$100 a Month Or $1,200 a Year: Impact of Regulatory Focus on the Evaluation of Temporally Framed Attributes

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People often come across attributes which are temporally framed at different levels of aggregation such as annuities and salary payouts. We find that regulatory focus affects the perception of attributes framed at different levels of aggregation. We further find that differences in information processing strategy drive this phenomenon.

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EXTENDED ABSTRACT

Consumers often encounter benefits and costs which recur over time framed at different levels of aggregation. For example, a weight loss program may advertise either in an aggregate (“Lose 10 pounds in 10 weeks”) or a disaggregate (“Lose 1 pound per week over 10 weeks”) frame. In using this strategy, marketers hope that consumers will utilize the largeness of the numeric expression as a heuristic for making magnitude judgments. Indeed, some research suggests that this may be the case. An aggregate frame makes the consumers perceive the benefit or cost to be higher in magnitude leading to a greater weightage being assigned during evaluation and choice (Burson, Larrick, and Lynch, 2009; Goldstein, Hershfield, and Benartzi, 2016; Gourville 1998). However, not much is known about the way in which consumer characteristics may impact the evaluation of such frames. Further, research is needed on means to reduce consumers’ reliance on this erroneous heuristic. In this research, we aim to accomplish these objectives by examining how consumers’ goal pursuit strategies affect the evaluation of such frames.

In any decision process, one of the two primary goals of a human being, the need for advancement and that for security (Bowlby, 1969), may be salient. Regulatory focus theory (Higgins, 1997) posits that these goals lead to two distinct motivational states in a consumer – a promotion and a prevention focus, respectively. We contend that temporal framing of attributes will affect the evaluation of only promotion focused (but not prevention focused) consumers. We base our predictions on the distinct information processing strategies elicited by these regulatory goals (Forster and Higgins, 2005; Lee, Aaker, and Gardner, 2010; Pham and Chang, 2010). Promotion focused consumers, who pay greater attention to the most salient aspect of any information, may be easily swayed by the largeness of the numeric expression in an aggregate frame. However, prevention focused consumers, who pay attention to all aspects of any information, may be immune to the effect of temporal reframing.

In Study 1 (N = 152), we primed regulatory focus using an anagram task (Jain et al., 2007). Next, participants in the aggregate (disaggregate) condition, read that their salary post graduation was “$36,000 a year” (“$3,000 a month”). A two-way ANOVA revealed a significant interaction effect, $F(1,148)=7.0, p=.01$. Promotion focused participants evaluated the salary more positively in the aggregate condition ($M_{aggregate}=4.84$, $M_{disaggregate}=4.29$, $F(1,148)=5.39$, $p=.02$). No such difference emerged for prevention focused participants ($M_{aggregate}=4.40$, $M_{disaggregate}=4.73$, $F(1,148)=2.02$, $p=.16$).

Study 2 (N = 148) examined a downstream effect. We primed regulatory focus using a goals task (Li et al., 2011). Next, in the aggregate (disaggregate) condition, participants read that they had a job offer which paid $42,000 a year ($3,500 a month). Participants intended to join a retirement saving plan offered by their employer serves the dependent measure. A two-way ANOVA revealed a significant interaction effect ($F(1,144)=4.00, p=.047$). Promotion focused participants were more likely to save in the aggregate condition ($M_{aggregate}=6.95$, $M_{disaggregate}=5.51$, $F(1,144)=7.92$, $p=.005$). No difference emerged for prevention focused participants ($M_{disaggregate}=6.49$, $M_{aggregate}=6.51$, $F(1,144)<1$).

In Study 3, female participants (N=121) indicated their evaluation of a weight loss program where the calorie loss was expressed as 6,400 Calories (800 Calories per week) over 8 weeks in the aggregate (disaggregate) condition. Regulatory focus was measured (Lockwood, Jordan, & Kunda, 2002). Interaction between regulatory focus and frame was significant ($B=-.38$, $t(116)=2.01$, $p<.05$). Promotion focused participants evaluated the program more positively in the aggregate ($M_{aggregate}=4.91$) as compared the disaggregate ($M_{disaggregate}=3.49$, $t(116)=2.37$, $p=.02$) condition. However, no such difference emerged for prevention focused participants ($M_{aggregate}=4.88$, $M_{disaggregate}=5.16$, $t(116)=-.49$, $p=.62$).

Study 4 provided evidence for the underlying process. After a priming task similar to Study 1, participants (102) evaluated a lottery which was expressed as $4,500 ($160 a month) over 2 years and 4 months in the aggregate (disaggregate) frame. They also indicate their perception of magnitude for the reward. Both measured followed similar patterns as previous studies. More interestingly, A moderated mediation analysis revealed that frame affected the magnitude perception of the reward amount only for promotion focused participants and led to different evaluation of the lottery based on frame ($B=-1.35, SE=.38, 95\% CI [-2.18, -.69]$). However, the frame did not affect the magnitude evaluation of amount for prevention focused participants ($B=0, SE=.38, 95\% CI [-.79, .74]$).

Finally, in Study 5, we examined costs. After a priming task similar to Study 2, female participants (N = 182) indicated their intention to join a health club where the cost was framed as $1,560 ($65 a month) for a 2 year membership. They also indicated their magnitude perception of the cost. Promotion focused participants indicated a greater intention to join when they viewed the price in disaggregate ($M_{disaggregate}=3.81$) as compared to the aggregate frame ($M_{aggregate}=2.04, F(1,177)=23.55, p < .0001$). This effect was only marginally significant for prevention focused participants ($M_{aggregate}=2.70, M_{disaggregate}=3.5, F(1,177)=3.64, p = .06$). More importantly, as in the previous study, moderated mediation analysis revealed an indirect effect of magnitude perception. This indirect effect was significant only in the promotion focus condition ($B=-1.02, SE=.30, 95\% CI [-1.61, -.43]$) and not significant in the prevention focus condition ($B=-.22, SE=.30, 95\% CI [-.80, .37]$).

Across five studies, spanning multiple domains and different operationalization of regulatory focus, we show that promotion focused consumers evaluate an aggregate frame more extremely as compared to a disaggregate frame. However, no such difference in evaluation based on frame emerged for prevention focused consumers. This research contributes to the area of temporal framing and numerosity heuristic by introducing an important moderator, the decision makers’ regulatory focus. Future research may explore other factors which may affect the perception of such frames such as processing styles and cross cultural differences.

REFERENCES


