

The Bundle Halo Effect

Zoom: <https://ucla.zoom.us/j/96793192259>

Background

- Product bundling is the sale of multiple products that complement each other, e.g., food and wine pairing.
- Consumers perceive product bundles as a single, inseparable gestalt unit and distinct from its constituent elements¹
- The Group Attractiveness Effect²: People seem more attractive when evaluated as a group vs. individually

Hypotheses & Predictions

- Like people, consumers view bundled items as more attractive than the same items presented separately.
- Why? The gestalt impression of a bundle lends a “halo” to constituent items.

Methods

- Participants saw multiple items from various product categories, presented either as a bundle or separately on different pages.
- Those in the bundle condition evaluated the entire bundle and those in the separate condition evaluated each individual item.

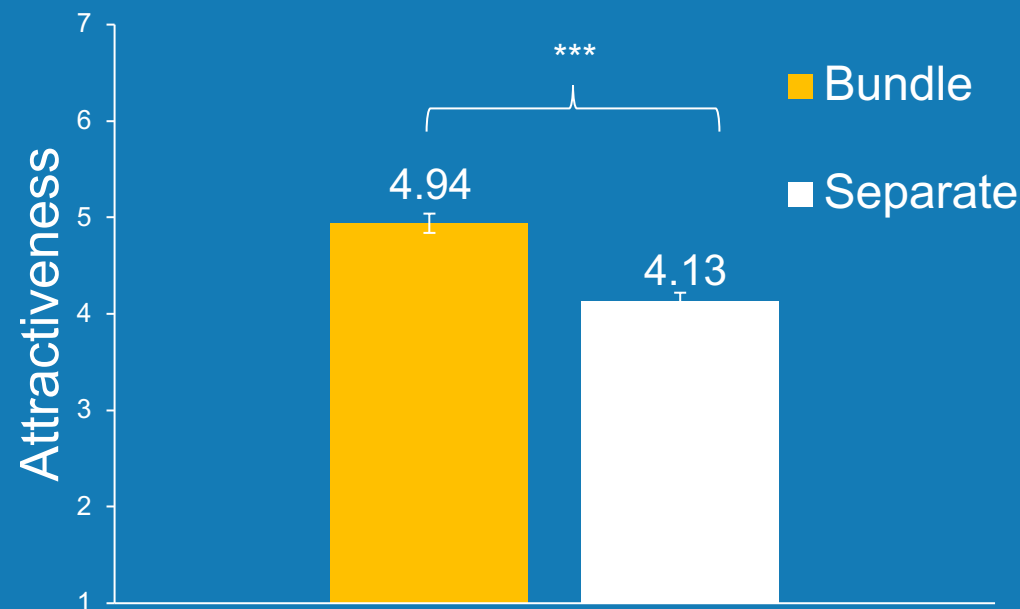


Results*

- Participants who saw bundled items (vs. separate) indicated greater **attractiveness**, stronger **purchase intentions**, and were more likely to **choose** items (over Amazon \$).

*Data, stimuli and code for reproducing all analyses [publicly available](#)

Consumers view bundled items as more attractive than the same items presented separately.



Franklin Shaddy and Stephanie Tjoa
stephanie.tjoa@anderson.ucla.edu

Study Overview

- S1-2: Attractiveness & Purchase Intentions:** Participants rated bundled items as more attractive than the same items presented separately (MTurk, N=606) and expressed stronger purchase intentions (MTurk, N=600).
- S3: Consequential Choice** (Behavioral Lab, N=198): Students were more likely to choose UCLA items over a \$7.50 Amazon credit when the items were presented as a bundle (vs. separately).



Overall: $\chi^2(1) = 2.99, p = .084, \Phi_c = .12$

- S4: Moderation** (MTurk, N=1,006): Replicated basic effect for items matched by brand, but no simple effect of bundle condition when brands were unmatched. When brands were not matched, the gestalt impression was weakened, thus attenuating the bundle halo effect.
- S5: Mediation** (MTurk, N=401): The desire to replace a missing item (or restore the whole)³ mediated the effect of bundle condition on attractiveness, further suggesting that the gestalt impression explains the bundle halo effect.

Discussion

- Presenting items as a bundle casts a “halo” upon its constituent parts – enhancing **attractiveness**, **purchase intentions**, and predicting **choice**.
- Not only do we link two unrelated literatures (social cognition and consumer behavior), we also contribute to the growing literature exploring the psychology of bundling by showing that the very act of bundling has a more basic effect on consumer perceptions.

1.,3. Shaddy, Franklin, and Ayelet Fishbach (2017), “Seller Beware: How Bundling Affects Valuation,” *Journal of Marketing Research*, 54 (5), 737-51.

2. van Osch, Yvette, Irene Blanken, Maartje HJ Meijs, and Job van Wolferen (2015), “A Group’s Physical Attractiveness Is Greater Than the Average Attractiveness of Its Members: The Group Attractiveness Effect,” *Personality and Social Psychology Bulletin*, 41 (4), 559-74.