



Replication Article

Is bigger always better? The unit effect in carbon emissions information



Romain Cadario^{a,*}, Béatrice Parguel^b, Florence Benoit-Moreau^c

^a IÉSEG School of Management (LEM-CNRS 9221), France

^b CNRS & Paris-Dauphine University (DRM-CNRS 7088), France

^c Paris-Dauphine University (DRM-CNRS 7088), France

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ABSTRACT

According to Pandelaere et al. (2011), bigger numbers of units in quantitative attribute information lead to greater perceived attribute differences, making it more likely that consumers will choose a higher-attribute option. We replicate this unit effect for the carbon emissions metrics displayed in car advertisements, and extend it to show that highly numerate individuals, who are supposed to be more effective decision-makers, may actually be more prone to numerosity heuristics.

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1. Introduction

Quantitative information can be expressed in different units. Pandelaere et al. (2011) show that attribute differences appear larger on expanded scales, which display a higher number of units. The perceived difference between an 84-month and a 108-month warranty is larger than the perceived difference between a 7-year and a 9-year warranty. This unit effect occurs because individuals are overly sensitive to numerosity (the number of units) as a cue for judging quantity (Pelham et al., 1994), and it affects consumer preferences (Burson et al., 2009).

This research replicates the unit effect for carbon emissions metrics. It also shows that highly numerate individuals are, counter intuitively, more susceptible to this bias. This finding calls for a deeper exploration of the reasons why numeracy may alternatively exacerbates or attenuates individual cognitive biases.

2. Hypotheses

Research has demonstrated the unit effect across a wide variety of attribute types, including frequencies (e.g., per month vs. per year), units of measure (e.g., euros vs. francs), or arbitrary scales (e.g., 10-point vs. 1000-point scales) (Burson et al., 2009; Pandelaere et al., 2011). Stone et al. (2003) suggest that consumer attention may be drawn to the foreground information (the number of units) at the expense of the background information (the type of unit). For example, in the carbon emissions metric “g of CO₂/km”, consumers are likely to focus more on the foreground information (g) than the background information (km). In the foreground

* Corresponding author at: Romain Cadario, IÉSEG School of Management (LEM-CNRS 9221), 1 Parvis de La Défense, 92044 Paris La Défense, France. Tel.: +331 559 110 10.

E-mail address: r.cadario@ieseg.fr (R. Cadario).

information, expanded scales displaying a higher number of units may lead to a numerosity heuristic, in which individuals can confuse numerosity for quantity and consider bigger numbers as an expression of bigger quantities (Pelham et al., 1994). We therefore expect to find that carbon emissions metrics measured on expanded scales will lead to lower ecological evaluations.

Correlatively, expanded scales are supposed to highlight the difference between choice options, making it easier to discriminate between them than a presentation in contracted scales (Burson et al., 2009; Camilleri & Larrick, 2014; Pandelaere et al., 2011). This enhanced discriminability is likely to shift preferences to the higher alternatives on the expanded scales (Burson et al., 2009). Consistent with this literature, we expect to find that when carbon emissions metrics are presented using expanded scales (vs. contracted scales), consumers will be better able to discriminate in favor of the more ecological option and more willing to choose a more (vs. less) expensive product with lower (vs. higher) carbon emissions.

Going further, we investigate the moderating role of numeracy, defined as the ability to understand and process numbers (Weller et al., 2013), on the unit effect. As shown by Peters et al. (2006), highly numerate individuals are more likely to retrieve and use numerical principles, making them less susceptible to framing effects. Moreover, individuals with lower numeracy are particularly prone to errors in understanding “percentage change” (Mohan et al., 2015). In line with these findings, we expect to see that highly numerate consumers assessing carbon emissions metrics will be less subject to unit effects than less numerate consumers.

3. Study 1

We conducted an online survey presenting fictional vehicles that varied in terms of carbon emissions and price. We manipulated the carbon emissions metrics (expanded scale: “g of CO₂/km” vs. contracted scales: “kg of CO₂/km”) for 2 alternatives (the “ecological alternative”: a high price, low carbon emissions vehicle vs. the “price-oriented alternative”: a low price, high carbon emissions vehicle) in a mixed choice experiment (see Appendix A for procedure details). 125 French respondents (56% women, mean age: 38 years) were recruited through the panel of a professional market research institute.

The logistic regression analysis, controlling for gender and age, revealed that carbon emissions metrics have a significant influence on consumers' choices ($\beta = -.77$, $Wald = 4.38$, $p < .05$). As expected, consumers exposed to an expanded scale chose the ecological alternative more frequently than those exposed to a contracted scale (64.5% vs. 46.2%; see Fig. 1). Study 1 therefore replicates Pandelaere et al.'s (2011) unit effect in the case of ecological information. Study 2 focuses on the moderating role of numeracy on this unit effect.

4. Study 2

Using similar stimuli as in Study 1, we manipulated the carbon emissions metrics (expanded scale: “135 g of CO₂/km” vs. contracted scale: “0.135 kg of CO₂/km”) in a between-subject design. 122 French respondents were recruited from the same panel as for study 1 (57% women, mean age: 38 years). They were first asked to evaluate the vehicle's ecological image using 3 items borrowed from Parguel et al. (2015) 7-point Likert scale (e.g., “This car is environmentally-friendly”; $\alpha = .72$). Then, following Weller et al. (2013), numeracy was measured as the total number of correct responses to 7 items testing numerical processing ($m = 2.88$, $s.d. = 1.70$, $min = 0$, $max = 7$). Using a median-split, we dichotomized participants between those who had answered up to three questions correctly and those who had answered more than three questions correctly.

The ANOVA on ecological image, controlling for gender, age and domain knowledge about carbon emissions (borrowed from Parguel et al., 2015), revealed a significant effect of carbon emissions metrics ($F(1,116) = 14.27$, $p < .01$) and a marginally

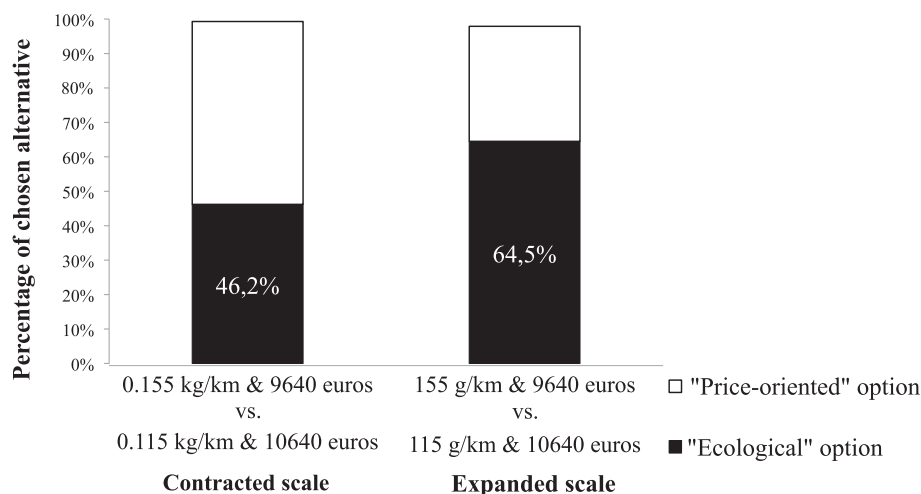


Fig. 1. Effect of carbon emissions metrics on consumer choice (Study 1) Note: participants were not shown the “price-oriented” and “ecological” labels, only included here for the convenience of description.

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