When Goal-Derived Assortments Lead to Goal-Inconsistent Choices

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Retailers increasingly organize assortments by goal to help consumers in their decision process. Counterintuitively, we show that this practice decreases the likelihood that consumers choose the goal-maximizing item. Because goal-relevant attributes become less diagnostic, consumers revert to goal-irrelevant dimensions, choosing a product less consistent with their goal.

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EXTENDED ABSTRACT

In this research we suggest that goal-derived assortment organizations reduce the likelihood that consumers choose the option that offers maximum goal attainment. To illustrate, we predict that consumers who are looking for an eco-friendly car are less likely to choose the most eco-friendly car when the assortment is organized by goals (e.g., 'green', 'adventure', 'sports' categories) compared to other ways of assortment organization. We argue this occurs because goal-derived organizations are likely to make the items grouped together appear equivalent in terms of their instrumentality for goal achievement, a phenomenon we term *goal-based similarity*. As a result, goal-relevant attributes become less diagnostic for making a choice and consumers turn to other goal irrelevant, and possibly even goal competing, benefits to make their final choice. The data from four empirical studies support our predictions.

In study 1, respondents (N = 117) were randomly assigned to one of two conditions: randomly organized versus goal-derived assortments (with the same items). The assortments consisted of six items, described on five attributes: three common attributes, one focal-goal attribute and one competing goal attribute. In the choice sets there was one option offering maximum goal attainment: the goal-maximizing item. Respondents were given a specific consumption goal before making their choice. Results showed that the relative choice share of the goal-maximizing item was significantly lower in the goal-derived compared to the randomly organized assortment. Furthermore, choice shares of the second item in the goal-derived subset was significantly higher in the goal-derived versus the randomly organized assortment, showing that a goal-derived organization can shift preferences away from the goal-maximizing item.

In study 2, respondents (N = 165) were randomly assigned to the conditions of a 2 (task: choose vs. reject) x 2 (assortment organization: random vs. goal-derived) between-subjects design. In the choice task, respondents were asked to select their most preferred option, in the rejection task they had to reject unwanted items until their most preferred option remained. Next, participants were told that their chosen item was not available anymore and they had to select their second most preferred item. After each choice we asked to indicate to which extent the chosen item was instrumental for attaining the prompted goal. This allowed us to compute a goal-based similarity measure by subtracting the perceived instrumentality of respondents' second choice from that of their first choice. Results showed that goal-derived organizations decrease the likelihood that individuals choose the item that is most instrumental to fulfill their active goal and that respondents perceive their first and second choice as being more equally instrumental for goal fulfillment in a goal-derived versus randomly organized assortment, but only when the choice task encouraged respondents to view grouped items as similar.

In study 3, respondents (N = 121) were randomly assigned to one of two experimental conditions, a goal-derived versus a brand-organized assortment. The same items were grouped together, only the label of each group differed between conditions. Respondents were given a specific consumption goal before making their choice. Results showed that the choice share of the goal-maximizing item was significantly lower in the goal-derived organization compared to the organization by brand. Similarly, the choice share of the runner-up option was significantly higher in the goal-derived organization versus the assortment by brand, meaning that goal-derived organizations drive choice shares away from the goal-maximizing item towards the runner-up item.

In study 4, participants (N = 144) were randomly assigned to the conditions of a 2 (assortment organization: random vs. goal-derived) x 2 (choice dimension: goal-relevant vs. goal-irrelevant) between-subjects factorial design. After being primed with a "green consumption" goal, respondents were asked to imagine they were renting a car and were given an assortment, organized either randomly or by goals. Before making their choice, we informed respondents that the car rental company suggested one specific car as the default choice: the car that scored second highest on the goal-relevant dimension (eco-friendliness), and second lowest on the goal-irrelevant dimension (power). Respondents were then offered the opportunity to 'trade-up' to a better option: either superior on the goal-relevant dimension or on the goal-irrelevant dimension. We measured respondents' likelihood of switching and their willingness to pay for the trade-up option on top of the rental price for the default option. Results revealed that in a goal-derived assortment, respondents were more likely to trade-up and pay more for superiority on the goal-irrelevant dimension than on the goal-relevant dimension. The opposite holds for the randomly organized assortment.

With four empirical studies we document the impact of goal-derived assortment organizations on consumer choice across a variety of product categories and consumption goals. In particular, we demonstrate that compared to randomly organized assortments (experiments 1, 2 and 4) or assortments organized by brand (experiment 3), consumers choosing from goal-derived organizations are less likely to choose the goal-maximizing item. In addition to demonstrating that the choice of a particular option is contingent on the type of assortment organization, we show that a similarity effect drives these results. In particular, we show that grouping items by the underlying consumption goal they serve increases their goal-based similarity or in other words, their instrumentality for fulfilling that goal (experiment 2). When the choice task was designed such that similarity effects were less likely to occur (rejection task), perceived goal-based similarities were reduced and the effect of goal-derived organizations on choice was mitigated. We further theorized that the increase in goal-based similarity in goal-derived organizations makes goal-related attributes less diagnostic for choice. Since the items in a goal-derived subset are no longer perceived as being different on the goal-relevant dimensions, other, goal-irrelevant dimensions are used as a choice criterion. As a result, consumers shift their preference to those items that score higher on goal-irrelevant attributes, even if they have to give up performance on goal-relevant attributes (experiment 4).