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The Compromise Effect in Choosing For Others

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Most research into the compromise effect focuses on cognitive factors related to choosing for oneself. However, there are daily opportunities to make choices for others, from helping friends to buy merchandise to choosing souvenirs for relatives. Although it is a common practice, choosing for others is little discussed in the literature. Hence, in this study, four experiments are conducted to determine whether (1) people choose the middle option more often when choosing for others compared to choosing for themselves, (2) people have more confidence choosing for others based on their own preferences rather than selecting the middle option under a low uncertainty condition, but make the opposite choice under a negative outcome condition, and (3) people highly susceptible to interpersonal influence make different choices depending on their level of intimacy with others.

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Extended Abstract

In daily life, people need, or are forced to, make choices for others, such as buying souvenirs for relatives, helping others, at their invitation, to buy something, or buying a birthday gift for a friend. Such decision making is a common but little-discussed phenomenon. People are often faced with situations in which they have to predict whether others, not themselves, will be satisfied with the choices they have made. Do people make the same choices for others as they do for themselves? When choosing for others rather than oneself, uncertainty arises and makes one more concerned about the judgment of others.

Early social, psychological, and decision-making research found that people have a variety of motives for justifying their decisions to themselves and others. The need to justify decisions to oneself and others reflects a desire to enhance one's self-esteem (Hall and Lindzey, 1978), cognitive dissonance (Festinger 1957), the anticipation of the possibility of regret (Bell 1983), and people's perception of themselves as rational beings with reasons for preferring one option over another (Abelson 1964). Therefore, people expecting to be judged by others may make the safest option (averaged) to be favorably evaluated by others, decrease criticism, and minimize potential errors (Simonson 1989).

The compromise effect is a crucial determinant in the decision-making process that is based on the context effect. This effect is based on the notion that "an alternative would tend to gain market share when it becomes a compromise or middle option in the choice set" (Simonson, 1989). Consumer preference is dynamic with new alternatives in choice sets (Bettman, Luce, and Payne, 1998), and is based on the principle of value maximization. Therefore, the difference between choosing for oneself and for others should be analyzed in relation to the compromise effect.

One is more familiar with the needs and conditions of people with whom one is friends or with whom one frequently communicates. When people make choices for those with whom they are intimate, they are confident that their decisions will take into account the preferences of the latter. Hence, making choices for people to whom one is not close and with whom one communicates infrequently will result in greater uncertainty, and decision makers may easily overestimate unknown negative outcomes and tend to choose the middle option as the safe one.

Making choices for others is deeply influenced by interpersonal relationships. Bearden and Etzel (1982) stated that susceptibility to interpersonal influence can be defined as an individual's willingness to accept information from other people about purchase decisions. Then, that the compromise effect will be greater among those who are highly susceptible to interpersonal influence.

Accountability leads people to be more concerned about decision accuracy and helps strengthen the beliefs of decision makers. It increases decision accuracy because the need to justify past decisions leads decision makers to engage in more unbiased evaluation of alternatives (Tetlock 1983) and to focus more on cues (Johnson and Kaplan 1991). In addition, accountability leads people to consider additional relevant evidence and improve their estimates (Kruglanski and Freund 1983).

Anticipation of regret is used to examine the prediction. It refers to the regret that consumers anticipate that they will feel if their decision results in negative outcomes. Cox and Rich (1967) proposed that risk is composed of negative consequence and uncertainty. However, choosing for others induces anticipation of regret, compared to no anticipation of regret, will correspond to an increase in the fear of making a wrong choice (negative outcome) and result in the greater likelihood of choosing the compromise option as the safe option.

Because of the influence of interpersonal relations, it is useful to investigate whether people will be more inclined to choose a compromise option to reduce the effect of the loss or tend to choose what they favor when choosing for others. Building on the findings of Simonson (1989), this paper aims to uncover the underlying mechanisms of the self-other difference in the compromise effect.

Study 1

The goal of Study 1 was to test the hypothesis that the compromise effect is greater when choosing for others than for oneself. Two factors were manipulated in a 2 X 2 (self or others vs. either two or three options in the choice set) between-participants design. A total of 160 undergraduate and graduate students participated in Study 1. In the experiment, participants were randomly assigned to two conditions (self or others), and in these two conditions randomly assigned to a binary (A, B—two alternatives) or trinary (A, B, C—three alternatives) scenario to choose for themselves or others.

The results confirmed our hypotheses. It shows that choosing for others leads to a greater compromise effect compared to choosing for oneself.

Study 2

To broaden the knowledge of others, Study 2 tests whether the level of intimacy of a relationship influences the compromise effect, and whether this influence depends on the level of susceptibility to interpersonal influence of the decision maker. Participants were randomly assigned to one of eight cells in a 2 (two or three options in the choice set) X 4 (target person: self, family member, friend, or classmate) between-participants design. A total of 120 undergraduate students participated in this experiment.

The results support the prediction that the compromise effect varies with the level of intimacy of the relationship with others of the decision maker, and is not as different among those with a low level of susceptibility compared to those with a high level of susceptibility.

Study 3

Study 3 examined the effect of accountability on the choice of the middle option. Participants were randomly assigned to one of eight cells in a 2 (two or three options in the choice set) X 2 (self or others) X 2 (accountability or no accountability) between-participants design. A total of 320 students participated in this experiment.

The results support the hypotheses. The findings of study show that the compromise effect when choosing for others is weaker under the accountability condition than under the no accountability one.

Study 4

The goal of this experiment was to test the impact of the anticipation of regret (negative outcome) on the compromise effect. Participants were randomly assigned to one of eight cells in a 2 (two or three options in the choice set) X 2 (self or others) X 2 (anticipation of regret or no anticipation of regret) between-participants design. A total of 320 students participated in this experiment.

The results are as expected, the compromise effect in choosing for others is significantly greater in the anticipation of regret than in the no anticipation of regret condition.

General Discussion

The purpose of this paper is to explore the relationship between self-other difference and the compromise effect. This research can explain why one has chosen one product over another for someone else makes one more concerned about decision accuracy. It also helps strengthen the beliefs of decision makers such that they will be less likely to choose the compromise option. In addition, this paper has general implications for the marketing of new and existing products. The positioning of new products, especially those often bought for others (e.g., gifts, souvenirs, domestic products) could focus on developing the average attributes to avoid the product becoming the extreme option. For existing products, sales staff could be trained to ask consumers for whom they are buying and then give appropriate advice.

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Skill- versus Effort-Based Difficulty: The Role of Emotion in Motivating Difficult Actions

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Extended Abstract

Health protection campaigns have traditionally relied on fear appeals to promote behaviors. These campaigns have also demonstrated the necessity of self-efficacy and the particular problems of motivating difficult behaviors (Sturges & Rogers, 1996; Keller & Block, 1996). For difficult behaviors, for which individuals generally have low self-efficacy, fear appeals have been found to be particularly ineffective.