Understanding Optimism: Buying What You Can't Use Today But Hope to Use Tomorrow

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Consumers often purchase products that they are unable to use at the time of purchase, but anticipate to be able to do so in the future (e.g., buying clothes that are one size too small). In this research, we examine the processes underlying such anticipatory purchase. Drawing on the optimism, mental simulation and goal literatures, results from multiple experiments show that optimists do not invariably engage in anticipatory purchase. Rather, the influence of optimism on anticipatory purchasing is moderated by type of processing (imagery vs. analytical), content of processing (outcome vs. process thoughts) and also depth of processing (constrained vs. unconstrained). The obtained pattern of results provides good support for an overall theoretical framework pertaining to the effects of optimism.

[to cite]:

[url]:
http://www.acrwebsite.org/volumes/15135/volumes/v37/NA-37

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EXTENDED ABSTRACTS:

“The Counteractive Optimism in Goal Pursuit”
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The current research proposes counteractive optimism as a self-regulatory process in consumer goal pursuit. Because the presence of obstacles to the attainment of important long-term goals triggers people’s internal self-control efforts, and because an optimistic prediction, compared with a more conservative one, can be a more challenging and thus more motivating performance standard, we propose that individuals who are concerned about their performance in goal pursuit will generate an optimistic prediction of their future goal pursuit when anticipating obstacles and use these predictions to direct their subsequent effort. This is called counteractive optimism. For example, a dieter who is concerned about being fit will predict increased ability to resist when shown promotional ads for tempting food items, so as to actually increase the effort to resist the temptation and maintain goal pursuit.

While counteractive optimism increases a person’s motivation to invest efforts in pursuing an important goal, this comes at the cost of being less accurate in predictions. Because an obstacle objectively increases the difficulty in attaining a goal, achieving accuracy in prediction requires a more conservative prediction to account for this negative impact. Therefore, we expect individuals to stop using expectation as self-control mechanism and reverse the counteractive optimism whenever the incentive for providing an accurate prediction outweighs that for securing higher performance. In these cases, anticipation of obstacles should result in a more conservative prediction, compared with no obstacles. Because less optimistic predictions set lower standards and are less motivating, individuals will accordingly invest less effort in actually pursuing the goal.

Three studies were conducted to test these hypotheses. Study 1 demonstrated the impact of counteractive optimistic predictions. Participants were asked to perform certain tasks and were offered incentives to perform well. Half of the participants were told the task would be difficult, and the other half were told it would be easy. Before commencing the task, participants were either asked to predict their performance in the task, or not. We found that for participants who were asked to predict their performance, those who expected the task to be difficult (vs. easy) predicted a better performance, a pattern that is consistent with counteractive optimism, and in the end showed higher motivation (i.e., persistence) in completing the task; in contrast, participants who did not predict their performance before commencing the task did not show any difference in task motivation regardless of whether they believed the task was difficult or easy.

Study 2 demonstrated the mediating role of an optimistic prediction. In this study, participants needed to complete a take-home exam and were asked to either give an accurate prediction or a rough one before leaving the lab with the exams. Before they made their predictions, half of them were told the exam would be difficult, while the other half were told that it would be easy. We found that participants who were told to give a rough prediction expected to complete the exam sooner if they believed it would be difficult (vs. easy); however, for participants who were told to be accurate, these results reversed. Participants’ actual completion times were highly consistent with the predictions, and were mediated by the predicted times.

Study 3 demonstrated an important moderator for counteractive optimism: the controllability of the obstacle. This study showed that when the obstacles were believed to be beyond one’s control, the counteractive optimism effect does not obtain. Specifically, participants in this study were asked to predict their susceptibility to certain health risks. We found that if this risk was believed to be acquired and correctable through behaviors, people predicted themselves to be less susceptible to it when they were told that they were among the high (vs. low) risk group, and they adjusted their subsequent health behaviors accordingly to ensure that their predictions were fulfilled. This pattern, however, went away if the risk was believed to be inherited and no actions can alter one’s susceptibility to the risk. In this case, people predicted themselves to be more susceptible when they were told that they belonged to the high (vs. low) risk group, and made no behavioral changes.

Taken together, in this research we identified counteractive optimism as a self-control mechanism that helps people overcome obstacles. Whenever the performance in goal pursuit is critical, anticipated obstacles elicited a counteractive optimistic prediction, which in turn increased people’s effort to meet these standards. This self-control mechanism, however, disappears when individuals are concerned about the accuracy of their predictions. In these cases people generate more conservative predictions when anticipating obstacles in goal pursuit, and as a result, their effort drops accordingly.

“Enhancing Self-Control through Future Consequence Elaboration”
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Consumers draw upon a variety of strategies when attempting to exercise self-control (Hoch and Loewenstein 1991), many of which are directly related to the time inconsistent preferences underlying most self-control dilemmas. Self-control strategies specifically bringing attention to future periods of time should allow individuals to consider consequences consistent with their higher-order goals (Fujita et al. 2006). Indeed, many self-help books and old sayings advise people to think before they act, look before they leap, and measure twice before cutting once. Academic research has also established the beneficial effects of considering the outcomes that might occur in the future for the effective control of one’s behavior in the present (e.g., Baumeister and Heatherton 1996, Nenkov et al. 2008). However, the question arises: is future outcome consideration always beneficial for people’s effective self-control or is it possible that some types of outcome elaboration (e.g., positively biased) might actually hinder it?

In Study 1 we examine the role of providing outcome cues in enhancing self-control effectiveness. Participants (n=137) were asked to indicate how much they would pay on a credit card account. We provided participants with either just basic account information (account balance, minimum payment due, APR, balance due date) or basic information plus future outcome cues (length of time to pay-off and total finance charges, given minimum payments). After filler tasks, we measured consumer spending self-control (Haws and Bearden 2009). A significant interaction between participants’ spending self-control and condition (p<.01) indicated that the
nature of information provided did not affect payment amounts for high self-control consumers, while future outcomes cues significantly increased the intended payments of low self-control consumers.

In our second study, we investigated whether providing outcome cues aided consumers’ self-control by focusing them on the potential outcomes of their behavior. Participants (n=142) were asked to imagine that they encountered a desirable product at an electronics store, but that purchasing the item would cause them to reach their credit limit. In the no outcome cues condition, no further information was given, but in the outcome cues present condition, specific potential negative consequences were provided (e.g., unable to repay, credit rating implications). Participants were then asked to decide whether they would buy the item or not and to indicate the extent to which they thought about future outcomes when making the decision. Providing negative outcome cues enhanced self-control for consumers not inherently inclined to exercise it, whereas consumers inherently high in self-control did not differ significantly in the amount of self-control exercised based on the presence or absence of outcome cues in their environment. Furthermore, based on differences in consumer self-control, we found a significant interaction in the extent to which the presence of the cues caused participants to think about the future consequences of their decision. Specifically, those participants high in self-control reported that they thought about future consequences quite a bit in both conditions, while for those consumers low in self-control, the cues significantly increased their focus on future consequences. As such, this study indicates that part of the reason that consumers who are high in self-control might be more successful in exerting self-control is because they naturally elaborate on the potential consequences of their actions more, regardless of environmental cues.

In Study 3 (n=97) we examine the effects of focusing consumers differentially on the positive vs. negative future outcomes on their subsequent self-control. In this study we also extend our efforts to different consumer domains and assure personal relevance of the issue to each participant by allowing them to choose one of four self-control issues (i.e., weight management, budgeting, time management, or exercising). Furthermore, we use another related individual difference variable—proclivity to elaborate on potential outcomes (EPO) (Nenkov et al. 2008), which should be relevant to all four contexts. We employ a 2 outcome elaboration priming: positively biased vs. negatively biased) x 2 (elaboration task framing: self-control success vs. failure—yielding to temptation) between subject design. After engaging in a condition-specific elaboration task in which they listed potential outcomes (e.g. positive outcomes for exerting self-control), participants were asked to respond to a scenario representing a temptation in their chosen domain. Using EPO as a third factor, a three-way interaction emerged suggesting the circumstances under which high EPO consumers might be harmed and low EPO consumers might be helped. Specifically, while consumers high in EPO were generally more effective in exercising self-control, elaborating on the positive outcomes of yielding to temptation (e.g., enhanced life enjoyment) actually decreased their self-control. Low EPO consumers, on the other hand, enhanced their self-control when asked to elaborate on the positive consequences of yielding to temptation or the negative consequences of exerting self-control, both of which serve to draw attention to the fact that the long-term consequences of present indulgence may not be that significant.

Overall, our research has provided new insights into an important strategy that can be utilized by consumers when trying to make decisions. Both our findings from studies 1 and 2 and past research (Nenkov et al. 2008) have found that high EPO consumers are generally more likely to engage in effective self-control. Our study 3 results suggest that different approaches need to be employed to motivate consumers to engage in effective self-control based on their level of EPO. Interestingly, focusing on positive outcomes tended to backfire and decrease self-control for high EPO consumers. On the contrary, improvements in self-control for consumers with low outcome elaboration came from both external negative outcome cues and a “forced” focus on the consequences of indulgence.

References
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Consumers often purchase products that they are unable to use at the time of purchase, in anticipation that they may be able to do so in the future. For instance, why might people buy (as they often do) clothing that is one size too small for them? One possibility is that such purchase decisions are driven by expectations of being able to realize the consumption at some future time. As optimists hold more favorable expectations of the future than pessimists, optimists should be more likely to engage in such behaviors. In this research, we present a more nuanced view of when and why optimism might have such an effect, and in so doing, provide new insights into the different mechanisms underlying optimism.

Optimism, as a positive illusion of the future, is often considered to be a result of mental imagery (Taylor and Brown 1988). Such imagery-based processing, as opposed to more data-driven analytical processing, is marked by increased consideration of self-related expectations. Accordingly, we propose that under imagery processing, the more favorable expectation held by optimists should make them more inclined to engage in anticipatory purchasing than pessimists, but the effect should be diluted under analytical processing. Further, this effect of imagery can be driven by two possible routes: optimists may either imagine the outcome of the purchase as being positive, or the process required to realize the benefits of the purchase as being easy. We propose that either route prevails depending on the depth of processing. Anticipatory purchase typically involves some uncertainty as to whether one can take the steps needed to use the product. When processing is unconstrained,
the required confidence level is higher (Eagly and Chaiken 1993), and therefore, focusing the imagination on the process required gives optimists the confidence that they can easily accomplish these steps. This leads them to be more likely to make anticipatory purchases than pessimists. This effect should decrease when focusing on the outcome, because optimists have to think directly about the end result without deliberating on the intervening steps, which reduces their confidence and therefore purchase likelihood. The situation is different when cognitive capacity is constrained, as decisions are now based on a heuristic of whether the final outcome is favorable or not. As optimists think of the outcome as being more positive than pessimists, focusing their attention on the outcome should make them more likely to make anticipatory purchases than pessimists. On the other hand, as their ability to generate steps is constrained by the limited cognitive resources, the effect should be dampened when they are required to think about the intervening process. In sum, we hypothesize that the outcome-focus route to optimism operates under constrained capacity, while the process-focus route operates under unconstrained capacity.

Four experiments tested these hypotheses. Experiment 1 used a 2 (method of processing: analytical vs. imagery) x 2 (optimism: optimists vs. pessimists) between-subjects design to test whether the effect of optimism is obtained under imagery processing, but not under analytical processing. Participants first took part in a survey, which included a question about the size of jeans that they could just fit in. After a filler task, they took part in a different survey about buying jeans. We manipulated method of processing by asking participants either to rely on their imaginations or be careful and well-reasoned while making their decisions. Next, they read the description of the jeans under purchase consideration, which were always one size smaller than their current sizes (as recorded in the earlier survey). They then reported their likelihood to purchase these jeans. Lastly, participants filled out a standard optimism scale (Scheier and Carver 1985). As hypothesized, the imagery instruction induced a higher purchase intention for optimists than pessimists, but there was no such effect under analytical processing.

Experiment 2 used a 2 (focus: outcome vs. process) x 2 (manipulated optimism: optimists vs. pessimists) between-subjects design to look more specifically at the mental simulations leading to the effect of optimism under unconstrained processing. The procedure was similar to that of Experiment 1, except for two changes. First, before the jeans purchase scenario, we manipulated optimism by asking participants to list either 2 vs. 8 examples of optimistic thinking. In accordance with the ease of retrieval effect (Schwarz et al. 1991), participants should find it difficult (vs. easy) to generate 8 (vs. 2) instances, and hence should conclude that they were pessimistic (vs. optimistic). Second, this experiment manipulated thought focus by asking participants to make their decisions by visualizing either the end benefits of wearing the jeans or the process they would go through in order to be able to wear the jeans. In support of our hypothesis, results revealed that optimists were more likely to make anticipatory purchases than pessimists under process-focus, but this difference disappeared under outcome-focus. This pattern of results was replicated in another study (Experiment 2B) using a different product category (musical instruments).

Experiment 3 rounded out the picture by testing the prediction that optimism exerts its effect through an outcome or a process route depending upon the availability of cognitive resources. This experiment used a 2 (cognitive load: high vs. low) x 2 (focus: outcome vs. process) x 2 (optimism: optimists vs. pessimists) between-subjects design. The procedure was similar to that of Experiment 2, except for two changes. First, we measured optimism as in Experiment 1. Second, before the jeans purchase scenario, we manipulated cognitive load by asking participants to memorize either a 2-digit (low load) or an 8-digit number (high-load). Replicating previous findings, results showed that under low cognitive load, optimism enhanced the purchase likelihood under process-focus, but not outcome-focus. Of interest, under high cognitive load, optimists were more likely to purchase than pessimists under outcome-focus, but not process-focus. In effect, Experiment 3 showed that optimism can operate through either process- or outcome-focus, depending on the depth of processing.

Taken together, results from four studies, which included both chronic and situational inductions of optimism, as well as different purchase contexts, provide a theoretically-supported pattern that explains both when and how optimism might have an effect on anticipatory purchase. In doing so, this research both offers new insights into the substantive domain of anticipatory purchasing, and builds theoretical knowledge about optimism.

References