Choice Overload and Online Approach Behavior

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ABSTRACT

This study examines how the number of choices offered on a website influences consumers’ internal states (affective and cognitive responses) and their approach/avoidance behavior during online apparel shopping. Focus-group and questionnaire data collection methods with a 3 (number of choices) by 3 (presentation formats) factorial experimental design were employed. The theoretical frameworks, “choice overload” and “online store atmospherics and shopper response,” were applied. A total of 382 usable responses were collected. Although the interaction proposed in the study was not statistically significant, the findings of the study show that the effect of choice overload may not only influence the in-task generated responses but also have a deeper and long-lasting impact on the online consumer behavior. The respondents react to the large choice set on the basis of feelings and emotions (affective responses), and these responses ultimately lead to a subsequent attitude and approach behavior.

KEYWORDS

Apparel Online Shopping, Information Presentation, Interface Consistency, Visual Merchandising

INTRODUCTION

The development of the web has brought a number of benefits to businesses, such as providing a new channel to distribute products and services, enhancing customer interactions, and facilitating the marketing activities (Ragins & Greco, 2003). Having an e-commerce presence has become essential for companies to remain competitive. The U.S. Department of Commerce (2018) reported that the e-commerce share of total U.S. retail sales in the first quarter of 2018 was 9.5 percent, about 123.7 billion. This is an increase of 16.4 percent compared to the first quarter of 2017. The sales of e-commerce have been steadily growing since 1992 (The U.S. Department of Commerce, 2018). One of the factors that contributed to the growth of e-commerce has been its capability of presenting/viewing an extensive range of products, a convenience for companies and customers (Turban et al., 2012). A physical store is space limited, but the online environment is malleable and expandable. Some retailers provide substantial color variations online but only display a couple of colors of the same product in the physical stores for showcasing. Some of them have offered online exclusive products. It seems to the retailers that the essentially unlimited online space provides a new opportunity to satisfy their consumers.

However, according to the studies of choice overload, presenting too many options is likely to induce negative responses in customers, colloquially referred to as the paradox of choice (Iyengar, Huberman, & Jiang, 2004; Iyengar & Lepper, 2000; Iyengar, Wells, & Schwartz, 2006; Oulasvirta,
Hukkinen, & Schwartz, 2009; Schwartz, 2004). Which brand of athletic shoes should one purchase? Which restaurant should one pick for a party? Which flight should one take for a get-away trip? While companies strive to introduce various products to satisfy the diverse preferences of their consumers, providing too much choice could lead to confused and less happy consumers. In contrast to the classic economic and psychological theory that the more choice, the better, field observation and lab experiments conducted by Iyengar and Lepper (2000) concluded that having more choice may be demotivating. The choice-overload effect has been observed in different contexts (e.g. grocery shopping, charity donation, prize drawing, and essay topics) or with various product categories (e.g. jams, mp3 players, pens, and chocolates). The potential negative outcomes of choice overload identified by researchers include frustration, dissatisfaction, post-choice regret, post-choice dissatisfaction, ambivalence about choice outcomes, choice deferral, and less motivation to choose (Chernev, 2003; Greifeneder, Scheibehenne, & Kleber, 2010; Haynes, 2009; Iyengar et al., 2004; Iyengar & Lepper, 2000; Oulasvirta, Hukkinen, & Schwartz, 2009; Shah & Wolford, 2007).

While the effect of choice overload has been observed in various contexts, the effect has not been broadly examined in the online context. On the other hand, many research studies in online retailing have found that the atmospheric qualities of a virtual store can influence shoppers’ approach/avoidance behaviors through the intervention of affective and cognitive states (Eroglu, Machleit, & Davis, 2001; Kim & Lennon, 2008; Prashar, Vijay, & Parsad, 2015). When entering a website, the images of products presented and the number of them can be deemed as atmospheric cues. Thus, combing the research background of the two literatures, the authors of the present study proposed that the number of choices shoppers are exposed to on a webpage has a significant impact on their shopping behavior.

This present study adopted the conceptual model of online store atmospheres and shopper responses proposed by Eroglu, Machleit, and Davis and the model of choice overload proposed by Tung and Burns (2014) to examine the effect of the number of choices and of the presentation formats on the consumer responses and how the experience, in turn, influences consumers’ approach/avoidance behavior. Additionally, the authors are also interested in how to mitigate the effect of choice overload in the online context. Due to the lack of choice overload research in the online consumer behavior, focus groups were conducted to develop the experimental stimuli and questionnaire questions for affective and cognitive responses. In sum, although the interaction proposed in the study was not statistically significant, the findings of the study show that a large choice set could induce consumers’ negative responses in the online environment as well. Moreover, affective responses mediated the relationship between the effect of choice overload and cognitive responses.

THEORETICAL FRAMEWORK

Choice Overload

Researchers in consumer decision making have found that adding more options may not always result in positive outcomes (Beattie et al., 1994; Iyengar & Lepper, 2000; Schwartz, 2004; Simonson & Tversky, 1992; Tversky & Shafir, 1992). For instance, in Iyengar & Lepper’s classic jam study, they found that while displaying 24 different exotic jams at the sample booth (the large choice set) in the supermarket, only three percent of the sampling shoppers actually purchased one of the jams. However, 30 percent of the sampling shoppers purchased one of the jams during the display of only six jam samples (the small choice set).

Their study has inspired many other researchers. Later studies in choice overload has been focusing on two directions: a) the impact of the number of choices on outcome responses in different contexts (Reutskaja & Hogarth, 2009; Shah & Wolford, 2007) and b) the impact of moderators that could mitigate the effect (Chernev, 2003; Haynes, 2009; Scheibehenne, Greifeneder, & Todd, 2009). The experimental findings have become the “building blocks” to help understand the effect of choice
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