

Literature review on counterfactual thinking

[Business](#), [Marketing](#)



Introduction

Counterfactual thinking has been defined as the thought of events or occurrence of something that never occurred. Counterfactual thinking is a subject that has been discussed by many psychologists. This is the reason why there have been numerous researches that have been conducted about the subject. The first pioneers of the study of counterfactual thinking were Amos Tversky and Daniel Kahneman. This happened in 1982 where they wanted to show that people in the world tend to think about the “if only” of some certain events in their lives. There are positive feedbacks from the numerous researches conducted about the thought. There are also negative feedbacks that have been found in the research. A positive feedback from the research is that the thought is good for business. It has also been stated that the thoughts could be functional for other things in human’s lives. The negative result is that it causes people to have casual thoughts.

Literature review

There are numerous researches that have been conducted regarding the counterfactual thinking and many articles written about it. Counterfactual thinking has been claimed to have some goal oriented thinking for people. A good example was from the article written by Nan, X. in 2008. The article is called The pursuit of self-regulatory goals: How Counterfactual Thinking Influences Advertising Persuasiveness. In this article, it states that when people have positive counterfactual thinking it will help them in making the goals of promotion to be accessible (Nan, 2008, p. 18). This is very good for people who are doing business.

The article was written after a research was conducted in a university. The participants for the experiment were 51 students from a university (Nan, 2008, p. 19). The main purpose for the research was so that the psychologist will be able to find the negative and the positive aspect for counterfactual thinking. The result from the research was that with good or positive counterfactual thinking the promotional goals will be easily accessible. The result also shows that when the people have negative counterfactual thinking then the promotional goals of a person sets will be accessed easily. This article is very good in showing the positive and negative effects of the counterfactual thinking.

The other article written about counterfactual thinking is called The lessons we (don't) learn: Counterfactual thinking and organizational accountability after a close call. This article was written by Morris and Paul Moore in 2000. The main reason the article was written was because of a research that was conducted on this subject (Morris and Moore, 2000, p. 738). The main objective for the research was to investigate how the learning experience could be responded better in scenarios when the individual concentrates or focuses on the self-focused counterfactual thinking. The research is also done in order to find the real reasons why learning experience is hindered though accountability and evidence.

The experiment was conducted in an aviation college. The aviation pilots were the participants in the experiment. The research looked at how they were learning about planes through plane crashes (Morris and Moore, 2000, p. 745). That almost happened. This helped the pilots to see how the plane operates and what led to the crash of the plane or what made the crash not

to occur. Once the experiment or research was completed, the end result proved the objective of the research. This shows how certain scenarios with self-focused counterfactual thinking helps in learning experience of any individual in a learning environment.

There are some other researches that have been conducted that show that there is a relationship between a buyer's behaviors when trying to purchase something and the counterfactual thinking. a sample of the research was written by Roese in 2000. The articles name was called Counterfactual thinking and marketing: Introduction to the special issue. The research was conducted by Roese and the main objective of the research was to identify what the relationship is between the counterfactual thinking and the behavior of the buyer in marketing (Roese, 2000, p. 277). The participants in the research were two buyers who wanted to buy a car. When the buyers were interviewed, they both said that they had previously bought the Ford double cabin tracks.

In the interview, Roese was able to listen to their thoughts on what they think could have happened when they bought different makes of other cars. The buyers were not happy with their choice of car. They both insisted that they had made the wrong choice in buying that make of car. They believed that if they had known they would have chosen a different kind of car. This is because they would have been able to save money with different car. The outcome from the research or interview showed that there is a relationship between counterfactual thinking and a buyer's behavior (Roese, 2000, p. 277). This also means that many people in the world have regretted purchasing or acquiring something and thus when they are asked later they

always respond by stating how they wish they had purchased a different thing.

There are other researches that have shown that there is a relationship between the counterfactual thinking and crime. A good example was in the research done by Bothwell, R. and Duhon. The research was conducted in 1994. The name of the article about the research is Counterfactual thinking and plaintiff compensation. The main objective for this research was so that the researcher could be able to find the relationship between plaintiff compensation and counterfactual thinking (Bothwell & Duhon, 1994, p. 705). The research looked at two different cases. The first subject that was looked at was the case where the victim had acquired injuries from a store that they had never gone to or entered. The other subject was a case in, which the victim was injured or hurt in store that they had gone to do some shopping. When the research was completed, the researcher found out that the plaintiff who had been hurt in the store lost the case and thus was never compensated or the compensation given to them was little. The plaintiff who had never gone to the store or being near it won the case in the claims that they had been injured in the stores. The plaintiff was thus compensated more compared to the one who was really injured in the store.

There have been some researches that have shown that casual judgment that people over life events are sometimes caused by counterfactual thinking. McGill is among the researchers who were trying to see the connection between casual thinking and the counterfactual thinking. The research was done 200 by McGill (McGill, 2000, p. 323). The name of the article written about this research is called Counterfactual reasoning in

causal judgments: Implications for marketing. The main objective for doing the research was so that he could find the relationship between the counterfactual thinking and causal judgment. In order to find this result the researcher did an experiment by using a manager as a participant. The manager was supposed to look at the markets disappointing test results by evaluating it.

There are two cities markets that were supposed to be evaluated. The first was from the city's disappointing test result while the next was from a city with good test results in the market. The conclusion that the manager was able to come up with in the research was as a result of counterfactual thinking. The reason for this statement is that the researcher was able to come up with is that the casual judgment of the manager is what made for the final result. The fact finding strategies is not what led to the final answer about why the poor findings in the market occurred in a certain city and what caused the good findings in the market for another city (McGill, 2000, p. 323). This casual judgment is what is also causing people in the world to have conflict with one another because people tend to judge people. Counterfactual thinking and casual judgment go hand in hand especially when people are making certain decisions in life.

In conclusion, there have numerous researches conducted about the counterfactual thinking and the relationship it has with everyday life decisions. There have been a number of researches that have come up with the conclusion that there is a connection between the counterfactual thinking and plaintiff compensation. The other connection is with casual judgment, learning through scenarios, promotional goals in marketing and

decisions made by buyers. In the relationship between casual judgments is something that occurs to almost everyone. This is because people tend to come up make a decision on something without using strategies. This is common especially in the market environment.

Reference

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