The Maximizing Mindset

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Getting the best is great. The goal of maximizing outcomes has been advocated as ideal in almost every domain of life. We propose that maximizing constitutes a mindset that may be situationally activated and impact subsequent consumption satisfaction, e.g., amplifying regret and dissatisfaction and increasing likelihoods of returning products.

[to cite]:

[url]:
http://www.acrwebsite.org/volumes/1015134/volumes/v41/NA-41

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Pain or Gain: Comparative Thinking and Consumer Well-Being

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Paper #1: The Maximizing Mindset
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Paper #3: When Choice Closure Reduces Satisfaction: The Moderating Role of Decision Outcome Valence
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Paper #4: Intelligence Predicts Choice of Absolute Versus Positional Income
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SESSION OVERVIEW
The comparisons are ubiquitous in consumers’ everyday life. Research shows that comparisons play a key role in areas such as similarity (Medin, Goldstone, & Gentner, 1993), categorization (Nosofsky, 1986), stereotyping (Biermat, 2003), attitudes (Sherif & Hovland, 1961), person perception (Higgins & Lurie, 1983), decision making (Tversky & Kahneman, 1974), affect (Higgins, 1987), and the self (Festinger, 1954). In the consumer context, individuals’ tendency to compare plays a crucial role in a wide range of substantively important phenomena. As the papers in this session show, comparative thinking can influence decisions in domains of goal and mindset, consumption satisfaction, charity donations, as well as relative income and consumption.

The thread linking the four papers in this special session proposal is a focus on the prevalence of comparative thinking and on its consequences for consumers’ welfare. Overall, these papers include 13 completed studies across a variety of methods, research areas, and substantive settings.

The first paper, by Ma and Roese, shows that comparative tasks in non-consumption domains can activate a maximizing mindset, and that this mindset can have a cross-domain impact on consumption satisfaction by amplifying regret and dissatisfaction, increasing likelihoods of returning products and switching brands, and even negatively impacting sensory experiences. This research demonstrates the potential psychological pain and adverse behavioral consequences that comparative thinking can bring about.

On the other hand, the second paper by Hsee and Zhang, demonstrates a potential gain of comparative thinking in the context of charity donations. The authors introduce a virtually costless method for boosting charitable donations: unit-asking. Unit-asking entails that donors are asked to indicate a hypothetical willingness-to-donate for one needy person before being asked to decide willingness-to-donate for N needy persons. This method makes salient the comparison between one and N needy persons, increasing individuals’ scope-sensitivity and thus boosting donations.

The third paper by Gu, Botti and Faro, identifies conditions in which the pain (vs. gain) of comparative thinking is more likely to occur. Specifically, they show that choice closure, the psychological process by which consumers come to perceive a decision to be final, increases satisfaction when the chosen option compares unfavorably with the forgone options, but reduces satisfaction when the chosen option compares favorably with the forgone options.

Lastly, Chabris et al. find that the preference for absolute over positional income levels (e.g., preferring a society in which you earn $100K while others earn $200K over one is which you earn $50K while others earn $25K) is significantly predicted by three different measures of intellectual abilities (vocabulary, CRT, WPT), but is not predicted by sex, in contradiction to most evolutionary theories.

Our proposed session can contribute to the theme of ACR 2013—making a difference. The research papers in this session extend, refine, and challenge prior research on comparative thinking and consumer well-being, and contribute to both basic theory development and marketing strategy.

The Maximizing Mindset

EXTENDED ABSTRACT
Getting the best is great. It has been advocated as ideal in almost every domain of life. In business, companies strive to become the most competitive in the market. In education, students are encouraged to get as many “A”s as possible. Even in entertainment, the most popular TV shows, such as “American Idol,” “Dancing with the Stars,” and “X Factor” center on the crowning of the best performer. Although maximizing outcomes might be considered a goal, here we suggest that it may also be a mindset, that is, a way of thinking that carries over across different judgment domains.

If there is such a maximizing mindset, how does it influence satisfaction with various outcomes in life? Moreover, most people do not always achieve the best outcome, and another key question is the consequences of a maximizing mindset after failure as well as success. For example, does looking for the most suitable city in which to live have a carry-over influence on consumers’ regret level when they miss product promotions? Does trying to get “A”s in school have a cross-domain impact on satisfaction with computers or smart phones? Does seeking an ideal mate make consumers more likely to switch brands?

Past research on maximizing has centered on individual differences in chronic behavioral patterns, such that some people consistently try to get the “best” (maximizers) whereas others tend to “satisfice” and settle for “good enough” outcomes (Simon 1955). It has been proposed that maximizers have two key features: the goal to get the best out of any situation and the tendency to compare and search for alternatives (Iyengar, Wells, and Schwartz 2006; Schwartz et al. 2002). Moreover, it has been found that maximizers tend to experience greater regret and lower satisfaction than satisficers (Nenkov et al. 2008 Schwartz et al. 2002). Beyond this pattern of correlation, it remains unclear what causal impact a temporarily activated maximizing mindset might have on various affective responses to particular outcomes.

The present research experimentally activated individuals’ tendency to maximize (i.e., mindset priming) via tasks involving comparing and getting the best (e.g., a choice task). In conjunction
with this mindset priming, we manipulated different consumption outcomes and measured participants’ consumption satisfaction (e.g., regret, satisfaction, likelihood of returning the product). We assumed that this experimentally activated maximizing mindset in non-consumption domains would have a carry-over effect on subsequent consumption satisfaction. This assumption is based on the extant literature on procedural and mindset priming, which specifies that a cognitive process that is activated in the pursuance of one task remains active and is shifted to subsequent tasks, affecting responses in these tasks as well ( Förster and Liberman 2007; Kray, Galinsky, and Wong 2006; Gollwitzer 1990; Gollwitzer, Heckhausen, and Steller 1990; Schooler 2002; Xu and Wyer 2007).

We showed that constantly trying to get the best in non-consumption domains can induce a maximizing mindset which features an elevated tendency to compare and a salient goal to get the best. This mindset can have a cross-domain impact on consumption domain, amplifying regret and dissatisfaction, increasing the likelihood of returning products, and dampening sensory experiences, such as taste.

Across six experiments, we examined the impact of the maximizing mindset activated in non-consumption domains on consumer satisfaction (e.g., regret and satisfaction) in various consumption scenarios, such as missing the best deal, product malfunction, and an imperfect vacation. Experiments 1a demonstrated the basic effect by showing that the maximizing mindset activated in non-consumption domains magnified regret in a consumption domain when participants did not get the best product deal. In a different consumption scenario, Experiment 1b further demonstrated that the maximizing mindset activated in non-consumption domains magnified regret, dissatisfaction, and likelihood of returning a product when the product malfunctioned. To probe the effect in Experiment 1 further, Experiment 2 sought to validate our proposed definition of the maximizing mindset by showing directly that this mindset indeed involves a heightened tendency to conduct upward comparisons. Experiment 3 further showed that even the sensory experience of a product (i.e., the taste of a snack) was hurt by the maximizing mindset when this product was not participants’ best choice. Moreover, this experiment also showed that although the maximizing mindset decreased satisfaction in the control condition when the outcome is not the best, when the outcome is the best individuals in the maximizing mindset condition were as satisfied as individuals in the control condition.

To support our theory that the cross-domain impact of the maximizing mindset is a carry-over effect of procedure priming which is not context specific, Experiment 4 manipulated the maximizing mindset in the consumption domain (i.e., choosing brands) and then examined its impact on individuals’ satisfaction in a non-consumption domain (i.e., satisfaction about performance on an IQ test). We found that individuals’ regret and dissatisfaction about their IQ task performance were magnified after their maximizing mindset was activated in the consumption domain. Finally, Experiment 5 was designed to show the maximizing mindset is different from the comparative mindset in earlier research. Specifically, this experiment showed that the maximizing mindset and the comparative mindset both improved task performance, but only the maximizing mindset amplified regret and dissatisfaction.

The present research documents a new kind of mindset that has not been articulated in prior research yet which has unique effects on consumption satisfaction. The maximizing mindset is distinguishable from other mindsets (e.g., comparative mindset; counterfactual mindset, etc.) that have been examined in earlier research. Future research may explore further the unexpected impact of mundane daily tasks on well-being. For example, choosing the tastiest dish from a long menu in a restaurant, watching American Idol, and grading students’ assignments may all involve temporary activation of the maximizing mindset, which may in turn amplify regrets and dissatisfaction in unrelated life domains.

Unit Asking: A Method to Boost Donations and Beyond

EXTENDED ABSTRACT

Raising charitable donations requires considerable time and effort. In the U.S., for example, it costs over $50 billion each year to raise roughly $300 billion in individual donations (Greenfield, 1999; National Philanthropic Fund, 2012). In this research, we introduce a simple and virtually costless method for boosting donations.

To illustrate, consider a web-based fundraiser that solicits donations to help N needy persons. Imagine two alternative versions of the website: One version asks the donors to decide how much to donate for all of the N persons. The other version first asks the respondents a hypothetical question—how much they would would donate for one of the N persons—and then asks them to decide how much to donate for all of the N persons. Notice that the second version merely adds a hypothetical question that carries no additional external information. Yet we propose that this hypothetical question will considerably boost donations. We refer to this effect as the unit-asking effect.

The unit-asking effect occurs because donors are initially scope-insensitive (Hsee, 1996; Hsee & Zhang, 2010); thus, the willingness-to-donate (WTD) donors in the unit-asking condition indicate for one needy person would be similar to the WTD donors in the control condition indicate for all of the N needy persons. When the donors in the unit-asking condition are subsequently asked to decide on their WTD for all of the N needy persons after having indicated their WTD for one needy person, their desire for consistency will compel them to contribute more for the N persons than for one person. Thus, donors in the unit-asking condition will donate more money than would those in the control condition, resulting in a unit-asking effect.

We tested the unit-asking effect in three studies involving both real fundraisers and hypothetical fundraisers. In one study testing the unit-asking effect in a real fundraiser, a company in China sent a mass email to its employees announcing a fundraiser aimed to help 40 students from low-income families at an elementary school in rural Sichuan, a school the company had sponsored following the region’s 2008 earthquakes. The email encouraged each employee to make a donation on a designated Web site within one week. The Web site had two versions, control and unit-asking. Within one week of the announcement, 320 employees visited the Web site and were randomly directed to one of the two versions. Consistent with our prediction, the unit-asking version solicited significantly more donations than did the control version.

In another study, we replicated the unit-asking effect in a different context and showed that the unit-asking effect is distinct from the well-known identifiable victim effect. One hundred and thirty-one students from low-income families at an elementary school in rural Sichuan were asked to imagine that they received a letter from the head of a trustworthy local orphanage soliciting donations for 30 new orphans. The letter follows the typical format, outlining the needs of the orphanage and the Web site. The letter tailored the donation amount from N to $N. The unit-asking version asked the donors to decide how much to donate for all N of the orphans and the control version asked the donors to decide how much to donate for one of the orphans. Even though the orphans are identifiable, the unit-asking version resulted in significantly higher donations than the control version.

The unit-asking effect demonstrates that individuals are more sensitive to the number of needy persons in the presence of a decision context than in the absence of a decision context. Future research should examine how the unit-asking effect can be generalized to other domains, such as spending or saving.
suggesting that the unit-asking and the identifiable victim effects are orthogonal.

In a third study we further replicated the unit-asking effect and addressed two questions. One is whether unit-asking worked because it increased the salience of the needy persons. To address this, we included a number-recalling condition in which respondents were asked to recall the number of the needy persons before indicating their WTD. Another question is whether asking the donors to write down their unit-WTD is necessary. To address this, we included a thinking-only condition in which respondents were asked to merely think about how much they would donate for one of the needy persons without writing down a unit-WTD. A one-way ANOVA revealed a significant effect. Post hoc Duncan comparisons showed that WTD was significantly higher in the unit-asking condition than in any of the other three conditions, the control condition, the number-recalling condition, and the thinking-only condition. No other effects were significant. These results replicated the unit-asking effect. They also suggested that unit-asking worked not because it increased the salience of the number of needy persons, and that asking the donors to write down their unit-WTD was necessary; what was written down was concrete, and hence more likely to compel the donors to be consistent.

In sum, our studies show that a subtle manipulation based on psychological science can make a substantial difference in real life. Even if only a small fraction of fundraisers adopt the unit-asking method, it can considerably increase total donations.

**When Choice Closure Reduces Satisfaction: The Moderating Role of Decision Outcome Valence**

**EXTENDED ABSTRACT**

Previous research has shown that choice closure, defined as the psychological process by which consumers come to perceive a decision to be final, increases satisfaction with difficult decisions (Gu, Botti, and Faro forthcoming). This positive effect is explained by the fact that the sense of completion associated with choice closure inhibits comparisons between the chosen and the forgone options after the decision has been made. As comparisons tend to reduce an option's attractiveness (Brenner, Rotensteinreich, and Sood 1999), choice closure enhances satisfaction with the selected option. However, research has also found that comparisons do not always design the evaluation of the option being compared (Hsee and Leclerc 1998; Simonson 1989), suggesting that choice closure may, under some conditions, be detrimental to satisfaction.

In this paper, we examine the role of decision outcome valence in moderating the effect of choice closure on satisfaction. Literature has shown that a negative outcome causes individuals to engage in upward counterfactuals, resulting in lower satisfaction with the outcome, whereas a positive outcome elicits downward counterfactuals, leading to greater satisfaction (Markman et al. 1993). As choice closure works through the inhibition of these comparisons, we predict that consumers experiencing closure will be more satisfied than those not experiencing closure when the outcome is negative, but less satisfied when the outcome is positive. We also predict that consumers may not anticipate the effects of choice closure, and therefore act contrary to what may enhance their satisfaction. Prior research shows that negative, as opposed to positive, affect, is more prone to activate counterfactual comparisons (Roese 1997). As negative (positive) outcome is likely to be accompanied with negative (positive) affect, we argue that when given the opportunity of reaching choice closure, consumers may avoid it and engage in more comparisons when the outcome is negative, and instead look for closure when the outcome is positive.

We tested these two predictions in three studies. Based on literature showing that sensations can metaphorically activate a related abstract concept (Landau et al. 2010), in these studies we triggered choice closure using visual cues as signals to the decision maker that a decision is final and the rejected alternatives should not be further compared.

Study 1 was a computer-based study involving a hypothetical choice of chocolate, with a 2 (choice-closure trigger: closure vs. no-closure) × 2 (feedback: positive vs. negative) between-subjects design. On the first screen, participants were asked to choose one chocolate from a selection of 12 chocolates. After choosing, participants moved onto the next screen where they encountered both the choice-closure trigger and the feedback manipulations. Choice closure was triggered via visual alterations in the assortment presentation format. Specifically, the chosen chocolate was framed in yellow and shown together with the other 11 forgone chocolates. Each forgone chocolate was either labeled with a “rejected” tag (closure condition) or not (no-closure condition). Outcome valence was manipulated through providing feedback about the quality of the selected option relative to the average quality of the assortment—either above (positive-feedback condition) or below (negative-feedback condition) the average. As predicted, in the positive-feedback (positive-feedback) condition participants exposed to the “rejected” labels were more (less) satisfied than those who were not.

Study 2 aimed to test the process underlying the observed effect by directly manipulating either negative or positive comparisons. This study was a 2 (choice-closure trigger: closure vs. no-closure) × 2 (feedback: positive vs. negative) × 2 (comparison: replication vs. comparison) between-subjects design, involving a real experience with the choice outcome. The study procedure and the manipulation of choice-closure trigger and feedback were similar to study 1. In addition, participants were submitted to a comparison manipulation while tasting the chocolate. In the comparison condition, participants were instructed to describe how the selected chocolate might be better (worse) than other chocolates in the selection, if they had previously received positive (negative) feedback. In the replication condition, participants wrote anything that came to their mind. The results in the replication condition replicated those of study 1: when receiving negative (positive) feedback, participants in the closure condition were more (less) satisfied than those in the no-closure condition. Consistent with our hypothesized process, in the positive-feedback condition, positive comparison enhanced satisfaction in the closure condition, but had no effect in the no-closure condition. In contrast, in the negative-feedback condition, the negative comparison reduced satisfaction in the label condition, but had no effect in the no-label condition. These results support the theory that comparisons, favorable or unfavorable depending on outcome valence, drive the effect of closure on satisfaction.

Study 3 tested whether consumers have an intuition of when choice closure can help and when it can hurt their satisfaction. Participants were asked to imagine buying a flavor of coffee online from 12 different coffees. They were told that, after the purchase, they found an independent report showing that their selected coffee was rated either among the top three (positive-feedback condition) or last three (negative-feedback condition) coffees among the same set of 12 coffees. In the control condition, no feedback was provided. Next, participants were directed to two purchase history webpages that concluded their purchase. These two webpages differed in presentation formats: webpage A showed the chosen along with the rejected coffees, but separated by a solid line (closure design) whereas
webpage B displayed the chosen and the forgone options without any separation line (no-closure design). Participants were asked to choose which of these two webpages might enhance their satisfaction with the selected coffee. Results showed that participants in the positive-feedback condition were more likely to select the closure-design webpage than those in the control condition. However, participants in the negative-feedback condition were less likely to select the closure-design webpage than those in the control condition. As predicted, consumer do not seem to have an intuition for when they should and when they should not seek closure, and when given the opportunity to choose between experiencing choice closure or not they act in ways that could be detrimental to their satisfaction.

**Intelligence Predicts Choice of Absolute Versus Positional Income**

**EXTENDED ABSTRACT**

Positional goods are those whose valuation depends, in part, on the levels held by others. For example, if the productivity of all PhD students doubles, the rising tide of publications would not necessarily increase anybody’s job prospects, since publication records are evaluated relative to each other. Other goods, such as the amount of food at a picnic, are non-positional. A picnic feast can be relished by all, and the satiated are not made better if some go hungry.

Many goods lie in between. Indoor plumbing reduced the inconvenience of bathroom visits, but before it was universal, its value came partly from having it when one’s neighbors did not. Since income can be used to purchase indoor plumbing, swimming pools and other things in this intermediate category, we can presume that income, itself, is a positional good to some extent.

A study by Solnick and Hemenway (1998), offers a pertinent data point on this issue. They posed the following question to 257 students, faculty, and staff at the Harvard School of Public Health: Which of these two worlds would you prefer to live in?

A. Your current yearly income is $50,000; others earn $25,000.
B. Your current yearly income is $100,000; others earn $200,000.

Note: Prices are what they are currently and prices (therefore the purchasing power of money) are the same in states A and B.

Respondents were roughly evenly split. Thus, if taken at face value, the data suggest that roughly half of these participants would be willing to have their real income cut in half to reduce others’ income by a factor of eight. (Or, equivalently, would forego an opportunity to double their income if it meant that they would lose their positional status they enjoy in world A.)

The rationality of preferring A over B (or vice versa) presumably depends on individual differences in the uses of money and in the intensity of feelings of inequity. Without knowing more, it would be hard to label either preference a mistake. One can, however, ask whether intellectual abilities predict such preferences. And we did. Our participants included undergraduate students at a selective liberal arts college and people recruited from other sources such as Amazon Mechanical Turk. Each participant completed one of several different measures of cognitive ability, including a 10-item vocabulary test (adapted from the General Social Survey), a 3 or 5-item version of the Cognitive Reflection Test (CRT; Frederick, 2005), or the Wonderlic Personnel Test (WPT).

Three results are noteworthy: First, income appears to be less of a positional good than Solnick and Hemenway’s data suggest: 70% of our participants chose world B, in which they sacrifice relative position for more purchasing power. Second, the preference for B was predicted by intellect. For each of the three tests of cognitive ability, those who preferred B scored significantly higher. The vocabulary and WPT tests were as predictive as the CRT, which suggests that a preference for world A is not necessarily a product of some compelling intuition that is rejected upon second thought (though the test results do indicate that cognitive ability affects the considerations brought to bear or the construal of the “tradeoff” between absolute and positional standing). Third, preference between regimes was unrelated to sex. This contradicts a prediction evolutionary theorists would likely aver: that men would be more attuned to relative standing, as this would determine mating opportunities and number of offspring.

**REFERENCES**


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