

Construal level theory: Opening consumer behavior research with a new approach

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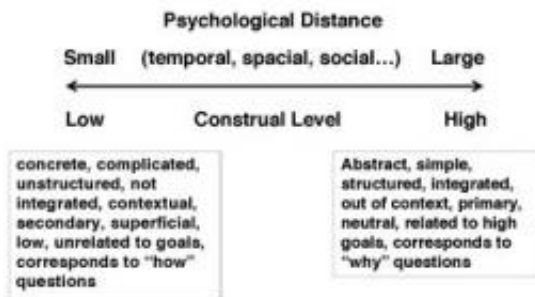


Table 1 Basic Structure of Construal Level Theory.

That the consumer behavior of these people carries systematic rules, and is not completely impulsive, has been made clear in a field called “behavioral economics”, an interdisciplinary area in economics and psychology. Behavioral economics was founded by two psychologists, Daniel Kahneman and the late Amos Tversky, with Kahneman receiving the Nobel Prize in Economic Sciences in 2002. Behavioral economics is a theory discrediting, from the roots, the rational human image of the “economist” hypothesized in classical economics, and took the world by storm.

For example, if someone bought product A for \$125 and product B for \$15 dollars from one shop, if either of the products is reduced by \$5, because an outlay of \$140 will become \$135 in both cases, there should be no difference. But in reality, the effect is different. Reducing the \$15

product by \$5 brings a larger price-reduction effect into play. There are many instances like this where people's actions can not be described in a rational way.

But this type of phenomena is not only dealt with in [behavioral economics](#) fields. Various irrational consumer behaviors are dealt with in marketing fields as [consumer behavior](#) theory, and new research is also being developed. One of those is “Construal Level Theory” in social psychology. From the latter half of the 1990s, ideas using consumer behavioral research have been released, and since the 2000s, noteworthy essays have been published one after another. A special feature was also prepared in the *Journal of Consumer Psychology* in 2007.

Genuine efforts toward consumer behavior research using “Construal Level Theory” have started at the Research Center of Consumer Behavior, Waseda University. As one of the University Research Initiatives at Waseda University, Japan, we asked Professor Shuzo Abe, Faculty of Commerce, who also works as Director, about activities at the research centre.

Paying attention to the changes in psychological distance and evaluation

Centered around Faculty of Commerce members, the Research Center of Consumer Behavior was established in 2009. The first joint research project was “International Comparative Research Related to Customer Satisfaction Regulating Factors and Communication Strategies in Line With Construal Level Theory,” which was adopted as a University Research Initiative.

“When you look at the prosperity of behavioral economics, the approach of analyzing irrational consumer behavior from a psychological view or

methodologically, it is gathering attention, not only in economics, but also in marketing fields. The Research Center of Consumer Behavior promotes a highly novel research; a new theory differing from behavioral economics called construal level theory, as a base, and even aims to dispatch it overseas. Through the introduction of a new theory, one of our aims is also to develop research ranging from consumer behavior to long term customer satisfaction and business and customer relations, crossing both marketing communication research and consumer behavioral research, the strong areas in Waseda commercial research”

Construal level theory is a theory that perceives that the further the psychological distance between a person and an object or event, the higher the level of abstraction will be. On the other hand, the closer the psychological distance is, the more concrete it tends to appear. The theory states that the difference in the construal level exerts influence on the evaluation of options (see Table 1). Psychological distance includes temporal, spacial and social distance, but in consumer behavioral research, research into temporal distance has garnered the most attention.

For example, if a new university entrant is asked, “What kind of subjects will you take in your fourth year?,” he will try to reply with a more abstract, substantial construal level response of, “In the future I want to head in this direction, so I will take these subjects.” Conversely, if a soon-to-become fourth year is asked the same question, he will give a more concrete, incidental construal level response of, “I can’t afford to lose any more credits, so I will take this subject where I am guaranteed to get credits,” or “I want a lesson on Monday afternoons, so I will take this subject.” In this way, the appearance of a difference in appraisal standards resulting from the difference in temporal distance, forms the basic structure of construal level theory.

Another important point is that different standards are at work in the evaluation of a product and actually moving to the act of selection and purchase. When inspecting a product, regardless of whether the intrinsic aspect has been evaluated highly in terms of quality and function, it does not necessarily mean that product will definitely be purchased. When people go into a shop, a common occurrence is that slight differences in quality and function become irrelevant when the customer likes the design of another product (see Table 2).

Interview Results
-Construal Level Theory and true nature of the consumer-

Changes in the evaluation axis due to temporal distance from purchase

	Evaluation and selection standards at a point distant from purchase	Evaluation and selection standards at a point close to purchase
Digital camera buyer O	"At first I thought the number of pixels was important...I was thinking about a model with image stabilization and automatic face detection functions."	"now I think user-friendliness and processing speed is important... Battery life is generally the same, but the longer the better."
Computer buyer K	"I looked at comments and functional evaluations by specialists in a feature on the internet...I thought I would buy an ASUS."	"When I went to the store, I suddenly became interested in design, and the design of Toshiba models stood out above the rest, so I bought one of those."

As predicted in preliminary research, essential attributes are focused on at a point of time far from purchase, and on the other hand, secondary attributes became the point of focus closer to the time of purchase.

Table 2 Changes in the evaluation axis due to temporal distance from purchase (analysis of a university student group interview)

“For example, when we got a number of people together for a group interview to survey consumer taste in handkerchiefs, from a selection of various handkerchief designs, several fashionable handkerchiefs stood out in popularity. But, at the end of the interview when we told the participants to take a handkerchief of their liking home with them, everybody, surprisingly, chose plain, unfanciful designed handkerchiefs. It’s very contradictory, but that is what human behavior actually is. Evaluation is a meticulous process of information processing, but with selections, general instincts come to the foreground.”

Identifying the differences with behavioral economics theory

At the Research Center of Consumer Behavior, we have gathered various data through surveys and experiments based on construal level theory. In 2009, we conducted group interviews with university students, asking for product evaluations and purchasing sense relating to computers, smart phones and digital cameras. Table 2 above, is one of the results of that data analysis. In construal level theory, temporal distance is an important pillar, so how the evaluation axis changes due to temporal distance from the purchase, and also how the evaluation axis changes before and after the purchase, becomes the survey pillar.

Table 3 shows changes in the evaluation axis, before and after purchasing, in regards to digital cameras, smart phones and computers. From the survey, we can see that consumers don't change the evaluation axis on impulse, but that changes to the axis follow fixed rules related to temporal distance. From these analysis results, we understand that evaluation is centered on functionality prior to purchase, and customer satisfaction swings to user-friendliness after the purchase.

“Looking into changes in the evaluation axis before and after a purchase is a very important research in increasing customer satisfaction and forming a long-term relationship with the customer. Regardless of whether a product was bought after being rated highly, there are also many cases where people end up being unable to get used to the quality and functions, or are troubled by the inconvenience of the high quality and high functionality.”

We also deal with comparisons of prospect theory, a major theory in behavioral economics. Take, for example, the results for the lottery will be announced in six months time. If the first prize is 300 million yen and

the second prize is 200 million yen, when using prospect theory the 100 million difference doesn't garner much of a response in terms of difference in value and there is little difference in evaluation. Whereas with construal level theory, because the draw is in the future, there is no focus on the accompanying matter of winning odds, attention goes to the substantial area of what one can do if you win. If you won 300 million yen you could buy a house and a car and...your dreams expand, but in the case of 200 million yen, the difference lies in that you have to stop somewhere, affecting the evaluation.

“In prospect theory, how people interpret the probability and payoff becomes the point, while in construal level theory, changes in weight due to the psychological distance of the essence of the “result” in winning and the incidental probability, becomes the point. Clarifying the situations where analyses used in behavioral are applicable, and where construal level theory is applicable, is an important aim of our research.”

Towards international comparative research between many countries and regions

Promoting this kind of advanced research project also has a great effect in educational terms.

“For example, in specialist education in undergraduate schools, established theories are taught using textbooks as a base, but depending on if one can say during a lesson, this theory is established now, but there is a possibility that a new theory may appear and this theory will no longer be accepted,” a big difference will emerge in the arousal of student intellectual attention.”

Interview Results

-Construal Level Theory and true nature of the consumer-
 <changes in the evaluation axis before and after purchase>

	Evaluation and selection standards when purchasing	Evaluation and selection standards after purchase
Digital camera buyer S	"I focused on number of pixels." "I wanted something that takes clear pictures even in the dark." "Something with the same number of pixels and a design I like."	"Overall I was satisfied. But the battery soon dies after using it for a day. They should make the battery last longer."
Smart phone buyer I	"Multifunctional mobile phones have increased, and I found the convenient functions attractive." "I liked the search function." "The amount of information was different from normal mobile phones."	"Because it has so many functions, it is really complicated to use." "The battery soon runs out."
Computer buyer F	"Specifications" "CPU processing speed"	"I thought it would be light, but it was different from what I expected." "It can be carried, but a mobile is better."

As predicted in preliminary research, functionality is focused prior to purchase, and on the other hand, a user-friendly aspect is also focused after purchase.

Table 3 Changes in the evaluation axis before and after purchase (analysis of a university student group interview)

In the research project, we have envisaged three steps for research development. The first step is constructing a concept model, and the second step is gathering and analyzing data to test the model. Up until now, in the 2009-2010 school year, we have been progressing in way mentioned above. In the future, step three will see us develop international comparative research.

“We want to conduct international comparisons at high validity level, by combining multiple countries and seeing where the strongest differences lie in comparisons between countries and regions, in the shape of various countries, including Japan, from the Asia region such as China and South Korea, North America, and countries from Europe.”

In addition to being chosen as a University Research Initiative in 2009, we have also been selected to receive grants-in-aid for scientific research (grant-in-aid for scientific research B) from 2010.

Provided by Waseda University

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