Special Session Summary    the World According to Garp: the Influence of Lay Theories About Others  on Consumer Judgment and Behavior

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SPECIAL SESSION SUMMARY
The World According to Garp: The Influence of Lay Theories About Others on Consumer Judgment and Behavior
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SESSION OVERVIEW
The entire field of attribution theory is dedicated to understanding how individuals make sense of the behavior of others. However, there has been far less study of how these inferences in turn affect the perceiver's own judgments and behavior (Furnham 1988). This special session presents ongoing research that examines this issue and provides a platform for a discussion of fruitful research directions.

Research in consumer behavior on the subject of lay theories can be broadly divided into three areas. One well-researched field is that of lay theories of statistical events, which encompasses decision-theoretic attempts to establish how, rather than being sophisticated statisticians, people use 'heuristics' and therefore suffer from 'biases' in their decision making (e.g., Tversky and Kahneman 1974). Another well-researched field is that of expectancy disconfirmation based satisfaction, where the lay theories under investigation are consumers' expectations about the services and products that they purchase (e.g., Oliver 1980). There is, however, a third subset that concerns lay theories about people's motivations, abilities, and behavior. Research on the judgmental and behavioral effects of such lay theories about "people in general" is surprisingly scant.

The question of whether such generalized beliefs about others are accurate has generated much interest (Hoch 1988). A related question, that has only now become the focus of research attention, is how consumers' beliefs about others influence their own judgments and behavior. Recent work has shown that these beliefs can affect predictions of the correspondence bias (Van Boven, Kamada and Gilovich 2000), the endowment effect (Van Boven, Dunning and Loewenstein 1999), and hedonic contrast effects (Novemsky and Ratner 2003). The three papers in this session extend this work examining the accuracy, as well as the judgmental and behavioral impact, of beliefs in diverse domains such as others' preferences, motivations, and self-control.

Ratner and Kubowicz investigate people's beliefs about the extent to which others prefer monetary vs. non-monetary responses from firms in cases of service failure. They find that people overestimate others' desire for monetary rewards. This has interesting implications for managers, who may themselves hold such beliefs and therefore over-emphasize monetary means of service failure redressal. In the second paper, Nelson and Miller look at lay theories about approach and avoidance motivation, testing the hypothesis that observers tend to interpret others' actions as approach motivated even when they recognize that their own identical choices were motivated by avoidance. Their results demonstrate this asymmetry, which can have profound effects in several domains of public consumption. Finally, Mukhopadhyay and Johar examine the effects of lay theories of self-control on goal setting and achievement behavior. They find that people who believe that self-control is a limited resource tend to set fewer goals than those who believe that self-control is an unlimited resource. Limited self-control theorists are also less likely to succeed at keeping resolutions unless they are high in self-efficacy.

The topic of the accuracy and impact of lay theories is today at the cutting edge of psychology and consumer research. Taken together, the three papers in this session constitute a significant step in the study of the effect of possibly inaccurate lay theories on consumers' judgments and behavior, across a variety of domains. This session addresses an important new area, and is relevant to the study of attributions, inference making, implicit theories, and behavioral effects. To this end, the reference in the session title to John Irving's classic novel serves as an ironic reminder about the multiplicity of possible viewpoints, and the pervasive sway of social influence.

“Apologies and Coupons to Resolve Consumer Complaints: How Appealing is Each to You Versus to Others?”
Rebecca K. Ratner and Claudia Kubowicz, University of North Carolina at-Chapel Hill

Research within the consumer complaint literature indicates that consumers care a lot about apologies (Tax, Brown, and Chandrashekar 1998), especially after a service failure (Gilly and Gelb, 1982). However, apologies are not always forthcoming from firms (Tax et al.). How accurate are people’s beliefs about the extent to which consumers care about apologies (i.e., non-monetary responses) relative to other types of actions (e.g., monetary compensation or a free gift) that a firm could take? Do decision-makers underestimate the extent to which others care about apologies?

Previous research demonstrated that individuals often overestimate the extent to which their peers’ attitudes and behaviors are based on material self-interest (Miller and Ratner 1998). For example, people think that material stake as a function of group membership will have a larger impact than it actually does on others’ attitudes toward social policies. Other studies provided evidence that people overestimate the impact of financial payment on their peers’ willingness to engage in prosocial behaviors. In one study (Miller and Ratner 1996), participants overestimated the extent to which their peers’ willingness to sign up for psychology experiments depends on the amount they would be paid. In another study, participants overestimated the impact of payment on their peers’ willingness to participate as a donor in an upcoming blood drive (Miller and Ratner 1998, Study 1).

In the present research, we investigate whether individuals overestimate the extent to which their peers favor monetary responses from firms attempting to resolve a consumer complaint. Our key question is whether individuals understand the extent to which others care about apologies or whether they instead think that others favor more tangible/money-focused responses (e.g., a coupon for a free product). Based on the results reported by Miller and Ratner (1998), we predict that individuals will underestimate how attractive to others are the responses that enhance material self-interest (e.g., free products).

In a series of experiments, we asked individuals to rate the attractiveness of two possible responses from a firm to a consumer complaint. For example, participants read about a situation in which they have an unpleasant interaction with a rude cashier at a coffee shop. They were asked which of the following they would prefer from the coffee shop if they had registered their dissatisfaction: receiving something for free (a coupon for a free drink) or receiving an apology but no mention is made of a coupon. In several studies,
Across four studies we investigated the tendency for observers to assume that other people like what they choose. In Study 1, we investigated the asymmetry in motive ascription by looking at how people felt about the voting behavior of others. Prior to the 2000 presidential election, we asked people to identify which candidate they were planning to vote for, whether they were casting their vote principally because they liked their choice or because they disliked the alternative, and why they thought other voters were casting their vote. Consistent with our predictions, most people assumed that other voters were voting for the candidate that they liked, whereas most participants indicated that their own vote was cast out of dislike for the alternative. Despite being personally motivated by avoidance, people judged others in line with their lay theories of approach motivation.

In the second study, people were brought into the laboratory to taste soft-drink flavors and evaluate them. Participants tasted two pairs of sodas, each idiosyncratically determined to have a positive and a neutral flavor or a neutral and a negative flavor. Participants were asked to decide which flavor they preferred and were subsequently told that most other people made the identical decision. Finally, everyone stated how much they would be willing to spend for a can of each of the four soda options, and how much they thought other people would be willing to spend. When making the avoidance-motivated decision between the neutral and the negative options, people thought that similar choosing others would be willing to spend more money for both options than they would themselves. Even when personally guided by avoidance motives, people inferred that others were acting out of approach motives, and therefore liked both of the alternatives more than they did themselves. As predicted, there was no difference for predicted willingness to pay when people were guided by approach motives.

One possible alternative account is that people assume underlying positive feelings for the stimuli (presidential candidates and soft drinks), and therefore assume that other people like the options even when they personally do not. We attempted to rule out this possibility by conducting a similar study in a domain that was explicitly negative: deciding between prison sentences. Participants read a description of someone facing a 10-year sentence in minimum-security prison. Some participants were further told that this same person chose the minimum-security prison sentence over an alternative of the same length at a maximum-security prison “where inmates were forced to do hard labor.” Despite the overwhelming negativity of the decision context, and explicit dominance relationship between the two options, observers inferred that the convict would be willing to spend less money and would be less likely to flee the country if he had chosen the prison sentence than if it had simply been assigned. Even when the context is negative, observers seem to infer a hint of approach motives in the choices of others.

In the final study we returned to a tasting paradigm, this time with a variety of jellybean flavors. Replicating the effects of Study 2, avoidance-motivated participants thought that someone else making the identical decision would be willing to spend more for the same options. We extended this finding by showing that participants selected a suboptimal flavor for the other person, consistent with perceived preferences but not with actual preferences. Finally, when told that they would have to share a single flavor with the other person, out of politeness for the other’s apparent preference, participants selected a flavor that was suboptimal for themselves as well as for the other.

Across our four studies, observers tended to perceive approach motives in the avoidance motivated behavior of others. The strong lay belief that other people like what they choose belies personal
experience with numerous decisions guided by dislike for what is rejected. In each of the studies presented here, we examine the impact that these beliefs can have in our interpretation of others, but each of these effects can have consequences for personal decisions as well. Study 4 showed that an ill-conceived politeness can lead to suboptimal decisions, but a fundamental misunderstanding of underlying motives can have more pervasive consequences as well. Beliefs about normative preferences can have a direct impact on the decisions people make. The systematic misperceptions of these norms shown in these studies suggest that people may erroneously see others as liking their chosen options, and neglecting the real uniformity in what other people dislike.

“Where There Is a Will, Is There a Way? The Effect of Lay Theories of Self-Control on Goal Setting and Achievement”
Anirban Mukhopadhyay, Columbia University and Gita V. Johar, Columbia University

Goal directed behavior has often been modeled as a two-stage process, i.e., the setting of personal goals followed by the effort to achieve them (e.g. Thaler and Shefrin 1981). Research in this area also often recommends strategies with which to bolster self-control and achieve chosen goals. In this paper, we present a different look at the relationship between self-control and goal setting/achievement. Rather than assuming that success at achieving goals is a manifestation of effective self-control, we propose that lay theories or naïve beliefs about the nature of self-control affect the setting and achieving of goals.

Lay theories have been shown to affect judgments and behavior in a number of domains (Furnham 1988). For example, people’s beliefs about the role of individual differences in predicting behavior can influence their impressions of others. Dweck’s program of research demonstrates that theories about whether intelligence is a fixed quantity or an augmentable reserve can affect learning strategies and responses to failure (Dweck 1999). Similarly, we suggest that people’s beliefs about self-control can influence their goal-directed behavior. Specifically, the belief that self-control is a restricted resource (as per Muraven and Baumeister 2000) or that it is an unlimited resource (Descartes, quoted in Elster 1999) can determine the number of goals one sets for oneself. Success at attaining these goals will then also depend on an individual trait, self-efficacy, which determines persistence at challenging tasks.

We examine our propositions in the naturalistic but underexamined domain of New Year’s resolutions. It is interesting to note that this popular annual practice closely mimics prototypical goal-directed behavior. New Year’s resolutions are characterized first by people identifying favored outcomes (Thaler and Shefrin’s “planners”), and then by their working towards them (“doers”). Moreover, every resolution can be looked back on and evaluated as a success or a failure.

Given this context, three studies were conducted to test these propositions in the domain of setting personal resolutions. The first two studies investigated the effects of lay theories that are manipulated or measured on setting resolutions, both general as well as consumption oriented. In Study 1, participants in a 2 x 2 between subjects design read passages that stated that self-control is a limited [or unlimited] resource that is also fixed [or malleable]. Following this “Reading Comprehension” survey was a “Motivation Assessment Questionnaire,” that looked completely different from the reading comprehension survey (e.g., a different font) to prevent participants from making any connections between the lay theory manipulation and this measure. Participants were presented with a blank table and asked to list all their current “personal, academic, or financial / consumption-related” goals, in as much detail as possible. It was found that “Unlimited-Malleable” theorists set the highest number of resolutions; moreover, the resolutions were rated to be equally important across conditions.

Study 2 provided more direct evidence for the role of lay theories of self-control by showing that making people aware of their lay theory prior to setting goals can reverse the effect such that Limited-Malleable theorists set the highest number of resolutions. Participants’ lay theories were measured rather than manipulated, and the order of the lay theory measurement and goal-setting tasks was counterbalanced. As expected, the results of Study 1 held when the lay theories were measured afterwards, and were reversed (for malleable theorists) when the measurement preceded the goal setting.

The final field experiment extended the investigation to success or failure at goal achievement, manipulating respondents’ lay theories and assessing their impact on New Year’s resolutions in real time. This study was conducted in two phases, with respondents listing their planned resolutions in November, and then reporting on their success at keeping these resolutions the following March. Respondents’ lay theories were manipulated by making them read passages from credible sources that either stated that self-control is a limited resource (Muraven and Baumeister 2000) or that it is an unlimited resource (Descartes, quoted in Elster 1999). Consistent with the previous studies, unlimited theorists (respondents who read the Descartes passage) set more resolutions than limited theorists. Further, limited theorists who were low in self-efficacy reported significantly less success at keeping their resolutions than those in other conditions.

To summarize, we demonstrate that peoples’ lay beliefs about the nature of self-control can have a direct and tangible impact on their goal-directed behavior. Across the studies we measure or control for several factors including participants’ ratings of own self-control, goal difficulty, and number of goals. These nonintuitive findings are not only of relevance to the immediate theoretical study of naïve theories and self-control, but indeed to many other domains where planned action towards single and/or multiple goals is involved (e.g. savings, investment, health-related behaviors).

REFERENCES


