



Research Review

Decision Difficulty in the Age of Consumer Empowerment

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Abstract

In this review, we examine the impact of two key factors of consumer empowerment—choice freedom and expansion of information—on the choice difficulty consumers experience in today’s decision environment. We posit that though these two consumer empowerment factors offer numerous potential benefits, they also can magnify such sources of decision difficulty as task complexity, tradeoff difficulty, and preference uncertainty. Next we review several key moderators, including consumer knowledge, mental representation, and maximization tendencies as well as information type and organization, that can exacerbate or mitigate the effect of these consumer empowerment factors on decision difficulty outcomes. Lastly, we examine the effectiveness of decision aids in assisting consumers navigate the complexity of today’s decision environment, and we identify areas for future investigation.

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Introduction

Today's decision environment offers consumers greater choice possibilities and information opportunities than ever before. With an explosion in online retailing and dramatic increase in big-box retailers, the current market environment empowers consumers, providing an unprecedented breadth and depth of consumer choice opportunities in a wide range of domains. The large assortments available today offer freedom of choice (Botti & Iyengar, 2004; Markus & Schwartz, 2010; Reibstein, Youngblood, & Fromkin, 1975) and opportunities to learn about product categories. Moreover, they increase the likelihood a consumer's ideal product is available in the choice set (Baumol & Ide, 1956) while at the same time providing flexibility for uncertain preferences (Kahn & Lehmann, 1991; Kreps, 1979; Simonson, 1990) and possibilities to satisfy variety-seeking tendencies (Broniarczyk, 2008; McAlister, 1982). Choice freedom is not limited to traditional consumer domains but is also expanding to more consequential choice contexts such as health and finance (Botti & Iyengar, 2006). Consumers also increasingly have opportunities to customize products and services to precisely meet their needs and desires, providing a feeling of uniqueness, symbolic benefit, and pride of authorship (Franke, Schreier, & Kaiser, 2010) as well as hedonic or experiential benefits related to the process of customizing (Novak, Hoffman, & Yung, 2000).

Advances in technology and the use of the Internet also provide consumers new ways of finding, creating, and exchanging information for choice. Omnipresent information sources enable consumers to find detailed product information, reviews, and expert opinions to assist with sorting through the

large assortment more effectively and efficiently (Goldenberg, Oestreicher-Singer, & Reichman, 2012). Social media opportunities allow consumers to create and share a wide range of user-generated content (UGC) relevant to consumer choices and to have diagnostic information regarding likely product experience (Simonson & Rosen, 2014). This expansion of information can assist consumers in identifying or even creating the best product (Chen, Wang, & Xie, 2011; Johnson et al., 2012), all from the confines of their home computer or on-the-go from their mobile smartphones.

The broader freedom of choice and expanded information capabilities combine to create an environment of consumer empowerment where consumers have both the opportunity and the tools needed for optimal decision-making. We unequivocally acknowledge that these benefits of consumer empowerment are indeed powerful. Yet, the same forces that empower consumers can also make things more difficult for them to choose, and it is important to systematically examine these potential drawbacks. In this article, our focus is on assessing how these two factors of consumer empowerment – freedom of choice and expansion of information capabilities – impact decision difficulty. After a brief summary of the fundamental sources of decision difficulty, we explore how these two empowerment factors contribute to difficulty sources, the resulting outcomes, and key moderators of this decision difficulty. We posit that although the fundamental sources influencing the way consumers experience difficulty in decisions remain, consumer empowerment can intensify the causes of difficulty and associated consequences in significant ways. We also examine the effectiveness of decision aids in assisting consumers navigate the complexity of today's decision environment and identify areas for future investigation.

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