ABSTRACT

We offer a new conceptualization and operational model of consumer choice which allows context-sensitive information usage and preference heterogeneity to be separately and simultaneously captured, thus transforming the axiom of full information use into a testable hypothesis. A key contribution of the proposed framework is the integration of two previously disjointed and often antagonistic research paradigms: 1) the economic rationality perspective assuming stable preferences and full information usage, and 2) the psychological bounded-rationality perspective allowing context-sensitive preferences and information selectivity. We demonstrate that the two paradigms can and do co-exist in the same decision-making space, even at the level of individual consumer choices. The proposed Information Archetype Mixture (IAM) model is tested in four studies spanning different product categories and levels of task complexity. Our findings have ramifications for choice modeling theory and implementation, beyond the disciplinary boundaries of marketing to applied economics and choice-focused social sciences.
Professor Joffre Swait is Research Professor and co-Director at the University of South Australia Institute for Choice (I4C), a world-leading research facility that focuses on understanding and modelling human decision-making and choice behaviour. He is an acknowledged global expert in choice modelling and choice set formation, among other aspects of research aimed at increasing our knowledge base concerning how humans make decisions.

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