

CONSIDERATION-SET RESTRICTION: HOW LIMITED AVAILABILITY AFFECTS CHOICE, ATISFACTION, AND FUTURE INTENTIONS

Jeffrey R. Parker, Columbia University, USA

ABSTRACT

This dissertation examines how limitations on the availability of one or more of the alternatives in a consumer's consideration set affect the consumer decision-making process. For an alternative to be considered a member of the consumer's consideration set, the consumer must believe the alternative either is, will be, or was at one time available for choice. Consideration-set restrictions (CSRs) refer not to restrictions on consideration set membership or formation, but rather to limitations on availability once membership is attained. This dissertation will contain four essays which investigate how CSRs affect the last three of these stages of the consumer decision-making process. The research also investigates both the effects of true CSRs, which can be further divided into demand- or supply-based CSRs, and phantom CSRs.

The first essay examines how, in a retail context, relative stocking levels affect both consumers' beliefs about the available alternatives, and their eventual choices among those alternatives. In Study 1 we find that consumers believe that the relatively scarcer item is of greater popularity and higher quality. In addition, we find that perceived popularity mediates preference for the scarcer item (independent of quality inferences). Further, popularity inferences mediate quality inferences, which in turn lead to increased preference for the scarcer alternative (a bandwagon effect). The second study investigates the robustness of the bandwagon effect in the presence of other cues such as quality and popularity ratings. Study 3 investigated if such bandwagon effects would obtain for choices made from repeat purchase categories.

The second essay, which is in the early stages of data collection, examines what happens when consumers who prefer one extreme alternative find that alternative is unavailable. We hypothesize that such restrictions can result in choices of the opposite extreme when all remaining alternatives are near this other extreme. Note that this is contrary to predictions that individuals will choose the closest (most similar) substitute when their preferred option is unavailable. This is expected to hold most often in circumstances where the consumer's commitment to the original extreme alternative is weaker. Conversely, when at least one remaining alternative is relatively closer to the originally preferred extreme (i.e., when there is a close substitute), consumers are expected to choose this alternative.

The third essay focuses on how CSRs, specifically scarcity, affect post-consumption satisfaction. While both supply and demand related causes of scarcity tend to increase the desirability of a product, we hypothesize that product scarcity will negatively influence post-consumption satisfaction when that scarcity is attributed to demand factors. Demand related causes of scarcity are likely to increase inferences of quality, potentially resulting in high expectations for the product. We predict that these high expectations will result in levels of satisfaction lower than those found when no scarcity information is given. Conversely, we predict that product scarcity will positively affect post-consumption satisfaction when the scarcity is due to supply factors. Supply related causes of scarcity are likely to increase the perceived uniqueness of the scarce product, which in turn is likely to make the consumption of that product a more special experience in the consumer's mind, thereby increasing post-consumption satisfaction.

Finally, the fourth essay looks at situations where consumers make choices believing one alternative is unavailable only to later discover that the alternative was in fact available (i.e., the restriction is a phantom). Phantom restrictions share many characteristics with true restrictions; in particular they constrain the consideration set, even if this constraint is artificial. Accordingly, phantom restrictions should affect consumer choices, and the immediate consequences of those choices no differently than true restrictions. However, phantom restrictions differ from true restrictions if consumers later (post-choice) realize that the restriction did not exist. Further, while phantom and true restrictions should affect immediate satisfaction similarly, it is expected that phantom restrictions affect future intentions such as likelihood of returning to the retailer or likelihood of ordering the restricted dish less negatively than true restrictions.

Across four essays, this dissertation examines how CSRs affect the last three stages of the consumer decision-making process. Each essay spans either multiple types of CSRs, or multiple stages of the decision-making process. Collectively, these essays will add to the current literature and our current understanding of the effects of CSRs on consumer's choices, satisfaction, and future intentions.

References Available on Request.