

Southern Ontario Behavioral Decision Research Conference



Ivey Business School
The University of Western Ontario
May 11th, 2007

SOBDR 2007

CONFERENCE PROGRAM

9:30 to 10:30 **Continental Breakfast and Welcome, Atrium**

10:30 to 11:45 **Presentation Session 1, Room 2B02**

Consuming Experiences Shift Standards through Attentional Collapse

Carey K. Morewedge (Princeton University), Daniel T. Gilbert (Harvard University), Kristian O. R. Myrseth (University of Chicago), and Timothy Wilson (University of Virginia)

We suggest that people tend to compare experiences to a wider range of standards when they imagine them than when they have them, and thus their actual and predicted valuations of those experiences naturally diverge. When predicting the hedonic benefits of future experiences, we propose that forecasters over-attend to absolute differences between experiences and their possible alternatives, and under-attend to how easily experiences and their alternatives can be compared. Why does the ease of comparison matter? Participatory experiences consume attention and may make comparison to alternative possible experiences difficult. When one is on vacation, eating cookies, or cheering on one's favorite team, one may have few cognitive resources available to compare the experience one is having to what one could have done instead. In other words, participatory experiences may constrict one's attention and focus it on the here and now rather than on what might have been. In five studies, participants forecasted how much they would enjoy a future experience (e.g., eating potato chips) or had that experience (e.g., ate potato chips). Hedonic forecasts were strongly affected by the presence of a superior alternative (e.g., chocolate) or an inferior alternative (e.g., sardines), but hedonic experiences were unaffected in three studies—experiencers were happy eating potato chips irrespective of the present alternative. In our fourth and fifth studies, hedonic experiences were affected by present alternatives only when hedonic experiences required few attentional resources. The results suggest that forecasters underestimate the extent to which hedonic experiences "consume" attention and render alternatives irrelevant.

Self-predictions of investment decisions in narrow and wide evaluation periods

Rebecca White (University of Waterloo, Department of Psychology), Derek Koehler and Annie Li

Inaccurate self-predictions of future economic behaviour can hold costly repercussions for decision makers. We examine self-predictions of investment behaviour in narrow and wide evaluation periods in two experiments. Over a series of 40 investment decisions, participants chose to invest in either a "conservative" investment with a high probability of gaining a small amount of money, or an "aggressive" investment with a low probability of gaining a large amount of money. Investment outcomes were presented in either narrow (single investment) or wide (four investments) evaluation periods. The evaluation period manipulation significantly influenced investment behaviour in a manner consistent with myopic loss aversion. Participants' self-predictions of aggressive investment choices were insensitive to the potential effect of evaluation periods on their future investment behaviour, even when base rates of previous participants' actual investment behaviours were presented. Instead, participants significantly based their self-predictions on a less-valid cue, namely the strength of their current intentions to invest aggressively.

Social Decision-Making: The “Hot Logic” Approach

Benoit Hardy-Vallee (University of Waterloo, Department of Philosophy)

The experimental study of economic exchange behavior revealed many discrepancies between game theory and actual behavior. In many games where defection and competition is expected by game theory, subjects robustly display cooperative behavior. The received view of these behavioral and neural data is that human beings are endowed with genuinely altruistic cognitive mechanisms, a view now labelled “Strong Reciprocity” (SR). According to SR, an innate propensity for altruistic punishment and altruistic rewarding makes us averse to inequity (Fehr *et al.*, 2002; Fehr & Rockenbach, 2004). In this talk, I argue that this moral optimism is far-fetched. Yes, the ‘cold logic’ model of rationality is not an accurate description of our decision-making mechanisms, but the SR model, I shall argue, relies on unwarranted assumptions. I present another model—the ‘hot logic’ approach—according to which human agents are selfish agents adapted to trade, exchange and partner selection in biological markets (Noë *et al.*, 2001). Cognitive mechanisms of decision-making aims primarily at maximizing positive outcomes and minimizing negative ones. The ‘hot logic’ approach provide a simpler explanation of cooperation and fairness: subjects make ‘fair’ offers in the ultimatum game because they know their offer would be rejected otherwise.

11:45 to 12:30 Lunch, Atrium

12:45 to 1:30 Keynote Address, Room 2B02

Varieties of Optimism

Dale Griffin (Sauder School of Business, University of British Columbia)

Many commentators have suggested that optimism is a fundamental and even unavoidable feature of human judgment. In this talk I review a number of phenomena tied to optimism, including overconfidence, unrealistic or comparative optimism, the planning fallacy and optimistic illusions in romantic relationships. Using data from each of these areas, I examine whether optimism is a fundamental, pervasive feature of judgment or whether more basic mechanisms give rise to each observed phenomenon.

1:45 to 3:00 Presentation Session 2, Room 2B02

Retrieval-Induced Forgetting in Brand Recall: Inhibition or Interference?

Antonia Kronlund (Brock University, Faculty of Business)

Alba and Chattopadhyay (1986) examined the effects of brand salience on brand recall. They observed that increasing salience, or prominence, of a brand can impair or “inhibit” recall of competing brands in the same category. We contribute to this work by using a method which does not confound strengthening of competitors with presentation of the competitors as cues (part-set-cueing) and instead adopt a retrieval-practice paradigm (Andersen, Bjork, and Bjork, 1994). We also observed impairment; however, results do not support an “inhibition” account and instead favor an interference account.

Inadvertent plagiarism and the misattribution of effort cues

Jesse L. Preston (University of Western Ontario, Department of Psychology) and Daniel M. Wegner (Harvard University)

The same effort cues that are normally associated with generating ideas can sometimes lead to inadvertent plagiarism when working in groups. In three studies, pairs took turns solving anagrams as they exerted effort on an unrelated task. Plagiarism increased when participants exerted high effort during the anagram problem and released effort as the anagram solution appeared. This high-low effort pattern most closely resembles the “Aha” feeling usually associated with genuine problem solving. This effect occurred when

effort was induced by squeezing a handgrip, or by the difficulty reading the anagram font. Plagiarism declined, however, when participants attended to the source of the effort cues. These results suggest that effort cues are used in judgments of personal responsibility for ideas in problem solving.

The role of incentive mind share in improved performance

Scott Jeffrey (University of Waterloo, Management Science), Gordon Adomdza and Guillermo Wilches

Using data from call-center employees at a large North American financial services firm, we studied how the frequency of thinking about an incentive available for performance led to increased output on a key metric. We find that people think more frequently about tangible incentives than cash incentives and that as the frequency of thought increases, performance increases.

3:30 to 4:45 Presentation Session 3, Room 2B02

The Effect of Regulatory Focus on Satisfaction

Remi Trudel (University of Western Ontario, Richard Ivey School of Business), Kyle B. Murray and June Cotte

In two experiments we show that the motivation and manner with which a consumer makes a decision influences satisfaction. Specifically, individuals with a promotion focus experience greater levels of satisfaction, as a result of positive disconfirmation, than those individuals with a prevention focus. Also, individuals with a promotion focus experience greater dissatisfaction as a result of negative disconfirmation, than those with a prevention focus. These findings provide convergent evidence of the effects of regulatory focus on decision-making. More importantly, our findings show that the motivational dimensions of consumer decision-making influence ultimate consumer satisfaction.

How does drug and supplement marketing affect a healthy lifestyle?

Lisa Bolton (University of Pennsylvania, Wharton School of Business), Americus Reed II, Kevin G. Volpp, and Katrina Armstrong

This research investigates consumer reactions to the marketing of drugs and supplements and the consequences for a healthy lifestyle. A series of experiments provides evidence that drug marketing undermines intentions to engage in health-protective behaviors (i.e., a boomerang effect). The boomerang arises from two psychological mechanisms: 1) drugs reduce risk perceptions and perceived importance of, and motivation to engage in complementary health-protective behaviors, and 2) drugs are associated with poor health that reduces self-efficacy and perceived ability to engage in complementary health-protective behaviors. A combined intervention accompanying a drug remedy that targets both motivation and ability mitigates the drug boomerang on a healthy lifestyle.

Helping People Help Themselves

Dilip Soman (University of Toronto, Rotman School of Management)

In a number of different domains, human behavior diverges from what is good for them, and people end up choosing what they want rather than what they should. Examples of such domains include saving (rather than spending), organ donations, healthy living and preventative medicine, taking public transit (rather than driving), recycling (rather than generating garbage) and energy consumption. In this talk, I will outline a set of explanations for this divergence based on common principles of decision making, and will propose specific solutions to counter these. I will also present the results of several laboratory and field tests of some of these predictions.

5:00 to 6:00 Poster Session and Cash Bar, Atrium

When to Enumerate? Limits to the Benefits of Unpacking for Project Completion Predictions

Johanna Peetz (Wilfrid Laurier University) and Roger Buehler (Wilfrid Laurier University)

The Effect of Weather on Consumer Spending

Fabrizio Di Muro (University of Western Ontario), Kyle B. Murray (University of Western Ontario), Adam Finn (University of Alberta), Peter Popkowski-Leszczyk (University of Alberta)

Practice, Perceived Quality, and Consumer Choice,

Jianping Liang (University of Western Ontario), Kyle B. Murray (University of Western Ontario) and Kersi Antia (University of Wisconsin-Madison)

Simultaneously Experienced Regret: Which Do We Regret More? Our Actions or Our Inactions?

Seung Hwan (Mark) Lee (University of Western Ontario) and June Cotte (University of Western Ontario)

The Impact of Price Sequence on Choice

Eric Dolansky, PhD Student (University of Western Ontario), Kyle Murray (University of Western Ontario), and Mark Vandenbosch (University of Western Ontario)

Two Designer Skill Sets: Perspective Taking and Creativity

Jaewoo Joo (Rotman School of Business)

Investigating reference points for entrepreneurial decision-making

Gordon Adomdza (University of Waterloo)

Reasoning ability: specific or general? A study of the belief bias effect across two domains of reasoning

Nadia Martin (University of Waterloo) and Jonathan Fugelsang (University of Waterloo)

The impact of others on evaluations in humorous advertising.

Kashef Majid (University of Western Ontario) and Robin Ritchie (University of Western Ontario)

University of Western Ontario Map

