

An Economic Formulation of Maximizing Tendency: Maximizing and Choice Complexity

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Motivation

- In terms of a simple economic search model: we define maximizing tendency as a relative preference for unconstrained optima despite the existence of constraints such as search costs.
- This definition fits with modern psychological definitions of wanting the best and searching alternatives more thoroughly.
- Maximizing tendency is positively related both with brand loyalty and decision difficulty.
- We investigate whether maximizers' loyalty to a brand translates to the use of brand as a heuristic to simplify the decision-making process.**

Research Question and Strategy

How Well Do Maximizers Compensate for Increased Choice Complexity?

Varied Complexity Example

2015 Acura TLX

4.1/5 stars

Mileage: 9,535	Fuel: Gasoline
Exterior Color: Graphite Luster	Engine: Premium Unleaded V-6 3.5 L/21
Transmission: 9-Speed Automatic with Overdrive	Interior Color: Ebony
Drivetype: FWD	

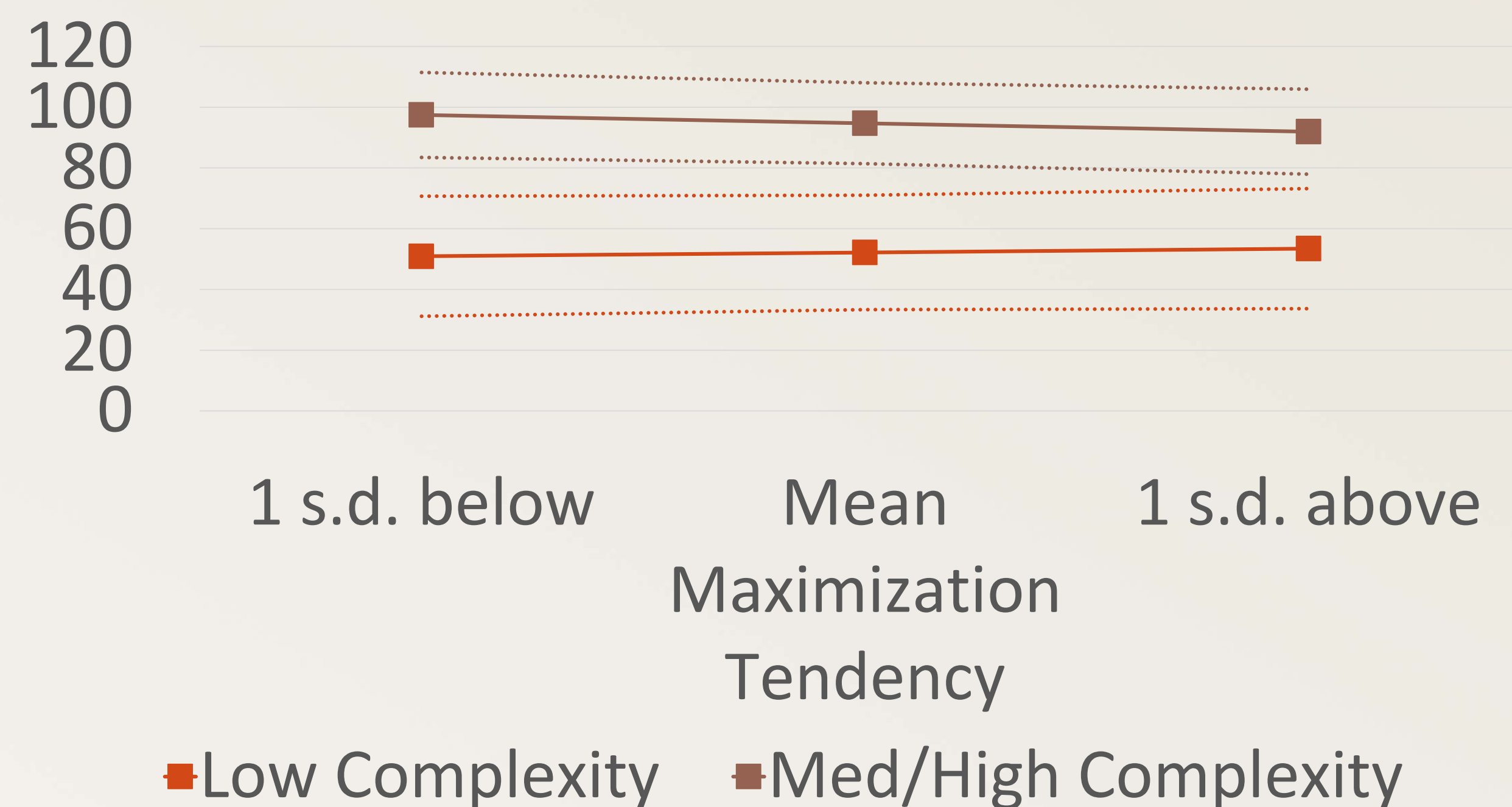
4-wheel ABS Brakes	Memorized Settings including door mirror(s)
Adjustable Steering Wheel	MP3 Player
Aluminum Wheels	Multi-Zone A/C
AM/FM Stereo	Passenger Air Bag Sensor
Audio controls on steering wheel	Passenger Airbag
Automatic Headlights	Passenger Illuminated Visor Mirror
Back-Up Camera	Passenger Vanity Mirror
Bluetooth Connection	Pass-Through Rear Seat
Brake Assist	Power Door Locks
Bucket Seats	Power Driver Seat
CD Player	Power mirror(s)
Child Safety Locks	Power Passenger Seat
Climate Control	Power remote trunk release
Cruise Control	Power steering
Daytime Running Lights	Power windows
Digital Audio Input	Premium Synthetic Seats
Driver Adjustable Lumbar	Rear bench
Driver Air Bag	Rear Defrost
Driver and passenger knee airbags	Rear Head Air Bag
Driver illuminated vanity mirror	Satellite Radio
Driver seat memory	Security System
Driver Vanity Mirror	Smart Device Integration
Dual reverse tilt mirrors	Stability control
Electrochromic rearview mirror	Steering Wheel Audio Controls
Engine Immobilizer	Sun/moonroof
Floor Mats	Tire Pressure Monitoring System
Front Head Air Bag	Tires - Front Performance
Front Side Air Bag	Tires - Rear Performance
Heated driver mirror	Traction Control
Heated front seat(s)	Trip Computer
Heated passenger mirror	Turn signal in mirrors
Intermittent Wipers	Universal Garage Door Opener
Keyless Entry	Variable Speed Intermittent Wipers
Keyless Start	Woodgrain Interior Trim
Leather Steering Wheel	

- 197 participants from Amazon Mechanical Turk are presented with a series of three hypothetical purchasing decisions.
- Each decision is between five or six products of the same type:
 - 1) Mobile Phones
 - 2) Automobiles
 - 3) Hotel Stays
- Decisions vary with respect to the number of feature presented about each product.
- Maximizing tendency is measured using variants of the Maximizing Tendency Scale and the Maximization Inventory, validated by factor analysis.

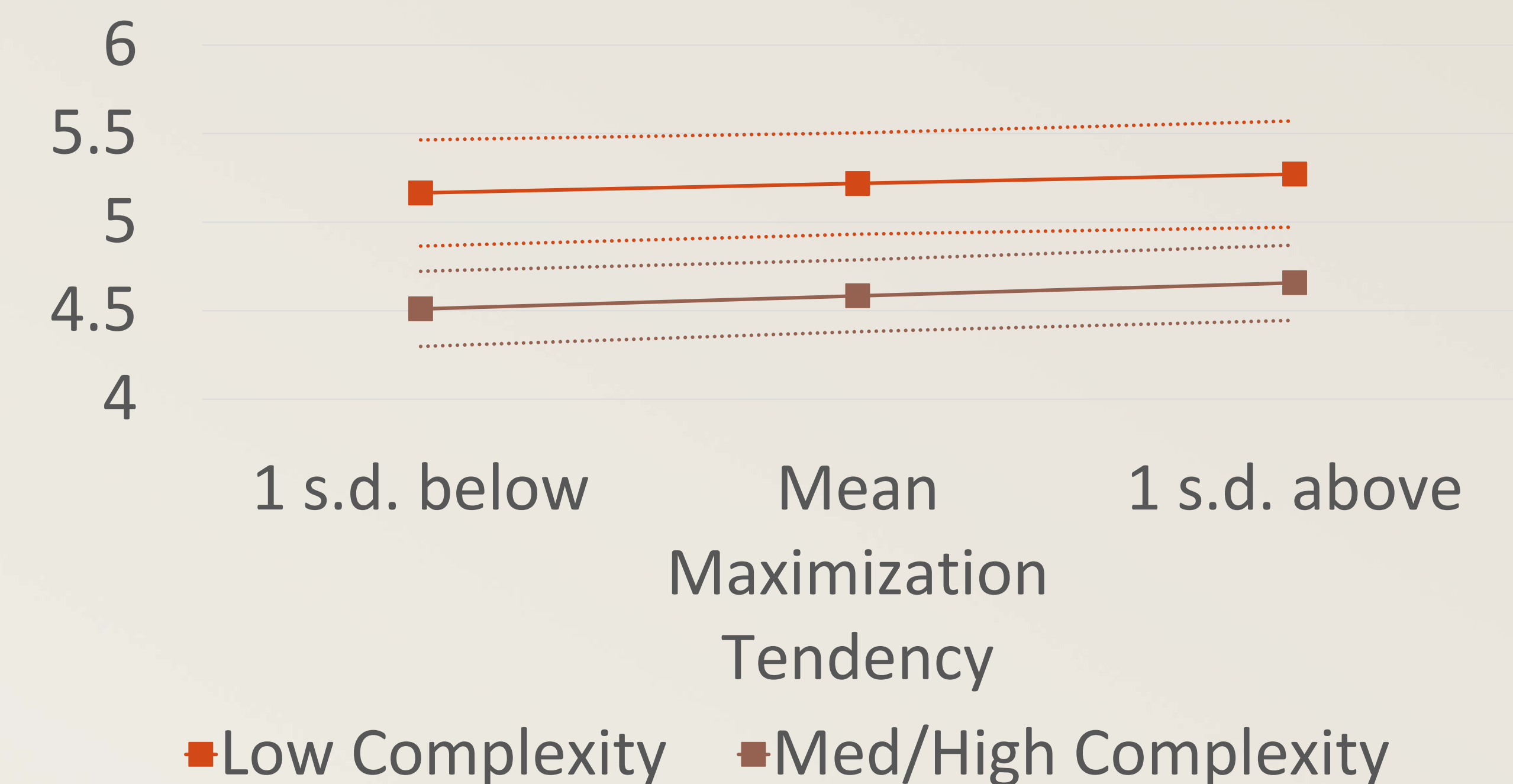
Results

Effect of Maximizing Tendency on Decision Variables, by Complexity

Number of Seconds to Make Decision



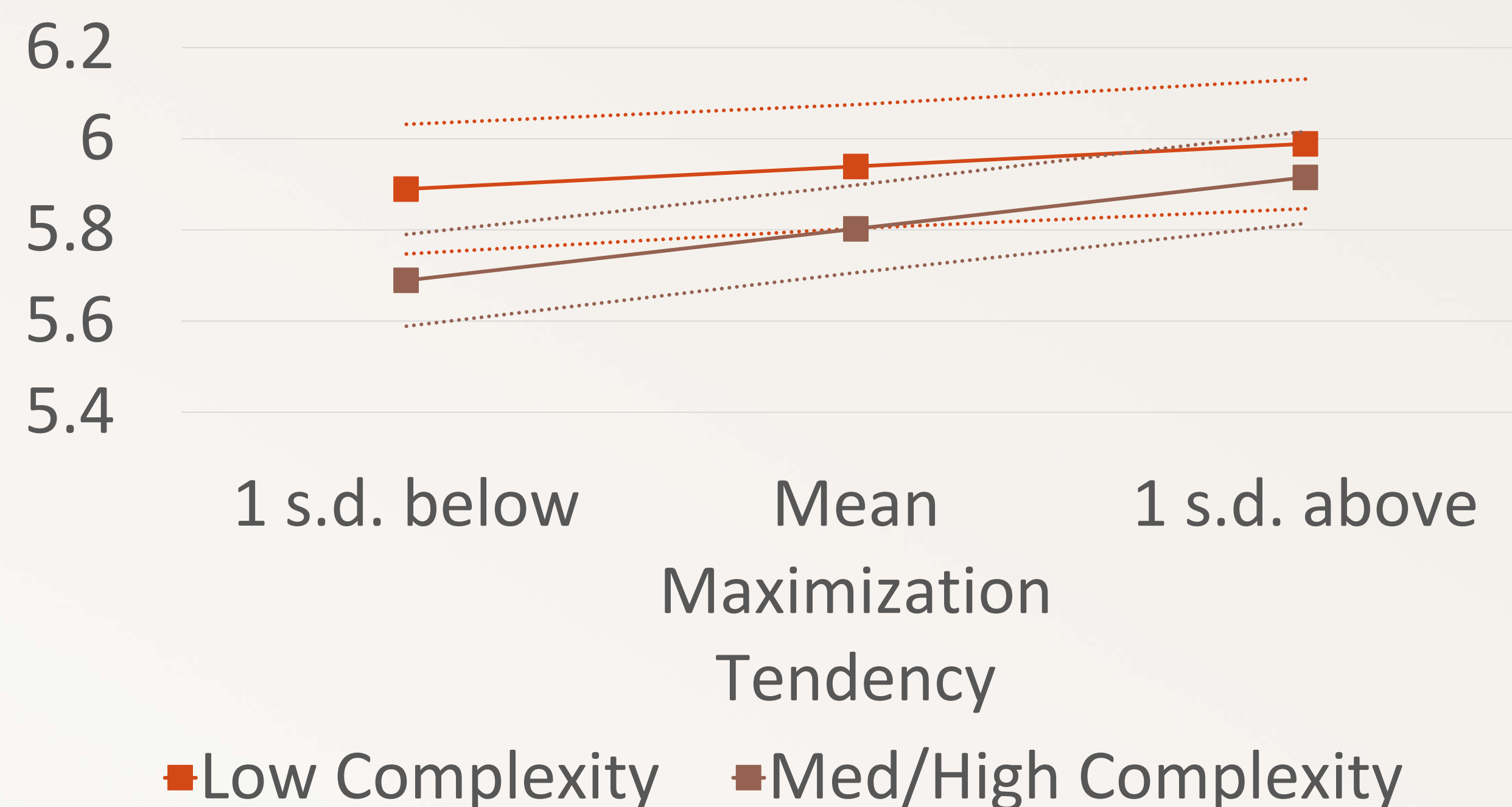
I Relied on a Familiar Brand



- Complexity increases time spent on a decision ($p < 0.01$), but the effect is stronger for those with low maximizing tendency.
- When complexity is high, maximizing tendency decreases time spent ($p = 0.087$).

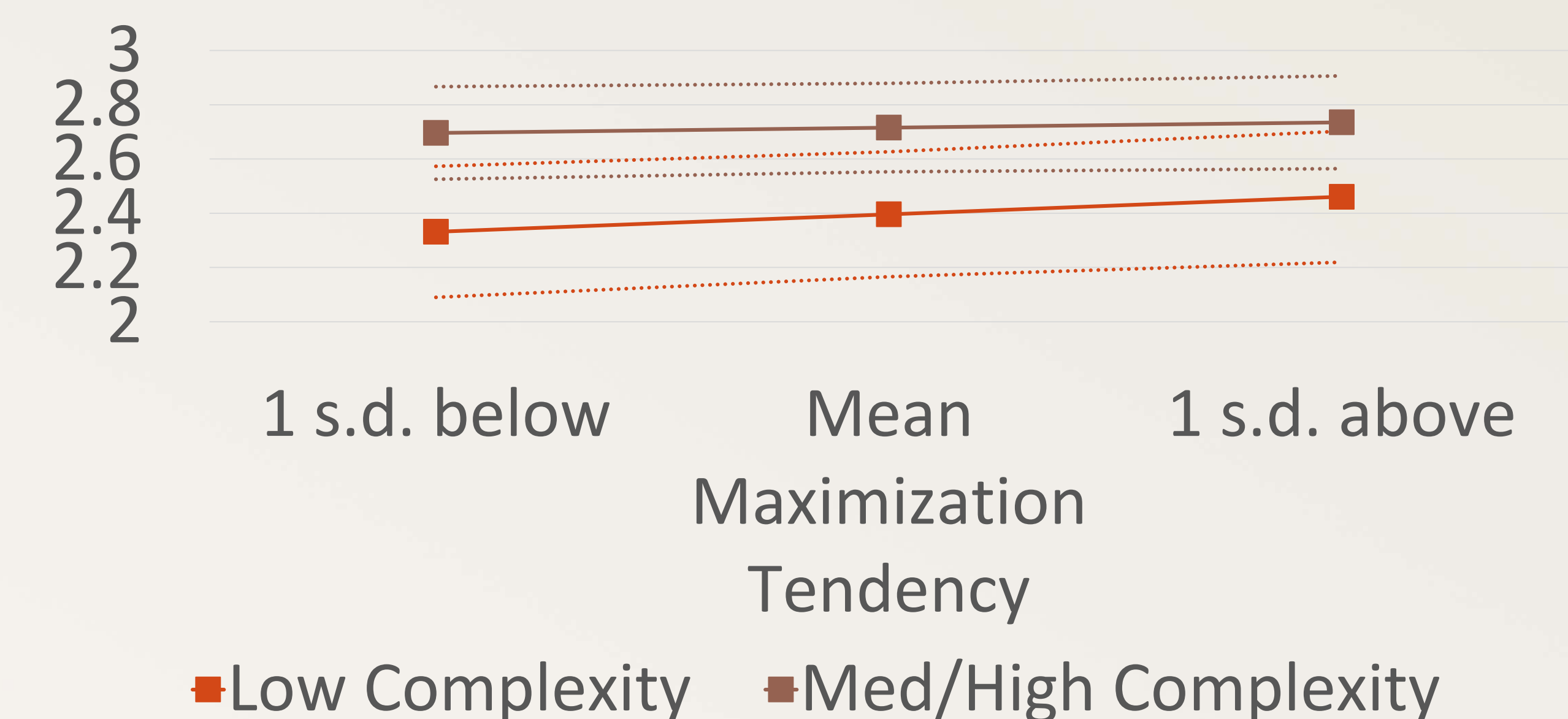
- As more features are available, all participants rely less on brand ($p < 0.01$).
- Maximizing tendency has a positive, though not statistically significant, effect on brand reliance ($p = 0.25$).

I Chose the Best Option



- Maximizers feel more confident in their choices ($p = 0.026$).
- This effect is larger when complexity is high ($p = 0.018$).

How Difficult Did You Find This Decision?



- Those with high maximizing tendency experience more decision difficulty ($p = 0.09$).

Conclusions

- Maximizers adapt better to increased complexity in terms of time spent choosing and confidence in their choice.
- This propensity for adaptation comes at the cost of higher difficulty, even in less complex decisions.
- Brand reliance does not appear to be the mechanism of adaptation.
- More research is needed to verify more explicitly how maximizers adapt to complexity.