Too Much of a Good Thing? Option Attractiveness and Assortment Choice

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Consumers often face decisions that involve choosing among assortments comprised of multiple options. In this research, we examine how assortment size influences choice among assortments and, in particular, how the attractiveness of the options comprising the available assortments moderates this process. We propose that, based on consumer expectations of assortment attractiveness, the preference for larger assortments is likely to decrease as the overall attractiveness of both assortments increases. The data from five experiments offer converging evidence in support of this prediction.

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SPECIAL SESSION SUMMARY
Variety, Expectations and Choice
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SESSION OVERVIEW
Consumer’s choices, and the satisfaction consumers derive from these choices, are often dependent on the expectations they hold. This session uses consumer expectations as a foundation for investigating the role of product assortment and variety-seeking in consumer choice and satisfaction. Building on the existing literature (Chernev 2003a; Iyengar and Lepper 1999; Iyengar and Lepper 2000; Kahn and Wansink 2004), this session investigated the role of variety and consumer expectations as they affect the choices consumers make, the satisfaction consumers derive from their choices, as well as the satisfaction consumers derive from choices made on their behalf. The session unified the findings of the individual papers into a broader framework for conceptualizing the psychological mechanisms underlying the impact of consumer expectations on satisfaction and choice in a variety of different decision contexts. Specifically, the session addressed the following issues:

Research presented by Chernev and Hamilton examines how assortment size influences consumer choice among assortments and, in particular, how assortment attractiveness moderates this process. They propose that, based on consumer expectations of the attractiveness of the options comprising the available assortments, the preference for larger assortments is likely to decrease as the overall attractiveness of both assortments increases. The data from five experiments offer converging evidence in support of this prediction.

In the second paper, research by Diehl and Poynor examines the role of consumer expectations when choosing from assortments. In particular, they argue that larger assortments raise consumers’ expectations of how well options from an assortment will fit their preferences. Higher expectations may give rise to negative disconfirmation when searching a particular assortment thus reducing satisfaction with any chosen option. Findings from three studies show that larger assortments can lead to lower satisfaction due to expectation-disconfirmation.

In the third paper, three experiments by Aggarwal and Botti investigate the role of expectations in consumer evaluations of an option from a given assortment that is self-chosen versus the same option if it were chosen for the consumer by the marketer. In particular, they argue that consumers’ satisfaction with choice is a function of their expectations about the motivations driving the marketers’ decision. These motivations, in turn, are inferred using the norms guiding the consumer-marketer relationship; satisfaction will be lower in the context of exchange relationships, which are based on the principle of quid pro quo, than in communal relationships, which are based on the principle of mutual concern for well-being.

At the end of the session, the discussion leader, Barbara Kahn, led a research dialogue to integrate the individual presentations into a more general framework. In doing so, she engaged the audience participants in a discussion aimed at facilitating a broader understanding of the role of consumer expectations in shaping preferences and satisfaction.

EXTENDED ABSTRACTS
“Too Much of a Good Thing? Option Attractiveness and Assortment Choice”
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On a daily basis, consumers are faced with decisions that involve choosing among sets comprised of multiple options, such as choosing among the assortments offered by different retailers. These assortments may vary in size, defined by the number of available alternatives. Assortments may also vary in terms of the attractiveness of the options of which they are comprised. In this research, we examine how assortment size influences consumer choice among assortments and, in particular, how assortment attractiveness moderates this process.

Most prior assortment research has focused on understanding consumer decision processes associated with making choices from a given assortment (Hoch, Bradlow, and Wansink 1999; Kahn and Wansink 2004; Schwartz et al. 2002; for a review see Broniarczyk forthcoming). Relatively little research has examined how consumers make choices among assortments prior to selecting a particular option from one of the available assortments. In particular, the extant research on choice among assortments has focused on issues such as the role of preference uncertainty (Kahn and Lehmann 1991), choice set structure (Gourville and Soman 2005; Sood, Rottenstreich, and Brenner 2004), and decision focus (Chernev 2006). The question of how the attractiveness of the options comprising the available assortments influences consumer preferences for these assortments has remained largely overlooked by prior research.

Building on the notion that choice among assortments is a function of the balance of their advantages and disadvantages, we propose that the choice of an assortment is a function of the relative attractiveness of the options comprising the available assortments. In particular, we argue that when choosing among assortments, consumers aim to minimize the cost-benefit tradeoffs associated with selecting a particular assortment. Thus, on the benefit side, consumers expect larger assortments to offer a greater variety of options, which increases the probability of a better fit between a consumer’s preferences and the available choice alternatives. On the cost side, consumers choosing from larger assortments might expect to expend greater cognitive effort in evaluating choice alternatives and have greater difficulty in making a choice.

In this context, we argue that the expected advantage of the larger assortment with respect to the smaller one is greater when assortment attractiveness of both assortments is low rather than when it is high. This proposition is based on the concavity of the value function, which implies that an increase in an object’s value on a particular attribute will be associated with a decrease in this attribute’s marginal utility, and, as a result, the perceived difference between two alternatives will decrease with the increase of the options’ overall attractiveness.

The validity of this prediction is tested in a series of five empirical studies. The first experiment examines the impact of option attractiveness on choice among assortments by asking participants to choose between large or small assortments in a
variety of different consumer situations. This experiment documents that smaller assortments are more likely to be chosen when the attractiveness of the options in both sets is high rather than when it is low. In fact, the data show not only a decrease in the relative share of the larger assortment, but in some cases, also a preference reversal in which the choice share of the smaller assortment was actually greater than that of the larger assortment. Building on these findings, the second experiment lends further support to the experimental predictions by showing that the predicted relationship between attractiveness and assortment choice by matching the items in the choice sets with participants’ previously revealed subjective preferences. The data from this experiment are consistent with the findings from experiment 1.

The third experiment directly tests the cost-benefit theory of the impact of option attractiveness on assortment choice by examining how the magnitude of the difference in the sizes of the larger and the smaller assortments moderates the impact of assortment attractiveness on choice. We argue that when choosing among assortments comprised of more attractive options (relative to assortments comprised of less attractive options), the marginal benefits of the extra options present only in the larger assortment are likely to be smaller, weakening the preference for the larger assortment. Experiment 3 tests this prediction by asking participants to choose between either more attractive or less attractive assortments of varying sizes. To illustrate, in this experiment, some participants chose between assortments of 9 and 18 options (small relative size difference) and other participants chose between assortments of 9 and 54 options (large relative size difference). The data show that not only was the smaller assortment more likely to be chosen when both assortments were comprised of relatively attractive options, but also that this effect was more pronounced when the relative size difference between the assortments was greater.

The fourth experiment examines how decision focus moderates the impact of option attractiveness on choice among assortments. Prior research has argued that the cognitive costs associated with choices from larger assortments are likely to be more salient when consumers shift their focus from the task of choosing an assortment to the task of choosing an item from the selected assortment. The results indicate that the assortment attractiveness effect reported in the first two studies is stronger when consumers are asked to justify their choice of an item from the selected assortment than when they are asked to justify their choice of an assortment.

In order to gain more insight into the decision processes underlying the observed effects, the fifth experiment examines respondents’ information-search patterns. The results are consistent with the other experiments and show that the impact of assortment attractiveness on choice also extends to search behavior: participants were more attracted to larger rather than smaller assortments only when the attractiveness of the available assortments was low; when assortment attractiveness was high, the pattern of initial preferences was reversed in favor of smaller assortments.

This research demonstrates that choice among assortments is a function of the perceived attractiveness of these assortments, such that the relative preference for larger assortments is likely to decrease as the overall attractiveness of both assortments increases. In fact, the data show not only a decrease in the relative share of the larger assortment, but in some cases, also a preference reversal in which the choice share of the smaller assortment was actually greater than that of the larger assortment.

“A Great Expectations?! Assortment Size, Expectations and Satisfaction”

Kristin Diehl, University of Southern California
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A long line of research demonstrates that consumers value greater selection (e.g., McAlister and Pessemier 1982) and that they react negatively to restrictions imposed on their selection (e.g., Fitzsimons 2000). Recently, however, researchers have demonstrated that consumers can experience too much choice. This stream of research shows that larger selections decrease purchase likelihood (Iyengar and Lepper 2000) as well as decision confidence (Chernev 2003b) and proposes choice overload and heightened decision complexity as the underlying drivers.

We demonstrate an additional downside of larger assortments, lowering satisfaction with the chosen option, and establish the underlying mechanism causing this effect. We suggest that larger assortments raise consumers’ expectations of the degree of preference match they can achieve. Higher expectations can lead to greater disconfirmation when searching an assortment, thus reducing satisfaction with the choice. Findings from three studies show that larger assortments can lead to lower satisfaction due to expectation-disconfirmation over and above the effects of information overload.

Study 1 used a principal-agent task where participants imagined choosing a birthday card for a male coworker (see Diehl, Kornish, and Lynch 2003). Participants imagined going to a store that featured a selection of either 25 or 250 birthday cards (between subjects). All participants then saw the same, single option, presented to be perceived as a good option. Participants were told they had chosen this card and were asked to indicate their satisfaction with the card as well as the extent of expectation-disconfirmation they experienced. Replicating prior findings, participants were less satisfied with the target card when this card ostensibly came from the larger as opposed to the smaller assortment. Moreover, the larger assortment led to significantly greater negative disconfirmation than did the smaller assortment, and expectation-disconfirmation mediated the effect of assortment size on satisfaction.

Study 1 isolates our proposed mechanism from any choice overload effect since all participants only saw a single option. Study 2 replicates the mediating effect of expectation-disconfirmation in a real choice situation, where participants actually experienced different assortments sizes. Study 2 asked participants to search and choose computer wallpaper for themselves. Before searching the assortment, participants indicated one of six categories from which they expected to choose. Participants wrote a brief description of their imagined wallpaper and also sketched a picture. Assortment size was manipulated between-subjects as either small (60) or large (300 wallpapers), with 10 or 50 wallpapers per category. Participants saw a list of all options, grouped by categories and identified by category and a number. Clicking on an option brought up a small thumbnail of the wallpaper. Participants searched as long and in any order they wanted. After choosing an option, they viewed their choice full screen, rated their satisfaction with the choice, choice difficulty, and their degree of expectation-disconfirmation.

Contrary to prior work on choice overload, assortment size did not affect perceived choice difficulty, perhaps due to the visual nature of the stimuli. Still, we statistically control for choice difficulty. Replicating study 1, participants were less satisfied if they chose from the larger assortment. Further, larger assortments led to greater expectation-disconfirmation than did smaller assortments and expectation-disconfirmation mediated the effect of size on satisfaction. Study 3 further teases apart the overload mecha-
nism from the expectation-disconfirmation mechanism we propose. We manipulate assortment size as well as the order of questions assessing satisfaction and overload. An overload account would suggest that asking participants to assess overload prior to rating satisfaction would prompt them to attribute at least parts of their negative state to the experience rather than the outcome, thus attenuating the negative effect of assortment size on choice satisfaction (Schwarz and Clore 1983). Our proposed mechanism, however, would predict no differential effect of question order on satisfaction: whether overload was assessed a priori or not, expectation-disconfirmation should still drive differences in satisfaction.

We test these predictions using a principal-agent task that asked participants to select a camcorder for work. Participants browsed a catalogue of 8 or 32 (between subjects) camcorders and made their selection. Participants either rated their satisfaction with their choice before rating how overwhelmed they felt or vice versa. As before, larger assortments decreased satisfaction with the chosen option, and here also increased feelings of overload. However, there was no interaction of size and question order, suggesting that asking about process dissatisfaction first did not alter outcome satisfaction. Further, assortment size had a significant effect on expectation disconfirmation, which in turn mediated the effect of size on satisfaction.

Recently, researchers have challenged the ideal that more choice is always desirable. Our work contributes to this stream by identifying an additional psychological mechanism triggered by choice abundance. By increasing consumers’ expectations of what should be available and therefore what will be considered acceptable, consumers may grow more demanding and may become frustrated in an environment that seemingly offers a lot of choices, but still does not live up to their expectations.

“Do I Like It if You Choose for Me? The Influence of Relationship Norms on Consumer Satisfaction”

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Prior research has demonstrated that personally-made, as compared to externally-dictated, choices lead to greater task enjoyment, superior cognitive performances, and more positive affect (Brehm 1966; Festinger 1957; Langer 1975; Taylor and Brown 1988). Recent research, however, has found that cultural and social norms regulating interpersonal exchanges may moderate these beneficial effects of self-choice. The present research hypothesizes that the norms underlying different types of relationships between marketers and consumers moderate consumers’ satisfaction with a self-chosen relative to a marketer-chosen outcome. This hypothesis draws on recent research suggesting that consumers’ responses to the marketer’s actions are a function of the relationship norms between the two (Aggarwal 2004; Fournier 1998). Two types of consumer-marketer relationships are examined: communal and exchange (Mills and Clark 1982). In a communal relationship, people give benefits to relationship partners due to a concern for their well-being. Thus, if in a communal relationship the marketer makes the choice, it is expected that it would have acted in the best interest of the consumer; consequently, the consumer is likely to be satisfied with this choice. Conversely, an exchange relationship is based on the principle of quid pro quo. People know that benefits are given in order to get something in return. As such, if in an exchange relationship the choice is made by the marketer, consumers will expect the marketer to be motivated by its own interests, and they will be less likely to be satisfied with it. We therefore hypothesize that the consumers’ satisfaction with a marketer-chosen outcome will be lower compared to a self-chosen outcome when they have an exchange relationship than when they have a communal relationship with the marketer.

Study 1 was a 2 (relationship: communal vs. exchange) x 2 (choice: self-made vs. marketer-made) between subject design, and scenario descriptions were used to manipulate the participants’ relationship with a hypothetical bookstore. Participants were told that as part of a promotion the bookstore was giving away one of four novels to its customers. In the self-choice condition, participants selected a novel from this assortment, while in the marketer-choice condition the novel was chosen by the bookstore from the same assortment. Results showed that exchange participants experienced lower satisfaction with the marketer-chosen book than with the self-chosen book, while communal participants perceived no difference in satisfaction across the choice conditions. A thought protocol analysis provided further evidence by showing that when the choice was made by the marketer, exchange participants, relative to communal ones, expected the marketer to act more in its own interest and less in the consumers’ interest.

Study 2 was designed to replicate these results and to rule out a reactance-based alternative explanation according to which participants in an exchange relationship would evaluate the marketer-chosen outcome less positively, not because of different attributions about the marketer’s motivations but because of the greater perceived violation of their freedom to choose. To test this rival explanation, we allowed participants to either choose the novel themselves or let the marketer choose it. If the reactance account were driving the results of study 1, then we should observe a weaker or even a reverse effect in study 2, especially for participants in the exchange condition. However, if the attribution based account were the primary driver, then the results of study 2 should replicate those of study 1. Results yielded an interaction effect mirroring those of study 1 consistent with an attribution rather than a reactance explanation.

It was somewhat surprising that the exchange non-choosers experienced lower satisfaction than choosers in spite of their voluntary decision to relinquish the choice to the marketer. Could they have not foreseen this lower satisfaction, in which case they should not have relinquished their right to choose in the first place? It is likely that by providing the participants information about the four alternatives we gave them the opportunity to form ‘own’ preferences. When these preferences were not consistent with the marketer’s choice, participants may have tried to explain this mismatch by using the relationship norms. Thus, communal consumers may have interpreted the mismatch as evidence of the marketer’s knowledge of another, equally satisfying option, whereas exchange consumers may have interpreted the same mismatch as evidence of its selfish motivation.

Study 3 tests this explanation. Prior work on Deviance Regulation Theory (Blanton and Christie 2003) suggests that when people behave counter-normatively, they put greater weight on the positive features of that behavior. Given that exchange participants who gave up choice behaved counter-normatively, we expect them to evaluate the marketer-chosen alternative more positively if they cannot compare it with their own preferences. Thus, in this study we replicated the design of study 2 except that there was no information given about the four alternatives. Consistent with our hypothesis, we found a reversal of the effect for exchange non-choosers—who evaluated the final outcome more positively than exchange choosers—whereas no significant difference was observed between communal participants in the two relationship conditions. Further, this interaction was mediated by participants’ expectations about the marketer’s motivations, suggesting that these inferred attributions drove the differences.
Overall, consumers’ satisfaction with the outcome of a self-chosen versus a marketer-chosen outcome depends on the norms underlying the consumer-marker relationship, and the resultant differences in attributions made by the consumers.

REFERENCES


