The Impact of the Size of Self-Generated Consideration Set on Post-Choice Regret

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This article aims to examine how the size of a self-generated consideration set influences post-choice regret, and whether this impact varies with the source of the better competing option, i.e., inside or outside of the consideration set. Results from two experimental studies show that given the same magnitude of outcome comparison with a better-forgone option, the feeling of regret heightens when subjects have a larger self-generated consideration set. Conversely, when the more competitive alternative comes out of the consideration set, the larger the size of self-generated consideration set, the lower the regret aroused.

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EXTENDED ABSTRACT
Regret is a negative emotion that is the result of a comparison between factual and counterfactual experience. Operationally, the basis for the measure of the level of regret is on the comparison between the outcome of the chosen option and that of a forgone alternative. The underlying assumption that regret arises from a comparison with one forgone alternative ignores the impact of other alternatives in the consideration set during the decision-making process. As many studies point out, consumers often adopt a two-stage strategy to make choices in real decision-making situations. More specifically, they first form a consideration set with some elimination rules, then they make a choice among the self-generated alternatives. In reality, consumers are often obsessed with more than two options in the consideration set when making their final decisions. Recently, researchers have suggested that it is possible to induce regret not only by the outcomes comparison, but also by the decision-making process. The majority of prior studies neglect these influences of process factors on regret. Therefore, for a better understanding of regret it may be insufficient to consider only the outcome comparison from a better-forgone brand.

Some attempts have begun to examine how the size of a prescribed consideration set influences regret. Currently, as consumer rights rise and information overload increasingly confronts consumers, the adoption of a two-step decision strategy and the formation of a self-generated consideration set before making choices are more prevalent in real consumer decision settings. We believe that the self-generated consideration set should have a more direct impact on self-focused negative emotions, such as post-choice regret. In addition, market and social trends also increase the possibility that a better-forgone alternative comes out of the consideration set.

By realizing the gap, we set two research objectives in this study. The first is to investigate whether the size of a self-generated consideration set influences post-choice regret. The second is to explore whether the size effect varies with the source of a better competing alternative, i.e., inside or outside of the consideration set.

We posit that all else being equal, the feeling of regret is higher when the size of a consideration set is larger, as the feeling of choice responsibility is larger when given a greater number of available alternatives. Given the same magnitude of outcome comparison, we argue that regret is lower when the better alternative comes from an unawareness set, as consumers intend to ascribe the inferior result to external attributes such as lacking ability or opportunity to seek sufficient information. More interestingly, we postulate that the effect of size reverses when the better option comes from an unawareness set, that is, the feeling of regret is lower when the size of consideration set is larger. In this case, consumers try to justify the decision by "at least I tried" reasoning that focuses on the decision process for regret regulation. They will perceive greater decision-making efforts involved when forming a larger size of consideration set prior to a real purchase, thus increasing the justifiability for their purchase decision. Therefore, they will associate themselves with less responsibility and self-blame for the bad outcome, thus resulting in lower post-choice regret. Whereas, when consumers make a choice with a small consideration set, they may engage in introspection for the extent of effort and prudence they paid in the decision-making process, and feel responsible for not conducting a thorough information search and including more alternatives into their consideration set. Self-attribution and more responsibility lead to higher regret. Thus, the size effect may vary with the source of better-forgone option.

Accordingly, we propose the following hypotheses:

H1. When the size of consideration set is increased, increased regret is experienced.

H2. For the same outcome difference, the level of regret is lower when the better performing alternative comes from an unawareness consideration set than when the better one comes from the self-generated consideration set.

H3. When the better performing option comes from an unawareness set, the experience of regret attenuates as the size of consideration set is increased.

Two experimental studies tested the hypothesis. The first study examined the effect of size on regret with a 2 (size of consideration set: two alternatives vs. five alternatives) x 2 (outcome valence of chosen brand: positive vs. negative) x 2 (information availability of better-forgone brand: known vs. unknown) between-subjects factorial design. Findings of the study demonstrate that when the size of self-generated consideration is larger, subjects’ regret is higher regardless of whether the performance of the chosen brand meets its prior expectation or not, as long as information on the better-forgone brand is available. Even when information of the better-forgone brand is not available, subjects still feel regret when their expectation of the chosen brand is not met, giving support to counterfactual thinking. Furthermore, in this circumstance, the size effect of a consideration set persists.

The second study extended the first by investigating the size effect in situations where the better option comes from an unawareness set with a 2 (outcome valence of chosen brand: positive vs. negative) x 2 (source of comparison information: awareness set vs. unawareness set) x 2 (size of consideration set: two alternatives vs. five alternatives) between-subjects factorial design. Findings of this study demonstrate that when the better option comes from an unawareness set, subjects experience lower regret than when the better one comes from a self-generated consideration set, regardless of whether the outcome valence of the chosen brand is positive or negative. Moreover, when subjects are dissatisfied with their chosen brand and find a better option from the unawareness set after choice, they experience less regret than when they previously formed a larger consideration set. The two studies support all hypotheses.

The paper explicitly shows that for a better understanding of regret, we should consider not only the outcome comparison, but also the number of other forgone alternatives and the source of the better option. It enriches the literature by adding more evidence on how the decision process may influence regret.

References


