Special Session Summary  a Deeper Look At Assortment
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SESSION OVERVIEW

The construct of assortment has begun to attract attention in consumer behavior. Research has shown that consumer perception of assortment is not a one-to-one function of the number of products offered (Broniarczyk, Hoyer, and McAlister 1998). Consumer assortment perceptions are also affected by the organization of the assortment (Hoch, Bradlow, and Wansink 1999) and heuristic cues such as the size of the display (Broniarczyk et al. 1998). Recent research has moved from examining assortment as a dependent variable to examining the consequences of assortment on consumer decision-making (i.e., assortment as an independent variable). Large assortments have been found to result in consumer confusion (Huffman and Kahn 1998) and demotivate consumer choice (Iyengar and Lepper 2000). This session probes deeper into the effects that assortment may have on consumer decision-making in three important directions: (1) examines the composition of the assortment, (2) examines multiple stages of consumer decision making, examining both choice and consumption decision outcomes, and (3) examines the effect of marketing variables such as the structure of the assortment and retailer signage.

First, the session examined how the probability of purchase from a given assortment is contingent on the complementarity of the features used to differentiate its options. Chernev defined feature complementarity as the degree to which the utility of different product features is additive. He reported data from two experiments documenting that product lines differentiated on noncomplementary attributes tend to be associated with a greater probability of purchase compared to product lines differentiated on complementary attributes.

Second, the session examined the effect of assortment on multiple stages of consumer decision making, examining both choice and consumption decision outcomes. Broniarczyk, Goodman, Griffin, and McAlister reported research that examined both anticipated regret during the choice process as well as experienced regret after consuming the chosen alternative. Kahn and Wansnick reported six lab studies that examine how consumer’s perception of variety affects consumption quantities. They showed that perceived variety may also serve as a “consumption rule” or benchmark that consumers use to gauge how many items should be consumed.

Third, the session examined the effect of marketing variables such as structure of the assortment and retailer signage. Kahn and Wansnick reported that structural aspects of an assortment moderate a consumer’s perception of the actual variety. Specifically, this perception of assortment variety is influenced by the organization and relative symmetry of the frequencies of the items in the set (entropy) of the assortment. It is this perceived variety of the assortment that influences consumption utility and ultimately contributes to consumption quantity. Broniarczyk, Goodman, Griffin, and McAlister discussed the effect of retail display signage such as product descriptions and best seller tags on consumer processing of large assortments. They reported that these marketing interventions designed to assist consumers and reduce the regret associated with large assortments may instead exacerbate regret.

References


"Feature Complementarity and Assortment in Choice"
Alexander Chernev, Northwestern University

How does the relationship between product features influence the overall probability of purchase from a given brand’s product line? This research argues that the choice share of a given product line is contingent on the complementarity of the features differentiating choice options. In this context, feature complementarity is associated with the additive properties of the utilities of choice alternatives (Lattin and McAlister 1985). Thus, complementary features, when combined, lead to a greater utility than each feature considered separately. For example, combining cavity prevention and tartar protection is likely to result in a combination that is superior to each feature considered separately. In contrast, combining noncomplementary features does not necessarily increase their overall utility: Blending banana and mint flavors does not necessarily create a superior combination.

This research argues that because complementary features are relatively independent from one another, they can be represented as levels of separate attribute dimensions rather than as levels of the same attribute. Furthermore, because complementary features can be represented as levels of discrete attribute dimensions, consumers are likely to opt for the best performance on each attribute; thus, the absence of a given feature will be viewed as a potential loss. This leads to the counterintuitive prediction that differentiating products using complementary features can actually decrease the attractiveness of an individual product.

Consider an offering differentiated on a single attribute (e.g., cavity prevention toothpaste). Adding complementary features to extend the product line (e.g., tartar control, whitening, breath freshening, etc.) highlights the attribute dimensions on which the original product is relatively inferior, thus decreasing its overall attractiveness. It could be argued that each new complementary feature used to extend the product line ultimately makes the extant products less attractive because they are dominated on the attribute made salient by the newly added feature. This research argues that increasing product assortment through complementary features could potentially lower the attractiveness of all alternatives in that assortment.

In contrast, because noncomplementary features tend to be mutually exclusive, they can be represented as different levels of the same attribute. Because the benefits offered by these features are often not additive, combining two or more features does not necessarily bring the feature closer to a consumer’s ideal point.

The proposition that feature complementarity moderates the impact of assortment on choice is supported by the data from two experiments. The first experiment examines feature complementarity in a context where consumers are given a single product line and have the option to choose one of the available alternatives or make
no choice at all. The data show that, all else being equal, noncomplementary assortments are more likely to be associated with a greater probability of purchase than complementary assortments. The second experiment examines the impact of feature complementarity in a context where consumers are given a choice between two brands, one featuring a single option and the other featuring either a complementary or noncomplementary product line. The data from this experiment show that the choice share of the complementary product line is lower than the share of the noncomplementary line. Considered together, these findings extend prior product line and assortment research to account for the relationship among different features used to differentiate options in a brand’s product line.

References

“Too Many Choices: The Effect of Assortment on Anticipated and Experienced Regret”
Susan Broniarczyk, Joseph Goodman, Jill Griffin, and Leigh McAlister, University of Texas at Austin

This research reports two studies that examine how enduring involvement and product information affect consumer reactions when choosing from large assortments. The Iyengar & Lepper (2000) paradox showed that consumers choosing from large assortments experience increased choice difficulty and experienced regret but also increased positive affect. Our Study 1 finds that this paradox is limited to high enduring involvement subjects choosing from a hedonic product category. The results of Study 2 show that marketing interventions to reduce the regret associated with large assortments may instead exacerbate regret. Specifically, we explore the effect of providing two types of information, product descriptions and “best seller” signs.

In Study 1, we extend Iyengar & Lepper’s research by examining hedonic (chocolates) versus utilitarian (pens) product categories and consumers with high versus low enduring category involvement. Overall, we replicated Iyengar & Lepper’s finding that subjects experience a higher level of choice difficulty and experienced regret when choosing from large relative to small assortments. However, we find that their result that decision fun is higher for large assortments only holds for high enduring category involvement subjects in the hedonic category.

In Study 2, we examine two marketing interventions that retailers might introduce to reduce consumer regret when choosing from large hedonic assortments, product descriptions and “best seller” signs. We examine the effect of these interventions on both anticipated regret experienced during the choice process and experienced regret following consumption. Our results show that instead of reducing consumer regret when choosing from large assortments, display information may instead increase consumer regret.

We found that that the availability of product descriptions reduced subjects’ anticipated regret relative to a control group. However, actual use of product descriptions was positively associated with higher anticipated and experienced regret. Consistent with Carmon, Wertenbroch, & Zeelenberg (2003), reading descriptions may have increased regret because subjects now knew more about foregone alternatives.

“Best seller” signs were placed on the display of the two top selling products. The presence of “best seller” signs did not increase the choice likelihood of the chocolate but did lead to negative consumer decision consequences. Relative to the control, signs increased the anticipated regret and negative affect consumers experienced choosing from large assortments. Subjects apparently struggled with how to process the information from the signs and integrate it with their own preferences. Experienced regret was dependent on whether subjects chose a chocolate tagged with “best seller” signage.

References

“The Influence of Assortment Structure on Perceived Variety and Consumption Quantities”
Barbara E. Kahn, Wharton School, University of Pennsylvania
Brian Wansink, University of Illinois

If consumers are offered an assortment with three different flavors of yogurt, they are likely to consume an average of 23% more yogurt than if they are offered an assortment featuring only one flavor (Rolls et. al. 1981). This example is typical of many consumption situations where consumers must decide how much of a product to consume when there are no formal guidelines to help them (Drenowski, Henderson, Driscoll, and Rolls 1997). Previous research related to packaging has shown that package size (Folkes Martin, and Gupta 1993), shape (Piaget 1969), volume (Wansink 1996), and perceived volume (Raghubir and Krishna 1999) can all contribute to how much one consumes. In the yogurt example, however, it is not packaging but rather the assortment variety that seems to be influencing how much consumers are likely to consume. But how do consumers interpret or perceive the variety of an assortment, and why should this perception of variety affect consumption quantities?

In this research we show that structural aspects of an assortment moderate a consumer’s perception of the actual variety. Specifically, this perception of assortment variety is influenced by the organization and symmetry of the frequencies of the items in the set (entropy) of the assortment (Young and Wasserman 2001). It is then this perceived variety of the assortment that influences consumption utility and ultimately contributes to consumption quantity. We show that perceived variety may also serve as a “consumption rule” or benchmark that consumers use to gauge how many items should be consumed.

We find support for our proposals in a series of six lab and field experiments involving adults and children with both food and hedonic non-food items. The first four studies clearly illustrate the robust phenomenon that assortment structure affects consumption quantities. The last two studies show that in addition to influencing perceived variety, assortment structures might also provide consumers with consumption norms that guide them in selecting consumption quantities. It appears that perceived variety and anticipated consumption utility influence consumption quantity up to a point and then the quantity decision appears to be influenced further by consumption rules.

These findings are of relevance to interdisciplinary researchers, yet the most immediate implications of this research are directed toward altering the structure of assortments so that they do not have unintended effects on consumption.
References