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While prior research has examined how visualizing pursuing a goal or engaging in a specific goal-related behavior can facilitate goal pursuit, we propose, that merely visualizing oneself performing routine tasks that are unrelated to the goal at hand increases self-regulation. We demonstrate that visualization decreases feelings of anxiety, which can cause people to feel that a task is unmanageable. As anxiety decreases, and peacefulness increases, people re-affirm the importance of saving and are motivated to save. Furthermore, we compare and contrast visualization with incidental primes of elderly people, and show that the effect of visualization is distinct from priming.

Special Session Summary

Planning to Save Money Seems to be a Good Thing: But is it Always?

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EXTENDED ABSTRACTS

"Framing Goals to Increase or Decrease Personal Savings: The Effect of Specific Goals and Construal Level"

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Although the importance of saving is indisputable, left to themselves, consumers don't save enough (e.g., Shefrin and Thaler 1988). Therefore, consumers are prone to deviate from their optimal saving levels. Thaler and Bernartzi (2004) suggest that these deviations may be due to errors in calculation or due to lapses in self-control, and consumers could benefit from mechanisms that help overcome these deviations.

Is it possible to influence consumers' saving behavior simply by changing the way they think about their savings? In the present research, we explore whether and how goal framing influences saving success. Imagine a consumer who wants to save money for an upcoming trip. There are several different ways to think about this saving goal. For example, when thinking about how much to save, consumers can be more or less specific. Consumers can decide to save some money without specifying an amount (e.g., "I need to save as much as I can"), therefore setting a non-specific goal. Alternatively, consumers can choose to specify the amount they need to save (e.g., "I need to save $500"), thereby setting a specific goal. A second factor that influences how a consumers think about saving goals is the level at which this goal is represented. In particular, consumers can either focus on why to save (high level construal), or how to save (low level construal; Trope and Liberman 2003).

We study the how these two factors, namely, goal specificity, and the level of construal together influence several saving-related outcomes, such as anticipated success, commitment, and most importantly, goal achievement. We examine the conditions under which specific (vs. non specific goals) goals facilitate and impede goal attainment, by exploring how the effect of specificity varies across low versus high levels of construal (Vallacher and Wegner 1987).

The Effects of Goal Specificity

Previous literature has conflicting findings on the effectiveness of goal specificity. Numerous studies demonstrate the beneficial effects of goal specificity. For example, specific (vs. non-specific) goals increase goal commitment, are associated with lower performance variability, allow children to better resist temptation, and can increase persistence (e.g., Wright and Kacmar 1994).

In contrast, some literature suggests that goal specificity can have detrimental effects on goal pursuit. Kirschenbaum, Humphrey, and Malett (1981) find that people perform better with less (vs. more) specific goals, and speculate that specific goals may lead to "disengagement in self-regulation when the task at hand is difficult or perceived as difficult." These results suggest that specific goals may be more discouraging than non-specific goals in some instances.

Moderating Role of Construal Level

According to the theory of action identification (Vallacher and Wegner 1987), construing a goal-directed action at a high level allows attention to be focused on why the goal is important. In contrast, when the same action is construed at a low level, a consumer focuses more on how to do a task (Trope and Liberman 2003).

We propose that construal level influences how consumers interpret the meaning of the specificity of a saving goal. Since at high level of construal the individual is focused on why a goal is important, specificity of a saving goal can be interpreted as a signal of its importance. Consequently, among high-level construers, specific (vs. non-specific) goals may engender greater anticipation of success, commitment, and lead to higher amount of savings. In contrast, specific goals may be perceived as more difficult when the act is construed at a low level. As low-level construers are focused more on how to achieve a goal, specific (vs. non-specific) goals may appear rigid and discouraging, leading to lower commitment and disengagement, and consequently, lower amount of actual savings.

Overview of Results

Across four studies, to manipulate goal specificity we first ask participants to consider a saving occasion, and then to either indicate the dollar amount they would like to save for this occasion (specific), or we don't prompt them to specify the amount (non-specific). We either manipulate construal level via elaboration instructions (studies 1 and 2), or we measure chronic individual differences in construal (studies 3 and 4).

In study 1 we find that consumers who specify how much to save (vs. those who do not specify an amount) anticipate higher saving success if they construe this saving goal at a high level. In contrast, consumers who do not specify an amount anticipate higher success (vs. those who specify how much to save) if the saving goal is construed at a low level. Illustrating the process, study 2 reveals that high-level construers (who focus on why to save) perceive specific goals to be more important than non-specific goals, and therefore anticipate higher success. In contrast, low-level construers (who focus on how to save) perceive specific goals to be more difficult than non-specific goals, and therefore anticipate lower success. Moreover, we find that the level at which a saving goal is construed, and its specificity influence not only anticipated success, but also goal commitment, and actual success in saving. Study 3 demonstrates that anticipated success mediates the effect of specificity and construal level on goal-commitment. Importantly, study 4 explores extend these findings to actual savings, by examining consumers' actual savings over one month. Chronic high (low) level construers save more when they have specific (non-specific) goals.

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"Letting Good Opportunities Pass Us By: Examining the Role of Mindset during Goal Pursuit"

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Consider the following scenario: your bank account is quickly approaching empty, and you acknowledge that dining out at restaurants, especially upscale ones, adds up quickly. Thus, you create a plan to increase your savings account that involves dining out less at restaurants and cooking more at home. You follow this plan religiously. Now imagine that the price of gas has skyrocketed, so carpooling to work and combining errands might also help you save a lot of money. How will the fact that you already have a plan to save money influence your propensity to adjust your lifestyle to drive less? In comparison to someone who has not yet formed a money-saving plan, are you more or less likely to take advantage of the public transportation and carpool options?

Although planning, or forming an implementation intention, is generally thought to promote goal achievement (Gollwitzer 1999), it is not yet known how forming an implementation intention (e.g., dining out less) might alter a consumer's evaluation of goal consistent, out-of-plan behaviors (e.g., driving less). On the one hand, an implementation intention makes a goal more salient (Gollwitzer 1999). Salient goals are more likely to be pursued (Bargh et al. 2001), and means associated with these goals are more likely to be valued (Chartrand et al. 2008). Thus, implementation intentions could enhance the value of all means (in- or out-of-plan) that are relevant to goal pursuit. On the other hand, an implementation intention involves mentally simulating the steps that must be taken to achieve a goal (Gollwitzer 1993, 1996, 1999). Specifying when, where, and how one will achieve a goal creates a readiness to respond to specific behavioral opportunities (Gollwitzer 1999). Yet, this readiness to respond to specific behavioral opportunities may encourage a narrow-mindedness that leads to a devaluation of out-of-plan opportunities to achieve a goal. Thus, there is reason to think that implementation intentions may increase or decrease the evaluation of goal consistent, out-of-plan behaviors.

We show that the influence of an implementation intention is moderated by the concreteness/abstractness of thought at the time a person evaluates goal consistent, out-of-plan behaviors. If a person is likely to be thinking concretely when exposed to goal-consistent, out-of-plan behaviors, then the person should not be encouraged to form an implementation intention: Forming an implementation intention will encourage the person to develop a specific plan, and a concrete mindset will reinforce thinking at a specific level. Thus, a concrete mindset following the formation of an implementation intention seems to simply reinforce commitment to a specific means, making goal consistent, out-of-plan behaviors seem less valuable. If, however, a person is likely to be thinking abstractly when exposed to goal-consistent, out-of-plan behaviors, then an implementation intention should be encouraged: Forming an implementation intention encourages a person to develop a specific plan, but an abstract mindset refocuses thinking at the goal level, as opposed to the plan level. Thus, an abstract mindset following the formation of an implementation intention should reinforce commitment to the goal, making goal consistent, out-of-plan behaviors seem more valuable.

These hypotheses are investigated in a set of four studies using the important consumer goal of saving money. Study 1 investigates the influence of forming an implementation intention to save money on a consumer's willingness to resist an impulse purchase when in a concrete or abstract mindset. Studies 2a and 2b investigate the influence of forming an implementation intention on a consumer's willingness to take advantage of a wide variety of money-saving opportunities when in a concrete or abstract mindset. Study 3 extends this research by altering the time frame in which money-saving, out-of-plan behaviors can be pursued, using the insight that people will think more concretely (abstractly) when contemplating events that are in the near future (distant future) (e.g., Trope and Liberman 2000). Study 4 further extends this research by encouraging a prevention focus (i.e., a concrete mindset) or promotion focus (i.e., an abstract mindset) while people assess the appeal of money-saving, out-of-plan behaviors. Combined, these studies show that forming an implementation intention can have detrimental consequences for taking advantage of out-of-plan opportunities and for goal achievement if individuals consider these opportunities while in a concrete mindset.

To conclude, although implementation intentions are generally thought to be beneficial, we show that forming an implementation intention can lead individuals to be less likely to take advantage of goal-consistent, out-of-plan opportunities. These results suggest that even when a goal such as saving money is extremely important, as it is in today's economy, specifying a plan to achieve it can negatively affect open-mindedness to consider goal-consistent out-of-plan means, and thus, can negatively affect goal achievement.

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"When Seeing is Believing: Visualization Effects on Regulating Savings Behavior"

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A major challenge facing many American households is how to save and plan for the future. Many people express the desire to save but find that they lack the needed self-control. Not surprisingly, the question of how to encourage consumers to exercise self-control and save for the future is an important one from both a theoretical and real-world perspective. Thus, one key to increasing savings may be in addressing the psychological variables that might make it easier to self-regulate behaviors for future outcomes and benefits.

Prior research has focused mainly on showing how visualizing the pursuit of a goal (e.g. goal to study for an exam) or engaging in a specific goal-related behavior (e.g. going to the library) can increase the performance of that behavior and the eventual successful attainment of goals (Bator and Bryan 2008; Gregory et al. 1982). While visualization in prior research has been limited to circumstances in which individuals are visualizing the specific steps needed to reach a particular goal, our research examines how the simple task of visualizing the performance of everyday activities at an old age in the future, unrelated to the specific goal, can lead to the attainment of that same goal. We propose that the mere visualization of the self at an old age in the future can increase self-regulation and help individuals save today.

We posit that those who visualize routine activities at an old age will demonstrate an increased willingness to save because they feel less anxiety and more peacefulness than when they do not. Zeelenberg and Pieters (2006) proposed that one of the primary motivators of goal-directed behavior is emotions. Prior research suggests that emotions such as anxiety and stress hinder goal pursuit (Pham and Taylor, 1999; Taylor and Schneider, 1989), whereas an increase in emotions of peacefulness, which is the opposite of anxiety, can encourage goal pursuit. Therefore, decreasing emotions related to anxiety and increasing emotions related to peacefulness will allow individuals to feel as though the pursuit of long-term goals, whose consequences are attained in the distant future, (e.g. savings) is manageable. It follows, then, that the extent to which these relevant emotions can be felt via visualization of the self at an old age, is the key driving factor in affecting savings attitudes and decisions today.

We further show that the effect of visualization of old age is not based solely on priming any goal related to age. We compare the effects of visualization with those due to the semantic priming of concepts related to the elderly. While semantic primes of the elderly activate stereotypical associations of the elderly (e.g. walking slower; Bargh, Chen and Burrows, 1996), they do not facilitate the experience of emotional states as visualization does. Thus, the semantic priming of old age will not have the same impact on savings when it is not accompanied by instructions to visualize the future. We test these hypotheses in a series of three experiments.

Study 1 shows that visualization of the self at an old age leads to greater self-regulation and motivation to engage in savings behavior as evidenced by increased importance of attitudes towards a savings goal. Participants in the visualization condition visualized themselves engaging in various activities such as attending a family reunion at the age of 70 and wrote a few sentences describing thoughts, feelings, and details of each scenario. Those in the control condition completed simple mathematical calculations whose answers were close to the number "70". Then all participants completed various measures indicating the importance of long-term financial planning and saving money for retirement. As predicted, participants who had visualized themselves at age 70 reported significantly greater importance of future financial planning than those in the control condition.

Study 2 extends the influence of visualization to behaviors that reflect an increase in self-regulation toward the pursuit of long-term goals, and further demonstrates that visualization results in greater self-regulation compared to the semantic priming of old age or the elderly. Participants first either visualized themselves at the age of 70 engaging in various scenarios as in Study 1, or were semantically primed with old age by answering questions such as "At what age does the average person retire?" or "Is someone who is 70, too old to be president of the US?" Then all participants were told to allocate $5,000 into either a checking account for immediate use, or a savings account for a future purchase. As predicted, participants who had visualized themselves at the age of 70 were more inclined to spend less now and put aside more money for future use compared to those primed with the concept of the elderly.

Study 3 tests the mechanism underlying the effect of visualization by demonstrating how visualization, compared to non-visualization, increases the desire to save because it not only decreases feelings of anxiety but also increases feelings of peacefulness. Participants first visualized themselves in everyday activities at an older age or at their current age. Then, in what they believed to a separate and unrelated task, they reported their attitudes regarding savings for the future, as well as various emotions that they were feeling at the time. Consistent with our hypothesis, participants visualizing themselves at an older age were more likely to report having a greater desire to save than those visualizing themselves at their current age. Furthermore, a mediation analysis indicated that an increase in feelings of peacefulness and a decrease in feelings of anxiety mediated the effects of visualization of the self at an old age on savings attitudes.

These findings contribute to the existing literature on visualization by demonstrating that merely visualizing about engaging in non-goal activities at an old age can increase the motivation for long-term goals with distant future consequences, such as saving. Furthermore, the visualization of everyday activities can be a more effective means of encouraging goal pursuit because this occurs naturally without external prompting.

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