

“Predicting Choice Averse and Choice Loving Behavior in a Quasi-field Experiment with Actual Shoppers”

(in English)



Professor David ONG
Professor of Economics
Jinan-Birmingham Joint Institute
Jinan University

Date: 9 May 2019 (Thursday)

Time: 2:00pm – 3:30pm

Venue: WYL314, 3/F, Dorothy Y. L. Wong Building

Abstract

A large body of chiefly laboratory research has attempted to demonstrate that people can exhibit choice averse behavior (CAB), i.e., a lower probability of an active choice, from cognitive overload when faced with many options. However, meta-analyses of these studies, which are generally of one or two product lines, reveal conflicting results. Findings of CAB are balanced by findings of choice loving behavior (CLB). The mean effect is zero. Diverging from this literature, we posit that both CAB and CLB are moderated by unfamiliar consumers' ex-ante perceived risk of getting an ex-post undesired product. We developed an estimator of consumers' perceived risk by surveying 1,440 shoppers for their “likes”, “neutrals”, “dislikes”, and “tried” for 339 varieties across 24 product lines at a large supermarket. We video recorded 35,694 shoppers' pass by, stop, and purchase after we randomly reduced the varieties they faced on shelves. As found in the meta-studies, we observed both CLB and CAB. The mean effect of reduced-variety is also zero. However, we show that perceived risk predicts the probability and intensity of CAB/CLB. Our findings, based on observations of an unprecedented number of product lines and subjects under realistic circumstances suggest that prior findings, rather than conflicting, are part of a spectrum of predictable findings.

Biography

David Ong is a professor of economics at Jinan University-University of Birmingham Joint Institute, Guangzhou. He received his Ph.D. from University of California, Davis. His research focuses on experimental and behavioural economics, particularly gender differences in competitiveness and marriage matching. He has published in *European Economic Review*, *Journal of Economic Behavior and Organization*, and *Economics Letters*.

All Are Welcome

For enquiry: 2616 7190 (Carrie)