Context Effects Under Prominence

Ioannis Evangelidis, Rotterdam School of Management, Erasmus University Rotterdam, the Netherlands
Itamar Simonson, Graduate School of Business, Stanford University
Jonathan Levav, Graduate School of Business, Stanford University

We investigate how changes in choice set configuration affect choice when one attribute is more important than another (prominence). We propose that the probability that consumers will use differences in attribute weights when constructing their preference decreases as a function of introducing relational properties in the choice set.

[to cite]:


[url]:

http://www.acrwebsite.org/volumes/1017010/volumes/v42/NA-42

[copyright notice]:

This work is copyrighted by The Association for Consumer Research. For permission to copy or use this work in whole or in part, please contact the Copyright Clearance Center at http://www.copyright.com/.
Context Effects under Prominence
Ioannis Evangelidis, Rotterdam School of Management, Netherlands
Jonathan Levav, Stanford Graduate School of Business, USA
Itamar Simonson, Stanford Graduate School of Business, USA

EXTENDED ABSTRACT
Changes in the decision context have consistently been shown to have an effect on consumer choice (e.g., Huber, Payne, and Puto 1982; Levav, Kivetz and Cho 2010; Simonson 1989; Simonson and Tversky 1992; Dhar and Simonson 2003). For instance, consumers are more likely to choose a brand when it becomes a dominating (Huber et al. 1982) or middle option (Simonson 1989) in a choice set. Traditionally, context effects have been assumed to be the consequence of high preference uncertainty, such as when the two attributes in a trade-off problem are equally important (Fischer, Luce, and Jia 2000; Simonson 1989). Therefore, introducing relational properties (e.g., a dominance or compromise relationship) between any of the options has been found to facilitate choice by providing a solution that minimizes the negative affect associated with the trade-off (Hedgecock and Rao 2009; Shafir, Simonson, and Tversky 1993). These well-documented context effects are thus predicated on uncertainty about how to trade-off the different attributes, and, by extension, which option to prefer.

Recent research, however, suggests that context effects may also arise when consumers face low uncertainty about how to trade-off the different attributes (Evangelidis and Levav 2013). Evangelidis and Levav (2013) report that, even when consumers afford greater weight to one attribute over the other in a trade-off (i.e., there is prominence), they are still influenced by changes in the consideration set. In this research, we expand our understanding about how changes in context affect choice when one attribute is more important than another (prominence).

We propose a sequential decision-making model where the structure of the choice set determines the probability that consumers will employ a particular decision criterion when solving a choice problem (Tversky, Sattath, and Slovic 1988; Fischer and Hawkins 1993; Evangelidis and Levav 2013). Based on this model, we propose that the probability that a consumer will use prominence (i.e., differences in attribute weights) when constructing his or her preference decreases as a function of introducing relational properties in the choice set. Relational properties can either be dominance or compromise relationships. This hypothesis implies that the choice share of the option favored by prominence (i.e., the option scoring higher on the prominent attribute) will be lower in the presence of relational properties relative to a control two-option set. An important assumption underlying this prediction is that prominence judgments are not affected by the presence or absence of relational properties. We assume that the relative importance of the two attributes does not change as a function of the choice set.

Our empirical section comprises five Studies. In the first two Studies we find support for our hypotheses when symmetric dominance relationships are introduced in the set. Participants were randomly assigned to one of two choice set conditions. In Study 1 we randomly assigned individuals to either a two-option set where they face a decision between two options that present a trade-off in two attributes one of which is more prominent than the other, or to a four-option set where a symmetrically dominating and a symmetrically dominated decoy were inserted. In Study 2 we randomly assigned individuals to either a two-option set where they face a decision between two options that present a trade-off or to a three-option set where only a symmetrically dominated decoy was added. We measured participants’ attribute importance weights along with choice. We show that while relative preference for the target options changes when dominance relationships are introduced in the set, relative attribute importance weights (i.e., prominence) remain largely unaffected. We further find that consumers are more likely to make a choice that is inconsistent with their attribute weights (i.e., prominence) when a symmetrically dominating (Study 1) or dominated alternative (Study 2) is introduced in the choice set. In our third Study we find support for our hypotheses when asymmetric dominance relationships are introduced in the set. We randomly assigned participants to one of three choice set conditions: one two-option set and two three-option sets where one of the two options asymmetrically dominated a decoy. We replicate findings of Studies 1 and 2. Participants in Study 3 were less likely to make a choice that was consistent with their attribute weights when an asymmetrically dominated decoy was added in the set. In Studies 4 and 5 we find support for our hypotheses when compromise relationships are introduced in the set. In Study 4 we analyzed hard drive sales rank data from Amazon.com. We find that differences in performance on the prominent attribute capacity are more likely to influence sales when there is no middle alternative relative to when such an option is present. In Study 5 we further replicated this effect in an experimental setting using two product choices (car and hard drive) and also confirmed that prominence judgments remain unaffected when additional options were introduced. Our work contributes to work on context-effects, decision-making strategies, and choice architecture.

REFERENCES