Consumers process and represent information differently depending on the level at which it is construed (Trope & Liberman 2003). However, little is known about how different construal-levels/mindsets impact judgment biases arising from the context of a decision (Huber, Payne & Puto 1982). We examine the effect of abstract vs. concrete mindsets on three common judgment biases. Five studies show that, compared to a concrete mindset, an abstract mindset decreases compromise effect, increases attraction effect, and decreases impact of back-ground comparisons. We explain that results arise because of differential focus on local trade-offs in the two mindsets.
SPECIAL SESSION SUMMARY
Finding the Uncompromising Consumer: A Deeper Understanding of Context Effects on Choice
Jeffrey Parker, Columbia University, USA

SESSION OVERVIEW
Time and time again, choice context has been found to dramatically affect consumer preferences (see, e.g., Huber, Payne & Puto 1982; Shafir, Simonson & Tversky 1993; Simonson 1989; Simonson & Tversky 1992). For example, choice reversals resulting from the introduction of compromise options or asymmetrically dominated alternatives are particularly robust. However, little attention has been given to how the manner in which consumers process the choices might affect their susceptibility to such biases. The question is important as different processing styles have been shown to significantly influence judgment and behavior by altering attention to and processing of information. For example, more comparative (vs. evaluative) judgments have been shown to focus consumers on more comparable (vs. enriched) attributes (Nowlis & Simonson 1997).

The current session includes three papers that examine how different processing styles influence common context effects. While all three papers explore information processing or decision strategies that influence context effects, each paper approaches this topic from a unique perspective, identifying specific influences of different evaluative processes. Specifically, the effects of non-conscious processing, affective evaluations, and abstract mindsets are investigated. This session takes the viewpoint that not only does the context surrounding the options affect consumer preference, but so too does the manner in which consumers think about those options and that context. Accordingly, the first paper, by Goldsmith, Dijksterhuis and Dhar, investigates if non-conscious processing prior to choice can attenuate the compromise effect due to an enhanced ability to resolve tradeoffs. These authors find support for this, showing that non-conscious processing reduces the compromise effect (vis-à-vis conscious elaboration or mere distraction). Correspondingly, in the second paper, Pham and Parker test the hypothesis that engaging in feelings-based processing will reduce consumer preference for compromise options. These authors find significant moderation, demonstrating that feelings-based processing affects consumer choice. Finally, in the third and final paper, Khan, Zhu, and Kalra test how a consumer’s level of abstraction affects their likelihood of falling prey to three classic context effects: the compromise effect, the attraction effect, and the background contrast effect. By manipulating consumer mindsets (abstract vs. concrete) the authors demonstrate that abstract mindset reduces the compromise effect, reduces background contrasts and enhances the attraction effect. All of the papers in this proposal are in their final stages of preparation.

Using multiple, yet related, theoretical perspectives these three papers extend what is currently known about when and how consumer choice may be affected by context. While some moderators of context effects have been identified (see, e.g., Dhar and Simonson 2003; Mourali, et al. 2007), no research to date has investigated how the manner in which a consumer processes their choices might affect their susceptibility to such biases. By investigating this topic, we can not only advance our theoretical understanding of the origins of these effects but can also offer practical insights for consumers and practitioners seeking to mitigate the effects of context on their choices.

We anticipate that this session will be attended by consumer researchers in general and by members of ACR who have a particular interest in context effects, consumer choice, and processing styles. Each paper in the session includes multiple completed studies with supporting results. Further, our discussant, Joel Huber, who is an expert on context effects, is expected to lead a stimulating discussion.

References

EXTENDED ABSTRACTS
“Non-Conscious Processing and Choice in Context”
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Most consumer choice requires making tradeoffs among the available options (e.g., should I pay $50 more for the iPod with more memory?). A major finding in choice research has been that when faced with decisions that involve making tradeoffs, consumers’ choices can be inconsistent and susceptible to influence, for example, from the choice task or the decision context. This occurs as such factors can highlight different considerations, leading to different choice outcomes. These context effects have been shown to be robust across a wide variety of stimuli, and arise even when consumers are instructed to carefully process their decisions (Pochepstova et al. 2009).

Recent research has debated whether conscious elaboration or non-conscious processing leads to better decisions (Dijksterhuis and van Olden 2005, Payne et al. 2008). We extend this research by examining how conscious vs. non-conscious processing affects a bias relevant to making tradeoffs; specifically, we examine how these different modes of processing affect consumers’ propensity to demonstrate the compromise effect (Simonson 1989). The compromise effect is observed when choice of an option increases when the option is made the middle option (e.g., b in set abc) as opposed to
an extreme option (e.g., b in set bc). This effect occurs due to consumers’ inability to resolve tradeoffs across attributes (Dhar and Simonson 2003). Research in the domain of social psychology has demonstrated that conscious elaboration impedes our natural ability to weigh decision criteria, showing that non-conscious processing allows for superior integration and evaluation of choice attributes (Dijksterhuis and van Olden 2005, Wilson 2003). Drawing from both of these research streams, we propose that consumers who non-consciously process their options prior to making a choice will be less likely to demonstrate the compromise effect than those who consciously elaborate on the alternatives prior to choice, due to their superior ability to resolve tradeoffs.

We test our main proposition in two studies. The first study is designed to test if non-conscious processing will decrease the compromise effect as compared to conscious elaboration. For this study, participants were presented with a choice set (either ab or abc) and instructed that they would later make a choice. Following Dijksterhuis et al (2006), participants were then randomly assigned to complete either a conscious elaboration or a non-conscious processing task. Participants assigned to the conscious elaboration task were instructed to “think very carefully” about their choice and to write out their thoughts for two minutes. Participants assigned to the non-conscious processing task were instructed to “think very carefully” as they completed a two minute distraction task. This resulted in a 2 (choice set: ab vs. abc) x 2 (conscious elaboration vs. non-conscious processing) design. Finally, all participants made a choice from the set they had been shown initially. Consistent with our predictions, we observe the compromise effect only among participants who engaged in conscious elaboration. Respondents who engaged in non-conscious processing showed no evidence of the compromise effect. The interaction between processing style and the choice set was significant.

While the results of Study 1 support our hypothesis that non-conscious processing reduces the magnitude of the compromise effect, it is important to note that we do not predict this pattern of results will hold when consumers are merely distracted prior to choice. Prior research has demonstrated non-conscious elaboration is necessarily a goal directed process: the goal to make a decision is vital for the operation of non-conscious processing during an intervening task (Bos et al. 2007). Thus we argue we will observe a reduction in the compromise effect only among participants who are initially given the goal of making a choice prior to the intervening distraction.

Study 2 was intended to test this directly while providing a conceptual replication of Study 1. Half of the participants were randomly assigned to the non-conscious processing condition and asked to form an impression of a set of products, for a choice at a later stage. Remaining participants were assigned to the mere distraction condition and instructed to simply review the set of products (no mention of future choice). All participants were then shown a set of options (ab vs. abc). This resulted in a 2 (non-conscious processing vs. mere distraction) x 2 (choice set: ab vs. abc) design. All participants then completed the intervening task from the non-conscious processing condition in Study 1, then made a choice. Consistent with our predictions, we observe the compromise effect among participants who were merely distracted. In contrast, respondents who engaged in non-conscious processing showed evidence of the compromise effect. The interaction between processing style and the choice set was significant, meaning that non-conscious processing decreased the share of the compromise option relative to the share of the extreme option. These results rule out mere distraction as an alternate explanation for the results of Study 1.

In summary, our findings demonstrate that non-conscious processing can reduce compromise effect. We believe these findings offer both theoretical and practical insights. Not only do they extend what is currently known about potential benefits of non-conscious processing for the weighing of decision criteria, they suggest that for choices involving effortful trade-offs, a decision strategy requiring non-conscious processing may be optimal.

References


“The Uncompromising Heart: How the Reliance on Feelings in Decisions Reduces the Preference for Compromise Options”

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While the study of human judgment and decision making has historically emphasized the role of computational, “cognitive” processes, more recent research from various disciplines has highlighted the importance of noncomputational, affective processes in judgments and decisions (Pham 1998). This research has shown that affective evaluative judgments exhibit distinct properties, when compared to cognitive evaluative judgments (see Pham 2007 for a review). For example, in addition to being produced generally faster (Pham et al. 2001), affective evaluations have repeatedly been found to be less sensitive to the quantitative magnitude of the target (Hsee and Rottenstreich 2004), and more reference-dependent in that they tend to respond not to the focal object or outcome in isolation but in relation to other objects or outcomes (Pham 2007). The purpose of this research is to examine how reliance on feelings in decision making moderates the preference for compromise options.

Consumers tend to prefer compromise options when their preferences are uncertain and when they expect their choice to be evaluated (Simonson 1989). While this effect has been found to be robust across many product categories, it has also been found to be
moderated by factors such as consumers’ regulatory focuses (Mourali, et al. 2007) and the availability of a no-choice option (Dhar and Simonson 2003). Less attention, however, has been paid to the effect of different decision processes (e.g., cognitive vs. affective) on this phenomenon. Accordingly, we examine how choices based on feelings (vs. objective evaluations) affect the preference for compromise options. We propose that consumers making feelings-based choices will prefer compromise options less than consumers making choices based on objective evaluations. It is argued that extreme alternatives provide a “clear picture,” leading to clear feelings towards the alternatives, facilitating feelings-based choice, whereas compromise alternatives, which are more ambiguous, lead to more ambivalent feelings, impeding feelings-based choices. We present three studies in support of our propositions.

Study 1 investigated the strength of the compromise effect across two product categories (printers and restaurants) when choices were based on feelings versus objective evaluations. The differences between choices made using feelings and choices made using objective evaluations were fully explained to the participants. Each participant was then directly encouraged to either rely on their feelings or objective evaluations when making their upcoming choices. The participants then viewed one choice set from each product category containing alternatives described on four attributes. Two of the attributes were held constant across all alternatives while the other two varied across the alternatives. Each “extreme” option was the best on one of these attributes and the worst on the other. The “compromise” option was neither the best, nor the worst on either of the attributes. To examine the compromise effect, participants were randomly assigned to receive either two or three alternatives in each category. It was predicted and found that participants encouraged to use their feelings while choosing did not exhibit the compromise effect, while participants encouraged to use their objective evaluations demonstrated a strong compromise effect. Involvement was found not to vary across conditions.

Study 2 extended Study 1 by using a more subtle manipulation. Previous research has shown consumers are more likely to rely on their feelings to make decisions guided by consummatory motives than equivalent decisions guided by instrumental motives (Pham 1998). Building on this, participants were asked to list either ten items that were purchased “purely for pleasure” or 10 items that were purchased “purely for function.” It was expected that these tasks would activate the participants’ consummatory or instrumental motivations, respectively. The second task of the study asked participants to choose from the same restaurant choice sets used in Study 1. The results from Study 1 were replicated. Participants whose consummatory motivations were activated did not shift their preferences toward the compromise option, while those whose instrumental motivations were activated did. Again, involvement was found to be equivalent across conditions.

Study 3 was designed to tease apart two competing explanations for the results of the first two studies. While we propose that the reduced preference for compromise options found with feelings-based choices is caused by a desire for a “clear picture” of each alternative, it is also possible that the use of feelings to make choices inhibits the ability to make quantitative tradeoffs of the attributes (Pham 2007). We suggest that extreme options present a clear picture (e.g., the “best price alternative” or “highest quality alternative”) which will result in more valenced feelings towards the alternatives, thereby facilitating feelings-based choices. Conversely, it is expected that compromise options are more ambiguous (e.g., “it’s not the best or worst on anything”), which results more ambivalent feelings that do not facilitate feelings-based judgments.

To test this, we examined participants’ preference for the compromise option when all attributes for all alternatives were described with point data (e.g., quality=“5”) versus when the extreme alternatives’ attributes were described with range data (e.g., quality=“between 4 and 6”). Reliance on feelings was manipulated as in Study 1. Replicating Study 1’s findings, when point data was used, participants making choices based on objective evaluations preferred compromise options more than participants making feelings-based choices. Importantly, it was found that among participants making feelings-based choices the compromise option was preferred more when the extreme options were described by range data. In other words, when the “clear picture” associated with extreme options was muddied by range data, the compromise option described with point data became more attractive. Thus, the evidence suggests that the need for a “clear picture” of the alternatives may be driving the reduced preference of compromise options found when choices are made using feelings.

**References**


“Minding the Mindsets in Context Effects”

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Past research has shown that individuals process information differently and form different representations of the same stimuli depending on whether it is construed at an abstract de-contextualized level or at a concrete contextualized level (Trope & Liberman 2003; Fujita et al., 2006). For example, as consumers take on a more abstract rather than concrete mindset they tend to give more weight to central and global features rather than peripheral and local features of events. In other instances individuals in abstract mindsets have been shown to categorize objects in fewer and broader categories (Liberman, Sagristano & Trope 2002), classify others using traits and stereotypes (Nussbaum et al. 2003), and perform better on creative tasks but worse on analytical problem solving (Forster et al. 2004).

Despite extant research on the impact of construal levels on information processing and judgment, no research to date has
examined how different mindsets impact judgment biases arising from the context in which a decision is made (Huber, Payne & Puto 1982; Simonson 1989; Simonson & Tversky 1992). In the current research we bridge this gap and investigate the effect of abstract versus concrete mindsets on three commonly reported biases in consumer decision-making – 1) a bias to choose the middle option in a choice-set (compromise effect); 2) a tendency to choose an asymmetrically dominating option (attraction effect); and 3) a tendency to be influenced not only by the trade-offs presented in the choice-set under consideration but also by a contrast generated due to the background trade-offs.

Construal Level Theory (CLT) proposes that in abstract mindsets individuals give more weight to central and global features of events, whereas in concrete mindsets individuals center their attention on comparative and detailed features (Trope & Liberman 2003). To the extent that a compromise effect results from a focus on the relational properties of alternatives and the accompanying choice difficulty of making compensatory comparisons (Dhar, Nowlis & Sherman 2000), we propose that in comparison to a concrete mindset, an abstract mindset will reduce the compromise effect by shifting attention to global aspects of the decision and reducing the number of trade-offs and the resulting difficulty. Similarly, we predict that an abstract mindset will decrease the background contrast effect. Since the background contrast effect is driven by the influences of relevant past alternatives, diverting attention away from detailed comparative attributes across choice sets should reduce the impact of the background set on the target set. The attraction effect, however, is largely perceptual. Since an abstract mindset draws attention to global characteristics, we predict that it will further highlight the perceptually salient asymmetric-dominant relationship and hence magnifies the attraction effect.

Five experiments show support for our propositions. Study 1 demonstrates that an abstract versus a concrete mindset induced through a temporal distance manipulation (Liberman & Trope 1998) systematically impacts share of a compromise option in a subsequent choice task. Participants were asked in between-subjects conditions to either think of a goal they wanted to achieve in a week (concrete mindset) or in a year (abstract mindset). Next, they were asked to make a choice from a three-option choice-set featuring a compromise option in the middle. As predicted, we find that compared to a concrete mindset (which was similar to the control where participants did not indicate any goal prior to making the choice) an abstract mindset leads to significantly decreased choice share of the middle option. Using a different manipulation of the construal level, Study 2 found that participants were more (less) likely to choose an asymmetrically dominating option from a choice set when they were in an abstract (concrete) mindset. Consistent with our theorizing, Study 3 shows that background contrast effects have less (more) impact on participants' decisions.

To show support for a mechanism based on difference in local trade-offs in abstract versus concrete mindsets, Study 4 examined participants reasons for their choice and found that participants in abstract mindsets (as compared to those in a concrete mindset) indeed made fewer direct trade-offs between attributes of the different options and were more likely to base their decision on generalize preferences. Finally, we examined participants’ response latencies in abstract and concrete mindsets. The results indicate that participants in an abstract mindset not only showed decreased compromise effect they also took less time to decide. The findings are consistent with the notion that the compromise effect arises due to difficulty experienced in making hard trade-offs. We propose that this difficulty can be significantly reduced in an abstract mindset that shifts consumers focus from local trade-offs to generalized global preferences.

References