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Research Report

# Strategy compatibility: The time versus money effect on product evaluation strategies☆

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**Abstract**

We show that time priming leads consumers to adopt an alternative-based evaluation strategy, whereas money priming elicits the use of an attribute-based evaluation strategy. In Experiment 1, we used process tracing in Mouselab to test this proposition, and the results suggested that the effect of time versus money priming on the choice of product-evaluation strategy was mediated by a holistic versus piecemeal information-processing. The results of Experiments 2A and 2B showed that the use of time versus money priming to trigger the choice of an alternative-based versus attribute-based evaluation strategy may result in systematic preference reversals. Specifically, when time (versus money) was primed, the participants were found to be more likely to choose a product dominating on a verbally described (versus numerically described) attribute (Experiment 2A), and one dominating on a non-alignable (versus alignable) attribute (Experiment 2B).
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## Introduction

Cognitive theorists distinguish between two information processing styles: holistic and analytical (Alba & Hutchinson, 1987; Baumgartner, 1993; Cohen & Basu, 1987). A perceptual experience is considered holistic when a person forms a global impression of the stimulus as a unitary whole, whereas when the person looks at the stimulus analytically, he or she views it as a composite of individual components (Baumgartner, 1993). In this research, we propose that people are more likely to process time holistically and to process money analytically. Consequently, when evaluating a set of multi-attribute products after being primed to consider time or money, people tend to adopt different evaluation strategies and ultimately choose different products.

Research suggests that the holistic or analytic processing style is influenced by people's motivation and ability to process information analytically (Alba & Hutchinson, 1987; Baumgartner, 1993; Cohen & Basu, 1987; Holbrook & Moore, 1981). When a person is capable and highly motivated to understand the individual components of a stimulus, the use of analytical processing is more likely (Alba & Hutchinson, 1987; Baumgartner, 1993; Cohen & Basu, 1987). Holistic processing, however, usually occurs when a person lacks the motivation or ability to process information analytically (Baumgartner, 1993).

We first suggest that people are more motivated to process money-related information, rather than time-related information, in an analytical manner. The reason for this expectation is that money is an important resource in modern societies, which allows people to sustain their quality of life and serves as an important tool to gauge personal success. People care about money to such an extent that they "talk, think, argue, and dream about" it (Furnham & Argyle, 1998; p. 568). In addition, as the

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ultimate medium of exchange of goods and services, money is a tangible resource that can be accumulated by individuals. Thus, to make money, save money, and prevent the possible loss of money, people often need to examine money-related information carefully and attend to the detailed rules and procedures of the money-making process. For example, research has shown that people are often inclined to secure good bargains and seek value maximization during market transactions involving money (Leclerc, Schmitt, & Dube, 1995; Liu & Aaker, 2008; Mitchell & Mickel, 1999; Okada & Hoch, 2004; Shampanier, Mazar, & Ariely, 2007). Unlike money, time is an intangible resource that cannot be accumulated, altered, exchanged, or generated. Everyone receives relatively fair treatment in terms of time as we are all granted 24 hours per day no matter how we spend that time. As a result, people are less likely to process time-related information analytically. Research has shown that people think much less when making temporal investments than when making monetary investments (Okada & Hoch, 2004). They are also more opportunistic in their valuation of time (Hsee, 1995), which suggests a lack of motivation to inspect time-related information.

We further suggest that people are more capable of processing money-related information analytically than time-related information. Compared to that of time, the value of money is precise and relatively consistent across transactions (Saini & Monga, 2008). As a result, consumers often use market norms of exchange to calculate their monetary gains and losses, and they assess the value of money by equating the marginal utility per dollar spent across all categories (Monga & Saini, 2009; Saini & Monga, 2008; Soman, 2001), which facilitates a context-independent, detail-driven analytical processing style. In contrast, the value of time is difficult to calculate because time usage varies from one occasion to another without a standard method to measure its opportunity cost (Saini & Monga, 2008; Soman, 2001). The ambiguous nature of time thus prevents people from processing it analytically. Consistent with this notion, research has shown that time expenditures (i.e., experiences) are often remembered and judged holistically rather than based on separate evaluations of specific time durations (Fredrickson & Kahneman, 1993; Varey & Kahneman, 1992). Recent research has also shown that thinking about time activates goals of personal happiness and emotional well-being (Liu & Aaker, 2008; Mogilner & Aaker, 2009), which suggests that people may not evaluate time precisely; instead, they adopt a broad emotional mindset to gauge its value.

Our discussion thus leads to the prediction that people are more likely to process time holistically but process money analytically. This distinction has important potential implications because priming consumers to think about time rather than money, or vice versa, may not only activate different information processing styles but may also have important "downstream" effects on their product evaluation strategies and product choices. Drawing on prior research findings that activation of the information processing tendency may influence people's subsequent decisions in an unrelated domain (e.g., Dhar, Huber, & Khan, 2007; Wyer & Xu, 2010; Xu & Wyer, 2008), we hypothesize that a holistic (analytical) processing style triggered by a time (money) prime is likely to carry over to an individual's subsequent product decisions in an unrelated domain.

Imagine that a consumer is presented with a set of multi-attribute products after being primed with either time or money. Prior research has shown that the consumer may choose between two strategies, an alternative-based strategy or an attribute-based strategy (Payne, Bettman, & Johnson, 1993), to evaluate the available options. The consumer who adopts an alternative-based evaluation strategy is expected to perceive each product alternative as a unitary entity; s/he will integrate the multiple attributes of one option to form a holistic evaluation of that option before moving on to the next alternative. If, however, the consumer adopts an attribute-based evaluation strategy, s/he is expected to pay more attention to attribute-level comparisons whereby s/he will first compare all of the alternatives on one attribute and then do the same for all other attributes (see Payne et al., 1993).

According to prior research, an individual engaged in holistic processing focuses more on large-scale patterns, part–whole relationships, and balancing out different aspects of the situation when faced with a conflict (Choi, Dalal, Kim-Prieto, & Park, 2003; Nisbett, Peng, Choi, & Norenzayan, 2001; Peng & Nisbett, 1999). Thus, when presented with a set of multi-attribute products, s/he is expected to identify the attribute-option relationship and synthesize more favorable and less favorable attributes within the same option to form an overall impression of that option. Such an approach is best characterized by an alternative-based evaluation strategy (Payne et al., 1993). In contrast, an individual engaged in analytical processing tends to view an object as a composite of piecemeal information. In addition, she or he is expected to focus on categorizing information and rejecting disqualified ones when faced with a conflict (Choi et al., 2003; Nisbett et al., 2001; Peng & Nisbett, 1999). Hence, when presented with a multi-attribute option set, s/he is likely to first identify the same attribute across all options and then select/reject options on an attribute level, which reflects an attribute-based evaluation strategy (Payne et al., 1993). In sum, we suggest that an alternative-based evaluation provides a better match with a holistic processing style, whereas an attribute-based evaluation fits better with an analytical processing style.

**H1a**. When the concept of time (money) is made salient, consumers are more likely to adopt an alternative-based (attribute-based) product evaluation strategy.

**H1b**. The alternative-based (attribute-based) evaluation strategy triggered by time (money) priming is mediated by people's tendency to process information holistically (analytically).

Extending this reasoning, we suggest that the alternative- versus attribute-based evaluation strategy triggered by time-versus-money priming may also result in systematic preference reversals. We first test the downstream effect of concept priming on choices of products with superior numerically or verbally described attributes. Product attributes can often be presented using either numerical descriptors (e.g., "a 400-threadcount cotton sheet"; "a battery life of 4.5 hours") or verbal descriptors (e.g., "a soft and fine cotton

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