The Default Effect: A closer look at reactance through environmental choice architectures

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Abstract

Choice architecture is a powerful influence on consumer decisions. One such influence, default architecture, results in disproportionately choosing options that are pre-selected for the decision-maker, even when the default option is made salient and the choice is counterattitudinal.

An experiment tests whether transparency about the ***reasons*** for defaults alters default effects on consumers' selection of renewable vs. nonrenewable energy supply for their home electricity.

Making reasons transparent appeared to provide a justification for using the default for all but those most alarmed by climate change.

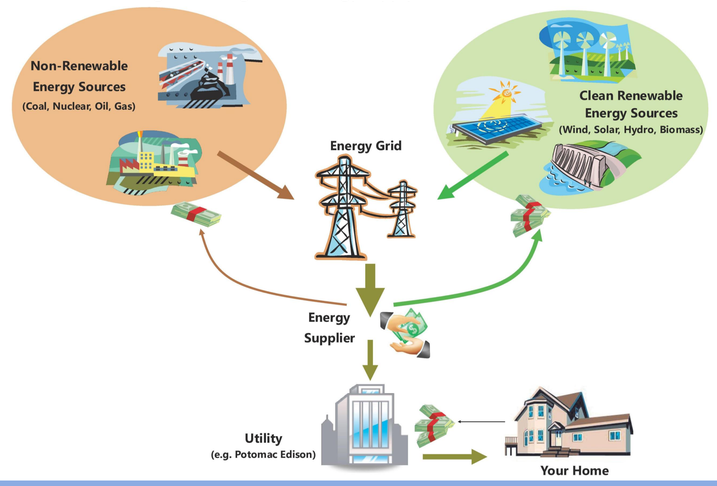
Introduction

- The default effect has promoted sustainable behavior (Thaler & Sunstein, 2008).
  - However, default effects could promote unsustainable behavior such as supporting nonrenewable energy.
- The default effect is stronger than individual attitudes about sustainable behavior (Vetter & Kutzner, 2016).
- Making the presence of defaults transparent has not altered the default effect (Steffel et al., 2016).
  - Making ***reasons*** for the defaults may be important, especially when they counter attitudes.

Hypotheses: Overcoming default effects via transparency

- Transparency will diminish the default effect on choices and increase the effect of attitudes on choices.
- Transparency will increase feelings of manipulation and anger, especially when the default is counterattitudinal.

Figure 1. Diagram of energy supply and distribution



Methods and Experimental Design

Participants:

- Psychology students (N= 252) participated for extra credit

Experimental Design:

- 2 (default) x 2 (transparency) x 3 (climate change concern)

Procedure and measures:

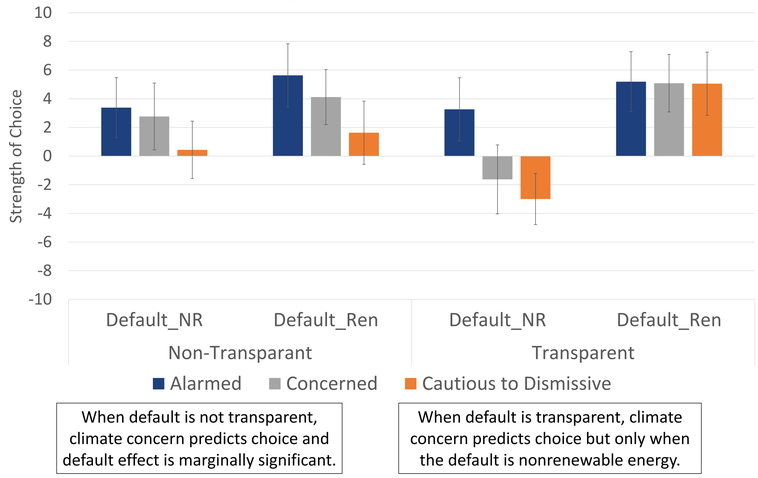
- Cover story: Imagine choosing energy contract when moving into a new leased apartment
- Default: Half the final contract had renewable energy preselected and half had nonrenewable energy
- Transparency: Half given reason justifying default energy type and half given no reason
  - Pro-renewable energy transparency:
    "The renewable energy option was selected as the default choice because it helps these companies develop and supports energy that does not pollute the environment or contribute to climate change."
  - Pro-fossil fuel transparency manipulation:
    "The nonrenewable energy option was selected as the default choice because it helps these companies continue to remain profitable and employ Pennsylvanians while meeting the energy needs of the region."
- Dependent measures:
  - Strength of choice (choice x confidence), Feeling manipulated (four items); Anger (four items)

Results

A 2 x 2 x 3 ANOVA revealed a three-way interaction on:

- Strength of choice, $F(2,211) = 3.08$, $p = .05$, $\eta^2 = .03$
- Anger, $F(2,211) = 2.61$, $p = .08$, $\eta^2 = .02$
- But not feeling manipulated, $F(2,211) = .18$, $p = .84$, $\eta^2 = .001$

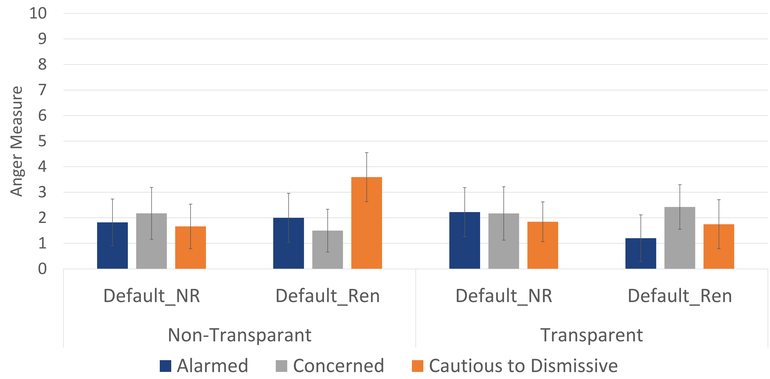
Figure 2. Effects of transparency, default, and climate change concern on strength of choice.
Positive values = renewable energy choice; negative values = nonrenewable energy choice.



When default is not transparent, climate concern predicts choice and default effect is marginally significant.

When default is transparent, climate concern predicts choice but only when the default is nonrenewable energy.

Figure 3. Effects of transparency, default, and climate change concern on anger.



When default is not transparent, those least concerned are more angry when the default is for renewable energy.

When default is transparent, those most concerned are more angry when the default is for nonrenewable energy.

Discussion

Summary:

- Providing a reason for either default increased the strength of effects for all except those alarmed about climate change.
- Those who are alarmed about climate change appeared to resist the default effect.
- That participants did not feel manipulated may be the result of a choice architecture where individuals may choose a contract.
- Anger was strongest for those given attitudinally inconsistent defaults, for those in the cautious to dismissive group, for those given a non-transparent default, and for those in the alarmed group when the default was transparent.

Limitations:

- Cannot differentiate among those with cautious, disengaged, doubtful, and dismissive climate change concerns.
- This situation presents with high external validity, but in real life other variables may influence the energy decision-making process.

Conclusions

- Rather than diminishing the default effect, transparent reasons appear to provide a justification for using the default for all but those most alarmed by climate change.
- Those alarmed by climate change resist the default effect when it is counterattitudinal; they appear to react against the nonrenewable default not because they feel personally manipulated but because they are angered by the default.
- Further research is needed to test whether those dismissive of climate change would have similar results if tested in isolation.

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