

Most Influential Theories in Consumer Behavior or Most Useful Findings?

ELMAR Contribution by J. Scott Armstrong
September 27, 2004

In a July 18 request on ELMAR, Gad Saad described a project to identify the most cited/ influential theories in consumer behavior. While the results would be interesting, and information about the allocation of effort might be useful, I propose an alternative approach.

I suggest rewording the search by avoiding the term “theory,” as it means different things to different people, and I must admit to getting confused by vague definitions from colleagues. Instead, what about looking for findings...or generalizations...or advice...or guidelines...or principles?

Furthermore, as an alternative to judging “influence,” I suggest looking at “usefulness.” While things can be influential and useful, they might also be influential and useless. Consider that when Mischel (1981) asked fourth and sixth-grade students to predict the outcomes of 17 classic experiments in psychology, they correctly predicted the outcomes for 12 of them (they could not predict a study based on cognitive dissonance, for example). How useful were the twelve findings that were already obvious to people?

I suggest the following as the three “useful findings” for consumer behavior. They can improve decision making in important areas, and they are not obvious:

1. Deregulation improves consumer welfare (but not consumer satisfaction). See evidence in Winston (1993). This was not obvious to economists until empirical research was done in the latter half of the 20th century. It is still not obvious to many people, including most politicians.
2. Consumer satisfaction programs reduce satisfaction and product quality (Ofir & Simonson 2001).
3. Quasi-contracts (in which the seller insures against damage from use of a product) protect effectively against product liability suits by consumers. However, they are seldom used.

Instead of limiting ourselves to the most important findings, why not record *all* useful findings in an area . . . and make them easily available to researchers and practitioners? This is not a new idea. It is being done by the Cochrane Collaboration (<http://www.cochrane.org>) for “Preparing, maintaining and promoting the accessibility of systematic reviews of the effects of health-care interventions.” In 2000, the Campbell Collaboration, <http://campbellcollaboration.org> was organized to find out “what helps, what harms, and based on what evidence” for problems in social, behavioral, and educational areas. In biology, the site <http://www.facultyof1000.com/start.asp> classifies studies as “novel finding,” “technical advance,” “interesting hypothesis,” “important confirmation,” or “controversial findings”; the faculty then rate these papers so others can see which are “recommended,” “must reads,” or “exceptional.” Descriptions are also provided on why a paper is important. The Faculty of 1000 charges for this service.

I have joined in this effort by summarizing all “useful principles” in forecasting (<http://forecastingprinciples.com>), and for the past few years have been trying to do the same for advertising (<http://advertisingprinciples.com>).

References

Huber, Peter W. *Liability: The Legal Revolution and Its Consequences*. New York: Basic Books, Inc., 1988. (see my review at <http://jscottarmstrong.com> under full-text papers/social responsibility)

Mischel, W. (1981), “Metacognition and rules of delay,” in *Social Cognition Development*, eds. John H. Flavell and L. Ross, Cambridge University Press, Cambridge, England.

Ofir, Chezy & Itamar Simonson (2001), “In search of negative customer feedback: the effect of expecting to evaluate on satisfaction evaluations,” *Journal of Marketing Research*, 38, 170-182.

Winston, Clifford (1993), "Economic deregulation: Days of reckoning for microeconomists," *Journal of Economic Literature*, 31, 1263-1289.