Chasing Rainbows: Strategies For Promoting Future Better Outcomes

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Why do frequent gamblers continue gambling? Is it the thrill and excitement of a win? We propose that instead of enjoying the current outcome, frequent gamblers focus on future outcomes and how those outcomes will be better than the current outcome. In study 1, we demonstrate that frequent gamblers generate mixed counterfactuals. We argue that the upward counterfactuals allow the person to prepare for the future, while downward counterfactuals generate positive affect used to fuel the pursuit of future possibilities. In study 2, we manipulate temporal focus and regulatory focus, and show that mixed counterfactuals are generated when people anticipate future pleasurable outcomes. Finally, in study 3 we provide evidence that mixed counterfactuals cause emotional dilution. Taken together, the studies support the idea that frequent gamblers continue to gamble because they are chasing rainbows.

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SESSION OVERVIEW

Consumers experience and seek fun in a variety of consumption situations, from playing videogames (Koster 2002) and skydiving (Celsi, Rose and Leigh 1993) to gambling (Hope and Havir 2002) and river rafting (Arnould and Price 1993). Fun is a key element of hedonic (Babin, Darden and Griffin 1994), playful (Grayson 1999; Kozinets et al. 2004) and experiential (Holbrook and Hirschman 1982) consumption. Consequently, fun has emerged as an important goal in product development (Norman 2004) and marketing communications (Morgan and Rao 2003).

Emerging research suggests that fun is a positive and complex experience (Celsi et al. 1993) that involves challenge (Celsi et al. 1993), goals (Draper 1999), and learning (Bandura 1997). However, very little is known about factors that influence consumer evaluations of fun consumption experiences. The three papers involved in this symposium reveal the complex nature of fun and examines how this complexity interplays with consumers’ decisions regarding fun experiences.

The first paper by Mukherjee, Lau-Gesk, and Kramer investigates how consumers’ episodic memories of fun experienced during a recent videogame play episode influence their global evaluations of the episode. Drawing upon research on episodic reports of past emotional experiences, they develop a relationship between moments of fun that consumers retrieve from a recent videogame play episode and their global evaluations of the episode. The second paper by Namkoong and Raghunathan examines consumers’ risk-seeking behavior in fun experiences. They argue that consumers’ risk-seeking tendencies depend on the kind of goals that are salient in fun experiences. The third paper by Anthony and Cowley suggests that frequent (infrequent) gamblers focus on future (current) outcomes in a gambling experience. These gamblers generate mixed counterfactuals which fuels their pursuit of future better opportunities.

Two themes emerge from the current collection of works. First, the papers identify the implications of goals in fun experiences. Mukherjee, Lau-Gesk, and Kramer find that consumers’ global evaluations of recent videogame episodes depend on the intensity of fun that consumers recall having experienced at the end moment of the episode. They show that final moments are memorable because they are not only accessible but also meaningful. Final moments in the current context, allow people to assess whether they have accomplished goals related to the videogame experience. These goals involve gaining levels, securing weapons, killing monsters and getting special skills and often usurp the goal of winning the game. Namkoong and Raghunathan illuminate the role of goals further, and argue that promotion (vs. prevention) oriented consumers are more risk-seeking in fun experiences. This is because, in fun contexts, consumers are more concerned about a maximal goal. When having fun, people want to enhance the chance of achieving an ideal—“hope to achieve”—goal. Relatedly, Anthony and Cowley demonstrate that when gamblers are focused on a promotion goal in the future (e.g. promoting a better situation later), they generate mixed counterfactuals (i.e. both upward and downward counterfactual) and are more willing to take increased risk in future gambles.

The second theme that arises is the role of temporal focus in fun experiences. Mukherjee, Lau-Gesk, and Kramer demonstrate how consumers’ episodic memories of “fun” moments in recent videogame episodes impact global evaluations of the episode. Hence, the emphasis in their paper is on past or recalled fun experiences. Namkoong and Raghunathan’s paper focus on consumers’ decisions and risk-seeking tendencies in fun consumption experiences that are made in the context of possible future outcomes. Complementing this is Anthony and Cowley’s paper, which demonstrates that temporal focus impacts consumers’ emotional experiences in gambling situations. Frequent (infrequent) gamblers focus on future (current) outcomes which cause them to have a weakened emotional reaction to gambling outcomes.

Fun experiences are growing in importance among consumers and marketers. This symposium is expected to have significant theoretical and practical implications. It is also expected to generate discussion among a wide audience, including researchers in the areas of hedonic psychology, experiential, hedonic and playful consumption, judgment and decision making, temporal issues, affect and emotion, and consumer behavior in general. The symposium is comprised of papers that are well grounded in theory and each with several completed studies.

Rebecca Ratner will synthesize the three papers. Ratner’s expertise in the area of consumer decision-making and hedonic experiences is particularly valuable in providing insights into this “fun” and exciting stream of research.

References


Hope, Janet and Linda Havir (2002), “You Bet They are Having Fun: Older Americans and Casino Gambling,” Journal of Aging Studies, 16 (2), 177-97.


EXTENDED ABSTRACTS

“What Makes Videogame Experiences Fun?”
Sayantani Mukherjee, California State University, Long Beach, USA
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This research seeks to understand how consumers’ episodic memories of fun experienced during a recent consumption episode influence their global evaluations of the episode. Specifically, within the context of videogames, we examine how consumers construct global evaluations based on the specific moments of fun that they retrieve from a recent videogame play episode.

Previous research suggests that when people report on past emotional experiences, they rely on their episodic memory of specific moments of the episode for information (Aaker, Drolet and Griffin 2008; Robinson and Clore 2002). More memorable or distinct moments have a disproportionately greater influence on the recall of the associated affect because of their greater accessibility (Kahneman 1999). Therefore, when reconstructing the fun at various moments during the recent videogame episode, players’ attention is likely to be drawn to particularly memorable moments, which will then be used to evaluate the overall experience. We expect that the most memorable moments during the videogame episode are the final ones—not just because of their relatively greater accessibility, but because of their greater personal meaningfulness and relevance (Fredrickson 2000). Specifically, people experience fun when working towards and achieving a specific goal (Draper 1999). Recent work suggests that the outcome of goal-driven experiences aligns well with end moments (Ariely and Carmon 2000) and carries personal meanings (Fredrickson 2000). End moments represent the culmination of the experience and coincide with the time at which one assesses whether goals are met (Fredrickson 2000). In videogames, goals can include gaining levels, securing weapons, killing monsters, acquiring special skills, and exploring difficult zones, which may often be more important than winning the game (Taylor 2006). Therefore, given that affect associated with memorable moments is more likely to be recalled, and that end moments tend to be the most memorable in the current context, fun associated with the end of the videogame experience may be more influential than other moments in players’ retrospective evaluations. This explanation is aligned with Feldman and Lynch’s (1988) accessibility-diagnosticity framework, which would predict that the likelihood that end moments of fun are used as input into global evaluations of a consumption episode is a positive function of the accessibility of the end-moment fun, a positive function of the diagnostcity of end-moment fun, a negative function of the accessibility of alternate inputs, and a negative function of the diagnosticity of the accessible alternate inputs (Feldman and Lynch 1988). In the current context, this would suggest that accessible end moments of fun should be used as input into global evaluations only to the extent that they are diagnostic, that is, meaningful.

We start to explore these issues in the first field study using individual depth interviews (Moore and Lutz 2000) with videogame players in an arcade. Depth interviews involved engaging players in open-ended dialogs about the fun they experienced in a recent videogame episode. These dialogs reveal that players exclusively recall the fun experienced at the end moment of the episode. Further, the dialogs suggest that end moments are memorable not because they are merely accessible or perceptually salient; rather end moments are memorable because these moments are personally meaningful.

Study 2 investigates the impact of recalled end moments of fun on global evaluations of a recent videogame episode through a field experiment. A confederate posing as an employee randomly approached patrons entering the arcade. Participants played a videogame of their choice. Participants were then asked to provide details associated with their recent videogame play and to report the fun they experienced during the episode. Participants also provided their global evaluations of the recent episode. Results indicate that players’ global evaluations do not depend on the average of the recalled fun moments experienced during the entire game, the recalled peak moments of fun or on the outcome of the game (i.e., win-lose). Rather, it is the recalled end moment of fun that predicts consumers’ global evaluations. Global evaluations were higher as the intensity of fun at the end of the videogame experience increased.

Study 3 seeks to tease apart the accessibility versus meaningfulness explanations by manipulating the meaningfulness of the end moments. If end moments are more memorable because they are meaningful, and hence used as input into global evaluations, then making them less meaningful should reduce or eliminate the impact of the end-moment fun, despite its accessibility. Similar to study 2, a field experiment was conducted in an arcade. All participants played videogames of their choice. However, in this study we included repetition of the game as a moderator, which constituted the meaningfulness manipulation. In particular, when players repeat a game, the end moment does not represent the culmination of the game and loses meaningfulness. Hence, under repetition, the impact of recalled end moments of fun on global evaluations should be lower. As predicted, the results of the third field experiment indicate that recalled end moments of fun impacts global evaluations only in the condition when players do not repeat a game.

This research contributes to the areas of affect and consumer decision-making, especially in the domain of episodic memories of emotional experiences. It also has implications for designing and advertising in “fun” videogames.

References

“Risk-Seeking in Utilitarian vs. Hedonic Domain: Implications for the Prospect Theory Value Function”
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How do people value monetary and other pay-offs in risky contexts, for example, how do they value a sure bet of $10 versus a 50% chance of winning $25 and a 50% chance of winning nothing? The Prospect Theory value function (cf. Kahneman and Tversky 1979) provides perhaps the most parsimonious and generalizable answer to this type of question. However, although this value function is capable of both predicting and explaining a multitude of phenomena (including mental accounting effects [Thaler 1985], loss aversion [Arkes and Blumer 1985], etc.), it actually runs contrary to some other robust real-world phenomena—like the popularity of insurance and lotteries. It is in attempting to explain these phenomena that Kahneman and Tversky (1979) proposed that people assign a subjectively higher probability to very low-probability events, like the probability that one’s house will burn down, or the probability that they will win a lottery.

But what if—in addition to the (subjective) inflation of low-probabilities—there is another mechanism that boosts the popularity of insurance and lotteries? We examine such a possibility in this research. Specifically, we propose that people are more risk-averse in contexts where a utilitarian (vs. hedonic) goal is more salient and, conversely, they are more risk-seeking when a hedonic (vs. utilitarian) goal is more salient. Our proposition is based on the idea that utilitarian and hedonic contexts evoke “minimal” and “maximal” goals (Idson et al. 2000). Specifically, in contexts where a utilitarian (vs. hedonic) goal is more salient, we propose that people are more concerned about meeting a minimum “cut off” level (Chitturi et al. 2007; see also Idson et al. 2000), whereas they are more concerned about enhancing the chance of achieving an ideal—“hope to achieve”—goal in hedonic contexts. As a result, people spend on insurance to make sure that even the worst-case scenario (which is the occurrence of the negative event for which they are seeking insurance) is acceptable and, likewise, they spend on lotteries to increase their chances of experiencing the “best case scenario” (winning the lottery).

In order to test this hypothesis in a monetary context, we used decision making scenarios, all of which involved money—choosing between two different cell phone plans, restaurants, and lottery options—and framed them to be either hedonic or utilitarian (e.g. choosing a monthly cell phone plan only for entertainment or business use). The two options they could choose from varied in terms of both payoffs and risk (probabilities), but were identical across conditions. Specifically, participants chose between a risky (but more attractive) option and a safe (but less attractive) option. Results showed that people were more willing to take the chance of obtaining a higher (vs. lower) payoff, when the situation-frame was hedonic (vs. utilitarian). We found a significant pattern consistent with our predictions in all three scenarios—cell phone plan ($F_{(1,158)}=5.314, p=.022$), restaurant ($F_{(1,159)}=18.948, p<.0005$), and lottery ($F_{(1,159)}=6.573, p=.011$). This is after we controlled for affect in all scenarios and, in addition, for monthly cell phone usage in the cell phone scenario.

In our second study, we used one of the scenarios from study 1 (lottery), in an attempt to replicate our results, with a goal of providing evidence for the underlying mechanism for our effects. Since we hypothesized that the underlying mechanism is the activation of minimal vs. maximal goal, we measured participants’ chronic level of regulatory focus (Lockwood, Jordan, and Kunda 2002) to examine its role in risk-seeking tendency. Our results confirmed that hedonic (vs. utilitarian) scenario renders more risk-seeking ($F_{(1,65)}=6.71$, $p=.012$), and also, that chronically promotion (vs. prevention) oriented participants sought more risky options ($F_{(1,65)}=4.644, p=.035$). Risk-aversion in the utilitarian scenario is expected to be prevalent, because people (regardless of their individual characteristics) tend to make sure that they meet a minimum level of functionality first, a tendency also referred to as the principle of precedence (see Chitturi et al. 2007). Hence, the difference between chronically promotion vs. prevention people is likely to be attenuated in the utilitarian (vs. hedonic) scenario, which is exactly what we found. Consistent with the idea that risk-aversion is more likely to be prevalent in utilitarian scenarios than risk-taking is in hedonic ones, a significant simple effect of chronic regulatory focus emerged in the hedonic scenario ($F_{(1,29)}=5.637, p=.024$), but not in the utilitarian scenario ($F_{(1,34)}=4.343, p=.051$). In study 3 (proposed), we aim to examine the effect of framing an identical gamble as either insurance or lottery. We expect to find more risk-seeking tendency in the context of lottery vs. when the same “lottery” is used as for insurance. This is a meaningful step as it explains some of the behaviors that are not fully explained by existing behavioral decision theories (e.g. being risk-seeking or risk-averse over large gains or losses with extremely small probabilities).

Through a series of experiments, we demonstrate the effect of framing a situation as hedonic vs. utilitarian on risk-seeking tendency, and also show its relationship with one’s chronic level of regulatory focus. Further, we attempt to make theoretical contributions by providing a better picture to some of the unresolved questions in decision making literature which is why people engage in gambling and purchase insurance.

References

1Participants were divided into high vs. low groups in each subscale of regulatory focus (promotion and prevention) through median split. Since we were interested in the independent role promotion vs. prevention on risk-taking, we only used the data from subjects who were high in one subscale, and low in the other. Those who were both high and both low in the two subscales were eliminated from the analysis, reducing the number of our subjects from 162 to 71 (see Escalas and Bettman 2005 for similar method).


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Research on counterfactual thinking demonstrates that thinking about how an outcome “could have been better” (i.e. generating Upward Counterfactual Thoughts; UCTs) allows one to prepare for future better outcomes (Epstude and Roese 2008; Markman et al. 1993; Markman, McMullen, and Elizaga 2008; Roese 1994) whereas thinking about how an outcome “could have been worse” (i.e. generating Downward Counterfactual Thoughts; DCTs) allows one to savour a good outcome or mood repair one’s feelings following a bad outcome (McMullen 1997; McMullen and Markman 2000; Medvec, Maday, and Gilovich 1995; Roese and Hur 1997; White and Lehman 2005). According to this view, contrastive UCTs and DCTs, by virtue of the affect they evoke (UCTs evoke negative affect, DCTs evoke positive affect) are believed to serve distinct and competing motivations(Gleicher et al. 1995; Markman et al. 1993; Markman et al. 2008); UCTs serve a preparatory function and DCTs serve an affect regulation function. However, we propose that under certain conditions, DCTs will support the preparatory function of UCTs, given the value of the positive affect they provide. Specifically, we argue that UCTs provide the necessary cognitive information that opportunities for better outcomes exist (Epstude and Roese 2008), and that contrastive DCTs, by virtue of the positive affect they evoke, may fuel the pursuit and acquisition of future better opportunities (Carroll and Shepperd 2009). We predict that frequent gamblers are motivated to promote a good outcome later and accordingly, will strategically generate mixed counterfactuals (both UCTs and DCTs). Whereas frequent gamblers are motivated by good outcomes in the future and the anticipation of future pleasure, we propose that infrequent gamblers are motivated to enjoy a good outcome now. Therefore the presence of a win should result in enjoyment (pure DCTs), and the absence of a win (a loss) should cause disappointment (pure UCTs). We investigated this phenomenon in three studies; one in the field and two in the lab. In study 1, real gamblers played 300 gambles on a simulated slot machine and either won or lost the game. As predicted, we found that infrequent gamblers generate pure counterfactuals (disappointing UCTs following a loss, pleasurable DCTs following a win). Alternatively, frequent gamblers generate mixed counterfactual thoughts (both UCTs and DCTs). In study 2, we test our contention that mixed counterfactuals are generated when anticipating future pleasurable outcomes. Undergraduate students played the game in the lab and either won or lost. We then manipulated participants temporal focus (now, future) and regulatory focus (promote good outcome; prevent bad outcome) by asking participants to recall times in their life when they saved (spent) money to promote (prevent) a good (bad) situation now (later). As expected, when participants focused on promoting a better situation later they generated mixed counterfactuals. They were also more willing to take increased risk in a subsequent game. Further, we rule out the alternative explanation that mixed counterfactuals cause strategic emotional regulation. We do not find evidence of mixed counterfactuals when people were focused on preventing a bad situation later. This rules out the possibility that participants were attempting to mood repair or strategically numb their feelings in order to minimise the impact of affective interference on future goal pursuit. Thus, it appears that DCTs and the positive affect they provide are used to motivationally energise the pursuit of future better outcomes that UCTs have uncovered.

Finally, in study 3 we explore the emotion dilution found in studies 1 and 2. Again participants played the same simulated poker machine game and either won or lost credits. Counterfactual type (mixed vs. pure) and counterfactual order (better first, worst first) were then manipulated by instructing participants to consider the possibility that the outcome could have been; worse only, better only, better then worse or worse then better. As expected, mixed counterfactuals caused a weakened emotional reaction towards the outcome. Further we demonstrate that this phenomenon is not a case of emotional ambivalence.

Contrary to the common belief that frequent gamblers are addicted to the thrill of a win, it appears that they chase rainbows by imagining future wins at the expense of enjoying current wins. The frequent gamblers really are looking for the elusive pot of gold. Infrequent gamblers on the other hand are more susceptible to the highs and lows of gambling as they more focused on the current outcome.

References


