Research Dialogue

Mindsets shape consumer behavior

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Abstract

Mindsets—or implicit theories—are the beliefs people have about the nature of human characteristics. This article applies mindset theory and research to the field of consumer behavior. Specifically, we suggest how a fixed or growth mindset may shape consumer product preferences, acceptance of brand extensions, trust recovery following product failures, as well as the effectiveness of advertising and marketing campaigns. We argue that people with a fixed mindset are more likely to seek products and brands in line with their goals to burnish their self-image and demonstrate their positive qualities, while people with a growth mindset seek products that help them pursue their goals to improve and learn new things. Thus, products and brands may serve important self-enhancement functions—encouraging consumers to reinforce or expand core aspects of their identity. We also suggest that brands and companies can project a fixed or growth mindset. In turn, these organizational mindsets should shape consumers’ expectations of, and relationships with, products, brands, and companies.

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Introduction

Advertisers, managers, and industries think long and hard about how best to present their products to consumers. What can their product do for people? Can it help people improve and grow? Will it make them feel better about themselves? Boost their self-confidence? Social psychological research suggests that different product appeals may speak to different people based on their implicit theories.

Implicit theories—or mindsets—are the beliefs that people have about the nature of human characteristics (Dweck, 1999; Dweck & Leggett, 1988). These mindsets are important because they shape people’s motivation (Dweck, 1999; Plaks, Grant, & Dweck, 2005). Some people subscribe to a fixed mindset, believing that human traits—such as intelligence, personality, and morality—are relatively fixed. In this view, people are who they are and there is not much that can be done about it (Dweck, 1999). Some people are smart; others are not. Some people are good at sports; others are not athletic. Some people have social skills; others do not. Some people are winners; others are not. As we will see, fixed mindsets make people concerned about whether they have the good traits or not.

Other people subscribe to a growth mindset, believing that people can substantially change (Dweck, 1999; Dweck & Leggett, 1988). Instead of believing that people have fixed, core essences, people with a growth mindset believe that learning and experience can foster development and significantly change who a person is and how they behave. While a fixed mindset suggests that people are either intelligent or not, a growth mindset suggests that those who strive to improve their intelligence can do so. Not athletic? Not to worry—one can practice and persist and become a sportier person over time. As we will see, a growth mindset may free people from concerns about their image in the moment and motivate them to seek opportunities to enhance their skills and abilities over time.

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We propose that these mindsets are important for understanding consumer behavior. For example, mindsets should influence the products consumers are drawn to and the messages they find most persuasive. Mindsets should also influence how groups, brands, and organizations are perceived and the degree to which people accept product changes, adaptations, and extensions. Finally, mindsets should play a central role in intergroup perception and experience. Companies considering ventures into new markets or launching efforts to attract diverse audiences would be well advised to consider how their mindsets may influence their ability to attract new consumers and shape people’s perceptions of their products.

In this paper, we briefly review research on mindsets, describing their role in human motivation. We present hypotheses about how mindsets guide consumer behavior and how knowledge of mindsets can inform corporate behavior, and we highlight empirical evidence that speaks to those hypotheses.

Two views of human nature: fixed and growth mindsets

Is human nature fixed or are people relatively malleable and capable of change? Believing that one’s qualities are carved in stone (an entity theory or fixed mindset) activates the motivation to prove oneself over and over. If intelligence or competence is a fixed quality, it becomes important to prove—to oneself and others—that one has that quality in spades. Research shows that people with a fixed mindset will go to great lengths to feel or appear successful, even if it sometimes involves cheating (Blackwell, Trzesniewski, & Dweck, 2007). If they are not successful, people with the fixed mindset may engage in a variety of defensive behaviors to hide this (Hong, Chiu, Dweck, Lin, & Wan, 1999; Nussbaum & Dweck, 2008). Above all, they want to have “the right stuff” (Dweck, 1999, 2006).

In contrast, some people believe that where they start is just the beginning of their development. While some may start with an advantage or disadvantage, a growth mindset suggests that all people can change and develop by applying effort and gaining experience. Thus, people who subscribe to a growth mindset are more willing to make mistakes or appear foolish in the short run in the service of maximizing their development over time (Blackwell et al., 2007; Dweck & Leggett, 1988; Erdley et al., 1997). If they are not successful, people with the fixed mindset may engage in a variety of defensive behaviors to hide this (Hong, Chiu, Dweck, Lin, & Wan, 1999; Nussbaum & Dweck, 2008). Above all, they want to have “the right stuff” (Dweck, 1999, 2006).

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Mindsets inspire different goals

Another way to say this is that mindsets are associated with divergent goals (Dweck, 1996; Dweck & Leggett, 1988; Erdley, Cain, Loomis, Dumas-Hines, & Dweck, 1997). The fixed mindset orient people toward performance goals in which they strive to gain favorable judgments of their worth and competence (Blackwell et al., 2007; Dweck & Leggett, 1988; Erdley et al., 1997). As we have noted, if abilities are inherent and fixed, those abilities need to be demonstrated—thus, performing and exhibiting those abilities is a primary goal of those who subscribe to a fixed mindset (Blackwell et al., 2007). In this mindset, failure suggests that one is not smart or talented (Blackwell et al., 2007; Hong et al., 1999) and can threaten people’s fundamental motivation to see themselves as good, competent people (Dweck, 1999).

Consumers, product/brand managers, and even companies can subscribe to a mindset about their own qualities or the qualities of others. For example, product managers with fixed mindsets are likely to adopt performance goals, feeling that their personal and professional reputation is dependent on the immediate success of their product launch, without requiring the many tests and iterations that are often necessary to cultivate a successful product. They would be likely to seek positive feedback about their performance as well as praise for their creativity and intelligence as their feelings of worth rest on demonstrating these traits.

Conversely, growth mindsets orient people toward learning goals in which they strive to increase their competence and mastery (Blackwell et al., 2007; Dweck & Leggett, 1988; Erdley et al., 1997). Thus, growth mindset managers might approach a product launch differently than fixed mindset managers. The growth mindset might inspire them to pursue learning goals, seeking not only encouragement but also critical feedback from within and outside the company that they then incorporate into the product launch. If the launch fails, they would be more likely to take the time to reflect on the reasons for the failure and work to make certain those same issues do not impact future launches. That is, they would use the failure as an opportunity to learn how they can make the next launch more successful.

In the domain of consumer behavior, while fixed and growth mindset consumers may be equally interested in a cookbook, for example, different goals are likely to inspire their interest. The consumer with a growth mindset may be interested in learning and mastering a new cuisine—discovering how exotic spices and ingredients change the flavor of dishes. The consumer with a fixed mindset may purchase the cookbook in anticipation of an upcoming dinner party in which they hope to wow their guests with their cooking prowess and to bask in their guests’ compliments and appreciation. Performance and learning goals have important implications for consumer behavior, some of which we outline below. Specifically mindsets, and the goals they inspire, should be useful in predicting the products and messages people find most compelling.

Mindsets shape views of effort

Mindsets also shape the way people think about effort (Blackwell et al., 2007; Grant & Dweck, 2003; Hong et al., 1999; see also Middleton & Midgley, 1997). Those with a fixed mindset believe that if you have high ability, you should not need high effort. Moreover, if you need high effort, that means you do not have high ability. To these individuals, effortless success is the most rewarding (Murphy, Dweck, Chapman, & Kray, 2013). In contrast, people with a growth mindset view effort as the fuel that makes the engine run. Even more, effort is highly valued by people with growth mindsets because it indicates that they are stretching themselves and developing.
Indeed, if things come too easily, it means they are staying in their comfort zone and not realizing their full potential. Applied to product framing and advertising, products that are framed as easy to use—like Baby Einstein videos that involve placing the baby in front of the television to absorb the information, or hypnotherapy tapes that promise to increase your cognitive skills—may appeal more to people with the growth mindset, who are willing and even eager to apply effort to mastering new tasks or to improving themselves.

Mindsets and consumer behavior

Signaling the self with brands and product choice

Due to their focus on learning and development, growth mindset individuals should differ from fixed mindset individuals in the kinds of product information they attend to and the benefits they seek from particular products. Indeed, research supports these intuitions. In a set of interesting experiments, Park and John (2012) found that when people subscribed to a fixed mindset, ads suggesting that a consumer could display desirable traits to others by using the product were more effective in changing attitudes relative to ads focused on self-improvement. For fixed mindset individuals, messages such as “there’s no better way to show others you have a modern sense of beauty” and “show off your analysis skills using this amazing app” generated favorable attitudes toward the products. However, ads that emphasized the self-improvement appeal of using the product were more effective with growth mindset consumers. For these people, messages such as “there’s no better way for you to learn how to have a modern sense of beauty” and “your efforts will be rewarded with better analysis skills using this amazing app” produced the most favorable attitudes (Park & John, 2012).

Consistent with these findings, additional research has shown that mindsets play an important role in self-enhancement through the use of distinctive and prestigious brands (Park & John, 2010). In this work, people who subscribed to the fixed mindset attempted to self-enhance by using brands with appealing personalities as a signal to themselves and others that they shared the positive qualities associated with the brands. Associating with certain glamorous or prestigious brands, such as Victoria’s Secret or MIT, allowed individuals to prove their attractiveness and competence in line with the performance goals that a fixed mindset engenders (Park & John, 2010).

Specifically, people in the fixed mindset were more likely to agree that performance goals shaped their attraction to particular brands. These individuals reported that they used brands “to reflect on who I am, to communicate who I am to other people, to feel more positive about myself, and to make a better impression on other people” (Park & John, 2010). Indeed, studies show that the self-enhancing benefits of brand signaling are effective for those in a fixed mindset. For example, one study (Park & John, 2010) found that women with a fixed mindset perceived themselves to be better looking, more feminine, and more glamorous after using a Victoria’s Secret shopping bag relative to a plain non-branded pink bag. In a second study (Park & John, 2010), students who subscribed to a fixed mindset rated themselves as being more intelligent, more of a leader, and more hardworking after using a MIT-branded pen than a regular un-branded pen. The self-perceptions of people in growth mindsets were unaffected by the products that they used. Thus, managers could focus on making products hip and image enhancing if they wanted to appeal to people with fixed mindsets. Some brands, like Apple, are known for their strategic ads campaigns (“Think Different”) that do just that—they associate their brand with creativity, uniqueness, and coolness, qualities that their consumers can demonstrate by acquiring their products (e.g., Hornby, 2007; Siltanen, 2011).

Previous research suggests that growth mindset people are especially tuned to process, that is, the process through which something comes to have an effect (Hong, Chiu, Dweck, & Sacks, 1997; Levy, Stroessner, & Dweck, 1998). Whereas fixed mindset people focus almost exclusively on their traits, people who adopt a growth mindset may be attracted by marketing campaigns that spend time describing how a product will help them improve (Hong et al., 1997; Levy et al., 1998). For example, infomercials that describe in detail how a particular nutritional supplement works with people’s digestive system to improve their health may be more effective than marketing campaigns for the same product that feature only “before” and “after” shots. While “before- and -after” ads demonstrate the effectiveness of the product, they leave out how the results were achieved, information that speaks to growth mindset individuals’ sense of self. In the growth mindset, people’s attention should be directed to information about the ways in which a product can help them become better and they should consume products that allow them to signal the values (e.g., growth and learning) that are congruent with their self-concept.

Mindsets and product preferences

In what follows, we develop a few illustrative predictions about when people’s preferences and choices are likely to be influenced by their mindset. In particular, we suggest how mindsets might influence people’s preferences and choices in the domains of parenting, health and wellness, and online dating.

As parents, people want to make the best decisions for their children and to provide them with the things that are good for them. But what’s “good” for a child? Imagine that a mother and father hold a fixed theory of intelligence for their 10-year-old son. What types of products would they prefer? They would likely be drawn to products that reveal the amount of intelligence he possesses. They want toys that assess their son’s ability so that they have a sense of where he stands. What are his strengths? What are his weaknesses? By “knowing” his intellectual capacity, parents, family, and teachers can provide activities where his strengths will shine, bolstering his self-image. If a child is good...
at math, but not very musical, parents with the fixed mindset are likely to be drawn to math products and services while minimizing musical ones. This pattern of strategic acquisition highlights and reinforces their child’s fixed strengths. In short, parents with a fixed mindset will be interested in products that assess and measure their children’s attributes—intelligence, personality, natural abilities in sports, music, art, drama, etc.—so that they can create and seek out experiences where their children will excel.

By contrast, parents who subscribe to a growth mindset might prefer different products and product features. They would want products that help their child build and grow their abilities. What toys will help their child “stretch” the most? If a child demonstrates math abilities, but can’t carry a tune or follow a beat—growth mindset parents might focus on both math and music because there is room for development in both domains. Growth mindset parents may also use evidence of a child’s learning over time as a source of inspiration for the child—showing them how far they’ve come and motivating them to push forward, beyond their current abilities.

Research supports these predictions. In a set of studies, Mukhopadhyay and Yeung (2010) examined how adults’ implicit theories of self-control influenced the decisions they made for their children. When parents believed in a malleable view of self-control they tended to choose products and engage in behaviors to help their children develop self-control. For example, these parents valued products that delivered greater value in the long run than in the short run—teaching their children to self-regulate by exposing them to contexts requiring delayed gratification. In addition to choosing gifts that involved delayed gratification, these parents were more likely to restrict unhealthful snacking and fast-food consumption and to choose more educational (vs. entertaining) television programs for their children (Mukhopadhyay & Yeung, 2010). Parents who believed that self-control is fixed, however, did not show this pattern in the types of products they sought for their children.

We also predict that people’s lay theories will influence their preferences when it comes to health and wellness. The products, services, and advertising messages that people are attracted to are likely to differ between those who hold a fixed or malleable view of these qualities. In line with what we suggested earlier, messages that portray a product’s ability to effortlessly solve or minimize health problems are likely to be most appealing to people with the fixed mindset. For example, if the problem is too much body fat, under the fixed mindset it might be highly appealing to use products like Spanx body shapers to minimize the appearance of a muffin-top and bulging thighs, as well as products like diet pills that promise to shrink fat cells quickly and effortlessly. These people may be attracted to services, such as Jenny Craig, that in many ways promise to do the hard work of calorie counting for consumers by providing all the food needed to help them reach their goals.

People with a malleable view of health and wellness might be more interested in products that require them to put in the time and effort to achieve their wellness goals. Rather than conceal their trouble spots, people with a growth mindset might strive to change and improve them. These individuals might be attracted to products and services that help them attack the root cause of a problem, such as overeating. Thus, these individuals might enjoy services like Weight Watchers that require them to actively count calories, measure portions, track the amount of exercise they do, and attend meetings each week in order to lose weight and become more healthy.

Another context where mindsets should influence consumer behavior is online dating sites, where people are seeking new relationship partners. The online dating industry is large and growing. Today, approximately 22% of heterosexual couples and 61% of same-sex couples report meeting their partner online (Rosenfeld & Thomas, 2012). Mindsets should play a role in the type of features and sites preferred by people seeking romantic partners. Some sites, for example, require joiners to take an extensive battery of questionnaires and personality tests to determine the “type” of person one is. They then promise to search their databases to match people with others who will “fit,” based on their qualities and attributes. Although these kinds of web services may not realize it, the idea of matching people based on fixed traits and personalities is likely to appeal most to those with a fixed mindset because it is congruent with their view of human nature.

Different online dating services might appeal to people with incremental theories of human nature. These people might look to join sites that pair people with others who will help them grow on various dimensions. They might want partners who share similar tastes in some things, but divergent tastes in others—all the better to explore new things in life together. People with a growth mindset might appreciate a website that asks people to report what they were like ten years ago, how they have changed over time, and how they hope to change or grow in the future. This information would allow people to assess whether a potential date complements his or her own growth trajectory, allowing them to find partners who might introduce them to new things, help them develop, or challenge them to become a better person.

Together, these examples suggest hypotheses about how and when implicit theories may influence consumer preferences and behavior. People who adopt a fixed mindset are likely to seek products in line with their performance goals and their desire for low-effort successes. In other words, they will be attracted to messages and products that allow them to readily confirm and display their strengths while minimizing or camouflaging their weaknesses. They are likely to be attracted to services that view people, personalities, and problems as knowable. In contrast, people with a growth mindset are likely to seek products that allow them to meet their goals of learning and developing. From a managerial perspective, then, perhaps the most effective product campaigns may be those that include a hybrid message by speaking to the desire of fixed mindset consumers to bolster their self-image by associating with prestigious products, as well as the desire of growth mindset consumers to acquire products that help them grow and develop.
Organizational mindsets influence employee and consumer experience

While mindsets have traditionally been conceptualized at the individual level (e.g., people subscribe to a fixed or malleable view of their own traits and abilities), research suggests that these mindsets might also operate at the group—or organizational—level (Murphy & Dweck, 2010). An organizational mindset is the shared belief of people within a group that human attributes (like intelligence or personality) are fixed and relatively stable or, instead, malleable and expandable. For example, some organizations create a culture of genius (Murphy & Dweck, 2010) in which they extol and even worship inherent brilliance. These group-level mindsets can operate as implicit norms in an environment, which influence the characteristics and traits people value in themselves and others. When organizations endorse a fixed or growth mindset, it is likely to be evidenced by the behavior and motivation of their employees. Research demonstrates that people often try to take on the attributes most valued by fixed and growth-mindset organizations (Murphy & Dweck, 2010). Ultimately, then, organizational mindsets are likely to shape employees’ as well as consumers’, downstream experiences.

In general, we have found that when people compare fixed-mindset organizations to growth-mindset organizations, they often perceive organizations with a fixed mindset to be more prestigious than those with a growth mindset (Emerson & Murphy, 2014; Murphy & Dweck, 2010). However, they report trusting growth mindset organizations more than those with fixed mindsets (Emerson & Murphy, 2014; Murphy & Dweck, 2010). Projecting prestige may be beneficial, but developing and maintaining the trust of consumers (and employees) may be even more fundamental. New and ongoing research conducted with five Fortune 100 companies examined employees’ perceptions of their company’s mindset (Murphy et al., 2013). These data revealed that when employees perceived their organization to endorse a fixed mindset, they trusted the company less and reported weaker commitment to their organization than those who believed their organization endorsed a growth mindset. These workers were more likely to report that their company spawned unethical behaviors, such as cheating or cutting corners, than were those who worked for growth-mindset companies (Murphy et al., 2013). This organizational-level research is consistent with studies at the individual level that have found that the performance goals tied to the fixed mindset may lead people to engage in unethical behavior as a means to prove themselves (Blackwell et al., 2007; Robins & Pals, 2002; Van Yperen, Hamstra, & van der Klauw, 2011). Over time, these behaviors are likely to damage the reputation of organizations and violate consumers’ trust. Firms and managers would do well to consider the type of mindset they cultivate at the organizational level to create ethical organizations and protect consumer trust.

One way an organization’s mindset can be conveyed to its customers is through ads, particularly service ads in which people working in customer service are featured as model representatives of the organization. For example, such ads can inform consumers about whether the organization and its employees endorse a fixed or growth mindset and pursue learning or performance goals when delivering their services. Ads featuring customer service employees who spend time investigating consumers’ needs and making efforts to constantly improve their services by relying on consumer feedback may signal a growth mindset on the part of the organization. The “We’re # 2—we try harder” Avis car rental ads emphasized just this message. These ads described Avis’s mindset in a series of ads titled “No. 2ism. The Avis Manifesto” which stated: “We are in the rent a car business, playing second fiddle to a giant. Above all, we’ve had to learn how to stay alive...The No. 2 attitude is: Do the right thing. Look for new ways. Try harder.” (Time, 1964; www.projectbrief.com/avis). In contrast, ads featuring customer service representatives who try to signal their stature and prestige may convey a more fixed organizational mindset.

In addition to shaping consumer expectations, ads highlighting an organization’s mindset may also influence its current workforce. Research has shown that customer service ads inform workers about how employees of a particular company are expected to behave (Wentzel, Henkel, & Tomczak, 2010; Zeithaml, Parasuraman, & Berry, 1990). That is, employees featured in an ad may set an example for other employees, serving as a model for behavior, attitudes, and mindsets. For instance, a growth mindset organization could create ad campaigns that feature employees learning and improving on the job or executives welcoming mistakes if the employees have learned from these mistakes or improved company practice based on them. To the extent that employees take on the motivation and behavior displayed in the ads, such ads may reinforce the organization’s mindset and shape consumer experiences as they interact with employees who have adopted the mindset.

Research suggests, however, that organizations might wish to consider their employee’s personal mindsets when selecting which leaders or role models to feature. Extremely successful role models may motivate people with a growth mindset, but intimidate people with a fixed mindset. In two experiments, researchers exposed people with growth or fixed mindsets to successful role models (Hoyt, Burnett, & Innella, 2011). Results revealed that when exposed to a successful role model, growth mindset individuals experienced more self-confidence and greater identification with the successful role model and actually performed better on a task than did fixed mindset individuals (Hoyt et al., 2011). People with fixed mindsets, however, felt more anxious and threatened by the successful role model and lost confidence in their own abilities as they compared themselves to the model (Hoyt et al., 2011). Thus, companies might wish to be careful about the role models they select to communicate their mindset and shape employee behavior. Extremely successful models may be motivating to one portion of their workforce but threatening to another. On the other hand, if an organization fosters a widely shared growth mindset, perhaps the highly successful role model will do the job.

In a similar vein, the impact of a model employee’s behavior in an ad may depend on whether people believe their own
abilities are fixed or malleable. A set of experiments at a Swiss bank (Wentzel et al., 2010) revealed that the information in ads was filtered through employees’ personal mindsets. These studies demonstrated that the effectiveness of a pair of financial advisor ads was influenced by two factors: the implicit theory of the employee (a financial advisor) watching the ad, as well as whether the financial advisor in the ad was dealing with a moderately challenging or a strongly challenging situation in the ad. In both ads, a client called his financial advisor to inform him that he would be late due to a delayed flight. In the moderately challenging ad, the client arrived a few minutes before the branch was scheduled to close and the model advisor waited for and assisted the client. In the strongly challenging ad, the client reached the branch many hours after the branch was scheduled to close and the model advisor waited for and assisted the client.

The results of these experiments revealed that financial advisors who subscribed to a fixed theory of ability were more motivated to imitate the model’s behavior when his task was moderately challenging and thus perceived to be relatively attainable (i.e., when the model put in a small amount of overtime to meet a customer’s needs) (Wentzel et al., 2010). However, when the task was strongly challenging (i.e., when the model put in a large amount of overtime to meet the customer’s needs), the motivation of fixed mindset employees to adopt the modeled behaviors was low. Financial advisors who endorsed a growth mindset were unaffected by how challenging the model’s behavior was; these individuals were as likely to model the behavior as were the fixed mindset advisors exposed to the moderately challenging model (Wentzel et al., 2010). Thus, when communicating goals and behavior through ads, it is important to consider how people may be differently influenced by those ads based on their own personal implicit theories. Including several models that appeal to both fixed and growth mindset employees—to adopt the behaviors modeled in the ad—may be effective in shaping people’s motivation and behavior in response to models.

In summary, organizations may take on a predominant mindset and signal that mindset to employees and consumers. Employees (and consumers) may learn the values and norms of the company through these ads, but the motivational impact of such information may differ depending on the mindset of the employee.

**Mindsets and brand extensions**

Eight out of every ten new products are brand extensions in which a company with a well-developed image uses the same brand name in a different product category (Oirusoff, Ozanian, Brown, & Starr, 1992). Predicting which extensions are likely to be successful, and with which segment of the population, is vitally important. We suggest that people’s mindsets (or the mindset the brand has cultivated) may influence acceptance of brand extensions.

Research suggests that brands are intentionally imbued with personality traits in order to make them more attractive and relatable to consumers (Aaker, 1997). For example, brands are perceived to differ with regard to personality traits such as sincerity and honesty (e.g., Hallmark cards), excitement (e.g., MTV channel), competence (e.g., The Wall Street Journal newspaper), sophistication (e.g., Guess jeans), and ruggedness (e.g., Nike tennis shoes) (Aaker, 1997). Brand managers designed Coca-Cola’s image to include personality traits such as “all-American,” and “real” (Prendergast, 1993). These traits allow Coke to distinguish itself from its competitors such as Pepsi, which is associated with traits such as “young” and “exciting,” and Dr. Pepper, which is associated with traits such as “nonconforming” and “unique” (Prendergast, 1993). Based on such perceived traits, consumers may form deep relationships with brands that mirror the relationships they have with people. In fact, Aaker and colleagues found that people’s relationships with brands perceived as sincere deepened over time, similar to those of actual human friendships; while people’s relationships with brands perceived as exciting were more likely to resemble short-lived flings (Aaker, Fournier, & Brasel, 2004).

If some brands or products are perceived as classic, “heritage” brands (e.g., the Ralph Lauren classic polo shirt, Levi’s jeans, Werther’s Originals candy)—and these characteristics are what make the brand popular—these brands may have a harder time extending to novel products or product categories because this change may be perceived as inconsistent with the “fixed mindset” that the brand has cultivated. A paradigmatic example of this difficulty was Coca-Cola, which in 1985, attempted to introduce a new soft drink called “New Coke” with an updated formula (Prendergast, 1993). While consumers in a blind taste test preferred the taste of New Coke to both Coke and Pepsi, people were extremely nostalgic for the original Coke. Following much public protest and pressure, Coca-Cola ultimately returned to the original formula, marketing the revised product as “Coke Classic” which was, and continues to be, extremely successful (Prendergast, 1993).

Other brands may be more successful when expanding into new products and product categories because they cultivate a growth mindset and portray themselves as ever growing. These brands are associated with being cutting edge and actively reinventing themselves. A good example is the Virgin group that began as Virgin Records, a progressive rock record label, but has since enjoyed several successful brand extensions into products and services as varied as air and space travel, mobile phones, wines, game stores, and video stores. We suggest that these types of growth mindset brands cultivate an expectation of evolution and expansion in consumers. Thus, these brands are likely better suited for extension into new product categories because transition and change is compatible with the mindset brand managers have fostered.

Fascinating research by Yorkston, Nunes, and Matta (2010) demonstrates that people’s personal mindsets and the mindsets that they hold about brands influence their acceptance of brand extensions (see also, Mathur, Jain, & Maheswaran, 2012). When faced with examples of brand extensions in multiple categories, fixed mindset individuals were found to be less accepting of a brand’s ability to change. These people were less accepting of attempts to extend into new, dissimilar categories.
than were growth mindset individuals—and this was especially the case when the extension was incongruent with the brand’s personality, such as when a rugged brand, like Subaru, extended into product categories considered less so, like motorized scooters (Yorkston et al., 2010). People with a growth mindset, by contrast, tended to view brand stretches more positively. However, an informative study demonstrated a boundary condition to growth mindset individuals’ latitude of acceptance for brand extensions (Yorkston et al., 2010, Study 2). When a brand went too far—changing both its personality and its physical traits—even people with a growth mindset were wary of the change, perceiving a poor fit between the original and the extension (Yorkston et al., 2010).

An intriguing possibility is that companies may be able to prepare consumers for changes or brand extensions by shifting consumers’ perceptions of a brand’s mindset through marketing—moving from a “classic,” unchanging image to one that suggests reinvention and improvement. By doing so, companies may be able to enhance the probability that consumers will accept brand and product extensions, viewing the extensions as now compatible with the new growth mindset cultivated by the marketing campaigns. Future research is needed to explore whether anticipating brand changes in this way would be an effective method for shaping consumer evaluations of brand extensions.

**Mindsets and customer complaints**

Another context in which people’s mindsets may influence consumer behavior is the domain of product or service failures. In these situations, a failure could easily reflect poorly on the brand or the larger organization, and managers must often decide what steps to take to reassure consumers when a product or service failure occurs. Should these reassurances take the form of monetary compensation or not? In general, research suggests that people overestimate others’ desire for monetary rewards and, therefore, managers may overestimate the effectiveness of monetary relief as a means of addressing consumer displeasure (Ratner & Kubowicz, 2004). We hypothesize that whether people believe an organization has the ability to change and improve may play an important moderating role in consumer satisfaction with different types of relief.

If a product can be fixed or the service improved, people with a growth mindset may be more likely than those with a fixed mindset to give the establishment an opportunity to do so. For example, growth mindset individuals may be relatively satisfied with information about how the organization plans to improve in the future. They may be more willing to try the service again, accepting relief in the form of a coupon or voucher for future service. In contrast, people with a fixed mindset, having had a bad experience, might be more skeptical of whether the company can improve its products or service in general. Because of this, people with a fixed mindset may insist on monetary compensation for their loss or dissatisfaction.

This prediction is consistent with research demonstrating that people’s mindsets moderate the degree to which trust can be rebuilt following a trust violation (Haselhuhn, Schweitzer, & Wood, 2010). In this research, because growth-mindset individuals believe in people’s ability to change, they were expected to perceive trust-repair efforts, such as an apology or promise of change, as sincere and thus be quicker to forgive than their fixed mindset counterparts. Indeed data revealed that during a repeated trust game in which trust was initially violated by a partner, people who adopted a growth mindset were more likely to regain trust following the partner’s attempt to repair trust than people who adopted a fixed mindset (Haselhuhn et al., 2010). Thus, the growth mindset may orient consumers to be more accepting of repair behaviors that aim to restore trust and consumer satisfaction.

For example, imagine an airline trip in which your baggage is lost. Theory suggests that growth mindset individuals may be satisfied with a travel voucher that essentially allows the airline an opportunity to “try again” and earn their satisfaction. As in the study described above (Haselhuhn et al., 2010), people with a growth mindset may be more likely to give the company another shot. People with a fixed mindset, on the other hand, are more likely to believe that their one experience is indicative of the airline’s underlying (poor) quality. These individuals may insist on being reimbursed for the cost of their trip (rather than accepting a voucher for future travel), and may refuse to fly that airline in the future if at all possible. Indeed, research suggests that people with a fixed mindset are oriented toward retribution when deciding how to punish wrongdoing than those with a growth mindset. On the other hand, growth mindset individuals, in line with their belief in the possibility of change, favor rehabilitation over punishment (Chiu, Dweck, Tong, & Fu, 1997; Gervay, Chiu, Hong, & Dweck, 1999; Quintanilla, 2012).

**Mindsets and intergroup perception**

Intergroup mindsets refer to people’s theories about the characteristics of other groups—whether people believe that attributes of groups are malleable or fixed (Halperin, Russell, Trzesniewski, Gross, & Dweck, 2011; Rydell, Hugenberg, Ray, & Mackie, 2007). Research shows that perceiving groups as malleable improves people’s attitudes toward outgroups, even when the outgroup has a long-standing history of conflict and animosity with the ingroup (Halperin et al., 2011). In this new line of research, perceiving groups as malleable instead of fixed led Jewish Israelis and Palestinians to report more favorable attitudes toward each other, and substantially increased their willingness to make major compromises for peace (Halperin et al., 2011).

Thinking about groups as fixed or malleable may affect organizations’ willingness to engage and attract racially and ethnically diverse consumers. For example, a fixed view of groups may lead companies to pass on or withdraw from certain markets believing them to be “unwinnable” because “those people” don’t use our product. Beliefs that the attraction of different social groups to particular products reflects something stable about the group may result in companies missing out on
opportunities to explore ways to expand their customer base. Conversely, considering groups as malleable may encourage managers to pursue learning goals regarding outgroups. Believing that groups’ preferences can be understood or even developed with effort, managers may be more likely to target and include outgroups in their marketing campaigns.

Thus, people’s mindsets about groups should be relevant to organizations and managers who are considering a move into new markets, particularly international markets where cultural norms and practices may differ from one’s own. Thinking of groups as fixed may lead to two forms of misunderstanding. As suggested above, a fixed mindset may lead companies to see outreach as futile. But it might also lead companies to impute local (e.g., American) values and goals to novel, unknown groups believing that all groups are the same. For example, Taco Bell attempted to enter the Mexican market twice, failing both times because it assumed that their “Mexican” products in America would be just as popular in Mexico. Indeed, as the Mexico Managing Director, Steven Pepper boasted “our menu comes almost directly from the U.S. menu” (Stevenson, 2007). A major problem for Taco Bell was that the food served in restaurants had no resemblance to authentic Mexican food, leaving Mexican customers “baffled” (Stevenson, 2007). For instance, a popular staple on the Taco Bell menu in America is the taco served in a hard taco shell; however, hard taco shells do not exist in Mexican cuisine. Consumers who were interviewed, like Marco Fragoso, were not happy with these items, remarking that “they’re not tacos…they’re folded tostadas. They’re very ugly” (Stevenson, 2007).

By contrast, approaching market shifts from a growth mindset should spur motivation to learn about the culture and explore what products and messages are congruent with different groups’ goals and preferences. McDonald’s and Kentucky Fried Chicken (KFC) are examples of companies that have experienced great success crossing into international markets. Both companies extensively researched regional consumers’ preferences and tailored their products accordingly. For example, beer is available at McDonald’s restaurants in France, Belgium, Germany, and Austria. Burgers in Italy are available with olive oil, parmesan cheese, and pancetta. Poutine, a popular Canadian dish consisting of french fries smothered in gravy and cheese, is available at McDonald’s in Canada, and Vegemite spread is featured at McDonald’s in Australia. In the Middle East, “McArabia” uses flatbread instead of hamburger buns. Some McDonald’s restaurants in Israel are kosher while those in Muslim nations are certified halal (Daszkowski, 2013). Similarly, KFC adapted its menu to fit local tastes, serving rice congee, egg custard tarts, and tree fungus salad in China where the company has been very successful (Shen, 2008). Currently, there are 280 KFCs in India where chickpea burgers and hot wings with chili lemon sprinkles are on the menu (Business Wire, 2013; Sharma, 2013). Approaching new groups and markets with a growth mindset is likely to lead companies to adapt and change, learning about and accommodating local tastes and preferences.

Changing mindsets

As we have argued, people’s mindsets are factors that product managers, developers, advertisers, and scholars should take into account when considering consumer behavior. However, while people may chronically adopt one mindset or the other, mindsets can also be situationally activated (e.g., Dweck, Chiu, & Hong, 1995; Nussbaum & Dweck, 2008) or directly changed (see Dweck, 1999).

Psychological experiments, for example, have influenced people’s mindsets by exposing them to materials, such as scientific articles, that describe research supporting a fixed or growth orientation. Indeed, marketing researchers have experimentally manipulated people’s mindsets by exposing them to various television clips that portray characters as relatively fixed, or instead, malleable and changing (Jain, Mathur, & Maheswaran, 2009). In general, research shows that people find both fixed and malleable views of human traits (e.g., intelligence, personality) plausible. Therefore, clear and salient information in the local environment can shift people’s mindsets at least temporarily. Thus, if managers are interested in marketing a product to people with growth mindsets—creating television ads that show how the product can help consumers grow and develop—they are likely to be most successful if they foster a growth mindset at the beginning of the commercial or pair their ads with shows that encourage consumers to adopt a growth mindset. Television shows that reveal the development and change in its characters (The Bachelor, Grey's Anatomy, The Biggest Loser) or whose characters themselves exhibit a growth mindset (Dancing With the Stars, in which people devote themselves to developing outstanding dancing ability) are more likely to shift people into a growth mindset.

It is an interesting empirical question as to how ads may most effectively induce a mindset in consumers. Ads that begin by featuring the development or change of the actor (e.g., “I was once a 97 lb weakling, but now…”) may put viewers in a growth mindset when considering the message that follows. Other ads that encourage consumers to imagine what traits the product will confer on them may induce a more fixed mindset in the moment. Adopting a growth mindset may be particularly relevant for companies when they try to reclaim their image following a company or product failure. For example, when a brand falls into ill repute (e.g., German cars after World War II) or when a company experiences a massive product failure (e.g., the Tylenol capsule poisonings of 1982), what strategies should these organizations adopt to most effectively recoup their image? In these circumstances companies want to convey to consumers that the organization does not have fixed traits, that past behavior is not indicative of who the company is now. They would thus want to display a growth mindset in order to make their products appealing to consumers.

In the case of Tylenol’s tainted capsules, Johnson and Johnson immediately showed itself to be in a learning mode. They asked consumers and health professionals via the media to stop using Tylenol products until the company could investigate the poisonings. The company withdrew 31 million bottles of Tylenol capsules from stores as well as offered to
exchange all Tylenol capsules in consumers’ homes for tablets regardless of whether the capsules were included in the damaged lots (Johnson & Johnson, 1982). They also offered a $100,000 reward for information leading to the identification of the person who laced the capsules with cyanide. Media coverage of the crisis argued that “what Johnson & Johnson executives have done is communicate the message that the company is candid, contrite, compassionate, and committed to solving the murders and protecting the public” (Knight, 1982). This approach differed significantly from similar cases, where companies, like Source Perrier, put themselves first when traces of benzene were found in their bottled water. Rather than accept responsibility, Source Perrier claimed that the contamination was an isolated incident and recalled only a limited number of bottles (Kaplan, 1998). By trying to protect their image, companies that adopt a fixed mindset approach ultimately do more damage to their reputation. Another case in which a company adopted a growth mindset when faced with a product failure is that of Mattel and its Fisher-Price toys that were found to contain lead-tainted paint (Hurley, 2012; Story, 2007). After investigating the source of the problem, Mattel embarked on massive public information campaigns urging parents to stop allowing their children to use the affected toys. Executives issued sincere apologies, taking responsibility and appealing to the interests they shared with parents (“absolutely nothing is more important than the safety and well-being of our children.”). Mattel provided clear instructions on returning the toys and stated that consumers could receive compensation in the form of a replacement toy of equal value. They described all the steps they were taking to prevent such a crisis from ever recurring. Indeed, CEO Bob Eckert stated that while he could not change what happened in the past, he could change how the company worked in the future (Palmeri, 2007; Story, 2007).

Taken together, it seems that companies that stonewall, deny, or cover up their shortcomings are likely to be perceived as trying to separate themselves from failure in order to preserve their image. This fixed mindset approach focuses executives on avoiding blame and damage to their company’s reputation and is likely to backfire. Instead, companies encountering a product failure should learn from Johnson & Johnson and Mattel’s growth mindset approach. People are likely to be much more forgiving if a company publically adopts a growth mindset that focuses on uncovering the reasons for the failure and creating specific plans to change and improve going forward. As they craft their comeback campaigns, companies might try to shape people’s responses to their message by orienting people toward a growth mindset (featuring the company’s changes at the beginning of ads, for example) and thus enhancing people’s willingness to give the company a chance to rehabilitate. In short, carefully crafted ad campaigns may be able to put consumers in a more growth-oriented mindset that could make them more amenable to a company’s efforts to restore its image and products.

Conclusion

In this paper, we suggest that mindsets can help us understand and influence consumer behavior. People who adopt a fixed mindset are more likely to seek products and brands in line with their goals to burnish their image and demonstrate their own positive qualities and abilities. Those who adopt a growth mindset are more likely to seek products in line with their goal to learn new things, improve, and grow. Thus, products and brands may serve important self-enhancement functions——allowing consumers to exercise or reinforce core aspects of their identity. As we have suggested above, ad and brand managers would do well to consider these differences when creating campaigns. It would be interesting to determine whether the most widely effective campaigns might be those that send a hybrid message——featuring a product’s prestigious image as well as its potential to help people grow and develop.

Of course, consumer behavior is complex and multiply determined, and implicit theories are but one of many factors that shape consumer psychology. Nevertheless, the role of mindsets in consumer behavior is an exciting and promising area of consumer research. Understanding how mindsets shape people’s goals and expectations should help managers design marketing campaigns to reach their intended audience, should shape how companies respond when recovering from product failures, and should provide guidance when extending into new product categories and markets. We hope that mindset research will inspire consumer psychologists to ask new and interesting questions about consumer motivation.

References
