When Do Consumers Prefer More Choice? Moderating Effects of Regulatory Focus

H. Onur Bodur, Concordia University, Canada
Lissa Matyas, Concordia University, Canada

The purpose of our paper is to understand the nature of the relationship between assortment size and consumer’s reactions to the choice task and the chosen alternative. Consistent with past research, we argue that the relationship between assortment size and consumer’s reactions to the chosen alternative is non-linear. More importantly, we also propose that regulatory focus moderates the relationship between assortment size and consumer reactions to the choice task and the chosen alternative. We present our findings from two studies and discuss implications for marketers.

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EXTENDED ABSTRACT

While it is clear that a large assortment has many benefits for both consumers and retailers, recent research has proposed that providing consumers with vast numbers of alternatives to choose from may be a mixed blessing (Schwartz et al., 2002), potentially leading to a less compelling choice experience or to a less satisfactory outcome. Iyengar and Lepper (2000) report interesting results to this effect. In their field experiment, participating shoppers were 10 times more likely to buy a jar of jam when six varieties were on display as compared to 24. Wathieu et al. (2002) further argue that restricting a consumer’s choice set to fewer alternatives makes it easier to make a decision and leads to greater satisfaction with the decision after the fact. The main problem consumers have with an extensive array of options in the pre-decision stage is the confusion that too many alternatives can cause.

In this paper, we present an alternative explanation for when assortment size leads to greater satisfaction with the chosen alternative. We propose that the impact of assortment size on choice is moderated by regulatory focus. Regulatory focus theory identifies two distinct motivational systems: promotions and prevention focus (Higgins, 1997, 1998). Promotion focus relates to higher level concerns with accomplishment and advancement and the presence or absence of gains. Consumers with promotion focus aim to ensure hits and avoid errors of omission or misses (missing an opportunity for improvement), whereas, prevention focus relates to greater concern with safety and fulfillment of responsibilities and the presence or absence of losses. Consumers with prevention focus aim to ensure correct rejections and to avoid errors of commission (making a wrong decision). More risky, less conservative, less cautious strategies are expected in a promotion focus than in a prevention focus (Liberman et al., 2001). We argue that if the choice is approached with a promotion focus, consumers concentrate on identifying the best alternative and prefer a larger assortment as it will translate into more hits. Conversely, a prevention-focused individual concentrates on avoiding regret and stops at the choice that meets his/her requirements and, therefore, will find it easier to process a small assortment.

The purpose of this paper is twofold: (1) To investigate whether regulatory focus moderates the relationship between assortment size and consumers’ evaluation of the choice task and the chosen alternative, and (2) to investigate whether the nature of the relationship between assortment size and consumers’ evaluation of the choice task and the chosen alternative is nonlinear. First, we propose that consumers’ regulatory focus moderates the relationship between assortment size and consumer reactions (Crowe and Higgins, 1997; Higgins, Shah, and Friedman, 1997). Under prevention focus, comparing many options increases the difficulty of making correct rejections, whereas under promotion focus, the priority is to have as many hits as possible, so large assortments can serve this purpose better. In particular, we propose that consumers with a promotion focus have a more positive experience with the choice task and will be more satisfied with their chosen alternative when faced with a large assortment size compared to a small assortment size. However, consumers with a prevention focus have a more negative choice experience and less satisfaction with their choice when choosing from a large vs. small assortment size. Second, we investigate whether the relationship between assortment size and consumer reactions is non-linear (i.e., an inverted-U shape). Although consumers may enjoy large assortment size, the complexity of the choice task becomes overwhelming as assortment size increases, resulting in more negative consumer experiences.

In Study 1 (n=296), we manipulate regulatory focus and assortment size in a lab experiment and measure participants’ evaluation of the choice task and the chosen alternative. Pretest 1 (n=67) conducted prior to Study 1 was used to select product categories that are equally promotion and prevention oriented to allow manipulation of regulatory focus using a thought-listing task. Three equally promotion and prevention oriented products were selected (p>.20). In pretest 2 (n=42), the effectiveness of the thought listing task in manipulating regulatory focus was tested. The results indicate that the manipulation was successful (p<.05). Overall, Study 1 results indicate a significant interaction of regulatory focus on evaluation of the chosen alternative and the choice experience (p<.05). In addition, we find a nonlinear relationship between assortment size and evaluation of the chosen alternative and the choice task (p<.05). The inverted-U relationship holds primarily for the promotion focus participants.

Study 2 was a field study involving 203 shoppers at a large North American city. Different from Study 1, Study 2 was conducted in a naturalistic shopping environment, allowed consumption of the chosen alternative, and closely tied the participation incentive to the choice task. We also measured chronic regulatory focus using the Regulatory Focus Questionnaire. Consistent with our predictions, prevention focus individuals find their chosen alternative more attractive compared to promotion focus individuals when they choose among limited assortment set. This effect is reversed when choosing from an extensive alternative set.

Overall, our findings provide partial support for our predictions, and present an interesting contrast to predictions in extant research. Understanding of the moderating role of goals on the relationship between assortment size and consumers’ evaluation of the choice task and the chosen alternative demands further research and this paper takes an important step in that direction.

References