



The maximizing consumer wants even more choices: How consumers cope with the marketplace of overchoice



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ARTICLE INFO

Article history:

Received 13 March 2016

Received in revised form

19 April 2016

Accepted 5 May 2016

Available online 17 May 2016

Keywords:

Maximizers

Choice overload

Coping strategy

Consumer decisions

Product proliferation

1. Introduction

It is human nature to want to seek maximum rewards for all our efforts and actions. Accordingly, it is natural for consumers to seek the best products their money could buy. In psychology literature this human trait is called *maximizing* (Simon, 1956). Consumers differ in their proclivity for maximization: some consumers are *maximizers*, scoring high on this trait; others score low on this trait and are called *satisficers* (Simon, 1955, 1956). Maximizers seek the best option that exists in every endeavor in life; in contrast, satisficers are content when they identify an option good enough for their purposes (Simon, 1955, 1956; Schwartz, 2002). How does this play out in consumer decision making in the marketplace?

In an influential book, *The Paradox of Choice*, Schwartz (2000) describes that maximizers are generally less happy with their choices than are satisficers. And that too many choices tend to make consumers avoid making the choice decision. Schwartz and his colleagues themselves conducted experiments in the context of consumers making product choices. In these experiments, subjects facing a smaller set of choice alternatives (e.g., 6 cans of jams versus 24 cans of jams) were more likely to complete their product selections (Iyengar and Lepper, 2000). In the real-world, consumers face a marketplace of a plethora of choices, where they

must necessarily complete their choice tasks. How do they complete such choice tasks, and does the trait of maximizing influence the strategies they employ to cope with a marketplace of overchoice? This question has remained unexamined in literature. The purpose of the present study is to shed some light on this consumer experience.

2. Theory

According to Schwartz (2000), the theory that humans are maximizers follows directly from the rational choice theory in economics. This theory holds that humans are rational choosers, and as such they examine all options, evaluate their costs and benefits on a single scale of utility, and choose the alternative with the highest utility value (Von-Neumann and Morgenstern, 1944). Therefore, humans are called *maximizers*. In contrast is the concept of *satisficing*. Simon (1955) suggested that humans (consumers) have a goal of satisfaction (how satisfied they will be with a choice) and a threshold level that they find acceptable. They assess given choices one by one and stop their search process when they find an alternative that meets this threshold. Schwartz considers maximizing and satisficing as the opposite ends of the same continuum, measuring them, in fact, by a single scale (Schwartz et al., 2002). In a series of studies, Schwartz et al. (2002) found that maximizers, forever seeking to maximize their gains, were actually less happy, less optimistic, and less satisfied in life.

Schwartz (2004) summarizes his research conclusion that the

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overabundance of choices leads to consumers being less (rather than more) happy. The marketplace of overchoice also tends to lead consumers to decision paralysis (Iyengar and Lepper, 2000), and consumers turning away from the choice task, a phenomenon termed “tyranny of too much choice” (White and Hoffrage, 2009). Jessup et al. (2009) study showed that particularly under time pressure, consumer tendency to leave the store empty-handed increased in a store environment of too many choices.

2.1. Maximizing and consumer behavior

Although Schwartz et al. (2002) study explored choices humans face in life at large, one set of variables they examined pertained to consumer behavior directly. In one of their surveys, respondents were asked to recall their recent purchases of a small-price and likewise a big-price item; in relation to these items, their data showed that maximizers engaged in more product comparisons, took longer to decide, and felt more regret at having not examined other options.

Beyond the original choice experiments done by the architects of the concept of maximizers (i. e., Schwartz and associates), a number of consumer researchers have studied the differential processing strategies employed by maximizers and satisficers:

Scheibehenne et al. (2009) showed that the inverse effect of too-much-choice on consumer satisfaction was not moderated by consumers' tendency to maximize; that is, both maximizers and satisficers alike experienced choice paralysis and lower satisfaction.

Meng-Hua et al. (2010) found that maximizers paid attention to the ratio of intermediate rewards to effort whereas satisficers paid attention to the ratio of only ultimate reward to effort. For example, when given a choice between earning 100 reward points versus, say, 60 points, each with 7 minutes of effort, more of the maximizers chose a 100 points option even though both 100 and 60 points would entitle the research participant to the same ultimate reward (in this case, one gallon of ice cream). This is a counter-productive strategy on the part of maximizers (being misguided by a larger numerical value of an intermediate reward, ignoring the exchange rate of intermediate to final rewards), but it does show that maximizers consider all the available information, even if unthinkingly, whereas satisficers seem to intuit their choices without being trapped in extraneous and irrelevant information.

Stüttgen et al. (2012) conducted a choice task simulation (with a conjoint array of options) and found that consumers seemed to act like satisficers, and as satisficers, they seemed to employ a stopping rule, concluding their information search upon identifying a satisficing option (as opposed to considering all of the available information or examining all of the available alternatives); research participants also employed conjunctive judgment model as opposed to a compensatory model (which would have required appraisal of entailed trade-offs).

Levav et al. (2012) Identified maximizing as a situation-induced mindset: consumers as a whole behaved like maximizers in a sequence of choice tasks where options increased in size in later tasks. In their experiment, these researchers gave consumers a set of 10 lists of songs to sample (listen) and from each list choose one song to compile a music CD with ten song tracks. The lists contained 5, 10, 15, 20, 25, 30, 35, 40, 45, and 50 songs to choose one from each. One group received these lists in the order of increasing list size, while the other received them in the order of decreasing list size. The former group (increasing size) compared to the latter group (decreasing size) engaged in greater information search, as measured by the number and proportion of songs sampled and also by the time spent sampling. On a measure of “maximizing” in each group, consumers' who sampled a larger proportion of songs

also scored higher—exhibiting a higher desire to maximize. They also were less satisfied with their choices.

Carrillat et al. (2011) found that in a sequence of purchase tasks, maximizers considered all of the information about alternatives anew, whereas satisficers benefitted from information processed in previous decisions, thus shortcutting their subsequent decisions. Referring to this “start anew” strategy as *Sisyphus Effect*, these researchers argue that maximizers discount the value of past decisions because they seek perfection.

Chowdhury et al. (2009) used a lab experiment to study how maximizers and satisficers differed in making a choice under time constraints. Their findings were that even under time constraints, maximizers showed a greater tendency to browse more product options and information than did satisficers. Also, when offered an opportunity to revisit their choice and change it if they liked, maximizers were more eager to reconsider their choices.

All these studies show that maximizers do indeed attend to more information than do satisficers. In other words, goal maximizers (i.e., consumers wanting to obtain a maximum outcome) tend to also be information maximizers (they seek and utilize as much information as available). Satisficers, in contrast, tend to utilize and process information in a much more limited way. This raises an important question: If satisficers desire to not process high levels of information, how do they make their decisions in a marketplace flooded with a large array of product options in any given product category? In other words, how do satisficers cope with an environment of overchoice?

In an experimental setting, consumers face a choice task limited in time and space by design; here maximizers and satisficers alike know that once they conclude the experimental task, they are done. In the real world, in contrast, consumers know that they will have to face multitudes of choice tasks every day. In the real-world marketplace, consumers face a plethora of choices—multitude of stores, brands, sizes for a single product and on a typical shopping trip consumers are tasked with buying a multitude of products. And they know that tomorrow and next week and next month, they will be having to make a decision about another product, and then yet another. Beyond the confines of a lab experiment, therefore, consumers must develop a “life strategy” of coping with the marketplace of plethora of choices. In the present study, we seek to identify real-world coping strategies of consumers, and we seek to examine if maximizers use different coping strategies than do satisficers.

In consumer research literature, consumer coping strategies have been studied in a number of domains (none in the context of overchoice *per se*). Duhachek (2005) developed a multidimensional scale of coping strategies consumers employed when they faced a stressful situation (e.g., their cars break down soon after the warranty expires), such as “rational thinking,” “emotional venting,” etc. Mick and Fournier (1998) identified strategies that consumers use to navigate new technologies as they experience the paradoxes of technology (unprecedented benefits but burdened with new cognitive and psychological costs). Viswanathan et al. (2005) studied the coping strategies illiterate consumers employed to make their market selections, such as reliance on package size and color, use of price information without estimating per unit price, etc. Thiagarajan et al. (2009) studied the effect of role strain on consumer decision process. These studies establish the general principle that consumers develop “life strategies” to cope with situations that they encountered repeatedly in everyday life as consumers. By the same logic, it can be reasoned that it would be natural for consumers to have developed a repertoire of strategies of navigating the marketplace of overchoice. It would be natural as well that the need for such coping strategies and consequently the utilization of the same will likely differ for maximizers versus satisficers. This topic has remained unresearched in consumer literature. We study this issue in this paper.

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