INHERENT SUSCEPTIBILITY TO CONTEXT EFFECTS

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In a classical economic world where absolute attribute values are assumed to have meaningful psychological values, context, framing, and task effects illustrate preference malleability and construction. On the other hand, if we assume that relative preferences are stable whereas absolute values mean little, then susceptibility to context effects represents a stable disposition. I will review a wide range of new and prior findings supporting the notion that a preference for/against compromise options tends to be a stable disposition.

The talk will conclude with the proposition (and some evidence) that the current information environment (Internet, etc.) makes consumers less dependent on comparisons among options in a local context and better able to assess quality before purchase. This trend promotes (a) decisions based on absolute attribute values and lower susceptibility to context effects, and (b) lower dependency on quality proxies (e.g., brands, loyalty, prices).