

Go for broke: Consumers who set conservative goals feel less satisfied

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Consumers who set conservative goals have a harder time achieving satisfaction than those who set ambitious goals, according to a new study in the *Journal of Consumer Research*. When cautious consumers meet their goals, they tend to raise the bar and compare themselves to the highest possible standards.

Authors Cecile K. Cho (University of California, Riverside) and Venkataramani Johar (Columbia University) compared people who set conservative goals with people who set ambitious goals. They focused on situations in which goals were achieved, and measured the level of satisfaction with the achieved goals.

In one experiment, the researchers asked [participants](#) to set a target goal before they collected information on several stocks and picked three. They were then provided with the performance of the three stocks they picked. "When participants find out that their investment goals have been met, those who set a conservative goal are less satisfied than those who set ambitious goals," the authors write. The same was true with a subsequent experiment with puzzles.

"Satisfaction is often driven by comparing the level of performance to a different standard than one's initial goal," the authors write. They found that when participants were reminded of the goals they had set, they reached similar levels of satisfaction, regardless of whether the performance was low or high.

The authors found that people's beliefs about the nature of their skills and abilities played a role in their [goal setting](#) and their satisfaction level. People who believe that their skills can be improved with practice are equally satisfied with relatively high or low levels of performance. But people who believe that abilities are fixed tend to set higher goals and feel less satisfaction.

"People are wistful of 'what could be,' especially if they believe they cannot attain the potential," the authors write. The tendency to upward compare is common in [investment decisions](#). Although investors are advised to put together their portfolios to reflect their risk tolerance, the returns on their chosen investment funds often seem inferior to the better performing funds.

"Reminding investors of their long-term investment goals and their risk-tolerance levels is likely to counter the [tendency](#) to compare to the top-performing alternatives, and can keep investors satisfied even if they do not receive dazzling returns," the authors conclude.

More information: Cecile K. Cho and Venkataramani Johar. "Attaining Satisfaction." *Journal of Consumer Research*: December 2011 (published online April 19, 2011). Further information: ejcr.org

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