

Gel or whitening? Consumer choice and product organization

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Consumers choose lower-priced products and are more satisfied with their purchase when products are organized by benefits instead of features, according to a new study in the *Journal of Consumer Research*.

"It matters whether products are organized by features or benefits. Simply changing the way the same set of products is organized impacts how consumers process information and make choices," write authors Cait Poynor Lamberton (University of Pittsburgh) and Kristin Diehl (University of Southern California).

Consumers frequently shop for products that have been organized by both features and benefits. For example, Crest organizes <u>toothpaste</u> by features (pastes, gels, stripes) or benefits (whitening, flavor, sensitivity).

In one study, consumers were asked to choose from an assortment of nutrition bars organized either by benefits (muscle-building, fat-burning) or features (fruit bars, nut bars). Consumers perceived the products to be more similar (offering less variety) and therefore interchangeable when they were organized by benefits instead of features. The perception that products organized by benefits are less distinctive led consumers to focus on price and choose cheaper items.

Consumers should be aware that items organized by <u>benefits</u> might seem to be more similar than they actually are. By focusing solely on price, consumers may end up sacrificing quality to save money when they shouldn't. On the other hand, consumers should also be aware that they



are more likely to notice differences when products are organized by features. This can prevent them from paying more for an item when the difference doesn't really matter.

"Companies have an almost <u>infinite number</u> of options in setting up their product assortments, especially online. Organizing options makes decision making easier, but the decision about how to organize also matters. As a form of choice <u>architecture</u>, assortment organization shouldn't be overlooked – it can make a big difference for both consumers and companies," the authors conclude.

More information: Cait Poynor Lamberton and Kristin Diehl. "Retail Choice Architecture: The Effects of Benefit and Attribute-Based Assortment Organization on Consumer Perceptions and Choice." *Journal of Consumer Research*: October 2013.

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