An Economic Formulation of Maximizing Tendency: Maximizing and Choice Complexity

Austin M. Miller, School of Economic Sciences,
Joyce Ehrlinger, Department of Psychology,
Washington State University

Motivation

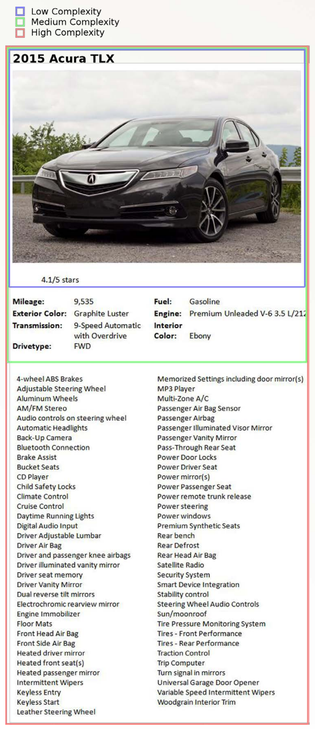
- In terms of a simple economic search model: we define maximizing tendency as a relative preference for unconstrained optima despite the existence of constraints such as search costs.
- This definition fits with modern psychological definitions of wanting the best and searching alternatives more thoroughly.
- 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

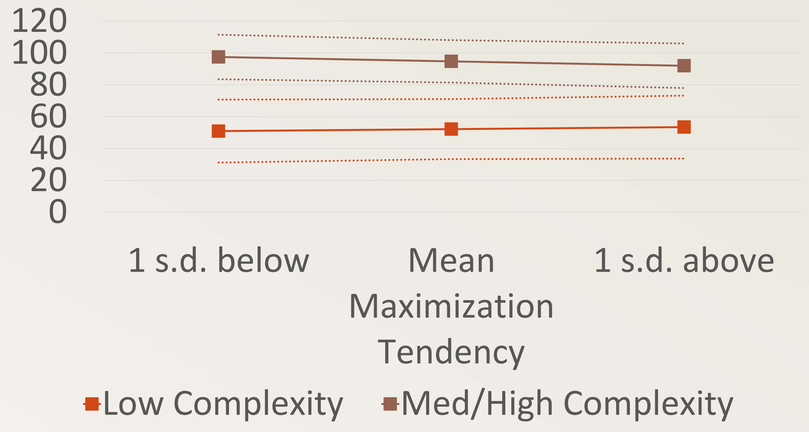


- 197 participants from Amazon Mechanical Turk are presented with a series of three hypothetical purchasing decisions.
- Each decision is between five or six products of the same type:
  1) Mobile Phones
  2) Automobiles
  3) Hotel Stays
- Decisions vary with respect to the number of feature presented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

Results

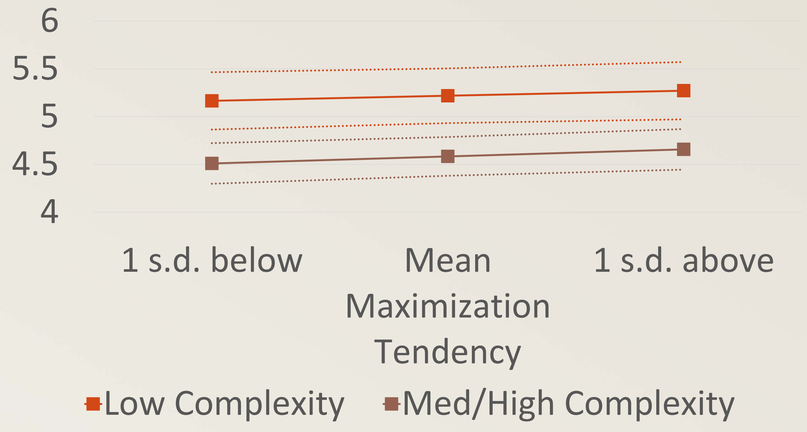
Effect of Maximizing Tendency on Decision Variables, by Complexity

Number of Seconds to Make Decision



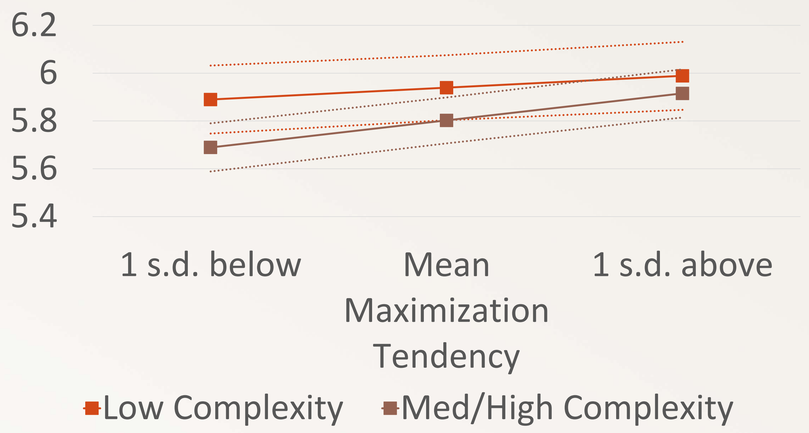
- Complexity increases time spent on a decision ($p<0.01$), but the effect is stronger for those with low maximizing tendency.
- When complexity is high, maximizing tendency decreases time spent ($p=0.087$).

I Relied on a Familiar Brand



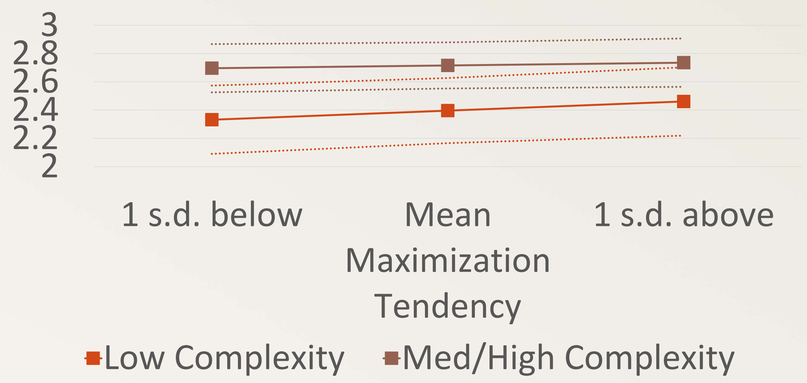
- As more features are available, all participants rely less on brand ($p<0.01$).
- Maximizing tendency has a positive, though not statistically significant, effect on brand reliance ($p=0.25$).

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.