The Moderating Role of Need For Cognition and Counterfactual Thinking on Product Evaluation

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Counterfactual thinking (CFT) refers to the process of reflecting on past events and simulating alternative possible outcomes. This research reports two studies exploring CFT. Experiment 1 finds that after exposure to a purchase failure, CFT encourages high need for cognition (NFC) individuals to engage in downward CFT, resulting in more positive product evaluations. Low NFC individuals invoke upward CFT after exposure to a purchase failure, resulting in lower product evaluations. By contrast, after experiencing a satisfying purchase, respondents’ product evaluations were unaffected by their processing propensity. Experiment 2 provides an extension of experiment 1 and explores the process that underlies these effects.

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EXTENDED ABSTRACT

Counterfactual thinking (CFT) refers to the process of reflecting on past events and simulating alternative possible outcomes. Consumer researchers have explored related issues, such as how anticipation of counterfactual regret influences decision-making and behavior (Hets, Boninger Armor, Gleicher, Nathanson 2000) or how CFT affects information processing (Krishnamurthy and Sivaraman 2003). However, scant research has investigated how and when CFT influences consumers’ product evaluations after a purchase success or failure.

Research investigating CFT has found that moods and counterfactual direction may serve as reciprocal antecedents and consequences of each other (Sanna, Turley-Ames, and Meier 1999). For example, suppose a consumer finds that a recently purchased product does not meet the consumer’s expectations; the consumer is not happy about the result. As an antecedent, the unhappiness produces upward counterfactuals. The consumer might think, “If I could choose again, I might have made more comparisons and could have bought a much better product.” The more the consumer thinks of the negative consequences of the chosen product and the positive consequences of other alternatives, the more dissatisfied the consumer becomes. This dissatisfaction will inevitably produce more upward counterfactuals. Consequently, upward CFT and mood constitute a reciprocal cycle.

We propose that need for cognition (NFC; Cacioppo, Petty, and Kao 1984) may provide a potential boundary for the reciprocal cycle of upward CFT. From a theoretical point of view, an investigation of the moderating effect of cognitive elaboration on the CFT reciprocal cycle may provide an alternative explanation of a contradictory finding.

Two experiments were designed to examine the moderating role of CFT and NFC on product evaluations. The first experiment investigates whether high NFC can break the reciprocal cycle of upward CFT when people encounter a purchase failure and explores the effects that underlie this process. Experiment 2 provides a replication and extension of experiment 1 to establish the robustness of the documented findings.

In experiment 1, two computer purchase scenarios (positive-outcome and negative-outcome) and two thinking instructions (no CFT instruction and CFT instruction) were manipulated. We hypothesize that in a negative purchase outcome condition, respondents engaging in more extensive purchase scenario processing (high NFC) should produce more favorable product evaluations when a CFT instruction is provided after purchase. In contrast, respondents engaging in less extensive purchase scenario processing (low NFC) should produce more favorable product evaluations when a CFT instruction is not provided after purchase. The results are consistent with our predictions. Examination of thought measures provides additional support for the hypotheses.

Experiment 2 replicates the negative-outcome conditions by replacing the CFT instruction with a follow-up customer service survey. In addition, processing extensity was manipulated with motivation instead of being measured as NFC in experiment 1. Our procedure explicitly manipulated respondents’ motivation to engage in extensive processing of purchase scenarios in experiment 2.

We propose that the moderating effects of NFC and thinking instruction observed in experiment 1 should be replicated under negative purchase outcome conditions. Specifically, when a follow-up survey was provided after purchase, individuals with high processing motivation evaluated the product more favorably than individuals with low processing motivation. But, when no follow-up survey was given, respondents with low processing motivation evaluated the product more positively than respondents with high processing motivation. Our predictions are supported. Examination of thought measures also provided additional support for the predictions. The results in experiment 2 are important in advancing our understanding of the effects that underlie the process in negative purchase outcome conditions.

Together, the two studies support our proposed theorizing regarding how NFC and CFT can affect people’s product evaluations after a positive or a negative purchase experience. The studies reveal that with a CFT instruction, individuals engaging in more extensive processing generate more downward counterfactuals than upward counterfactual after a purchase failure, resulting in higher product evaluations. Individuals engaging in less extensive processing invoke upward CFT as part of a reciprocal cycle after a purchase failure, thus producing lower product evaluations. Furthermore, we find that without a CFT instruction, individuals who engage in more extensive processing generate lower product evaluations after a purchase failure than those who engage in less extensive processing do.

The findings of the two studies contribute to both psychology and consumer research. For psychology, this research suggests that sufficient resources or ability can break the negative cycle that consumers may encounter after a purchase failure. The results not only offer a resolution to the previous contradictory findings, but also provide evidence that cognitive ability or resources impacts the direction of CFT.

Our contribution to consumer research is also substantial. Our research suggests that high NFC or motivated consumers generate more downward counterfactuals and fewer upward counterfactuals, thus producing higher product evaluations if they are given a follow-up customer service survey after a purchase failure. It extends the research domain from the structure of counterfactual thoughts to product evaluation.

From a managerial standpoint, this research has implications for postpurchase marketing efforts. Specifically, marketers can use some postpurchase efforts, such as a follow-up customer service survey in experiment 2, to influence consumers’ CFT direction. Comment cards and satisfaction surveys are widely used in the service industry, such as hotels, restaurants and etc. This research enhances our understanding of how postpurchase marketing influences consumers’ product evaluations.

REFERENCES


