

Construing Consumer Decision Making

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Understanding how consumers represent outcomes and weigh different decision criteria is critical to consumer behavior research. Construal-level theory articulates how psychological distance alters the mental representation of inputs and the effective weight given to “high-level” and “low-level” criteria. Trope, Liberman, and Wakslak (2007) provide a review of this literature. In this commentary, we illustrate the relevance of construal-level theory to issues in consumer psychology, particularly consumer decision making. We highlight specific questions that researchers could address by considering consumer behavior within the framework of changes in construal. We focus our discussion on how construal levels affect consideration sets and how shifts in weight from high-level to low-level features might lead to consumer regret and dissatisfaction. Construal level can help us understand follow-through on stated intentions for “really new” products and illuminate public-policy issues such as consumer saving for retirement and nonredemption of rebates. We identify open issues related to how construal levels for the same object evolve over time and whether resources differ in terms of how susceptible they are to psychological distance effects.

Alba, Hutchinson, and Lynch (1991, p. 2) identified four fundamental questions researchers must answer in order to understand consumer decision making.

1. Which of the available brands or alternatives are considered, and why?
2. What information is processed in evaluating each brand considered, and why?
3. How are these inputs combined to arrive at a final choice?
4. How do memories of prior decisions alter the answers to the first three questions?

We organize our comments on Trope, Liberman, and Wakslak (2007) around questions 1, 2, and 4. We aim to highlight connections between the points that Trope et al. make, drawing mainly from work in psychology, and issues that have concerned consumer psychologists.

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The primary contribution of construal theory to understanding consumer decision making is its relevance to question 2. To understand consumers’ predictions, judgments, and choice outcomes, researchers must first determine which few inputs out of many are recruited externally or retrieved from memory and know what determines their effective weight in decision outcomes. Construal-level theory illuminates how psychological distance alters the mental representation of inputs and the effective weight given to “high-level” and “low-level” criteria.

In Liberman and Trope’s (1998) seminal article, construal-level theory focused initially on the effects of temporal distance. Liberman and Trope showed that compared with representations of events in the near future, representations of events in the distant future were more abstract and framed in terms of superordinate categories. Varying information about low-level feasibility and high-level desirability, they also showed that in simple, stimulus-based decision problems, the relative weight of feasibility was greater in the near term and that of desirability was greater in the more distant future.

That article has inspired an explosion of research in a very short time, making clear that the effects of temporal distance generalize to several other common antecedents

of psychological distance. Trope et al. (2007) provide an excellent review of this literature, showing that similar effects are observed if outcomes are in the distant future or the distant past, if they are geographically distant, if they pertain to socially distant others, or if they are made distant by low subjective certainty of occurrence. In general, the evidence in prior work has tended to be either about effects of distance on the relative weights of stimulus-based cues in judgments or on some measure of abstractness and categorization (e.g. Kardes, Cronley, and Kim, 2006). We are unaware of any studies linking abstractness as a mediator of distance effects on weight. We focus our discussion on effects mediated by changes in relative weight of criteria related to attributes that reflect feasibility and desirability in consumer judgment, choice, and exchange. We also consider possible implications for consideration-set formation (question 1 from Alba et al., 1991) and the issue of changes in weights as a function of prior decisions (question 4).

CONSTRUAL EFFECTS ON CONSIDERATION-SET FORMATION

Perhaps the single most important determinant of consumer choice outcomes is what gets considered. Nedungadi (1990) showed that primes altered choice of a focal brand X by influencing whether the alternative came to mind and what competing alternatives came to mind simultaneously. Thus, how does construal level influence consideration-set formation and consequent patterns of interbrand competition?

To date, no research has examined the issue of construal level and consideration-set formation, but several notable hypotheses can be advanced. People represent temporally distant actions more abstractly (Liberman & Trope, 1998), and they think about distant events and objects more in terms of broader categories than when the same events draw near (Liberman, Sagristano, & Trope, 2002). This suggests that when a consumer decision is imminent, there is less competition from nominally different subcategories (cf. Nedungadi, 1990). Similarly, when a person is choosing for him- or herself rather than for others, cross-category consideration should be lower (e.g., ginger ales and colas in the same consideration sets; Ratneshwar, Pechmann, & Shocker, 1996). Finally, when consumers spontaneously form consideration sets from goal-derived categories (Ratneshwar, Barsalou, Pechmann, & Moore, 2001), the goals they use to retrieve alternatives are likely to differ, that is, to pertain to abstract dimensions of desirability when construal levels are high and to concrete considerations of feasibility when construal levels are low. This could dramatically affect which competing brands co-occur in consideration sets with a focal brand.

CONSTRUAL EFFECTS ON INPUTS TO DECISIONS

Once an alternative is considered, the decision outcome is most directly influenced by the selectivity in which few out of many possible inputs are used in an evaluation (Alba et al., 1991). Empirical work on construal theory has shown repeatedly that psychologically distant events lead to a focus on high-level aspects of decisions rather than low-level constraints because the constraints either are not represented in memory-based decisions or are ignored in stimulus-based decisions.

The thrust of Trope et al.'s (2007) and others' work on construal-level theory is to show the similarity of the effects of different causes of psychological distance: temporal distance, physical distance, social distance, or uncertainty of outcomes. However, from a consumer behavior perspective, there is a critical difference that distinguishes some antecedents of distance from others, namely, whether the dimension of distance varies more within individual or across individuals. This affects the kinds of consumer behavior consequences that could be most fruitfully studied. We suggest that for temporal distance and uncertainty, there is relatively more within-person variation that creates intrapersonal dissatisfaction when a decision taken from a distant perspective is reevaluated from a more proximal perspective. For physical and social distances, within-person variation is rarer, but between-person differences in perspective can create interpersonal conflict.

Between-person Differences in Construal: Implications for Exchange Conflict

For social and spatial distance, between-individual differences tend to dominate within individual differences. Here, the main consumer behavior implication is for conflict between individuals (e.g., mistakes in trying to predict the preferences of distant others for giving gift, conflict between buyers and sellers).

In the well-known endowment effect (Kahneman, Knetsch, & Thaler, 1990), participants randomly assigned to roles of sellers of an object required a higher reservation price to sell than randomly assigned buyers were willing to pay, a result attributed to loss aversion. It is interesting to consider how these buyer-seller asymmetries might differ as a function of the social distance or geographic distance between buyer and seller. Zhang and Fishbach (2005) found that anything that reduced anticipated negative emotion reduced the size of the endowment effect. We conjecture that anticipated negative emotion strengthens as thinking becomes more concrete; thus, stronger endowment effects and greater difficulty in coming to agreement might occur when selling to a family member rather than to a stranger or when selling to a buyer in the same town rather than to one in another country. This is consistent with Malkoc and

Zauberman's (2006) results, which show that the more concretely the outcome is represented, the more people require a greater premium to delay a current outcome than to pay to expedite a future outcome (i.e., temporal loss aversion).

Within-individual Shifts in Psychological Distance and Regret

Within-individual shifts in perspective produce preference inconsistency and preference reversals, causing consumers to experience regret, as is shown in Zauberman and Lynch's (2005) "Yes Damn" effect of making time commitments that are regretted later. Temporal distance and uncertainty both tend to covary within individual; both decrease over time as a decision draws nearer. It is predictable that when events are in the distant future, people focus on abstract, high-level benefits rather than concrete, low-level constraints on behavior and then reverse this perspective when the same events become imminent and the relative weight of costs increases. For example, a woman living in a Connecticut suburb may commit to taking her large extended family to a Broadway show over the holidays and then bitterly regret the decision when faced with all the logistical difficulties of getting children out of bed, catching the train downtown, and transporting the family to the theater.

Trope, Liberman, and colleagues have also shown that the same events are reevaluated when they fade into the distant past, where, again, considerations of high-level desirability dominate low-level considerations of feasibility. This may explain Gilovich and Medvec's (1995) finding that people regret actions more than inactions in the short run but regret inactions more than actions in the long run. We would argue that inactions occur because, in the moment, people give a great amount of weight to the costs of action and constraints on behavior. At a greater temporal distance, those costs and constraints seem less compelling.

Similarly, predictable intraindividual shifts in perspective with respect to uncertainty might occur. If our theater-going suburbanite is originally uncertain about whether her relatives will all be in town at the same time to see a show, it is predictable that she will give more weight to low-level details later on when she confirms that the event is a go.

Preference Inconsistency and Temporal Construal

Preference consistency in intertemporal choice has been extensively studied in recent years, but construal-level theory provides a new perspective on such tradeoffs. We next focus our discussion on how temporal distance plays into important consumer decision contexts that have attracted the interest of marketers and public-policy makers.¹

¹For a more detailed public-policy analysis of these issues, see Lynch and Zauberman (2006).

Preference Inconsistency and Saving for Retirement

Eyal, Liberman, Trope, and Walther (2004) showed that benefits loom larger than costs in the future, but the reverse is true in the present. Consistent with this work, Lynch and Zauberman (2006) noted that people do not save for retirement because in the short run, saving exacts a cost. However, Thaler and Benartzi's (2004) "Save More Tomorrow" plan overcomes the barrier by letting workers precommit to save money for retirement from future raises, increasing annual savings rates. Lynch and Zauberman (2006, p. 70) noted that this can be explained by construal-level theory and that "when people are making decisions about saving in the current period, constraints and costs should loom large compared with the potential benefits of having adequate savings for retirement. When a person is given a choice of precommitting future raise money to retirement savings, the consequences are more temporally distant. Consequently, people give more weight to benefits and less to costs, causing participation to increase."² The general point is that when policy makers want to encourage people to take actions that are costly in the short run but beneficial in the long run, they should encourage people to frame the decision as if it were in the distant future and offer opportunities for precommitment.

Preference Inconsistency and Rebates

In general, policy makers want to prevent consumers from choosing actions that look attractive in the long run but that they will regret when the time comes to use the product or service. In such cases, the remedy is to induce consumers to frame the decision as if it were imminent, even though it is in the future (Lynch and Zauberman, 2006). Consider the well-documented tendency for consumers to choose options on the basis of rebates that they never get around to redeeming (Silk, 2005; Soman, 1998). This finding can be interpreted through the lens of construal theory (though other interpretations exist; see Zauberman and Lynch, 2005). The weight of feasibility (i.e., the time to redeem the rebate) decreases with temporal distance. Therefore, to correct for consumers' tendency to buy on the basis of a rebate that they will never redeem, they should be induced to think about the decision they would make if the rebate had to be redeemed that day.

Preference Inconsistency and Really New Products

Alexander, Lynch, and Wang (2006) combined construal-level theory with Hoeffler's (2003) theory of differences between "really new" and "incrementally new"

²Lynch and Zauberman (2006) offered a second account based on Zauberman and Lynch's (2005) resource slack theory of discounting.

products, in which “newness” is a psychological construct rather than a measure of chronological or technological newness. Alexander et al. reasoned that really new products are characterized by more extreme benefits and costs, whereas incrementally new products have more modest benefits and costs. Combining these premises with construal theory, they reasoned that really new products should be devalued more dramatically than incrementally new products from the time people stated a positive intention to acquire them to the moment of deciding whether to follow through and acquire them.³

In a large field survey, Alexander et al. (2006) predicted and found that people who had stated an intention to acquire 22 entertainment and communication technologies in the next six months followed through at a lower rate the higher the technology scored on an index of psychological newness. Consistent with a construal account, this difference in follow-through between really new and incrementally new products emerged only with time; it was not evident in the initial period when people stated an intention to acquire within six months.

Two other studies by Alexander et al. (2006) suggested that psychological newness is itself a form of psychological distance. In one study, consumers who were within one week of actually acquiring new products represented their expected use in the first week more abstractly the “newer” the product was. In another study, consumers who stated an intention to acquire products in the next six months were less likely to report forming “implementation intentions” the newer the product was; that is, consumers were less likely to think about exactly when and where they would buy really new products than incrementally new products. This may well explain the lesser follow-through on intentions for really new products; implementation intentions have been shown to dramatically increase the fulfillment of intentions (Gollwitzer, 1999).

Remedy for Preference Inconsistency: Mental Simulation

How can one correct for consumer shifts in mental representation that produce preference inconsistency and, thus, dissatisfaction, regret, product returns, or disuse? Elaboration on future tasks changes evaluations in a way that prevents negative surprises in the future. Kruger and Evans (2004) demonstrated that putting future tasks into subtasks

reduces the planning fallacy, or the chronic underestimation of the time to complete a task. A way to interpret this result is that reducing an overall task (e.g., holiday shopping) into subtasks (e.g., writing down each person for whom a gift is needed) changes the level of construal from high to low. Integrating construal-level theory and ideas about mental simulation, Zhao, Hoeffler, and Zauberma (2006) demonstrated that asking people to mentally simulate the benefits of an immediate outcome before making a decision causes their immediate decisions to become more consistent with distant-future preferences. Moreover, asking people to mentally simulate the process associated with a distant outcome before making a decision causes their distant decisions to become more consistent with near-future preferences. Zhao et al. (2006) showed that counter to people’s natural tendencies, outcome simulation for near-future events (a focus on the benefits and performance of a product) and process simulation for distant-future events (a focus on the constraints and convenience of using a product) lead to preference consistency over time.

OPEN QUESTIONS

How Do Prior Decisions Affect Construal Levels? Carryover of Past Construals

Question 4 from Alba et al. (1991) pertained to how memories of earlier decisions alter the consideration sets or criteria selected for use in evaluating alternatives. The overwhelming majority of construal studies examine single decisions. Consumer psychologists, however, have been interested in the problem of how representations from prior decisions alter subsequent decisions (e.g., Biehal & Chakravarti, 1983; Novemsky & Dhar, 2005).

Our focus on preference inconsistency as a key outcome of construal level theory leads to a fundamental question of whether the construal level for a product when it is evaluated at time t carries over to affect decisions involving the same product at a later point in time. To date, the literature has largely been silent, as high-level and low-level construals are typically manipulated between subjects rather than studied longitudinally within subjects, though some relevant research does exist.

Sometimes, consumers form “online” overall judgments of brands at time t of an initial decision; they then use those judgments to make later decisions involving those brands at $t+n$, rather than recomputing new judgments (Hastie & Park, 1986; Lynch, Marmorstein, & Weigold, 1988). Thus, will construal levels from time t become “immortalized” in consumers’ stored overall evaluations, determining the weight of feasibility and desirability at $t+n$ and forestalling preference inconsistency and regret? The conditions under which manipulations of distance do or do not cause regret deserve further investigation.

³Castano, Sujan, Kacker, and Sujan (2006) made a similar argument, though they did not compare really new with incrementally new products. When people considered adopting a really new product in the distant future, they were optimistic and focused on performance gains and symbolic gains; in contrast, in the near future, they shifted to estimating switching costs and affective costs as well as increased anxiety and lowered behavioral intentions.

Past construals affect future ones in other ways as well. Malkoc, Zauberan, and Bettman (2006) asked consumers to make a decision about brands in an Internet store and then decide how to ship their choice. They found that factors affecting the construal of the product decision (e.g., due to comparing either alignable or nonalignable options [Johnson, 1984; Malkoc, Zauberan, & Ulu, 2005]) carried over to affect consumer impatience in a decision about paying for faster delivery.

Similarly, when people make timing decisions of whether to receive the same object now or later, impatience and present bias differ if the choice is framed as delaying delivery from an earlier default to a later time rather than as speeding up delivery from a later default to an earlier time. Malkoc and Zauberan (2006) argue that this occurs because the framed default induces a construal level that dominates or inhibits the construal level of the alternative timing.

How Do Resources Affect the Malleability of Construal Levels?

In our work on resource slack (Zauberan & Lynch, 2005), we found that people falsely believe that they will have more spare time in the future but not more spare money, and this finding explains different discount rates for time and money. To interpret this finding in terms of changes in construal, it is necessary to assume that the change of representation over temporal distance shifts more for events framed as time (an hour spent cutting the lawn) than for events framed as money (\$60 payment for landscaping). An interesting question for future work is to examine whether resources differing in their susceptibility change from concrete to abstract representation with increasing psychological distance.

CONCLUSION

The goal of this commentary was to illustrate the relevance of the construal-level theory to issues in consumer decision making that have not been the focus of social cognition research and to suggest some open issues. We relied on Alba et al.'s (1991) analysis of four fundamental questions to understand the decisions. We call for additional research into how construal levels affect consideration sets and, thus, patterns of competition among brands. We analyze how shifts in weight from high-level to low-level features might lead to consumer regret and dissatisfaction, and we suggest ways to overcome these effects. We offer evidence of how construal level can help us understand practical marketing issues, such as consumers' use of rebates or their follow-through on stated intentions for really new versus incrementally new products, and on public-policy issues, such as saving for retirement and the use of rebates. We also call for research to understand whether construal levels that drive the evaluation

of a product are revised in later evaluations of the same object or remain sticky over time, as well as for research about whether concepts or resources differ in their susceptibility to variations in how they are represented and, thus, how feasibility and desirability are weighted in decisions. Construal-level theory is a delightfully heuristic theory that holds promise of providing many interesting questions and answers for consumer psychologists in the near and more distant future.

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