How does progress toward a goal influence perseverance in that goal? Three studies demonstrate that all-or-nothing goals (which provide benefits only upon achieving the end state) result in greater perseverance as a function of progress, whereas goals that accumulate benefits with progress exhibit no such effect.

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Sticking to it?
How Consumer Goal Progress Affects Goal Perseverance
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EXTENDED ABSTRACT

How does progress toward a goal impact the tendency to pursue that goal? Prior research has identified inconsistent effects of consumer goal progress upon goal perseverance; one stream of research suggests that progress increases the tendency to pursue the focal goal (e.g., Kivetz, Urminsky, and Zheng 2006; Nunes and Dreze 2006), whereas an alternative stream proposes that progress has no such effect (e.g., Fishbach and Dhar 2005; Wilcox, Vallen, Block, and Fitzsimons 2009). The present research introduces a characteristic of goals to help resolve this conflict—cumulative benefits associated with goal progress. The presence of cumulative benefits is proposed to influence perceptions of sunk costs (Arkes and Blumer 1985; Cunha and Caldieraro 2009) associated with goal progress that, in turn, affect goal perseverance.

Cumulative benefits refer to the intrinsic value of goal progress independent from the end state. Benefits are cumulative if received as a function of progress prior to achieving the end state (e.g., weight loss), whereas benefits are all-or-nothing if they are only received upon achieving the end state (e.g., completing a marathon). All-or-nothing benefit goals are expected to result in greater perseverance as a function of progress compared to cumulative benefit goals (H1). Differential perceptions of sunk costs as a function of progress are proposed to mediate this effect (H2). In the case of all-or-nothing benefits, higher perceptions of sunk costs due to progress will enhance goal perseverance, whereas the presence of cumulative benefits will mitigate perceptions of sunk costs, thereby also mitigating perseverance.

This research provides several distinct and important contributions. First, the theory and findings shed light on how consumers do, and do not, ‘stick’ to pursuing goals following progress. Second, this work identifies an underlying process to account for the observed effect of cumulative and all-or-nothing benefits upon goal perseverance, namely differential escalation of perseverance due to perceived sunk costs. Third, this work contributes to resolving disparate findings in the literature regarding goal progress. Fourth, doing so has obvious implications for consumer welfare inasmuch as goal achievement is central to well-being. Finally, the present research has substantive implications for the design and management of consumer loyalty and similar marketing programs.

Three empirical studies were conducted to evaluate the proposed hypotheses.

Study 1

A preliminary study was conducted to determine whether cumulative (vs. all-or-nothing) benefits moderate the influence of goal progress upon goal perseverance. Specifically, progress should increase perseverance more so in the case of all-or-nothing than cumulative benefits.

Method. Participants consisted of 252 university students. A 2(Goal Progress: High/Low)x2(Benefit Type: All-or-Nothing/Cumulative) between subjects design was employed. Participants were placed into a first person scenario in which they were members of a cafe loyalty card program accumulating 10 stamps toward a free coffee. Subjects were informed of their progress to date (3 or 7 stamps) and the type of benefit associated with progress (free $2.50 coffee for 10 stamps or $.25 discount per stamp). Participants answered four items measuring intent to complete the loyalty card.

Results and discussion. ANOVA of the goal perseverance measure (coefficient α = .91) revealed the predicted two-way interaction of goal progress and benefit type (F(1,226)=4.69; p<.05). Furthermore, for an all-or-nothing goal, progress increased perseverance (F(1,226)=5.47; p<.05), whereas progress had no effect upon perseverance in the case of a cumulative benefit goal (F(1,226)=.55; p=.46). These results directly support H1, providing evidence for the moderating role of cumulative (versus all-or-nothing) benefits in determining the influence of progress upon perseverance.

Study 2

Study 2 was conducted to evaluate the underlying role of sunk cost perceptions (H2), and to examine “hybrid” goals which provide both all-or-nothing and cumulative benefits. Sunk cost perceptions should drive greater perseverance in the case of an all-or-nothing goal versus a hybrid goal.

Method. Participants consisted of 217 university students. A 2(Goal Progress: High/Low)x2(Benefit Type: All-or-Nothing/Hybrid) between subjects design was employed. The scenario was similar to study 1 except i) participants in the hybrid condition received both the all-or-nothing and cumulative benefits employed in study 1 (effectively doubling total compensation for completing the card) and ii) two items measuring sunk cost perceptions were included.

Results and discussion. ANOVA for goal perseverance (coefficient α = .93) revealed the predicted interaction between progress and benefit type (F(1,195)=4.15; p<.05). For all-or-nothing benefits progress increased perseverance (F(1,195)=11.54; p<.01), whereas in the hybrid condition (all-or-nothing plus cumulative benefits), the effect of progress was not significant (F(1,195)=.18; p=.67). A bootstrap mediation analysis indicated that the indirect effect of goal progress upon perseverance through sunk cost perceptions was significantly stronger in the case of an all-or-nothing versus a hybrid goal (95% CI: .82 to 2.03). These results support H1 and H2.

Study 3

Study 3 examined the effects of all-or-nothing versus cumulative benefits upon goal perseverance during actual goal pursuit with a real outcome.

Method. Participants were 355 university students. A 2(Goal Progress: High/Low)x2(Benefit Type: All-or-Nothing/Cumulative) between subjects design was employed. Participants chose whether to adopt a goal to win a raffle prize that entailed completing 10 tasks to earn tickets. The all-or-nothing (cumulative) condition provided 10 tickets upon successfully completing all 10 tasks (1 ticket per task). At any time participants could abandon the raffle tasks to play a computer game. Participants encountered a difficult, open ended word search puzzle task after completing either 2 (low progress condition) or 8 (high progress condition) simple evaluation tasks. The number of correct words found served as the primary measure for perseverance. Two items measuring sunk cost were recorded.

Results and discussion. ANOVA of goal perseverance revealed the predicted two-way interaction of goal progress and benefit type (F(1,260)=5.56; p<.05). For an all-or-nothing goal, progress increased perseverance (F(1,260)=4.07; p<.05). In contrast, the effect of progress for a cumulative goal was not significant (F(1,260)=1.70; p=.19). A bootstrap mediation analysis indicated that the indirect effect of progress upon perseverance through sunk costs was significa-
cantly stronger for an all-or-nothing goal compared to a cumulative goal (95% CI: .07 to 1.63). Supporting H1 and H2, all-or-nothing benefits increased perseverance as a function of progress due to exacerbated sunk costs, whereas cumulative benefits mitigated this effect.

REFERENCES


Wilcox, Keith, Beth Vallen, Lauren Block, and Gavan J. Fitzsimons (2009), “Vicarious goal fulfillment: When the mere presence of a healthy option leads to an ironically indulgent decision,” Journal of Consumer Research, 36(October), 380-393.
