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We show that consumers do not simply attach higher values onto stock-out products; rather, they identify the key features that drove the product out of stock by drawing inference from social contextual factors, such as other consumers’ expertise, goals, and choice constraints. Such inference guides the judges’ subsequent choice.

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EXTENDED ABSTRACT

Numerous researchers have pointed out that scarce objects are perceived to have high value (Dai, Wertenbroch, and Brendel 1998; Fromkin 1970; Lynn 1991). Such judgment is usually explained by one or the combination of the following reasons. First, scarce objects are more unique than abundant objects and therefore require more resources to acquire (Fromkin 1970). Second, people respond to the loss of the freedom of choosing certain options by wanting them more (Cialdini 2009). Third, people assume that the scarcity is a result of extensive choice by others, and further assume that others chose that object because it has higher value (van Herpen et al. 2009).

In the present research, we are interested in how stock-out, a typical and extreme case of product scarcity, affects consumers’ choice among the in-stock options. In line with van Herpen et al. (2009), we argue that consumers react to product stock-out in accordance to their inference about why the focal product gets extensively chosen. However, extending the previous literature, we find that such inference goes beyond the judgment of the overall value of the product; rather, judges are sensitive to the context in which others made their choice. Consequently, the influence of stock-out on the judges’ subsequent choice is affected by their attribution of others’ choice according to others’ expertise, goals, and choice constraints.

In study 1, we show that if other consumers have expertise on evaluating one of the multiple attributes of a product, that particular attribute would be identified as the key attribute that drove the focal product out of stock; consequently, other products that share this key feature (i.e. the same value on this key attribute) would gain choice advantage. Participants were told that there were three wine-cheese gift baskets: 1) Wine A + Cheese A, 2) Wine A + Cheese B, and 3) Wine B + Cheese A. Depending on conditions, participants were told that option 1 (Wine A + Cheese A) had been sold out either to a group of wine experts, or to a group of cheese experts, and were asked to choose the rest two options. As a result, option 2, which shared the same wine as option 1, gained choice advantage when option 1 was sold out to wine experts. In contrast, option 3, which shared the same cheese as option 1, gained choice advantage when option 1 was sold out to cheese experts. This result suggests that the wine (vs. cheese) experts’ choice of the gift basket is more informative about the wine (vs. cheese), as participants made inference based on other consumers’ (i.e. the experts’) expertise, and chose accordingly.

In study 2, we show that if other consumers have a shopping goal for which they need to focus on one of the multiple attributes of the product, that attribute would be identified as the key attribute, and other products that share this key feature would gain choice advantage in the judges’ subsequent choice. This study is a field experiment conducted in a local restaurant. Customers visiting the restaurant were presented either a full menu which offered four meal combos to choose from (entrée A + drink A; entrée A + drink B; entrée B + drink A; entrée B + drink B), or the same menu with the first combo (entrée A + drink A) marked as sold out. A pretest conducted in the lab identified that consumers’ main goal in such a consumption situation is more likely to be “having good food” than “having a good drink”. As a result, entrée A being superior was believed to be the main reason that would drive the first combo out of stock, and the second combo, which shares the same entrée, consequently gained choice advantage over the other two options in the field when the first combo was sold out.

In the last study, we show that if other consumers have to choose product with a certain feature on one of the two product attributes, the *other* attribute would be identified as the key attribute that drove the focal product out of stock, and other products that share this key feature would gain choice advantage. Participants were told that a tour company offered tours to watch sunrise or sunset, both of which could be enjoyed in a mountain or at a beach. Depending on conditions, they were also told that the sunrise tour to the mountain had been sold out due to a group of tourists with two different kinds of needs. As a result, participants were more likely to choose the sunset trip to the mountain in the condition where the other tourists needed to catch a flight at noon; in contrast, participants were more likely to choose the sunrise trip to the beach in the condition where the other tourists stayed at a hotel from which the beach was too far away to travel.

Taking together, the present research demonstrates that product stock-out can influence consumers’ preference among in-stock products; that influence is shaped by consumers’ inference on the reason of the focal product out of stock. The inference is not simply made on the overall value of the focal product, but rather on the attribute level and is based on contextual information such as the previous choice makers’ expertise, goals, and choice constraints. Contributions to the literature of product stock-out and the literature of social influence on choice are discussed.

REFERENCES