

Goal Orientation and Consumer Preference for the Status Quo

ALEXANDER CHERNEV*

Consumers often must choose between a course of action that preserves the status quo and a course of action that is a departure from the status quo. This research demonstrates that preference for the status quo is a function of goal orientation and, in particular, that it tends to be more pronounced for prevention-focused than for promotion-focused consumers. The preference for the status quo was examined on two dimensions: preference for the status quo alternative and preference for inaction over action. In this context, it is shown that the impact of goal orientation on the preference for the status quo can occur independently of loss aversion—a finding consistent with the notion that goal orientation might impact choice by virtue of motivational factors such as self-regulation of anticipated regret.

Consumers often must choose between a course of action that preserves the status quo and a course of action that is a departure from the status quo. Extant decision research has shown that individuals have a tendency to overweight the status quo, thus displaying an exaggerated preference for the current state of affairs (Samuelson and Zeckhauser 1988). This status quo bias is inconsistent with the rational choice model, which predicts that an individual's decision should be based solely on the expected utility of the attribute values of choice alternatives; consequently, a previously selected option should have no effect on choice (Luce 1959).

The status quo bias has traditionally been attributed to loss aversion (Kahneman, Knetsch, and Thaler 1991), a concept based on the notion that choice alternatives are evaluated relative to a status quo point, such that an option's disadvantages are framed as losses and its advantages as gains (Kahneman and Tversky 1979; Tversky and Kahneman 1991). The loss-aversion principle further postulates that the utility function is steeper for losses than for gains; as a result, losses tend to be exaggerated relative to corresponding gains. Because the status quo option becomes the reference point, individuals estimate the potential losses from switching to be larger than the potential gains, which ultimately leads to a bias in favor of the status quo alternative.

The status quo bias can be illustrated with the following example. Consider a consumer who is choosing between two options with uncertain outcomes, such that neither op-

tion clearly dominates the other. If this consumer already owns one of the options, this option is likely to be used as a reference point in evaluating the other alternative. Because of loss aversion, the subjective utility associated with the advantages and disadvantages of the option being evaluated is likely to be asymmetric in nature, such that disadvantages are weighted more heavily than corresponding advantages. As a result, the relative attractiveness of the option used as a reference point will increase, leading to a lower probability of switching.

Most of the extant literature has examined status quo bias in isolation from motivational factors and, in particular, in isolation from consumers' goals. Building on the growing body of evidence that suggests that goals are central to consumer decision making (Bettman, Luce, and Payne 1998; Heath, Larrick, and Wu 1999; Higgins 2002), this article examines the preference for the status quo as a function of a consumer's goal orientation.

Goal orientation is comprehensively discussed in the context of the regulatory focus theory, which views self-regulation as a process by which people seek to align their behavior with relevant goals and standards (Higgins 1997). The regulatory focus theory identifies two distinct self-regulatory systems: a promotion-focused system and a prevention-focused system. The differences between a promotion focus and a prevention focus can be described along three dimensions: the needs that individuals seek to satisfy, the standards with which individuals aim to align themselves, and the salient outcomes. Thus, with respect to an individual's needs, promotion focus is associated with growth and development, whereas prevention focus is associated with safety and security. With respect to standards that people are trying to achieve, promotion orientation is associated with a focus on the ideal self, reflected in an individual's

*Alexander Chernov is associate professor of marketing, Kellogg School of Management, Northwestern University, 2001 Sheridan Road, Evanston, IL 60208 (ach@northwestern.edu). The author thanks the editor, associate editor, and reviewers for their constructive comments. This research was partially funded by the Kraft Research Chair, received by the author.

hopes and aspirations; in contrast, prevention focus is associated with a focus on the ought self, which is reflected in duties and obligations. Finally, with respect to behavioral outcomes, promotion focus favors the presence of positive outcomes and aims to ensure the presence of hits and the absence of errors of omission; in contrast, prevention focus favors the absence of negative outcomes and aims to ensure the presence of correct rejections and the absence of errors of commission.

Prior research has examined the concept of regulatory focus in different contexts, such as the effects of self-regulation on creativity (Friedman and Forster 2001), on affective response (Brockner and Higgins 2001; Idson, Liberman, and Higgins 2000); on attitude change and recall (Aaker and Lee 2001), on task substitution (Liberman et al. 1999), and on probability estimates of compound events (Brockner et al. 2002). Despite the extensive research on self-regulation in the area of social psychology, little research has been done to examine the impact of self-regulation on consumer decision processes and choice (but see Chernev 2004b; Dhar and Simonson 1999; Wertenbroch 1998). Therefore, the goal of this article is to investigate how goal orientation influences consumer behavior, particularly the preference for the status quo.

GOAL ORIENTATION AND CONSUMER PREFERENCE FOR THE STATUS QUO

Building on the extant decision and social psychology research, this article posits that the preference for the status quo is a function of consumers' goal orientation. This proposition implies that when making choices between alternatives that vary in terms of their proximity to the status quo, promotion-focused and prevention-focused consumers are likely to employ different decision strategies and might ultimately choose different alternatives. Consistent with the loss-aversion view of the status quo bias (Samuelson and Zeckhauser 1988), this research posits that goal orientation influences consumers' sensitivity to gains and losses, such that prevention-focused consumers are more sensitive to potential losses while promotion-focused consumers are more sensitive to potential gains.

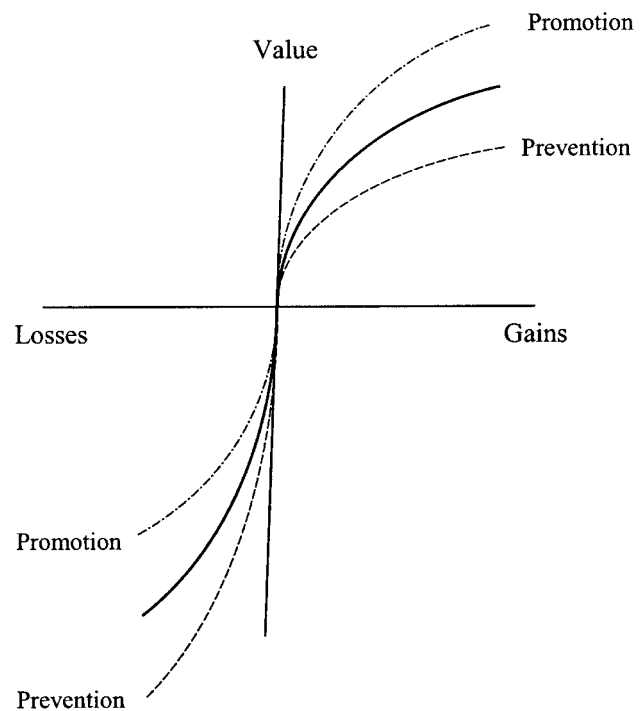
The link between goal orientation and an individual's sensitivity to gains and losses is supported by the extant goal-orientation literature. Brendl, Higgins, and Lemm (1995), for example, argue that people discriminate outcomes better when they are framed as gains or losses than when they are framed as nongains or nonlosses and that discrimination is heightened by a discrepancy between one's goal orientation and the motivational features of the situation. A study of emotional intensity by Idson, Liberman, and Higgins (2000) further suggests that outcomes are evaluated relative to one's corresponding goals; promotion-focused individuals consider gains and nongains relative to maximal goals, whereas prevention-focused individuals consider losses and nonlosses relative to minimal goals. Even though these studies do not explicitly investigate the impact

of goal orientation on consumer preference for the status quo alternative, their findings imply that goal orientation is likely to be associated with a differential sensitivity to gains and losses.

The proposition that goal orientation moderates an individual's preference for the status quo implies that different regulatory goals are likely to lead to different loss-aversion patterns. Recall that the loss-aversion principle advanced by the prospect theory posits that the utility function is asymmetric with respect to gains and losses such that losses tend to be exaggerated relative to corresponding gains (Kahneman and Tversky 1979; Tversky and Kahneman 1991). In this context, the proposition that goal orientation moderates the impact of loss aversion on choice implies that the utility function suggested by the prospect theory can be partitioned into promotion-based and prevention-based components, as shown in figure 1. Because prevention-oriented individuals are likely to focus on minimizing negative outcomes, whereas promotion-oriented individuals are likely to focus on maximizing positive outcomes, the overweighting of losses relative to gains is likely to be more extreme for prevention-oriented than for promotion-oriented individuals.

FIGURE 1

THE VALUE FUNCTION: GOAL ORIENTATION AND LOSS AVERSION



NOTE.—The solid line represents the value function aggregated across promotion-focused and prevention-focused individuals (Kahneman and Tversky 1979). Dashed lines represent value functions for promotion-focused and prevention-focused individuals, such that the asymmetric pattern of gains and losses is more pronounced for prevention-focused than for promotion-focused individuals.

As a result, prevention-focused consumers will be more likely (relative to promotion-focused individuals) to overweight the negative consequences of any potential departure from the status quo.

The above discussion leads to the prediction that goal orientation is likely to moderate loss-aversion effects in choice such that the asymmetric overweighting of the disadvantages stemming from loss aversion will be more pronounced for prevention-focused than for promotion-focused consumers. This prediction, in turn, implies a greater status quo bias for prevention-focused than for promotion-focused individuals. This prediction is tested in the following experiment.

EXPERIMENT 1

The goal of this experiment was to test the proposition that consumer preference for the status quo is a function of goal orientation, such that the preference for the status quo is more pronounced for prevention-focused individuals than for promotion-focused ones.

Method

One hundred seventy Northwestern University undergraduates were randomly assigned to the conditions of a 2 (goal orientation: promotion vs. prevention) $\times$ 2 (decision frame: neutral vs. status quo) between-subjects factorial design. Each respondent was first given the goal-orientation priming task and was then presented with the choice tasks. Decision problems were given in a paper-and-pencil format, and respondents completed the task at their own pace.

Goal orientation was manipulated using a priming task that asked respondents to generate reports of their hopes/aspirations and duties/obligations. This manipulation was based on the finding that individuals' self-regulation with respect to their hopes and aspirations is linked to achieving promotion goals, whereas self-regulation in relation to duties and obligations is linked to prevention goals (Higgins 1997). The link between reporting hopes/aspirations and promotion focus, on the one hand, and duties/obligations and prevention focus, on the other, has been well documented in prior research (Higgins et al. 1994).

Following the goal-orientation manipulation, each individual was presented with a set of two alternatives and was asked to select one of the options. The stimuli were different digital cameras described on four attributes: lens clarity, ease of use, battery life, and weight. The stimuli were designed so that one of the options was superior in terms of lens clarity and weight, while the other option had better battery life and was easier to use.

Upon making a choice, respondents were presented with a set of six cameras and given the option to reconsider their original selection. This second set was structured such that the first two cameras were the same as in the first set. The decision frame was manipulated by framing the second choice task as either neutral or status quo. In particular, respondents in the neutral-frame condition were asked,

"Which option would you choose?" and had to indicate their response as follows: "I would choose the following option: [option A, . . . option F]." In contrast, respondents in the status quo condition were asked, "Would you stay with your original selection?" and had to indicate their response as follows: (1) "I would stay with my original selection," or (2) "I would switch and choose the following option: [option C, . . . option F]." In this context, the preference for the status quo was reflected in each individual's likelihood of staying with the original selection. The impact of goal orientation on the status quo bias was then measured by comparing the choice share of respondents staying with their initial selection across the experimental conditions.

Results

The data show that the proportion of respondents switching their original selection varied as a function of goal orientation and decision frame. Fifty-five percent of the respondents ($n = 42$) in the promotion-focus condition stayed with their original selection when the choice task was framed as an independent choice (neutral frame), and 52% ($n = 42$) displayed the same pattern when the question was framed as stay versus switch. For prevention-focused respondents, the effect was in the opposite direction and more pronounced: The status quo alternative was preferred by 48% of the respondents ($n = 42$) in the neutral frame and by 79% of the respondents ($n = 44$) in the status quo frame.

The significance of these data was examined using categorical modeling (Stokes, Davis, and Koch 2001) in which an individual's probability of switching was a function of goal orientation, decision frame, and their interaction. Analysis of the data shows that goal orientation moderates the impact of the decision frame on switching behavior, as indicated by the significant (goal orientation) $\times$ (decision frame) interaction ($\chi^2(1) = 4.32$; $p < .05$). The data further show a significant difference in the switching patterns across the two decision-frame conditions (67% vs. 50%, $\chi^2(1) = 5.62$; $p < .05$). Specifically, individuals in the neutral frame had similar switching patterns ($\chi^2(1) < 1$), whereas for individuals in the status quo frame the effect was in the predicted direction and significant ($\chi^2(1) = 8.98$; $p < .005$). Finally, for individuals in the prevention condition, the impact of framing of the decision task was significant ($\chi^2(1) = 5.78$; $p < .05$), indicating that the hypothesized effect of goal orientation on individuals' switching behavior is a function of the status quo frame.

Discussion

The data reported in this study are consistent with the proposition that goal orientation moderates consumers' preference for the status quo, such that the status quo was more preferred by prevention-focused respondents than by promotion-focused ones. These findings were also replicated in a separate study in which the status quo was operationalized by varying the framing of choice alternatives (as in Samuelson and Zeckhauser 1988). Thus, under neutral fram-

ing, all options are presented without specific labels attached to them, whereas under status quo framing, one of the alternatives was presented as a status quo alternative. As in the first experiment, the dependent variable was the choice share of the status quo alternative. The data were consistent with the findings reported in the first experiment, showing that the preference for the status quo alternative was a function of consumers' goal orientation; the choice share of the status quo alternative was greater for prevention-focused than for promotion-focused consumers. An additional benefit of this replication was the alternative operationalization of the neutral decision frame. Thus, in experiment 1 all respondents were given the option to switch from an initially chosen alternative, and the status quo was manipulated by explicitly framing the choice as a decision to either switch or stay. As a result, one could argue that the status quo option was available in both scenarios, even though it was more salient in the status quo frame. Because only half of the respondents in the replication had prior experience with one of the alternatives, the convergence of the empirical results across the two studies lends further support for the findings reported in experiment 1.

Overall, the first experiment shows that the preference for the status quo is moderated by consumers' goal orientation and that this preference is more pronounced for prevention-focused than for promotion-focused individuals. This finding was attributed to the fact that goal orientation influences loss aversion, making prevention-focused respondents more sensitive to losses than promotion-focused respondents (and vice versa for gains). This theorizing was based on the assumption that individuals use the status quo alternative as a reference point for framing decision outcomes as either gains or losses. This assumption, however, raises the question of whether goal-orientation will influence consumer preferences for the status quo in a scenario in which the status quo alternative is not value neutral but rather is perceived as being either a gain or a loss.

Building on the view of goals as reference points (Heath, Larrick, and Wu 1999), this research posits that consumer goals not only moderate the pattern of loss aversion effects but that they also can serve as a reference point in evaluating choice alternatives. This proposition implies that, in addition to applying different weights to the positive and negative decision outcomes, consumers might apply different weights to choice outcomes based on the goal consistency of the actions leading to these outcomes. As a result, prevention-focused individuals will be more likely (relative to promotion-focused individuals) to choose the status quo alternative regardless of whether it is framed as a gain or as a loss.

The proposition that goal orientation can serve as a reference point is consistent with the notion that individuals might adopt a certain course of action not only because its outcome has a higher expected value but also because they will feel less regret about the course of action itself (Bell 1982; Ritov and Baron 1995; Simonson 1992). This view stems from the norm theory that postulates that people are expected to feel greater regret and responsibility for actions

that deviate from the norm or the default option (Kahneman and Miller 1986). In this context, individuals might be more likely to choose the status quo option not because this option has a higher inherent utility (due to loss aversion) but because they anticipate feeling less regret in case the status quo option underperforms.

Because anticipation of regret is likely to be influenced by the regulatory orientation and more pronounced for prevention-focused individuals (Higgins 1998), the preference for the status quo associated with regret aversion is likely to be a function of goal orientation as well. Therefore, it is proposed that prevention-focused consumers are likely to be more inclined than promotion-focused consumers to choose the status quo alternative not only in cases when the status quo alternative is viewed as a value-neutral reference point but also when the status quo alternative is framed as either a gain or a loss. This proposition is tested in the following experiment.

EXPERIMENT 2

This experiment examined whether goal orientation can influence consumer preference for the status quo independently of loss aversion. In particular, this experiment tests the proposition that the status quo alternative is favored by prevention-focused (relative to promotion-focused) consumers even when it is not a value-neutral reference point but instead is framed as either a gain or a loss.

Method

Seventy-four Northwestern University undergraduates were randomly assigned to the conditions of a 2 (goal orientation: promotion vs. prevention) $\times$ 2 (decision frame: gain vs. loss) mixed factorial design. An additional factor involved counterbalancing the dominance of the status quo option such that in one case the status quo option was the dominant option and in the other case the non-status quo option was dominant.

Respondents were given the task of choosing an investment fund—a task conceptually similar to ones used by Baron and Ritov (1994). The choice was presented in a way that set one of the options to become the status quo alternative. The problem was worded as follows:

The fund you are currently invested in now earns 7.1% [9.1%] interest. For next year, you have to choose whether to stay with the same fund or to switch to a new fund by checking a box on a form. The only information you have about the two funds is the expected rate of interest for the next year. These expected rates of return are only predictions; the actual rates could be higher or lower than predicted. Your options are:

- A. Stay with the same fund, expected to earn 8.15% [8.65%].
- B. Switch to a new fund, expected to earn 8.65% [8.15%].

Each respondent was presented with four scenarios, which varied in terms of whether the status quo option was dominant or not and whether the decision was framed as a gain

TABLE 1

STATUS QUO BIAS AS A FUNCTION OF GOAL ORIENTATION AND DECISION FRAME, EXPERIMENT 2 (%)

Status quo option	Goal orientation			
	Promotion		Prevention	
	Gain frame	Loss frame	Gain frame	Loss frame
Dominant	97.3	94.6	97.3	97.3
Not dominant	94.6	91.9	75.7	59.5

NOTE.—The numbers in each cell indicate the percentage of responses favoring the dominant option (the option with the higher expected return); the magnitude of the status quo bias is captured by the difference in the shares of the dominant option as a function of whether or not it is the status quo alternative. All cells had an equal number of observations ($n = 37$).

or as a loss. The dominance of the status quo option was manipulated by switching the expected rates of return (8.15% and 8.65%). The status quo manipulation was conceptually similar to designs used in prior research (Baron and Ritov 1994; Schweitzer 1994). The decision frame was manipulated by varying the reference point to be either lower (7.1%) or higher (9.1%) than the available options.

The goal orientation was varied by manipulating the salience of different decision outcomes. Thus, respondents in the promotion condition were asked to indicate how much satisfaction they would feel if the fund they selected outperformed the other fund (11-point scale: 0 = no satisfaction at all, 10 = a lot of satisfaction). Respondents in the prevention condition were asked to indicate how much regret they would feel if the fund they selected was outperformed by the other fund (11-point scale: 0 = no regret at all, 10 = a lot of regret). This manipulation was conceptually similar to manipulations of goal orientation used in prior research (Higgins, Shah, and Friedman 1997). Respondents were randomly assigned to one of the goal-orientation conditions and divided equally so that there were 37 respondents in each condition.

Following the goal-orientation manipulation, respondents in all conditions were asked to rate the attractiveness of each alternative (11-point scale: 0 = not attractive at all, 10 = very attractive). Finally, respondents were asked to choose between options A and B (staying with the same fund or switching). Goal orientation was manipulated between subjects, whereas the decision frame and the dominance of the status quo option were manipulated within subjects. Thus, respondents were required to make four decisions depending on the decision frame (gain vs. loss) and whether the status quo option was dominant or not. Respondents were recruited via e-mail, and the experiment was conducted online.

Results

Choice Share Analysis. The data given in table 1 show the choice shares of the dominant option as a function of goal orientation, decision frame, and status quo option. Consistent with prior research, the preference for the status quo

alternative was measured as the difference in the number of respondents who selected the dominant alternative across the two status quo conditions. To illustrate, in the prevention/gain condition the dominant option was selected by 97.3% of the respondents when it was the status quo alternative and by only 75.7% when the other option was the status quo.

The effect of goal orientation and decision frame on the choice of the status quo option was tested using categorical data analysis similar to that used in experiment 1. The model included the following factors: goal orientation, decision frame, the dominance of the status quo option, and their interactions. Analysis showed that the decision frame (gain vs. loss) did not have a significant impact on the status quo bias, as indicated by the nonsignificant three-way interaction, as well as by the other interactions that involved this factor ($\chi^2(1) < 1$). Consistent with the experimental predictions, the impact of goal orientation on the status quo bias was significant, as given by the (goal orientation) $\times$ (status quo dominance) interaction ($\chi^2(1) = 4.24$; $p < .05$). Further analysis showed that the status quo bias was significant in the prevention-focus condition ($\chi^2(1) = 13.79$; $p < .001$) and nonsignificant in the promotion-focus condition ($\chi^2(1) < 1$). These findings suggest that goal orientation had a significant impact on respondents' preference for the status quo option and that this effect was not moderated by the decision frame.

Attractiveness Ratings Analysis. Further evidence on how goal orientation influences a consumer's preference for the status quo alternative can be obtained from analyzing respondents' evaluations of the attractiveness of choice options. The mean ratings aggregated across respondents are given in table 2. The data were analyzed using a model in which a respondent's evaluation of the attractiveness of choice alternatives is given as a function of goal orientation, decision frame, the dominance of the status quo option, and all interactions.

The data show that respondents' ratings of the attrac-

TABLE 2

STATUS QUO BIAS AS A FUNCTION OF GOAL ORIENTATION AND DECISION FRAME, EXPERIMENT 2

Condition/option	Goal orientation			
	Promotion		Prevention	
	Gain	Loss	Gain	Loss
Status quo dominant:				
Dominant option	9.24	7.70	8.40	7.13
Nondominant option	5.32	4.08	3.92	3.00
Difference	3.92	3.62	4.48	4.13
Status quo not dominant:				
Dominant option	8.46	7.19	7.59	5.57
Nondominant option	6.11	4.67	6.11	4.73
Difference	2.35	2.52	1.48	.84

NOTE.—The numbers in each cell indicate respondents' ratings of attractiveness of choice alternatives (11-point scale: 0 = not attractive at all, 10 = very attractive).

tiveness of the dominant option varied as a function of goal orientation, decision frame, and whether it was the status quo option. Thus, the dominant option received the highest ratings when it was presented to promotion-focused respondents framed as a gain ($M = 9.24$) and the lowest ratings when it was presented to prevention-focused respondents framed as a loss ($M = 5.57$). Goal orientation, decision frame, and the status quo manipulation each had a significant main effect on the relative attractiveness of choice alternatives ($F(1, 72) = 19.13; p < .001$; $F(1, 216) = 78.14; p < .001$; $F(1, 216) = 28.29; p < .001$), whereas the corresponding interactions were nonsignificant ($p > .10$). The significant difference in the attractiveness of the dominant option in the two decision-frame conditions indicates that the decision-frame manipulation was successful and that respondents relied on the reference point to evaluate the choice alternatives.

An additional measure of the impact of goal orientation and decision frame on status quo bias is given by comparing respondents' evaluations of the relative attractiveness of choice alternatives, measured as the difference in evaluations of the dominant and the dominated alternatives. This measure provides a complementary and potentially more precise estimate of respondents' preference for the alternatives relative to one another. The data show a pattern similar to the one reported for choice. Goal orientation had a significant impact on the status quo bias, as indicated by the (goal orientation) $\times$ (dominance of the status quo option) interaction ($F(1, 216) = 11.57; p < .005$). The impact of the dominance of the status quo option on relative attractiveness was significant for both promotion-focused and prevention-focused individuals, as indicated by the analysis of the simple effects ($F(1, 144) = 9.37; p < .01$, for the promotion condition and $F(1, 144) = 49.37; p < .001$, for the prevention condition). The impact of the decision frame was nonsignificant ($p > .10$ for the main effect and interactions), indicating that the difference in the relative attractiveness of choice options was similar for respondents in the gain and loss frames. These data further support the proposition that the impact of goal orientation on the status quo bias is not necessarily contingent on loss aversion.

Discussion

The data furnished by experiment 2 are consistent with the findings reported in the first experiment, documenting that goal orientation moderates consumer preference for the status quo. More important, the data show that framing the decision as either a gain or a loss did not reverse the impact of goal orientation on respondents' preference for the status quo alternative; the impact of goal orientation was directionally consistent and significant for outcomes framed both as gains and losses. This finding is supported by both choice and ratings data.

The fact that the decision frame had no effect on ratings of relative attractiveness cannot be readily accounted for by the loss-aversion account of the status quo bias. Indeed, loss aversion predicts that, because losses loom larger than cor-

responding gains, a change in the decision frame from loss to gain should increase rather than decrease any differences in the utility of the choice alternatives. Because the shape of the value function is concave for gains and convex for losses, as well as steeper for losses than for gains, the differences in the relative attractiveness of choice alternatives should increase as options move down the utility curve (Tversky and Kahneman 1991; see also Nowlis and Simonson 1996). As a result, when the choice problem is framed as a loss rather than a gain, consumers should be less indifferent when evaluating choice alternatives and should have a stronger preference for one of the options. The ratings data, however, show no significant differences in relative attractiveness ratings as a function of the decision frame. This finding is consistent with the proposition that consumer preference for the status quo is, in part, driven by motivational factors such as regret-aversion, which have a significant effect on preference independent of loss aversion.

The two experiments reported so far examined the impact of goal orientation on choice by operationalizing the status quo in terms of respondents' preference for one of the alternatives in the decision set. The preference for the status quo, however, can be revealed not only as a preference for the option perceived to be the status quo but also as a preference for not undertaking the very action of making a choice (Spranca, Minsk, and Baron 1991). In this context, consumers' preference for action versus inaction can be viewed as a separate dimension on which goal orientation can affect consumer preference for the status quo.

An individual's general preference for inaction (omission) over action (commission) is captured by the concept of omission bias. This tendency toward omission has been attributed to an inclination to blame actions that produce bad results more than inactions that produce bad results (Baron and Ritov 1994; Ritov and Baron 1995; see also Schweitzer 1994). Actions have also been associated with greater anticipated regret relative to inactions (Landman 1987; Spranca, Minsk, and Baron 1991).

Because making a choice inherently involves action on the part of the decision maker, individuals' preference for a specific option in the choice set (status quo bias) and their preference for inaction to action (omission bias) tend to be naturally confounded. The difference between these two types of bias can be illustrated with the following example. Consider a consumer who once a year must renew her enrollment in a retirement plan and has the option of choosing between staying with the current fund and switching to a different fund. The tendency to stay with the same fund illustrates the status quo bias. Now consider a consumer who does not have a status quo alternative and has to decide whether or not to take a certain action. For example, a consumer who has just joined a retirement plan might be asked to choose between selecting a set of specific funds and leaving this decision to a random process (e.g., choice by the program administrator). The tendency to "let nature take its course" and avoid action illustrates the omission bias.

Omission bias can be linked to self-regulation, such that promotion focus is associated with a greater emphasis on avoiding errors of omission (missing an opportunity for improvement), whereas prevention focus is associated with an emphasis on avoiding errors of commission (making a wrong decision). Although the link between goal orientation and the tendency to avoid errors of omission and/or commission has been a part of conceptualizing regulatory focus (Crowe and Higgins 1997; Higgins 2000), little research has been done to show that goal orientation influences the consumer tendency for omissions and that such an effect can occur independently of the status quo bias. Therefore, the next experiment examined the preference for inaction over action as a function of consumers' goal orientation.

EXPERIMENT 3

This experiment examined the impact of goal orientation on consumers' preference for omissions by offering a no-choice option in which respondents relinquished the decision to a third party (Dhar and Simonson 2003). This experiment also controlled for potential status quo effects associated with a preference for a specific alternative by not featuring a default option in the choice set. Similar to experiment 2, this experiment also accounted for the potential effects of loss aversion in order to isolate motivational antecedents of the impact of goal orientation on consumer preference for the status quo.

Method

Ninety-six Northwestern University undergraduates were randomly assigned to the conditions of a 2 (goal orientation: promotion vs. prevention) $\times$ 2 (decision frame: gain vs. loss) factorial design. The experimental design was similar to the one used in experiment 2: respondents were given the task of choosing an investment fund, but, unlike experiment 2, neither of the options was designated as the status quo; instead, respondents were given the "no-choice" option leading to a random selection. The choice task was framed as follows:

The fund you are currently invested in now earns 7.1% [9.1%] interest. For next year, you are no longer eligible to invest in this fund and you have to choose one of the two funds available by checking a box on a form. The only information you have about the two funds is the expected rate of interest for the next year. These expected rates of return are only predictions based on the fund's past performance: the actual rates could be higher or lower than predicted. Your options are:

- A. Fund A, expected to earn 8.15%.
- B. Fund B, expected to earn 8.65%.
- C. Make no choice—in this case you will be randomly assigned to one of these funds.

Respondents were randomly assigned to either the promotion or the prevention condition. The goal-orientation manipulation was identical to that used in the first two ex-

periments. Each respondent was presented with two decision scenarios that varied in terms of whether they were framed as a gain or as a loss. As in experiment 2, the decision frame was manipulated by varying the reference point to be either lower (7.1%) or higher (9.1%) than either of the available options. Following the goal manipulation, respondents were asked to rate the attractiveness of each of the alternatives and subsequently to make a choice. The experiment was conducted online, and respondents were recruited via e-mail.

Results

Each of the 96 respondents made two choices, yielding 192 observations in total. The key dependent variable was respondents' preference for inaction (omission), operationalized as the selection of the no-choice option. The data show that the share of the no-choice option varied as a function of both goal orientation and decision frame. In particular, in the promotion condition ($n = 49$), only 2% of the respondents selected the no-choice option when the decision problem was framed as a gain, compared with 10.2% who selected the no-choice option when the decision problem was framed as a loss. Furthermore, in the prevention condition ($n = 47$), 10.6% of the respondents selected the no-choice option when the decision problem was framed as a gain, compared with 21.3% who selected the no-choice option when the decision problem was framed as a loss.

The effect of goal orientation and decision frame on consumer preference for the no-choice option was tested using categorical data analysis similar to that used in prior experiments. The model included the following factors: goal orientation, decision frame, and their interactions. The data show that goal orientation had a significant main effect on the preference for the no-choice option ($\chi^2(1) = 4.27$; $p < .05$). The impact of the decision frame on preference for the no-choice option was significant as well ($\chi^2(1) = 3.97$; $p < .05$). More important, the decision frame did not moderate the impact of goal orientation on respondents' preference for the no-choice option, as indicated by the non-significant (decision frame) $\times$ (goal orientation) interaction ($\chi^2(1) < 1$). These findings are consistent with the experimental predictions that goal orientation can have a significant impact on consumer preference for omissions, and that this effect is not contingent upon loss aversion.

The data further show that the ratings of the attractiveness of the dominant option varied as a function of goal orientation and decision frame. The mean ratings of the dominant option aggregated across respondents were $M = 8.59$ in the promotion/gain condition, $M = 7.29$ in the promotion/loss condition, $M = 7.74$ in the prevention/gain condition, and $M = 5.74$ in the prevention/loss condition. Analysis of these data show that goal orientation and decision frame had a significant main effect on the perceived attractiveness of the dominant option ($F(1, 94) = 15.15$; $p < .001$ and $F(1, 94) = 77.39$; $p < .001$). The corresponding interaction was only marginally significant, indicating that the impact of goal orientation on the attractiveness of the chosen option is relatively independent of the decision frame. The signif-

icant difference in attractiveness of the dominant option in the gain and loss conditions indicates that respondents did, in fact, use the reference point to evaluate the choice alternatives.

Discussion

The data reported in this experiment show that goal orientation influences consumers' propensity for omissions. Thus, promotion-focused individuals were less likely to select the no-choice option and, hence, were more likely to accept the possibility of making an error of commission, whereas prevention-focused individuals were more likely to select the no-choice option, thus accepting the possibility of an error of omission. These effects were demonstrated in a scenario in which respondents were not given a default alternative, thus controlling for potential status quo biases associated with a preference for a specific alternative in the choice set.

This experiment further demonstrates that the impact of goal orientation on omission bias is not necessarily moderated by loss aversion, as implied by prior research. Indeed, one could have expected that consumers would be less sensitive to the difference in options (and consequently more likely to select the no-choice option) when the choice problem was framed as a gain rather than a loss. The data, however, show an increase in the number of omissions when the choice problem was framed as a loss rather than a gain, a result which is inconsistent with the predictions made by the loss-aversion argument. These data lend further support to the proposition that goal orientation can have a significant impact on consumer preference for the status quo, and that this impact is not necessarily contingent on loss aversion.

GENERAL DISCUSSION

The research presented in this article examined the influence of goal orientation on consumer preferences for the status quo. The data from three experiments offer converging evidence that the preference for the status quo is stronger for prevention-focused than for promotion-focused consumers. This effect was demonstrated in two choice contexts: preference for the choice alternative perceived to be the status quo (experiments 1 and 2) and preference for inaction over action (experiment 3).

The observed impact of goal orientation on consumer preference for the status quo was attributed to the fact that goal orientation is likely to influence consumer preference for the status quo by influencing consumers' sensitivity to gains and losses as well as by influencing consumers' reaction to the anticipated regret. In particular, this research documents that the impact of goal orientation on consumer preference for the status quo is not necessarily moderated by loss aversion, as suggested by prior research (e.g., Liberman et al. 1999; Samuelson and Zeckhauser 1988). The findings reported in this article suggest that the utility of a given decision is influenced not only by the attractiveness of the outcome relative to a neutral point, as predicted by

loss aversion, but also by the compatibility of consumers' actions with their goal orientation. In this context, the regret-aversion account of the status quo bias implies that in addition to discounting the negative choice outcomes stemming from loss aversion, consumers manage the anticipated regret by optimizing the subjective experience associated with choice.

The finding that regulatory focus moderates individuals' preference for the status quo has important implications for understanding the role of loss aversion in choice. Of particular interest is the proposition that the slope of the utility function is likely to vary not only as a function of the reference-point domain (gains vs. losses) but also as a function of consumers' goal orientation (fig. 1). This proposition further implies that, given a strong promotion focus, the gain-loss pattern could be reversed such that the value curve is steeper for gains than it is for losses—a prediction contrary to the prospect theory (Kahneman and Tversky 1979). More generally, this argument implies that individual-specific factors, such as goal orientation, could potentially override loss-aversion effects. The empirical investigation of this proposition is a promising area for further research.

Another important implication of the findings reported in this article concerns the impact of goal orientation on extremeness aversion. Prior research has shown that consumers often prefer alternatives that can be construed as a compromise relative to options with more extreme values (Chernev 2004a; Simonson 1989; Simonson and Tversky 1992). Building on the notion that prevention-oriented consumers focus on minimizing negative outcomes, it can be argued that they are also more likely to display extremeness aversion than are promotion-oriented consumers, who focus on maximizing positive outcomes. Investigating the effect of goal orientation on consumers' extremeness aversion has the potential to expand the understanding of the role of motivational and self-regulatory factors in consumer decision processes.

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