Expectation-Driven Separation in Preferential Choice Processes

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EXTENDED ABSTRACT - In binary choice, expected separation is the non-directional expected difference in the holistic value of two alternatives. This article explores three consequences of expected separation. First and most basic, expected separation influences consumers' perceived separation between the two alternatives. Second, to adjust their perceived separation toward what was expected, consumers bias their attribute attractiveness evaluations. Third, consumers adjust their attribute weights to confirm their expectations. Two consumer choice studies support these claims. Relative to those expecting low separation, participants expecting higher separation perceive greater separation, exhibit more distortion of attribute attractiveness evaluations to favor one of the alternatives, and give relatively more weight to attributes that favor one of the two options (on average). Implications of this work and potential extensions are discussed.

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EXTENDED ABSTRACT

In binary choice, expected separation is the non-directional expected difference in the holistic value of two alternatives. This article explores three consequences of expected separation. First and most basic, expected separation influences consumers’ perceived separation between the two alternatives. Second, to adjust their perceived separation toward what was expected, consumers bias their attribute attractiveness evaluations. Third, consumers adjust their attribute weights to confirm their expectations. Two consumer choice studies support these claims. Relative to those expecting low separation, participants expecting higher separation perceive greater separation, exhibit more distortion of attribute attractiveness evaluations to favor one of the alternatives, and give relatively more weight to attributes that favor one of the two options (on average). Implications of this work and potential extensions are discussed.

It is well known that directional expectations, “I expect A will be better than B,” yield expectation-consistent perceptions, “A is better than B.” Such directional expectations can be strong, such as loyalty to a team (Hastorf and Cantril 1954) or a position on a social issue like capital punishment (Lord, Ross, and Lepper 1979) or as weak as an emerging preference for an option in a binary choice (Russo, Medvec, and Meloy 1996). Whereas most consumer research has focused on directional beliefs, especially strong ones like brand loyalty (Boulding et al. 1993; Hoch and Ha 1986; Spreng, MacKenzie, and Olshavsky 1996), this article focuses on the non-directional belief of expected separation.

Carlson (2000) hypothesized that consumers enter the choice process with a default magnitude of expected separation, representing the belief that the chosen option will be preferred by a margin proportional to the magnitude of the belief. This expected separation is updated throughout the choice process as new information is encountered. By the end of the choice process, expected and perceived separation converge with perceived separation emerging partly from biased predecisional processing to support one of the two alternatives.

The binary choice process has been characterized as one of creating differentiation or separation between options (Svenson 1992, 1996). As this process of distinction proceeds, there emerges at any given time both the directional knowledge that identifies which alternative appears to be superior and the magnitude of the non-directional perceived separation between the options. Following the large body of research on belief-consistent perceptions (Lord et al. 1979; Nickerson 1998; Sanbonmatsu et al. 1998), it is hypothesized that the magnitude of expected separation will influence perceived separation. It was also expected that consumers’ reliance on the separation-construction tactics of information distortion and weight alteration would increase as expected separation increased. These hypotheses were examined in two studies.

Study 1 showed how perceived separation was influenced by the sorting mechanism used to establish the choice set. This demonstration paves the way for a more careful examination of biased predecisional processing and its impact on the choice process. Study 2 examined a structured choice between two backpacks to test the hypotheses. Expected separation was manipulated via the prior assessment of a participant’s personal preferences and the cover story of a “product simulator” that designed two backpacks to be either slightly different in attractiveness (low expected separation) or considerably different in attractiveness (high expected separation). The results supported all hypotheses and revealed distortion to be a partial mediator of the relationship between expected and perceived separation.

One natural extension of this work involves expected separation’s impact on choice processes from sets of more than two options. Specific aspects worthy of inquiry might include choice deferral (Dhar 1997), attribute exclusion thresholds (Huber and Klein 1991), depth of information search (Bockenholt et al. 1991), and processing strategies (Biggs et al. 1985). Regarding the latter, it has been claimed that consumers select processing strategies based on expected costs and benefits of implementation (Beach and Mitchell 1987; Payne, Bettman, and Johnson 1992). Is it possible that expected disparity influences the expected costs and benefits of various strategies, thereby influencing strategy selection? Another issue of interest is whether there exists a nonzero level of expected disparity that is sufficiently low that consumers believe any option will do. We know from consumers’ selection among commodities that some choices are made with almost no thought, presumably because (at least in some cases) expected disparity is zero. But does there exist a nonzero threshold of expected disparity for which the choice process defaults to commodity status? That threshold may differ by product category, but is it ever positive?

REFERENCES


