

How categories and environment create satisfied and well-informed consumers

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Expert consumers like to be surprised by unusual product formats, while novices crave familiarity, according to a new study in the *Journal of Consumer Research*.

"How can retailers help consumers become more informed about the <u>products</u> they use while also making them happy?" write authors Cait Poynor (University of Pittsburgh) and Stacy Wood (University of South Carolina). The answer seems to be organizing products tailored to customers' knowledge levels. "This work shows that simply organizing a store's existing stock in different ways can improve consumers' product learning and satisfaction," the authors write.

What works for one consumer may not work for another, however. The authors found that highly knowledgeable consumers liked being surprised by the product formats they saw. On the other hand, novice consumers had an easier time when they were familiar with product groupings.

"Results may explain why expert cooks love the chaos of farmer's markets, whereas novice cooks find them overwhelming," the authors explain. "Or, for retail food stores, a gourmet grocery that caters to a more knowledgeable 'foodie' may build a happier, better-informed consumer base by presenting items in more novel and exotic formats (by season, optimal wine pairings, or country of origin, for example), whereas retailers at the edge of a college campus may help their novice college-age shoppers most by grouping items in the most traditional



formats (all fruits together, all coffee together, all bread together, etc.).

The study found that highly knowledgeable <u>consumers</u> were "notoriously complacent" when it came to paying attention to product information. "When we see something we think we know (that is, we consider ourselves experts in a domain), we tend to breeze past any potentially new and important information," the authors write. In contrast, in areas where we're novices, all of our cognitive capacity is occupied with making a purchase decision.

"This research shows that the route to creating the most satisfied and well-informed consumer can only be determined by considering consumer familiarity with product categories and their expectations about the retail environment," the authors conclude.

More information: Cait Poynor and Stacy Wood. "Smart Subcategories: How Assortment Formats Influence Consumer Learning and Satisfaction." <u>Journal of Consumer Research</u>: June 2010.

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