Choice Overload

So many choices
So little time!
When Choice is Demotivating: Can One Desire Too Much of a Good Thing?

Sheena S. Iyengar & Mark R. Lepper
Popular ideas

- “More choice, the better”
- Human desire for choice “unlimited”
- Aisles of potato chips
- Enormous fast food options to “have it our way”

The CARTOON KRONICLES
Exasperated grocery shopper
Two sides of a coin..

- **Choice is GOOD**
  - Increases intrinsic motivation
  - Enhances performance (in some cases - preference matching contexts)
  - Exciting & attractive

- **Choice is BAD**
  - Difficult to manage
  - Need expert opinions
  - Frustrating
  - More regret
The famous jam study

supermarket

Tasting booth

24

60%

3%

More shoppers stop to sample

Choice overload = fewer purchases

24 varieties on display

6

$1 concession

6 varieties on display

40%

30%

10x jam purchased

Fewer shoppers stop
Study 2: Students essay

- Optional extra credit essay in class
- Two conditions
  - Limited-choice (6)
  - Extensive choice (30)
- Two measures:
  - % of students who completed
  - Quality of essay

Quality: Limited > Extensive

- Limited choice: 74%
- Extensive choice: 60%

65%
Hypothesis at the end of Study 1&2

- **Hypothesis 1:**
  - Choosers in extensive choice set are more likely to use a satisficing heuristic.
  - While, choosers in limited choice context are more likely to use optimizing heuristic.

- **Hypothesis 2:**
  - Choosers in extensive choice contexts
    - enjoy choice making process more
    - Feel more responsible
## Study 3: Chocolates

<table>
<thead>
<tr>
<th>Choice Type</th>
<th>Time</th>
<th>Number of choices</th>
<th>Enjoyability</th>
<th>Satisfaction</th>
<th>Purchasing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extensive choice: 30</td>
<td>24s</td>
<td>Too many</td>
<td>Enjoyable</td>
<td>5.46</td>
<td>12%</td>
</tr>
<tr>
<td>Limited choice: 6</td>
<td>9s</td>
<td>About right</td>
<td>Frustrating &amp; difficult</td>
<td>6.28</td>
<td>48%</td>
</tr>
<tr>
<td>No choice</td>
<td></td>
<td></td>
<td></td>
<td>4.92</td>
<td>10%</td>
</tr>
</tbody>
</table>
Hypothesis Supported/Not Supported

- Hypothesis 1:
  - Choosers in extensive choice set are more likely to use a satisficing heuristic
  - While, choosers in limited choice context are more likely to use optimizing heuristic

- Hypothesis 2:
  - Choosers in extensive choice contexts enjoy choice making process more
    - More difficult
    - More frustrating
    - More dissatisfied
    - More regret

Satisficing heuristic in both cases

Also feel more responsible
Choice Overload worsens..

- Cost associated with making the “wrong” choice, or even beliefs that there are truly “wrong” choices (e.g. stock market)
- Substantial time and effort would be required for choosers to make truly informed comparisons among alternatives
- PARADOX: As the freedom of individuals expands, so too does their dependence on institutions and other people
Can There Ever Be Too Many Choices? A Meta-Analytic Review of Choice Overload

Benjamin Scheibehenne, Rainer Greifeneder & Peter M. Todd
Arguments in favor of choice overload hypothesis

- Makes choice more difficult
  - as the differences between attractive options get smaller
  - the amount of available information about them increases
- Exhaustive comparison is undesirable from a time & effort perspective
- Decisions makers satisfaction decreases

Arguments against choice overload hypothesis

- Large variety of choices
  - increases the likelihood of satisfying diverse consumers
  - Do not have to search for options
- Allows direct comparison & get a sense of overall quality distribution
- Increases freedom of choice
What is Meta-Analysis?

- Combines results from multiple studies
- Uses statistical techniques
- Improves estimates of the size of the effect
- Resolves uncertainty in reports
Difference in study
Meta - Analysis Choice Overload

- Adverse effects due to increase in choices not very robust
- Overall effect size is ZERO
- Large positive and large negative effect reported
- CONCLUSION: more choice is better with regard to consumption quality and if decision makers had well-defined preferences prior to choice
- Choice overload does occur depending on moderator variable
Confused by too many choice?
Choice overload in tourism

Jeomg-Reol Park & SooCheong Jang
Hypothesis

1. Choosing ‘No choice’ decreases as more choices given. BUT, increases when too many choices presented.

2. Chance of ‘No choice’ differs between familiar & unfamiliar destinations

3. Difference in level of perceived regret between those chose a product and those who chose ‘no choice’

4. Perceived regret across various number of choices differs between those who made a choice and those who made ‘no choice’
Study

- Spring destination. Two choices:
  - Familiar destination
  - Unfamiliar destination
- Choice sets: 1, 3, 10, 20, 30
- Familiar: 18.75% - no choice
- Unfamiliar: 23.87% - no choice
No choice graph

Choice overload starts

Fig. 3. The pattern of likelihood to make 'No Choice'.
Result: Hypothesis

1. Choosing ‘No choice’ decreases as more choices given. BUT, increases when too many choices presented.

2. Chance of ‘No choice’ differs between familiar & unfamiliar destinations

3. Difference in level of perceived regret between those chose a product and those who chose ‘no choice’

4. Perceived regret across various number of choices differs between hose who made a choice and those who made ‘no choice’
Implications & Suggestions

- More than 22 options in a choice set may drive consumers to make ‘no choice’ which would eventually lead to losses for the tourism product supplier.

- Suggestion: develop a screening process
  - Budget?
  - Favorite hotel?
  - Duration of stay?
  - Preferred activity?

- Do no show hundreds of options
- Provide 22 or less choices