The Foresight Effect: Local Optimism Motivates Consistency and Local Pessimism Motivates Variety

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Consumers sometimes prefer to repeat their past choices; at other times the same consumer prefers to try something new. We demonstrate that a consumers' situational future outlook, that is, local optimism or pessimism about an imminent outcome, can systematically affect the sequential consistency of consumer choices. Specifically, local optimism increases sequential choice consistency, whereas local pessimism increases sequential variety seeking. We test this *foresight effect* in two experimental paradigms, using both real and hypothetical consumer choices, across six studies. We first establish the basic effect of situational future outlook on sequential choice consistency (studies 1 and 2). Then we provide evidence that differences in the preference for self-continuity underlie the effect (studies 3, 4, and 5). Last, we extend this effect to choices between broadly defined usual and novel consumer products (study 6). Across the studies, we rule out differences in mood, causal attribution, and perceived control as alternative explanations. These findings have theoretical implications on the relationship between future-oriented cognition and consumer behaviors, as well as broad managerial implications for when consumers will be more apt to repeat past purchases or more open to novel product adoption.

Keywords: local optimism and pessimism, self-continuity, sequential choice consistency, sequential variety seeking, novel product adoption

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> Very often a change of self is needed more than a change of scene.
>
> —A. C. Benson (1988)

When do people prefer to repeat their past choices, and when are they open to trying something new? Sometimes consumers appear to be loyal, visiting Starbucks every day for a cup of mocha and ordering cashew chicken from Szechuan Palace every Monday night. Other times, they seem fickle, suddenly dropping their habits and choosing products they had not tried before, without a clearly discernable reason. These fluctuations in preferences don't just reflect individual differences; most of us frequently exhibit both behavioral patterns.

Prior researchers have typically resorted to individual differences to explain why people change their behaviors, even when the available options have remained the same. We propose that a consumer's tendency to choose the usual option or the novel option can be systematically influenced

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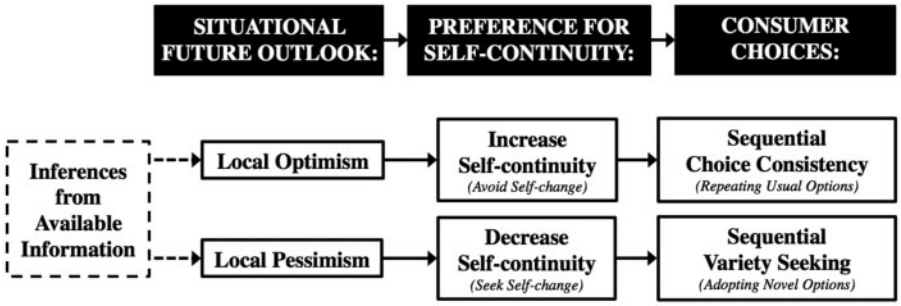
FIGURE 1

FRAMEWORK: SITUATIONAL FUTURE OUTLOOK IMPACTS SEQUENTIAL CONSUMER VARIETY SEEKING VIA PREFERENCE FOR SELF-CONTINUITY.



by their seemingly unrelated "situational future outlook," that is, optimism or pessimism about an imminent outcome, often based on prior events. Thus we propose that when people's circumstances signal a desirable future outcome, they often tend to feel like "staying the course" and will prefer to repeat their usual choices, even when those choices have no believed or actual causal effect on the future outcome. By contrast, when circumstances bode future disappointment, people will often instead have an impulse to "change the path," resulting in more novel choices.

Understanding the tendency to repeat usual choices or switch to novel options is a key challenge for research on consumer decision making and loyalty (Simonson 1990). Consumers typically defect at rates of 10 to 30% per year (Reichheld 1996), for reasons that almost half of marketers don't feel they understand well enough (Acxiom survey 2012). Some consumers are simply more prone to defection, and researchers have identified a number of relevant idiosyncratic characteristics including need for variety (Van Trijp, Hoyer, and Inman 1996), open-mindedness (Jacoby 1971), and innovativeness (Hirschman 1980). By contrast, we suggest that fleeting contextual factors, especially those that influence consumers' situational future outlook, are an important and understudied influence on consumers' preference between repeating past purchases and new product adoption.

We propose a novel framework, illustrated in Figure 1, in which consumers' situational future outlook affects their preference for self-continuity, which affects the consistency of their sequential consumer choices. We hypothesize that when a consumer is locally optimistic (i.e., optimistic about a specific upcoming event), preference for self-continuity increases. This preference, in turn, enhances the likelihood of sequential choice consistency, resulting in more choices of usual options. By contrast, when the consumer is locally pessimistic, preference for self-continuity decreases, which in turn enhances the likelihood of sequential variety seeking, resulting in more choices of novel options.

Next, we discuss the prior literature and provide a theoretical framework for the predicted foresight effect, and then distinguish key constructs of our proposed framework from related constructs. After that, we present six studies in which we test the foresight effect and the underlying psychological mechanism.

THEORETICAL DEVELOPMENT

Situational Future Outlook: Local Optimism and Local Pessimism

Future-oriented cognition is a hallmark of human decision making and behavior (Mead 1934; Skinner 1938). People spontaneously form anticipations of future outcomes based on their local situational context, and they take actions to reduce the discrepancy between what they currently anticipate and the desired states of the world (Bandura 1991; Scheier and Carver 1985).

We define local optimism (vs. local pessimism) as positive (vs. negative) anticipatory states about imminent outcomes, shaped by causal inferences from available information including past outcomes and situational characteristics. Situational future outlook (i.e., local optimism or pessimism) is therefore distinct from both dispositional optimism (a generally stable individual trait; Scheier and Carver 1985) and long-term optimism (a general expectancy state; Buchanan and Seligman 1995). While dispositional and long-term optimism may partially contribute, situational future outlook involves context-dependent inferences about specific future outcomes.

When their prior efforts have been successful, people are often locally optimistic, inferring from the prior outcomes that future outcomes will also be successful (Gilovich, Vallone, and Tversky 1985), whereas past failures will

often lead to local pessimism about future outcomes. However, the inferences that shape situational outlook depend on the local context including the perceived nature of the task (Van Boven et al. 2009). In particular, the opposite inferences can be made for predominantly chance-based outcomes, with greater local optimism after prior failure and greater local pessimism after prior success (e.g., the gambler's fallacy; Clotfelter and Cook 1993).

The Effect of Situational Future Outlook on Preferences for Self-Continuity

The construct of self-continuity stems from the conceptualization that self-concept is malleable and fluid (Kunda and Sanitioso 1989; Markus and Kunda 1986), and that the self over time can be construed as consisting of "a temporal sequence of partially overlapping selves" (Parfit 1984). Recent research has found, for example, that beliefs about self-continuity can impact how connected one feels toward the future self, and hence influence how people make decisions for the future (Bartels and Urminsky 2011, 2015). This line of research highlights the possibility that the perceived continuity between past and future selves can shape consumer behaviors.

Building on the same philosophical ground from a different perspective, we propose that anticipations about the future not only impact a person's *perceptions* of self-continuity, but also *preferences* about self-continuity. People frequently encounter future uncertainty regarding personal outcomes, from family to career, from wealth to health, from one's performance at work to whether one can beat the traffic and get home in time for a favorite show. Given that human cognition is fundamentally egocentric (Piaget 1929), future uncertainty will generally be viewed from the perspective of the self. From a person's own vantage point, uncertainty about one's own outcomes may feel fundamentally tied to the self, with how one feels, thinks, and behaves inextricably linked to how one's own future will unfold. In fact, abundant research has shown that because people's own inner states are the most immediately available to themselves (Pronin 2008), they tend to interpret observed outcomes as relating to their own intentions and behaviors rather than to external mechanisms (Wegner and Wheatly 1999) or other people's behaviors (Ross and Sicoly 1979), and overestimate the personal influence they have over the surrounding world (Gilovich, Medvec, and Savitsky 2000; Langer 1975; Ross, Greene, and House 1977).

Thus perceiving future outcomes as being rooted in the self can give rise to the intuition that change in future outcomes begins with self-relevant change, as if self-continuity is associated with how much the future will be connected to the past, even without any direct causal link.

The intuition that self-continuity can be associated with the trajectory of future outcomes may stem from experiences where self-continuity did have a causal impact on the outcome. Skinner (1948) illustrated how such intuitions can be overgeneralized from cases of causal contingency to those lacking causal contingency with an insightful example: a bowler who continues to twist his arm and shoulder after releasing the ball, as if he were still exerting control over the movement of the ball down the alley. He remarked, "the connection (between his movement and the path of the ball) was established before the ball left the bowler's hand, but . . . some relation survives. The subsequent behavior of the bowler may have no effect upon the ball, but the behavior of the ball has an effect upon the bowler" (Skinner 1948, 171). In this example, the blower's focal goal to guide the ball toward a certain destination, together with his close monitoring of the ball's rolling course, led to extended intentions to continue his initial motions, as if his motions could contribute to the future path of the ball.

Thus we propose that local optimism will enhance people's preference for self-continuity. By contrast, local pessimism will instead decrease people's preference for self-continuity, even when the continuity of self per se cannot plausibly have any causal impact on the future outcome (Figure 1).

Consider John, who is being considered for a promotion at work. If John has been having success at work recently and feels optimistic about an upcoming promotion, then he may favor self-continuity, feeling like staying with his usual habits and behaviors, even for decisions completely unrelated to his performance at work. However, if John has instead had difficulties at work and feels pessimistic about the upcoming promotion decision, then he might instead be in the mood for self-change, driven by a sense that some change in the self, breaking away from the usual *John*, somehow feels more right.

To sum up, people's motivation to achieve a desirable future outcome makes them actively contemplate probable future outcomes and form an instantaneous situational future outlook, either optimistic or pessimistic. Different situational outlooks can, in turn, yield different preferences regarding self-continuity. Specifically, when the imminent future seems promising, we feel like staying the course; when the imminent future bodes disappointment, we feel like breaking away. Moreover, as we discuss next, differences in one's preference for self-continuity will lead to differences in the consistency of consumer choices.

Self-Continuity Preferences Shape Sequential Choice Consistency

A large body of literature has documented fundamental links between the content of consumer choices and their sense of self (Belk 1988; Kleine, Kleine, and Kernan 1993; Urminsky et al. 2014). While single choices reflect consumers' sense of self at that time, sequential variations in

consumer choices can relate to the dynamic implications of a consumer's sense of self (Kim and Drolet 2003). This relationship could even be independent of the content of the choices. It has been posited in consumer culture theory, for example, that repeating consumer choices and holding on to past possessions can enhance self-continuity (Csikszentmihalyi 1993; Kleine and Baker 2004) and "stabilize who we are" (Csikszentmihalyi 1993). By contrast, discarding past possessions can prepare the self for future changes and life transitions (Young 1991).

Prior research on consumer preferences between consistency and variety have largely focused on making multiple choices at one time for immediate consumption (Kahn 1995; Ratner and Kahn 2002) or contrasting the decision processes involved in making simultaneous choices or sequential choices for future consumption over time (Read and Lowenstein 1995; Simonson 1990). In particular, when people make a sequence of choices, each directly before consumption, the degree of consistency or variety in those choices is less affected by their beliefs about future preferences or decision complexity, yielding less variety (Simonson 1990). However, our framework suggests that the variety-seeking motive may also arise in sequential choices, depending on the situational outlook.

Specifically, we propose that differences in spontaneous preferences for self-continuity, due to situational future outlook, can influence the sequential consistency of consumer choices. When consumers prefer self-continuity, they will be more likely to stick to their usual routine purchasing choices, resulting in sequential choice consistency. By contrast, when consumers feel an impulse for self-change they will be more likely to change from their routine choices and adopt novel options, resulting in sequential variety seeking (Figure 1).

Consider once more the previous example of John, who is anticipating a promotion decision at work. John is a particular fan of action movies, and he is now making a choice between an action movie and a drama movie at the movie theater. We propose that the movie he chooses to see may partly depend on his situational outlook. If John is optimistic about the promotion, he will prefer to maintain self-continuity, and as a result, will be more likely to repeat his usual choice and watch another action movie. However, if John is pessimistic about the promotion, he will prefer to disrupt self-continuity and will be more likely to choose an option that represents self-change, such as a novel drama movie.

Testing the Foresight Effect

Next, we test the proposed framework in six experimental studies. We first establish the basic foresight effect in studies 1 and 2 that situational future outlook uniquely affects the sequential consistency of common consumer choices, using a direct manipulation paradigm. This paradigm manipulates the difficulty of an initial task, to directly induce differences in situational outlook. Then in studies 3, 4, and 5, we investigate the proposed role of preference for self-continuity as the underlying psychological mechanism for the foresight effect. Last, we generalize our findings to choices between broadly defined usual and novel consumer choices, in study 6.

We designed our studies to test specifically the effects of local optimism and pessimism as distinct from other types of optimism. Therefore, we also measure dispositional optimism (i.e., a positive explanatory style, measured with the LOT-R scale; Scheier, Carver, and Bridges 1994) and long-term state optimism (i.e., feeling confident about general life outcomes in the upcoming year) in most of our studies. In addition, we measure common confounds of optimism including mood (Kluemper, Little, and Degroot 2009; Peterson 2000; Salovey et al. 2000; Weisse 1992), causal attribution (Scheier and Carver 1985), and personal agency or perceived control (Aspinwall 2005; Bruininks and Malle 2005).

Moreover, in studies 5 and 6, we introduce a novel cross-manipulation paradigm, based on the recency-belief literature (Van Boven et al. 2009). In this paradigm, we manipulate both prior outcomes and causal theories (e.g., skill vs. chance), to systematically induce a different situational outlook. This approach separates the valence of situational outlook from the valence of prior outcomes, and it more directly precludes common confounds of optimism including affect, causal attribution, and perceived control. Across the studies, we also distinguish the foresight effect from deliberate causal strategies or superstitious rituals.

STUDY 1: SITUATIONAL FUTURE OUTLOOK INFLUENCES SEQUENTIAL VARIETY SEEKING

In study 1, we directly test the effect of situational future outlook on sequential variety seeking. The study consisted of two separate tasks, a consumer survey involving reading online media articles and a Scrabble-type game. Participants alternated between the two tasks. After the first online media choice, they played one round of the Scrabble Game; then they made a second choice among online media, and the final round of the game, in which they could win a prize if they performed well. A pretest confirmed that participants see the choice of magazines as self-relevant, as suggested by prior research (e.g., Kleine et al. 1993). The pretest results for stimuli in all the studies are reported in the online appendix.

We made the Scrabble Game either easy or difficult, to manipulate situational outlook, and we coded consistency or inconsistency between the first and second online media choices as the key dependent variable. Our framework predicts that when participants feel optimistic about winning

the game, they would prefer to read an article from the same media as before. By contrast, when they feel pessimistic about winning the game, they would prefer to change and read an article from a different media source than before.

Method

We recruited 197 adult consumers ($M_{age} = 35.8$, 39% male) from a screened online subject pool (Mechanical Turk) for a general consumer survey that paid $1.50, and assigned them to one of two (Outlook: Optimistic vs. Pessimistic) between-subjects conditions.

We introduced two seemingly unrelated tasks, an Online Media Consumer Survey and a Scrabble Game, using different fonts to reinforce the perceived difference. Participants experienced actual consequences from all choices in the study.

Participants first read in the Online Media Consumer Survey:

> In this survey, . . . we'll show you four different online newspapers and magazines. You may choose one. This choice should reflect what you'd like to read the most at the moment. After you make the choice, we'll ask you to read one short excerpt from the online newspaper or magazine your chose, and ask you what you think of the excerpt.

Participants chose among four different online sources: *National Geographic,* the *Wall Street Journal, E! Online,* and *Scientific American*. A brief article from the chosen source was then displayed for 60 seconds minimum, each with a logo, a headline, three paragraphs, and one picture (see online appendix for sample excerpts). Following the article, participants answered a few filler questions about the article they had just read.

Next, participants read before entering the Scrabble Game:

> In the game, we'll give you seven random letters to form some commonly used words. You'll have one practice round where you may familiarize yourself with the rules and the level of difficulty of the game, and one prize round where you can win an extra $1 in addition to the base pay of the survey.

We then gave participants 90 seconds to generate words from the letters PBFAHCE. We made winning the Scrabble Game either easy (participants had to generate four words) or difficult (10 words). At the top of the game page, a countdown timer was displayed. When time was up, the next page automatically loaded within 10 seconds.

Next, participants took the second part of the Online Media Consumer Survey, in which they made the focal choice, selecting an online source for a second article to read. We informed participants that whether or not they chose the same source as their first choice, they would read a new article from their chosen source.

Last, participants played the Scrabble Game for the prize round, with the same level of manipulated difficulty as in the practice round. After that, they filled out manipulation check questions and additional items including perceived differences between the first and second chosen articles, mood, long-term state optimism, believed purpose of the study, and demographic questions.

Results

Screening. The study took about 15 minutes on average. Since the test of our hypothesis requires participants to pay attention to the instructions and to have English-language proficiency, we excluded participants who were not native English speakers (4.1%) or who failed a baseline attention check question (1.0%). Results including these participants were similar. We used the same screening criteria in all studies (online Appendix Table 1).

Manipulation Checks. The Scrabble Game was chosen as a task in which the outcome would be seen as mostly determined by skill, rather than by chance, so that the participants' anticipations for the future outcome would be based on their prior performance (Burns 2004; Critcher and Rosenzweig 2014). Indeed, participants' ratings confirmed that they saw performance in the game as mostly determined by skill (on a scale from chance, 0, to skill, 100; $M = 72.8$, standard deviation [SD] $= 21.3$, $t(186) = 14.6$, $p < .001$ compared with the scale midpoint of 50).

Indeed, participants playing the easy version reported at the end of the study feeling more optimistic about winning before the prize round ($M = 71.6$, SD $= 26.4$), compared with those playing the difficult version ($M = 55.9$, SD $= 29.1$, $F(1, 185) = 14.9$, $p < .001$).

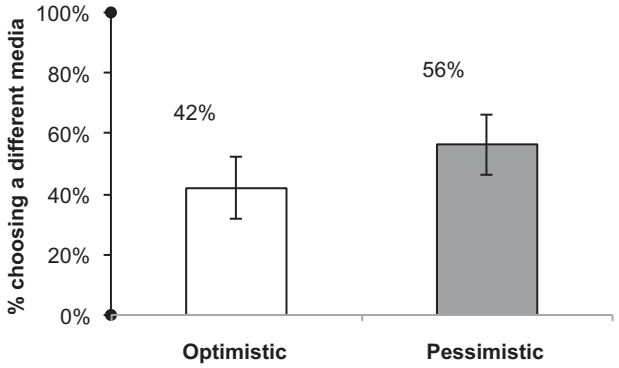
We used the same manipulation checks throughout studies 1 to 4 and found similar results in all these studies (online Appendix Tables 2 and 3).

Sequential Variety Seeking. As predicted, more participants in the Pessimistic Condition chose a different online media source for their second choice (56.4%, SD $= .50$), compared with those in the Optimistic Condition (41.9%, SD $= .50$; analysis of variance [ANOVA] $F(1, 185) = 3.95$, $p < .05$, $\eta_p^2 = .021$; Figure 2). In other words, participants playing the difficult version of the game and who were therefore more pessimistic about the outcome showed more sequential variety seeking in their unrelated magazine choices. In contrast, those playing the easy version, who were more optimistic about the outcome, exhibited more sequential choice consistency.

Content of Choices. Consistent with our interpretation that switching choices reflects a preference to experience change, participants who chose a difference magazine in their second choice rated the two articles they read as more different ($M = 2.74$, SD $= .44$, on a 3-point scale) than did those who chose from the same magazine

FIGURE 2

THE FORESIGHT EFFECT: SITUATIONAL FUTURE OUTLOOK INFLUENCES SEQUENTIAL CHOICE CONSISTENCY FOR ONLINE MEDIA (STUDY 1)



Error bars depict 95% Confidence Intervals.

($M = 1.73$, SD = .83; $t(185) = -10.5$, $p < .001$). Moreover, the effect was due to the overall difference in sequential variety seeking between Optimistic and Pessimistic conditions, rather than a change in preferences for any specific magazines. The individual magazine choice proportions between the first and second choices were similar in both conditions.

Mood. Mood was not affected by the manipulation of game difficulty ($M = 5.08$ vs. 5.16, SD = 1.09 vs. 1.12, $F(1, 185) = .061$, not significant [NS]). While mood did correlate with local optimism ($r = .30$, $p < .001$), the effect of the manipulation on sequential choice consistency persisted ($F(1, 184) = 3.9$, $p < .05$) when controlling for mood. Therefore, differences in mood could not explain the foresight effect. We discuss the role of these factors in more detail in the general discussion because the effects of these factors varied in the subsequent studies and do not explain the foresight effect.

Causal Contingency Belief. Did participants believe that the choice of media could have a causal impact on their performance in the Scrabble Game? Contrary to this possibility, the vast majority (85%) of participants indicated that the media survey could not affect their performance in the Scrabble Game. The 7.5% who believed it could have an effect provided reasons that were completely irrelevant to the purpose of the manipulation (e.g., "I think it relaxed me from the stress"). Thus the effect does not seem to be driven by explicit magical thinking (St. James, Handelman, and Taylor 2011). We probed participants for the same question in the following studies as well, and we consistently found no evidence for magical thinking (online Appendix Table 4).

Discussion

In sum, the results of study 1 demonstrate that local optimism or pessimism about a specific imminent outcome can influence whether consumers repeat a recent consumer choice or choose a novel option instead. In particular, local optimism induced sequential choice consistency, whereas local pessimism induced sequential variety seeking.

STUDY 2: THE FORESIGHT EFFECT IS FUTURE ORIENTED

In study 2, we test whether the foresight effect is future oriented, as proposed. If the future outcome is resolved before the second choice is made, then circumstances will no longer motivate participants to either increase or decrease self-continuity, and the foresight effect will be eliminated. The study uses a 2 (Outlook: Optimistic vs. Pessimistic) × 2 (Choice: Before Prize vs. After Prize) between-subjects design, using a similar experimental procedure as in study 1.

Method

We recruited participants ($N = 431$, $M_{age} = 34.6$, 46% male) from the same online subject pool as study 1, for $2.50. We used a Movie Preference Consumer Survey instead of the Online Media Consumer Survey in study 1. The dependent variable was the sequential consistency of choices among Action, Romance, Drama, and Animation movie trailers. For example, a participant who chose Action as the first choice and Animation as the second choice watched the trailer for *Avengers: Age of Ultron* before the practice round of the Scrabble Game and watched the trailer for *Minions* before the prize round of the Scrabble Game (full details in the online appendix).

We again manipulated situational outlook by making the Scrabble Game easy or difficult. In addition, we embedded the second movie choice either before the prize round of the Scrabble Game (as in study 1), or after the prize round, to manipulate the presence of future-oriented motivation.

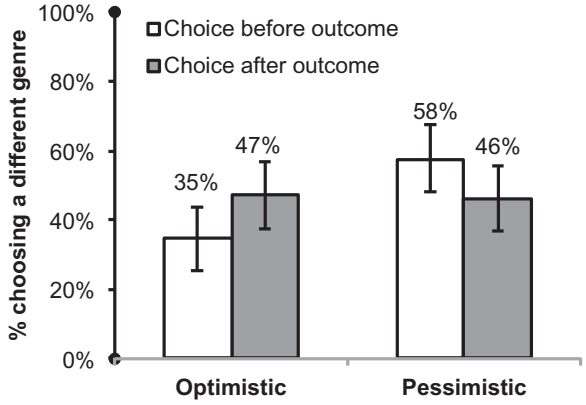
At the end of the study, participants filled out manipulation check questions and scales including mood, long-term optimism, dispositional optimism (Scheier et al. 1994), general self-efficacy (Schwarzer and Jerusalem 1995), self-monitoring (Lennox and Wolfe 1984), self-concept clarity (Campbell et al. 1996), believed purpose of the study, and demographic questions.

Results

Based on the attention check and language questions, we excluded 11 participants. The manipulation checks confirmed that the game was seen as skill based, that participants had expected more positive outcomes in the Optimism Conditions than in the Pessimism Conditions,

FIGURE 3

THE FORESIGHT EFFECT IS MITIGATED WHEN FUTURE UNCERTAINTY IS RESOLVED (STUDY 2)



Error bars depict 95% Confidence Intervals.

and that they did not believe that their choice of movie would affect their performance in the game (online Appendix Tables 1–4).

Sequential Variety Seeking. We replicated the foresight effect for participants facing outcome uncertainty when making their second movie choice. Participants in the Pessimistic Condition were more apt to choose a novel movie genre (57.7%), compared with those in the Optimistic Condition (34.6%, $F(1, 206) = 11.7$, $p < .001$, $\eta_p^2 = .054$; Figure 3). In other words, local pessimism induced more sequential variety seeking, whereas local optimism induced more sequential choice consistency, as in study 1.

By contrast, participants who made their second choice after the prize round was already completed, and therefore did not face future uncertainty, chose similarly in the Optimistic and Pessimistic conditions (47.1% vs. 46.3%, $F(1, 210) = .014$, NS; Figure 3). ANOVA analysis revealed a significant interaction between situational outlook and whether the future outcome was pending ($F(1, 416) = 6.13$, $p = .014$, $\eta_p^2 = .015$).

Additional Measures. We included three measures of optimism at the end of the study including local optimism at the time of decision, long-term optimism, and dispositional optimism. The three measures correlated with each other (all rs $> .268$, ps $< .001$). However, controlling for local optimism, neither long-term optimism nor dispositional optimism, had an effect on sequential choice consistency in the experimental conditions ($F(1, 205) = 2.25$ and 2.47, NS). Furthermore, the effect of the manipulation on sequential choice consistency persisted when controlling for long-term and dispositional optimism. Finally, neither measure moderated the effect of situational outlook on sequential choice consistency.

The other measures, including mood, self-efficacy, self-monitoring, or self-concept clarity, did not have separate effects on sequential choice consistency and did not moderate the foresight effect, in the present or subsequent studies.

Discussion

In study 2, both participants facing future uncertainty and those facing no future uncertainty received the same feedback about prior performance, but we only observed the foresight effect among those who faced future uncertainty. Therefore, it is a situational outlook for the future outcome rather than mere feedback on one's performance that drives the foresight effect.

In study 1 and study 2, we established the basic foresight effect predicted by our framework. Next, we examine the role of preference for self-continuity as the underlying psychological mechanism for the effect. First, in study 3, we identify the self-relevance of choices as a necessary condition for the effect. In studies 4 and 5, we test the direct effect of situational outlook on the preference for self-continuity.

STUDY 3: SELF-RELEVANCE OF CHOICES MODERATES THE EFFECT

Some choices are particularly relevant to one's sense of self, for example, choosing to listen to one's favorite music (Berger and Heath 2007). By contrast, making a choice not involving one's own preferences, such as regarding another person's favorite music, is less self-relevant.

We have proposed that the observed differences in sequential choices consistency were due to differences in the preference for self-continuity. Thus when a choice is less relevant to one's sense of self, even though differences in situational outlook will still lead to different preferences for self-continuity, preferences for self-continuity will not affect sequential choice consistency. Therefore, we predict that the foresight effect will be mitigated when the choices are less self-relevant.

To test these predictions, in study 3, we compare choosing music from a list of one's own favorite musicians, with choosing from a list of the favorite musicians of a family member who has different musical tastes. We posit that, when choosing among one's own favorite music, sequential consistency would be perceived as enhancing self-continuity, whereas sequential variety would be perceived as reducing self-continuity. By contrast, when choosing among the family member's favorite music, neither sequential consistency nor variety would be perceived as reflective of one's own self-continuity. Therefore, the

foresight effect would be reduced when people make choices among the favorite musicians of a family member.

Method

We recruited participants ($N = 204$, $M_{age} = 31.0$, 61% male) in a research lab in the downtown area of a midwestern city and paid each participant $4. The study had a 2 (Outlook: Optimistic vs. Pessimistic) × 2 (Choice: Own vs. Other's Music) between-subjects design.

The experimenter asked each participant to take part in two ostensibly unrelated studies: a Music Attitude Survey and the Scrabble Game used in the earlier studies. The two studies were installed on two adjacent desktop computers in the same experiment room, displayed in different templates and fonts. The experimenter told participants that since both studies would involve delays, they should alternate between the two. He instructed participants to begin with the music survey, then do the practice round of the Scrabble Game, and then complete the second half of the music survey and the prize round of the Scrabble Game last.

The Music Attitude Survey first asked participants to think about their favorite music genres and list three distinct musicians from different genres. Then participants were asked to think of a family member with different musical tastes, describe the person's relationship to themselves, and list three favorite musicians of the person from different genres. Thus every participant listed six musicians, in the same order.

The survey then gave participants access to a large online music library for three minutes, during which they would choose a song by one of the musicians they had listed and listen to it. The survey randomly assigned participants to two conditions. Participants in the Own-Music Condition chose among their own favorite musicians; participants in the Others'-Music Condition chose among musicians liked by the family member. After listening to the song, participants answered filler questions and then read on the screen that data were being processed, and the second part of the music survey would take one to two minutes to load.

Following the experimenter's initial instructions, participants moved over to the adjacent computer to start the Scrabble Game, identical to the one used in study 1, in which they were assigned to either an easy or difficult version of the game. After the practice round of the Scrabble Game, the game asked them to wait while the prize round of the game was being loaded, prompting participants to return to the second half of the music survey, which had loaded by then.

The music survey gave participants another three minutes to access the online music library. This time, the survey reminded participants of the three musicians they had listed and asked them to indicate their preference between repeating the prior experience: "I would listen to the same musician's same piece of music," and opting for a novel option "I would listen to a different musician's music (write the name of the musician below):_____." This choice was our main dependent variable.

Upon making the choice, participants listened to the chosen song and answered filler questions and demographic information to complete the music survey. Last, they finished the prize round of the Scrabble Game and filled out the same additional measures as in study 2.

Tests of Self-Relevance

We tested the assumption of the study design, that choice of own music would be more self-relevant compared with choice of another's music. Participants ($N = 56$) first generated two lists of musicians, based on the same instruction as in the Music Attitude Consumer Survey. Then they indicated the degree to which switching would feel like a change of the self, and the degree to which repeating would feel like consistency of the self, for each list, on 10 point scales. They also indicated the degree to which switching and repeating would feel like change and consistency for the selected family member, for both lists of musicians (online appendix).

The results validated our assumptions that choices reflecting one's own preferences are perceived to be more self-relevant. Participants indicated that repeating one's own music reflected more consistency to the self ($M_{own} = 7.0$, SD = 2.1, $M_{others} = 4.8$, SD = 2.7, $t(55) = 4.1$, $p < .001$), and switching among one's own music reflected more change to the self ($M_{own} = 6.0$, SD = 2.1, $M_{others} = 4.5$, SD = 2.9, $t(55) = 3.2$, $p < .005$), compared with the corresponding actions on other's music. Moreover, participants also indicated that, for the family member, repeating their own music reflected more consistency to themselves, and switching among their own music reflected more change to themselves.

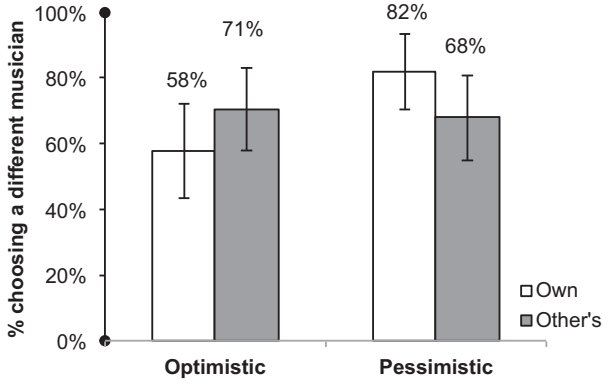
In addition, participants rated the perceived variety among each list, on 7 point scales, and reported similar degrees of perceived variety for both lists of musicians ($M_{own} = 4.66$, $M_{other} = 4.41$, $t(55) = .90$, NS). Therefore, the predicted mitigation of effect in the Others'-Music Conditions would not be attributable to a lack of variety among listed musicians. In sum, these test results support the assumptions that self-relevance is the key difference between the Own-Music and Others'-Music Conditions.

Results

Manipulation Check. Participants reported listening to their own favorite musicians more frequently than the favorite musicians of the family member ($M = 5.89$ vs. 3.25 on a 7 point scale, SD = 1.41 vs. 2.00, $F(1, 188) = 107.7$, $p < .001$).

FIGURE 4

SELF-RELEVANCE OF THE CHOICE OF MUSIC MODERATES THE FORESIGHT EFFECT (STUDY 3)



Error bars depict 95% Confidence Intervals.

Musicians of Choice. All participants listed six musicians, three of their own favorites and three favorites of the family member. For example, one participant listed Electric Light Orchestra, Rihanna, and Handel for herself, and Kenney Chesney, Nickle Creek, and Boyz II Men for her sister. Then, she first chose to listen to "Shine a Little Love" by Electric Light Orchestra. For the focal second choice, she chose to switch musical artists and listened to "Where'er You Walk" (from the opera *Semele*) by Handel. All participants were able to find songs from their chosen musician/composer.

Sequential Variety Seeking. In the Own-Music Conditions, where the choice was highly self-relevant, the situational outlook manipulation influenced participants' choice consistency. More participants chose a song by a different artist in their focal second choice in the Pessimistic Condition than in the Optimistic Condition (81.8% vs. 57.8%, $F(1, 87) = 6.38$, $p < .05$, $\eta_p^2 = .068$; Figure 4), exhibiting a higher inclination for sequential variety seeking.

By contrast, in the Others'-Music Conditions, where the choice was non–self-relevant, situational outlook did not affect participants' choice consistency (68.0% vs. 70.6%, $F(1, 99) = .078$, NS). Overall, self-relevance of the choice moderated the effect of situational outlook on sequential choice consistency (ANOVA $F(1, 186) = 4.00$, $p < .05$, $\eta_p^2 = .021$).

Discussion

The results from study 3 further corroborate our proposition that situational future outlook can influence the sequential choice consistency of causally unrelated consumer choices via preference for self-continuity. We replicated the foresight effect in another common consumer context, choice of music, when the choice was among one's favorite musicians, reflective of one's self-continuity, but not when the choice was among another person's favorite musicians, and was hence less relevant to the chooser's sense of self.

STUDY 4: PREFERENCE FOR SELF-CONTINUITY MEDIATES THE EFFECT

Thus far, we have investigated how situational outlook influences sequential choice consistency. In the present study, we directly test the role of preference for self-continuity underlying the foresight effect.

Method

This study had 2 (Outlook: Optimistic vs. Pessimistic) between-subjects conditions. We recruited participants ($N = 418$, $M_{age} = 34.4$, 50% male) from the same subject pool as study 1 and paid participants $2.50. Each participant made an initial choice among movie genres (as in study 2) and played either the easy or difficult version of the Scrabble Game. The primary dependent variable was a 6 item Preference for Self-Continuity (PSC) Scale.

After completing the first half of the movie survey and the practice round of the Scrabble Game, participants read the six statements of the PSC and indicated the degree to which they agreed with each statement, from "Strongly disagree" (1) to "Strongly agree" (5). Among the six PSC items, three stated a preference for self-continuity, such as "I feel like staying the same right now," while the other three stated a preference for self-change, such as "I would like to experience something different now," for which the scores were reverse-coded (online appendix). After completing the PSC, participants finished the second half of the movie survey and the prize round of the Scrabble Game.

Results

Preferred Self-Continuity. The PSC items showed strong cross-item reliability (Cronbach $\alpha = .86$). Consistent with our framework, participants scored higher on the PSC in the Optimistic Condition than in the Pessimistic Condition ($M = -.11$ vs. $-.49$, SD = .77 vs. .72, $F(1, 418) = 27.2$, $p < .001$). In other words, local optimism induced preference for self-continuity while local pessimism induced preference for change.

Sequential Variety Seeking. Replicating earlier studies, participants were more likely to choose a new movie genre in the Pessimistic Condition than in the Optimistic Condition (50.5% vs. 41.0% SD = .50 vs. .49, $F(1, 423) = 3.84$, $p = .05$, $\eta_p^2 = .009$). Measuring the intermediate construct of preference for self-continuity seems to have weakened the behavioral consequence on choice consistency,

yielding a substantially smaller difference in choice consistency between the two conditions than in prior studies. Nevertheless, we tested the corresponding meditation model.

Mediation. First, we confirmed the effect of the situational outlook manipulation on sequential choice consistency in a simple regression ($\beta = .095$, $t = 1.96$, $p = .05$). Second, we confirmed that the manipulation influences preferences for self-continuity ($\beta = -.379$, $t = -5.22$, $p < .001$). Third, preference for self-continuity predicted sequential choice consistency ($\beta = -.120$, $t = -3.83$, $p < .001$). Finally, in a multiple regression predicting sequential choice consistency using both situational outlook and PSC, we found a significant effect of PSC ($\beta = -.112$, $t = -3.45$, $p < .001$) and a reduced effect of situational outlook ($\beta = .053$, $t = 1.07$, NS). Overall, using a bootstrap Sobel test (Preacher and Hayes 2004), we found a significant indirect effect of situational outlook on sequential choice consistency by PSC (indirect effect $\beta = .177$, 95% confidence interval CI, .07–.33).

Discussion

In study 4, we tested the link between situational outlook and preference for self-continuity. We find that local optimism yielded stronger preferences for self-continuity than did local pessimism. These differences in the preference for self-continuity also predicted sequential choice consistency for movie trailers. Moreover, we found a significant indirect effect of the manipulation on choice consistency, explained by the preference for self-continuity.

In the next study, we test the role of preference for self-continuity more directly, using a writing task where participants can choose to write about different or same aspects of themselves.

STUDY 5: MEASURE PREFERENCE FOR SELF-CONTINUITY BEHAVIORALLY

In study 5, instead of measuring self-reported preference for self-continuity, we use a behavioral measure to directly test the effect of situational outlook on preferences for self-continuity. We give participants options to write about themselves and examine what they choose to write about. According to our framework, people feeling optimistic will be more apt to write about the same aspect of the self, whereas participants feeling pessimistic will be more apt to write about a different aspect of the self. Moreover, we introduce a novel cross-manipulation experimental paradigm, in which we leverage a difference between skill and chance causal beliefs to dissociate local optimism and pessimism from positive and negative initial outcomes.

Prior research has documented that the inferences people make from past to future depend on the nature of the task (Van Boven et al. 2009). In particular, when a task involves perceived skill (as in the Scrabble task), recent outcomes are seen as more likely to repeat in the future (e.g., the hot-hand fallacy; Gilovich et al. 1985). In these contexts, recent successes lead to local optimism for future outcomes while recent failures lead to local pessimism, as shown in the prior studies. By contrast, when the task is seen as based on chance, recent outcomes are generally believed to reverse in the future (e.g., the gambler's fallacy; Clotfelter and Cook 1993). For these kinds of tasks, people anticipate that random outcomes will "balance out" even in a short sequence (Tversky and Kahneman 1971). Thus recent failures can lead to local optimism for future outcomes while recent successes can lead to local pessimism, reversing the relationship between prior outcomes and situational outlook in the prior studies.

We designed a ball-rolling game, which is causally ambiguous, and described the task as primarily involving either skill or chance. We therefore anticipated that the same pattern of recent outcomes would systematically lead to either local optimism or local pessimism, depending on the description of the primary mechanism as skill or chance.

This cross-manipulation paradigm provides several unique benefits. First, this design separates participants' situational outlook from the valence of the initial outcomes. For example, recent failure could lead to either local pessimism (in the Skill-belief Condition, per "hot hand"), or local optimism (in the Chance-belief Condition, per "gambler's fallacy"). Furthermore, this paradigm also separates local optimism and pessimism from other factors including causal attributions (skill vs. chance), perceptions of personal agency (more vs. less), and perceived control (high vs. low), all of which have been discussed as common confounds in prior research on optimism (Aspinwall 2005, Bruininks and Malle 2005). Therefore, this paradigm helps rule out these confounds as alternative explanations of the foresight effect.

Method

We recruited participants ($N = 79$, $M_{age} = 30.6$, 51% male) in a research lab in a large midwestern city and paid $3 each. A single research assistant conducted two seemingly unrelated studies with each participant individually: a Self-Identity Survey and a Ball-Rolling Game.

Participants first filled out a Self-Identity Survey in which they were asked to list three different aspects of the self:

> People have multiple aspects of self-identity. For example, a person may describe herself as a first-year medical student, a daughter, a firm environmentalist, and so on. Please list at least three different aspects of your identity.

Next, participants were asked to choose one of the listed aspects and briefly describe it.

FIGURE 5

DESIGN OF THE BALL-ROLLING GAME IN STUDY 5

The experimenter then showed each participant the Ball-Rolling Game. In the game, the experimenter instructed participants to roll a rubber-band ball across a table, aiming for a large square marked on the table (Figure 5). Aiming and using the proper amount of force primarily involved skill, whereas the irregular shape of the ball and rubber erasers randomly scattered on the table made the outcome unpredictable and also partially subject to chance.

After one practice roll, participants were told they would play seven rolls in the game and could win a prize of $1 by scoring at least four times. Once three consequential rolls had been completed, the experimenter asked the participant to stop and fill out a brief feedback survey about their impressions of the game. As part of the feedback survey, participants read a paragraph emphasizing either the role of skill or chance in the game (online appendix).

After that, the experimenter asked participants to finish the rest of the Self-Identity Survey before resuming the game, which contained the main dependent variable:

> Now please again take some time to think about your multiple aspects of self. Please choose one of your multiple aspects and describe yourself in detail about one of them below. What would you like to write about?
>
> A. I'd like to write more about the identity aspect I have described earlier.
> B. I'd like to write about a different identity aspect of myself: ____

Participants then wrote a paragraph on the chosen aspect of self, and went on to play the last four rolls of the game, completed potential covariate measures and demographic questions, and received performance-based payment.

Pretest of the Situational Outlook Manipulation

We first pretested the intended effect of recent outcomes (success vs. failure, within-subjects) and causal beliefs (skill vs. chance, between-subjects) on situational outlook, by separately recruiting participants ($N = 61$) online, for $1.50 each.

In the survey, participants first saw pictures of the game and read the basic rules, and then they read the same additional information stressing either the role of skill or chance in the game, as in the main study. The survey then asked participants to imagine that they had tried three times and had either three hits or three misses in a row (counterbalanced within-subjects). Next, participants rated how optimistic or pessimistic they would be about the next outcome in either case, using a sliding bar from "Very pessimistic" (1) to "Very optimistic" (10).

Consistent with our predictions, participants felt relatively optimistic after recent successes in the Skill-belief Condition ($M = 6.30$, SD = 2.37) and after recent failures in the Chance-belief Condition ($M = 6.38$, SD = 2.04). By contrast, participants felt pessimistic after recent failures in the Skill-belief Condition ($M = 5.09$, SD = 2.35) and after recent successes in the Chance-belief Condition ($M = 5.88$, SD = 2.00). ANOVA revealed the predicted interaction between information about recent outcomes and manipulation of causal beliefs on participants' situational outlook ($F(1, 59) = 6.82$, $p < .05$, $\eta_p^2 = .12$), validating the cross-manipulation paradigm in the context of the ball-rolling game. Specifically, the manipulation reliably dissociated local optimism and pessimism from positive and negative prior outcomes.

Main Study Results

Suspicion Check. Since the study was conducted in a laboratory setting where multiple studies were run simultaneously, we carefully probed if participants suspected a relationship between the purportedly unrelated Self-Identity Survey and the Ball-Rolling Game. Most participants (95.9%) did not indicate any suspicion, but four participants suspected that the two studies were somehow related. They were therefore excluded from analysis, although results including them were similar (online Appendix Table 4).

Manipulation Check. Participants believed more in the role of skill in the Skill-belief Conditions and less in the Chance-belief Conditions ($M = 5.19$ vs. 4.16 from 1 = "Primarily chance" to 7 = "Primarily skill," $F(1, 77) = 9.8$, $p < .005$).

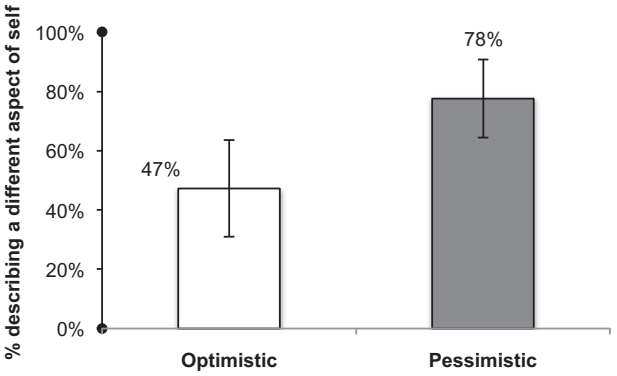
Game Performance. In the first four rolls, just over half of the participants did poorly, with zero or one hit (57.9%), below the success rate needed to win the reward. Just under half did well, with two or more hits (42.1%). No performance difference was found between the Skill-belief and Chance-belief conditions ($M = 3.20$ vs. 2.75, $t(74) = 2.23$, NS).

Content of Writing. Our participants listed a variety of aspects of self in the initial survey. For example, one participant described himself as a "reader, cyclist, and foodie," while another listed "artist, engineering student, only child." After the midgame break, 37.2% of all participants chose to elaborate on the same aspect of the self, while 62.8% of them chose to write about a different aspect of the self.

Self-Continuity. We coded participants as either experiencing local optimism (doing well in the Skill-belief Condition or doing poorly in the Chance-belief Condition) or local pessimism (doing poorly in the Skill-belief Condition or doing well in the Chance-belief Condition).

FIGURE 6

SITUATIONAL OUTLOOK (RECODED FROM CAUSAL BELIEFS AND PRIOR PERFORMANCE) GENERATED DIFFERENT OUTCOMES OF SELF-CONTINUITY (STUDY 5)



Error bars depict 95% Confidence Intervals.

We found that about 77.5% of local pessimism participants chose to elaborate on a different aspect of self, whereas less than half of the local optimism participants (47.2%) chose to elaborate on a different aspect of self ($F(1, 74) = 8.06$, $p < .01$, $\eta_p^2 = .098$). In addition, ANOVA yielded the predicted interaction between the manipulation of causal beliefs and the number of successes (ANOVA $F(1, 72) = 4.89$, $p < .05$; Figure 6). Thus the manipulated situational outlook systematically generated different preferences for self-continuity.

Content Analysis of Writing. In order to validate that the writing choices reflected differences in preferred self-continuity, we analyzed the content of their writing. We asked an independent coder to rate the difference between the two descriptions from "Very similar" (1) to "Very different" (5). The results confirmed that for participants who chose to elaborate on the same aspect of self, their second writing was similar to the first ($M = 2.22$, SD = .80), and for participants who chose to describe a different aspect of self, their second writing was different from the first ($M = 4.76$, SD = .60, $t(74) = 15.7$, $p < .001$).

Subsequent Performance. Those who exhibited the foresight effect did not outperform others (1.64 vs. 1.65 hits out of four, t (74) = −.052, NS), substantiating the lack of causal relationship between the choice of writing and performance in the ball-rolling task.

Discussion

These results directly demonstrate the effect of situational outlook on preferred self-continuity. When situational inferences generate local optimism, people prefer a high degree of self-continuity. By contrast, when

situational inferences yield local pessimism, people prefer disruption in self-continuity. Moreover, the use of the cross-manipulation paradigm provides more precise evidence that the results are due to local optimism versus pessimism, rather than mood from past outcomes, causal attribution of skill or chance, different levels of personal agency, or perceived control. Overall, these results further validate our account of how situational outlook impacts sequential consumer choice consistency via preference for self-continuity.

In study 3 we showed that situational outlook affects preference for self-continuity in self-relevant choices, but not in non–self-relevant choices. We found similar results in a parallel version of study 5. With the same population and under the same conditions, we gave participants a Social Cognition Survey instead of the Self-Identity Survey, in which they listed and wrote about different people they had seen on that day (Part III, online appendix). In this parallel study, where the content of writing was no longer self-relevant, we found no effect of manipulated situational outlook on the sequential consistency of writing. Thus these results further corroborate self-relevance as a necessary condition for the effect.

STUDY 6: EXTENDING THE FORESIGHT EFFECT TO USUAL VERSUS NOVEL CONSUMER PRODUCTS

In the prior studies, we measured sequential choice consistency by comparing a recently experienced choice to a subsequent choice. In study 6, we investigate the generality of the effect by testing consumers' choices between a usually chosen option and a novel option, in the absence of a specific prior choice. We designed a hypothetical scenario in which consumers choose a beverage, between the beverage that they typically drink (a usual option) and a beverage that they have never had (a novel option). Thus the two options represent repeat-purchase intention and novel product adoption, respectively.

We again use the cross-manipulation paradigm introduced in study 5. Also, we examine the crucial role of future-oriented motivation underlying the effect once more by manipulating the presence of the future outcome as in study 2.

The study had 2 (Recent Outcomes: Success vs. Failure) $\times$ 2 (Causal Beliefs: Skill vs. Chance) $\times$ 2 (Choice: With Future Uncertainty vs. No Future Uncertainty) between-subjects conditions. As long as the outcome is pending, we predicted that the local optimism would yield more choices of the usual option, whereas local pessimism would yield more choices of the novel option. By contrast, we predicted that the absence of future uncertainty would reduce the foresight effect.

Method

We recruited 203 participants ($M_{age} = 34.5$, 39% male) in the same online survey pool as before, each for $1. We asked participants to imagine that they were playing Blackjack in a Las Vegas casino, a game that plausibly contains aspects of both skill and chance (Wagenaar 1988). First, we showed participants a pamphlet introducing the rules of blackjack and featuring quotes from previous winners that emphasized the role of either skill or chance in the game (online appendix Part II), as a manipulation of causal beliefs. Then we manipulated the recent outcomes and the presence of a future outcome as below.

In conditions where the future outcome was pending, participants read:

> You have decided to buy five $10 chips, each for one round. You decide that if you win, you'll put the reward in your pocket, and if you lose, you'll play another round with a new chip, but you won't bet any chips you've won and put in your pocket. In each round, you're the only player at the table. You plan to play only five rounds and redeem whatever you have in your pocket when you leave.

Next, we manipulated recent outcomes by having participants either read about experiencing a winning streak or a losing streak of four rounds.

Then we asked participants, if they were to order a drink before the last round, what they would order between two counterbalanced options: "The drink that you usually like and often order" and "An unusual drink that you have never tried before but have always wanted to."

Participants in the conditions with no future uncertainty read an almost identical scenario, except that they had initially bought four chips instead of five, and they had therefore used all their chips already and were not anticipating future rounds when choosing between the drinks.

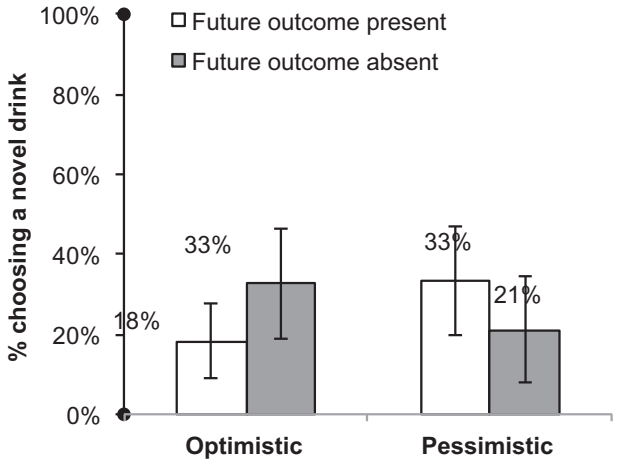
Results

First, when participants faced future uncertainty, we replicated the foresight effect for choices between a usual and a novel beverage. Coding the conditions as local optimism and local pessimism, as in study 5, we found local pessimism gave rise to more choices of the novel drink, compared to local optimism (33.3% vs. 18.2%, $F(1, 112) = 3.49$, $p = .064$, $\eta_p^2 = .030$; Figure 7). This was further validated in an ANOVA, which found an interaction between recent outcomes and causal beliefs ($F(1, 111) = 4.06$, $p < .05$).

By contrast, in the scenario with no future uncertainty, participants similarly preferred the usual drink (67.4% vs. 78.9%, $F(1, 82) = 1.39$, NS), and we did not find any interaction between causal beliefs and recent outcomes on choices ($F(1, 80) = 1.38$, NS). Overall, we found the predicted interaction between the recoded local optimism versus local pessimism variable, and the manipulated

FIGURE 7

SITUATIONAL OUTLOOK (RECODED FROM CAUSAL INFORMATION AND PRIOR PERFORMANCE) INFLUENCED CHOICE BETWEEN USUAL AND NOVEL PRODUCTS ONLY IN PRESENCE OF FUTURE UNCERTAINTY (STUDY 6)



Error bars depict 95% Confidence Intervals

presence of future uncertainty on choices ($F(1, 194) = 4.46$, $p < .05$, $\eta_p^2 = .022$). Likewise, we found a significant three-way interaction among recent outcomes, causal beliefs, and the presence of future uncertainty on choices ($F(1, 191) = 4.85$, $p < .05$).

Discussion

Study 6 replicated the foresight effect in the broader context of choices between usual and novel consumer options. These results provide strong support for our framework and suggest that the foresight effect has marketing implications for repeat-purchase and novel product adoption decisions.

Moreover, the cross-manipulation paradigm in studies 5 and 6 addressed common confounds. The study design directly precluded potential confounds such as mood and causal attribution, by dissociating these factors from the valence of manipulated situational outlook. In addition, we measured perceived control and perceived agency in both studies, which typically correlate with both recent performance and causal attribution, and found that neither measure predicted the results when controlling for manipulated situational outlook (online appendix). In addition, we found no effects of the other variables including self-monitoring, self-efficacy, and self-concept clarity in any studies.

GENERAL DISCUSSION

Consumers sometimes prefer to stay loyal, sticking to their usual choices, and sometimes they prefer to try something new. This research demonstrates that one important determinant of these variations of preferences is situational future outlook, that is, the local optimism or pessimism consumers experience about an imminent outcome, which can be completely unrelated to the content of choices per se. A person's situational outlook affects her preference for self-continuity, which in turn leads to differences in the sequential consistency of the consumer choices she makes. We demonstrated this foresight effect and investigated the underlying mechanism in a series of six studies. Overall, incorporating all the data we have collected in conditions where the foresight effect was predicted, the effect of situational outlook on choice consistency was highly significant and had a moderate effect size (39.6% vs. 56.6%, SD = .49 vs. .50, $F(1, 1211) = 33.5$, $p < .001$, $\eta^2 = .027$; details in the online appendix).

Interpreting the Foresight Effect

The foresight effect demonstrates that having a different situation outlook on the future results in different consumer choices. Likewise, recent research has found that specific superstitions and fateful beliefs about the future can affect current consumer choices (Converse, Risen, and Carter 2012; Hamerman and Johar 2013; Kim, Kulow, and Kramer 2014). However, the foresight effect is distinct from overt superstition or magical thinking (St. James et al.; Vyse 1997) because participants did not believe that the consistency of their choices could affect their task performance, and the results were not moderated by the tendency to use superstitious explanations.

Rather, the foresight effect can be interpreted as reflecting "quasi-magical thinking" (Shafir and Tversky 1992), typically due to a conflation of causal contingency and diagnostic contingency leading to a general associative response (Quattrone and Tversky 1988; Skinner 1948). Consistent with this interpretation, the foresight effect occurs for choices that represent actual self-continuity or self-change. In an additional study (reported in the online appendix), we replicate the foresight effect when participants were choosing a magazine article to read (as in study 1), but not when they were asked to express a hypothetical preference, contrary to an identity-signaling account.

We have also introduced an important distinction, between situational optimism about an imminent outcome and the aspects of optimism previously studied, particularly dispositional optimism (Scheier and Carver 1985) and long-term state optimism (Kluemper et al. 2009) and mood (Salovey et al. 2000), a common confound. In our pooled data, while situational optimism moderately correlates with long-term state optimism and with dispositional optimism ($rs > .285$, $ps < .001$), only situational optimism affects sequential choice consistency. Neither dispositional optimism nor long-term state optimism significantly affected choice consistency when controlling for situational

optimism ($F(1, 1022) = .14$, $F(1, 836) = .25$, NS). Likewise, mood strongly correlated with situational optimism ($r = .284$, $p < .001$) but had no effect on consumer choice consistency, after controlling for situational outlook ($F(1, 1210) = .99$, NS).

The cross-manipulation paradigm used in studies 5 and 6 directly precluded additional potential confounds including affective reactions to the prior outcomes and causal attribution, by dissociating these variables from the valence of situational outlook. Measures of perceived control and personal agency did not affect choice consistency, controlling for the situational outlook manipulation, as reported in the online appendix. Other variables we measured in these studies, including self-monitoring, self-efficacy, and self-concept clarity, did not have any effects.

Implications for Future Research

The notion that future-oriented thoughts often influence present behaviors traces back to the earliest days of empirical psychology (Mead 1934; Skinner 1938) and remains a central topic in contemporary psychology (Aspinwall 2005). However, presumably due to an initial emphasis on individual differences and pervasive confounds in the prior research on optimism (Peterson 2000), researchers (George 1991; Kluemper et al. 2009; Peterson 2000) have critiqued that little is known about the psychological and behavioral implications of context-specific situational future outlook. Our findings provide initial evidence that local optimism and local pessimism have unique and important effects on decision making, focusing on preferences for self-continuity and choice consistency. Using the paradigms introduced in this research, future research could investigate the potential effects of situational outlook on other self-relevant consequences including intertemporal preferences, risk preferences, and self-control behaviors, which have been posited to involve future-oriented decision processes.

The present research also advances the literature on dynamic decision making, which has investigated factors that contribute to variety seeking in sequential decisions (Ratner, Kahn, and Kahneman 1999; Simonson 1990) and that identify which consumers will be the most receptive to novel product offers (Hirschman 1980). Our findings expand this research by identifying the effect of fleeting situational factors, independent of the evaluation of product characteristics, on the sequential consistency of seemingly unrelated consumer choices.

In a competitive marketplace, early-entrant brands will benefit from consumer self-continuity and resulting brand loyalty while upstart brands need to convince consumers to change their behaviors and try a novel option. Thus Pepsi-Cola emphasized being part of a new generation when taking on "always Coca-Cola," and Apple urged consumers to "think different" in its initial attempts to lure computer buyers away from IBM and Microsoft. Our findings suggest situational outlook—whether consumers are locally optimistic or pessimistic about imminent personal outcomes at the time of decision—can crucially determine whether they favor the consistency signaled by the usual brand or the change represented by a novel brand. Whether consumers want to relive yesterday or want to create a new today depends on what they anticipate for tomorrow.

DATA COLLECTION INFORMATION

The first author designed the studies with feedback from the second author. The authors jointly managed data collection for studies 1, 2, 4, and 6 using the Qualtrics survey tool from the spring of 2012 to the winter of 2014. The first author supervised the data collection by research assistants for studies 3 and 5 in the University of Chicago downtown research lab in the fall of 2012 and the winter of 2014. The first author analyzed the data of studies 1, 2, and 3. The authors jointly analyzed the data of studies 4, 5, and 6.

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