The concept of potential is central to a number of decisions, ranging from organizational hiring, to athletic recruiting, to the evaluation of artistic performances. While potential may often be valued for its future payoffs, the present studies investigate whether people value potential even when making decisions about goods and experiences that can only be consumed in the present. Experiment 1 demonstrates that potential makes people more likely to consume inferior performances in the present. Experiment 2 manipulated temporal focus and demonstrates that focusing on the present (vs. the future) attenuates the effect of potential on enjoyment. Experiment 3 demonstrates that merely moving the performance into the past negates the effect of potential. And, Experiment 4 demonstrates that potential increases valuation only when value is tied to abstract, hedonic dimensions, but not when it is tied to concrete, utilitarian dimensions.

1. Introduction

Assessments of potential play an important role in many kinds of decisions. Undergraduate and graduate admissions focus not only on objective measures of past performance, but also on how candidates are likely to perform in the future. In hiring and promotion decisions within organizations, it is common to classify candidates based on their likelihood for future success. And a critical factor in athletic recruiting is the degree to which a player is likely to improve (Berri & Simmons, 2011; Kuzmits & Adams, 2008; Massey & Thaler, 2013; Quinn, Geier & Burkovitz, 2007).

While some research suggests that the bias toward future performance is so robust that it can dominate objective criteria (e.g., Massey & Thaler, 2013), in many cases, the valuation of potential is understandable—the recruitment of exceptional, one-of-a-kind talent is attractive to any organization. Moreover, identifying individuals with potential may present a "great buy" for organizations, as they are able to hire individuals at a fraction of their future value.

More puzzling is a class of consumption decisions for which potential seems relevant, yet there is little ability to "profit" from the future success of those individuals. For example, there are many videos on YouTube of prodigious children singing, dancing, or playing instruments, and these videos tend to be more popular than similar (and often superior) performances by professionals. Why are these videos of children so popular? In other words, why do people choose to spend their time watching these performances by children when they could instead watch potentially superior performances by professional adults?

One explanation might be novelty. Perhaps it is novel or unexpected to watch children play pieces of music that are typically associated with adults. Another explanation may be the inherent 'cuteness' of the performance. Or, perhaps the popularity of such videos stems from a sense of 'awe'...
(Rudd, Vohs, & Aaker, 2012) or wonder as viewers speculate about the origins of such talent.

While the appeal of YouTube videos per se is likely multiply determined, here we suggest that this type of phenomenon is importantly related to considerations of potential. Specifically, we propose that consistent with a literature on conceptual consumption, individuals consume not only the item or performance in question, but also their ideas about it (Ariely & Norton, 2009). In the case of child prodigies, those concepts may include imagining the child’s superior performance in the future—e.g., “If the child is this good now, imagine what they will be like as an adult.” In turn, the positivity associated with imagined future achievements provides a source of value in the present. Therefore, we suggest that prodigious or early-emerging talent may lead people to imagine an individual’s future achievements, and the act of imagining those future achievements may increase one’s likelihood of consuming goods or experiences that are associated with that individual.

To date, relatively little research has focused on potential or “pre-peak” consumption. Research on NFL drafts has found that teams tend to overvalue the potential of rookies relative to known performance of players on their current roster (Massey & Thaler, 2013). Also, when people are given less (rather than more) information about social targets, they tend to ‘fill in’ social information about that person in an idealized, overly positive way (Bargh, McKenna & Fitzsimmons, 2002; Norton, Frost, & Ariely, 2007). And, recent work by Tormala, Jia, and Norton (2012) has shown that people prefer individuals with ‘potential’ to those with proven performance—a phenomenon that persists across a wide-variety of domains from athletics, to entertainment, to graduate student recruiting.

Previous research has focused on evaluations of persons—for example, the likelihood of hiring individuals with more (vs. less) potential. In this paper, however, we focus on appreciations of the “performances” themselves. In other words, do individuals evaluate the very same item with more (vs. less) potential? In this paper, however, we focus on appreciations of the “performances” themselves. In other words, do individuals evaluate the very same item with more (vs. less) potential?

Moreover, we test the notion that the valuation of potential in present is driven by the act of imagining the individual’s abilities in the future. This is important because it helps to dissociate the effects of potential that are related to “future payoffs” (e.g., purchasing the artwork of a talented child artist in the hopes that it will appreciate in value) from those that are unrelated to future rewards (i.e., deriving utility from merely imagining an individuals’ future achievements). Therefore, the goal of the present studies is to examine contexts in which merely imagining better performance in the future increases consumption of things that are experienced in the present.

1.1. Overview of studies

Experiment 1 demonstrates that potential makes people more likely to consume even inferior performances in the present. Experiment 2 manipulated temporal focus and demonstrates that focusing on the present (versus the future) attenuates the effect of potential on enjoyment. Experiment 3 demonstrates that merely moving the performance into the past negates the effect of potential. Experiment 4 demonstrates that potential increases valuation only when value is tied to abstract, hedonic dimensions, but not when it is tied to concrete, utilitarian dimensions.

2. Experiment 1: consuming inferior performances

The goal of the first experiment was to test whether people are willing to consume inferior performances in the present based on beliefs about an individual’s potential.

2.1. Method

Participants were 111 adults (M_{age} = 30.4, 41% female), who were recruited from Amazon’s Mturk website in exchange for $.50 (USD). Each participant was randomly assigned to one of 3 between-subjects conditions.

We presented participants with two paintings: One ‘superior’ painting (a pretest indicated a mean liking of 5.4 on a 7-point scale), and one ‘inferior’ painting (M_{liking} = 3.5 out of 7; t(55) = 8.13, p < .001). Between participants we varied the biographical information about the artists’ ages. The superior painting was always said to have been created by an adult (age 42), and across conditions we varied whether the inferior painting was said to have been created by a child (age 7) or another adult (age 37).

A third control condition was included in which the artists’ ages were not mentioned. We then asked participants how much they liked each painting (1 = not at all, 7 = very much) and their interest in attending the artists’ respective exhibitions, coded as 1 = superior painting and 7 = inferior painting.

2.2. Results and discussion

Liking of the superior painting did not change across conditions (M_s = 5.69, 5.82 and 5.41), p = .24. However, liking of the ‘inferior’ painting increased when it was said to have been created by a child (M = 4.65, SD = 1.69) compared to when it was created by an adult (M = 3.53, SD = 1.38), t(77) = 3.22, p = .002, or the artists’ ages were not mentioned (M = 3.72, SD = 1.44), t(69) = 2.44, p = .017 (see Fig. 1). Analogously, participants reported that they were significantly more likely to attend the ‘inferior’ art exhibition when the painting was created by a child (M = 3.97, SD = 1.74), compared to when both artists were adults (M = 2.83, SD = 1.71), t(77) = 2.96, p = .004, or when no age information was provided (M = 2.41, SD = 1.34), t(69) = 4.18, p < .001.

This initial result suggests that beliefs about potential can increase evaluations, which in turn can make people more likely to consume even inferior goods/experiences.

---

2 None of the pretest participants recognized the “superior” painting, or identified the artist who made it.

3 The names of the artists and the side on which each painting appeared were counterbalanced across participants.
in the present. The next study examines the mechanism underlying this effect.

3. Experiment 2: focusing on the future vs. the present

The goal of Experiment 2 was to provide more direct evidence for the proposed mechanism behind the ‘potential effect.’ Specifically, participants rated a musical performance by a child prodigy. One group of participants was asked to focus on the individual’s potential in the future, a second group was asked to focus on the individual’s performance in the present, and a third group was given no instruction. Based on the hypothesis that the consumption of potential in the present results from imagining the individual’s future achievements, we predicted that enjoyment of the performance should decrease when individuals focus on the present versus the conditions in which they imagined the future or were given no instruction.

3.1. Method

Participants were 110 undergraduates (Mage = 20.6, 68% female), who were recruited on the campus of a private Southern university. Participants came to the lab in exchange for course credit and were randomly assigned to one of 3 between-subjects conditions.

In all conditions, participants were told that they would listen to a brief audio recording of a guitarist. Prior to listening, however, participants read a short paragraph in which they were told that the person performing this song was only 6 years old. (In this study we did not name the performer to further reduce a desire to tell others about the person).

In the control condition, participants were then asked to write a paragraph about their thoughts on the performance. In the Future focus condition, participants additionally read, “As you listen, try to imagine the performer’s future,” and were asked to “write a paragraph about what you will think will happen to this performer in the future.” And, in the Present focus condition, participants were asked to listen for the “technical aspects of the performance” and to “write a paragraph about your opinion of the technical aspects of the performance.”

After listening the performance (which was 3:37 in duration) participants wrote a paragraph about it and then responded to a series of four items: How much did you enjoy this performance? (1 = Not at all, 7 = Very Much); This mp3 is available for purchase for $.99, how likely are you to buy it? (1 = Not at all, 7 = Very Likely); This guitarist will be performing in the Dallas area in the next month. How much would you like to attend the performance? (1 = Not at all, 7 = Very Much); This performance is available to watch on video, how much would you like to watch it? (1 = Not at all, 7 = Very Much).

3.2. Results and discussion

A factor analysis indicated that the four dependent measures loaded onto a single factor and therefore, were averaged to produce a single measure of enjoyment ($x = .75$). A one-way ANOVA indicated a significant effect of condition, $F(2, 107) = 16.00, p < .001$. We then ran a series of post hoc analyses to examine the specific pattern of results. As predicted, there was a main effect of temporal focus such that participants enjoyed the performance significantly more when they focused on the future ($M = 4.84, SD = .98$) compared to when they focused on the present ($M = 3.52, SD = 1.10$), $t(107) = 5.51, p < .001$. Additionally, there was a negative effect of focusing on the present, such that participants who focused on the present enjoyed the performance significantly less than participants in control condition ($M = 4.47, SD = 1.01$), $t(107) = 3.89, p < .001$. Finally, we observed a marginal positive effect of explicitly focusing on the future relative to the control condition, $t(107) = 1.57, p = .12$ (see Fig. 1).

The results of this study were informative because they established an effect of potential on ratings of enjoyment in the present. Additionally, the pattern of data in the temporal focus conditions (present vs. future) relative to the control condition suggests that in the absence of direct instruction, participants do imagine the individual’s future performance, but not to the same extent as when they are explicitly instructed to do so. Finally, this experiment helps to address an alternative explanation of the results in Experiment 1. It may be that people value potential because of a sort of “bragging right” associated with discovering talent before others. However, this mechanism cannot account for the findings of this study because we observed an effect of potential in a context in which participants could not tell others about the performance.

4. Experiment 3: the future is in the past

The results from the first experiment suggest that considerations of potential may lead people to consume inferior performances. Experiment 2 found that manipulating temporal focus (present vs. future) changes the effect of potential on enjoyment.

Experiment 3 sought to provide further evidence for the notion that the effect of potential is due to imagining the individual’s achievements in the future. To accomplish this, participants were asked to evaluate a book of poetry and between subjects we varied the age of the poet as well
as whether the book was published recently (one week ago) or in the past (20 years ago). Our prediction was that merely moving the publication of the book into the past should reduce the ability to imagine the poet’s future performance, and thus, eliminate the preference toward the child’s poetry. In this experiment, we also directly asked about the perceived potential of the poet with the expectation that ratings of potential should mediate willingness to purchase the poet’s book.

Along with Experiment 2, this study also helped to address yet another possible explanation for the results in Experiment 1 which is that individuals may have a preference for things created by children simply because they are more novel, rare, or ‘awe inspiring.’ In that case, however, we should expect participants in the current study to express greater interest in the 9-year old’s book regardless of whether it was published in the present versus the past.

4.1. Method

Participants were 106 adults (M_age = 35.1, 45% female), recruited from Amazon’s Mturk website in exchange for $.50 (USD). Participants were randomly assigned to one of four conditions in a 2 (age) x 2 (present vs. past) between-subjects design.

Participants were asked to read a brief vignette about a book of poetry (see Appendix). Between participants we varied the age of the artist (9 vs. 39) and when the book was published (one week vs. 20 years ago). After reading the vignette, participants were asked to indicate their general interest in reading the book (1 = not at all interested; 7 = very interested) as well as how likely they were to purchase it (1 = not at all likely; 7 = very likely). Participants also indicated how much potential they thought the poet had (1 = none at all; 7 = very much).

4.2. Results and discussion

A 2 (age) x 2 (time framing) ANOVA revealed a significant interaction, F(1,102) = 7.83, p = .006. As predicted, when the book was recently published, participants were more interested in reading the 9-year-old’s book (M = 5.71, SD = 1.32) than the 39-year-old’s book (M = 3.77, SD = 1.41), t(51) = 5.11, p < .001. By contrast, when the book was released 20 years in the past, participants were equally interested in reading the 9-year-old’s book (M = 4.76, SD = 1.28) as they were the 39-year-old’s book (M = 4.30, SD = 1.34), p = .22.

Participants’ willingness to purchase the book followed an identical pattern. An analogous 2 (age) x 2 (time framing) ANOVA revealed a significant two-way interaction, F(3,102) = 3.97, p = .049 (see Fig. 2). As predicted, when the book was recently released, participants were reported that they were more likely to purchase the 9-year-old’s book (M = 5.19, SD = 1.62) than the 39-year-old’s book (M = 3.18, SD = 1.26), t(51) = 4.87, p < .001. By contrast, when the book was released 20 years in the past, participants reported that they were only marginally more likely to purchase the 9-year-old’s book (M = 4.27, SD = 1.44) than they were the 39-year-old’s book (M = 3.45, SD = 1.64), t(51) = 1.92, p = .06. Thus, for ratings of purchase intent, moving the performance into the past did significantly reduce the influence of potential, though it did not completely eliminate the effect.

We then conducted a bootstrap mediation analysis to determine whether in the “present” conditions (i.e., a book that was published one week ago) ratings of potential mediated the effect of the poet’s age on willingness to purchase the book. Indeed, we observed a significant indirect effect of poet’s age on willingness to purchase the book, b = .33, SE = .14 (95% CI = .01 to .67).

5. Experiment 4: hedonic and utilitarian domains

Experiment 4 examined a boundary condition of the effect. Specifically, we reasoned that the effect of potential on purchases should hold for domains where value is abstract and subjective (such as artwork or poetry) but not in domains where value is more concrete and objective (such as tool-making) (Batra & Ahtola, 1990). To test this, we asked participants to read short vignettes about both young vs. older individuals who offered goods/services in either hedonic or utilitarian domains. The young and old individuals were all described as being relatively new to the domain, but as having received recent recognition for their success.

We hypothesized that beliefs about potential would only influence purchases for hedonic goods/services where valuation is more abstract and subjective in nature, even though participants may assign higher ratings of potential for both hedonic and utilitarian items created by young persons. For example, participants may think a younger auto mechanic has more potential than an older one, but this should not subsequently impact consumption decisions, since getting one’s car repaired is more strongly related to concrete performance dimensions (e.g., how well the car drives), rather than one’s subjective beliefs about the individual who repaired it.

5.1. Method

Participants were 206 adults (M_age = 33.2, 52% female), recruited from Amazon’s Mturk website in exchange for $.50 (USD). Participants were randomly assigned to one of four conditions in a 2(age) x 2(domain) between-
subjects design. Between-subjects we varied the age of the person to be either under 15-years-old (youth condition) or over 40-years-old (adult condition). Participants then read about either 4 hedonic products/services (watching a television show written by the person, watching a movie directed by the person, listening to music produced by the person, having your boat serviced by the person) or 4 utilitarian products/services (taking pain medication made by the person, having your car serviced by the person, having a tool repaired by the person). In all cases, the products/services were described as high quality and having received recognition (e.g., a major television network had agreed to make a show written by the person). However, all of the scenarios also stated that the individual was relatively new to the domain and had “only recently” started working in that area—for example, directing movies or repairing cars. This was done to equate the inferred experience across the child and adult conditions.

Following each vignette, participants reported their likelihood of purchasing/consuming the product or service described (1 = not at all likely, 7 = very likely). Participants also indicated how much potential they thought the individual had (1 = none at all; 7 = very much) as well as how good they expected the person would be at their trade 10 years in the future (1 = worst, 10 = best). This latter measure directly tested whether people are imagining the future achievements of the individual. Both measures of potential and future achievement were included to a test specific serial mediation model where beliefs about high potential lead to predictions about better future performance which in turn leads to increased valuation.

### 5.2. Results and discussion

A 2(age) x 2(domain) ANOVA revealed a significant two-way interaction on valuation, \( F(1,202) = 5.56, p = .02 \). As predicted, when the domain was hedonic, participants indicated they were more likely to purchase/consume the young person’s good/service (M = 5.07, SD = 1.21) compared to the adult’s (M = 4.55, SD = 1.23, t(106) = 2.21, \( p = .03 \)). However, when the domain was utilitarian, participants showed a slight preference for the adult (M = 4.59, SD = 1.39), over the young person (M = 4.25, SD = 1.39), though this difference was not statistically significant, \( p = .23, \) ns (see Fig. 2).

An analogous 2(age) x 2(domain) ANOVA on ratings of potential indicated a main effect of age, \( F(1,202) = 33.56, p < .001 \), a main effect of domain, \( F(1,202) = 7.06, p = .009 \), and no interaction, \( F(1,202) = 0.32, p = .57 \). Ratings of potential were higher when the person was younger (M$_{\text{hedonic}}$ = 5.89; M$_{\text{utilitarian}}$ = 6.17) versus older (M$_{\text{hedonic}}$ = 5.05; M$_{\text{utilitarian}}$ = 5.48) and higher in the utilitarian vs. hedonic domain.

Finally, a 2(age) x 2(domain) ANOVA on ratings of future performance indicated a main effect of age, \( F(1,202) = 14.43, p < .001 \), a main effect of domain, \( F(1,202) = 13.84, p < .001 \), and no interaction, \( F(1,202) = 0.48, p = .49 \). Ratings of potential were higher when the person was younger (M$_{\text{hedonic}}$ = 7.86; M$_{\text{utilitarian}}$ = 8.88) versus older (M$_{\text{hedonic}}$ = 7.13; M$_{\text{utilitarian}}$ = 7.84) and higher in the utilitarian vs. hedonic domain.

We then conducted a serial bootstrap mediation analysis to determine whether the effect of age on valuation was mediated through the indirect effects of potential and predictions about future ability (see Fig. 3). We examined the hedonic and utilitarian items separately. This analysis indicated that full serial mediation model (age → future performance → valuation) was statistically significant for the hedonic domain items, (95% CI = .06 to .31), but not for the utilitarian domain items (95% CI = -.05 to .22). Thus, the critical difference between the hedonic and utilitarian domains was the extent to which ratings of future performance predicted purchases/consumption.

The results from this study were consistent with the prediction that when value is tied to hedonic dimensions, potential has a positive effect on consumption. However, when value is predominantly associated with utilitarian dimensions, and a product’s imagined components play less of a role, the effect of potential is attenuated. One effect that was not expected was the main effect for participants to assign higher ratings of potential in utilitarian vs. hedonic domains. One explanation for this effect may be that people believe that in general, abilities increase linearly in utilitarian domains more so than in hedonic ones, and therefore the “potential” for improvement is greater which may be interesting to explore in future work. Nevertheless, the key finding from this study was that these ratings of potential were more predictive of consumption decisions for hedonic versus utilitarian goods.

### 6. General discussion

Four experiments investigated the concept of potential and specifically, the notion that people are willing to consume certain goods or services in the present based on an individual’s imagined future achievements. Experiment 1 demonstrated that potential leads people to consume even inferior performances in the present. Experiment 2 demonstrated that focusing on the present (versus the future) attenuates the effect of potential on enjoyment. Experiment 3 demonstrated that the ability to project achievements into the future plays a key role in preferences based on potential—simply indicating that a young poet’s book had come out 20 years ago (as opposed to one week ago) significantly reduced the effect of potential. And, Experiment 4 demonstrated one boundary condition in that the effect of potential obtains in hedonic domains, where value is associated with abstract, subjective dimensions, more so than in utilitarian domains where value is concrete and objective.

These studies build on existing research on potential effects by (a) demonstrating an effect of potential on enjoyment and consumption decisions in the present (e.g., also see Tormala et al., 2012, Study 4), (b) providing evidence for a novel explanation of this effect (i.e., the valuation of imagined future achievements) by demonstrating that manipulations such as focusing attention on the present or placing things in the past attenuates the effect, and (c)
demonstrating boundary conditions, such as the moderation by product type (hedonic vs. utilitarian). One avenue for future research may be to further investigate the situations in which imagining the future increases valuation. It is well known that people inflate their predicted happiness for future positive events (e.g., Wilson & Gilbert, 2003; Wood & Bettman, 2007), and that they are overly optimistic about the future state of the world (Weinstein, 1980). Therefore, it may be interesting to examine the extent to which the effect of potential is a subset of a more general positivity bias about the future versus an altogether distinct phenomenon.

In sum, the goal of the present paper was to examine the concept of potential and its role in enjoyment in the present and immediate consumption decisions. Our preference for potential is likely multiply determined, drawing from our ability to profit from it in the future, novelty, a sense of awe, a preference toward innate skill or natural talent (Tsay & Banaji, 2011), and perhaps reputational benefits associated with “discovering” talent. Nevertheless, the present studies demonstrate that even when you eliminate the relevance of these factors, there remains a clear preference for potential that is tied to imagining the future achievements of individuals. Critically, we find that this conceptual aspect of potential exerts an influence on consumption decisions that are only experienced in the present, which provides empirical support not only for the existence of potential effects free from their payoffs in the future, but also for the notion of concepts per se can provide an important source of value.

Appendix A

A.1. Stimuli from Experiment 2

When poet Jason Allen White first published a book of poetry one week (twenty years) ago he was a 9 (39) years old. Upon publication, the book penned by the Phil-adelphia native immediately met with acclaim from the local press and has gone on to achieve more widespread recognition. One simply needs to read a few pages in this brilliant book to understand the staggering writing skills he possesses.

References


Fig. 3. Mediation results in Experiment 4.