



Asymmetric Variety Seeking in Hierarchical Choices

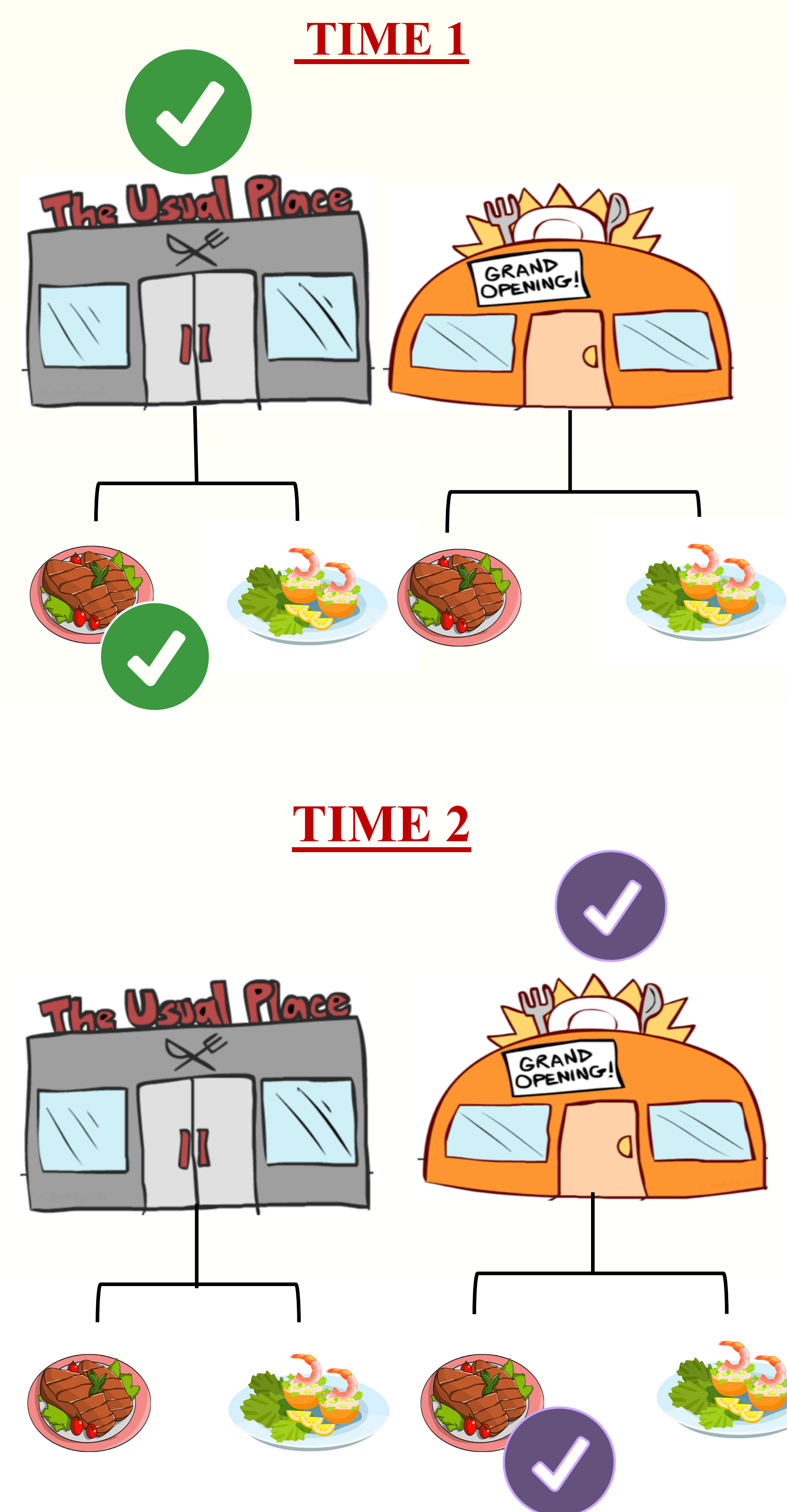
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Introduction

- People frequently seek variety when choosing hedonic experiences for themselves (Ratner, Kahn & Kahneman, 1999; Simonson, 1990).
- However, it is possible that when these choices require navigating through multiple hierarchical levels of a search, the desire for variety may be satisfied **asymmetrically**.
- **Hypothesis:** Whether choosing between restaurants to eat in, spas to get services from, or hotel room to book, consumers **satisfy their desire for variety at higher levels of a decision hierarchy, leading them to be more choice-concentrated at lower levels of the hierarchy.**



Hierarchy vs Categorization

	Hierarchy	Categorization
Level 1	A choice (eg., Choice of restaurant to eat at)	Product described in general terms (e.g. Italian food)
Level 2	Another choice (eg., Choice of food at the restaurant chosen)	Same product described in specific terms (e.g. pizza)

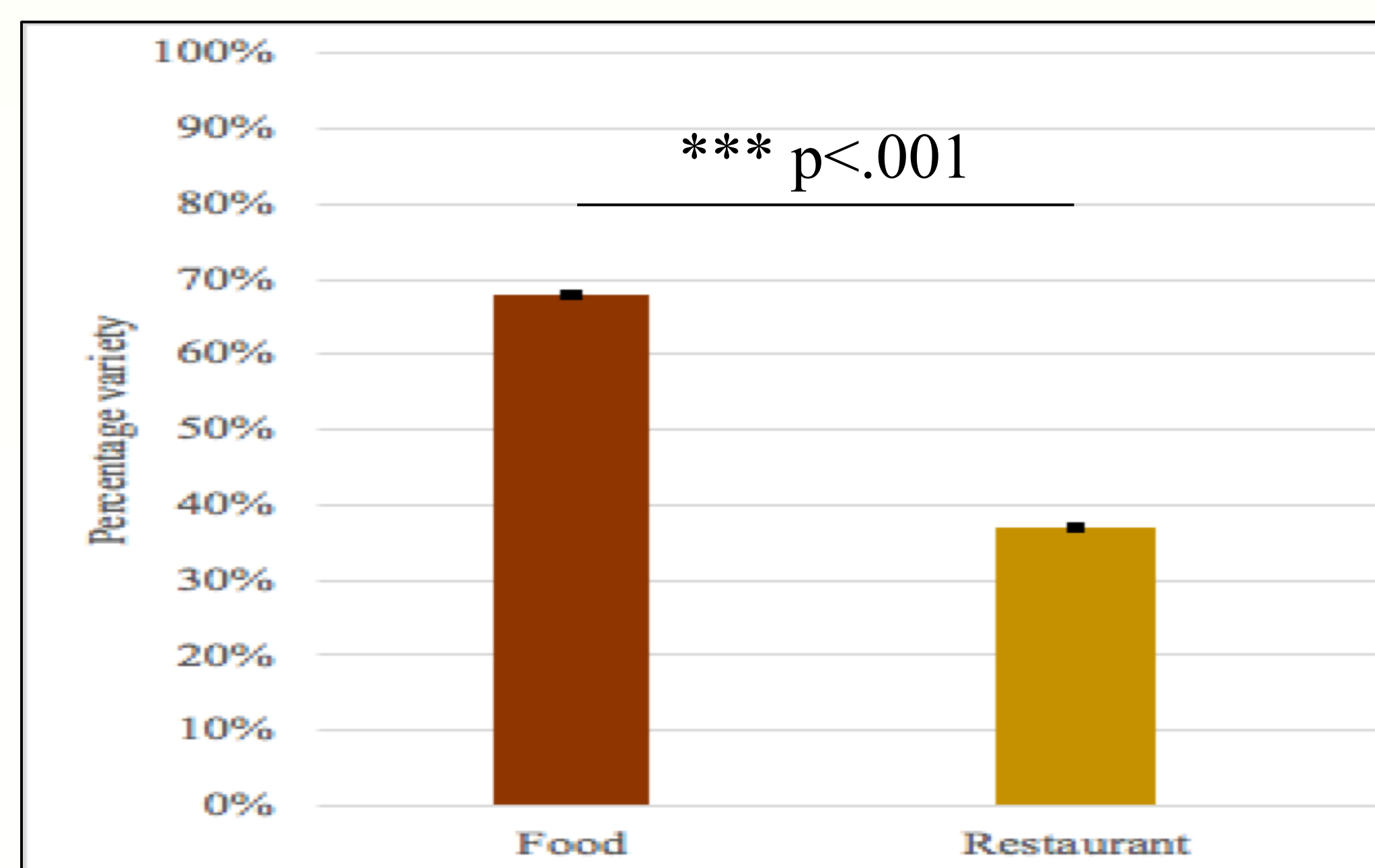
Therefore, a **Hierarchy** is **multiple choice platforms** in a ladder-like decision journey; **Categorization** is **framing the same product** in different terms.

Secondary Data Analysis

Collaboration with a large **food delivery app**

Data: consumers' dishes, orders & cuisine types.

- 8,000 consumers
- Top 20 cities in US
- Entire year of 2018



Result: Opposite of prediction – Ps preferred more variety at **lower levels**.

BUT: We were unable to control for BASE RATES

Experimental Data Analysis

Sample Design

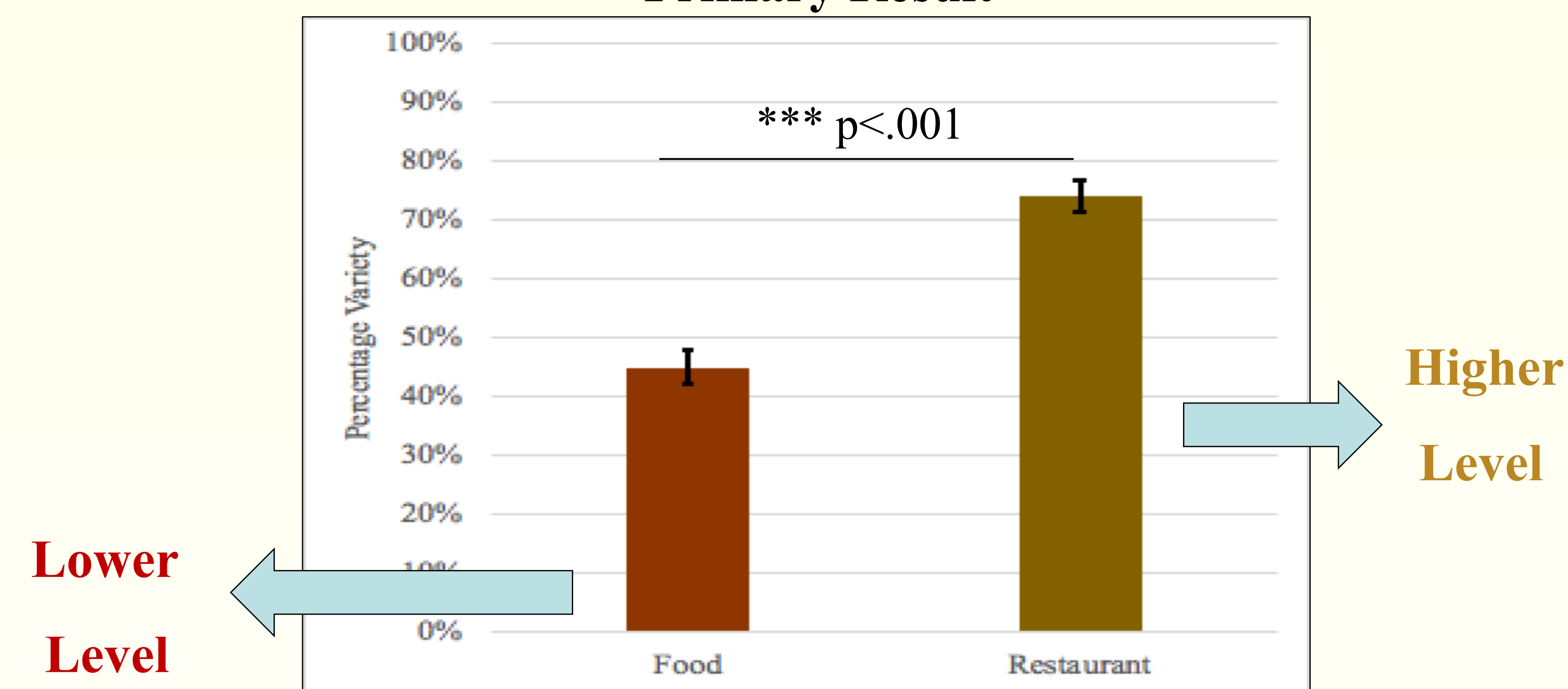
Participants made **5 (hypothetical) restaurant & 5 (hypothetical) dish choices** over

5 (hypothetical) weeks

5 restaurant options, 5 dish options (to control for base rates)

- | | |
|---|---|
| <input type="radio"/> Szechuan Cuisine | <input type="radio"/> Orange Chicken (\$8.99) |
| <input type="radio"/> Triple Emperors | <input type="radio"/> Mongolian Beef (\$9.99) |
| <input type="radio"/> Cantonese Delight | <input type="radio"/> Shrimp Dumplings (\$6.99) |
| <input type="radio"/> Cheng's | <input type="radio"/> Fried tofu curry (\$7.99) |
| <input type="radio"/> Chopsticks | <input type="radio"/> Ground pork cups (\$8.99) |

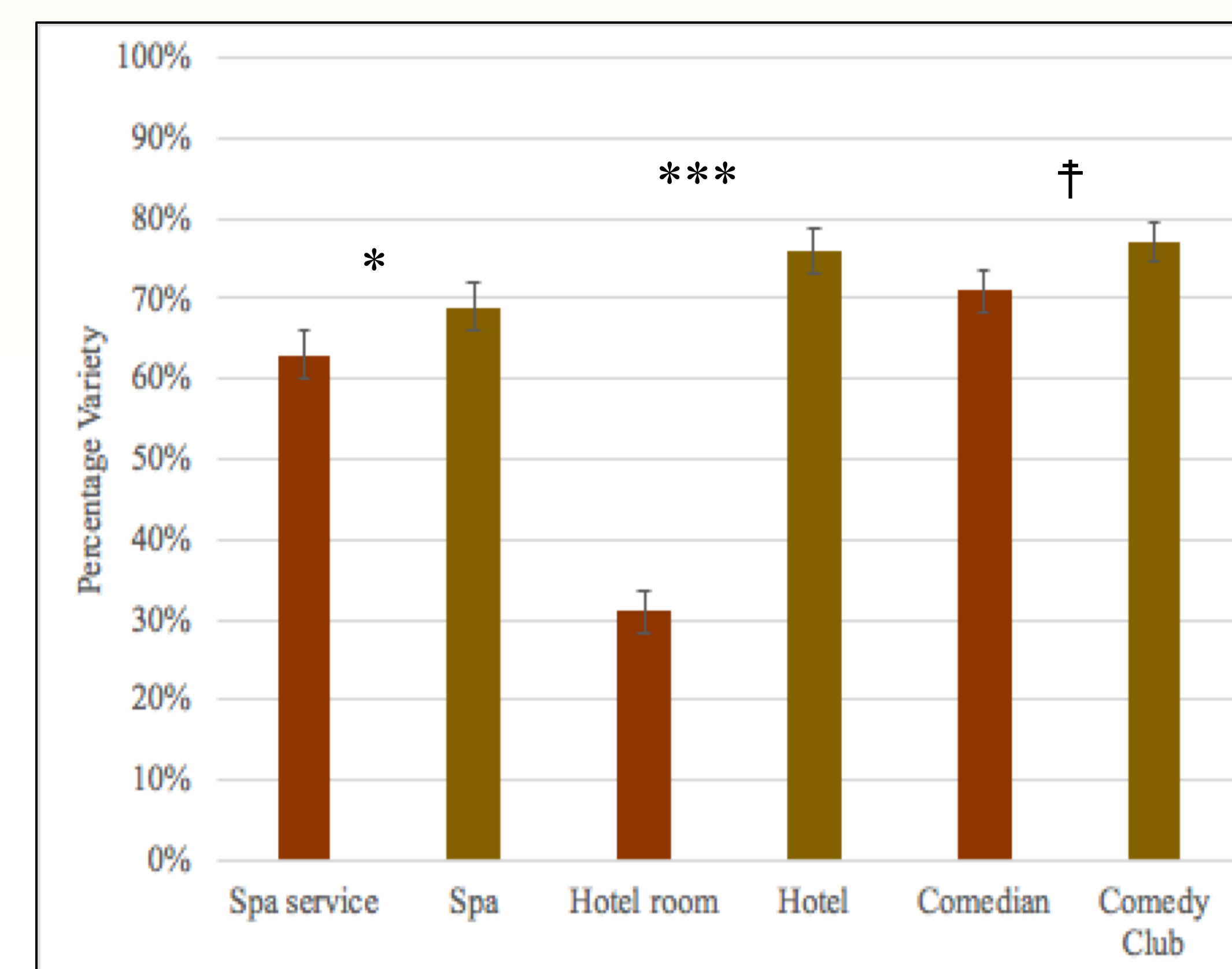
Primary Result



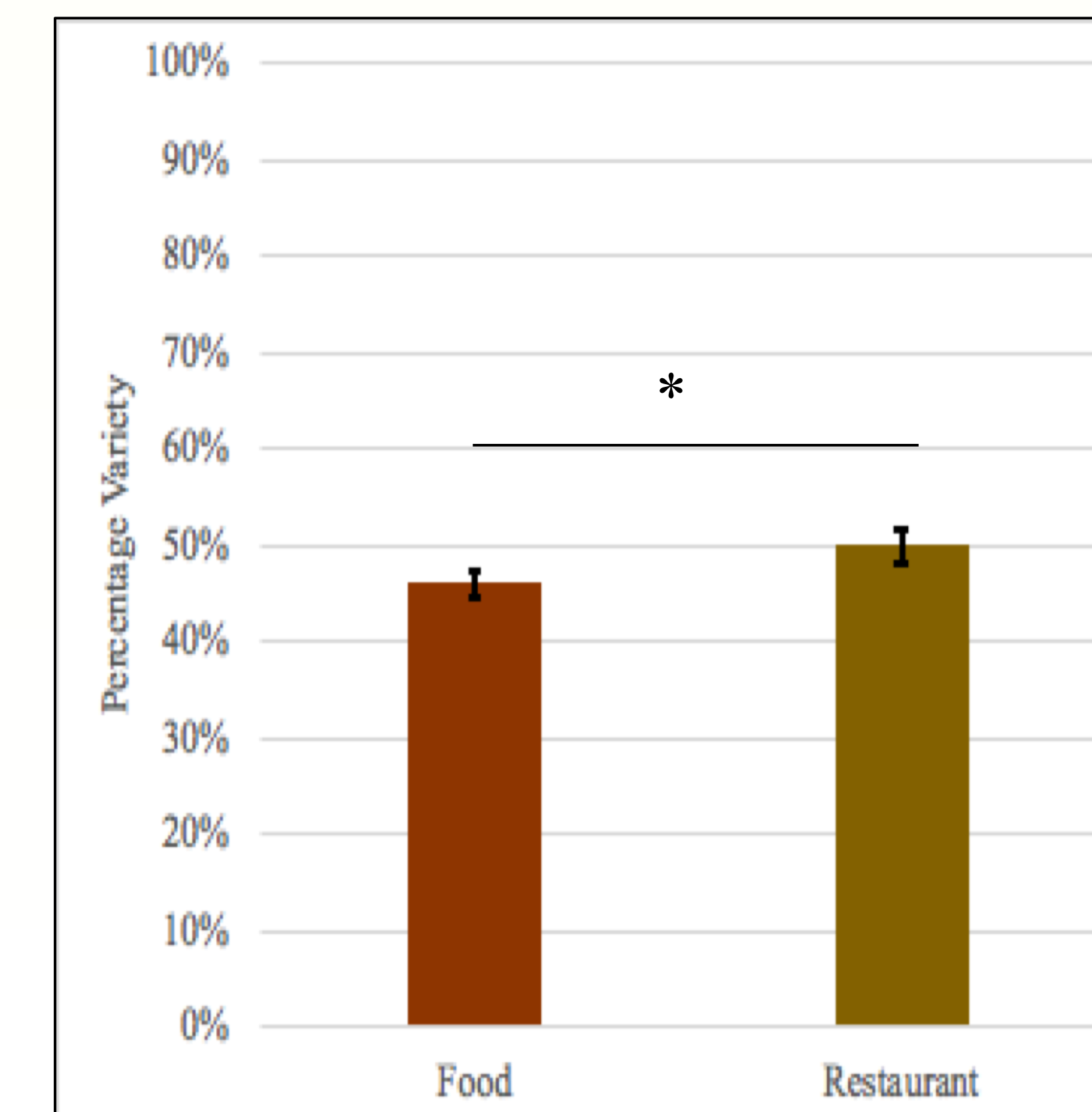
Result: Consumers preferred **more variety** at **higher levels**, and **less variety** at **lower levels**, after we are able to control for base rates.

This result holds:

Across Domains



When order of choice is reversed



*** p<.001, ** p<.01, * p<.05, † p<.1

Conclusion

- When making multiple decisions on a hierarchy, people prefer **more variety** at **higher levels** of the decision and **less variety** at **lower levels**.
- This holds across **multiple domains**, and also when the **order of decision is reversed**.
- We also rule out confounds with **familiarity**.

Future Studies

- Non-hypothetical choices and real passage of time.
- Explore the mechanism behind why people exhibit such asymmetric variety-seeking:
 - Prototypicality?
 - Tangibility?
 - Goal matching?
- Do people expect such choice options to be asymmetrically distributed as well?
- What can marketers of such hierarchical decision domains learn from this pattern?

Selected References

- Ratner, R. K., Kahn, B. E., & Kahneman, D. (1999). Choosing less-preferred experiences for the sake of variety. *Journal of consumer research*, 26(1), 1-15.
- Simonson, I. (1990). The effect of purchase quantity and timing on variety-seeking behavior. *Journal of Marketing research*, 27(2), 150-162.
- Menon, S., & Kahn, B. E. (1995). The impact of context on variety seeking in product choices. *Journal of Consumer Research*, 22(3), 285-295.