



NEW BOOKS IN REVIEW

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RATIONAL CHOICE AND JUDGMENT: DECISION ANALYSIS FOR THE DECIDER, Rex Brown, Hoboken, NJ: John Wiley & Sons, 2005, 245 pages, \$79.95.

APPLYING SOCIAL COGNITION TO CONSUMER-FOCUSED STRATEGY, Frank R. Kardes, Paul M. Herr, and Jacques Nantel, eds., Mahwah, NJ: Lawrence Erlbaum Associates, 2005, 416 pages, \$115.00 (\$42.50 pre-paid).

THE CAMBRIDGE HANDBOOK OF THINKING AND REASONING, Keith J. Holyoak and Robert G. Morrison, eds., New York: Cambridge University Press, 2005, 872 pages, \$120.00 (\$60.00 paperback).

NEW RESOURCES FOR BEHAVIORAL RESEARCHERS AND STUDENTS

Three new books are of interest to those who study consumer and managerial behavior. Although Rex Brown's *Rational Choice and Judgment* is most appropriate as a resource for advanced undergraduate or MBA courses, Frank R. Kardes, Paul M. Herr, and Jacques Nantel's *Applying Social Cognition to Consumer-Focused Strategy* and Keith J. Holyoak and Robert G. Morrison's *The Cambridge Handbook of Thinking and Reasoning* are appropriate for doctoral seminars and researchers who wish to keep abreast of the latest developments in social cognition and cognitive psychology.

The intent of *Rational Choice and Judgment* is to overcome the shortcomings of previous texts on decision analysis, namely, the failure to account for the context in which decisions are made, including the knowledge that decision makers bring to each decision. The book is filled with interesting examples from a variety of public and private domains, the most prominent of which is the author's (i.e., the character Tex's) decision of whether to pursue a doctoral degree or become a businessperson. A set of problems at the end of each chapter provides students with the opportunity to apply new concepts. Unlike descriptive accounts of decision making, which often show failures of rationality (Gilovich, Griffin, and Kahneman 2002; Kahneman, Slovic, and Tversky 1982), constructed and context-influenced preferences (Bettman, Luce, and Payne 1998; Loewenstein et al. 2001; Slovic 1995), and adaptive and alternative decision-making processes (Chaiken 1980; Lurie 2004; Payne, Bettman, and Johnson 1993; Sloman 1996) or sug-

gest heuristics for quasi-rational decision making (Gigerenzer, Todd, and the ABC Research Group 1999), decision analysis assumes that decision makers have fixed and stable preferences and, for decisions under uncertainty, can assess the probability with which alternative outcomes are likely to occur. The decision analyst's job becomes a task of eliciting preferences and/or probabilities associated with alternatives and recommending the decision that maximizes expected utility. Although Brown acknowledges that descriptive decision-making research has shown violations of rationality (Gilovich, Griffin, and Kahneman 2002; Kahneman, Slovic, and Tversky 1982), he dismisses many of these findings as artifacts of lab environments that use student participants. Given the significant body of research that has demonstrated nonnormative behavior in decision making by public policy makers (Staw 1981), buyers and sellers (Camerer), juries (MacCoun 1989), colonoscopy patients (Kahneman, Wakker, and Sarin 1997), taxpayers (Kahneman and Knetsch 1992), firefighters and military commanders (Klein et al. 1995), managers (Sterman 1989), and investors (O'Dean 1998), many instructors may choose to supplement *Rational Choice and Judgment* with additional material to give students a more complete understanding of and alternative strategies for improving decision making (Bazerman and Neale 1992; Gigerenzer 2002; Hastie and Dawes 2001; Payne, Bettman, and Johnson 1993).

Some of the most useful chapters of *Rational Choice and Judgment* include the prologue, which describes the decision by the author's daughter of whether to have a cesarean section; Chapter 2, which describes applications of decision analysis; Chapter 4, which includes an overview of decision trees; Chapter 7, which covers choice under uncertainty; and Chapter 10, which helps students gain comfort working with conditional probabilities and provides an important discussion of the need to account for events that are difficult to predict, such as human activity that might disturb a nuclear waste repository, and attributes that are difficult to measure, such as environmental impact. A separate instructor's manual offers ideas on ways that the text can be used either alone or in combination with other material for different types of courses.

As with most first editions, *Rational Choice and Judgment* offers room for improvement. Although its chatty and informal writing style makes it accessible, some editing would have enhanced the book's usefulness for students. For example, in Chapter 1, three decision modes are identi-

fied (personal, professional, and civic), each with different needs, but these distinctions are not systematically pursued in later chapters. Other areas for improvement include avoiding the repeated use of the same illustration without reference to its prior use, making alternative analyses of the same data consistent with one another, and explaining terms with which students may be unfamiliar. Purists may take issue with the author's recommendation that importance weights should be adjusted to account for the range of scale values (rather than normalizing scales); others will find the mixing of terms, such as "goals," "preferences," "settings," "facts," and "outcomes," confusing and sometimes at odds with their use in the problem-solving and decision-making literature; and still others will take issue with the labeling of findings of insufficient updating and overconfidence as opposite effects. Nevertheless, the wealth of experience that forms the basis of *Rational Choice and Judgment* makes it a welcome addition.

Applying Social Cognition to Consumer-Focused Strategy provides interesting insights into how current researchers apply social cognition to understand consumer behavior. As the application of cognitive psychology to social settings (Fiske and Taylor 1991), social cognition informs much research on the behavior of consumers, managers, and organizations. This book contains a mix of theoretical and practitioner-oriented chapters. Although a significant portion of the book is oriented toward advertising, because it is based on papers presented at the 2004 Advertising and Consumer Psychology Conference, much of the book will be of value to researchers who are interested in decision making and cognition in general.

Several of the chapters in *Applying Social Cognition to Consumer-Focused Strategy* could be used to supplement material from the older *Handbook of Consumer Behavior* (Robertson and Kassarian 1991). For example, in Chapter 1, Robert Wyer presents evidence that consumers' preprocessing of information may be as important as decision processes in judgment and choice. In Chapter 2, Posavac and colleagues discuss how the existence of a focal goal or hypothesis can lead decision makers to seek supporting evidence and ignore disconfirming evidence; this selective processing can lead to extreme evaluations of focal alternatives. As such, these chapters build on Bettman, Johnson, and Payne's (1991) brief discussion of information encoding in consumer decision making in the *Handbook of Consumer Behavior*.

In Chapter 3, Silvera and Laufer present recent research on attribution theory, including evidence that the processes underlying causal attributions and inferences about actors are distinct. This distinction between dispositional research, such as research on the fundamental attribution error in which observers are more likely to believe that dispositional rather than situational factors cause a behavior (Nisbett and Ross 1980; cf. Morris and Peng 1994), and correspondence bias, in which observers tend to infer that behavior is evidence of a particular trait (Jones and Davis 1965), also updates material presented in Folkes and Kiesler's (1991) chapter on social cognition in the *Handbook of Consumer Behavior*. In Chapter 4, Machin and Fitzsimons review research that suggests that merely asking questions can change attitudes and behavior; they raise important ethical questions for researchers who do not want to harm those

whom they study. This material would be a good addendum to Wind, Rao, and Green's (1991) chapter on behavioral methods in the *Handbook of Consumer Behavior*.

Chapters 8, 11, 15, and 16 of *Applying Social Cognition to Consumer-Focused Strategy* provide additional updates to the *Handbook of Consumer Behavior*. In Chapter 8, Markman and Brendl discuss the role of goals and motivational processes in judgments. Importantly, the authors present evidence that many of the goals that drive behavior are not accessible in memory; this makes it difficult to use introspective techniques, such as protocol analysis (Ericsson and Simon 1993), to understand the processes through which decisions are made. In Chapter 11, Florack, Scarabis, and Gosejohann provide a brief overview of the implications of regulatory focus theory (Higgins 1997) for consumer behavior. They show how consumer behavior researchers have used the theory's ideas of competing promotion and prevention goals to predict the types of information to which consumers are likely to attend and the choices they are likely to make. In Chapter 15, Goodstein and colleagues review evidence that negative advertising is often more effective than positive advertising, an effect that has been found in persuasion research in general (Cacioppo 2004). In Chapter 16, Yoon and Vargas review research on counterfactual thinking, an area of research that has become important since the *Handbook of Consumer Behavior* was published. These are just some of the chapters in *Applying Social Cognition to Consumer-Focused Strategy* that will be of interest to current and aspiring behavioral researchers.

The Cambridge Handbook of Thinking and Reasoning offers an excellent review of the elements of cognitive psychology that are of particular relevance to behavioral researchers. Although lower-level cognitive processes, such as perception and attention, have important implications for consumer behavior and are the focus of many departments of cognitive psychology, much behavioral research in marketing is directed at higher-level processes, such as categorization (Yorkston and De Mello 2005), analogical and causal reasoning (Gregan-Paxton and John 1997; Van Osse-laer and Alba 2000), decision making (Novemsky and Kahneman 2005), and creativity (Moreau and Dahl 2005). Each of the chapters is written by some of the leading researchers in cognition and includes both historical synopses and current thinking on each topic.

For introductory courses, Holyoak and Morrison's Chapter 1 of *The Cambridge Handbook* provides a brief overview of the philosophical underpinnings of modern cognitive psychology in the writings of Kant, Hume, and Hobbes as well as a capsuled history of the development of the field, including Gestalt psychology, conscious versus unconscious reasoning, the computational model of the mind, research on natural categories, the use of heuristics in decision making, and cognitive neuroscience. Other material that is appropriate for introductory behavioral courses includes Goldstone and Son's chapter on similarity, Medin and Rips's chapter on concepts and categories, Holyoak's chapter on analogy, LeBoeuf and Shafir's chapter on decision making, Kahneman and Frederick's chapter on heuristic judgment, and Greenfield's chapter on paradigms of cultural thought. More advanced students will benefit from Dumas and Hummel's chapter on modeling mental representations, Sloman and Lagnado's chapter on induction,

Molden and Higgins's chapter on motivated thinking, Novick and Bassok's chapter on problem solving, Litman and Reber's chapter on implicit cognition, Goel's chapter on the cognitive neuroscience of deductive reasoning, Salt-house's chapter on aging effects on reasoning, Gleitman and Papagragou's chapter on language and thought, and Patel, Arocha, and Zhang's chapter on thinking and reasoning in medicine. Dubar and Fugelsang's chapter on scientific thinking and reasoning offers stimulating material for discussions about the philosophy of science, particularly if it is coupled with readings from Platt (1964), Peter (1991), and Armstrong (1996).

As with *Applying Social Cognition to Consumer-Focused Strategy*, *The Cambridge Handbook* includes much material that can be used to supplement the *Handbook of Consumer Behavior*. For example, Medin and Rip's chapter on concepts and categories and Morrison's chapter on thinking in working memory are good addendums to Alba, Hutchinson, and Lynch's (1991) chapter on memory and decision making in the *Handbook of Consumer Behavior*; similarly, LeBoeuf and Shafir's chapter on decision making and Kahneman and Frederick's chapter on heuristic judgment include important material not covered in Bettman, Johnson, and Payne's (1991) chapter on decision making in the *Handbook of Consumer Behavior*. Although some of the material in *The Cambridge Handbook*, such as Sternberg and colleagues' chapter on creativity and Lovett and Anderson's chapter on production systems, may be too arcane for beginning students, the book exposes students to the language and research models of cognitive psychologists and, as does the *Handbook of Consumer Behavior*, provides a compact synthesis of major issues in each subfield and substantial references for additional study.

The three books run the gamut from the applied to the theoretical. *Rational Choice and Judgment* will be of most use in courses that attempt to teach students "how" to make decisions, whereas *Applying Social Cognition to Consumer-Focused Strategy* and *The Cambridge Handbook of Thinking and Reasoning* are more appropriate for aspiring and experienced researchers who are interested in understanding "why" a particular behavior occurs. The relevance of particular chapters in each of these books will also vary. Instructors will undoubtedly wish to supplement material from these books with other sources to achieve their pedagogical objectives. Nevertheless, these books are a welcome resource for researchers and students of human behavior.

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