



Overcoming information overload in retail environments: Imagination and sales promotion in a wine context



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ARTICLE INFO

Article history:

Received 2 June 2016

Received in revised form

8 July 2016

Accepted 27 July 2016

Keywords:

Information overload

Consumer imagination

Sales promotion

Information processing

Wine

ABSTRACT

Information overload is a common problem in retail environments. Reducing information in a retail environment is not always feasible or desirable given the plethora of products and extent of limitations on retailers in terms of merchandising and display decisions. Therefore, retailers need other ways of overcoming information overload than simply reducing the amount of information. However, extant research is unsettled with respect to arguments in favor of and against adverse effects of information overload. To enhance our understanding of these issues, the present research presents two studies that investigate the moderating role of consumer decision processing approaches in an information overload retail space. The findings reveal that the consumer imagination offers a more efficient processing route, circumventing the frustration associated with information overload and leading to enhanced consumer outcomes compared to the less efficient consideration route. Further, heuristic processing triggered by sales promotions in high information retail environments lead to piqued arousal and enhanced consumer imagination, ultimately bolstering consumer responses to the product. Implications, limitations, and future research directions are discussed.

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1. Introduction

Most of us can readily remember and attest to having shopping experiences in which we were faced with a large variety of items from which to choose on a retail shelf. These moments can be cognitively challenging. Not surprisingly, package designers are continually striving to cut through the variety of competing choices to catch the positive attention of consumers, realizing that too much information within retail displays may hamper consumer responses. These issues are not new to retailing scholarship. However, while some prior retailing studies have revealed the potential for deleterious effects of high product variety on consumer responses, these findings are not conclusive (e.g., Orth and Crouch, 2014; Orth and Wirtz, 2014; Scheibehenne et al., 2010; Schmutz et al., 2009; Schmutz et al., 2010; Wang et al., 2014).

Given the mixed findings about the effects of too many choices in a retail context, much remains to be learned. For example, Scheibehenne et al.'s (2010) meta-analytic review of the choice overload literature revealed that while negative effects have been found with increased choice options in some studies, other studies

have shown that more choice actually results in improved consumer responses. However, the Scheibehenne et al. (2010) study suggested that information overload in a retailer choice context may stem from moderating conditions not accounted for in their analysis.

Scheibehenne et al. (2010) called for research to investigate the moderating role of consumer decision processes in responses to information overload. The current research responds to this call by presenting two studies designed to make several contributions. In the first study, the research examines the moderating role of two distinct types of elaborative processing, the efficient processing of the imagination and less efficient processing of considering product choice options. The second study examines the moderating role of the heuristic processing of sales promotions, investigating both arousal and the consumer imagination as mediating explanations for the effects of such heuristic processing.

A highly relevant domain for the investigation of information overload in retail spaces is the wine context (e.g., Lockshin et al., 2006; Barber et al., 2007). Displays of wine assortments tend to be quite complex, with a variety of types, labels, bottles, countries of origin, quality levels, and prices, which offer considerable levels of information that can easily lead to overload. However, because the consumer imagination is capable of integrating several pieces of information into a consumption vision and because wine consumption is often an experience that consumers can imagine, the

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wine context is ideal for study (Walters et al., 2007). Likewise, sales promotion of wine is frequently used and also serves as an appropriate context for study. Further, wine packaging is especially important among millennial consumers, so wine choice was selected for investigation in a millennial respondent group (Atkin and Thach, 2012).

Two studies investigate these effects in a brick-and-mortar context (study 1) as well as an online context (study 2) to enhance generalizability across retail channels. The research findings reveal that (1) when there is high variety in a shelf display, consumer satisfaction is enhanced with the elaborations of the consumer imagination, compared to considering the product choices, because the holistic simulations of the imagination integrate and summarize high variety into a single envisioned consumption event; (2) when there is a sales promotion, this heuristic cue enables efficient processing by limiting the amount of needed processing when faced with high variety, compared to the absence of a promotion; and (3) arousal and the consumer imagination provide a viable mediating explanation for the effect of promotions on consumer responses.

2. Conceptual background

Information overload is a situation in which the consumer is exposed to more information than can be processed in short-term or working memory (Jacoby et al., 1974a, 1974b). According to this scholarship, there is a limit to the amount of incoming sensory information that consumers are able to process in a given unit of time. When that limit is reached, consumers are simply unable to process all of the information that is received. For example, such information overload may occur in a grocery store context with a display of a large array of possible selections, such as a high variety of wine choices. In this case, the consumer can rapidly become frustrated and perhaps make a suboptimal choice (Jacoby et al., 1974a, 1974b).

Kahn and Wansink (2004) defined product variety as consisting of elements both actual (numbers of options and replications within categories in an assortment) and perceived (how much variety the consumer perceives in the assortment). While actual variety includes numbers and methods of presentation, perceived variety is a psychological construct within the consumer's mind. As Kahn and Wansink (2004) show, actual variety strongly and positively influences perceived variety. Visual complexity typically arises from high product variety and imposes information overload on the consumer (Orth and Crouch, 2014; Orth and Wirtz, 2014).

Ensuing studies found that too much information to process may reduce consumer satisfaction with a selected product (e.g., Malhotra, 1982; Keller and Staelin, 1987). Indeed, too much choice information makes selection among these alternatives difficult because working through alternatives and removing some while keeping interesting others strains cognitive resources (Chandler and Sweller, 1991; DeLeeuw and Mayer, 2008; Leppink et al., 2014; Sweller, 2010). Such a cognitive load taxes the resources in working memory that are needed to process the incoming information, leading to a poorer decision and more negative responses. When this load is alleviated, the likelihood of positive consumer responses increases (Im and Young, 2011; Ko et al., 2015; Sweller, 1988; Sweller et al., 1998; Winkielman and Cioppo, 2001; Winkielman et al., 2003).

However, some retailing investigations have found that high product variety can sometimes lead to positive consumer outcomes (i.e., Kahn and Wansink, 2004; Mogilner et al., 2008; Scheibehenne et al., 2010). Such choice overload has certain advantages, such as reducing search time by making comparisons

among alternatives more accessible or by providing opportunities for expressing uniqueness through selection of a product tailored for one's personal preferences (Scheibehenne et al., 2010). Nevertheless, potential negative influences of high product variety on consumers, such as overload-inducing visual complexity, do exist and often hamper consumer outcomes (e.g., Orth and Crouch, 2014; Orth and Wirtz, 2014; Schmutz et al., 2009; Schmutz et al., 2010; Wang et al., 2014).

Scheibehenne et al. (2010) surfaced the unresolved state of the literature with respect to overload and provided direction for further study into potential moderating conditions. However, extant scholarship generally agrees that information overload thwarts consumer ability to efficiently process incoming information. Thus, in two studies, the present research responds to Scheibehenne et al. (2010) call for investigations that delve into consumer decision processing strategies by investigating two avenues to overcoming processing inefficiencies. First, the study investigates whether information overload associated with a more inefficient elaborative processes that considers choice alternatives can be overcome through an efficient, alternative form of processing, the consumer imagination. Second, the research studies whether information overload imposed by the presence of a large variety of product choices on a retailer shelf may be overcome with the use of heuristic processing (in the form of a sales promotion) that reduces the amount of information that needs to be handled.

Because the present research examines a wine context, one must acknowledge that several factors go into the consideration of wine purchases, including taste, store locations and formats, age of wine, country of origin, and label (Atkin and Thach, 2012). While each of these factors has varying levels of importance depending on the consumer in question, these factors can be considered information units that contribute to overload and, for the sake of brevity and clarity around theoretical understanding of the examined phenomena, can be subsumed under the context of variety. Because this study centers on means of overcoming information overload, the authors focus the conceptual development on two primary means: imagination and sales promotions.

2.1. Overcoming the effects of information overload: the efficiency of imagining vs. less efficient considering of product choices for future consumption

The consumer imagination integrates information in a more efficient way, compared to an alternative route that involves studying or considering the units of incoming information (Author A). The consumer imagination is defined as a mental process that mentally simulates a consumption event involving a yet-to-be-purchased item. To create an imagined future event, incoming information, such as information presented by retailer product choices of wine on a shelf, is joined in working memory with relevant information that flows from episodic memory. The following vignette is designed to illustrate this process. Suppose a consumer imagines having a party and is serving wine to guests. In this future scenario, the consumer imagines serving the wine to guests, and information that is deemed useful about prior party hosting events where wine is served flows from memory (Schneider and Shiffrin, 1977; Sweller and Sweller, 2006). This information drawn from preexisting memory store is then used to create simulations of the upcoming social event.

The imagined event likely includes prior party experiences and remembrances (episodic memory) as well as contextually related party facts, such as the type of food served, serving pieces, or wine served (semantic memory) (Baumgartner et al., 1992; Brewer, 1986). It is in the holistic simulations of the consumer imagination that these preexisting, relevant memories are joined with

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