Information Search Due to Expected Separation

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Consumers must often decide how much effort to devote to search before choosing a product. This work explores the influence of expected difference in appeal of available options, which we refer to as expected separation, on the extent of information search. We find that consumers expect to search more (study 1) and do search more (study 2) as expected separation increases. We also find that expected separation plays a greater role than actual differences between the choice options in determining the extent of information search (study 2).

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**Information Search due to Extended Separation**

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**Extended Abstract**

Information search allows consumers to learn about relevant product dimensions, compare alternative options, and ultimately select the product they prefer. Many factors contribute to consumers’ information search processes, including: uncertainty (Urbany et al., 1989), domain knowledge (Bruks, 1985; Ozanne et al., 1992), breadth of alternatives (Iyengar & Lepper, 2000), and the magnitude of perceived difference between choice options (Russo & Carlson, 2002). Oddly, little is known about how expectations influence search in situations where consumers know very little about the choice options.
Expected separation is the non-directional anticipated difference between the overall values of choice alternatives. As a belief that relates to the choice set, expected separation can exist even when consumers have too little information about the specific choice options available to warrant a clear directional prior belief. For example, sometimes consumers confront: really new products, as in the constantly changing realm of consumer electronics; product categories that are new to them; new choice options in existing categories, like major redesigns of auto models, or restaurants in a new city. Broadly speaking, any situation where the choice options are novel to the consumer is one where clear directional priors may not exist, but where expected separation may operate.

The effects of beliefs on product evaluation and choice have been demonstrated in numerous domains within consumer research (Allison & Uhl, 1964; Moorthy et al., 1997; Carlson & Russo, 2001). However, we know of no work that has focused on how expected differences among options influences information search. There are two possibilities in this regard, leading to opposite predictions.

It is well-known that the closer options are in value, the longer and deeper consumers will search, at least when they have sufficient expertise to evaluate the acquired information (Bockenholt et al. 1991; Huber and Klein 1991). Thus, if expected separation operates in the same manner as actual separation between choice options, then greater expected separation may lead to less overall search.

The prediction of less information search as expected separation increases is intuitively appealing. After all, if two options are expected to be very different from one another, one would expect to be able to easily tell the options apart, and thus, require less extensive information search to pick one.

However, when expected separation is high the anticipated costs of selecting the wrong option should be high. Thus, consumers may be more likely to fear making a mistake than under conditions of low expected separation. Consequently, search depth may increase as expected separation increases.

Two studies were conducted to test these competing predictions. To begin, we pre-tested expected separation manipulations in a variety of product domains. The manipulation effectively altered expectations of differences between options, as measured by perceived differences among options.

Study 1 employed a mixed 3*3 full-factorial design. The first factor included three levels of expected separation, manipulated by telling participants that the options given in the domain are either “very different,” “slightly different,” or “almost the same”. The second factor consisted of three product domains chosen following pre-testing.

Participants saw descriptions of three simulated scenarios, one in each product domain (hotels in a foreign city, vacation destinations, and imaginary products called gimpers). Each domain was coupled with an expected separation condition. Following each scenario participants answered a series of questions regarding their projected information search behavior.

Results showed that across product domains participants anticipated they would engage in more information gathering the greater the expected separation among alternatives. Participants expected to spend more time gathering information, examine a greater number of options, and use more choice criteria in higher expected separation. Our hypothesis regarding perceptions of cost of picking the wrong option was borne out by higher ratings of risk perception under higher expected separation.

Study 2 was designed to examine actual, rather than anticipated, information search behavior. In addition, the study was designed to allow us to examine potential interaction effects between expected separation and actual (objective) differences between options. Participants were given a simulated scenario where they were asked to choose between two potential date candidates for a friend. The study employed a between subjects 2*3 (expected separation*actual separation) design. Expected separation was manipulated by referring to the two candidates as either very similar or very different. Actual separation was manipulated by varying the average difference in candidates’ ratings across a variety of traits.

Participants read a description of the task and examined information about the two candidates. A trait “menu” listed different trait categories where evaluation information was available. Participants were asked to look through traits until they’ve gathered enough information to make a choice. The main DV was number of trait categories participants chose to examine.

As predicted by participants in study 1, participants in this study examined significantly more trait categories under high rather than low expected separation. While expected separation yielded a main effect on information search, no similar effect was found for actual separation, even though power analysis revealed sufficient power to detect an effect. Additionally, there was no interaction between expected and actual separation on information search.

Participants were more certain of their choice in high rather than low expected separation. This might demonstrate compensatory conviction in response to greater uncertainty during the search process (e.g., McGregor et al., 2001).

To sum, our studies thus far show non-directional expectations of difference between options lead consumers to search for more information. This is borne out in both expected and actual information search. Effects were demonstrated across a variety of consumer domains, adding to the generalizability of the findings.

Further steps in this research include an examination of the effect in real choice, to establish ecological validity, and an investigation of possible mechanisms underlying consumers’ extended search for information when expecting greater differences between options. We also wish to clarify the causal role of uncertainty in prompting greater information search following expected separation. This, and other factors, may play in as boundary conditions on the effects of expected separation.

References
Do We Really Need a Reason to Indulge?
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Extended Abstract

Consumers often need (seek) reasons to justify their decisions or choices (Shafir, Simonson, and Tversky, 1990). More importantly, decisions to indulge oneself (e.g., purchasing luxuries, going on a cruise) may require legitimate reasons because hedonic indulgences may be construed as wasteful and are likely to evoke guilt and (anticipated) regret (Kivetz and Simonson, 2002; Lascu, 1991). As a result, consumers are more likely to choose utilitarian/necessity items over hedonic items because it is easier to justify their purchases (necessities are simply needed as opposed to wanted). But do people actually enjoy more when indulging with a reason than without a reason? Do people enjoy more when indulging with a better reason? The answers depend on how consumers’ hedonic experience is assessed, with important implications for research methods and consumer decision making.

A large body of research has studied the decision inconsistency: i.e., people make decisions that do not seem to maximize their experienced utility and alternative explanations have been offered. One of the account on which this paper is based argues that people may hold incorrect beliefs or na"ıve theories that are rarely updated about how they will feel in certain consumption situations and that this belief or expectation does not correspond to their actual hedonic experience (Robison and Clore, 2002). According to Robison and Clore’s accessibility model, when people report on their current feelings, the feelings themselves are accessible, allowing for accurate reports. When they report their feelings during a specific past episode, they can often draw on episodic memory, retrieving specific moments and details of the past. In contrast, global reports of past feelings and predictions of future feelings are based on semantic knowledge. In this case, people draw on their general beliefs about the event class to infer what their feelings “must have” been or will be. These different sources of information give rise to systematic differences in people’s self-reports of emotion.

Study one is 2 (reason: yes vs. no) by 2 (reports type: global vs. episodic) between subjects design. We asked half participants to imagine they are consuming a hedonic item either with a reason (as a reward for hard work) or without a reason and to report their affective experience in that situation (global report condition). Half participants were directed to recall their most recent hedonic consumption episode and to report their feelings (episodic report condition). They then indicated whether there was a reason associated with that last consumption episode and how much they spent on this indulgence occasion. Our study shows that participants expect to experience more negative affect (e.g., guilt) if consuming a hedonic item without a reason than with a reason when asked in a global report fashion. However, when asked in an episodic condition, their hedonic enjoyment was unrelated to reasons or justifications. This is consistent with Robison and Clore’s (2002) accessibility model, which suggests that the information that is chronically or temporarily accessible at that point in time drives the differences in emotional reports. Interestingly, we did find that people reported higher spending on indulgence occasions where a reason was present (M=$127) than those where a reason was not present (M=$98). This provides empirical support for consumers’ willingness to spend more on an indulgence when it is justified for than when it is not justified.

Study two is a 2 (reports type: prediction vs. experience) by 2 (reason: reward vs. consolation) between subjects design. We hypothesize that people expect to enjoy an indulgence more as a reward (e.g., passed the exam) than as a consolation (e.g., failed the exam). We predict, however, actual consumption experience would not differ when indulging with different reasons. Participants in one condition (consolation) worked on some difficult GMAT math problems and were told that these problems are indicative of their success at a future GMAT test. We expect participants in this condition to feel bad about their performance and seek indulgence as a consolation. Participants in the other condition (reward) worked on the same math problems but were told that these were very difficult math problems (aimed for math major students) and were asked to give a shot at it. We expect them to feel good about their performance and seek indulgence as a reward. All subjects received feedback (right or wrong) after finishing each individual problem. Participants were then asked to choose between two items, two pieces of chocolate truffles or toothpaste (at equal dollar value) as a token of appreciation for their participation. Participants in prediction condition were asked to imagine that they are consuming the truffles (only those who chose the truffles) and report their affective experiences of eating the truffles. Participants in experience condition actually received their choice. Those who chose to have chocolate truffles were asked to eat as much as they want and report how they feel while eating the truffles. Consistent with previous work (Shafir et al., 1990), participants were as likely to indulge (i.e., choose the truffles) when they think they did well in a test.