

Consumer choice primacy effects in decision making



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When people make choices, attention is focused on one option at a time and this is most evident in consumer choice. When people enter a store, their first choice is always a familiar brand they have sampled, assessed and evaluated among many other products. Even when presented with many choices in a sequence, options will be evaluated, and a choice will be made aimed at choosing the inferior choice from the sequence. The presentation order in every sequence dictates the direction of the comparison, thus leads to order effects.

First impression attributes about an individual have a large impact in guiding our overall impression (Asch, 1946; Jones, Rock, Shaver, Goethals & Ward, 1986; Krosnick & Alwin, 1987; Luchins, 1957). An individual described intelligent, optimistic, aggressive and stingy will be preferred more than the same individual characterized as aggressive, stingy, intelligent and optimistic. In contrast, names of team-members first confronted were more favourable and were instinctively affiliated with the self in a rapid judgement task (Greenwald, Pickrell & Farnham, 2002) In this present study the aim is to determine if order effects are biased towards primacy effects using Latin squares to change position of cheese.

Primacy effects

A primacy effect occurs when information is being encountered in an order that has a strong impact on judgement and memory of a product. Jones and Goethals (1972) found judgement primacy effects to appear when unusual information is associated with formerly encountered information. In the instance of a continuous online judgement-updating process, prime information is most likely disguised by the way certain information is

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understood and this is known as the change-in-meaning hypothesis.

According to Rundus (1971), early items are memorised as they are given higher levels of attention and rehearsal. In contrast, sensory scientists found primacy effects in hedonic assessments of food with prime food items being examined to be experienced most firmly and ostensibly the most memorable and preferred (Macfie, Bratchell, Greehoff & Vallis, 1989). Furthermore, when information about a single individual is presented in a sequence, a 'first impression' or primacy effect forms, where the prime information having more influence on the unitary impression (Anderson, 1973; Asch, 1946; Hogarth & Einhorn, 1992). Choice processes have been considered to be complex due to the integration and differentiation (Tetlock and Kim, 1987) as consumers are perceived to conform within alternatives and differentiating (e. g. compare and contrast) information between alternatives.

According to Atkinson and Shiffrin (1968), a primacy effect is a process in which early items are given higher levels of rehearsal and are transferred into a stable long-term memory store (LTs).

Research (e. g., Jones, Rock, Shaver, Goethals & Ward, 1968; McAndrew, 1981; Newton & Rindner, 1979) has established that individuals almost entirely dismiss information presented later in the process of forming judgements about other individuals, as long as the task does not require any advancement with time (Larkin, D'Eredita, Dempsey, McClure & Pepe, 1983).

Through the change-in-meaning hypothesis, earlier information could shadow the interpretation of later information when there is an occurrence of continuous, online and judgment-updating process which stimulates the

consumer to merge information to form an understandable complete impression of a product (an impression set).

Tetlock and Kim (1987) found choice processing to be complex due to the association of integration and differentiation. There is always a tendency of consumers amalgamating information within choices and differentiating information between alternatives.

Early items were better recalled due to the level of greater rehearsal Rundus (1971), and in different sets, middle items were poorly recalled while later items were simply recalled if assiduous in working memory (Wyer and Srull 1986). However, an online evaluative process could be initiated if a judgement is constructed on the basis of a foundation of information obtained from memory, as order effects on choice are not memory situated (Hastie and Park 1986; Lichtenstein and Srull 1985, 1987).

According to a wide range of research, consumers are found to be ‘cognitive misers’, as they give diminutive or no consideration in examining, analyzing and abstracting appropriate information about a brand (e. g.. Alba and Hutchinson 1987; Cialdini 1988; Langer, Blank, and Chanowitz 1978; Petty and Cacioppo 1986). In the process of such contingencies, crucial information is often condoned or underutilized with people being compelled by a variety of judgmental biases (Kahneman et al. 1982, Nisbett and Ross 1980).

In the selection of decision making, people might use a compensatory strategy that alters all appropriate information and arbitrates the good and bad countenances of each alternative. Although in some instances, the same
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person might use a non-compensatory decision strategy, which bypasses arbitrates amid values and works to decrease information processing challenges, by ignoring conceivably relevant problem information.

Furthermore, the use of certain decision strategies was found to be conditional on several tasks and context variables, in particular the number of alternatives (Payne, 1982). Most decisions about products are made through judgement biases or product expertise.

A number of studies (e. g., Jones, Rock, Shaver, Goethals & Word 1968; McAndrew, 1981, Newton & Rindner , 1979) have indicated subjects to entirely ignore late information in the process of evaluating others abilities, as long as the process does not include an improvement of ability with practice (Larkin, D'Eredita, Dempsey, McClure & Pepe, 1983). Newton & Rindner (1979) concluded the primacy effect to emerge through individuals terminating the process information as effective, as it attains a point of subjectively adequate information in creating an attribute.

In Asch's paradigm, subjects were acquainted with a list of objectives characterizing a hypothetical individual. Asch found words primarily in a list had more effect than those appearing late. According to Asch, subjects adopt an understanding of adjectives presented late in a list in terms of the adjectives received at the beginning, constructing an overall " Gestalt". Anderson elucidated the primacy effect in ways of weighted average model of information unification. He alluded that the understanding of the list of words continued to be constant, however the weight of each word presented by the subject declined forwards towards the end of the list.

In a series of experiments, subjects viewed a stimulus person who endeavoured to determine a number of problems which were exhibitiv of intellectual ability. An accomplice of the experimenter (stimulus person) sustained identical complete numbers of accurate answers in both patterns as they presented a series of pattern of ascending and descending achievements in trials. There was evidence of a persisting primacy effect as the learner was perceived as being significantly knowledgeable and prosperous after exhibiting accomplishments in initial trials (and decreased in performance) compared to his initial failure (and so there was a rise in performance).

Psychology proponents have claimed that serial effects emerge not only in understanding a list but also in tasks which require people to provide acknowledgements in items presented in a numerical sequence.

Nisbett and Ross (1980), in their influential book on social judgement noted, that in some instances the arrangement of appearance of information has no impact on final judgments as recency effects are found sometimes, these are the reservations reflecting a primacy effects found to be destructively more probable in several decades of psychological research.

In the present work we consider order effects of the following type: there are two pirces of evidence, A & B. Some subjects express as opinion after seeing the information in the order A - B; others receive the information in the order B - A. An order effect occurs when opinions after A - B differ from those after B - A. (on occasion, within subjects analysis is also possible; see, (e. g., Shantean, 1970).

The definition of order effects distinguishes our topic from others in which the terms primacy and recency have been used for example, Pennington and Hastie 1986 have demonstrated the importance of the first information jurors receive when constructing a mental representation of a purported crime – a “primacy” effect. In other situations belief revision is compared with normative standard such as Bayes theorem (see, e. g. Peterson & DuCharme, 1967).

Anderson and Hubert (1963), subjects made likableness ratings of a hypothetical character on the basis of ensembles of trait adjectives. In some conditions of the experiment, subjects were also asked to recall the objectives. Anderson and Hubert noted that when the recall data were summarised as serial positioning curves, a recency effect was obtained, however, the likableness rating data showed that early adjectives in the sequence had the greatest impact on subject’s final impressions, a primacy effect. Anderson and Hubert concluded that “ the impression memory is distinct from the verbal memory for the adjectives.

Consumer expertise

According to Jacoby et al. (1986), there are two major components within consumer knowledge which include familiarity and expertise. Familiarity is annotated as the count of product related experiences which have been acquired by the consumer while expertise is the ability to complete product-related tasks successfully. Consumer expertise is known to develop through an increase in product familiarity, although different tasks require discrete types of expertise and accordingly, task accomplishment are enhanced by discrete types of experiences.

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Many researchers have suggested an abridgement in the effort dispensed during consumer decision making and product usage to be of a major advantage of product familiarity (cf. Einhorn and Hogarth 1981; Hoyer 1984; Payne 1976; Russo and Doshier 1983; Thomas 1983; Wright 1975a).

In contrast, consumer research has extracted cognitive structure to be the factual knowledge that consumers subsume about products combined with the way the knowledge is arranged (e. g., Brucks 1986; Kanwar et al. 1981; Lutz 1975; Marks and Olson 1981; Mitchell 1982). The differentiation in various products and services is the primary function of cognitive structure that is useful towards the process of decision making, associated with the accurate knowledge reinforced by experience.

Another dimension of consumer expertise is the basic level, in which consumers have the ability to discriminate between products. Evidence from laboratory studies that used artificial stimuli found a heightened product familiarity that emerged mainly in an extended ability to categorize products within levels above and below the basic level (Mervis and Crisafi 1982; Murphy and Smith 1982). Consumers who are able to categorize below the basic level, can distinguish between products that differs in production with greater reliability. Dougherty (1978) and Kosch et al. (1976) found evidence of the basic level to be more peculiar as expertise advances. Experts are perceived to have the ability to prevent confusions between brands and commemorate brand-specific information.

According to Murphy and Wright (1984), the complexities that develop in the world arise as a result of new levels of categorizations and new criterion for

categorizations learned within the basic level. The expert becomes familiar to the different members of the same category and the similarities between members of different categories in this study it will be either the cheese could be mild or full flavour mature cheddar. In contrast, Rosch et al. 1976 & Fiske, Kinder, and Larter 1983 found information to be processed at the basic level as a result of minimizing cognitive effects. Experts will have a reduced cognitive effort in recognising the differences within products due to consistent exposure and a well-developed category structure that permits greater mass of information (Anderson 1983a; Chase and Simon 1973; Fiske et al. 1983; Hayes-Roth 1977; Thorndyke and Hayes-Roth 1979). When considering cognitive structure, the most prototypical members of a category are learnt first thus novice consumers are likely to recognise prototypical members than atypical ones but expert consumers are accustomed to both types. Prototypicality affects choice in evaluative processes where one has to determine the category but not a particular brand and also the analysis, elaboration and memory of a product. Furthermore, experts are equipped with highly developed conceptual structures and apprehended the significance of product information. Thus experts are more likely to scrutinise for unique information prior to making a decision (Duncan and Olshavsky 1982; Johnson and Russo 1984; Punj and Staelin 1983). This present experiment will try to determine if there is a relationship between consumer expertise and choice, as experts will be able to evaluate each type of cheese while recognising the distinctive features in each cheese.

Consumers can also engage in selective processing but the way novices and experts select the type of information differs (Gardner 1983; Wright and Rip 1980). When information is learnt by an expert and a novice, the expert relies on memory whereas the novice will engage in an external search or make an ill-informed decision. When there is a former evaluation existence or judgements formulated at the same time, the provocation attributes will be processed thus a judgement-referral strategy is frequently applied. In general this is in contrast with Hastie and Park's conclusion that recall correlates with attitude primarily when assessments are memory based and there is no existence of early evaluations of the attitude entity held.

In order effects there is a possibility in consumers locating their judgements on a single attribute, regardless of the existence and recollection of alternative attributes, while some will use range restriction in making decisions. However, such lexicographic judgements have ways of producing correlations with low recall-attitudes. Attribute recall is a substantial factor as consumers necessitate product similarities or an evaluation of situational suitability when purchasing and when they acquire usage decisions (Belch and Lutz 1981; Biehal and Chakravarti 1983; Loken and Hoverstad 1985). Although studies have established some attributes that affect consumer decisions, there is no existence of research done where participants were tested using a sequence of Latin Squares.

Thus this study has four options (A, B, C and D), comparisons will be made in a sequential order from left-to-right for example B will be compared to A but never vice versa (Houston and Sherman, 1995; Houston et al., 1989; Mantel and Kardes, 1999; Sanbonmatsu et al., 1991). Tversky (1977), suggested a <https://assignbuster.com/consumer-choice-primacy-effects-in-decision-making/>

contrast model that in comparing B to A for example, more consideration will be drawn to B as people will not incorporate features of both options but instead they will base their comparisons on the features of the options at focal point, which he referred to as the subject. However, simultaneous presentations can only yield a direction-of-comparison effect in multiple comparisons. When unique positive features are concerned, there will emerge a comparison process that will give an advantage to the option that appears in the second position but it differs when comparing ones with unique negative features as the first option will be adopted (Houston and Sherman, 1995; Houston et al., 1989; Mantel and Kardes, 1999; Sanbonmatsu et al., 1991). The direction-of-comparison can only be removed when all options are compared to others in a choice sequence (Houston and Sherman, 1995) and this is usually evident among experts.

Method

Twenty students from Leeds Trinity University College were recruited via an advertisement poster to participate in a study of “cheese tasting” (12 women and 8 men with ages ranging from 19 with an average age of 35). The advertisements were posted around the Psychology departments and participants received 30 course credits.

Design and Procedure

Participants were informed that they would taste four different types of cheeses A (mature cheddar), B (gouda), C (edam), and D (mild cheddar). Primacy effects were tested in four groups in Latin Squares, beginning with the order ABCD, BCDA, CDAB and then DABC. Participants were randomly assigned to one of the four groups. Among the twenty participants, the first <https://assignbuster.com/consumer-choice-primacy-effects-in-decision-making/>

five participants sampled the order ABCD, secondly the next five sampled the order BCDA and so on until all orders had been sampled. The experiment took place in the Psychology Laboratory at Leeds Trinity University.

Participants were given an information sheet which explained the cheese tasting procedure and were instructed on how to sample each cheese. The sampling procedure lasted approximately 5mins to complete. At the end of the tasting sequence, each participant was asked “ Which cheese was your favourite?”. After the completion of the entire procedure, participants were debriefed.

Results

The graph indicates the mean probability of choice in different Latin Square conditions. Primacy effects are shown in three serial-position curves; as first pieces of cheese were preferred more than the second, third and fourth.

However, there was a high recency effect among one of the conditions which reflected a high preference on the last piece of cheese in the sequence. For analysis, a Chi-squared test was employed to establish mean probabilities in choice. A relationship was found between consumer choice and primacy effects; $\chi^2(9, N= 20)= 17. 156, p= . 046 .$

Results for mean probability of choice as a function of serial position in a sequence of Latin Square orders.

Discussion

Firstly, a primacy effect was found in the measure of preference of cheese in three conditions, though two held high percentages. An average of 45% of individuals preferred the first item of cheese. However, a high recency effect was established in the ABCD Latin Square order. As the order was arranged <https://assignbuster.com/consumer-choice-primacy-effects-in-decision-making/>

in Latin Squares, participants preferred the cheese in position A which reflects expertise. Participants were able to sample, assess and evaluate each cheese as they tasted it. The

Novices are likely to make recency choices as they are unable to make comparative evaluations among the cheese samples in the process of decision making. Compared to experts, novices engage in small searches, have inadequate expertise in using

Because novices may engage in less search, lack the expertise to use other retrieval cues (see later), and are less equipped to make product comparisons, they are more likely to be influenced by top-of-mind brand and attribute awareness or by cues available at the point of purchase.

(Miller (1956) has pointed out that information processing capabilities of individuals required to make discriminative judgements).