INTRODUCTION

Identifying product attributes that are important in judgment and choice is a key objective of consumer research. A wide variety of methods to identify important attributes has been proposed and examined (Van der Pligt et al. 2000). However, the convergent validity among these methods is low, and sometimes replications even yield inconsistent results (Jaccard, Brinberg, and Ackerman 1986). Low levels of validity and reliability can cause serious empirical and practical problems.

The main objective of this research is to gain a deeper understanding of the effect of consumers' reference points on product attribute importance. Building on the reference-dependent theory (Tversky and Kahneman 1991), we show that the importance of an attribute in judgment and choice is larger if the attribute levels in the product space represent a loss, relative to the consumer’s reference point. Subsequently, we demonstrate how the effect of consumers’ reference points on the importance of attributes in consumer judgment and choice can be strengthened by priming consumers’ reference points and can be changed by framing their reference points. The results guide researchers how to improve the validity and reliability of attribute importance measurement and provide marketing managers with tools to influence the importance of attributes in consumer judgment and choice.

THE EFFECT OF REFERENCE POINTS

The importance of attributes in judgment and choice is reflected in the size of the difference in valuation of different attribute levels (cf., conjoint method) and depends on the differences in attribute levels in the product space examined (Tversky and Simonson 1993). The larger the difference in attribute levels, the more important the attribute becomes. Research on the importance of attributes in consumer judgment and choice generally ignores the use of reference points (as opposed to some research on the effect of reference points in consumer decision-making—e.g., Putler 1992). However, if consumers weigh losses more heavily than gains as is suggested by the reference-dependence theory, we should find that the importance of an attribute is larger if the attribute levels in the product space represent a loss as opposed to a gain relative to consumers' reference point (cf., Bell and Bucklin 1999).

Study 1 and Results

The first hypothesis was tested through a field experiment involving close to 400 consumers. The participants judge four apples (1=low preference, 11=high preference) with respect to their price ($0.89 vs. $1.49 per lbs) and taste (sweet vs. sour), using a full factorial design (four product profiles). In line with our hypothesis, the results show that the importance of attributes in consumer judgment depends on the consumers’ reference point, and on whether the attribute levels in the product space represent gains or losses relative to that reference point. The importance of an attribute is larger when the attribute levels represent losses compared to the consumers’ reference point than when they represent gains. This effect is found both for the price and the taste attribute.
DISCUSSION

Our findings may facilitate researchers to improve the validity and reliability of attribute importance measurement by explicitly accounting for this effect of reference points and loss aversion in attribute importance measurement. Understanding these effects of reference points also may provide marketers with tools to alter the importance of attributes in consumer judgment and choice.

REFERENCES


