Certainty of Popularity: Extending Naive Theories of Popularity With Uncertainty Reduction

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This research extends existing perspectives on effects of popularity on choice and demonstrates the existence of currently overlooked processes. Across five experiments, we show that, informed by naive theories, consumers use information of popularity to make inferences on uncertainty reduction to inform their choices over and above quality inferences.

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EXTENDED ABSTRACT

Consumers often assume that products are popular for a good reason (Surowiecki, 2004). Those reasons are informed by the naive theories they hold (Deval et al., 2013). One strand of literature, based on information cascades, emphasizes product (quality) inferences as explanatory mechanisms (Bikhchandani et al., 1998) in the link between popularity and choice. Yet, prior research shows that consumers do not always infer high quality from popularity (Becker, 1991). Quality inferences appear to mainly arise when additional quality cues are linked to popularity cues. So, it may not be the popularity, rather the additional quality cue that drives the inferences (Muchnik et al., 2013). Indeed, there may be other mechanisms through which popularity by itself triggers choice (Parker & Lehmann, 2011). We propose a complementary mechanism, currently overlooked in literature, namely that consumers use popularity to reduce uncertainty that revolves around product quality. Consumers value a product's performance that does not disappoint and aim to reduce probability of disappointment before purchase. A product may be preferred for a performance that does not disappoint, even if it is not the highest quality (Meyer, 1981; Rust et al., 1999). Given that consumers look at, and follow others, out of reasons of safety and certainty (Griskevicius et al., 2009; Raafat et al., 2009), we propose that the effect of popularity on choice is largely driven by uncertainty reduction.

Consumers may however draw on multiple naive theories, as inferences are contextually influenced (Loersch & Payne, 2011). Hence, consumers also use popularity to assess the moral, societal value of an action (Gigerenzer, 2010), driven by considerations reflecting right or wrong human conduct (Reidenbach & Robin, 1990). The primary objective of this study is to explicate the process through which popularity exerts influence on choice through product-quality related inferential mechanisms. Yet, in doing so, we take into account, and measure, the extent to which popularity may be used to draw socially-related inferences where we distinguish between inferences of social approval, and inferences of societal value.

First, we demonstrate the existence of four types of inferences in three studies. In these three studies (1A: N = 47 / 1B: N = 39 / 1C: N = 36 students) participants evaluated a popular product (wine / cheese / beer) compared to a regular product as a product is always popular relative to competing products. Across the studies, participants inferred that the popular product would be less likely to disappoint (t > 2.80, p < .01), indicating uncertainty reduction. Additionally, participants inferred the popular product to have a higher societal value (t > 2.45, p < .05). This preliminary evidence is in line with our proposed route of uncertainty reduction, over and above existing mechanisms. The mechanisms proposed in previous literature were not consistently found. Inferences of quality were only made for cheese (t = 38, 7.63, p < .001), and inferences of social value only for beer (t = 35, 3.97, p < .001). We extend the study with a mixed-design choice experiment (N = 120) with the objective to examine if the effect of popularity on choice is mediated by inferences of uncertainty reduction. Participants overwhelmingly chose the popular wines (70% – 78%). Mediation results demonstrate the relevance of uncertainty reduction as an inference in explaining this popularity effect, over and above the effect of quality inferences. Inferences of uncertainty reduction and quality perception mediate β’s <.05 the effect of popularity on intention (β, ns) and choice (β <.05). Although popularity evoked inferences of social and societal value, these did not mediate.

Studies 1 and 2 have thus shown that consumers may draw multiple inferences from a single popularity cue. We propose that the context moderates this effect such that, in a product context, a popular product’s profile reflects properties of product quality and the uncertainty around that quality, whereas, in a social context, these effects are attenuated. In study 3 (N = 290) we test this in a 4-group between subjects design. We manipulate four contexts (c.f. Ma & Roese, 2014) in which participants choose products (across categories and evaluate the inferential properties. We find that, specifically in a context focussed on product-properties, participants overwhelmingly use popularity to reduce uncertainties revolving the quality of a product (t > 3.85, p < .001). Participants make these inferences also in a societal context (t = 4.11, p < .001), yet to a lesser extent (t = .386, 3.286, p < .07). These results demonstrate the relevance of inferences of uncertainty reduction and are in line with our expectations.

Reduction of uncertainty revolving quality is a novel inferential route that mediates the relation between popularity and choice. Consumers consistently make inferences of uncertainty reduction with the help of a popularity cue, and this influences product choice. We demonstrate that uncertainty reduction is a relevant, impactful inference resulting from product popularity. Consumers appear to look at others to gather information about product performance (Bikhchandani et al., 1998), but not to infer higher quality, but to diminish uncertainty. This resembles biological tendencies to follow the crowd out of reasons of safety (Griskevicius et al., 2009; Raafat et al., 2009). In addition, across studies, we demonstrate that consumers draw upon different naive theories, as evidenced by the inferences of societal value. These inferences offer explanations for popularity beyond current perspectives that emphasize social inferences as explanatory mechanisms (Cialdini et al., 1990).

The results have important implications for practitioners. Consider for example the introduction of foreign products to new markets, where communicating local popularity would aid to reduce uncertainty and benefit the introduction. Or consider social marketing campaigns, that may struggle with consumers’ concerns that ‘healthy foods are less tasty than unhealthy foods’ (Raguhnathan et al., 2006) the authors find that when information pertaining to the assessment of the healthiness of food items is provided, the less healthy the item is portrayed to be, (1 and are likely to disappoint. Together, our results demonstrate the importance of popularity as a cue that consumers use in daily decisions to make choices they can be certain about.

REFERENCES


