Attenuating focalism in affective forecasts of the commuting experience: Implications for economic decisions and policy making ☆

David A. Comerford *

Fuqua School of Business, Duke University, United States
UCD Geary Institute and School of Economics, University College Dublin, Ireland

ARTICLE INFO

ABSTRACT

Focalism is a cognitive bias that overweights the contribution of certain attributes to the consumption experience. This paper proposes that focalism afflicts choice of transport mode for commuting. A field study and two experiments provide evidence that commuting by bus is estimated to be less enjoyable than it is experienced to be and that driving to work is estimated to be more enjoyable than it is experienced to be. To the extent that commuting behavior is informed by subjective expected utility, commuters will inflict unanticipated costs on themselves and on society. Transport mode choice has external and dynamic consequences. Focalism in this domain implies welfare distortions that are worthy of policymakers' attention. This paper develops a novel debiasing technique, Affective Averaging, that reveals and attenuates focalism in affective forecasts of commuting.

© 2011 Elsevier B.V. All rights reserved.

1. Introduction

1.1. Context

Public policy that is premised on normative models of economic decision making is misguided if people make decisions that deviate systematically from their own best interest (Frey & Stutzer, 2006; Hsee, Hastie, & Chen, 2008; Kahneman & Sugden, 2005; Layard, 2006; Loewenstein & Ubel, 2008; Oswald & Powdthavee, 2008; Thaler & Sunstein, 2008). One important reason why people choose contrary to their best interest is systematic error in judgment of how enjoyable an outcome is, termed an affective forecasting error (Gilbert & Wilson, 2007). This paper shows two complementary affective forecasting errors, that commuters overestimate the enjoyment of driving and underestimate the enjoyment of commuting by bus. To

the extent that commuting behavior is informed by subjective expected utility, these judgment biases will inflict unanticipated costs on commuters and on society.

Normative economics posits that a welfare optimizing outcome attains when each actor behaves as she wishes, to the extent that she is willing and able to pay the costs her actions incur (Hicks, 1939). For instance, a commuter will drive to work if she believes that the benefits experienced are at least equal to the costs of doing so. In many cities commuter trips can be made more cheaply by bus than by car. For those journeys, it is irrational to drive unless driving is expected to confer greater benefits than are expected from traveling by bus. If the expected benefits of driving are overestimated, the marginal driver incurs costs without experiencing compensating benefits. Given the number of car journeys made every day, and the rapidly increasing number in the developing world, the cumulative waste from biased driving decisions could be very substantial (Parry, Walls, & Harrington, 2007). Positive bias in the expected utility of driving also imposes costs on third parties by increasing traffic congestion (Schrank & Lomax, 2005), accident risk (Edlin & Karaca-Mandic, 2006) and air pollution, which has an instantaneous impact on air quality and long term implications for climate change (Hill et al., 2009). Transport modes also compete for public resources to furnish operating infrastructure. Cost-benefit analyses, which determine the infrastructure projects that form part of tomorrow's landscape, rely on the assumption that today's transport decisions are welfare maximizing (Hensher, 2001).

The choice to commute by car is informed by prediction of how it feels to commute by car, as opposed to any other mode of transport (Steg, 2005). When making this prediction the car is the focal feature because it is the vivid, distinctive feature of 'how it feels to commute by car'. Focalism refers to the tendency for prediction of affective response to an event to be biased in the direction of affective response its focal feature (Dunn, Gilbert, & Wilson, 2003; Gilbert & Wilson, 2007; Wilson, Wheatley, Meyers, Gilbert, & Axsom, 2000). Schwarz, Kahneman, and Xu (2009) offer evidence that predictions of the driving experience are biased by excessive focus on the car. Respondents predicted that driving a luxury car is more enjoyable than driving an economy car. However, data from drivers who were asked to rate their most recent driving experience showed no relationship between a driver's enjoyment and the luxuriousness of their car. The authors explain the discrepancy between prediction and experience thus: when predicting people focus on the attributes of the car but "while driving, something else is on the driver's mind and the attributes of the car make little difference" (Schwarz et al., 2009). Consistent with this explanation, the one driving occasion that predictions did describe well were journeys made for fun, when the attributes of the car are relevant to the purpose of the trip and other concerns are less likely to distract the driver's attention from the car.

Commuting is an event when there are many stimuli, thoughts and feelings competing for attention. Some of these will attract attention regardless of what mode of transport is used. The distinction bias refers to the finding that features that are common across alternatives attract less attention in prediction than in the moment of experience (Hsee et al., 2008). For example, Wilson et al. (2000) asked fans to predict how they would feel 3 days after their preferred team played a football game. Respondents overestimated how good they would feel 3 days after a victory and how bad they would feel after a loss. Predictions were more accurate for respondents who, prior to prediction, filled out a diary for some future day. The diary manipulation called to mind those predictable, diagnostic but pallid events that occur regardless of the game, which improved predictions. Likewise, the predictable, diagnostic but pallid features of commuting – thoughts about work obligations; feelings of tiredness due to a poor night's sleep; listening to the news headlines, etc. – are likely to play a greater role in the experience of commuting than people predict.

Focalism suggests bias in predictions of how it feels to commute by car (or whatever mode of transport) because the contribution of the mode of transport to the commuting experience is likely to be exaggerated in prediction and common but pallid features of the commuting experience are likely to be granted insufficient attention. Surely repeated experience would teach commuters to update their predictions? Previous research suggests not. People misestimate[1] the intensity of their own affective response to events that they have previously experienced such as menstruation (McFarland, Ross, & DeCourville, 1989); vacations (Wirtz, Kruger, Napa Scollon, & Diener, 2003; Mitchell et al., 1997); holidays (Buehler & McFarland, 2001); failing a driving test second time around (Ayton, Pott, & Elwakili, 2007); elections (Wilson, Meyers & Gilbert, 2003; Hoerger, Quirk, Lucas, & Carr, 2010); and acquiring new shoes (Pollai et al., 2010). Predictions will not be updated unless predictors recognize that a mistake has occurred (Ayton et al., 2007). One circumstance that leads people to ignore that their prediction requires updating is that affective response to the event is misremembered. For example, people remembered 4 weeks afterwards that being on holiday felt just as they predicted it would feel, but both predictions and memories were more intense than how it actually felt (Wirtz et al., 2003). As with predictions, evaluations of past experiences often form with reference to that which comes most readily to mind, which may not be representative of the target event (Morewedge, Gilbert, & Wilson, 2005; Robinson & Clore, 2002). An indication that commuters fail to update their predictions comes from Schwarz et al. (2009). Though the luxuriousness of their car had no predictive power for the quality of their most recent driving experience, drivers of luxury cars rated their general experience of driving more positively than drivers of budget cars. This result suggests that repeated experience of driving a luxury car does not displace the false belief that it offers greater enjoyment.

---

[1] Studies demonstrate biased recall as well as biased predictions.