## How Can an Assortment Be Reduced Without Changing the Perception of Variety? A Study of the Isolated Effects of Assortment Breadth and Depth

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**Abstract** One of the major concerns of retailers is to reduce and rationalize their product assortments in the face of a twofold constraint; on the one hand the saturation of retail space and on the other the growing number of hard discount and convenience stores. Hence the need to reduce costs and consequently the assortments offered in all existing formats of mass food retailing. In this context, many studies focus on all decisions concerning the selection of the assortment, but there are many more ways of making improvements, particularly with regard to consumer perceptions and preferences (Mantrala et al. 2009). This research is conceived along these lines. We seek to improve knowledge of the consumer's perception when faced with a product assortment. Up until now, work on consumer perception has highlighted the importance of the variety perceived by the consumer (Kahn and Wansink 2004) and explored how to reduce an assortment without affecting the perception of variety (Sloot et al. 2006). We see two main limitations to these studies. The first concerns the lack of detail on the nature of the attributes that are manipulated, which probably partly explains the discrepancies among the results observed. The second limitation relates to the experimental conditions. Whereas work on space allocation uses real data for real stores, work on consumer perception is often remote from the real purchasing situation. The objective of our study is thus twofold. We aim to review the contributions of the literature by mobilizing the concrete characteristics of an assortment, namely breadth and depth. We believe that a more systematic definition of attributes, according to whether they contribute to the breadth or depth of the assortment, would allow a better understanding of the perception of variety by consumers and thus a better understanding of their behavior. It is a matter of examining the role of attributes within the complex entity represented by a product assortment rather than the nature of the attributes themselves. While the contribution and importance of attributes can vary from one category to another, we propose using breadth and depth, which characterize any assortment irrespective of the product category concerned. In response to our research objectives, we have first

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reviewed the literature and formalize our research hypotheses. In collaboration with Carrefour and In Vivo and to isolate the effects of breadth and depth, we manipulated supermarket rice "standard-assortment" to reach four combinations of breadth and depth. We questioned 1,009 consumers in test stores and we highlight the mediating role of the perception of variety using the bootstrap procedure recommended by Zhao et al. (2010). We argue that is unnecessary, for ensuring a large perceived variety, to provide both a high degree of breadth and of depth and thus that retailers might reduce their assortments without affecting consumers' perception of variety.

## References

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