

## How does the order of choices affect consumer decisions?

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Let's say you've got to book a flight, choose a hotel, and rent a car. Does it matter which thing you shop for first? A new study in the *Journal of Consumer Research* finds that the order of choices does affect consumers' decisions.

"Consumers often shop for multiple products in a single trip. This research looks at whether the order in which consumers shop for the different products influences how they search for each individual product," write authors Jonathan Levav (Stanford University), Nicholas Reinholtz (Columbia Business School), and Claire Lin (formerly Columbia Business School).

The authors tested consumers' reactions to different configurations by looking at a business traveler who had five possible flight options (airlines), 10 possible hotels, and 15 possible car rental options. "When we order a group of decisions by increasing choice-set size, we find that consumers search through more of the possible choice options than when we order the same set of decisions by decreasing choice-set size," the authors write.

In other words, the business traveler in the above example would examine more of the possible hotel options when that choice is preceded by the choice of flights (five options) rather than the choice of rental cars (15 options). "This difference seems to be driven by the consumer's desire to maximize her choice outcome," the authors explain. "If she starts with a choice from a small choice set, she will probably try to



choose the best options from that set. This 'choose the best' mindset tends to persist to the later choices." In contrast, if consumers start with a larger choice set, they adopt a "good enough" mindset.

The authors believe that starting consumers with choices from small choice sets can help them become motivated to find their desired products from larger assortments.

"Our result is an interesting counterpoint to the popular research on choice overload," the authors write. "Our results suggest that large choice sets don't have to be demotivating. By positioning a large choice set after smaller choice sets, a retailer may make the large choice set less daunting to the consumer."

**More information:** Jonathan Levav, Nicholas Reinholtz, and Claire Lin. "The Effect of Ordering Decisions by Choice-Set Size on Consumer Search." *Journal of Consumer Research*: October 2012.

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