Argumentum Ad Novitatem: Mere Newness As a Choice Heuristic

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Chronological newness has been largely ignored in marketing literature. We show that people prefer newer options to older options across a variety of domains where there are no rational reasons to do so. We proposed a newness as heuristic hypothesis to explain our findings. Process evidence has been identified.

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EXTENDED ABSTRACT

Marketing researchers have extensively documented the role of product features that serve as a signal of quality such as price (De Langhe et al. 2014), brand (Keller 1993), country of origin (Hong and Wyer Jr 1989), and warranty (Purohit and Srivastava 2001). However, the date a product was released or produced, a readily available extrinsic cue (Miyazaki, Grewal, and Goodstein 2005) for many consumer products, has been largely ignored. More broadly speaking, we know very little about how chronological newness—newness related to the time dimension, such as production date or release date—impacts consumer decisions. The present research contributes to the extant literature in marketing and psychology on novelty by proposing a new kind of novelty seeking for options that are chronologically newer.

By construction, people should ignore chronological newness if the two options are identical in every other way. However, in four studies, we show that, when choosing between newer and older options with identical quality information, people prefer the newer option across a range of domains (studies 1-3). The preference for newer options persists even for die rolls and coin tosses, where there cannot be any difference in quality and where there is no social relevance to newness (study 2).

We propose a newness as heuristic hypothesis to explain our finding: in tasks involving the complexity of assessing probabilities and predicting values (Tversky and Kahneman 1974), people will use newness a shortcut to resolve choice difficulty. We provided process evidence, for they spent less time choosing newer options than older options (study 3a and study 3b) and deliberation can mitigate people’s newness bias (study 3b). Last but not least, we found that newness can lead to higher willingness to pay in joint evaluation but not in separate evaluation (study 4).

In study 1, 100 participants were told that we randomly pick a great George Carlin joke each day and could choose to read either today’s joke or yesterday’s joke. Since the jokes were randomly picked from the same pool of old jokes, the expected quality should not differ by day; yet, 78% of participants chose today’s joke over yesterday’s joke, significantly greater than chance (p < 0.001). In Study 2, 204 participants read that “every morning, one staff member will roll a fair die and record its result.” They were told that they could bet on the die result from that morning or the morning one week ago, with winners doubling their experimental pay. Participants can self-determine whether the bigger or smaller die win. Among the participants for which “the bigger (smaller) die wins,” 75.5% (65%) chose to bet on today’s die (p < .001 and p < .01).

In Study 3a, 329 students placed a bet on today’s die vs. yesterday’s die roll, with winners doubling their pay. We randomly assigned students into high cognitive load and low cognitive load group (Gilbert and Osborne 1989; Kessler and Meier 2014; Shiv and Fedorikhin 1999). We again found the newness effect but no group difference between high load (79%, p < 0.001) and low load group (79%, p < 0.001), suggesting that the effect is quite automatic and not affected by cognitive load. Participants’ time spent on making the choice predicts their choice in the low load group (logistic regression, β = -0.13, z = -2.89, p < 0.01), but not in high load group (β = -0.03, NS). The result shows that deliberation (as measured by decision time) affects the people’s choice when cognitive resource are abundant, but not when they are limited.

In study 3b, we have adapted study 1 by asking 265 students to pick a George Carlin joke to read. Again we have found that the majority of participants chose the newer option (80%, p < 0.001). We also recorded their need for cognition (NFC) as a measure of deliberation tendency (Epstein et al. 1996; Godek and Murray 2008). Logistic regression shows that both NFC (β = -0.12, z = -2.17, p < 0.05) and decision time (β = -0.26, z = -4.14, p < 0.001) have a negative effect on mere newness bias, confirming the heuristic hypothesis.

In Study 4, 265 students were randomly assigned into 2 groups (lottery winning chance: high vs. low), and each student’s willingness to pay (WTP) for the raffle ticket were measured five times, differing in when the raffle was drawn (one year ago, one month ago, one week ago, yesterday, today, in random order). Participants’ willingness to pay was submitted to a 2 (between-subject factor chance) × 5 (within-subject factor time) repeated measure ANOVA. Not surprisingly, higher chances to win leads to higher willingness to pay (F(1, 263) = 8.06, p < 0.01). There was also significant effect on WTP (F(4, 1052) = 9.14, p < 0.001), but no interaction effect between risk and time (F(4, 1052) = 1.80, NS). To further test the linearity hypothesis within subject, we did a contrast in repeated measure design by constructing a Lambda Score for every participant (Rosenthal and Rosnow 1991). Both high risk group (t(132) = 2.38, p < 0.05) and low risk (t(131) = 3.31, p < 0.01) showed a significant linear trend. Even though every raffle ticket was the same and had the same chance to be drawn, they were still willing to pay a premium for a newly drawn raffle ticket.

Even though people may prefer newer option (or older option) for a variety of reasons, our study tried to answer a basic question: does people have a predictable preference pattern toward chronological newness (or oldness) when choosing from identical options. No matter it is choosing a randomly selected joke of a dead comedian, or betting on a die roll or a coin, the majority of people picked the newer option. Rational inferences, such as newer things being more advanced, trendier, more fresh, more pure, less contaminated, or containing more information value are very hard to explain our findings. We proposed a heuristic account and found process evidence to support it.

REFERENCES


