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Choice Overload during Travel Decision Making for Self vs. Other

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Abstract
It has been a common belief that major accomplishments of modern societies and developed economies are evidenced through providing more choices and varieties for consumers. Economists and conventional wisdom believe that having more choices maximises utility (Broniarczyk, 2008); thus, people should prefer to have as many options as possible to make informed decisions. In psychology and marketing literature, having more choices is argued to help increase well-being, satisfy diverse consumer needs (Dworkin, 1982), increase purchase and consumption (Koelemeijer & Oppewal, 1999), reduce search costs (Hutchinson, 2005), and enhance personal freedom of choice (Schwartz, 2004). In contrast, recent studies has reported negative impacts when the number of choices increases (Scheibehenne, Greifeneder, & Todd, 2009). This phenomenon is named as choice overload effect, hypothesizing that when facing too many options, decision-makers experience cognitive overload that leads to negative perceptions (Schwartz, 2004). Research has provided evidence that choice overload leads to cognitive dissonance (Anderson, Taylor, & Holloway, 1966), dissatisfaction (Iyengar & Lepper, 2000; Reutskaja & Hogarth, 2009), post-decision regret (Carmon, Wertensbroch, & Zeelenberg, 2003), demotivation to purchase (Shah & Wolford, 2007), and choice withdrawal (Dhar, 1997; Iyengar & Jiang, 2003; Park & Jang, 2013). Due to these contradictory findings about the effects of choice overload, this paper suggests two propositions: (1) choice overload exists in high-involvement contexts such as selecting a vacation destination, and (2) choice overload during making travel decision for self vs. for other.

Keywords
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Introduction

It has been a common belief that major accomplishments of modern societies and developed economies are evidenced through providing more choices and varieties for consumers. Economists and conventional wisdom believe that having more choices maximises utility (Broniarczyk, 2008); thus, people should prefer to have as many options as possible to make informed decisions. In psychology and marketing literature, having more choices is argued to help increase well-being, satisfy diverse consumer needs (Dworkin, 1982), increase purchase and consumption (Koelemeijer & Oppewal, 1999), reduce search costs (Hutchinson, 2005), and enhance personal freedom of choice (Schwartz, 2004). In contrast, recent studies has reported negative impacts when the number of choices increases (Scheibehenne, Greifeneder, & Todd, 2009). This phenomenon is named as choice overload effect, hypothesizing that when facing too many options, decision-makers experience cognitive overload that leads to negative perceptions (Schwartz, 2004). Research has provided evidence that choice overload leads to cognitive dissonance (Anderson, Taylor, & Holloway, 1966), dissatisfaction (Iyengar & Lepper, 2000; Reutskaja & Hogarth, 2009), post-decision regret (Carmon, Wertenbroch, & Zeelenberg, 2003), demotivation to purchase (Shah & Wolford, 2007), and choice withdrawal (Dhar, 1997; Iyengar & Jiang, 2003; Park & Jang, 2013). Due to these contradictory findings about the effects of choice overload, this paper suggests two propositions: (1) choice overload exists in high-involvement contexts such as selecting a vacation destination, and (2) choice overload during making travel decision for self vs. for other.

Choice Overload in Tourism

Previous experiments found choice overload effect in several ordinary retail products. Chocolate has been one of popular product choices in previous studies (e.g., Berger, Draganska, & Simonson, 2007; Chernev, 2003) since the first study reported by Iyengar and Lepper (2000). Iyengar and Lepper randomly assigned and asked participants to select chocolates among small-sets (six choices) or large-sets (thirty choices). While enjoying the choice task, participants choosing from large-sets found the task more difficult and frustrating than participants in small-sets. In addition, participants in large-sets were less satisfied with their choices than participants in small-sets. Since Iyengar and Lepper (2000) brought back the academic debate about choice overload, similar results are found in experiments with pens (Shah & Wolford, 2007), gift boxes (Reutskaja & Hogarth, 2009), birthday cards (Diehl & Poynor, 2010), cleaning products (Dar-Nimrod, Rawn, Lehman, & Schwartz, 2009) and coffee (Mogilner, Rudnick, & Iyengar, 2008), all representing mundane and less costly purchases.

Regarding high-involvement contexts, complex products and services with numerous attributes often associate with long-term consequences (Langner & Krengel, 2013). Therefore, regardless of how many options are available, people opt to utilize the reasoning process and engage in a deeper level of processing. As a result, people are motivated to evaluating many options, and this means choice overload should not exist in high-involvement contexts.

Nevertheless, there is still some limited evidence of choice overload in products and services entailing high-involvement contexts compared to ordinary retail products. Some experiments used complex products to investigate choice overload effect, including cell-phone (Fasolo, Carmeci, & Misuraca, 2009; Langner & Krengel, 2013) and mp3-player (Greifeneder, Scheibehenne, & Kleber, 2010). For services, few examples can be found in educational and
financial contexts. In an educational context, Iyengar and Lepper (2000) found that quality of students’ essay decreases when the number of topics to choose from increases. Similarly, Ackerman and Gross (2006) reported that having some, but not too many, choices to select subjects in completing a marketing minor was perceived as valuable for future employers and students’ future careers. In a financial context, more retirement plan options are associated with delayed decisions (Iyengar, Huberman, & Jiang, 2004).

Regarding tourism and travel activities, tourists highly engage in the choice process. Making travel decisions is risky (Zeithaml, 1988), complex (Huertas-Garcia, Laguna Garcia, & Consolación, 2014) and requires large investments and efforts (Sarakaya & Woodside, 2005) because they will consume tourism products and services at unfamiliar destinations (Sarakaya, McLellan, & Uysal, 1996). This characteristic set tourism apart from other services. In addition, tourists usually seek for novelty and that encourage them consider options extensively (Feng, 2007). Not choosing the right vacation destination will make them feel regretful and affect their overall satisfaction. Altogether, it seems reasonable to believe that tourists prefer having more options to fewer options; therefore, choice overload does not exist in tourism- and travel-related decisions.

Since evidence of choice overload effect has been reported in some high-involvement products and services, we strongly argue why choice overload also occurs in the context of tourism. First, even though tourists are keen on evaluating many options, the number of options and decisions to make can be overwhelming. For example, a search on Expedia.com, the world’s largest online travel company, for holiday packages from Sydney to New York during December yields more than 400 results. Evaluating such 400 results is a high degree of overabundance and the required considerable cognitive effort can lead to choice overload. Second, travel decisions are often associated with time pressure (Park & Jang, 2013). The seasonal nature of travelling and aggressive sales promotions often put tourists under pressured to make quick buying decisions in fear of missing out on a good deal. Therefore, tourists might perceive that they do not have enough time to consider all available options as desired. Third, there is a single, recent study that found choice overload in tourism context (Park & Jang, 2013). Thus we postulate our proposition that

Proposition 1: Tourists who select a vacation destination in large choice-sets are more likely to experience choice overload effect than tourists in small choice-sets.

Making travel decisions for Self vs. Other

Most research in consumer behavior implicitly emphasize that consumers make choices or decisions for themselves (Polman, 2012). Yet, there are situations when people make decisions on behalf of others and not just for themselves (Yates, 1990). For example, consultants are hired to make decisions on behalf of the organization, parents decide what kind of food is best for their kids to grow healthily, a friend is asked to help buying a birthday gift, to name a few. It is intuitively agreed that people who make decisions for themselves are different from them making decisions for others even though research has not fully understood how and why these differences happen (Polman, 2012).

Research has shown that people who make choice for others tend to search for more information than making their own choices (Kray, 2000). Furthermore, Jonas and Frey (2003) reveal that participants who are instructed to act as choosing a trip for a friend or a travel agent recommending a trip for a client look for more information than participants who are told to make decisions for themselves. In a study on risk taking in relationships, it was found
that people encourage their friends to take risks such as going out on a blind date that they would not personally take (Beisswanger, Stone, Hupp, & Allgaier, 2003). This is because people can provide more positive reasons to convince their friends, while they consider more negative reasons to find excuses for them not to go on and avoid personal risks. In fact, Beisswanger et al.’s (2003) findings are consistent with certain behaviors from individuals with a particular regulatory focus (Higgins, 1987).

Regulatory focus theory (Higgins, 1987) is seen as one of the most fundamental theories in psychology that explain people’s motivation and behaviors (Polman, 2012). The theory suggests that human behaviors are dominated by two fundamental goal classifications: ideals and ought. Ideals represent hopes, dreams, wishes, and aspirations (e.g., travelling around the world), whereas ought refers to obligations, duties, and responsibilities (e.g., taking kids to a vacation during their summer holidays). When people pursue a certain goal, they adopt a regulatory focus, which specifies their intentional and motivational orientation (Higgins, 1997). There are two types of regulatory focus: a promotion focus and a prevention focus (Pham & Avnet, 2004). For example, a promotion-focused person may see travel as an activity to explore and be exposed to different cultures while a prevention-focused individual may travel to stay away from stresses at work. Promotion focused people aim at achieving as many positive outcomes as possible, while prevention focused people are more concerned with minimizing negative outcomes (Higgins, 1997).

The eagerness of promotion-focused individuals and vigilance of prevention-focused individuals result in various judgments and decisions (Pham & Chang, 2010). For example, people who are promotion-focused are more likely to accept new options and take risks (Liberman, Idson, Camacho, & Higgins, 1999). In contrast, prevention-focused people are more conservative and skeptical (Pham & Avnet, 2004) because they prefer certain, ongoing, and proven actions over new options as they try to maintain the status quo by keeping things the way they presently are. The eagerness of seizing opportunities of promotion-focused people may lead them to favor larger choice-sets with many available options because excess amount of options might enhance their goal pursuit. In contrast, the vigilance of potentially making poor decisions of prevention-focused people encourage them to cautiously consider only a small choice-set to avoid making mistakes. This theoretical proposition is proposed by Pham and Higgins (2005), and then empirically tested by Pham and Chang (2010).

Using regulatory focus theory, Polman (2012) explained the underlying difference between decision-making for self versus for others. The author compared participants making choices for themselves versus for others via series of experiments across contexts of choosing paint swatches, wine, and ice-cream flavors. He proved that people activated a promotion-focused approach when making a choice for someone else, whereas, making a personal choice activated a prevention-focused approach. Subsequently, promotion-focused (prevention-focused) people were satisfied choosing among many (few) options.

Regulatory fit (Higgins, 2000) provides a theoretical explanation for the above findings that people who are prevention focused experience choice overload effect while people who are promotion focused did not. The notion of regulatory fit arises when individuals evaluate whether means to pursue a goal are compatible with their own regulatory focus. Given that promotion focused individuals are keen on seizing more opportunities and looking for new options, there is a greater regulatory fit if they can pick an alternative among the large choice-set compared to the small choice-set. This is because they believe that they are able to maximize their goal by looking at the large choice-set instead of the small choice-set. Thus, a limited choice-set indicates to promotion-focused individuals that the best possible option is
absent. In contrast, when prevention-focused individuals face an extensive choice-set, they would indicate that unsatisfying choices are present (Polman, 2012); therefore, they prefer fewer choices (Iyengar & Lepper, 2000).

Polman’s (2012) study extends Pham and Chang’s (2010) findings by concluding that people who make decisions for themselves activate a prevention focus and are less satisfied when choosing among many options compared to few options. However, people who make decisions for others activate a promotion focus and they more satisfied when choosing among many options compared to few options. Nevertheless, Polman’s experiments were limited in simple decision situations like ice-creams flavors. Therefore, there is possibility that people in either self or other condition might not get involved in the choice task seriously and that would affect Polman’s findings.

**Construal Level Theory (CLT) and Psychological Distance**

Psychological distance measures how much an object is detached or undetached from another object (Trope & Liberman, 2003). This refers to the Construal Level Theory (CLT), which suggests that people perceive objects or events in high-level or low-level of construal. High-level construal includes thoughts, which are abstract, general and de-contextualized. Whereas, low-level construal is more concrete, specific and context-based. For example, when thinking of going on vacations, a person would have thoughts of high-level construal such as staying away from a busy working schedule. On the other hand, low-level construal is more concrete, such as enjoying spa services at a particular resort, having dinner at a top recommended restaurants etc. Therefore, CLT suggests that the psychological distance (e.g. time, space or social) that a person perceives about the event or object can be high or low.

According to CLT, psychological distance systematically influences how events or objects are evaluated (Trope & Liberman, 2010). For events taking place ‘here’, ‘now’ and to ‘us’, we are more likely to think of low levels or concrete construal. On the other hand, for events taking place at somewhere ‘there’, sometime ‘later’ in the future, and to ‘others’, we are more likely to think in a high level or abstract construal. Consequently, people who construe an event at abstract (concrete) terms are more likely to weight desirability (feasibility) concerns more strongly (Liberman & Trope, 1998). This CLT’s central premise is named as abstraction hypothesis (Goodman & Malkoc, 2012) such that people with high-level construal perceive their options substitutable; hence, lessening the need to look for options in large choice-sets. Therefore, people with high-level construal may not perceive the large choice-set valuable. In contrast, people with low-level construal tend to look for differences among options. Highlighting these differences makes the option distinct and less substitutable. Hence, people will require a large choice-set to have more chances to match their preferences.

However, CLT also has feasibility/desirability hypothesis (Goodman & Malkoc, 2012) that tells us another story. There is consistent research about positive relationship between psychological distance and the focus on the importance of desirability attributes compared to feasibility ones (Liberman & Trope, 1998; Liviatan, Trope, & Liberman, 2008). Particularly, when people focus on the desirability of what large choice-sets offer, such as variety seeking or preferences matching, they prefer large choice-sets than small choice-sets. However, when people focus on the feasibility of large choice-sets, such as choice difficulty, they prefer choosing from small choice-sets (Chernev, 2005). This means that psychological proximal (distant) consumers prefer to choose from small (large) choice-set. This feasibility/desirability hypothesis is contrast to what abstraction hypothesis predict, but similar to the regulatory focus.
From opposite predictions from abstraction and feasibility/desirability hypotheses, Goodman and Malkoc (2012) attempt to solve the confusion with experiments across time and space. They set the boundary conditions of choice overload such that abstraction hypothesis would affect choice when trade-off information about feasibility/desirability is not salient. However, they have not tested the social distance aspect (self vs. other) of psychological distance. From the discussion of regulatory focus and CLT, we postulate that

Proposition 2: People who make travel decisions for themselves (others) perceived the value of large choice-sets less (more) when feasibility/desirability trade-off information is salient.

Discussion

When facing large choice-sets, consumers generally do not intrinsically consider the trade-off between feasibility and desirability (Goodman & Malkoc, 2012), nor they understand the difficulty in selecting in a large assortment (Iyengar & Lepper, 2000). However, once they are primed or showed the information, proximal decisions (e.g., ‘now’, ‘here’, ‘to us’) lead to higher weighting for feasibility attributes and lower weighting for desirability attributes, hence, will have low perceived values for large choice-sets. In contrast, the trade-off information is not salient, distal decisions (e.g., ‘later’, ‘there’, ‘to other’) perceive higher similarity between options, and hence, customers have low perceived values for large choice-sets. This paper contributes to choice overload literature such that the phenomenon exists not only in ordinary retail products but also in high-involvement activities like selecting a vacation destination. This paper also contributes to psychological distance literature and expands our understanding about CLT such that increasing psychological distance would reduce the effect of choice overload, subject to the salience of feasibility/desirability trade-off information.

Regarding managerial implication, while research on negative effects when having too many choices has been growing, the recommendation to offer fewer choices seems undesirable for retailers and businesses. Retailers may feel reluctant to reduce their assortment size in order to stay competitive (Levy & Weitz, 2001). Hence, retailers or service providers in tourism context, who aim to offer a large variety of choices, may activate the CLT’s abstraction process (i.e., no feasibility/desirability trade-off information) when people making decisions for themselves or activates the promotion focus when making decisions for others. The reason is that people in these conditions will focus on the quality of large choice-sets (i.e., desirability) or maximizing their positive outcomes (i.e., promotion focus), leading them to prefer the large choice-sets and not getting overloaded by the number of choices. Hence, business must be carefully in choosing the text and design of their branding and advertising to provoke correct regulatory focus, avoid regulatory ‘misfit’ and wrong trade-off information.

There is a growing research that investigates strategies for customers to avoid consequences of choice overload such as managing great expectations in large choice-sets to avoid disconfirmation (Diehl & Lamberton, 2008), providing recommendation signs that do not conflict to established preferences (Goodman, Broniarczyk, Griffin, & McAlister, 2013), and eliminating time constraints (Inbar, Botti, & Hanko, 2011). Although negative effects from having too many choices have been noticed in the literature, it is still difficult to convince retailers and service providers, with their common belief, to cut down their product and service ranges. Hence, future research should continue to investigate underlying mechanisms that create choice overload and provide suggestions to overcome that effect.
References


