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Tipping Points in Consumer Choice: the Case of Collections

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Tipping Points in Consumer Choice: The Case of Collections

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EXTENDED ABSTRACT

The classic account of escalation of commitment suggests that decision makers have a tendency to become locked into courses of action by throwing good money after bad in dealing with losing projects (Staw, 1976, 1981). Most of the research in this area has focused on its negative consequences, the psychological, organizational and project-related causes of such behaviors, and the procedures to help people avoid the escalation trap (Staw & Ross, 1987). Very little, if any, research has examined the point at which the tendency to escalate is triggered. The present research examines this question in a unique setting of consumer collections. Collection is important to both consumers and marketers, yet we know very little of how consumer decisions about collections occur and why some collection programs are highly successful (e.g. Barbie dolls, baseball cards) whereas others fail. We propose that making a decision to collect (e.g. antiques, books) often originates from consumers escalating their commitment to something they have already had but was not initially intended to collect.

Prior research has also suggested that an important explanation of the commitment dilemma is the decision makers' desire to appear rational in their decisions (Staw, 1981). That is, by committing new and additional resources an individual who has suffered a setback could attempt to "turn the situation around" or to demonstrate the ultimate rationality of his or her original course of action. Relevantly, in the domain of collection, the point at which consumers start to escalate their commitment by actively acquiring more products is usually when maintaining the current possession level becomes difficult to justify. But at what point are individuals likely to experience a lack of justification with their current possessions?

First, we propose that there are often good reasons to possess one item in a product series. Owning such an object, say a Starbucks City Mug, can satisfy consumers' utilitarian needs. The first item in a collectible product series chosen by a consumer is also likely to be his or her favorite, thereby enhancing its value. Therefore, unless a decision to collect has been made, or at least entertained, consumers are unlikely to buy additional items of the same type.

How then do decisions about collections occur? We propose that possessing a small number of collectible items could become the collection tipping point because it represents a disequilibrium that is "neither here nor there," which is difficult to justify and thus prompt a change. Without an intention to form a collection, possessing a few items in a large collection series fails to provide the psychological benefits of having a collection. Even worse, whereas some collectible items have utilitarian value regardless of their collection status, ownership of a few such items is redundant and wasteful and may also reflect an apparent failure as a collector. One way to resolve the conflict, however, is to escalate one's commitment to start a collection.

We conducted four studies to test these hypotheses. In study 1, participants were endowed zero, one, or two boxes of collectible mints and were asked to choosing between getting another box of collectible mint or a different gift of equivalent value. A logistic regression with condition number as independent variable and choice as dependent variable yielded a significant condition main effect (Wald $\chi^2(2) = 4.12$, $\beta = -.815$, $p < .05$). Consistent with our hypothesis, compared to those in the zero-mint condition, those in possession of one box of collectible mints were no more likely to choose another collectible mint as their additional reward (47% versus 45%, $p = \text{NS}$). In addition, we found that owners of two boxes of collectible mints were significantly more likely to choose mint over the pen as an additional reward than owners of zero or one box of collectible mints (69%; Wald $\chi^2(1) = 4.17$, $\beta = 1.17$, $p < .05$).

In Study 2 participants were endowed with 0, 1, 2, or 3 collectibles in a different collection domain, fridge magnets. We found that participants' likelihood of starting a magnet collection differed significantly across the four conditions ($\chi^2(3) = 7.939$, $p < .05$). Compared to those assigned no magnet, those assigned just one were no more likely to choose another in the same series (32% versus 40%, $p = \text{NS}$). However, we found that those with two or three magnets were more likely to choose a magnet than those with zero or one ($\chi^2(1) = 4.55$, $p < .05$). The difference in the choice share between owners of two and three magnets, however, was not significant (58% versus 55%, $p = \text{NS}$).

In Study 3 we replicated the findings of Studies 1 and 2 in the collection domain of Starbucks coffee mugs. The results of Study 3 provided strong support for our conceptualization by demonstrating the mediating role of decision justification on the influence of possession level on collection commitment. In addition, it shows that the collection tipping point effect is not affected by the total collection size

Study 4 showed that the effect was eliminated when owners of two items could easily justify their possessions, that is, when they perceived the two items come in a pair. We discuss the theoretical and managerial implications accordingly.

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