When the Attraction Effect Disappears: the Differential Impact of Adding Common Versus Unique Features on Consumer Choice

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EXTENDED ABSTRACT - The attraction effect has received considerable attention from decision researchers (e.g., Ariely and Wallsten 1995; Heath and Chatterjee 1995; Huber, Payne, and Puto 1982; Huber and Puto 1983; Pettibone and Wedell 2000; Sen 1998; Simonson 1989, Simonson and Tversky 1992; Tversky and Kahneman 1991). It refers to the ability of an asymmetrically dominated or relatively inferior alternative, when added to the original choice set, to increase the attractiveness and choice probability of the dominating alternative (Simonson 1989). Despite its importance and robustness, the attraction effect has been typically demonstrated using simple choice sets, involving only a few alternatives described on two monotonic attributes (Ratneshwar, Shocker, and Stewart 1987). In this research, using choice tasks similar to those employed in typical attraction effect studies, we examine how adding a third categorical attribute to the choice set affects consumer choice.

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EXTENDED ABSTRACT

The attraction effect has received considerable attention from decision researchers (e.g., Ariely and Wallsten 1995; Heath and Chatterjee 1995; Huber, Payne, and Puto 1982; Huber and Puto 1983; Pettibone and Wedell 2000; Sen 1998; Simonson 1989, Simonson and Tversky 1992; Tversky and Kahneman 1991). It refers to the ability of an asymmetrically dominated or relatively inferior alternative, when added to the original choice set, to increase the attractiveness and choice probability of the dominating alternative (Simonson 1989). Despite its importance and robustness, the attraction effect has been typically demonstrated using simple choice sets, involving only a few alternatives described on two monotonic attributes (Ratneshwar, Shocker, and Stewart 1987).

In this research, using choice tasks similar to those employed in typical attraction effect studies, we examine how adding a third categorical attribute to the choice set affects consumer choice.

Consider the following scenario: A consumer is deciding between two identically priced vacation tour packages to a certain foreign country for next summer (Package A [competitor] vs. Package B [target]; 'core set'). Package A guarantees stays at four-star hotels, but the hotels have relatively poor location in terms of proximity to the tourist attractions. Package B guarantees stays at three-star hotels, but the hotels are closer to the tourist attractions and have relatively convenient locations. The trade-off here is between the quality of hotel service and the convenience of hotel location. Now imagine that a third package with the same price (i.e., Package C [decoy]) is introduced in the choice set (the 'extended set'). Package C guarantees stays only at two-star hotels, but the hotels are slightly more conveniently located compared with those of Package B. Our pilot study showed that such stimuli can induce the within-subjects attraction effect (Huber and Puto 1983).

The main experiment had a 2 (set size; core set vs. extended set) x 2 (feature; common vs. unique) mixed design. The first factor, set size, was administered within subjects and the second, feature, was administered between subjects. In the common feature condition, we added a common feature (i.e., 'France' for a vacation site) to each of the options in the original choice set developed in the pilot study. In this context, we argue that the common features (i.e., 'France' for a vacation site) will be ignored by decision makers because of their nondiagnosticity, i.e., they do not differentiate the alternatives (Tversky 1972). Consumers in this setting may well make trade-offs among the alternatives based on the provided information regarding the two monotonic attributes ignoring the shared feature. Thus, the attraction effect is hypothesized to persist under such circumstances. The result confirmed our prediction (McNemar Test, p<.01).

In the unique feature condition, we used the same stimuli that were used in the common feature condition except that the competitor’s vacation site, France, is replaced with a relatively equally attractive feature, Italy. In this context, we argue that the replacement of the competitor’s common feature with a unique feature would encourage categorization based on the added qualitative attribute comprising unique features, especially if the unique features are important and relatively equally attractive. In such cases, subjects may process alternatives hierarchically; they may initially group alternatives into their categories to eliminate alternatives and simplify choice processing instead of making trade-offs using monotonic attributes (Tversky 1972; Tversky and Sattath 1979). Under such circumstances, the target’s share is not likely to increase when the decoy is introduced to the choice set. Thus, we hypothesized that the attraction effect will disappear (or will be attenuated) when the competitor’s common feature is replaced with an equally attractive unique feature. The result confirmed our hypothesis. (McNemar Test, p=1.00). The result also indicates that the disappearance of the attraction effect is due to ‘the lone option effect’; the competitor’s share is larger when it is a lone option than when it shares a common feature with other options.

The current study suggests that when the added qualitative features can be used as a basis for categorization of the options in the choice set, consumers seem to engage in hierarchical processing of the options at the initial stage of the choice process. The categorization of the options may have reduced the extent to which subjects engage in cross-category comparisons in the extended set/unique feature condition. The decrease in the degree of cross-category comparisons in turn would have reduced the magnitude of the attraction effect. The attenuating effect of the added unique feature on the attraction effect raises the question about generalizability of the attraction effect to the environments where consumers can easily categorize choice options into two or more groups. The clarification of the boundary conditions for contextual influences such as the attraction effect in a choice task characterized by mixture of qualitative and quantitative attributes might enhance our understanding of consumer choice dynamics in general as well as the phenomenon of the attraction effect perse.

REFERENCES


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