**The Cognitive Wet-Blanket Effect?**

**Intro**

Utility models typically treat aesthetics as substitutable in a linear, additive fashion for other, “functional” attributes (REFs). However, in most real-world decision contexts, consumers discover product attributes sequentially (REF). If consumers evaluate some attributes before learning about the others, preferences may be order dependent in ways that are not captured in current theory. (REF or further explanation).

Order dependence in attribute evaluations is not a new topic --- LIT REVIEW PARAGRAPH--- Points to hit: aesthetics are subjective, high variance, used to infer missing functional information.

We extend previous research by showing how the evaluation of functional attributes biases the evaluation of aesthetic attributes, but not the reverse. The influence of functional attributes on aesthetic attributes takes two forms. First, the mean of the aesthetic evaluation distribution shifts to align with the mean of the functional evaluation distribution. Second, the aesthetic evaluation distribution is compressed, i.e., the variance shrinks. We propose that this occurs because \_\_\_\_\_\_\_\_\_\_\_\_\_ (because system 1 is easier to overrule than system 2, maybe?) MAYBE: We also develop a model of utility based on the experimental results and show that it better explains observational data.

REST OF INTRO (explain the above in fascinating detail)

**Experiment 1**

This experiment was designed by a group which included a quant, and is now being described by that same quant. Understanding is futile. Basically, we *think* WTP for pens gets pushed around more by aesthetics than by functional attributes. Why did we run this one? What did we learn?

**Method**

We got some MTurkers to look at pens and evaluate them on the best-named attribute ever: lubricity. Then they gave WTP.

**Results**

If you throw everything in a regression, then drop insignificant terms, you come out with a big effect of aesthetics on WTP. There was some other stuff which this author needs to revisit.

INSERT A VERY AESTHETIC FIGURE HERE

**Discussion**

We need to connect the results of Experiment 1 to a main thesis.

**Experiment 2**

We sought to learn the effects of evaluating (visual) aesthetics on the distribution of functional attribute evaluations, and vice-versa.

We hypothesized that aesthetics would have a bigger impact on functional ratings than the other way. We were totally wrong.

**Method**

Subjects were randomly divided into four groups. The first two groups produced the unbiased (control) distributions of functional and aesthetic ratings. The third and fourth groups produced functional ratings biased by previous aesthetic evaluations and vice-versa, respectively. In the aesthetic control group, subjects were given pictures of 6 products: a roll of paper towels, a pair of socks, a water bottle, a cordless drill, a car, and a men’s shaving razor. Each subject rated the visual aesthetics of the products. In the functional control group, subjects were given functional information in the form of online reviews. The reviews were taken from actual products of the same category and modified to present each product as high quality. In the treatment groups, both sets of information and tasks were given, but in two different sequences.

**Results**

Difference in **mean aesthetic ratings** **AC - AFH** (should measure impact of having done functional ratings on distribution of aesthetic ratings).  A negative value indicates lower average aesthetic ratings in the control condition.  (-4.287207 ,  -3.471366).  The mean aesthetic rating is significantly higher after rating functional attributes.  No surprise.

Difference in the **standard deviation** **of aesthetic ratings** **AC – AFH**.  Positive means variance drops: (0.5988626 ,  1.198954)

Difference in **mean functional ratings** **FC – FAH** (measures impact of having done aesthetic ratings). Positive = higher average functional ratings in control: (-0.08155468 ,  0.549769).  We are *very* close to statistical significance here.  I consider this evidence (though a bit weak) that aesthetic ratings drop the mean functional rating!?  What is going on?

Difference in the **standard deviation** **of functional ratings** **FC – FAH**.  Negative means variance drops: (-0.2989016 ,  0.1470355).  Not much to say here, really.

