

Study reveals how decision-makers complicate choice

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A study by Columbia Business School's marketing professors Ran Kivetz, Philip H. Geier, Jr. Professor of Marketing, and Oded Netzer, Philip H. Geier Jr. Associate Professor, Marketing, alongside Rom Schrift, Assistant Professor of Marketing, the Wharton School of the University of Pennsylvania (he received his Ph.D. from Columbia Business School in 2011), demonstrates the existence of "complicating choice" – the process that decision-makers unintentionally initiate when making certain decisions – and the underlying psychological mechanisms that cause the phenomenon.

The study, recently published in the American Marketing Association's *Journal of Marketing Research*, and in Columbia Business School's Ideas at Work

(<http://www4.gsb.columbia.edu/ideasatwork/feature/7221834/Complicating+Choice#>), reveals how under certain conditions, consumers actually complicate their choices and bolster inferior options. Specifically, when an important decision seems too easy, consumers artificially reconstruct their preferences in a manner that increases choice conflict. The researchers conclude that when it comes to big decisions, people try to achieve a match between the expected effort of making a choice and the effort they think they should make in order to reach the decision. They term this the "effort compatibility principle".

In a series of experiments, the researchers hypothesize and empirically demonstrate that, under predictable conditions, consumers construct an

effortful and deliberative decision even if such a process is unnecessary. They term this phenomena "complicating choice". The three primary studies depict different ways that the subjects complicated the choices they were trying to make – the three patterns of flawed thinking were classified as "making the unimportant important", "reversing the preferences for attribute levels", and "converging overall preferences for the products". All of these studies reflect the impact of the effort compatibility principle in decision-making. This research has received several awards, including: Best Competitive Paper Award, Society for Consumer Psychology (SCP), Winter Conference, 2010; Honorable mention in the 2011 AMA/Howard Dissertation Competition; and Honorable mention in the 2011 Mary Kay Doctoral Dissertation Competition. The study stems from Professor Schriff's dissertation at Columbia Business School, and Professors Kievitz and Netzer guided him throughout his dissertation process.

In the first study, subjects initially rated availability for home visits as the least important consideration when choosing a doctor compared to the availability of evening and weekend appointments or shorter wait times for appointments. When presented with the more "difficult" choice between two doctors, which traded off the two important aspects of wait times and evening and weekend appointments, subjects barely considered home visits in the their decision. But when offered a seemingly easy choice between a doctor who had a 10-day waiting period for an appointment and no evening or weekend hours and a doctor who had only a three-day wait for appointments and also offered evening and weekend hours but had no home visits — arguably the superior choice — subjects suddenly weighted the attribute of whether or not that doctor offered home visits as much more important.

Professor Netzer explained how these studies depict how non-essential attributes of an option suddenly gain in importance, "If my top choice college is a three-hour flight from my hometown while my third choice

is only a two-hour flight, that one-hour difference shouldn't sway me," Netzer explains. "But often, it suddenly becomes a big issue. We tend to inflate the importance of unimportant attributes."

In the second study the authors show that when the decision is of greater consequence, subjects artificially make the decision harder on themselves. "A choice that initially seemed easy because it was not of great consequence suddenly becomes more difficult when imbued with greater consequence," Professor Ran Kivetz explains. "Different options appear more similar than they did before."

In the last study, the researchers presented subjects with two job offers, one with a better salary and an easier commute, the other with a somewhat lower salary and a longer commute. The third aspect of the job included working on a three- or six-person team. When asked to choose between the alternatives, subjects changed their preference for the team size in order to make the inferior job offer appear more attractive. That is, when the inferior alternative offered working on a three-person team, subjects showed higher preference for working on a three-person team. However, this preference reversed when the inferior alternative offered working with six team members: subjects changed their preference for the number of team members to work with in order to make the inferior job offer (which they eventually did not choose) appear more attractive, thus complicating their choice. Further, such relatively unimportant attributes can influence subsequent decisions: when subjects were later asked to choose between two jobs that were far more similar in salary and commute, they were more likely to choose the team size linked to their previous, inferior choice. "Once we start complicating the decision, our focus and preferences shift," Professor Rom Schrift explains. "Therefore, we may end up choosing an option that merely appears to be better, just because we complicated our [choice](#)

Complicating behavior in a variety of situations, such as selecting a new home or job, could lead to lost opportunities. Marketers and other influencers can explore ways to help consumers overcome the need for "effort regulation". For example, in decisions that involve sequential presentation of alternatives (e.g., buying a house using a real estate agent), the order in which the alternatives are presented may trigger simplifying or complicating behavior, which may influence the option that is eventually selected.

Provided by Columbia Business School

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