## DECLARATORIA SULLA TESI DI DOTTORATO

Da inserire come prima pagina della tesi

La sottoscritta	
COGNOME	MINIERO
NOME	GIULIA
Matr.	1194703
Titolo della tesi: Fantasy and Power as cognitive boosters, influencing product evaluation and choice	
Dottorato di ricerca in	BUSINESS ADMINISTRATION & MANAGEMENT
Ciclo	XXII
Tutor del dottorando	MICHELA ADDIS
Anno di discussione	2011
DICHIARA	

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- di (cognome e nome del dottorando) MINIERO GIULIA
- discussa presso l'Università commerciale Luigi Bocconi Milano nell'anno 2011. (anno di discussione);
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Introduction

The dissertation, articulated in the three essays format, investigates the role played

by fantasy and power in consumption processes. Specifically, the impact of these two

individual dimensions is studied with reference to product evaluation and willingness

to buy in the first two essays, and to consumption choice in the third essay.

Both of the two individual dimensions, fantasy and power, are receiving increasing

attention nowadays in consumer and psychology research. Indeed, fantasy has been

long recognized as a relevant driver in consumer behavior and power has recently

started to capture researchers' interest, especially with regard to specific

consumption situations.

The three essays adopt an experimental methodology aimed at investigating the

causal relationships between the individual dimensions and attitudinal and behavioral

aspects of consumer behavior, thus addressing the consumer behavior processes

holistically.

The three essays are briefly presented hereunder:

Paper 1: "When Realism Is Not Enough: Fantastical Thinking, Transportation

and Persuasion in Advertising"

The first chapter of the thesis, developed with M. Addis (Università Roma 3, Roma)

and F. Ricotta (Università La Sapienza, Roma), investigates the role of individual

fantasy in driving consumers transportation.

Nowadays narratives are capturing recent scholars' attention due to their power to

engage individuals and immerse them into the depicted world in a pleasurable and

active way. Such immersion is generally called transportation and its impact on the

narrative persuasiveness is well established. Indeed, very recently, advertising

research also has started to look at narrative ads as the story in which consumers

should be immersed, and via transportation the latter can easily change individuals'

attitudes and behaviors. This highlights the importance that studying transportation's

antecedents might have nowadays both in consumer and advertising research.

Previous psychological studies share the common assumption that in order to drive transportation, narratives should be perceived as realistic and familiar.

The present paper challenges such assumption, by stating that realism of the stimulus is not the unique fundamental antecedent of transportation but it interacts with an individual dimension - fantastical thinking - so that for high fantastical thinkers even unrealistic stories might be appreciated, and thus more favorably evaluated. Instead of leveraging on realistic events and facts, consumers in a high fantasy condition build their own imaginary world and experience it as mental phenomena. Five experiments and two pre-tests show that the suggested interaction effect is significant for narrative advertising, so that for people in a high fantastical thinking condition the realism of the stimulus does not drive the resulting transportation and consumers' evaluations. Further, studies also show that the impact of fantastical thinking on transportation is mediated by the enjoyment of the process experienced by participants. Thus, fantastical thinking interacts with the realism of the stimuli to generate also enjoyment.

# Paper 2: "Is co-production too complex? Not for those who fantasize"

The second paper, developed with M.Addis (Università Roma 3, Roma) and F. Ricotta (Università La Sapienza, Roma) investigates a relevant question: How to simplify the customization processes?

Customers' participation in production processes – commonly known as coproduction – is nowadays regarded as the new frontier for competitive effectiveness even in mass markets. Indeed, often customers do not engage into these processes, which appear to be too complex. Such a perceived barrier prevents customers to start co-production processes, unless they are extremely involved. This paper proposes that leveraging on individual fantasy is the way to go: Individual fantasy acts a cognitive booster able to make customers perceive co-production as being trouble free. Two experimental studies show that: (1) when individuals are in a high fantasy condition they are more favorable towards co-production; (2) the fantasy

effect on customer satisfaction will be stronger when customer are low-involved in

the category product; (3) the individual fantasy acts as a cognitive booster by

decreasing the perceived cognitive effort.

Paper 3: "Power and choice in context effects"

The third paper, developed with D. Smeesters (Rotterdam School of Management,

Erasmus University Rotterdam) investigates the impact of individual power on the

ability consumers have of making choices where context effects are present.

Power fascinates: it can be seductive (Anderson and Galinsky 2006) and difficult to

ignore.

Several studies on power (Fiske 1993, Pfeffer 1992) show that it affects many

psychological processes. Power has a strong influence on human behaviour. Despite

the importance of the power notion in psychology and in other related disciplines,

consumer behaviour scholars have started recently to discover the enormous

potential of this concept.

In particular, given that power alters individuals' psychological states and information

processing, it might be an important aspect to consider when consumers face

complex tasks, such as choice. In particular, this paper looks at consumption choices

in which robust context effects, such as compromise and attraction, are present.

Two experiments, investigating the compromise effect in choice, show that low power

individuals perceiving a lack of resources, they rely on simpler and effortless

processing mode. As a consequence, they do not engage in the trade-off

comparisons, needed to carefully choose products. Thus, low power individuals rely

on the compromise option more than high power individuals.

This paper presents a first attempt to investigate the influence that power might have

in shaping consumer choice, with particular regard to the influence of context effects

in choice.

# **ESSAY 1**

## When Realism Is Not Enough:

# Fantastical Thinking, Transportation and Persuasion in Advertising

Nowadays narratives are capturing recent scholars' attention due to their power to engage individuals and immerse them into the depicted world in a pleasurable and active way. Such immersion is generally called transportation and its impact on the narrative persuasiveness is well established. Indeed, very recently, advertising research also has started to look at narrative ads as the story in which consumers should be immersed, and via transportation the latter can easily change individuals attitudes and behaviors. This highlights the importance that studying transportation's antecedents might have nowadays both in consumer and advertising research. Previous psychological studies share the common assumption that in order to drive transportation, narratives should be perceived as realistic and familiar.

The present paper challenges such assumption, by stating that realism of the stimulus is not the unique fundamental antecedent of transportation but it interacts with an individual dimension - fantastical thinking - so that for high fantastical thinkers even unrealistic stories might be appreciated, and thus more favorably evaluated. Instead of leveraging on realistic events and facts, consumers in a high fantasy condition build their own imaginary world and experience it as mental phenomena. Five experiments and two pre-tests show that the suggested interaction effect is significant for narrative advertising, so that for people in a high fantastical thinking condition the realism of the stimulus does not drive the resulting transportation and consumers' evaluations. Further, studies also show that the impact of fantastical thinking on transportation is mediated by the enjoyment of the process experienced by participants. Thus, fantastical thinking interacts with the realism of the stimuli to generate also enjoyment.

When Realism Is Not Enough:

Fantastical Thinking, Transportation and Persuasion in Advertising

Nowadays narratives are capturing recent scholars' attention (Hogan 2003; Oatley 2002) due to their power in engaging individuals (Hirschman 2010). This ability has been explored in the psychological stream of research, which has highlighted that narratives are able to immerse individuals into the depicted world in a pleasurable and active way. Such immersion is generally called transportation: "a distinct mental process, and integrative melding of attention, imagery and feelings" (Green and Brock 2000, pp. 701). The transportation theory is getting increasing attention also in marketing and advertising research as the underlying mechanism explaining the power of narratives to drive individuals' beliefs (Green et al. 2000).

Narratives able to get media engagement are not limited to the journalistic and artistic programs distributed in a medium (Wang and Calder 2006), but they also include advertising (Escalas 2004a, 2004b, 2007; Escalas and Stern 2003; McFerran, Dahl, Gorn and Honea 2010; Milton 1974; Phillips and McQuarrie 2010; Wang and Calder 2009) Thus, transportation with an ad contributes in explaining why the persuasive impact is higher for narrative advertising, i.e. story-like format advertisements which contain rich details thematically and temporally related (Adaval and Wyer 1998; Bruner 1986; Wells 1989) - than for the factual ones (Deighton, Romer and McQueen 1989; Polyorat, Alden and Kim 2007; Wentzel, Tomczak and Herrmann 2010).

Indeed, when consumers are engaged in stories, they experience a sort of flow (Csikszentmihalyi 1990; Wang and Calder 2009), that is a form of experiential response to narratives (Prentice, Gerrig and Bailis 1997). Thus, transported individuals feel more engaged in the story itself and not in any extrinsic consequences of the narrative, getting lost in the narratives (Gerrig 1993). In details, transportation, which arises from a converging mix of cognitive elaboration and emotional reactions (Green 2004), results in a holistic immersion, and via the latter, to higher persuasion (Escalas 2007; McFerran, Dahl, Gorn and Honea 2010). Thus, understanding the antecedents of transportation represents a hot topic for anyone interested in persuading consumers.

Transportation theory has already found that narratives must be of good quality and realistic, so that consumers can easily get involved in them (McFerran, Dahl, Gorn and Honea 2010), resulting in a higher proneness to easily believe the claims stated there (Green and Brock 2000). Narratives that satisfy those criteria are better able to engage individuals cognitively and emotionally (Green 2005), according to the principle that realistic stimuli lead to improved learning performances (Sniezek 1986). Advertising, which by definition depends on representing reality (Stern 1994), seems to be based on narratives – advertising with "actors with motives, an event sequence, and a setting that has physical, social, and temporal components" (Padgett and Allen 1997, p. 53) – close to real-life, individuals' "everyday" lives (Escalas 2004a; 2007). Indeed, transportation is easier if narratives present events known, familiar, and culturally closed to the individuals (Bilandzic and Busselle 2008; Larsen and Laszo 1990). Indeed, the increasing stream of research on authenticity leverages on the realism portrayed (see for instance the historically grounded stimuli) (Beverland, Lindgreen and Vink 2008; Brown, Kozinets, and Sherry 2003; Chalmer 2008; Gilmore and Pine 2007). Portraying real-life situations is a common strategy also for the motion pictures industry, where sometimes studios try to leverage on the audience's identification by working on a true story (Martel 2010).

However, as recently emerged for motion pictures for which the identification mechanisms is found as being not significant (Addis and Holbrook 2010), we propose that narrative messages might persuade audience even if their components – actors' motives, events sequence, and physical, social and temporal dimensions – are low in realism. Indeed, Argo, Zhu and Dahl (2007) have found that the level of fictionality – the degree to which the stimuli are based on reality – is not relevant for consumers

low in empathy when evaluating melodramatic entertainment. Furthermore, unreality is an already well-known antecedent of escapism, which is a leading behavior in hedonic products (Hirschman 1983). Escapism also represents an increasing trend nowadays (Front 2011), with consumers spending more than \$10.6 billions in Disney' s parks and resorts in 2009 (Martel 2010), the reign of Ratatouille, Nemo, Cars and many others imaginative heroes; with Disney motion pictures targeted not only to children, but more than all to the children being in their parents (Martel 2010); with the U.S. computer and video game software industry generating \$10.5 billion in 2009 (www.theesa.com); and with huge market successes registered by fantasy movies worldwide that occupy nine out of the top-15 positions of films for worldwide box office (IMDb.com) even if films based on true stories are likely to get critical acclaim (Simonton 2005). Thus, escapism phenomena show that consumers might prefer unrealistic stories under specific conditions (Tesser, Millaer and Wu 1988). Thus, in this paper we aim at understanding whether unrealistic narrative advertising - that are also becoming popular nowadays as viral videos, as the new Intel actionadventure movie style ad "The Chase" (www.thechase.com) shows - can transport individuals resulting in a higher persuasion, even if they are designed on unfamiliar elements to consumers. Despite the apparent widespread of escapism across many industries (Graham Scott 1994) and also in advertising (Brierley 1995), it is unclear when consumers' attitude will be affected. In line with Green et al (2008) who indicate the potential role played by individual differences in increasing the easiness of transportation, that is a sort of transportation proneness (Dal Cin et al 2004), we suggest that a specific individual construct - namely, fantastical thinking - may influence consumers' responses to narrative advertising. Indeed, according to previous research, people high in fantastical thinking perform better at storytelling and at fabricating stories (Merckelbach 2004). Thus, we propose that in order to appreciate an unrealistic narrative ad and enter in their own imaginary world, consumers need to exploit their fantastical thinking, as being in a high fantastical thinking state increases the likelihood that they will get lost in narratives that are far from their ordinary and familiar life, thus increasing the customer value (Hirschman

1983; Hirschman and Holbrook 1982). We expect that individual in different fantastical thinking states (i.e., high vs. low fantastical thinking) will interact with the level of realism of the stimulus (that is the degree to which it is perceived as accurately reflecting reality) to influence the degree of transportation realized, witch will in turn determine the overall ad persuasion. Measuring the fantastically thinking state via an individual difference scale in Study 1 while activating it in Study 2 and 3, we predict that people in high state of fantastical thinking will be transported and via transportation will show higher attitude and behavioral intention towards narrative ads more than individuals in the low fantastical thinking state, regardless of the ads' level of realism. On the contrary, when in low state of fantastical thinking consumers' responses will be augmented when the narrative ad is realistic (i.e., high in realism) than unrealistic (i.e., low in realism), as suggested by the transportation theory. Finally, we determine whether the degree to which a consumer enjoys the experience (Dahl and Moreau 2007) is an underlying factor for these predicted effects. We use as our context of investigation movie trailers, which are narrative advertisements for motion pictures.

This research contributes in the understanding of narrative ads in three ways. First, it extends previous knowledge in transportation by exploring the impact of unrealistic narrative advertising on transportation. By identifying a relevant moderating factor (i.e., the level of fantastical thinking), in all studies we find that individuals in a high fantastical thinking condition get transported and show an attitude and behavioral intention toward the product without any significant difference due to the level of the realism of the narrative ad, whereas, individuals in the low fantastical thinking condition show better responses – in terms of transportation, attitude and behavioral intention – when the narrative ad is high as compared to low in realism. Second, it explores underlying process for the observed effects. Findings show that fantastical thinking and the level of realism interact in generating the enjoyment of the experience (Dahl and Moreau 2007), which in turn results in transportation and via the latter in persuasion. Third, it tests whether fantastical thinking can be activated, and thanks to psychoanalytical techniques we are able to show that individuals can

be induced to exploit their individual trait of fantastical thinking. In the next section we

present the theoretical background and the conceptual development. We then report

the three experimental studies that test our hypotheses. In the end, we conclude with

a general discussion of the results and their implications for future research.

**CONCEPTUAL FRAMEWORK** 

In the present section, we will first review the extant research on fantasy and realism.

Then, based on this review, we will develop our theorization by suggesting that

fantastical thinking interacts with the level of realism of the narrative ad to affect the

level of transportation, and through that, the level of consumers' evaluation. We

further propose enjoyment as the underlying mechanism behind transportation.

Fantastical thinking

Consumer researchers have both acknowledged the importance that individuals'

fantasy has on customer value (Hirschman 1983; Hirschman and Holbrook 1982).

Despite these endorsements of the topic's importance, to the best of our knowledge

little empirical work (MacInnis and Price, 1987; Rossiter 1982) has examined the

impact of fantasy on consumer attitude and behavior.

In this research we argue that fantastical thinking might act as a further antecedent

for transportation. Fantastical thinking is the process that some individuals engage

when they take up in behaviors, experiences or thinking that contradicts laws of

nature (Keinan 1997). We claim that individuals can be transported also if they

leverage on fantastical thinking, given that it means escaping from the real world and

breaking natural rules. So we propose that fantastical thinking is a way to induce

transportation, thus increasing individuals' engagement level. The latter, then, would

not be dependent only on the stimulus itself (e.g. realism and quality) as posited by

Green and Brock (2000) but also on the cognitive process put in place by the

individuals, such as fantastical thinking: this can become a source of transportation.

Fantastical thinking is conceptualized as a way of reasoning about the physical world

that violates known physical principles (Wolley 1997). Fantasizers deliberately

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infringe (Lynn and Rhue 1988) natural world principles, such as: nonpermanence, permeability, transmogrification and animism (Johnson and Harris 1994). This is why, fantastical thinking is usually considered as an explanation of a behavior or experience that contradicts the laws of nature (Keiran 1994).

Fantastical thinking is considered a process (Wolley 1997) and, as such, differs from "thinking about fantasy". The latter is usually considered as the knowledge of the real and fantastical status of a variety of fantastical entities (Wooley 1997, p: 992). So the term fantastical thinking refers to the action of thinking infringing rules that guide the existing world while "thinking about fantasy" refers to the content of the cognitive process that the individual puts in place.

Traditionally, fantastical thinking was regarded as common among children but there is ample evidence that also adults engage in fantastical thinking given certain situations (Wolley 1997; Keinan 1994, Langer 1975). The conditions that push adults to engage into these processes refer to situations in which they experience uncertainty and anxiety: the idea is that adults rely on fantastical thinking when they experience a loss of clear distinction between reality and thoughts. So fantastical thinking applies to all those situations in which individual experience a lack of control: people by engaging in fantastical thinking develop beliefs that reassure them and make them perceive that they can cope with the anxious situation they are experiencing so they have the feeling they can change and modify the source of fear. In addition, evidences show that adults often rely on fantastical thinking in order to interpret and understand the world (Wolley 1997).

Indeed, individuals might differ in their ability and frequency of engaging into fantastical thinking.

Fantastical thinking is often associated with the individual trait of Fantasy Proneness (Wilson and Barber 1983). Fantasy proneness refers to a personality trait defined as the characteristic that some individuals have of spending much of their time fantasizing, reporting vivid childhood memories, experiencing strong bodily concomitants of fantasies and having intense religious experiences (Merckelbach, Horselenberg, and Muris 2001). Individuals who are high in fantasy proneness spend

a large part of their time fantasizing and daydreaming, they are talented in role playing and in pretending to be someone else (Merckelbach 2004). Fantasy prone people are better at storytelling and at fabricating stories (Merckelbach 2004). Given these characteristics, high fantasy prone people should be those that more commonly engage into fantastical thinking processes.

Before examining the empirical evidences concerning fantastical thinking as an antecedent of transportation, it is necessary to distinguish it from the notion of mental imagery. What these two concepts have in common is the idea of being a process that individuals can engage into but while mental imagery is defined as "a process by which sensory information is represented in working memory" (McInnis and Price 1987 p. 473), fantastical thinking refers to the process of violating the existing reality and thinking to something that does not find any empirical evidence. Thus, mental imagery and fantastical thinking refer to two different processes that individuals can undertake and as such, these processes have different paths and outcomes. In consumer and psychology research, mental imagery is considered "an umbrella of concepts grouped under one common label" (Childers and Houston 1983: p.59): Holbrook (1982) and Rossiter (1982) assume that mental imagery includes (but it is not limited to) visual imagery, given that 'other imagery' exists, referring to any other different mental processes which are only little known (based on hearing, smell, touch and taste). Visual imagery is defined as imagery generated as a picture (Aylwin 1977; Rossiter 1982). Leveraging on its definition, visual imagery that relies on a pictorial stimulus in order to create imagery, cannot be assimilated to the process of thinking to something that breaks any naturalistic rules and principles as fantastical thinking is here intended.

Fantastical thinking should not be mixed up with imagery processing. Imagery processing is a specific application of visual imagery or mental imagery to information evaluation (Gutman 1988); It is a cognitive elaboration. Opposite to discursive processing, imagery is a sensorial process (MacInnis and Price 1987). In such a regard, information can be both verbal and visual, and it can be manipulated to stimulate imagery processing, in an effort to achieve its positive effects already well-

known (with regard to advertising context, see Bone and Ellen 1990, Unnava and Burnkrant 1991).

The last concept often associated to fantastical thinking is creativity. Creativity is the ability to engage into productive thinking (Guilford 1965, Hirschman 1980) so it reflects the capacity of individuals to generate novel cognitive content (Guilford 1965; Sternberg 2001). Creativity is required for problem solving, Creative problem solving occurs when an individual devices a new way of circumventing the obstacles (Hunt 1994). Hence, fantastical thinking, being a process devoted to violate natural principles and laws, differs from creativity.

Indeed, Lynn and Rhue (1986) showed that fantasizers are more creative than both the medium and the low fantasizers. In this perspective, fantastical thinking is considered an antecedent of creativity.

Furthermore, we build on this line of research by investigating how the impact of fantastical thinking on transportation might be moderated by the degree at which the narrative advertising is realistic.

# The role of realism of the narrative in transportation

Transportation theory clearly identifies some features related to the narratives able to better transport individuals. First, the high quality of the narrative is a necessary input for any kind of narratives (Green and Brock 2000). Indeed, even if the theory has been largely applied to written narratives it is not limited to the latter (Green et al. 2000; Wang and Calder 2006). Further, the more the details of the story are given – with regard both to the characters' physical and mental aspects – the higher the transportation (Green, Rozin, Aldao, Pollack and Small 2004). Indeed, articulated descriptions of the characters portrayed in the narratives allow individuals to link to them, and even to identify with them by via of the shared common perspective (Cohen 2001; Green 2005). Since identification increases when similar backgrounds are shared (Bandura 1986), the narratives should be perceived as familiar to the individuals, so that it can be perceived as being close to their ordinary life or at least plausible, that is familiar (Fazio and Zanna 1981; Green 2004; Markman et al 2008).

Indeed, the perception of the realism of the stimuli increases the individuals'

emotional reactions to them (Geen 1975; Zillman and Johnson 1973).

In this study, perceived realism is defined according to the stream of research on television perceived realism, that is the degree to which the stimuli accurately portray the real world, presenting life and things as really are, showing things that are really that way, and portraying how other people live and what really happens in other places (Shrum, Wyer and O'Guinn 1998). Stimuli with a greater extent of realism

then might be experienced like personal experiences and people can be directly

familiar with their events (Green 2004).

Further research shows that when individuals perceive an ad as being more informative realistic, its effectiveness – both perceived and actual – increases (Fishbein, Hall-Jamieson, Zimmer, von Haeften and Nabi 2002), via the mediating role of the perceived message quality (Cho and Boster 2008). Thus, narrative quality depends on the realism of the message, so that realism drives attitudes (Potter

1988).

Considering fantastical thinking and realism of the narrative ad together, we predict that individuals in a low fantastical thinking condition will be transported into the story to a lower extent, especially when the narrative ad is low (i.e. unrealistic ad) as compared to high (i.e. realistic ad) in realism. In contrast, transportation is not expected to differ for individuals in a high fantastical thinking condition, because they are more likely to get involved in the story and immerge themselves in any kind of narrative world – that is realistic or fictitious – in the first place.

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**H1a:** Individuals in a low fantastical thinking condition will be transported by a narrative ad to a greater extent when it

is high (vs. low) in realism.

**H1b:** Differences in consumers' transportation by narrative ads

based on level of realism will be attenuated for

individuals in a high fantastical thinking condition...

As previously and largely indicated by previous research (Argo, Zhu and Dahl 2008; Bone and Ellen 1992; Green and Brock 2007; Johnson 2004; Morley and Walker 1987; Peter and Valkenburg 2006; Phillips and McQuarrie 2010; Wang and Calder 2006, 2009), we anticipate that the extent to which people are absorbed in the narrative ads will mediate the influence of the two analyzed covariates on brand attitude, and specifically on consumers' evaluation and behavioral intentions (Escalas 2007). Thus, the more the consumer is transported in the narrative ad, the higher its persuasion:

**H2:** Transportation will mediate the influence of fantastical thinking and realism on consumers' evaluation and willingness to buy the products.

According to the flow theory (Csikszentmihalyi 1990, 1997), by matching high level of challenges and skills individuals experience enjoyment, thus constituting the basis for the optimal experience. Thus, we propose that the level at which individuals appreciate the task in which they are engaged (i.e., task enjoyment) will mediate the impact of the predictors on transportation. Indeed, unrealistic narrative ads can be interpreted as higher challenge for individuals than more realistic and ordinary narrative ads, whereas high fantasizers might be regarded as having an additional skill that can be exploited. Specifically, enjoyment "happens only as a result of unusual investments of attention" (Csikszentmihalyi 1990, p. 46), and more specifically, the overall enjoyment of the process indicates the degree at which they appreciate the activity and had good time, by experiencing fun (Dahl and Moreau 2007). Thus, the higher in fantastically thinking a person is when being exposed to unrealistic narrative ads, the more s/he will appreciate the experience and enjoy the task. More formally we propose the third hypothesis,

H3: Enjoyment will mediate the influence of fantastical

thinking and realism on consumers' transportation of

narrative ads.

In the remaining of the paper, we report three between-subjects experimental studies

run to test our hypotheses. In Study 1, we measure the individual trait of fantasy

proneness for the key construct of the ability of fantastically thinking. Such a variable

has been long exploited in psychological research (Wolley 1997; Keinan 1994; Lynn

and Rhue 1988) operationalized by the CEQ scale Merkelbach 2001). If people

high/low in fantasy proneness can be regarded as fantasizers by nature, they

represent only 4% of population (Lynn and Rhue 1989). Thus, fantasy proneness

only partially covers the fantastical thinking construct, since the latter does not

assume people being by nature fantasizers. Thanks to a specific pre-test, in Study 2

and 3 we make participants engage into fantastical thinking so that people might be

induced to use such process, via a psychoanalytical exercize.

With fantastical thinking representing the first factor in our experiments, the second

one is the level of realism. With regard to the latter, in Study 1 and 2 we use two

different movie trailers to operationalize it for which we use a manipulation check,

then in order to control for any other potential external factor, in Study 3 we

manipulate the same movie trailer so that the degree of perceived realism changes

according to the condition.

STUDY 1

The purpose of Study 1 was to examine the effects of individual fantastical thinking

and realism of the stimuli on transportation (hypothesis 1), with the latter mediating

the influence of the two covariates on evaluation and willingness to watch the movies

(hypothesis 2). Study 1 measures fantasy proneness and exposes participants to two

conditions that are different in realism (i.e., realistic trailer vs. unrealistic trailer).

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**Subjects and Design** 

Subjects were 110 students (60 men, age M = 22.14, SD = 2.624) of an international business school, who participated in the study in return of course credits. The design of Study 1 was 2 (realism: realistic vs. unrealistic) X 2 (fantasy proneness: low vs. high) between-subjects experimental design. The participant's level of fantasy

proneness was a measured variable, while realism of the stimuli was manipulated.

**Procedure** 

The entire experiment was administered by using personal computer in the business school laboratory. Upon arrival, participants were seated in front of a computer and told to follow the instructions that would appear on the screen. Immediately after, all participants answered questions about the two movies they were about to see (e.g. "Do you know the movie?" "Have you ever watched the movie?"). These two dummy questions helped to eliminate those participants that might have seen the movies already and yet have a prior attitude toward them.

Then, participants were randomly assigned to the two conditions different in the degree of realism of the stimuli. In both conditions (realistic and unrealistic narrative ad) they were asked to read the synopsis of the movie for which the specific cinematic trailer was then presented.

Afterwards, participants completed a questionnaire that included measures of both the independent and dependent variables. They were first asked to complete the 12 items of Transportation Scale (Green and Brock 2000). Since the original scale was designed for written narratives, we adapted the items to suite for advertisements. Furthermore, since 4 of the 15 original items are narrative specific and since in the cinematic trailer only the main character is prominent for consumers – being the presence of others on the screen much limited – we only used 1 trailer specific item. Then, the dependent measures related to brand attitude were gathered by using both the evaluation rating and the likelihood to watch the movie, as commonly done by consumers to rate movies online (IMDb.com). Thus, participants indicated their evaluation of the motion picture on 10-point scale (terrible/excellent) and their

willingness to watch the movie in future on a 7-point scale (not at all/extremely). Participants then completed the measure of perceived realism, slightly adapted from Schrum, Wyer and O'Guinn (1998) to suite the narrative ads employed in the studies. Thus, participants indicated on a 5-item 7-point scale the extent to which they believed that the trailer showed life as really is, presented things as they really are in life, showed things that are really that way, showed how other people live and presented what really happens in other places (not at all/extremely). Then, participants filled in the Creative Experience Questionnaire (CEQ- Merkelbach et al 2001) that measures fantasy proneness by using twenty-five items addressing several actions and thought commonly related to fantasy (e.g." As a child, I thought that the dolls, teddy bears, and stuffed animals that I played with were living creatures"; "Many of my fantasies have a realistic intensity". Finally, they reported their age, gender and nationality.

#### Stimuli

To select the two conditions different in the degree of realism, we conducted a pretest on 214 subjects (130 men, age M = 24.45, SD = 3.321). The pretest aimed at identifying a pair of motion pictures able to satisfy a few requirements, so that the two trailers are: (a) different in consumers' perception of realism in order to operationalize the two conditions; (b) of high quality as requested by the transportation theory; (c) being released close to each other, in order to control for any potential confounding effect of the technological evolution thus, improving their comparability; (d) not very popular in order to reduce the risk of engaging participants who have already watched them previously, thus reducing any risk of prior attitudes.

Thirty-one motion pictures were pre-selected to satisfy the above criteria. The degree of realism was controlled in two steps. First, we used the genres as reported on the Internet Movie Database (<a href="http://www.IMDb.com">http://www.IMDb.com</a>) as proxy for the degree of realism, so that fantasy was considered proxy for unrealistic motion pictures, while biography and history were considered proxy for realistic motion pictures. Second, we watched the cinematic trailers in order to ensure that the proposed realistic/unrealistic trailers

were high/low in the degree of realism of a few elements – dialogue, setting, people, events and situations portrayed - as indicated by Elliott, Rudd and Good (1983) and adopted by Green (2004). Then, to control for quality, we adopted the average reviewer scores posted on the Web site of Rotten **Tomatoes** http://www.rottentomatoes.com as commonly done in the stream of research on motion pictures industry (Holbrook 1999). The release dates and popularity were gathered again from IMDb.com, so that all movies pre-selected were out in theaters between 1987 ("The Witches of Eastwick") and 2008 ("Ghost town" and "Milk") with US box office ranging from \$11ml (low popularity) to \$83ml (high popularity). The resulting list included 15 realistic and 16 unrealistic movies, potentially comparable. An online survey conducted on students asked participants to state whether they knew and previously watched each movie, as well as the extent to which they perceived each of them as being realistic and fantasy (on two-item 7-point scales where 1= not at all and 7= extremely). The fifteen proposed motion pictures for the realistic condition were rated on average 4.25 on the realism dimension and 1.60 on the fantasy dimension, while the sixteen motion pictures belonging to the unrealistic condition registered on average 1.79 on the realism dimension and 4.39 on the fantasy dimension. By putting together all the pieces of information on each movies, for the unrealistic condition Tim Burton's Corpse Bride (2005) was chosen absolutely a fantasy story with fantasy characters enhanced also by the animated features, that registered average scores of 4.62 on the perceived fantasy and 1.60 on the perceived realistic dimensions and 7.2 as the experts' evaluation; for the realistic condition we opted for Capote (2005) - a movie based on a true story, with specific and detailed actors' motives, events sequence, and physical, social and temporal dimensions, which registered average scores of 4.25 on the realistic dimension and 1.26 on the fantasy dimension and 8.2 on the experts' evaluation. Thus, participants in the realistic condition read the synopsis of the movie Capote (2005) gathered from the DVD looked at the image of the poster, and then saw the cinematic trailer (60seconds). Participants in the unrealistic condition followed the same procedure and watched the *Tim Burton's Corpse Bride* (2005) cinematic trailer (66 seconds).

These two stimuli were used in a first pretest aimed at conforming that transportation can be triggered also by narrative ads, and that realistic ad transports individuals better than unrealistic ad. An independent sample of 55 participants (23 men M=22.35 SD= 2.745) took part in a between-subjects experimental design with one factor (i.e., realistic vs. unrealistic narrative ad), in an effort to replicate Green and Brock (2000) findings regarding written narratives. The results were consisted with previous findings from Green and Brock (2000). A one-way ANOVA of realism of the stimulus on transportation yielded a significant main effect (F(1, 53) = 11.428 p < 11.05), with participants in the realistic condition are more transported ( $M_{TP}^{R} = 53.78$ , SD = 7.27) than participants in the unrealistic condition ( $M_{TP}^{U} = 45.73$ , SD = 10.38). In addition, as Green and Brock (2000) found for written narratives, transportation triggers positive evaluation toward the stimulus. By regressing both movie evaluation (R-squared = .526, F(1, 53) = 58.786, p < .001) and willingness to watch the movie (R-squared = .461, F(1, 53) = 45.316, p < .001) on transportation, we found that both the impact of transportation on rating ( $\beta = .725$ , t = 11.850, p < .001) and on willingness to watch the film ( $\beta$  = .679, t = 8.579, p < .001) are positive and significant.

#### Results

Participants' ratings on the transportation scale were summed to form a unitary measure of transportation ( $\alpha$  = .750), as suggested by Green and Brock (2000). Similarly, the 25 items measuring fantasy proneness were highly correlated and showed a highly satisfactory level of Cronbach's alpha ( $\alpha$ =.858), we followed Merkelback (2001) by averaging these items to form fantasy proneness scores. In order to control for any previous prejudice, seven participants who had already seen the movie at the time of the study were eliminated from the sample, resulting in a final sample of 103 subjects.

Manipulation check

To confirm the realism manipulation, the two items related to the participants'

perceptions of fantasy and realism adopted in the pre-test were here employed as

manipulation check. Findings confirm that the two conditions have been perceived as

different with the realistic condition being perceived on average more realistic

 $(M_{\text{Perceived Realism}}^{\text{R}} = 6.67 \text{ SD} = 2.234; M_{\text{Perceived Realism}}^{\text{U}} = 2.67, \text{ SD} = 1.729; F(1, 102) =$ 

163.977, p < .000) and less fantasy ( $M_{Perceived\ Fantasy}^R = 3.23$ , SD = 1.892;  $M_{Perceived\ Fantasy}^R = 3.23$ 

 $_{\text{Fantasv}}^{\text{U}} = 6.11 \text{ SD} = 1.64 F(1, 102) = 17.295, p = .000)$  than the unrealistic condition.

Transportation

We predicted that for people in a low fantasy proneness condition should be

transported more in the realistic narrative ad condition than in the unrealistic narrative

ad condition, and that such a difference would become not significant for people in a

high fantasy proneness condition (H1). To test our first hypothesis, we followed the

Aiken and West (1991) and Irwin and McClelland (2001) procedure (see also

Fitsimons 2008), by regressing transportation on the realism of the stimuli (i.e. a

dummy variable for whether the narrative ad was realistic or unrealistic), fantasy

proneness index and their interaction. The results are presented in Figure 1.

Please insert Figure 1 about here

There was an interaction between the realism of the stimuli and fantasy proneness ( $\beta$ 

= -.332, t = -2.678 p < .1). In order to clarify the nature of this interaction, we

performed a spotlight analysis at 1SD below and 1SD above the mean of fantasy

proneness. At 1SD below the mean of fantasy proneness (i.e. low fantasy)

participants were more transported with the realistic movie ( $\beta$  = .290, t = 1.883 p <

.1); at 1SD above the mean (i.e. high fantasy) participants who saw the realistic

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movie were transported as much as those who saw the fantasy movie ( $\beta = .492$ , t =

2.203, p < .05).

Mediation analyses

To test also H2 - the prediction that transportation mediates the influence of

fantastical thinking and realism on consumers' evaluation and willingness to watch

the movie – we conducted two mediation analyses – one on consumers' evaluation

and one on consumers' intentions - through a bootstrapping approach that does not

assume multivariate normality of the sampling distribution of total and specific indirect

effects. Thus, such a process simultaneously increases power and maintains

reasonable control over the Type I error rate (Preacher and Hayes 2008).

Bootstrapping is a nonparametric re-sampling technique that empirically generates

an approximation of the sampling distribution. The procedure yields point estimates

and percentile confidence intervals for indirect and total effects. Applying the

procedure to our analysis, following Model 5 of Preacher and Hayes (2008) to test

moderated mediation and considering as a dependent variable the evaluation of the

narrative ad, we found that the total indirect effects are positive and significant both

for the unrealistic condition ( $\beta$ =.4556 SD=.1272 p=.0001 CI (95%): .2328-.6962) and

for the realistic one ( $\beta$ =.3648 SD= .1129 p=.0012 CI (95%): .1477- .5937).

Similarly, considering the effect on willingness to buy the product as dependent

variable, we found that the total indirect effects are positive and significant both for

the unrealistic narrative ad condition ( $\beta$ =.5613 SD=.1415 p=.0001 CI (95%): .3014-

.8548) and for the realistic one ( $\beta$ =.4153 SD=.1382 p=.0026 CI (95%): .1569-.7045)

These results support H2.

**Discussion** 

Study 1 demonstrated that the impact of realism of the narrative ad on transportation

was moderated by consumers' fantasy proneness. We found that both realistic and

unrealistic narrative ad enhanced the extent to which participants were transported

when they were in high fantasy, so that high fantasy proneness individuals exhibit a

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high level of transportation independently on the realism condition. In contrast,

people in a low fantasy proneness condition exhibit a greater level of transportation

for realistic narrative ad than for unrealistic ones. Thus our first hypothesis is

confirmed, as well as the second hypothesis that predicted that transportation

triggered the persuasion of the narrative ad.

Although these results confirmed our hypotheses, since fantasy proneness is a

measured variable, the generalizability of the results might be somewhat limited.

Learning how to manipulate fantasy is indeed relevant both from consumer research

and methodological points of view. Finding a way to induce consumers to use their

fantastical thinking might generate higher levels of transportation and thus

persuasion of the narrative ads. Hence, this issue is worthwhile of further

investigation, as done in Study 2.

STUDY 2

Study 2 aims at providing further and stronger support for H1 and H2. Specifically, it

replicates findings from Study 1 but instead of measuring it directly manipulates

individuals' fantastical thinking. Thus, it tests whether individuals' fantastical thinking

might be activated and it investigates the discriminant and criterion validity of the

construct. As in Study 1, we again use two different trailers - Capote and Tim

Burton's Corpse Bride – as realistic and unrealistic narrative ads conditions.

Subjects and Design

Subjects were 67 undergraduate students (21 men, age M=22.36, SD=1.46) of an

international business school, who completed the study in return of course credits.

Study 2 was a 2 (narrative ad condition: realistic vs. unrealistic) x 2 (fantastical

thinking condition: high state vs. low state) between-subjects design. Both the

narrative ad conditions and the fantastical thinking conditions were manipulated.

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**Procedure** 

The procedure of Study 2 is similar to Study 1, with the only exception that fantastical

thinking is manipulated and not measured.

Stimuli

As done in Study 1, we employed Tim Burton's Corpse Bride and Capote as realistic

and unrealistic narrative ads. Differently from Study 1, the two fantastical thinking

conditions (i.e., high vs. low) were manipulated by inducing individuals to use their

fantasy by thinking, processing information, and behaving like they were imaginative

individuals.

A pre-test was conducted on 53 students from an international business school (13

men, age M=24.57 and SD=2.27) in order to design and test the two fantastical

thinking manipulations. The participants completed the study in groups of 10 in the

lab in return of course credits. They were randomly assigned to one of the three

conditions that were developed and tested: one for the low fantastical thinking state,

and two alternatives for the high fantastical thinking state.

The low fantastical thinking state trained participants on computing and decomposing

a company's market share, and asked them to apply these instructions in a rational,

logical and rigorous exercise for a television brand. In this task, no use of fantasy is

requested or recommended. Indeed, participants in this condition were also told that

they should strictly follow the instructions provided without fantasizing, which

threatens their personal and professional success and performance, so that

constraining fantasy is needed to reach ones' goal. Thus, fantasy should be inhibited

in participants in the low fantastical thinking condition.

With regard to the high fantastical thinking condition, we developed two alternatives,

both based on training to activate an imaginative behavior for participants as

suggested by Faber et al (1983) and consistently with the Guided Affective Imagery

(Leuner 1969), as the way to induce waking fantasies especially when individuals are

unable to freely create a sequence of pictorial associations. In both cases,

consistently with the relevant role of reward when imagining (Eisenberg, Armeli and

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Pretz 1998) and of the personal dimension when transporting into a narrative (Green and Brock 2000), participants were invited and encouraged to use their fantasy, being told that fantasy is an excellent ability to achieve personal and professional success. Specifically, the first alternative – the basic one – proposed a relaxing 8-minutes video and then the detailed explanation of the Autogenic Training techniques (Faber et al. 1983) – i.e., imagining subsequently a meadow, to climb a mountain and its landscape, and finally to follow a brook coming or going to the ocean – in a calm and relaxing environment purposely created (a sound attenuated, darkened, temperature-regulated laboratory). Then, participants were asked to apply these techniques by visualizing the three relaxing-fantasy images in their mind and then describing these images on the provided space.

The second alternative – the complete one – in a similar relaxing environment, trained participants not only with the autogenic techniques (as in the basic condition), but also with the symboidraniatic method (Leuner 1969). The latter is commonly adopted in psychoanalysis both for evoking and interpreting imagery, and it proposes six techniques for the guided imagery – namely, (1) the inner psychic pacemaker image, (2) the confrontation image, (3) the feeding image, (4) the reconciliation image, (5) the exhausting and killing image, and finally (6) the magic fluids image –. Further, participants were asked to visualize without writing the autogenic training techniques and to concretely apply the six symboidraniatic techniques by visualizing and writing down the description of the images and the emotions evoked. Finally, as the ending part of the manipulation, participants were asked to focus and concentrate for 1 minute on the specific technique they employed, as a particular reinforcement suggested by Scott et al. (2004).

The creative experience questionnaire (Merkelbach et al 2001) already used in Study 1 served as manipulation check for all of the three treatments. The fantasy proneness scale showed a highly satisfactory Cronbach's alpha ( $\alpha$  = .886), so that these items were averaged to form a unitary fantasy proneness score.

A one-way ANOVA of fantasy manipulation (low fantastical thinking condition vs. basic high fantastical thinking condition vs. complete high fantastical thinking condition) was performed on fantasy proneness scores. A significant main effect of fantasy manipulation was found (F(1, 50) = 34.08, p < .001), with participants in the low fantastical thinking condition showing the lowest level of fantasy proneness ( $M_{FP}^{LFT} = 2.80$ , SD = .715), as desired.

A subsequent contrast analysis between the two alternatives for high fantastical thinking (F(1, 50) = 7.415, p < .01 revealed that participants in the complete high fantastical thinking condition showed greater level of fantasy activation ( $M_{FP}^{CHFT} = 4.68$ , SD = .506) than participants in the basic high fantastical thinking condition ( $M_{FP}^{BHFT} = 4.06$ , SD = .834).

Even if a complete assessment of the validity of the fantastical thinking manipulation is not the intention of this research, we assessed the criterion and discriminant validity of the fantastical thinking manipulation described above, to provide stronger evidence for its effect on persuasion. Thus, we conducted another specific pre-test on a completely new sample of 66 students from the same pool of the other studies (26 men, age M = 21.68 and SD = 1.427).

We looked at the fantasy proneness correlations with several other constructs by fantastical thinking manipulation. Specifically, to assess criterion validity we referred to nostalgia proneness scale (Holbrook 1993). Then, for discriminant validity we investigated intercorrelations with three constructs: creativity (Guilford 1965, Batey 2010), arousal (Holbrook 1983), and mental imagery (Holbrook and Hirschman 1982). The relationship of fantastical thinking with creativity needed further investigation since if on the one hand, creativity could be regarded as the application of fantastical thinking to solve complex problems, on the other hand there is no reason to limit fantastical thinking in contexts in which individuals are under stress, as creativity proposes.

Similarly, fantastical thinking could be confused with arousal because both elicit emotions and activate a sense of alertness in consumers (Holbrook et al 1985). Thus, we included a measure of arousal measured as in (Holbrook 1983.). Finally,

mental imagery represents a useful concept in consumer research (MacInnis 1987),

and it has been explored with particular regard to its processing style and abilities

dimensions. Thus, we included the visual versus verbal imagery processing style

scale (Childers et al 1985). Further, we also included two well-known imagery

abilities, which are vividness (Shenan 1967) that and imagery control (Gordon 1949),

which is known to be related to several mental tasks (Morelli and Lang 1971).

Data have been analyzed with regard to the two examined fantastical thinking

conditions, separately. Results are shown in Table 2.

Please insert Table 1 about here

Results indicate that in terms of criterion validity, the high fantasy activation (low

fantasy) is significantly (not) related to nostalgia proneness (.581\*\*).

As expected, individuals who performed the low fantasy activation (high fantasy)

exhibited a negative significant (non significant) intercorrelations with the visual

processing dimension (-.559\*\*) of the imagery processing style scale (Childers et al

1985), supporting its discriminant validity. Similarly, marginally significant

intercorrelations are found for low fantasy manipulation with the verbal processing

dimension (.508\*) of the imagery processing style scale and negatively with Arousal

(-.418\*) (Holbrook et al 1985). No significant intercorrelations were found for

vividness and imagery control for both conditions (i.e. high vs low fantasy).

Both low and high fantasy activation are not correlated with the creativity measure

(Gough 1979), -.009 and .385, respectively.

Based on these findings, for Study 2 and 3 we employed the low fantastical thinking

and the complete high fantastical thinking – from now on indicated just as the high

fantastical thinking – conditions.

### Results

As in previous studies, the fantasy proneness scale described above resulted in highly satisfactory Cronbach's alpha ( $\alpha = .846$ ) thus leading to one single score derived from averaging all the 25 items of the scale.

Similarly, the transportation scale showed good internal validity ( $\alpha = .782$ ), so that its 12 items were summed to form a single transportation score.

# Manipulation check

As previously done, the fantasy proneness scores served as the manipulation check for the fantastical thinking manipulation. As expected, we confirmed the results of our pretests as the two fantastical thinking condition were related to significantly different levels of fantasy proneness score ( $M_{\text{FP}}^{\text{LFT}} = 3.10$ , SD = .668;  $M_{\text{FP}}^{\text{HFT}} = 4.63$  SD =.697; F(1, 66) = 83.933, p < .000).

To check for the manipulation of the level of realism of the narrative ad, the questions related to the extent at which the narrative ad was realistic and fantasy were employed. Both measures confirmed that the two narrative ads have been perceived accordingly to our manipulation intention: Capote was perceived as more realistic  $(M_{\text{Perceived Realism}}^{R} = 5.18, SD = 1.27; M_{\text{Perceived Realism}}^{U} = 2.76, SD = 1.645 F(1, 66)$ =53.685, p < .000) and less fantasy ( $M_{Perceived\ Fantasy}^R$  =3.02, SD = 1.304;  $M_{Perceived\ Fantasy}^R$  $F_{\text{Eantass}}^{\text{U}} = 5.58$ , SD = 1.331; F(1, 66) = 75.7 p < .000) than *Tim Burton's Corpse Bride*.

# **Transportation**

Having successfully checked the two manipulations, a 2 (realism) X 2 (fantastical thinking) between-subjects ANOVA conducted on participants' level of transportation yielded the expected significant interaction (F(1, 63) = 4.671, p < .05) with both main effects for realism of the stimuli (F(1, 63) = 4.357 p < .05) and for fantastical thinking (manipulated) (F(1, 63) = 19.845 p < .001) significant (Figure 2).

Please insert Figure 2 about here

Subsequent contrast analysis revealed the predicted pattern of results (Table 3).

Please insert Table 2 about here

In the low fantastical thinking condition, the realistic narrative ad transported more  $(M_{TP}^{R} = 47.29 \text{ SD} = 9.25)$  than the unrealistic one  $(M_{TP}^{U} = 36.94 \text{ SD} = 6.95; F(1, 63) =$ 13.595 p < .001). In the high fantastical thinking condition, the unrealistic narrative ad transported as much as  $(M_{TP}^{U} = 53.062 \text{ SD} = 12.15)$  the realistic one  $(M_{TP}^{R} = 52.88)$ SD = 10.89) being the difference not significant (F(1, 63) = <1 p=, NS).

### Mediation analyses

In order to assess the relationship between fantastical thinking, realism of the narrative ad, transportation, evaluation and willingness to watch the movie two mediation analyses were conducted.

A moderated mediation analysis was conducted as suggested by Preacher and Hayes (2008). Applying the procedure to our case and considering as a dependent variable the evaluation of the narrative ad, we found that the total indirect effects are positive and significant for the unrealistic condition ( $\beta$ =.1.703 SD=.6061 p=.005 CI (95%): .698-3.112) and marginally significant for the realistic one ( $\beta$ =.3643 SD= .2485 p=.142 CI (95%): .021- 1.076).

Similarly, considering the effect on willingness to buy the product, we found that the total indirect effects are positive and significant for the unrealistic narrative ad condition ( $\beta$ =.1.215 SD=.5336 p=.0227 CI (95%): .1498-2.366) and marginally significant for the realistic one ( $\beta$ =.3324 SD=.2696 p=.2177 CI (95%): .0281-1.324).

#### **Discussion**

Results from Study 2 replicate findings from Study 1, when fantastical thinking was measured and not manipulated. They show that enhancing the effect of unrealistic stimulus, relative to realistic one, on transportation, differs according to the level of fantastical thinking. Both realistic and unrealistic stimulus enhanced the extent to which participants were transported when they were in high fantastical thinking condition. Indeed, Study 2 showed that individual fantastical thinking can be activated in consumers' minds: When appositely trained, individuals exert greater fantasy as scores on the CEQ (Merkelbach et al 2001) show. Further, manipulating fantastical thinking does not activate any of the investigated similar and potentially confounding concepts such as creativity and style of imagery processing, but, as expected, it correlates with nostalgia proneness scores (Holbrook 1993).

Moreover, results of Study 2 show that fantasy, through transportation, has an effect on consumers' attitude and behavioral intentions. When in a high fantastical thinking state, individuals –independently on the level of realism of the narrative ad – get more transported, and via a higher level of absorption, they develop more favorable attitude and intention to buy. The positive and direct impact of transportation on behavioral intentions is a new finding of this Study, thus extending previous knowledge that limited the effect of transportation only on attitude.

These findings are still affected by two limitations, which will be addressed in Study 3. First, they do not shed light on the potential intervening variables that might explain why individuals in a high fantastical thinking state are as transported with unrealistic narrative ad as with realistic, contrary to what is typically assumed in transportation literature (Green and Brock 2000). Thus, Study 2 does not explain why consumers might be transported even with unrealistic narrative ads, showing an increased attitude and behavioral intention. Second, Study 2 still employs two different narrative ads (*Capote* vs. *Tim Burton's Corpse Bride*) that even if the manipulation check and the pretest conducted indicated to be perceived as more/less realistic and less/more fantasy, they might carry over different attitudes from

customers related to other potential differences between the two trailers. Thus, the results might be biased even if in every study participants were randomly assigned to conditions and the ones who had already seen the movies were eliminated. Study 3 was designed to surpass Study 2 in validity.

# STUDY 3

The final study has two main objectives. First, instead of using two different narrative ads as a proxy for realism of the stimuli, we employ only one trailer of which we manipulate the level of realism so that participants are induced to believe that the narrative ad is/is not realistic. Second, it investigates the underlying mechanism the generation of transportation. According to previous research for which fantasy elicits feelings and fun (Holbrook and Hirschman 1982), in the third hypothesis we proposed that transportation results from the individuals' enjoyment during the process in which they are involved, independently on the level of the stimulus realism. Specifically, we expect that individuals in the high fantastical thinking state will enjoy more the experience in which they are engaged independently on the level of the realism of the stimuli. On the contrary, individuals in the low fantastical thinking state are more driven by the realism of the stimuli, so that they enjoy more the experience when the narrative ad is realistic than when it is unrealistic. Thus, enjoyment of the experience could explain the higher level of transportation, attitude and behavioral intention when consumers are in the high fantastical thinking condition.

## **Subjects and Design**

Ninety-five students from an international business school participated in the study for partial course credit. Study 3 was again a 2 (realism condition: realistic vs. unrealistic) x 2 (fantastical thinking condition: high vs. low) between-subjects design. Differently from previous studies, only one narrative ad was employed: It was described differently according to the condition (realistic vs. unrealistic), thus ensuring a high level of internal consistency for Study 3.

#### **Procedure**

Since Study 3 aims at replicating Study 2 manipulating the level of the realism of the narrative ad employing only one trailer, the procedure is similar to Study 2. Thus participants were invited into the lab to participate in a study evaluating movie preferences and judgment formation. Two main differences refer to Study 3 as compared to Study 2. First, the stimuli used for assessing the impact of the realism changed so that Study 3 now employs only one trailer, which has been described as being very high/low in realism. Second, to capture data related to the enjoyment of the experience, at the end of the study, before greeting the particapants, they were administered with the enjoyment in the task scale, which is made by 7-point 6-item (Dhal and Moreau 2007).

#### Stimuli

To comply with the realism manipulation, in which the same narrative ad is described by emphasizing its realistic or unrealistic aspects, we conducted a pretest aiming at identifying an ambiguous narrative ad, which could be easily and successfully manipulated according to our intentions.

Thus, one hundred eighty students (79 Men, age mean = 23.45, SD =3.897) from the same international business school participated in a online survey (administered on <a href="https://www.qualtrics.com">www.qualtrics.com</a>) devoted to identify an ambiguous narrative cinematic ad, and to test our manipulation of its realism. Based on the requirements of the narrative ads already adopted in Study 1 (i.e., high experts' judgment to ensure high quality; little box office performance to limit the risk of too many previous viewers ), we preselected four trailers – Capote (2005), La Vie en Rose (2007), Sliding Doors (1998), Charlie Wilson's War (2007) – that could be easily manipulated in their level of realism, since all of them are based on some real-life events that are portrayed in a way that could be easily interpreted as unrealistic. Thus, the four narrative ads were manipulated in their level of realism via their synopsis and a critic's review: in the realistic condition, the real-life details regarding actors, event sequence and the physical, social, and temporal settings (Padgett and Allen 1997) were identified and

emphasized so that each motion picture is described as a real story; in the unrealistic

condition, any fantasy and unrealistic detail related to those five dimensions of the

narrative ad was stressed so that subjects were induced to perceive the narrative as

being far from ordinary and real life situations. Our manipulation proposes that after

reading the synopsis and the critic's review, participants would be exposed to the

trailer.

Participants were exposed to only one of the eight trailer (4 narrative ads X 2 realism

conditions), and then asked the extent at which the trailer they just saw was realistic

or fantasy on a 7-point scale. Those two questions present the manipulation check

used in the previous studies, and here purposely served to test for the credibility of

our manipulation. Then, participants were also asked to evaluate the extent at which

the trailer saw was credible, by answering the 3-item 7-points credibility scale. Then,

age, gender, whether they already knew and saw the motion picture were captured

as possible control variables.

Results show that Capote scores high both in terms of perceived realism (Mr= 3.36

Mf= 2.76) when the realistic description was presented and in terms of fantasy (Mr=

3.46; Mf= 4.5) when a more imaginative synopsis was provided to participants.

Based on these findings, Capote was chosen as the motion pictures of which the

narrative ad would have been used as stimuli in Study 3.

Results

As in previous studies, the fantasy proneness scale described above resulted in

highly satisfactory Cronbach's alpha ( $\alpha$  = .900) thus leading to one single score

derived from averaging all the 25 items of the scale.

Similarly, the transportation scale showed good internal validity ( $\alpha = .799$ ), so that its

12 items were summed to form a single transportation score.

Manipulation check

As previously done, the fantasy proneness scores served as the manipulation check

for the fantastical thinking manipulation. As expected, we confirmed the results of our

pretests as the two fantastical thinking condition were related to significantly different

levels of fantasy proneness score ( $M_{\text{FP}}^{\text{LFT}} = 2.87$ , SD = .767  $M_{\text{FP}}^{\text{HFT}} = 4.2$  SD = .852;

F(1, 94) = 62.07, p < .000.

To check for the manipulation of the level of realism of the narrative ad, the questions

related to the extent at which the narrative ad was realistic and fantasy were

employed. Both measures confirmed that the two narrative ads have been perceived

accordingly to our manipulation intention: Capote was perceived as more realistic

 $(M_{\text{Perceived Realism}}^{R} = 4.79, SD = 1.474; M_{\text{Perceived Realism}}^{U} = 3.73, SD = 1.539 F(1, 94)$ 

=14.111, p < .000) and less fantasy ( $M_{Perceived\ Fantasy}^R$  =2.96, SD = 1.109;  $M_{Perceived}$ 

 $F_{\text{Eantasy}}^{\text{U}} = 4.45$ , SD = 1.799; F(1, 94) = 27.118 p < .000) than Tim Burton's Corpse

Bride.

Transportation

As previously done, a two-way ANOVA was conducted on participants transportation

yielded the expected interaction (F(1, 91) = 4.091, p < .05; see table 3 for means),

and both main effects for realism of the stimuli (F(1, 91) = 4.306 p < .05) and for

fantastical thinking manipulation (F(1, 91) = 23.874 p < .001) were significant (Figure

3).

Please insert Figure 3 about here

Subsequent contrast analysis revealed the predicted pattern of results (Table 4).

\_\_\_\_\_

Please insert Table 3 about here

Consistent with hypothesis H1a, individuals in the low fantastical thinking state

transported more with a narrative ad when it was realistic as compared to when it

was unrealistic (F(1, 91) = 5.770 p < .05. In contrast and as proposed by H1b, when

individuals were in the high fantastical thinking condition, the difference in

transportation between the realistic and the unrealistic narrative ad was found to be

not significant (F(1, 91) = < 1p = .NS)

Mediation analyses

In order to assess the relationship between fantasy, realism of the stimulus,

enjoyment and transportation as in the previous studies, a moderated mediation

analysis was conducted. Applying the procedure to our case and considering as a

dependent variable the transportation index created for the ANOVA analysis, we

found that the total indirect effect is positive and significant for the unrealistic

condition ( $\beta$ =5.1624 SD=2.166 p=.017 CI (95%): 1.509-10.001) and marginally

significant for the realistic one ( $\beta$ =3.67 SD= 2.369 p=.121 CI (95%): .1440- 9.11).

These results confirm that enjoyment mediates the relationship between fantastical

thinking, realism of the stimulus and transportation.

**GENERAL DISCUSSION** 

The present study contributes to the debate about transportation, its antecedents and

its consequences. As a matter of fact the general accepted theory argues that the

ability of a narrative to transport an individual into the depicted world depends on its

realism, thus recognizing transportation as an antecedent of attitude and beliefs

change (Green and Brock 2000; Green 2004).

Tackling this issue our work provides five relevant contributions. First, we extend the

result provided by Green and Brock (2000) and Wang and Calder (2006) to another

category of hedonic product - movies - striving for a generalization of the

transportation effect, showing that realistic motion pictures are better able to

generate viewer's transportation than fantastic movies. Secondly, previous studies

are also replicated with regard to the consequences of transportation, since we find that the attitude towards the film and the willingness to watch it are both affected by the level of transportation experienced by viewers.

Thirdly, we contribute to the actual knowledge showing the effect on the previously mentioned relationship of fantastical thinking. Consumers in a high fantastical thinking condition are able to experience higher level of transportation when primed with both a realistic or a unrealistic stimulus. Indeed, our study demonstrates that fantastical thinking positively moderates the relationship between the level of realism of the stimuli and transportation. Unrealistic narrative ads, which are associated with low transportation level for individuals in a low fantastical thinking condition, show a great improvement in their transportation ability in case of individuals in a high fantastical thinking condition. From a managerial perspective, such a result is interesting in the effort of finding new segmentation criteria, especially to drive consumers' reactions to advertising and brand attitude. The usefulness of this finding is increased when a successful manipulation of fantastical thinking is run, which is another contribution of this research. Indeed, we try to overcome limits linked to the measurement of the fantasy proneness concept.

The intervening role of fantastical thinking in the relationship between realism of the stimuli and transportation appear to be related to the boosting ability of the fantastical thinking process in terms of cognitive elaboration processes, as Proulx and Heine (2009) have recently demonstrated. When the individuals engage into fantastical thinking, their cognitive processes are enhanced, and they are better able to interpret any stimuli in the movies, being either fantasy- or reality-related. This explains why individuals in a high fantastical thinking condition enjoy more and increase their transportation level. So fantastical thinking triggers enjoyment which is a powerful antecedent of immersion in the world created by the stimulus. On the contrary, when this process is not activated, people's transportation rely only on the external stimuli with which they have been provided: if the latter are realistic, they experience the stimuli as being more familiar and then they can be better transported, but if the

stimuli is un realistic they do not even have the familiarity of the stimuli and so they are condemned to be transported at the lowest level.

Future research might examine the duration of the transportation effect, perhaps this effect might be extended to subsequent actions that individuals take after having being transported, exploring the long-lasting effects of transportation.

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Figure 1. Results of Study 1

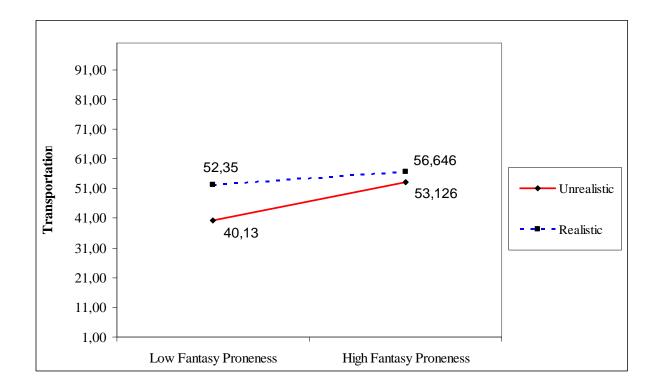


Figure 2. Results of Study 2

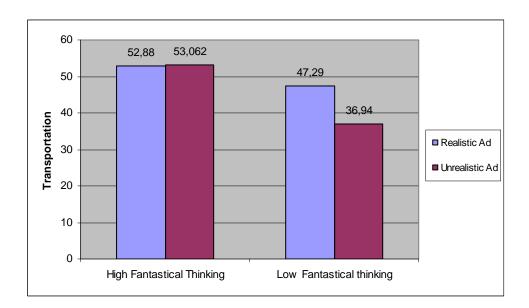


Figure 3. Results of Study 3

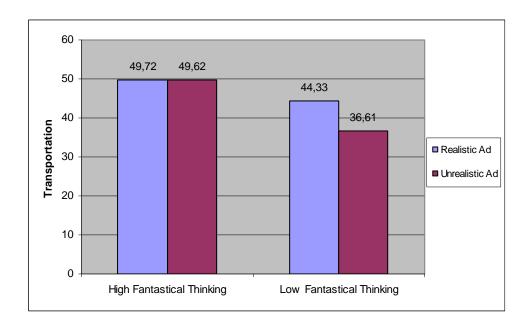


Table 1. Correlations among constructs for Study 2

	FP	NP	С	Α	VISOP	VESOP	VVIQ	VIC
Fantasy	1	.167	009	418*	559**	.508*	.191	.079
proneness (FP)								
Nostalgia	.479**	1	390	036	474*	.183	.429*	226
proneness (NP)								
Creativity (C)	.188	.102	1	.022	.221	.214	.126	.649**
Arousal (A)				1				
Mental Imagery:	249	249	234	.175	1	411	411	039
Visual								
Processing Style								
(VISOP)								
Mental Imagery:	.029	220	.196	.062	.010	1	.333	.155
Verbal								
Processing Style								
(VESOP)								
Mental imagery:	.518**	.155	.228	.188	240	112	1	.317
vividness (VVIQ)								
Mental imagery:	.209	.241	.224	339	099	.167	.451**	1
control (VIC)								

Note: Values above the diagonal refer to the low fantastical thinking condition; values below the diagonal refer to the high fantastical thinking condition.

<sup>\*:</sup> Statistical significance < .005

<sup>\*\*:</sup> Statistical significance < .01

Table 2. Treatment means and standard deviations for Study 2

	Low Fantastical	Thinking	High Fantastical Thinking		
	Realistic	Unrealistic	Realistic	Unrealistic	
	Capote	Capote	Capote	Capote	
Transportation	47.29. (9.25)	36.94 (6.95)	52.88 (10.89)	53.06 (12.15)	
Cell size	17	17	17	16	

Table 3. Treatment means and standard deviations for Study 3

	Low Fantastical	Thinking	High Fantastical Thinking		
	Realistic	Unrealistic	Realistic	Unrealistic	
	Capote	Capote	Capote	Capote	
Transportation	44.33 (11.01)	36.61 (9.75)	49.72 (6.70)	49.62 (9.17)	
Cell size	21	21	29	24	

# **ESSAY 2**

## Is co-production too complex? Not for those who fantasize

Customers' participation in production processes - commonly known as co-production - is nowadays regarded as the new frontier for competitive effectiveness even in mass markets. Indeed, often customers do not engage into these processes, which appear to be too complex. Such a perceived barrier prevents customers to start co-production processes, unless they are extremely involved. This paper proposes that leveraging on individual fantasy is the way to go: Individual fantasy acts a cognitive booster able to make customers perceive co-production as being trouble free. Two experimental studies show that: (1) when individuals are in a high fantasy condition they are more favorable towards co-production; (2) the fantasy effect on customer satisfaction will be stronger when customer are lowinvolved in the category product; (3) the individual fantasy acts as a cognitive booster by decreasing the perceived cognitive effort.

### Is co-production too complex? Not for those who fantasize

Managers and researchers have recently identified customer participation in production (co-

Truth is ever to be found in simplicity, and not in the multiplicity and confusion of things Isaac Newton

production) as the new frontier for competitive effectiveness even in mass markets (Chan et al 2010). Accepting the distinction proposed by Lusch and Vargo (2006) we define coproduction as a process in which customers participate in running the various activities performed in one or more of the production stages (Etgar, 2008). Thus, customers may cooperate with government bodies in providing education, maintaining clean environments and providing local security (Whitaker 1980). They may also cooperate with other customers, accessing their resources or co-working to create joint intellectual outputs. Co-production implies that customers customize both products and brand meanings. According to this perspective customers are not just passive receptacles of brand identities projected by marketers; they are active co-producers of brand meanings (Firat and Venkatesh 1993). Such customers-companies collaboration provides both parties with increased value: coproduced product generate an higher perception of quality and variety of the selection, due to a better perceived fit between customer expectation and preferences (Diehl and Gal 2002). Moreover, customers satisfaction increases (Franke et al 2010; Ouschan et al 2006) with individuals being nowadays finally able to specify their preferences (Randall et al 2007). Contributing in creating their own products makes customers also experience a feeling of psychological ownership toward the product they have created (Franke et al 2010), and it

Given that co-production seems a win-win option both for customers and companies, a lacking of customers' willingness to take part in co-production might be surprising and worth of further investigation (Etgar 2008). However, despite the acknowledged advantages offered

allows them to express their innate desire to be unique and original (Franke and Schereier

opportunities to customers given the relatively high "money on the table" (Franke et al 2009)

On the other hand, companies have incentive to offer increased participation

provided by higher willingness to pay (Franke et al 2010).

by co-production, some scholars (Bendapudi and Leone 2003; Hill 2003) point out that customers might fail to appreciate these products because of their inability and interest to fully understand their benefits. Indeed, big failures such as Levi Strauss's "Original Spin" jeans and Mattel's "My Design Barbie (Franke and Piller 2004) reveal that we need to know how customers relate to these processes.

Several causes have been previously identified in the marketing literature for the lacking of customers' interest: i) customers might not be expert enough (Mitchell and Dacin 1996) even though the online toolkits employed to allow customer participation extensively reduce the skills required to activate the process (Franke et al 2010); ii) customers are not involved enough in the product category (Franke, Keinz, and Stager 2009); iii) they even might be not able to express their preferences due to a lacking of properly representing their expectations derived from not stable and explicit criteria for judging the products (Franke and Piller 2004; Kramer 2007); iv) finally, they simply are not interested in having unique products because they do not aim at being perceived as unique which represents the main antecedent for coproduction participation (Bloch 1995; Fiore et al. 2004; Lynn and Harris 2006; Michel et al. 2006; Tian et al. 2001). Recently, another potential obstacle to customers' participation has been identified, namely the relative cognitive effort needed to activate, start and finish any co-production process (Franke et al 2010). Such a resistance to participate refers not to the output of co-production, but to the process itself, which might be perceived of not interest to customers. The interfaces provided by companies to allow for customers' participation and interaction in co-production - commonly known also as toolkits - provide customers with a broad range of possible choices and alternatives that customers have to evaluate carefully in order to exploit and express their abilities and preferences (Pralahad and Ramaswamy 2004): As a result, customers have to invest relevant cognitive abilities and great efforts to deal with such a complexity. If customers become frustrated or dissatisfied with the difficulties inherent to the co-production processes, they might not be interested in it, even if co-production might generate products with higher performances (Lusch et al 1992), thus not generating the aspired companies' competitive advantage.

Thus, if co-production asks customers to invest a great amount of cognitive resources, companies willing to attract and engage them in co-production activities, have to decrease the perceived level of difficulties of such a process. The key to customer satisfaction with the

entire interaction is to ensure that the customer is properly equipped to handle the variety (Huffman and Khan 1998).

Customers will show a higher level of interest in the process if the latter is perceived simple to interact with and they are able to experience a greater sense of control. Specifically, individuals will value the control afforded by co-production option thus evaluating customized product highly(Godek, Yates, and Yoon, 2001).

However, co-production processes are by definition complex and require the active participation of the customers. In a situation featuring a process that cannot be manipulated too much, the only strategy companies can pursue is to leverage on empowered customers' capabilities so that their perception of difficulty will be decreased. In other words, even if the process will be far from simplicity, an empowered set of individual resources will help customers to afford it, making it perceived as simpler, requiring a decreased level of effort. Indeed, the role of individual and subjective characteristics in product evaluation has been already studied and it is nowadays taken for granted (Srinivasan, Lovejoy, and Beach 1997; Yamamoto and Lambert 1994). However, only recently the role of subjective characteristics in product design has been clearly found and modeled (Luo, Kannan, and Ratchford 2008): Perceived easy of use appears as a relevant subjective antecedent of buying intention. Indeed, when involved in a process perceived as easy and simple, customers should be more able to enjoy and exploit the benefits deriving from co-production and thus being more satisfied with their co-produced products: Perceived simplicity appears as the relevant antecedent of satisfaction. Moreover customers' assessment of the customized product is strictly related to the ease or difficulty they experience in the customization process (e.g., Novemsky et al. 2007). Specifically Valenzuela, Dhar and Zettelmeyer (2009) differentiate between choice complexity - arises from the amount of information that requires processing to customize as the number of available options increases - and between-attribute trade-offs (the extent to which the customization format makes trade-offs among competing characteristics more or less explicit). As a consequence, companies can reach the benefits commonly related to co-production processes managing interaction complexity, thus reaching premium prices.

However, present literature lacks of identifying what kind of individual capabilities drive the subjective perception of easy of use, so that companies do not really know how to deal with this problem. Indeed, individual abilities could act both as segmentation criteria indicating the

customers' profiles most sensitive to co-production process and thus more in line with companies' strategy, and as specific individual differences that companies could activate by adopting managerial tools aiming at empowering or educating customers. Thus, a better focus on such aspect of co-production is urgently needed since it could solve the return of investment potential problems.

Therefore, our research aims at investigating the individual characteristics, which could be of help in the companies' strategy to make the co-production process effortless. Specifically, leveraging on its ability of acting as a cognitive booster, we propose that individual fantasy is the key process that, when engaged into, is able to make customers perceive a complex process such as co-production as effortless in nature. Further, if fantasy when enabled can increase the satisfaction with the result of co-production, we propose that such a relationship could be moderated by involvement. Indeed, previous research has already indicated involvement as a relevant antecedent, suggesting companies to focus on customers who are high-involved in the product, meaning already interested. Our research tries to expand the potential target by looking at individual fantasy as a compensating factor for involvement, so that especially low-involved customers might experience the additional benefits of coproduction when they engage into fantastical.thinking. Further, we test whether such a powerful role of fantasy in driving customers' reactions towards co-production is derived from the cognitive boosting ability of fantastical thinking process, as suggested by recent psychological studies. Indeed, we propose that fantasy has the power to reduce the cognitive effort perceived during the co-production process, resulting in higher customer satisfaction. Toward the goal of investigating the role that individual fantasy plays in co-production, we conducted two experimental studies in a real online co-production setting. The first experiment shows that high fantasy individuals develop greater attitude toward the product (Study 1), thus demonstrating that engaging into fantastical thinking results in a higher favorable attitude toward co-production. Then, the second experiment deals with another relevant dependent already analyzed in co-production literature - namely, outcome satisfaction - and look at the interaction effect played by fantasy and product involvement (Study 2). Finally, Study 2 investigates the cognitive mechanism underlying the effect of fantasy, indicating that since cognitive effort mediates the effect of fantasy on satisfaction,

individual fantasy acts as a cognitive booster making the process appear as less complex.

#### 1. Fantastical thinking and co-production processes

Co-production processes require high coordinative ability of customers in order to fully exploit all the benefits deriving from the participation (Etgar 2008), making strengthening customers' individual cognitive abilities the only potentially successful strategy. Simplifying the process would make customers perceive themselves able to deal with the situation, resulting in an increased interest and time disposal to invest in co-production processes, and thus in an increased ROI for companies.

Any individual cognitive ability should facilitate the co-production process, resulting in a higher product evaluation, attitude and satisfaction. Recently, psychologists have demonstrated that individual fantasy plays a strong role in driving individuals' attitude and behaviors.

Morewedge, Huh, and Vosgerau (2010) have found that when people imagine themselves eating some food they get "virtually" used to it. As a result, people in this situation decrease their consumption of food, just like when their actual behavior generate habituation, indicating the imagination can be so powerful that actually substituting for the real behavior: thinking for food substitute for having food. Such a strong power of individual fantasy has been also found in learning path: When individual fantasy is stimulated, individuals register better performances in their cognitive elaboration tasks (Proulx and Heine 2009). Thus, individual fantasy is able to boost cognitive elaboration. Such a result promises interesting application in marketing management that instead up to now has generally neglected any role to individual fantasy, with only a few notable exceptions. In spite of the important and integral part of fantasy in the healthy psychological functioning (Rauschenberger and Lynn, 1995), there is a flaw in the marketing literature. The role of fantasy in driving consumer behavior has been firstly introduced by Hirschman and Holbrook (1982), who define hedonic consumption as the one derived from historic imagery and fantastic imagery: While the former "involves recalling an event that actually did occur", the fantastic imagery "occurs when the consumer responds by producing a multisensory image not drawn directly from prior experience" (pp. 92-93). Although hedonic consumption has collected the interest of many scholars, only the historic imagery has been investigated as nostalgia (Holbrook and Schindler 1989; 1994; 1996; 2003; Rentz and Reynolds 1991; Hirsch 1992; Holak and Havlena 1992; Stern 1992; Schindler and Holbrook 1993; Baker and Kennedy 1994; Holbrook, 1994; Havlena and Holak 1996), leaving fantasy to a more indefinite definition.

Indeed, the marketing and psychologist literature review indicates that fantasy is a very broad construct, which has been defined and treated in many different ways.

#### 1.1. Five meanings of individual fantasy

Even if anyone agrees that fantasies are a particular kind of propositional attitudes, the ones "in which there is no attempt to match the truth conditions of the proposition to what obtains in the world. [...] Phantasies are not reality tested; they do not rely on time and place specifications" (Brakel, 2001: 368), five different meanings of fantasy might be found in literature.

(a) Fantasy as fantasy proneness. The first concept related to fantasy that has been identified in psychology is imagery involvement, as a key variable in understanding the hypnotisability of people (Hilgard 1974). Even if imagery involvement was said to apply to many different contexts such as reading, dramatic arts, religion, some forms of sensory stimulation, imagery, imagination (including imaginary companions), adventuresomeness, some aspects of sports, especially the less competitive ones, which allow people to temporarily set reality aside as they savor the experience - Hilgard's interest was mainly focus on its role in hypnosis (1965; 1970; 1974; 1979). Thus, afterwards a broader view of fantasy has been developed, which is now commonly known as fantasy proneness. According to Wooley (1997) fantasy proneness is regarded as one extreme of a continuum, where people - particularly children - believe in entities and processes without any empirical evidence. This extreme is opposite to the other one, when the concept of real lies. In further details, the studies on children consider fantastical thinking as synonymous of magical thinking (Wooley, 1997; Taylor and Carlson, 1997). Hence, this concept comprehends any kind of fantastical thinking in which adults can be engaged. Specifically, it has been defined by Wilson and Barber (1983) as "subjects' ability to set the theme, and then an imaginative scenario unfolds that has some of the characteristics of a dream and some of a motion picture" (p. 342). Even if Wilson and Barber were mainly interested in fantasy-proneness as a syndrome or a personality type (Wilson and Barber, 1983: p. 345) representing a sort of dissociative experiences, as a form of a defensive mechanism to be understood through hypnosis (Wolfradt and Engelmann, 1999), they defined some interesting and broad aspects of fantasy proneness related event to non-hypnotic situations. People high in fantasy proneness share "a history of intense imaginative involvement in reading, play activity, and mystical religious experiences that dated back to their early childhood" (Lynn and Rhue, 1986: 404) generally encouraged by some relevant adults or emerged when coping with previous life problems (physical and psychological pain) (Greenwald and Harder 1997; Lynn and Rhue 1988). McNally et al. (2000) indeed found significant correlations between absorption and childhood repressed memories of abuses. As a result, those people experience deep absorption, concentration, pleasure, and a loss of external reality, as well as greater involvement in reading, play activities, dramatic arts, vivid and life-like imaginings (Lynn and Rhue, 1986). Indeed, fantasy proneness seems related to a "normal" form of dissociation (Wolfradt & Engelmann 1999) showing a daydreaming and fantasy attitude, still not showing extreme forms of dissociative disorders (Giesbreschts and Merckelbach 2006; Merckelbach et al. 2000; Rauschenberger and Lynn 1995; Rhue and Lynn 1987).

Hence, fantasizers are oriented to "live much of the time in a world of their own making – in a world of imagery, imagination and fantasy" (Wilson and Barber, 1981: 31 in Lynn and Rhue, 1988: 36), but at the same time they do not live in "an autistic withdrawal from reality" (Lynn and Rhue 1986: p. 405). Specifically, more recent studies found that the fantasy prone personality is the one having (Fellows and Wright, 1989; Siuta, 1990):

- A deep and extended involvement in fantasy;
- Healing abilities;
- Having imagery friends in childhood;
- Having spent much of the waking life in fantasy.

According to Wilson and Barber (1981), fantasy proneness was primarily an adaptive means of coping. They found out that about 4% of the population was fantasy prone.

(b) Fantasy as mental imagery. Mental imagery has been studied in psychology (Richardson 1969), with many different perspectives as the meta-analysis conducted by Le Boutillier and Marks (2003) reveals. Generally, it has been defined as the characteristic of persons that put them in a favorable situation for their self-revelation. Since during hypnosis people are encouraged to fantasize, the psychological and psychoanalytical stream of research on hypnosis constitutes an important reference for this project. Specifically, the

meta-analysis of psychological and psychoanalytical literature on mental imagery carried out by Marks (1999) proposes two kinds of mental imagery:

- 1) Conscious and subjective mental imagery with quasi-perceptual characteristics such as vividness, size, form, and color, which may be studied introspectively and used in therapy, skill-learning, and mental preparation. It can be defined as the representation in consciousness of perceptual-motor activity in the absence of the activity that is represented. It contributes in producing dreams, and plays a relevant role in shaping imagination, but also memories, problem solving, and thinking;
- 2) Mental imagery, which participates in information processing, it is not accessible in consciousness, but functions in perceptual tasks and representations.

Thus, mental imagery seems related more to a process (Tedford and Pek 1977), a way to process information (Lutz and Lutz 1978), a process of coding information (Cohen 1982). In line with this stream of research, MacInnis and Price (1987) define it as "a process (not a structure), by which sensory information is represented in working memory" (p. 473), and such a interpretation has been largely applied in marketing and consumer research. In details, the relevance and positive effects of adopting imagery-eliciting strategies (Lutz and Lutz 1978) have been long recognized in advertising research, which benefits from its positive effects on memory (Owens and Richardson 1979). In sum, mental imagery might not be defined as a single concept, but rather as "an umbrella of concepts grouped one common label" as suggested by Childers and Houston (1983: p. 59).

(c) Fantasy as visual imagery. The concept of visual imagery has been defined as the imagery generated as a picture (Aylwin 1977), thus not differing from mental imagery (Durndell and Weterick 1976; Tedford and Penk 1977). Holbrook (1982) and Rossiter (1982) assume that mental imagery includes (but it is not limited to) visual imagery, given that 'other imagery' exists, referring to any other different mental processes which are only little known (based on hearing, smell, touch and taste). Other scholars regard visual imagery as the visual mental imagery pointing out that they refer to the retrieval of information and experiences from memory (Andrade, Kemps, Werniers, May and Szmalec 2002; Burns and Biswas 1993; Smith, Houston and Childers 1984; Winnick and Brody 1984).

Once defined visual imagery as the mental imagery related to pictures – whether it is the output or the stimulus, inner or outer –, like for mental imagery, two perspectives can be highlighted: (1) visual imagery as the output; (2) visual imagery as the process. With regard to the interpretation of visual imagery as the output, many scholars have pointed out that the result strongly depends on the stimulus: if the stimulus is visual, then individuals will use their visual imagery reinforcing the effect (Debevec, Meyers and Chan 1985; Hansen, Yssing Hansen and Gronholdt 2002; Mazoyer, Tzourio-Mazoyer, Mazard, Denis, and Mellet 2002; Rossiter and Percy 1980). On the other hand, the second perspective on visual imagery considers visual imagery as a kind of coding, different from the verbal coding. It is a mental coding for representing pictorial information (Calder 1978; Childers, Houston and Heckler, 1985; Holbrook 1982; LaBarbera and Weingard 1998; Friedman, Taub, Sturr and Monty 1987; Smith, Houston and Childers 1985).

As for mental imagery, two dimensions of visual imagery have been identified: (1) vividness, which is the clarity of the images that have been evoked; (2) controllability, which is the ability of a person to manipulate the evoked images. Some scholars refer only to the first dimension (Berger and Gaunitz 1977; Cairns and Coll 1977; Gur and Hilgard 1975, Marks and Isaac 1995; McKelvie 1986; McKelvie and Demers 1979; Stricklin and Penk 1980), some other only to the second one, still some other to both of them (Childers, Houston and Heckler 1985; Durndell and Weterick 1976; Tedford and Penk 1977).

(d) Fantasy as imagery processing. The fourth meaning of fantasy emphasizes the evaluation of information, by pointing out that imagery is a process. Thus, this meaning is partially overlapping with visual and mental imagery, in their referring to the process. Through senses, individuals perceive reality and imagine in such a way that "Imagery is a process by which sensory information is represented in working memory" (MacInnis 1987: p. 88). Imagery processing is a sort of a specific application of visual imagery or mental imagery, namely, in evaluating information (Gutman 1988); It is a cognitive elaboration. Opposite to discursive processing, imagery is a sensorial process (MacInnis and Price 1987). In such a regard, information can be both verbal and visual, and it can be manipulated to stimulate imagery processing, in an effort to achieve its positive effects already well-known (with regard to advertising context, see Bone and Ellen 1990, Unnava and Burnkrant 1991).

MacInnis and Price (1987) suggest four different strategies to provoke imagery processing: Pictures, concrete words, instructions to imagine, and guided imagery.

The view of fantasy as imagery processing represents the second of the three dimensions of imagery identified by MacInnis (1987):

- (1) <u>Imagery ability</u>. It refers to an individual difference related to two abilities that are relevant in making people imagine: (1) <u>Imagery vividness</u> that is the ability with which one can evoke clear images, measured through several scales among which the Betts Questionnaire Upon Mental Imagery (QMI) in the long and short versions and the Marks' Vividness of Visual Imagery Questionnaire stand out (VVQI) —, and (2) <u>Imagery control</u> that is the extent to which one can manipulate, transform and hold images in mind at will, which is measured through the Gordon's Visual Imagery Control (VIC) in the long and short version.
- (2) <u>Imagery processing style</u>. It refers to an individual difference related to the propensity for processing information that can be either visual or verbal, as releaved by the Richardson's Visual/Verbalizer Questionnaire (VVQ) and the Style Processing Questionnaire (SOP) developed by Childers, Houston and Haekler (1985).
- (3) <u>Imagery content</u> (daydreaming, fantasy content and frequency). The last dimensions refers to a residual set of concepts (and scales), such as vividness and frequency of daydreams and fantasies, frequency and emotional involvement in imagery and control over daydreams, as gathered through different scales among which the Wilson and Barber inventory, the Imaginal Process Inventory (IPI) developed by Singer and Antrobus (1963) in the long and short version, and the Imagery Processing Scale developed by MacInnis (1985).

Babin, Burns and Biswas (1992) go further in understanding the imagery processing and propose it as being articulated in four dimensions:

- 1) Spatial ability,
- 2) Imagery ability, which refers to vividness and controllability of images,
- Imagery content, which is the general content of images and fantasies and their use in everyday life (tendencies to engage in vivid imagery, to use imagery to plan the future, and to engage in fantasy),

4) Processing style, which is the preference for utilizing one type of processing style more

than the other one (visual vs. verbal).

(e) Fantasy as creativity. The last meaning of fantasy might refer to creativity, which is one

of the most used and abused concept in many different disciplines. Generally, creativity is

defined as productive thinking, or the capacity to generate novel cognitive content (Guilford

1965). Such a definition leads to consider creativity as a process, by which individuals deal

with problem solving: "Problem solving is creative. To solve a problem the consumer must

create some novel cognitive content. The extent of creativity will depend on both the nature

of the problem confronted and the capability of the individual" (Hirschman 1980: p.285).

Thus, creative and noncreative thinking can be conceptualized along a continuum: At the one

estreme the generative thinking lies, and on the other, there is the exploratory thinking. Such

an interpretation includes creativity into the common normative cognition (Ward, Smith, and

Finke, 1999: 191; see also Finke, Ward, and Smith, 1992), measured by individual expertise.

Like for other persectives on fantasy, creativity has been also found to be related to some

personality traits, such as psychoticism and openness (Eysenck, 1993, 1994, 1995).

Further, interestingly, individual creativity is articulated in three components, which are (1)

task motivation, (2) domain-relevant skills, and (3) creativity relevant processes (Amabile

1983, 1996).

Finally, creativity has been applied in consumption contexts defined as the problem solving

capability possessed by the individual that may be applied toward solving consumption-

related problems (Hirschman 1980).

1.2. Hypotheses

The role that individual fantasy plays in co-production processes can now be more detailed.

Indeed, we propose that it is able to boost customers' cognitive resources regardless to the

kind of sensorial stimuli adopted (visual images versus other kinds). Since customers can

participate in co-production processes even if exposed to verbal stimuli, visual imagery and

mental imagery are excluded from the context of this research. Similarly, the role of fantasy

in co-production processes does not refer to specific coding and information processing;

thus, there is no reason to focus attention on fantasy as imagery processing. Indeed, we

propose that people who are able to fantasize are better able to deal with the complexity of

co-production. Such a statement leads to the two remaining concepts, namely fantasy

proneness and creativity. However, the latter should be out of our research interests

because we aim at understanding the role of fantasy in an abstract way, regardless to the

specific problem solving individuals have to address. Thus, we believe that individual

fantastical thinking is the process we need to focus on, indicating that fantasy proneness is

the variable to look at. Whether those fantasies are vivid or whether they are under control is

not relevant to co-production processes.

Indeed, people in a high fantasy condition spend much of their time fantasizing, report vivid

childhood memories, experience strong bodily concomitants of fantasies and have intense

religious experiences (Merckelbach, Horselenberg, and Muris 2001). Those people are

particularly talented in role-playing, in pretending to be someone else, and in inventing new

stories (Merckelbach 2004).

Thus, fantastical thinking might be an effective driver of individuals' interest towards co-

produced products, especially in situations where the individual has to process lots of

information or needs to generate new content. According to these features of fantasy, we

propose that customers might benefit in interacting with co-production contexts, in they

fantasize. This leads to a more positive attitude toward co-produced products.

This process, by enhancing customers' cognitive ability, makes them able to favor co-

produced products without any sense of frustration or effort connected to the complexity they

have to handle.

On the contrary, we propose that people in a low fantasy condition lack cognitive abilities

needed to overcome efforts required when participating in co-production processes and thus

do not show a favorable attitude toward products. Hence, we posit the following hypothesis:

H1: Customers in a high (low) fantasy condition will show a greater (lower) attitude toward

co-production processes.

To ensure an effective value creation from co-production process, firms need to motivate

customers to participate (Chan et al 2010). Indeed, another factor undermining customer's

participation in co-production processes is connected to the personal relevance that products

might have for customers (Franke et al 2010). Given that these processes require effort

(Franke et al 2010), time (Etgar 2008) and expertise (Page and Uncles, 2004; Peterson and

Merino, 2003), customers will be willing to engage in co-production if this is as simple as

possible and if they can assign an higher value to the coproduced product (Etgar 2008).

Gaining extra value represents the incentive that pushes customers to engage into these

complex processes. The benefit gain from co-production is higher if customers have greater

product involvement (Franke et al 2009). The latter can be related to several factors that

might act as antecedents as indicated by Laurent and Kapferer (1985), that are:

1) The perceived importance and risk of the product class;

2) The subjective probability of making a mispurchase:

3) The symbolic or sign value attributed by the consumer;

4) The hedonic value of the product category;

5) The interest in the product category.

Regardless to the specific cause of involvement, high-involved people might exert more

effort in the product production task and might be more demanding in evaluating

outcomes of the processes having greater expectations (Fuller 2010). Customers'

active involvement can help guarantee product quality and increase the likelihood of

success and goal achievement (Chan et al 2010). We propose that individual fantasy

can overcome the impact of involvement, which is traditionally recognized. Thus, when

customers are not involved in the category product for which they are engaged in co-

production, fantasy can be of help, by driving their satisfaction further than their level of

involvement. Hence, we posit our second hypothesis:

Low involved individuals will be satisfied with co-production at a greater H2a:

extent when they are in a high (vs. low) fantastical thinking state;

H2b: Differences in customers' satisfaction by fantastical thinking will be

attenuated for high involved individuals.

Individuals in a high fantasy condition exert a greater outcome satisfaction given that

they perceive coproduction processes as less effortful; this effect is particularly

strengthened if customers perceive the product they are customizing as not relevant for

them.

Once we confirm that fantasy drives customers' attitude toward the outcome of co-production and that its impact on customer satisfaction is hugher when people are not involved in product category, then we still need to understand the mechanism underlying it. Thus, a clarification of the exact relationship between fantasy, involement and satisfaction is needed. Specifically, leveraging on the recent psychological literature on fantasy (Morewedge, Huh, and Vosgerau 2010; Proulx and Heine 2009), we propose that given the high complexity related to co-production processes and the consequent greater cognitive effort needed to interact with the process of designing the product, customers low in fantasy perceived the process as being very demanding in terms of cognitive effort, thus reducing their overall satisfaction. On the contrary, customers who fantasize have an additional resource, which acts as a cognitive booster empowering the cognitive resources already available at the customers and making the process appear as being less demanding. In other words, individual fantasy enables individuals to better process and interact with sophisticated and

H3: Cognitive effort will mediate the influence of fantastical thinking and involvement on consumers' satisfaction of coproduction processes.

complex forms of co-production, decreasing their perceived cognitive effort. Thus we posit:

#### 2. Empirical Analysis

In order to test the hypotheses, two experimental studies are conducted. To increase the realisms of the laboratory experiments hypotheses are tested using a real online tattoo configurator<sup>1</sup>. The configurator is provided free of charge by a real existing website.

The product category chosen for these studies, tattoos, is regarded as a new and interesting context in which customization is made available. Indeed, tattoos represent a sort of tool allowing individuals to "customize" their body, with tattoos and body piercing quickly increasing, especially among young adults (Totten, Lipscom and Jones 2009; Kjeldgaard and

<sup>1</sup> www.tatmash.com

Bengtsson 2005). Furthermore, the customization processes are nowadays very

sophisticated so that customers are allowed not only to download their tattoos from a range

of possible products already available, but also to design their own tattoos, realizing the co-

production strategy.

Finally, co-producing their own tattoos could be a "cool" process in which young adults might

become involved. Indeed, participants in this research are young adults who by definition are

the cluster mostly interested in co-producing tattoos. Thus, we chose such a product

category and this website in order to increase the realism of the studies.

The configurator – which is here adopted as the toolkit for co-production – allows individuals

to generate and try tattoos performing two main activities: i) choosing among existing tattoo

drawings or uploading a personal drawing; ii) trying how the tattoo would look like: By

uploading a picture, it is possible to insert the tattoo on the picture giving the possibility to

evaluate the final result. Thus, it results in the customization of the one's own body. The

availability of the result of the co-production process constitutes a relevant benefit for this

study, because it allows participant to evaluate not only the product they have designed, but

also its impact on their own body. Again, this benefit increases the realism of the study,

since participants were provided at the end of the study with the picture of their **own** body

part on which their own tattoo is impressed.

Study 1

Study 1 aims at testing H1, namely that fantasy increases individuals' attitude toward

coproduced products. 54 (22 men, age M = 23.50, SD = 2.424) students from an

international business school took part in the study in return to course credits. The

experiment was a one factor (high vs low fantasy) between subjects design.

Procedure

Participants were informed that the study in which they had to participate was about tattoos,

and that the general goal issue addressed in the study was getting their own virtual tattoo.

Thus, in order to take part to the study, participants were previously asked to bring to the lab

a picture of the part of the body on which a virtual tattoo would be added. They were also told

that their picture could be completely private, with nobody seeing it. Those who forgot were

taken a picture by the experimenter in the lab through a digital camera.

Once they arrived, the experimental procedure proposed the administration with the fantasy manipulation aimed at increase or decrease their level of fantastical thinking. Thus, participants were randomly assigned to one of the two fantasy conditions: In the high fantasy condition participants were involved in a training aimed at inducing waking fantasies as done in analytical psychology (Faber et al. 1983). The training is based on the Guided Affective Imagery as the path towards hypnagogic imagery and on the symboidraniatic method (Leuner 1969). The Guided Affective Imagery is commonly adopted in psychoanalysis both for evoking and interpreting imagery. This procedure posits that individuals can be induced into fantasy activities if they are calm, relaxed and can abandon themselves to mental imagination. Mental imagination is then guided trough specific, well established paths. After this initial training, participants moved on to the symboidraniatic method. This is also based on a relaxing training and it consists of the explanation of the techniques that individuals can undertake in order to engage in mental imaginative activities. Hence, participants, after the training, read the explanations of the techniques proposed by Leuner (1969) and then try to apply them.

In the low fantasy condition, participants were trained in computing and decomposing the market share of a company, and afterwards they were asked to perform these exercises on a specific company for which proper data were provided. Thus, applying the proper computation by following the provided instructions their level of fantasizing should be reduced.

Both of the manipulation conditions have been tested in previous studies (not reported here) and proved to be successful with regard to the Creative Experiences Questionnaire - CEQ as the manipulation check for individual fantasy, consistently with the previous literature analysis<sup>2</sup>.

After the fantasy manipulation, participants were asked to draw the image they wanted as a tattoo on their picture. They performed the drawing on a graphic tablet, which was already arranged on the desk. Each participant had a table at his/her disposal previously connected to computers. A very user-friendly graphic software of the kind commonly available – namely, paint - allowed them to change color, shape, size and any other graphical detail of their own design. Specific instructions were made available to help those who were not familiar with

<sup>&</sup>lt;sup>2</sup> 53 participants took part in the study. A one-way ANOVA of fantasy manipulation (high vs low) was conducted on the Fantasy Proneness scale (Merkelbach et al. 2001) used as manipulation check. Results - F(1, 50) = 34.076, p<.001 - show a significant different effect between the two conditions ( $M_{hf}$ = 4.68  $M_{lf}$ = 2.708)

such software. Once the image was ready, they uploaded their personal picture and their

own drawing on the tattoo configurator and made eventually a few more changes to make

the picture nicer according to their expectations. To drive their actions on the configurator in

an effort to make their desired result as close as possible specific ad-hoc instructions were

distributed. The latter proved to be easy and simply in a pre-test run with both expert and

not-expert in virtual graphic design.

When participants felt their trial was completed, they were allowed to send the assembled

resulting picture (i.e. their own picture with their own created tattoo) to their own email

account. Then, they went on with the experiment answering to the dependent variables.

Attitude toward the product was measured using three seven-point semantic differential

scales (the anchors were "dislike vs like", "bad vs good" and " non appealing vs appealing")

adapted from the scale used by Schlosser and Shavitt (2002). Reliability checks show a

good Cronbach's alpha, which equals .926.

Results

A one way ANOVA of fantasy manipulation on attitude toward the product was performed. A

significant main effect of fantasy (F (1,53)= 5.245 p=.026) was found, confirming H1. As

expected, high fantasy individuals developed a greater attitude ( $M_{hf}$ = 3.08, SD= 1.145) than

low fantasy individuals ( $M_f$ = 2.42, SD= .900) as shown in Figure 1.

Please insert Figure 1 about here

**Discussion** 

This study reveals that customers when stimulated with engage into fantastical thinking

appreciate more the outcome of the co-production process, that is the product they have

created. By showing a more favorable attitude toward the tattoo, customers confirm that

fantasy helps increasing the overall appreciation toward the product.

Such a finding does not consider potentially relevant aspects that might interfere with the

results that have been found. Specifically, such a result is meaningless if fantasy is not able

to increase customers' interest in co-production even when they are not involved in the

product category. Thus, the actual power of this effect is far from being understood. Indeed, in this experiment no specific control for the level of involvement was applied: Personal relevance of the product has been suggested by different scholars as a potential intervening variable in this specific setting (Chan et al 2010), but it is here neglected. Involvement, representing the relevance of a specific product as perceived by a customer based on his or her individuals needs, preferences and interests (Zaichkowsky 1985) might shape the contribute of fantasy on increasing the appreciation for the tattoo when combined with high fantasy. Specifically, the effect of fantasy might be investigated especially when customers are not interested in the product category, in order to look at its relative impact as compared to involvement.

Moreover, attitude toward the product might be driven by the process itself and might not lead to an actual incremental buying behavior. Participants might show a more positive attitude toward the co-produced product but this might not bring to an increased willingness to buy. Thus, it is necessary to replicate the previous findings also with a more behavioral dependent variable (Luo and Homburg 2007), such as customer satisfaction (Fitzimons 2000).

Customer participation should deliver value to both customers and firms (Auh et al. 2007; Lovelock and Young 1979), and customers who perceive more value from their products tend to be more satisfied (Ouschan, Sweeney, and Johnson 2006; Patterson and Smith 2001; Sharma and Patterson 1999). Indeed, customer satisfaction is the primary determinant of customer repurchases (Voss et al 2010; Seiders et al 2005) and is a direct antecedent of willingness to pay (Homburg et al 2005). In this specific setting, contingent valuation methods for measuring willingness to pay might not apply given the customers are not purchasing the tattoo for real (Wertenbroch and Skiera 2002). Hence, measuring customer satisfaction might provide a insightful proxy on how customers would behave.

Study 2 is aimed at inserting into the previous schema the measurement of involvement in the product (Franke et al 2009) and a different dependent variable, that is customer satisfaction.

#### Study 2

80 (35 men, age M= 22.45 SD= 1.576) students from an international business school took part to the experiment in return to course credits. The experiment was a 2 (high vs low

fantasy) x 2 (involvement: high vs low) between-subjects design. The involvement level was

a measured variable while fantasy was manipulated. The procedure was similar to Study 1

except for the involvement measurement that came right after the fantasy manipulation. The

key dependent variable was satisfaction with the output (Fiztimons 2000).

Results

The 3 items measuring involvement (taken form Zaichowsky 1985 as used by Franke et al

2009) were highly correlated (alpha=.876). Thus, we summed these items to form a unitary

measure of involvement, as done in Study 1.

Following the procedure suggested by Aiken and West (1991) and Irwin and McClelland

(2001) (see also Fiztimons 2008), satisfaction was regressed on fantasy (i.e. a dummy

variable for high fantasy vs low fantasy), involvement index and their interaction to test the

moderating effect of fantasy on the relationship between involvement and satisfaction.

There was a significant negative interaction between the realism of the stimuli and fantasy

proneness ( $\beta$  = -.438 p=0.02). In order to clarify the nature of this interaction, we performed

a spotlight analysis at 1SD below and 1SD above the mean of involvement. At 1 SD below

the mean of involvement (i.e. low involvement), participants were more satisfied in high

fantasy ( $\beta$  =.429 p=0.03). At 1SD above the mean of involvement (i.e. high involvement)

participants exhibited the same level of satisfaction both in high and in low fantasy ( $\beta$  = .714

p=0.009). Figure 2 presents the results.

In order to fully understand how fantastical thinking can help customers to increase their

satisfaction with coproduction processes, the mechanism underlying this process required

further investigation.

Hence, establishing the role of cognitive effort in the relationship between fantasy,

involvement and satisfaction is needed.

A mediation analysis is then performed using cognitive effort (Insko 1973), measured with

three seven points differential scales: anchors were "1=difficult and 7= easy"; "1= tiring and

7= relaxing"; "1=strenuous and 7= restful", thus higher scores mean that the process is

considered as simpler. In this study we used a bootstrapping approach to moderated

mediation that does not assume multivariate normality of the sampling distribution of total

and specific indirect effects, a process that simultaneously increases power and maintains

reasonable control over the Type I error rate (Preacher and Hayes 2008). Bootstrapping is a

nonparametric re-sampling technique that empirically generates an approximation of the sampling distribution. In the case of multiple mediation models, sampling distributions of total and indirect effects are empirically generated by selecting a subsample, with replacement, of the full data set and then calculating indirect effects in the repeated subsamples. The procedure yields point estimates and percentile confidence intervals for indirect and total effects. Applying the procedure to our analysis, we found that the total indirect effect  $(\beta = .3707 (.1756), Cl. 95\% : .0769 - .7619)$  is positive and significant confirming H3. Thus, involvement moderates the path between fantastical thinking, cognitive effort and

Please insert Figure 2 about here

# Discussion

satisfaction.

Interestingly, Study 2 finds that fantasy moderates the relationship between involvement in the product and customer satisfaction in such a way that when individuals were not involved in the product, but they were in a high fantasy condition, their satisfaction was high. Thus, what is usually regarded as a constraint of co-production - having involved customers might be overcome when customers engage into fantastical thinking.

In addition, Study 2 finds these effects on a different behavioral dependent variable showing that the impact of fantasy and involvement appears also when customers' satisfaction with the co-produced product is considered. Such a result is particularly interesting from a managerial point of view because satisfaction is usually regarded as an antecedent of willingness to pay and purchase intention (Valenzuela et al 2009).

Study 2 shows also that cognitive effort mediates the relationship between fantasy, involvement and satisfaction. High fantasy individuals perceive the coproduction process as less effortful and this brings to an increased level of outcome satisfaction, especially when they perceive high involvement with the product. This study confirms the mediating role of cognitive effort, activated by fantasy. Fantasy boosts cognitive abilities and makes individuals perceive tasks usually addressed as complex (Kaufman and Han, Etgar 2008) as simple. Fantasy helps customers in dealing with the complexity inherent to the co-production process, resulting in an increased attitude towards the product and outcome satisfaction.

# 3. Managerial Implication

This study circumvents a potential drawback of co-production, namely the perceived complexity of the process. In our two studies we found that fantasy, making the co-production process less effortful, increases outcome favor and satisfaction. This finding is highly relevant to marketing literature because it provides evidence that individual fantasy – as the fantastical thinking regardless to its vividness, control, process, kind of stimuli and even application to solve specific problems – acts as a cognitive booster.

Such a finding tells companies interested in exploiting co-production processes, given the "money on the table" (Franke et al 2009), that: (1) there is a way to make these processes simpler, and this relies on the activation of individual fantasy; (2) such a strategy is worth running due to its beneficial effects both on customers' attitude and satisfaction. Specifically, individuals with high level of fantasy better favor customized products, experiencing a higher degree of collaboration proneness and a lower degree of frustration. This result is primarily due to the ability of individuals, whose fantasy has been stimulated, to experience enhanced cognitive skills and less effort, thus becoming better able to interpret any stimuli given by the co-production processes. For this reason, they should experience a lower sense of frustration, even in more participative choice task. Hence we empirically confirm that individual fantasy represents a relevant dimension for segmentation purposes. As a matter of fact, individuals with higher level of fantasy are better able to appreciate co-production approaches having a great ability to manage the decision-making complexity emerging from these proposals. On the other hand, people with a lower level of fantasy should be better addressed to standard product, provided with "didactic" infomediation (Hagel and Singer, 1999), namely dynamic help tools aimed at supporting their learning process. Such a finding is particularly relevant because we viewed individual fantasy at an abstract level, different from creativity that on the contrary is pragmatically related to specific tasks.

Traditionally, firms encourage participations in co-production processes by customers that already have shown interest and attachment to the company (Beandapudi and Leone 2003). By relying on their expertise and product knowledge, firms devote their co-production systems to those customers that are already loyal to them. Even if such a strategy has its own clear benefits, it is counterbalanced by the risk of limiting the target too much, by providing better products only to those who are already interested. Our study shows that

thanks to individual fantasy, companies can interact also with new customers: Given that fantasy reduces the perceived effort, customers will be more willing to engage in these processes not only if they already know the product and the firm but also if they are novices or not really interested: Fantasy compensates for involvement.

Therefore, from a strategic point of view, firms can increase their potential customer base interested in co-production. To this purpose our study contributes to the existing literature on value creation for firm (Chan et al 2010; Bendapudi and Leone 2003; Vargo and Lusch 2004; Prahalad and Ramaswamy 2004): Co-production processes might become accessible for every consumers. Companies can expand their customer base by including also normal consumers and not only lead users or experts that effectively contribute with their expertise to the companies' processes: Virtually, any customers who fantasize might become a potential interesting and interested target for co-production.

### **Future Research**

In this specific research we addressed the role of individual fantasy in helping customers to interact with coproduction systems put in place by companies that want to offer customization opportunities to their clients. Fantasy makes the process perceived as simple and effortless. Our study however does not provide us with information about the ratio of customers who start, proceed and end the co-production. Even though these processes offer increased benefits to customers, sometimes clients start to interact with the website but quit after a while. Addressing this topic would be of great help in designing better and more performing co-production processes: Measuring whether stimulating fantasy increases the number of customers that completes co-production processes might be of great interest to companies. Similarly, boredom, inability, complexity interfere with the process and product bring customers not to finish their purchases. It might be interesting to investigate whether individual stimulated with fantasy have more incentive to complete these processes.

In addition, involvement is a too broad concept to be analyzed for managerial purposes. As Laurent and Kapferer (1985) have pointed out, it is generated at least by five different dimensions, each of them could interact differently with individual fantasy. Thus, our research should benefit from a more focused approach. On the other hand, there might be several factors able to motivate customers to start co-production processes. In this research, involvement is taken into consideration, but there might be several different variables that might push customers toward these processes. Thus, a broader approach is also needed in future development.

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Figure 1 Results of Study 1: fantasy on attitude toward the customized stimulus

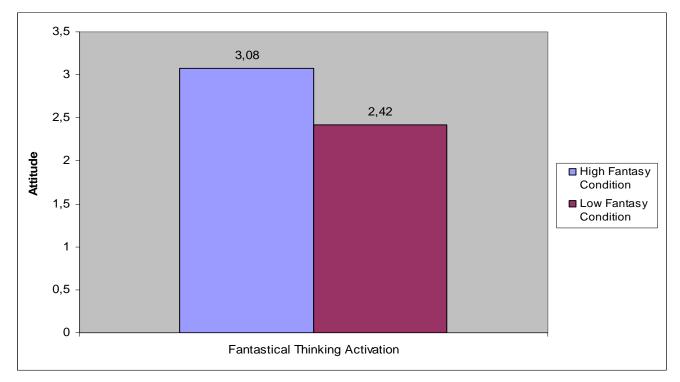
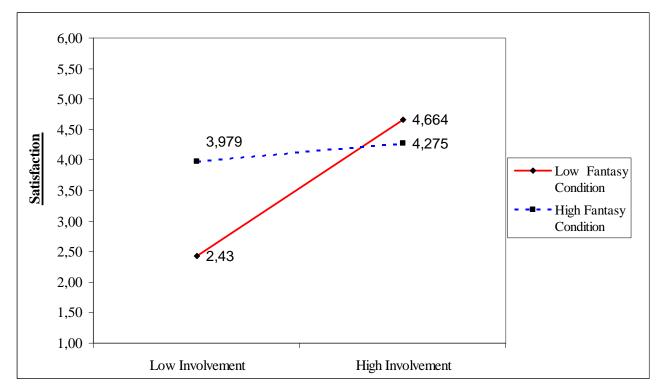


Figure 2 Results of study 2: Interaction between fantasy and involvement on satisfaction with the customized product



# **ESSAY 3**

#### Power and choice in context effects

Power fascinates: it can be seductive (Anderson and Galinsky 2006) and difficult to ignore.

Several studies on power (Fiske 1993, Pfeffer 1992) show that it affects many psychological processes. Power has a strong influence on human behaviour. Despite the importance of the power notion in psychology and in other related disciplines, consumer behaviour scholars have started recently to discover the enormous potential of this concept.

In particular, given that power alters individuals psychological states and information processing, it might be an important aspect to consider when consumers face complex tasks, such as choice. This paper presents a first attempt to investigate the influence that power might have in shaping consumer choice, with particular regard to the role of context effects in choice.

Power and choice in context effects

Power has many psychological effects on individuals; it affects their feelings and

emotions, their ability to process information, their way to interact with the

environment and other people. Surprisingly, the impact that power has in shaping

individuals' behavior within consumption context has not been deeply investigated

yet.

Few research contributes have examined how power influences consumers'

preferences or spending propensities (Rucker, Dubois and Galinsky 20210; Rucker

and Galinsky 2008). In the past, studies have addressed the role of power in

conjunction with channel negotiations and with modelling the profit achieved by

buyers and sellers as a function of their power (Hunt and Nevin 1974; Lusch and

Brown 1982; McAlister, Bazerman, and Fader 1986).

However, with regard to understanding how power affects consumers' decision

making, preference formation and purchasing propensities, far less is known.

Given that power is defined as "control on valuable resources", psychological states

of powerlessness might prime consumers to feel as if they have fewer resources

available. Hence, consumers experiencing feelings of powerlessness might feel they

cannot afford to spend large monetary amounts on consumer products, given that

they are lacking resources: this might impact their preferences for products and their

final choice.

Confirming this prediction, Mandel and colleagues (2006) found that participants

who could easily imagine having future success indicated a greater preference for

luxury brands compared to when they could not easily imagine being successful. The

authors also found that this effect was mediated by participants' perception that they

would have greater resources (higher levels of income) in the future. Thus, in some

cases, the perception of resources has been linked with higher preferences ofr high

status products and consequently with a potential willingness to spend more on

consumer goods (i.e., luxury brands).

Based on these contributes, one might anticipate that a state of low power would

decrease consumers' willingness to pay for products. Contrary to this expectation is

the notion of "compensatory consumption" put forward by Rucker and Galinsky

(2008). There are reasons to expect that the relationship between power and

consumption might be the exact opposite.

States of low power might foster a greater desire to acquire products in the form of

an increased willingness to pay. This is because, low power individuals might want to

restore the resources they are lacking thus they consume more preferring more

expensive (luxury products). So they use the luxury product as a mean to regain

power and to show high status.

According to the psychological perspective that power influences individual

psychological state and behaviors even in consumption contexts, it is reasonable to

expect that power influences also individuals' consumption choices. Recent research

(Smith et al 2008) indicates that power changes not only a person's responsibilities,

but also the way a person thinks (Smith et al 2008). The psychological states of

power alters cognitive functioning and increases vulnerability to performance

changes during complex executive tasks, such as decision making.

In particular, perceived level of power might impact how consumption choices are

made, especially when contexts effects are present.

Research on decision making affirms that consumer choice is highly context

dependent (Young et al 2009, Bettman et al 1998).

Literature on context effects has consistently shown that introducing a new

alternative to an existing choice set can have a systematic influence on the relative

preferences for the original alternatives. This phenomenon has been defined as the

"attraction" or "asymmetric dominance effect", first described by Huber, Payne, and

Puto (1982). The attraction effect is observed when adding an alternative that is

inferior to another alternative in the choice set increases the share of the relatively

superior alternative.

Another important context effect is the "compromise effect" (Simonson 1989) that

appears when adding an extreme option to the choice set shifts the choice

preferences in favour of the compromise option. According to Dhar and Simonson

(2003), the choice of a compromise option is a cognitively complex choice because it

draws value from both traded-off dimensions.

In addition, compromise and attraction effects have important theoretical implications

(Mourali 2007), since they violate some fundamental properties underlying most

rational choice models (Luce 1977). One such assumption is the regularity principle,

which asserts that the addition of a new option to the choice set should not increase

the probability of choosing any of the original options (Luce 1977). Both context

effects are also inconsistent with the principle of independence of irrelevant

alternatives (Luce 1959), which implies that a new option added to a given set should

take shares from existing options in proportion to their original shares.

Context effects, such as compromise and attraction, have many practical implications

in areas such as new product introduction, product deletion, positioning strategy, and

product assortments (Kivetz, Netzer, and Srinivasan 2004; Simonson and Tversky

1992).

This research contributes understanding how power states influences the way

consumers make choice in different ways: first, the notion of power has been seldom

studied in consumption context where real products and real choices are involved.

Second, this work presents a first attempt to study how power influences the way

consumers evaluate products and form preferences in the presence of context

effects that might change previously held preferences. In the next section, the

theoretical background will be presented; then two experimental studies will be

reported and discusses. Future research directions will conclude the present work.

The notion of power

Power is a deeply investigated concept in psychology, since it "exerts a tremendous

effect on people's behaviour" (Rucker and Galinsky 2008 pp. 258).

Power is defined as the control over important and valued resources (Keltner,

Gruenfeld and Anderson, 2003), and since it governs social relationships and alters

individual psychological states (Galinsky et al 2009) it is perhaps one of the most universal forces in consumers' social world.

Power is associated with positive affect (Keltner et al., 2003), increased attention from others (Ellyson, Dovidio, and Fehr, 1981) and better outcomes in social exchanges (Molm, 1985). Mulder (1977) suggests that the mere exercise of power (i.e., determining or directing the behaviour of others) gives satisfaction. Thus, power is attractive: people who have less power try to acquire more and people who already have power try to protect and augment it.

In terms of exact definitions, the power construct might be considered conceptually close to the idea of leadership, but the two notions are not synonymous.

Power and leadership have in common only two aspects. First, both constructs involve influence. A leader is someone who influences others; influence also often emerges from control over valued resources: so it is embedded into the power definition. Second, both constructs involve a focus on goals. A leader motivates a group of individuals towards a shared objective; indeed, numerous research findings demonstrate that having power increases a focus on goals and facilitates goal-directed behavior (Galinsky, Gruenfeld, and Magee, 2003; Guinote, 2007a; Smith, Jostmann, Galinsky). Beside these two aspects that power and leadership share, they diverge on a number of important dimensions (Galinsky et al 2008)

First, power's influence is derived from the ability to provide or deny resources or administer punishments (Keltner et al., 2003). In contrast, the influence of leadership emerges not from the lure of incentives but by inspiring through rhetoric and being the exemplar of desired behavior (Avolio and Bass, 1988). Second, power and leadership often differ on the ultimate purpose or goal of exercising one's influence. Power's influence is often directed towards satisfying personal desires (Keltner et al., 2003; Kipnis, 1976) while leaders exert influence to help the group reach a shared goal. Thus, power is often egocentric, exercised in the service of the self, whereas leadership is directed towards elevating the common good for all its members.

Moreover, leadership is connected to the ability of influencing, motivating, and enabling a group of individuals to contribute to the success of a common goal or shared purpose (House et al., 1999; Rauch and Behling, 1984). According to this definition, leadership is a social phenomenon that requires the presence of others; a leader must have someone to influence and motivate. Power definition, on the contrary focuses on the control over resources (Keltner, Gruenfeld, and Anderson, 2003; Lammers and Galinsky 2008; Thibaut and Kelley, 1959), hence, from this perspective, dependence is the inverse of power; the powerless are dependent on the powerful to achieve their desired outcomes: those with high power depend less on the resources of those with low power than vice versa and, thus, are more easily able to satisfy their own needs and desires. Typically, people who don't control resources want them; those who have them want to keep them (Emerson, 1962).

Another concept tightly related to the notion of power is dependency (Emerson, 1962; Thibault and Kelley, 1959): power over others increases with the range of outcomes that an individual controls. Dependence is the reciprocal of power: the more dependent others are on a person for important outcomes, the more power that person has over them. In an early study on the dynamics of power and dependence, Schopler and Bateson (1965) found that the more an individual depended on a counterpart, the more they complied with the partner's influence attempts. Thus, power and dependency allow individuals to influence others and to resist others' influence attempts.

Lammers et al (2009) suggest that in order to fully understand the mechanisms through which power affects individuals' behaviour, it is necessary to distinguish among the different facets of the concept. They propose that power can refer to different things, which in turn have different effects (Lammers et al 2009, pp: 1543). Traditionally, power has been considered as a single construct: difference between the various aspects of the notions have been ignored. Recently, several scholars (Galinsky et al 2008;Van Dijke and Poppe 2006) have starting to exploit the diverging definitions of power indicating that a unique power concept is too restrictive (Fiske and Berdahl, 2007). In particular, the notions of social and personal power have been advanced.

Social power. One group of definitions describes power as the ability of a person to influence others and make them do things they would not do otherwise (Weber, 1914/1978). In this case, power means exercising control over other people. This type of power is often called social power (Van Dijke and Poppe, 2006). An example of social power is the power of managers over their employees. Given that power emerges from asymmetric control over valuable resources (Emerson, 1962; Keltner, Gruenfeld, and Anderson, 2003; Magee and Galinsky, 2008), it is reasonable to assume that powerful individuals experience control over the people and outcomes that are connected to their power. Indeed, numerous studies confirm that feelings of control often derive from the possession of power, although this relationship has not been assessed directly. In particular, people with high socioeconomic status (Lachman and Weaver, 1998), members of dominant groups (Guinote, Brown, and Fiske, 2006) and members of cultures that endorse the values of power and individual agency (Heine, Lehman, Markus, and Kitayama, 1999; Markus and Kitayama, 1991) are all more likely than others to believe they can control the future. These people also tend to display more optimism, self-esteem, and action in pursuit of their goals (Heine et al., 1999; Mirowsky and Ross, 2000; Twenge Campbell, 2002). These findings suggest that social power might expand one's sense of personal control and furthermore, that this elevated sense of control might produce the self-enhancement and action-orientation tendencies often displayed by power holders. Fast et al (2010) suggest that possessing and experiencing power increase a sense of control over events, even when these events are disconnected from the source and context of the power.

The notion of social power is tightly related to the idea of being in control; indeed social power exists also in those contexts in which individuals experience only an illusory control.

Illusory control is the belief that one has the ability to influence outcomes that are beyond one's reach (perceived influence over outcomes that are largely determined by chance (Taylor and Brown, 1988; Thompson, Armstrong, and Thomas, 1998).

This is because having power activates the behavioural approach (Keltner et al.

2003) system, while feeling powerless activates the behavioural inhibition system.

Personal Power. A second group of definitions describes power as the ability to do

and get what you want, without being influenced by others (Cartwright, 1959;

Emerson, 1962; French and Raven, 1959). In this case, power is the ability to ignore

the influence of others, to control one's own outcomes, and to be personally

independent. This type of power is often called *personal power* (Galinsky, Magee,

Gruenfeld, Whitson, and Liljenquist, 2008; Van Dijke and Poppe, 2006). Personal

power is power over oneself and freedom from the influence of others. People who

experience a substantial amount of personal power are unconstrained by, and

independent from, others (Cartwright, 1959; Emerson, 1962). As a result, people high

in personal power do not need to bother or care about other people in their social

environment. Social power, on the other hand, is associated with interdependence

rather than with independence (Arendt, 1969; Parsons, 1967).

Before examining the empirical evidences connected to the influence of power on

consumers' choices, it is necessary to illustrate the effects that the psychological

state of having power has on individuals.

Indeed, feeling powerful triggers behavioral approach, which is able to regulate

behavior associated with rewards. In contrast, feeling powerless activates the

behavioral inhibition system, which is considered as an alarm system that brings

avoidance and response inhibition. As a result of the activation of these two systems,

power has several effects on individuals' cognition and behavior. Thus, power

determines multiple psychological effects for the individual.

Powerful individuals are more prone to take action than powerless, to negotiate offers

and to help in emergencies (Galinsky et al 2003). Individuals who feel powerful are

more likely to decide to negotiate an offer than to simply accept an initial proposal

and are also more prone to make the first offer in a negotiation compared to those

without power. In addition, the powerful are more likely to help in emergencies; the

powerful engage into action and help those in distress (Whitson, Galinsky, Magee, Gruenfeld, and Liljenquist, 2007).

Compared to those who are powerless, individuals who experience power are more likely to engage in behaviors that are consistent with currently goals that they had previously in mind. As a result, their behavior is closely aligned to the fulfillment of

their objectives.

The powerful appear to be particularly poor perspective takers. Indeed, power appears to reduce social attentiveness. Galinsky, Magee, Inesi, and Gruenfeld (2006) found that high-power participants were less likely to spontaneously adopt another's visual perspective, less likely to take into account that another person lacks their privileged knowledge, and less accurate in judging others' facial expressions of emotion.

In addition, power increases objectification which is the tendency to consider others as a tool for one's own purpose (Gruenfeld et al. 2006). In essence, power increases the tendency to conceive of individuals in one's social environment as possessing an instrumental and utilitarian purpose. As a result, the powerful approach and attend to useful others who will help them complete their goals (Gruenfeld et al., 2006).

In terms of feelings and emotions, individuals who are powerful tend to be more optimistic and more hopeful about their own future (Anderson and Galinsky 2006). Power-induced optimism extends also to outcomes outside an individual's own life: power increases attention toward positive aspects of the environment and decreases attention to negative aspects of the environment. As a result, the powerful view the world as a less dangerous and threatening place. The powerful, being very optimistic, see the world as full of opportunities ready to be get; powerless, on the contrary, are more likely to see potential hazards lurking about.

Power influences also the way individuals process information: powerful people tend to process information at a more abstract level (Smith and Trope 2006). Power leads to a focus on the global rather than the local features of stimuli (Guinote, 2007) and results in information being processed at higher levels of abstraction (Smith and Trope, 2006). This brings the powerful compared to the powerless focus less on the

details and more on the "big picture." They are better able to perceive patterns and

to capture the gist of information (Smith and Trope, 2006). They are also more likely

to focus on and attend to task-relevant information (Overbeck and Park, 2001).

The powerful are also vulnerable to being overconfident in their judgments and

decisions (Sivanathan and Galinsky, 2007). Overconfidence refers to an individual's

tendency to overestimate his or her abilities or the accuracy of his or her thoughts

and decisions. Specifically, Sivanathan and Galinsky (2007) found evidence that

power affected the three common strands of overconfidence: i) the tendency to

overstate one's skills relative to the average (better than average effect, Alicke, Kotz,

Breitenbecher, Yurak, and Vredenburg, 1995); ii) the belief that chance events are

subject to personal control (illusion of control, Langer, 1975); iii) the tendency to be

overconfident in the precision of one's answers (Lichtenstein, Fischhoff,

Phillips, 1982).

Possessing power not only makes one optimistic and overconfident but it also

increases people's proclivity for risk (Anderson and Galinsky, 2006). When people

experience power, they rely on more information related to rewards and as a result,

when presented with a risky course of action, the powerful are likely to direct their

attention on the potential payoffs. At the same time, the powerful, with a subdued

behavioral inhibition system, are less likely to focus on the potential threats or

downsides of a risky choice. Thus, the dual focus on rewards and a lack of attention

to potential dangers encourages the powerful to engage in risky choices.

Anderson and Galinsky (2006) demonstrated a clear link between power and risk,

such that the powerful were more likely to show greater risk preferences, make

riskier gambles and choices, find risky sexual activity more attractive, and resort to

risky tactics in negotiations.

2. Context effects and Power

A great deal of research has focused on investigating the cognitive processes

underlying context effects (Ariely and Wallsten 1995; Dhar and Glazer 1996;

Pettibone and Wedell 2000; Simonson and Tversky 1992). Researchers have also

examined the influence on the size of context effects of a wide range of potential

moderators. These included variables related to the decision task, such as clarity and

meaningfulness of the stimulus material, position and similarity of choice alternatives,

and task involvement (Mishra, Umesh, and Stem 1993; Ratneshwar, Shocker, and

Stewart 1987), variables linked to the individual decision maker, such as need for

uniqueness and product knowledge (Sen 1998; Simonson and Nowlis 2000), and

variables associated with the social context, such as accountability and culture

(Briley, Morris, and Simonson 2000; Simonson 1989).

Despite the relevance of the power notion, it has not been studied as a potential

individual moderator that influences how consumers make choices in presence of

context effects.

Power, altering consumer behaviour, information processing and emotions might

contribute in explaining the consumption choices among a set of alternatives, and

might predict the individuals' choice. In particular, concerning compromise effects, it

is reasonable to expect that when consumers feel they are less powerful, they prefer

the extreme options. This can be formally presented as H1:

Hp1: Compromise choice is more adopted when participants are in a low power

condition.

Low power individuals, perceiving a lack of resource, will be more likely to rely on

simpler, less effortful processing mode and be less likely to engage in the trade-off

comparisons. This explanation resembles the idea of compensatory consumption

proposed by Rucker and Galinsky (2008).

3. Methodology

Study 1 wants to test whether low power individuals prefer compromise options when

confronted with extreme set of alternatives. The study was a 3 (power manipulation:

high vs low vs control) x 2 (compromise choice: extended vs core set) between

subject design. 130 students from an European business school took part to the

study in return of course credits.

3.1. Study 1

**Procedure** 

Upon entering the lab, participants were seated in front of a computer and told to

follow the instructions that would appear on the screen.

According to the power condition in which they were randomly assigned, participant

completed the power manipulation as in Galinsky et al (2003 Appendix 1). The

manipulation consisted in recalling and writing about a situation in which the

participant felt like having (not) power over someone. In the control condition,

participants were asked to recall and write what they did they day before the

experiment.

After the power manipulation, participants completed a series of measures, employed

as dependent variables.

First, participants completed the compromise choice. Independently by the power

manipulation, participants were presented either with an extended set of choice or

with a core set choice. This measures was identical to the one employed in Chernev

(2004).

The extended set of choice was the key measure for the compromise choice.

Participants had to perform 5 different product choices (mouthwash, toothpaste,

printer, camera and cordless). No brands were involved. Within each product choice,

participants had to chose among 3 products of the same category. The 3 products

within the category were identical for price, quantity and other dimensions except for

the evaluation on 2 attributes. Specifically, product A (i.e. mouthwash) scored 8 out

of 10 on attribute 1 (i.e. breath fresh) and 4 out 10 on attribute 2 (cavity prevention);

product B (mouthwash) scored 4 on attribute 1 and 8 on attribute 2 and product C

(mouthwash), being the compromise option, scored 6 on both attributes.

The core set of choice did not include the compromise option: participants could only

choose among the 2 (A vs B) extreme options.

Results

In order to see whether H1 was confirmed, the number of compromise choice in the

extended set were counted. Thus an index of compromise choice was formed. A one

way ANOVA of power manipulation on compromise index was performed. Results

show that there is a significant main effect of power manipulation F(1,62)=2,929

p=.061 (Fig1).

Insert figure 1 about here

Low power individuals significantly chose (M=1,26) more compromise option than

both powerful (M=.6) individuals and control individual (M=.94). This confirms H1.

This result is also confirmed if we consider just individuals who received the power

manipulation (high vs low) dropping out the control condition (F(1,44)=

p=.012). Results on single products used for the study are presented in appendix 2.

As for the core set, no significant difference is found between power conditions

(F(1,64)= .201 P=.818) (fig 2). These results apply also if we eliminate the control

condition (F(1,41)=.367 P=.548).

Insert figure 2 about here

As for the other dependent variables, no significant results are found.

**Discussion** 

This study shows that individuals when experience feelings of low power tend to

choose more compromise options. This confirms H1 but it is not in line with the

compensatory consumption hypothesis put forward by Rucker and Galinsky 2008.

According to their perspectives, low power individuals should tend to prefer extreme

options as a way of restoring their perceived lack of resources. Choosing a

compromise instead does not help them to restore their missing resource. This

behavior is more coherent with findings from Mandel et al (2006) which verified that

low power tend to choose not expensive products given that they feel they have no

resources.

Given the diverging interpretations that might be attributed to these results, study 2

aims at replicating the findings obtained in study 1. Moreover, study 2 also adds

another dimension, choice deferral (Dhar and Nowlis 1999; Dhar and Nowlis 2004).

Choice deferral implies that among the options consumers can choose, also the

alternative of "not choosing" is provided (Dhar 1996). When the no-choice option is

available, consumers have to make a "deferral decision" (i.e., whether or not to

choose) in addition to a "selection decision" (i.e., which brand to choose).

Choice deferral might be the option that low power individuals choose: choice

deferral takes place when consumers experience conflicts and it is difficult to choose

among alternatives so low power individuals, lacking resources, experience greater

uncertainty and conflicts when choosing, so they might prefer not to choose: the

difficulty of the selection decision in such cases increases the likelihood of choice

deferral.

3.2 Study 2

Study 2 wants to replicate findings of study 1; specifically wants to test whether low

power individuals prefer compromise options when confronted with compromise set

of alternatives. Moreover, study 2 wants to see if low power participants prefer also

the deferral option. The study was a 2 (power manipulation: high vs low) x 2

(compromise choice: extended vs core set) between subject design. In both the

extended and core set measures the deferral option was added.

**Procedure** 

130 students from an European business school took part to the study in return of course credits. The procedure of the study was identical to study 1, except that the

"no power" manipulation was dropped.

Results. As in study 1, the index for number of compromise option was computed. A

one way ANOVA of power manipulation on the compromise index was performed.

Results show that there is not a significant main effect of the power manipulation

(F(1,49) <1 NS) on the 4 choice options (2 extremes, 1 compromise, 1 deferral). This

is confirmed also in the core set situation (F(1,49)=1.519 p=NS).

**Discussion** 

Study 2 did not confirm the results obtained in study 1. Low power participants did

not constantly across 6 product categories chose the compromise option as in study

1. This might be due to the fact the in study 2 the deferral option was added. Given

that individuals who experience choice conflicts might be more inclined to go for the

deferral option, the non significant results of study 2 might be explained in line of this

theoretical framework.

Indeed, by looking at the exact choices performed by participants (Appendix 3 -

Crosstabs), it is possible to notice that the deferral option did not attract the

preference of the participants. Both powerful and powerless individuals did not go for

the option of not choosing. They simply polarize toward the two extreme options,

discarding both the compromise and the deferral. This results, even if not statistically

significant, especially the one concerning the participants who were administered

with the extended set measure, might be in line with the compensatory consumption

framework advanced by Rucker and Galinsky (2008). In study 2 we see that low

power participants prefer the extreme options in the extended set (i.e. the core set is

out of this consideration given that did not offer a compromise option): this might

imply that they want to restore their lack of resources and exploit extreme products

offer them this opportunity. So as in Rucker and Galinsky (2008) low power

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participants prefer high status products, here they prefer high performing products in

terms of attributes.

4. Conclusion and Future Research

This paper presents two studies that offer divergent results on the impact of power on

consumers' choice in context effects situation, specifically in compromise effect.

The notion of power has lately started to receive attention by marketing scholars

hence there is not a complete understanding of how this personality character might

help predicts individuals behaviors. Theoretical perspectives on power still offer

conflicting results as emerges from the two studies here presented.

Future research will try to solve this issue by finding a common and constant

behavior of power (both high and low) induced individuals. In order to do this, several

studies are needed.

In particular, within the compromise effect, it is necessary to disentangle the reason

why individuals change their behaviors when the deferral option is introduced. This

might be due to some individuals intervening variables such as self confidence and

global local information processing mode. These dimensions influencing the

behavioral and cognitive state of the individuals might modify the way they perceive

the compromise option and hence might bring them to prefer a more extreme option.

At the same time, the relationship between power and the attraction effect needs to

be investigated. As with compromise effect, it will be important to see which are the

individual variables that will shape the how people choose in presence of an

attraction option.

Similarly, given the acknowledgement that the notion of power encompasses

different aspects of this trait, it is important to see whether the impact of power on

context effects differs according to the social or personal aspects of power.

Tesi di dottorato "FANTASY AND POWER AS COGNITIVE BOOSTERS, INFLUENCING PRODUCT EVALUATION AND CHOICE."

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# Appendix 1

Power manipulation as in Galinsky et al 2003

## **High Power**

Please recall a particular incident in which you had power over another individual or individuals. By power, we mean a situation in which you controlled the ability of another person or persons to get something they wanted, or were in a position to evaluate those individuals. Please describe this situation in which you had power what happened, how you felt, etc.

### Low Power

Please recall a particular incident in which someone else had power over you. By power, we mean a situation in which someone had control over your ability to get something you wanted, or was in a position to evaluate you. Please describe this situation in which you did not have power—what happened, how you felt, etc

## No power (control)

Please recall your day yesterday. Please describe your experiences yesterday what happened, how you felt, etc.

# Appendix 2 Cross tab for study 1

Power \* Toothpaste Crosstabulation

_	-	-	е	xteded set toothpas	ste	
			A -Extreme	B-Compromise	C - Extreme	Total
Pcond	Powerful	Count	17	2	6	25
		% within Pcond	68,0%	8,0%	24,0%	100,0%
		% within exteded set tooth	54,8%	14,3%	35,3%	40,3%
	powerless	Count	8	6	5	19
		% within Pcond	42,1%	31,6%	26,3%	100,0%
		% within exteded set tooth	25,8%	42,9%	29,4%	30,6%
	control	Count	6	6	6	18
		% within Pcond	33,3%	33,3%	33,3%	100,0%
		% within exteded set tooth	19,4%	42,9%	35,3%	29,0%
	Total	Count	31	14	17	62
		% within Pcond	50,0%	22,6%	27,4%	100,0%
		% within exteded set tooth	100,0%	100,0%	100,0%	100,0%

## Power\* Printer Crosstabulation

<del></del>	-			exteded set printer	r	
			A -Extreme	B-Compromise	C - Extreme	Total
Pcond	Powerful	Count	5	1	19	25
		% within Pcond	20,0%	4,0%	76,0%	100,0%
		% within exteded set printer	50,0%	50,0%	38,0%	40,3%
	powerless	Count	2	1	16	19
		% within Pcond	10,5%	5,3%	84,2%	100,0%
		% within exteded set printer	20,0%	50,0%	32,0%	30,6%
	control	Count	3	0	15	18
		% within Pcond	16,7%	,0%	83,3%	100,0%
		% within exteded set printer	30,0%	,0%	30,0%	29,0%
	Total	Count	10	2	50	62
		% within Pcond	16,1%	3,2%	80,6%	100,0%
		% within exteded set printer	100,0%	100,0%	100,0%	100,0%

Power \* Restaurant Crosstabulation

	-		e	exteded set restaura	ınt	
			A -Extreme	B-Compromise	C - Extreme	Total
Pcond	Powerful	Count	21	2	2	25
		% within Pcond	84,0%	8,0%	8,0%	100,0%
		% within exteded set restaurant	47,7%	15,4%	40,0%	40,3%
	powerless	Count	10	6	3	19
		% within Pcond	52,6%	31,6%	15,8%	100,0%
		% within exteded set restaurant	22,7%	46,2%	60,0%	30,6%
	control	Count	13	5	0	18
		% within Pcond	72,2%	27,8%	,0%	100,0%
		% within exteded set restaurant	29,5%	38,5%	,0%	29,0%
	Total	Count	44	13	5	62
		% within Pcond	71,0%	21,0%	8,1%	100,0%
		% within exteded set restaurant	100,0%	100,0%	100,0%	100,0%

Power \* Cordless Crosstabulation

	_	-		exteded set cordless	3	
			A -Extreme	B-Compromise	C - Extreme	Total
Pcond	Powerful	Count	12	6	7	25
		% within Pcond	48,0%	24,0%	28,0%	100,0%
		% within exteded set cordless	52,2%	40,0%	29,2%	40,3%
	powerless	Count	7	6	6	19
		% within Pcond	36,8%	31,6%	31,6%	100,0%
		% within exteded set cordless	30,4%	40,0%	25,0%	30,6%
	control	Count	4	3	11	18
		% within Pcond	22,2%	16,7%	61,1%	100,0%
		% within exteded set cordless	17,4%	20,0%	45,8%	29,0%
Total		Count	23	15	24	62
		% within Pcond	37,1%	24,2%	38,7%	100,0%
		% within exteded set cordless	100,0%	100,0%	100,0%	100,0%

#### Power \* Camera Crosstabulation

_				exteded set camera		
			A -Extreme	B-Compromise	C - Extreme	Total
Pcond	Powerful	Count	13	1	11	25
		% within Pcond	52,0%	4,0%	44,0%	100,0%
		% within exteded set canera	41,9%	100,0%	36,7%	40,3%
	powerless	Count	11	0	8	19
		% within Pcond	57,9%	,0%	42,1%	100,0%
		% within exteded set canera	35,5%	,0%	26,7%	30,6%
	control	Count	7	0	11	18
		% within Pcond	38,9%	,0%	61,1%	100,0%
		% within exteded set canera	22,6%	,0%	36,7%	29,0%
Total		Count	31	1	30	62
		% within Pcond	50,0%	1,6%	48,4%	100,0%
		% within exteded set canera	100,0%	100,0%	100,0%	100,0%

Power \* Mouthwash Crosstabulation

	-	-	е	xteded set mouthwa	sh	
			A -Extreme	B-Compromise	C - Extreme	Total
Pcond	Powerful	Count	12	4	9	25
		% within Pcond	48,0%	16,0%	36,0%	100,0%
		% within exteded set mouthwash	46,2%	33,3%	37,5%	40,3%
	powerless	Count	10	5	4	19
		% within Pcond	52,6%	26,3%	21,1%	100,0%
		% within exteded set mouthwash	38,5%	41,7%	16,7%	30,6%
	control	Count	4	3	11	18
		% within Pcond	22,2%	16,7%	61,1%	100,0%
		% within exteded set mouthwash	15,4%	25,0%	45,8%	29,0%
Total		Count	26	12	24	62
		% within Pcond	41,9%	19,4%	38,7%	100,0%
		% within exteded set mouthwash	100,0%	100,0%	100,0%	100,0%

Figure 1

Anova on extended set.

Dependent Variable: number of compromise choice.

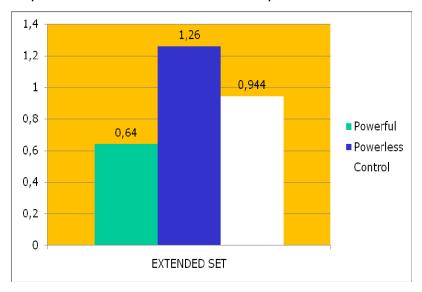
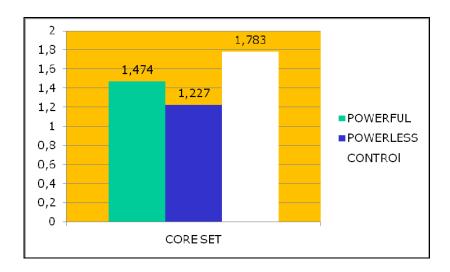


Figure 2

# Anova on core set



# Appendix 3 **Crosstabs study 2**

# Power \* toothpaste Crosstabulation

				Toothpaste		
			extreme	compromise	deferral	Total
Pcond	powerful	Count	11	14	0	25
		Expected Count	9,8	14,2	1,0	25,0
		% within Pcond	44,0%	56,0%	,0%	100,0%
		% within toothpste	55,0%	48,3%	,0%	49,0%
		% of Total	21,6%	27,5%	,0%	49,0%
	powerless	Count	9	15	2	26
		Expected Count	10,2	14,8	1,0	26,0
		% within Pcond	34,6%	57,7%	7,7%	100,0%
		% within toothpaste	45,0%	51,7%	100,0%	51,0%
		% of Total	17,6%	29,4%	3,9%	51,0%
	Total	Count	20	29	2	51
		Expected Count	20,0	29,0	2,0	51,0
		% within Pcond	39,2%	56,9%	3,9%	100,0%
		% within toothpaste	100,0%	100,0%	100,0%	100,0%
		% of Total	39,2%	56,9%	3,9%	100,0%

#### **Power\* Printer Crosstabulation**

	-	-		Printer		
			extreme	compromise	deferral	Total
Pcond	powerful	Count	13	11	1	25
		Expected Count	14,2	9,8	1,0	25,0
		% within Pcond	52,0%	44,0%	4,0%	100,0%
		% within printer	44,8%	55,0%	50,0%	49,0%
		% of Total	25,5%	21,6%	2,0%	49,0%
	powerless	Count	16	9	1	26
		Expected Count	14,8	10,2	1,0	26,0
		% within Pcond	61,5%	34,6%	3,8%	100,0%
		% within printer	55,2%	45,0%	50,0%	51,0%
		% of Total	31,4%	17,6%	2,0%	51,0%
	Total	Count	29	20	2	51
		Expected Count	29,0	20,0	2,0	51,0
		% within Pcond	56,9%	39,2%	3,9%	100,0%
		% within printer	100,0%	100,0%	100,0%	100,0%
		% of Total	56,9%	39,2%	3,9%	100,0%

#### **Power\* Cordless Crosstabulation**

				Cordless		
			extreme	compromise	deferral	Total
Pcond	powerful	Count	11	12	2	25
		Expected Count	9,3	12,7	2,9	25,0
		% within Pcond	44,0%	48,0%	8,0%	100,0%
		% within cordless	57,9%	46,2%	33,3%	49,0%
		% of Total	21,6%	23,5%	3,9%	49,0%
'	powerless	Count	8	14	4	26
		Expected Count	9,7	13,3	3,1	26,0
		% within Pcond	30,8%	53,8%	15,4%	100,0%
		% within cordless	42,1%	53,8%	66,7%	51,0%
		% of Total	15,7%	27,5%	7,8%	51,0%
	Total	Count	19	26	6	51
		Expected Count	19,0	26,0	6,0	51,0
		% within Pcond	37,3%	51,0%	11,8%	100,0%
		% within cordless	100,0%	100,0%	100,0%	100,0%
		% of Total	37,3%	51,0%	11,8%	100,0%

#### Power\*Camera Crosstabulation

-	-	_		camera		
			extreme	compromise	deferral	Total
Pcond	powerful	Count	11	11	3	25
		Expected Count	9,3	11,8	3,9	25,0
		% within Pcond	44,0%	44,0%	12,0%	100,0%
		% within camera	57,9%	45,8%	37,5%	49,0%
		% of Total	21,6%	21,6%	5,9%	49,0%
	powerless	Count	8	13	5	26
		Expected Count	9,7	12,2	4,1	26,0
		% within Pcond	30,8%	50,0%	19,2%	100,0%
		% within camera	42,1%	54,2%	62,5%	51,0%
		% of Total	15,7%	25,5%	9,8%	51,0%
	Total	Count	19	24	8	51
		Expected Count	19,0	24,0	8,0	51,0
		% within Pcond	37,3%	47,1%	15,7%	100,0%
		% within camera	100,0%	100,0%	100,0%	100,0%
		% of Total	37,3%	47,1%	15,7%	100,0%

#### Power\*Mouthwash Crosstabulation

ţ <del>-</del>	-	_		mouthwash		
			extreme	compromise	deferral	Total
Pcond	powerful	Count	20	3	2	25
		Expected Count	20,6	2,0	2,5	25,0
		% within Pcond	80,0%	12,0%	8,0%	100,0%
		% within mouthwash	47,6%	75,0%	40,0%	49,0%
		% of Total	39,2%	5,9%	3,9%	49,0%
	powerless	Count	22	1	3	26
		Expected Count	21,4	2,0	2,5	26,0
		% within Pcond	84,6%	3,8%	11,5%	100,0%
		% within mouthwash	52,4%	25,0%	60,0%	51,0%
		% of Total	43,1%	2,0%	5,9%	51,0%
·	Total	Count	42	4	5	51
		Expected Count	42,0	4,0	5,0	51,0
		% within Pcond	82,4%	7,8%	9,8%	100,0%
		% within mouthwash	100,0%	100,0%	100,0%	100,0%
		% of Total	82,4%	7,8%	9,8%	100,0%

### Ringraziamenti

Il percorso del Ph.D è stato lungo e tortuoso. E' stato un cammino di grande crescita professionale e personale. Per questo vorrei ringraziare i membri della mia commissione Michela Addis, Gabriele Troilo e Simona Botti. Loro sono quelli che mi sono stati vicini più degli altri e che, giorno dopo giorno, mi hanno indicato e continuano tutt'oggi ad indicare, la strada da percorrere. So che il cammino sarà lungo, ma spero di farcela anche grazie ai vostri preziosi consigli! Un ringraziamento va anche al prof. Verona che in questi anni ha seguito il mio percorso con grande attenzione.

Vorrei rivolgere un pensiero speciale a Michela Addis: lei è la persona alla quale devo tutto e alla quale quotidianamente mi ispiro per percorrere le strade dell'accademia. La sua passione, il suo impegno, la sua dedizione, la sua integrità morale, il suo rigore e il suo talento - davvero fuori dal comune- mi convincono sempre di più che sono davvero fortunata a poter lavorare con lei. Le numerose vicende affrontate durante gli anni del Ph.D mi hanno fatto capire quanto Michela fosse non solo un mentore in ambito accademico ma anche e soprattutto una persona su cui poter contare per ogni situazione della vita.

In questa occasione, vorrei ringraziare anche la Prof.ssa Golfetto, che mi ha spinto ad entrare in questo mondo e mi ha suggerito di iniziare la strada del Ph.D e che ancora oggi mi guida nelle scelte condividendo con me alcuni dei suoi "segreti del mestiere", e Diego Rinallo, Christian Chizzoli e Luca Visconti. Loro sono stati spesso la spalla su cui piangere e le persone da cui correre ogni volta in cui un ostacolo mi sembrava troppo grande. Grazie a loro sto imparando a leggere e interpretare le diverse situazioni della vita accademica e a guardare le cose da prospettive sempre diverse.

La tesi ha beneficiato anche del prezioso contributo di Francesco Ricotta. Una persona di grande valore umano e professionale. Lavorando con lui ho imparato che tutto è possibile, che gli ostacoli spesso esistono davvero solo nella nostra mente e soprattutto, aspetto poco trascurabile, che si può lavorare divertendosi da morire.

Vorrei inoltre rivolgere un ringraziamento a tutti i docenti e lo staff del Dipartimento di Marketing e della Ph.D School dell'Università Bocconi che segue il mio percorso con interesse e affetto. Un pensiero particolare va a Isabella Soscia con la quale ho mosso i primi passi nella ricerca e nella didattica e Andrea Ordanini che mi ha aiutato in questo percorso del Ph.D. Un grazie speciale va anche al Dipartimento di Marketing della Rotterdam School of Management che mi ha ospitato per diversi mesi: è stata un'esperienza davvero stimolante e che mi ha fatto conoscere ricercatori davvero unici, come Dirk Smeesters.

Un grazie davvero grande va a tutti i miei carissimi amici che in questi lunghi anni del Ph.D hanno sopportato i miei stati d'animo e le mie paturnie. La vostra presenza è ormai un punto fermo per me. Grazie a Silvia che costantemente mi tira su di morale ed è pronta a raccogliermi quando cado, grazie a Luisa che mi aiuta a capire quali sono le cose importanti della vita, grazie a Silvia che da lontano non mi fa mai mancare il suo appoggio e il suo sorriso complice e grazie a Ciccio che mi sprona sempre e trova il lato positivo in tutto, e grazie a Mario e Gigi che ci sono sempre, come sempre, da sempre. Un grazie di cuore a Monica che con me condivide questa avventura: solo grazie alla sua calma e alla sua serenità sono riuscita a superare certe situazioni, accademiche e non!Un pensiero particolare va anche a Alessandra e Fabiana che sono arrivate da poco ma che già mi hanno fatto capire che posso contare su di loro! Vorrei infine dire grazie a Raffaele, Marta, Deborah e Martina che giorno dopo giorno subiscono le mie paranoie e tentano di alleviarle con il loro sorriso.

Ed eccoci ai ringraziamenti più importanti, quelli per la mia famiglia. Grazie di cuore a mamma e papà che credono in me sempre e che hanno capito, molto prima di me, che potevo farcela. Voi capite sempre tutto prima di me e per il mio bene, mi spingete verso le scelte giuste. Se non fosse stato per voi, non avrei finito questo dottorato. Grazie per esserci sempre, per supportarmi e sopportarmi (vero mamma?!?!) ogni giorno e per essere il faro che illumina la mia vita. Quello che sono, è merito vostro. Grazie ad Alberto, il mio fratellone, che mi fa sentire il suo affetto sempre e che mi aiuta a districarmi nei sentieri della vita con intelligenza, senso di responsabilità, saggezza e un pizzico di ironia, e grazie a Lisa, AnnaLaura e Sissi per riempirmi di attenzioni e di buonumore. Grazie anche a Zia Grazia e a tutti gli zii perché mi sento protetta e rassicurata dalla vostra presenza.

E infine grazie a Massimiliano, il "maritozzo" che tutte vorrebbero, il mio primo fan e la mia nuova famiglia: a lui va il ringraziamento più sentito. Massimiliano ha condiviso il mio obiettivo da subito e mi ha spinto con tenacia e perseveranza a raggiungerlo, anche quando io ero incerta, lui mi ha preso per mano e mi ha indicato la strada; mi ha insegnato ad essere ottimisti, a non accontentarsi e a sacrificarsi per raggiungere traguardi sempre più importanti. Mi ha fatto capire quanto è importante, talvolta, prendersi con leggerezza e riuscire a gioire delle piccole cose. Con lui mi sento parte di una squadra invincibile. Senza di lui non ce l'avrei fatta, grazie!