When Knowledge Is De-Motivating: Consumer Knowledge and Assortment Size

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Previous research has shown that consumers prefer to be offered with choice than not, but that too much choice can be de-motivating. We present evidence that the impact of assortment size on choice depends on the extent to which consumers are knowledgeable about the product category. In particular, the results of three studies show that extensive choice is de-motivating when consumers are knowledgeable about the product category, but it is motivating when consumers are ignorant about the product category. We discuss the implication for marketing strategies.

[to cite]:

[url]:
http://www.acrwebsite.org/volumes/15046/volumes/v37/NA-37

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EXTENDED ABSTRACT

Marketers have long been trying to determine how much choice to offer consumers. Evidence from consumer research as well as psychological research has shown that consumers prefer choice over no choice: when offered choice participants are more motivated to make a good decision and are more satisfied with the product. However, recent studies have indicated that too much choice can be motivating. In particular, it was shown that consumers who were offering over 20 options were less likely to purchase the product than consumers who were offered about 6 options (Iyengar and Lepper 2000). We suggest that the impact of choice set size on choice is mediated by consumer knowledge. We rely on previous findings, showing that knowledgeable consumers limit the amount of information search and the number of options considered, whereas less knowledgeable search for more information and consider more options (Johnson and Russo 1981; 1984). We hypothesize that knowledgeable consumers are more likely to purchase a product with small choice sets because they are not interested in considering many options; however, we conjecture that ignorant consumers are more likely to purchase a product with large choice sets because large assortments offer more options and afford more learning opportunities about the product category. Our hypothesis was supported in three studies.

In the first study participants were presented with a list of 5 or 25 red wines. They were asked to choose their favorite bottle and to indicate whether they would prefer receiving the chosen bottle or an equivalent amount of $20. Half of the participants were presented with a list of Chilean wines (ignorance group) and half were presented with a mixed list of wines (control group). A manipulation check verified that participants knew less about Chilean wines than about the mixed list of wines. Replicating previous results, we found that in the control group, the proportion of participants who preferred the wine over the $ amount was higher among those who were presented with a small choice set (5 wines) than a large choice set (25 wines). An opposite pattern emerged among participants who were presented with Chilean wines: the proportion of participants who preferred the wine over the $ amount was lower among those who were presented with a small choice set (5 wines) than a large choice set (25 wines). The results of study 1 thus supported our hypothesis, showing that assortment size can have both negative and positive impact on choice, depending on whether consumers are knowledgeable about the product category or not.

The knowledge manipulation employed in study 1 was based on familiarity with the product, and thus different experimental groups were presented with different stimuli (different wine lists). Study 2 was designed to replicate the results using a comparative knowledge manipulation, in which all participants were presented with the same stimuli, and knowledge was manipulated by presenting comparison groups that are more/less knowledgeable than the participant pool. Participants were asked to choose a video game from a list of five or 25 games, and to indicate whether they would prefer $5 or the chosen video game. They were informed of the general participant population, which was either similar to them in terms of knowledge about video games (undergraduate students—control condition) or more knowledgeable (undergraduate students and professional video game programmers—comparative ignorance condition). The results indicated that participants in the control were more likely to prefer the video game over the cash when presented with five games than 25 games, but that participants in the comparative ignorance condition revealed the reversed pattern. In addition, we found that the interactive impact of comparative knowledge and assortment size on choice was mediated by the degree of self-reported knowledge of video games.

A third study examined the impact of comparative ignorance as well as comparative competence on consumer choice. Participants were asked to choose their favorite body lotion from a list of five or 25 lotions. Then, they were asked to indicate whether they would prefer $5 or the chosen body lotion. Participants were informed of the general participant population, which was either similar to them in terms of knowledge about video games (undergraduate students—control condition), more knowledgeable (undergraduate students and dermatologists—comparative ignorance condition), or less knowledgeable (undergraduate students and elementary school students—comparative competence condition). The results showed that participants in the control group were more likely to prefer the body lotion over the cash when presented with five rather than 25 games; participants in the comparative competence condition revealed a similar yet stronger pattern; participants in the comparative ignorance condition revealed the reversed pattern: they were more likely to prefer the video game over the cash when presented with 25 games. Moreover, as in study 2, this choice pattern was mediated by self-reported knowledge.

The results presented in this paper reconcile two different, well established, schools of thought in consumer research—one suggesting that marketers should offer consumers as much choice as possible, and the other suggesting that limited assortments are preferred because excessive choice may be de-motivating, by showing that choice set size should depend on consumer knowledge. We conclude that marketers should consider an estimate of consumer knowledge about the product category when deciding how much choice to offer. Extensive choice may increase sales when consumers are believed to have limited knowledge about the product category, whereas limited choice may increase sales when consumers are believed to be knowledgeable about the product category.

REFERENCES: