

Consumer Reactions to Low vs. High Levels of Customization: An Abstract

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Abstract Customization provides added value and customers pay higher prices for customized products (Piller & Müller, 2004). The study presented here examines effects of low and high customization levels (4 vs. 12 customizable attributes) on preference fit, pride, effort, and confusion (variables linked to the customization process) and product evaluation and purchase likelihood (consumer response variables) for two product categories (granola, running shoes). A further differentiation is made between offering customization only and letting the participants choose between the customization and a standard option.

Pride and preference fit represent positive effects related to customization (Franke & Piller, 2004; Franke et al., 2010; Schreier, 2006). Higher preference fit and stronger feelings of pride create higher product value for customers (Schreier, 2006) and increase the purchase likelihood. Customizing many attributes can even intensify pride and preference fit (Dellaert & Stremersch 2005). This effect is likely to occur independently of whether a standard option is or is not available. Perceived effort (Franke & Piller, 2004; Franke et al., 2010) and confusion related to the complexity of the customization process (Dellaert & Dabholkar, 2009; Dellaert & Stremersch, 2005; Franke & Piller, 2004; Huffman and Kahn 1998) represent negative effects that trigger negative consumer reactions. A higher customization level intensifies perceived effort and confusion when no standard option is available. If consumers can choose between a standard and a customized option and opt for the customization, they want to spend additional effort. In this case, a higher customization level is unlikely to have negative effects. Thus, if no standard option is available, the negative effects of a higher customization level outweigh the positive ones and lead to less positive consumer reactions. If a standard option is available and if people opt for the customization, a higher customization level has positive effects in terms of preference fit and pride, but no negative effects in terms of effort and confusion.

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The sample consists of 365 respondents who customized a product. In the “customization only” condition, respondents saw the customization scenario, customized their product by writing down the chosen attribute levels, and completed all measures. In the “standard option vs. customization” condition, respondents first indicated their choice and then went on with the respective option (same procedure and measures as described before). In the “customization only” condition, more customizable attributes lead to higher preference fit and pride but also to higher perceived effort and confusion as well as to less positive product evaluations and a lower purchase likelihood. In the “standard option vs. customization” condition, a higher customization level again leads to higher preference fit and pride, but has no longer effects on perceived effort and confusion. Thus, consumers who customize a product, but could choose a standard version, have no longer the impression that customizing more attributes means more effort and is more confusing. The effect on product evaluation and purchase likelihood is now positive. Thus, effects of the customization level depend on whether people can or cannot select a standard option. Marketers who only offer a customization tool should limit the number of customizable attributes in order to avoid negative effects on product evaluation and purchase likelihood. If marketers want to profit from positive effects of a high customization level, they should additionally offer a choice of standard options in order to limit negative effects and to produce more positive product evaluations and higher purchase likelihoods.

References Available Upon Request