Getting the Ideal Self to Step Aside by Giving it a Stage

THE PROBLEM

Consumers see their world through rose-tinted glasses. They are unrealistically optimistic about how they compare to others, what they are able to accomplish, and at what speed they will actually accomplish it. This optimism is incredibly influential on consumer decisions in areas such as insurance, retirement, fitness, travel, and health.

The unrealistic outlook can both affect inevitable decisions (how much to save or which insurance plan to choose) and cause us to make decisions we would not otherwise have. For example, consumers buy season passes to institutions (e.g. amusement parks and museums) they optimistically believe they will frequent, but in reality don't. Nearly everyone has bought a piece of exercise equipment only to have it sit in their basement for months collecting more dust than calories burned.

Kurt Carlson and his colleague Robin Tanner explain that consumers are unrealistically optimistic because they estimate future behavior based on ideals rather than realities. For example, consumers may believe they will use a treadmill three times per week. However, this represents ideal circumstances. In reality, many weeks require staying late at work and attending weekend weddings. These factors reduce actual use to once per week. Consumers appear to be completely unaware of this bias; even when made aware of its existence and given direct instruction to avoid it, consumers continue to produce idealistic rather than realistic estimates of future events.

THE FINDINGS

Carlson and his colleague developed a simple yet effective way to have consumers generate realistic estimates. By first asking individuals to explicitly consider and report idealized possibilities of future events, they opened the door to subsequent reporting of more realistic possibilities. Over several scenarios, they demonstrate the effectiveness of initially requesting ideal estimates on the later generation of realistic estimates and demonstrate how overly optimistic predictions regarding future events can significantly effect behavior.

The studies focused on two conditions; in the standard condition, consumers were asked a question such as “How often will you exercise next week?” In the ideal condition consumers were first asked “In an ideal world, how often will you exercise next week?” and then asked, “How often will you exercise next week?” In the first study, consumers in the standard condition estimated they would realistically exercise 4.7 times in the next week. Consumers in the ideal condition estimated they would realistically exercise significantly less often, only 3.7 times. The difference affirms that by first asking consumers to provide an ideal response,
they are then able to provide a more realistic response. In a third condition in which consumers were explicitly told to provide realistic estimate, responses matched those generated in the standard condition, suggesting they were still providing an idealistic response.

Importantly, Carlson reasoned that consumers’ optimism must affect their behavior. For example, if consumers in the standard condition were more idealistic about their future exercise frequency, they ought to be willing to pay more for a treadmill. In a follow up to their initial study, responses revealed those in the standard condition expected to exercise more (3.16 times/week) and were willing to pay more ($600) than those in the ideal condition (2.47 times/week and $480) (see the figure).

![Unrealistic Optimism](image)

**IMPLICATIONS & CONCLUSIONS**

“Over a series of studies Carlson and colleagues examined multiple contexts: when consumers were hypothetically asked about whether or not they would give blood in the future, when consumers were asked about their discipline in retirement savings, when students were asked to plan out timelines for assignments, and when consumers were asked how many songs they would upload to an iPod. In each context predictions of future behavior were overly optimistic and the evidence suggested that this optimism would significantly affect future behaviors.

Carlson’s research brings to light consumer’s optimistic biases and their impact on decision making. They note that “In particular, it is possible that getting consumers to think more realistically will influence the quality of their decisions.” And explain, “the key to more realistic predictions of future behavior lies not in exhorting consumers to ignore the ideal, but in getting them to acknowledge it. Those who did so of their own accord abandoned their idealistic expectations and embraced realistic ones.”

**Key Points**

- Consumers are unrealistically optimistic because they estimate future behavior based on ideals rather than realities.
- If consumers in the were more realistic about their future exercise frequency, they ought to be willing to pay more for a treadmill.
- Getting consumers to think more realistically will influence the quality of their decisions.

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This Brief, based on the work of Kurt Carlson et al., was composed by Chris Hydock in collaboration with Kurt Carlson.