When Losing Feels Better Than Winning: Counterfactual Thinking And Satisfaction Reversal

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Although counterfactual thinking is considered an important factor in forming satisfaction, there are few studies investigating the effect of counterfactual thinking in consumer behavior. Through counterfactual thinking people engage in comparisons of factual circumstances to alternatives that are better or worse. Medvec and colleagues (1995) found that upward counterfactual comparisons (worse alternatives) tend to reduce satisfaction, whereas downward counterfactual comparisons (better alternatives) enhance satisfaction.

Studies of counterfactual thinking have been conducted in the domain of athletic competition. Medvec et al. (1995) have found that Olympic bronze medalists are more likely to be satisfied than silver medalists even though the silver medalists performed better than bronze medalists. That is, the counterfactual alternative for the silver medalist is winning the gold, while for the bronze medalist it is not getting a medal. This finding is intriguing because the silver medalist who performs better actually feels worse than the bronze medalist, which demonstrates a satisfaction reversal. These reversals could constitute a special case of the affective contrast effect. A bad outcome feels less disappointing when the counterfactual alternative is worse, and a good outcome feels less pleased when the counterfactual alternative is better. This research includes an examination of whether people can feel more satisfied when experiencing an inferior outcome than a superior outcome.

H1: Sport consumers who engage in downward counterfactual thinking after watching an inferior game outcome will report a significantly higher level of game satisfaction than those who engage in upward counterfactual thinking after watching a superior game outcome.

H2: Sport consumers who engage in upward counterfactual thinking after watching a superior game outcome will report a significantly lower level of game satisfaction than those who engage in downward counterfactual thinking after watching an inferior game outcome.

A validation check of the video clips used was conducted by randomly assigning 16 undergraduate students to watch one of four video clips containing different game outcomes. All 16 participants provided the expected answer for the manipulation check question. In the main study, participants were 33 female and 64 male undergraduate students at a large university in the southeastern United States. To induce different directions of counterfactual thinking, participants were asked to watch a college football video clip. The participants were separated into four groups; 26, 21, 24, and 26 participants were randomly assigned to the straight win, disappointing win, straight loss, and relieving loss games, respectively.

There was a main effect of game outcomes [downward counterfactual: Welch's $F(3, 48.4) = 48.84$, $p < .01$; upward counterfactual: Welch's $F(3, 39.61) = 125.23$, $p < .01$]. A Games-Howell post-hoc test showed that sport consumers generated more downward counterfactual thinking ($M = 7.58$, $SD = 2.83$) than upward counterfactual thinking ($M = 1.23$, $SD = 0.43$) after watching a straight win game. In contrast, participants generated more upward counterfactual ($M = 8.33$, $SD = 2.03$) than downward counterfactual thinking ($M = 2.92$, $SD = 1.84$) after watching a straight loss game. Sport consumer who watched a relieving loss game generated significantly more downward counterfactual thinking ($M = 8.31$, $SD = 1.41$) than those who watched a disappointing win game ($M = 4.43$, $SD = 2.56$). Consistently, participants who watched a relieving loss game generated significantly less upward counterfactual thinking ($M = 4.73$, $SD = 2.6$) than those who watched a disappointing win game ($M = 5.95$, $SD = 2.38$). The follow-up test provided a main effect of game outcome [satisfaction: Welch's $F(3, 49.14) = 67.96$, $p < .01$]. A Games-Howell post-hoc test revealed that sport consumers feel significantly higher level of satisfaction after watching a relieving loss game (inferior outcome: $M = 7.27$, $SD = 1.51$) than a disappointing win game (superior outcome: $M = 5.40$, $SD = 1.54$). As predictive with *H1* and *H2*, sport consumers who engage in downward counterfactual thinking can feel more satisfied with game consumption when experiencing an inferior outcome than a superior outcome.

The results of satisfaction reversal lead to the conclusion that a superior outcome doesn't always generates greater amount of "what might have been worse" thoughts. Such outcomes are points of reference that can be actively promoted by sport marketers when a team loses a game in the playoffs. After a basketball team loses an NCAA tournament playoff game, for example, the following promotional message could be

developed: "How wonderful it is we made a playoff game because it could have been a whole lot worse. A majority of teams did not even get this exciting opportunity." Stimulating sport consumers to generate more downward counterfactual thinking, thoughts of "what might have been worse," would help to moderate the levels of sport consumers' dissatisfaction.

References

Medvec, V. H., Madey, S. F., & Gilovich, T. (1995). When less is more: Counterfactual thinking and satisfaction among Olympic medalists. *Journal of Personality and Social Psychology, 69*, 603–610.