

The Marketing of Abundance

Abstract: A growing body of research describes consumers as prone to overchoice, causing mental strain of varying severity. While overchoice is said to lead to business effects through e.g. postponed purchases or unpredictable heuristics, little is known about how managers perceive overchoice issues and act on a market struck by overchoice. From investigating two markets theoretically prone to overchoice problems, this thesis finds managers much attuned to providing a large assortment, having difficulties to spot overchoice problems. However they simultaneously try and take a firm grasp of the consumer towards the making of a choice, through choice alleviating methods such as simplification by categorization and structured personal sales efforts. While overchoice on a real market is found to be an elusive phenomenon and managers' actions perhaps to an extent insufficient and coincidentally similar to overchoice recommendations, nuances to previous overchoice research arguably still emerge; in suggesting a challenge to simultaneously cater to novice as well as expert consumers and an increased role of personal sales than previously brought forward. Altogether, the nuances within their context may stress a managerial urge to see to each individual consumer's comfort, be it in suitable information provided or close, personal guidance and alleviation through to an eventual product choice.

Author: Henrik Rudin (19 726)

Advisor: Associate Professor Per Andersson

Examiner: Assistant Professor Anna Nyberg

Discussants: Henrik Lethagen (19 217), Erik Modig (19 045)

Presentation: 10:15-12:00, 30 May 2008, Room C606

TABLE OF CONTENTS

1. INTRODUCTION	1
The insatiable urge for choice ...	1
... while consumers start choking	2
... and shiny products gather dust	3
Heeding calls for further research	4
Focus of and major limitations to the study	5
2. METHOD: A review of the research process	6
A theoretical model to study overchoice issues	6
A theoretical model to find overchoice stricken markets	6
The subjects and their subjective theories	7
3. FRAMEWORK: A model of overchoice concerns	9
The actual assortment – the manager’s perspective	10
The actual assortment – the consumer’s perspective	11
The communicated choice set – talk smart and be clear	13
The communicated choice set – on the consumer’s own terms	14
The communicated choice set – lending a helping hand	15
The assortment through time	17
Previous managerial perspectives in particular	18
A summary of previous theory and the framework components	19
4. FRAMEWORK: Finding a market prone to overchoice	20
A number of products and attributes...	20
...equally attractive and with non-alignable attributes...	20
...on high involvement issues...	21
...where consumers have little experience...	21
... and an element of pressure exists	22
The chosen markets	23
5. DATA: The managers’ tales	26
Every firm an island	27
At a loss to overchoice consequences	29
Taking actions that address overchoice symptoms	31
Stuck in market practices and circumstances	34
6. ANALYSIS: A theoretical take on the managers views	36
A known problem – but fuzzy consequences	36
Taking actions to counter a partly self-created problem	37
7. FINDINGS: A picture of the managers’ situation	44
The overall research findings summarized	44
The differences found between the markets	46
8. CONCLUDING DISCUSSION: What overchoice?	47
Research question 1: A fuzzy real world overchoice phenomenon	48
Research question 2: Overchoice issues even further down the list	48
Research question 2: Coincidental actions to counter overchoice?	49
Research question 2: Now, how may they help you?	49
9. COMMENTS: On the results and their usefulness	51
Validity, reliability and some weak points of the study	51
General applicability, usefulness and further inspiration	52
APPENDIX: The interview guide	54
REFERENCES	55
Previous research	55
Other resources	56
Interviews conducted	56

1. INTRODUCTION

There they are. On the megastore shelves. Promoted in every conceivable context. Listed in droves in your web search. There they all are – seemingly endless numbers of shiny, just-in products, laden with this or that feature that might just be the one you did not know to look for.

It is not far-fetched to voice concerns over today's markets of abundance from a sustainability point of view or to question them in egalitarian terms, as a beggar's silhouette may be seen through the High Street storefront window.

It is, however, another point to doubt the benefits to the lucky ones that have the means to choose. For those with an appetite and money to spend, competitors stand in line for their goods to be scrutinized and picked according to the most egoistic of standards. Just indulge in the possibilities. The taste. The feeling. The status.

“You want some fries with that?”.

The insatiable urge for choice ...

Economists' models have “almost all assumed that the aggregate potential demand for variety [is] unlimited” (Lancaster, 1990), due to either the individual consumer's insatiable taste for variety or widely varying tastes in aggregation. Free choice has repeatedly been shown to have beneficiary psychological consequences and altogether, it has been argued that the assumption “the more choice, the better [...] pervades our institutions, norms and customs” (Iyengar and Lepper, 2000).

Indeed, if directly asked, many consumers would be expected to state a general preference for being able to choose themselves (e.g. Botti and Iyengar, 2004), and to choose also from a large assortment (c.f. Chernev, 2006; Kahn and Lehmann, 1991; Nelson, 2002). Consumers sometimes report to enjoy the choice process within a large assortment more (Iyengar and Lepper, 2000) – and they are also quite prone to dispose of their old belongings, even when these are still functioning (Cooper, 2004).

On a company's side of things, today's business is often described as an increasingly competitive, fast-moving environment – said to be due to e.g. globalization, new technologies and increasing customer demands (c.f. Brunsson, 2000; Kahn, 1998; Normann, 2001; Ramdas, 2003; Sawhney, 1998). One recent buzz word, *the long tail*, has gained much attention as it depicts a seemingly unlimited, global variety of niche tastes that might be found and served through globalizing network technologies (see Anderson, 2007; Brynjolfsson et al., 2006). Arguably, there is also a present resurgence of the viewpoints from Austrian School of Economics: profits erode fast, and one must

act fast and nimble in rapidly closing windows of opportunity (c.f. Jacobson, 1992).

The starting point and magnitude of such a competitive acceleration can be debatable (c.f. Bayus, 1994; McNamara et al., 2003), but doubting notions are scant and arguably drown in a view more taken for granted: Better to fill up the shelves. Better to launch that next killer product while there is still time. All in all, the end result on markets would logically be ever faster product introductions, a proliferation of product variants and an increasing range of competing alternatives – and there is opportunity to present empirical support for all these phenomena (e.g. Costanzo and Ashton, 2006; D'Aveni, 1995:23; Nelson, 2002; Putsis, Jr. and Bayus, 2001).

... while consumers start choking

At the same time, there are a number of rather recent studies that complicate the view of consumer appetite for a mass of products as insatiable and the effects of choice as purely beneficiary. It seems that enough actually may be enough.

A quite illustrative way of putting it is to talk of abundant choice as *costly*, and then not just in the traditional sense of search costs such as time spent, but rather of arguably more fuzzy concepts such as *mental exertion* (c.f. Schwartz, 2004, 2006). Often, it seems that a few alternatives (two to six) are better than no choice at all – increasing for example *motivation*, *perceived control* and *life satisfaction* (Iyengar and Lepper, 2000). But many, many options may mean something else altogether – and such a state might arguably be dubbed *overchoice*.

Mick et al. (2004) trace the first related streams of overchoice research (by these authors called *hyperchoice*) to studies on *information overload*. Information on product attributes and alternatives multiply to cause the consumer to rely on simplifying rules above a certain threshold. Such rules, called *heuristics*, are often considered to produce misleading conclusions (see Wärneryd, 2001:119-150, for an extensive elaboration). Also, consumers' psychological well being has been shown to suffer in the sense that information overload causes *confusion*, *cognitive strain* and *less satisfaction* with the ultimate decision. Repeated choices only exacerbate such problems, and even other, non-related activities may suffer in performance (Iyengar and Lepper, 2000; Mick et al., 2004). Overall, Schwartz (2004, 2006) connects the manifold of everyday decisions to studies that point to a general societal decrease in well-being despite increased affluence – to the extremes of increased depression and even suicide rates.

It seems that the negative effects of too much choice may not be obvious to the consumer, at least not initially. Confusion is not always consciously experienced (c.f.

Foxman et al., 1992; Mitchell and Papavassiliou, 1999). If asked to quantify the assortment on the market, consumers may understate the number of products on offer (Nelson, 2002). And while initially asking for extensive choice, consumers may wish for a smaller assortment when challenged to justify their eventual choice or, arguably, when having become aware of the strains of making the choice in question (e.g. Chernev, 2006; Chernev, in Denton 2006; Iyengar and Lepper, 2000; Nelson, 2002).

... and shiny products gather dust

Too much consumer choice is said to have immediate consequences for the firms that stand ready to deliver: the sales may fail to show.

First, an extensive choice set may actually yield much less motivation to close purchases at all – in the range towards at most ten times less the likelihood (Dhar, 1997; Iyengar and Lepper, 2000). Maxwell (2005) finds that as the choice set increases, especially high priced products are judged being less fairly priced, with a simultaneously shrinking likelihood of purchase.

Second, it seems that many offerings are wasted on consumers. The number of products sampled may either not differ between a smaller and larger choice situation (Iyengar and Lepper, 2000) or the consumer may summarily narrow down the choice set according to some sort of simple decision rule – for example “I buy the first item I see and I like” (Mitchell and Papavassilou, 1999). Alas, even a well-competitive offer may then be overlooked by pure coincidence.

For those who actually buy, the confusion surrounding the choice is said to be able to lead to potential misuse of the product, and thus dissatisfaction. The selling firm could experience returned products, lost repeat purchases and enjoy less overall loyalty and a weaker brand image. Buyers may either not engage in favorable word of mouth or convey misinformation (Mitchell and Papavassiliou, 1999).

Might it be as Iyengar and Lepper (2000:1004) suggest: “the commercial world seems already to know what experimental psychologists are just now discovering”, as some firms seem to be aware of problems from proliferating product lines? There are a few well-cited examples of Japanese car makers’ financial bleeding from offering a multitude of customizable options (e.g. Pine et al., 1993), and also examples to be found of companies pruning their product portfolios, with positive results held forward (e.g. Blackwell et al. 2001:73). The issue is however multifaceted, as Borle et al. (2005) find that the outcome of an assortment cut may depend much on the category in question, and other researchers have explained assortment cuts as stemming from cost

considerations, shortage of competence and issues of bargaining power rather than from overchoice issues (Quelch and Kenny, 1994; Riezebos, 2003:204).

Heeding calls for further research

Whether by natural scientific progress or from acuteness of the prevailing times, there is now a growing body of research that shows potentially adverse consequences of a large number of choices. However, there is at the same time reason to believe that many selling firms may be much tempted to offer a large number of products – whether following overall societal norms or much of current management literature.

Within the problem area of overchoice, a manager's view of overchoice complications to the business – if any – is currently less well understood. And such a furthered understanding is called for, where previous studies have been carried out almost exclusively on the consumer side and often in a laboratory setting. With reference to overchoice findings, Lehmann (1998:64) asks for studies that describe “the way manufacturers select which varieties to offer”. Also within the broader subject of variety research, Putsis, Jr. and Bayus (2001:117) want “a study of managers and their perceptions”, and Ramdas (2003:95) states: “we know little about how variety impacts processes downstream of manufacturing”. In summary, there seems to be a potentially fruitful opportunity to interview marketing practitioners on possible business implications of an overchoice situation, contributing directly to overchoice research, and at the same time providing some input to general variety research.

Thus, the resulting purpose of this thesis is to deepen the understanding of overchoice complications for a business within a real market context.

Overall, this thesis will aim to provide information and elaborate on the following research questions:

- **Research question 1: What manager awareness of overchoice issues and manager concerns on the business effects of such issues may be uncovered?**
- **Research question 2: What are the implications of the firms' current actions concerning the assortment deployed on the market within an overchoice perspective?**

One avenue to achieve the stated purpose and investigate the posited research questions is arguably through a literary review and empirical efforts in three stages:

- 1) To single out one or several well-defined product markets that, given from previous theory, would be expected to have properties that complicate consumer choice to a problematic extent.
- 2) To integrate the previous research strands into a conceptual framework as a base for interviews with managers active on the problematic market(s) derived.

- 3) To mirror the practitioners' viewpoints with the theoretical framework in order to provide increased detail and manager support or refute to previous research.

Focus of and major limitations to the study

The intended scope of the study and the previously stated purpose and research questions could benefit from being briefly clarified.

Altogether, consumer choice difficulties and the business effects from these would constitute “overchoice complications” for a firm to handle, where a number of possible “overchoice issues” and business effects from these have already been listed (pp. 1–3). However this study seeks an unfettered view from 1) the general course of the interviews, and by 2) asking whether consumers may have a hard time choosing products on the manager's market and what implications the manager believe such a problem may have for the company and the industry (see the interview guide, question 10, Appendix).

- An immediate limitation applies as to the contrasting of previous overchoice research with the managers' subjective reports. While the managers' mentions of overchoice issues will be reported and are indeed central to the thesis (see Research question 1), the study will not analyze the specific overchoice phenomena described. The reason is the focus of the thesis on the managers' subjective views and actions, where it is the subjective report as such – and gravity of the concerns expressed – that is of relevance, rather than to provide quite anecdotal managerial support or refute to previous, much careful research on pinpoint psychological phenomena.

The supposedly relevant “actions” will transpire from the theoretical framework in Chapter 3. The actions will revolve around the actual product introductions and withdrawals as well as communicative efforts and personal guidance attempts to potentially decrease the perceived amount of products and entice the consumer to close a deal. The actions taken by the companies will have “implications” in support, refute or nuances to previous overchoice research.

- While overchoice is suggested to also have an impact in purchase decisions within business to business markets (Mick et al., 2004), this study is limited to consumer choice. Overchoice in a business to business context is to the knowledge of the author never investigated, and such a study would arguably demand the inclusion of additional factors – such as e.g. the group interactions in the downstream companies' buying centers (c.f. Anderson and Narus, 2004:114–116; Vyas and Woodside, 1984) and the emphasis on rational decision processes in many firms (c.f. Brunsson, 2000:16). In all, considering business transactions would arguably 1) constitute too bold a leap with regards to the current research angle and 2) demand a too extensive, complementary empirical study of the particular *buyer teams* that are the examined firms' counterparts.

2. METHOD: A review of the research process

Of overarching importance is an attempt to achieve *objectivity*, where the issue might be recognized as being “the simultaneous realization of as much *reliability* and *validity* as possible” (Kirk and Miller, 1986:20). One major guiding line has been to use *procedural* means of e.g. leaving *audit trails* for the reader to follow (c.f. Flick, 1998:228, 232, 262–263). In such a vein of openness, this chapter will try and explain and theoretically anchor the most important aspects of the methodological choices made and processes undertaken.

A theoretical model to study overchoice issues

Along with the purpose **to deepen the understanding of overchoice complications for a business within a real market context**, it has arguably been of the essence to base the interviews questions and analysis closely on a theoretically supported model (Models 1, 3, 4, Chapters 3, 7). The initial idea when constructing the model was to detail all various aspects of a choice process that may confront a consumer. Basic input from previously studied marketing theory such as the step-wise consumer decision process (e.g. Blackwell et al., 2001:71) was given facets on various levels of market aggregation (c.f. Bayus and Putsis Jr., 1999), over time and in various contexts (c.f. Ramdas, 2003; Percy and Elliott, 2005:115). Overall, the model would acknowledge firms’ and consumers’ separate outlooks on and interpretations of a market (e.g. Rosa et al., 1999; Kahn, 1998). Previous overchoice research was then to be fitted to the model, e.g. to the detail level of studying options within an offer.

However, to bring such a complex framework into the thesis eventually proved less well supported by overchoice research and the empirical data as well as too detailed within the constraints of this thesis. In the end, overchoice-related theory was interwoven with broader studies on variety and a strand of psychology studies on new products, and matched with important contradictions from common, basic marketing literature. Altogether, a framework transpires of what could be called managers’ and consumers’ overchoice areas of concern, with three overarching themes facilitating the theoretical summaries and the eventual analysis. Previous overchoice research was taken as a consumer’s outlook on the matter, while a managerial view is investigated in the thesis. The initial model is seen in the beginning of Chapter 3 (Model 1), with the research findings added to the model in the end of the chapter (Model 3). Finally, the empirical findings are added in Chapter 7 (Model 4).

A theoretical model to find overchoice stricken markets

In this thesis, the digital TV set top box (DTV) and pension fund savings (PPM) markets are investigated. These markets originally surfaced as possible candidates from a certain sense of personal interest. However the decision to go ahead with the investigation came after closely

scrutinizing them within a developed model of markets with a supposedly high likelihood of being stricken by overchoice (Chapter 4). Two markets were studied in order to gain inter-group comparisons and thus arguably a richer picture of some important aspects of overchoice, e.g. varying degrees of pressure on the consumer, the newness of the market and the consumer's level of knowledge. The particular influence the inter-group differences subsequently had on the conclusions is delineated in Table 3, Chapter 7. Four companies in each market were investigated, yielding a total number of eight cases and interviews.

Methodologically, the groups (markets) and the intra-group variations (companies) eventually selected hopefully correspond to several of Patton's (1990) suggestions (as referred to in Flick, 1998:69–70). Overall, the model of overchoice-stricken markets (Chapter 4) arguably allows the markets to be chosen for their expected high *intensity* of overchoice issues and resulting managerial concerns. If one thinks of the theoretically important, troublesome factors as a “checklist”, the selected markets arguably contain most of these (see Table 1, Chapter 4). Added to this, the firms may constitute *critical cases* for a furthered understanding of the issue, as the selection arguably contains the most important actors on the market (see the company profiles in Table 2, Chapter 5). While the sample size is somewhat limited due to *convenience* (Ibid, 1990, in Flick, 1998:70), a reasonable amount of *data triangulation* is hopefully still achieved: the study covers several *persons* and *spaces* while limited to being a snapshot in *time* (Denzel, 1989, as referred to in Flick, 1998:229).

The subjects and their subjective theories

What follows from the thesis' purpose is arguably from a methodological view a quest to match the current body of overchoice research with the practitioners' *subjective theories*. What is recognized is “that individuals in everyday life [...] develop theories on how the world and their own activities function” (Flick, 1998:18–19). The individual respondents may be more closely defined as included along the lines of each being a “good informant” (Morse, 1994, as cited in Flick, 1998:70), where they should have close insight if not the overall decision capability on the company's product portfolio and marketing efforts. The participating managers are described along with their companies in Table 2, Chapter 5.

When investigating subjective theories, the *semi-standardized* type of interview is appropriate for the process of gathering data (Flick, 1998:82). The three types of questions within this approach have been utilized with various emphases in the interviews. *Open questions* have been given the most prominence and asked to solicit the respondents' immediate reflections – most often along the lines of “could you please describe...[the manager's actions or views on a particular subject]”. A number of very *theory-driven*

questions have also been stated during the interviews, with varying degree of success. In the end, useful theoretical reflections were scant and mostly further complementing the general discussion on the managers' perceptions of the state of the market and reports of their actions. Finally, some *confrontative questions* were stated as follow-up questions, critically assessing and/or asking for clarification of the managers' tales (c.f. Flick, 1998:83–84).

The dominating guide for the interview questions is found in the Appendix. It was somewhat amended from experience of the first two interviews conducted, explicitly asking for an assessment of the overchoice difficulties on the market (Question 10), as well as a description of what triggers a pullback of products (Question 12).

Six of the interviews were face to face, two by telephone, and each lasted roughly an hour. The managers were briefly informed of the overall theme of consumer choice difficulties. The interviews were captured in field notes and were transcribed onto a PC as soon as possible after each interview, allowing for some *expansion* on the data originally collected (c.f. e.g. Spradley, 1979, in Silverman, 2000:142). Altogether, the standardized and theory based interviews and the rather immediate efforts to transcribe and expand on the data might arguably provide some extent of *procedural reliability* (e.g. Flick, 1998:223, Silverman, 2000:126). The material was subsequently treated to a compact version of what Silverman (2000:177) calls *respondent validation*: a written summary was provided to the respondent with opportunity to clear or amend the interpretation and the explicit quotes gathered.

Eventually, a *qualitative content analysis* (Flick 1998:195) was used to treat the semi-structured and theory based material gathered. The method's first two phases are implicit in this thesis, as *summarizing* the content of the interviews and *explicating* diffuse and ambiguous statements was made already during the phases of annotation, transcription and respondent validation. The data actually reported is rather concentrated on a *structuring content analysis* – finding “salient features [and] describe them more exactly” (Mayring, 1983, as cited and referred to in Flick, 1998:193–194). The aim of the analysis is to eventually yield a comprehensive set of descriptions covering the phenomena studied (Flick, 1998), and may then be said to be *closer* to the *empiric data* (Widerberg, 2002:144–145) than to the headlines from the theoretical model. In other words: as the topic is the managers' subjective theories and reflections in day-to-day-practices, it feels more appropriate to let their thematic reflections guide the analysis and conclusions rather than the often laboratory-yielded body of research. This arguably also provides a more interesting journey for the reader. Instead of yet again repeating the headlines from the theoretical model, the findings steer the presentation of the results towards those aspects that arise as the most salient features of the managers' subjective theories.

3. FRAMEWORK: A model of overchoice concerns

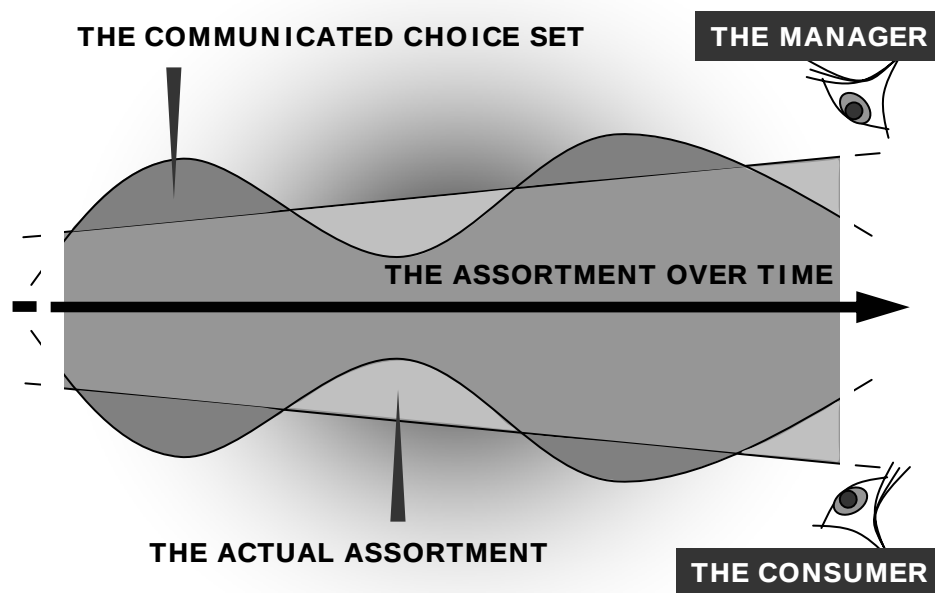
As covered in the methodological chapter, previous overchoice research, broader studies on variety, consumers' reactions to new products and general marketing theory have been used to build an overarching theoretical framework. The framework may be summarized in three major dimensions of potential overchoice complications for a firm to handle:

- The actual assortment
- The communicated choice set
- The assortment over time

An attempt has been made to draw the overarching framework as a simple model, seen below in Model 1. This model is not to any particular scale or unconditionally depicting actual development and variations over time. Instead, the model is meant to clarify a few overarching viewpoints that arguably will transpire from the upcoming discussion:

- The firm and the consumers may have different views of the assortment on the market
- The perceived assortment on the market may be both smaller and larger than the actual assortment due to various communicative efforts
- Over time, there is a general tendency for the actual assortment to grow

MODEL 1: The basic framework



The theoretical framework as a simplified, visual model. From previous research in summary, these headlines are arguably the main areas of concern to investigate.

The framework's three basic headlines will be somewhat further sub-divided in the upcoming discussion, where each section generally will argue for inclusion of the issue in the study, and present relevant, previous findings and management recommendations from overchoice research in detail. Eventually, each section will summarize the main issue to investigate further from a manager's point of view.

The actual assortment – the manager's perspective

Common, broader research on variety has not explicitly mentioned overchoice issues as affecting a manager's product line decisions. As Bayus and Putsis, Jr. (1999, 2001) put forward a number of mechanisms identified from previous research to affect a firm's decision on variety, the mechanisms may arguably be grouped as follows:

- Demand-side factors: the drive for product proliferation increases with a heterogeneous customer base and the overall amount of demand.
- Supply-side factors: scale economy considerations and other cost considerations such as design costs and operative complexity.
- Strategic considerations: increased variety may serve as an entry deterring measure or as a response to a proliferating competitor. At the same time, proliferation increases with concentration (i.e. imperfect competition) and advertising intensity.

Additionally, both Sorenson (2000) and Putsis Jr. and Bayus (2001) bring forward issues of uncertain customer demand. According to Sorenson (2000:589), companies are better advised to keep variety in uncertain markets but benefit “by culling poor performers and focusing on those products that consumers demand” as a market stabilizes. A related suggestion – a proliferation during expansive market growth and subsequent cuts on the assortment as the market stagnates – is brought forward by Putsis and Bayus (2001). In other words, it may be suggested that it is sometimes hard to know what consumers want especially in the birth stage of a market – and the firm then benefits from a number of probing launches. However, competitors' additions to the market and the gradual understanding of consumers' needs then makes it imperative to evaluate each product in the line and probably focus the variety, in essence probably pruning the assortment.

There is however reason to believe that managers may generally rather lean towards offering a larger assortment than opt for a smaller one. As earlier touched upon, most economic models have assumed the market being insatiable for variety (Lancaster, 1990), and are arguably less concerned with the interplay of an individual firm's product launches and the overall market situation in the eyes of a consumer. One marketing-connected, scholarly example is that the consumer-oriented rationale for brand management is much expansion oriented, with little to no concern for overchoice effects. E.g. Riezebos (2003:194) states that “the exploitation of several brands increases the chance that a consumer chooses a branded article from a set of several branded articles with a certain degree of randomness”.

There is indeed some empirical evidence to be found that suggest that companies with broader product lines may enjoy both a higher market share and better profits than their more modest industry brethren (Bayus and Putsis, Jr., 1999; Kekre and Srinivasan, 1990). And as

said in the introduction, several researchers do point towards a general product proliferation over time in many areas (e.g. Costanzo and Ashton, 2006; D'Aveni, 1995:23; Nelson, 2002; Putsis, Jr. and Bayus, 2001). As a last point, economic theory and empirical evidence of actual matters aside: It might simply be argued that today's society at large holds forth "the more choice the better" as the norm (Iyengar and Lepper, 2000).

In summary: General research suggestions as well as the pervading norms of society may arguably spur managers to expand their product lines to an extensive assortment, without particular regard for the market situation as a whole. Research specialized on variety recognizes benefits of offering a large variety in e.g. a volatile and/or new market, but suggests keeping the assortment in check under more stable conditions.

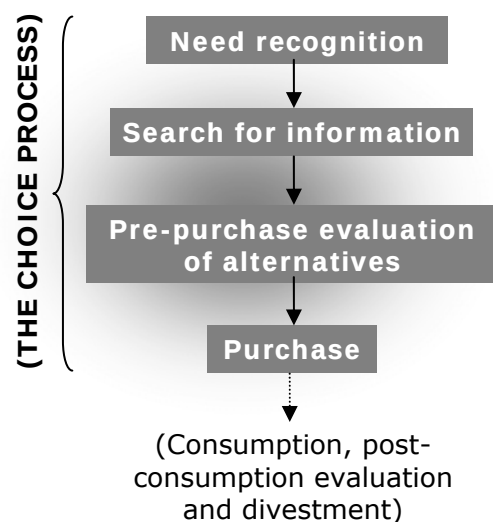
The actual assortment – the consumer's perspective

Brand aspects such as e.g. trust in a particular firm are recognized to be of importance also by several overchoice researchers (e.g. Kahn and Lehmann, 1991; Nelson, 2002; Schwartz, 2006). However a brand is not regarded as such a captivating and ever-present factor within overchoice research as in common branding literature, as e.g. Schwartz (2006:51) comments on an "over-branded world". In essence, to overchoice researchers, consumers will often have to evaluate the offers from several brands in their choice process (c.f. Model 2). And according to Hutchinson and Alba (1991:331), the situation when a consumer makes comparisons between manufacturers is more challenging in terms of qualitative aspects of *memory load*, as "most comparisons identify many differences", as opposed to comparisons within a single manufacturer's product line where "the models have many attributes in common".

A general, critical issue to take into account would be whether consumers want a large assortment from a number of competitors to choose from or not? The findings on this matter are quite complex, and it seems that overchoice effects may be inherently hard to trace.

- A slight majority of customers – 60 percent – are found to ask for a lesser amount of alternatives in Nelson and associates' market research (2002). However, Chernev (2006:57) rather finds that consumers "are more likely to display a preference for the decision flexibility

MODEL 2: The choice (and decision process)



The consumer choice (and entire decision process), adapted from the "consumer decision process" in Blackwell et. al. (2001:71).

offered by larger assortments”, and other studies find that consumers are generally attracted to a larger choice opportunity (e.g. Bown et. al.2002; Iyengar and Lepper, 2000). Altogether, Schwarz (2006:51) comments on what might be called a trade-off on the retailer level. A large assortment attracts “footfall” – visitors come to enjoy the spectacle. And consumers may also choose to visit such well-stuffed mega-outlets in order to have a large variety to choose from for their final product decision (c.f. Bown et. al, 2002; Kahn and Lehmann, 1991). However, “retailers with more restricted choices are less ‘exciting’ but more effective in sales terms”, Schwarz argues (2006:51). It could be that consumers may think they can handle a large choice set initially, but subsequently may be overwhelmed with the strains of choice (c.f. Chernev, 2006).

- To resellers of various types of goods, it seems that every category of products would warrant its own, careful evaluation – and that more fuzzy concepts such as the atmosphere of the buying environment could come into play. Borle et al. (2005) find that actual assortment cuts yield widely varying effects on sales. Some categories become subject to increased sales, while sales drop in other categories. Along with Amine and Cadenat’s (2003) findings, this may be said has to do with the consumers’ *choice sensitivity* varying. That is, consumers expect to have a large selection in some categories, while other categories may be trimmed without affecting the consumer’s perception and in turn the retailer’s image and patronage. Added to this, Amine and Cadenat (2003) as well as Ramdas (2003) and Kahn (1998) cite various previous research that point to the importance of the choice environment as such, e.g. in that in-store placement of products and the more vague notion of the store atmosphere may alter consumers’ perceptions of the range of choices they have.

- However it could be suspected that a good portion of the negative consequences from overchoice may neither be very consciously experienced on the part of the consumer, nor readily visible to a selling firm. According to several authors’ notions on the basic concept of *confusion*, a consumer may be in a confused state without being aware of it (c.f. Foxman et al., 1992; Mitchell and Papavassiliou, 1999; or Mitchell et al.’s (2004) background on similar research’ definitions of confusion). And regardless of the consumer’s state of mind, it seems that the consumer may be expected to cope and eventually close a deal under many circumstances. Greenleaf and Lehmann (1995:188) do not find support for their hypothesis that consumers delay their purchases due to “procedural uncertainty over how to gather information on products, identify the relevant set of products and product attributes to consider, and establish the importance of each attribute”. That is, consumers seem to be able to handle a manifold of products and attributes and come to a decision. This may arguably be a display of heuristics – i.e. consumers choose not through careful evaluation of an

overwhelming number of products but eventually make a decision based on simplifying decision rules (see e.g. Mick et al., 2004).

In summary: Overchoice researchers have questioned the eventual captivating factor of brand and found that consumers generally seem to be asking for quite a lot of choices from a number of firms. However, consumers may subsequently find the offered choice set to be overwhelming when actually making a choice. Still, the effects of overchoice may not always be explicit and readily noticeable neither by the consumers nor a selling firm.

The communicated choice set – talk smart and be clear

To reach the consumer, traditional marketing and branding literature places a heavy emphasis on being present with messages that differentiate a firm's products, e.g. through the common notions of finding a *unique selling point* to communicate (c.f. Keller, 2003:131–132) and try to position a product in a category thought beneficial to the brand (c.f. Percy and Elliott, 2005:54–55). Such market practices may reach the point of trying to gain benefits from differentiation on *meaningless* or *irrelevant attributes* (c.f. Carpenter et al., 1994), or even actively try and destabilize commonly accepted product categories (c.f. Rosa et al., 1999).

According to overchoice researchers however, differentiation attempts often add to consumers' difficulties. According to Mitchell and Papavassiliou (1999:332), even the common strategy of introducing a unique *criterion* (i.e. attribute) – such as “environmentally friendly” – is a way of “deliberately” increasing confusion “in an attempt to re-open the brand choice decision”. But as well as firms may complicate the choice set by differentiation and novel categorization, the very same basic mechanics may potentially be utilized to alleviate choice and soothe overchoice effects, according to overchoice research.

- The guiding potential of categorization may be a key element to counter overchoice. Dividing the choice set into categories is according to Mogilner et. al. (in press: 33) “an alternative to option reduction” in a situation with “choice overload” effects. The more categories the better, even. Mogilner and colleagues find that dividing a large choice set into a large number of categories may simultaneously keep up the picture of an attractive variety to choose from while alleviating the choice process and increasing eventual satisfaction (c.f. Chernev, 2006). Especially novice consumers are said to be helped by categorization (experts unaffected), and the labels put on the groupings need not be particularly informative. Mogilner et. al. (in press) even find a *mere categorization* effect, whereby a nonsense grouping of the products (such as under “Category A”) increased satisfaction for novices. Suggestions to gather and label the alternatives within an extensive choice set also surface e.g. when Iyengar et. al. (2004) propose focused communication, “tiering” a

manifold of options, as Gourville and Soman (2005) recommend that products might be labelled e.g. as “good, better, best” (as the computer company Dell reportedly does), and when Desmeules (2002) suggests labelling by “type” of customer.

- According to overchoice research, one important factor to take into account is whether the alternatives share characteristics such as providing performance on a particular scale (are the attributes *alignable*)? Or does the choice involve trading off one unique feature for another (*nonalignable*)? Earlier research has shown that people better remember and more easily process alignable differences (Zhang and Markman, 1998; Zhang and Fitzsimons, 1999, as referred to in Gourville and Soman, 2005). Dhar (1997), like Zhang et al. (2002), then suggest marketing managers to employ comparative advertising, which is somewhat along the line of Malhotra’s (1982:426) experimental findings where respondents “felt more certain of their choices as the variation in the relative attractiveness [in the choice set] increased”.

In summary: Overchoice research points towards that the common practice of introducing unique selling points may complicate consumer decisions. Rather, emphasis is placed on gathering products into categories and providing comparable information, even with competitors’ products.

The communicated choice set – on the consumer’s own terms

Today, marketing messages are abound and one may easily argue that it is hard to stick out in the “competitive clutter” (Keller, 2003:342). From an overchoice perspective, however, advertisements may not just be confused with those of competitors among the flurry of messages. The advertisements are in themselves suggested to be able to overload the consumer “from the accumulated effects of many advertisements” (c.f. Mitchell and Papavassiliou, 1999:326).

In line with this, some overchoice research suggests market communication by more refined means than just explicating particular features ever more sharply. The suggested key issues are to adapt to the consumer’s pace and knowledge.

- Pine suggests in Teresko (1994:48) that the firm should provide the consumer with “configuration and design tools”. Lee and Lee (2004) suggest that consumers in an on-line environment should be given the opportunity to select for themselves on which attributes products should be compared – even to the extent of a firm providing such interactive comparisons with also competitors’ offers. From Hutchinson and Alba’s findings (1991), the consumer should be allowed to sift through the available information at own discretion, as “unconstrained information search allows subjects to reduce information load” (1991:337).

- All in all, Nelson and associates (2002) call for “readily accessible, relevant and comparable information about products”, and other researchers also bring up the issue of

what could arguably be called *information fit*. Keller and Staelin (1987) find that consumers have an easier time handling larger amounts of information if it is of quality, i.e. information on attributes deemed important by the consumer. Mitchell et al. (2004:147) suggest that consumers' efforts to evaluate and deliberate over a choice set may only alleviate confusion to the extent that 1) "the information is available and comprehensible" and 2) "the consumer has the processing ability to analyze the information".

Both the above points are connected to the common notion of a consumer's level of expertise. It is often contended that experts have superior memory for information within their domain of expertise, they are better at spotting patterns in the information and they are better at structuring their knowledge (see Wärneryd, 2001:114). The issue of information fit is salient in overchoice research. Some overchoice researchers stress the matter that firms should respect the consumer's level of knowledge even to the point of asking for regulation on the actual assortment. E.g. Desmeules (2002:14) suggests that firms should try and limit the number of products "where mostly novices will be found", and Schwarz (2006:50) suggests that some markets such as health care, education and pensions where dangers lurk for uninformed consumers would "need a framework of strong regulation [yielding] a small number of clearly differentiated choices that really matter".

In summary: Overchoice researchers suggest that the company should communicate on the consumer's own terms. This might be achieved either by yielding the power over the information to the consumer, e.g. providing interactive search, or by gaining knowledge of the consumer to the extent that the messages may be adapted to the consumer's level of expertise.

The communicated choice set – lending a helping hand

Is the consumer better off spending a lot of effort in evaluating the choice set? Mitchell et al. (2004) think so. These authors contend that "a perfectionistic approach to shopping might be an effective shield against confusion". However, such a statement is problematic in light of e.g. Schwarz' (2004, 2006) and Carmon et. al's (2003) notions. Consumers that try and "maximize" their shopping rather than let suffice with an adequate alternative may according to Schwarz (2004:85) be snared "into an endless tangle of anxiety, regret, and second guessing". Such people are found to be less happy, less optimistic and more depressed. Also, one additional factor to take into concern is the non-chosen alternatives. Carmon et al. (2003:25) point to that consumers that think a lot of their choices tend to become attached to eventually non-chosen alternatives, experiencing "postchoice discomfort" from having to forego certain alternatives.

In other words, regardless of how clear the product messages are in terms of e.g. fit to a certain knowledge level or allowing unconstrained, interactive comparison, it may be

suggested that a consumer often may benefit from and want to limit the choices evaluated in some way. Indeed, heuristics – i.e. short cuts within the decision process – are not only used when a consumer is overloaded by information (c.f. Mick et al (2004), but also when a consumer generally feels confident enough to do so. E.g. Mitchell et al. (2004) point to that experienced consumers may buy certain products regularly without thorough comparison with competing alternatives. This is a tactic recognized as expertise by Hutchinson and Alba (1991), and would thus perhaps be a simultaneous danger of providing the perfect information fit described above.

Logically, a consumer's use of heuristics or habits would often not be in a seller's interest, and it is also possible to doubt a consumer's ability to digest information, however clear, as Hutchinson and Alba (1991:325–326) state that “consumer learning of even simple relationships may frequently fail”. On the part of the seller, this points to an added importance to efforts of personal sales, and according to a few overchoice suggestions, much may be done with personal flexibility and finger-tip skills of handling customers (e.g. Mitchell and Papavassiliou, 1999, Turnbull et al., 2000). Perhaps even more so when deploying particular tactics: Gourville and Soman (2005) suggest that products could be recommended after a series of easy questions. Huffman and Kahn (1998) show that in situations with larger assortments, sales efforts are more effective if they focus on attributes rather than presenting the consumer with a number of set alternatives. Such a tactic is shown to lead to increased satisfaction with the sales process, less perception of complexity in the choice set – and increased readiness to actually make a choice. For an added benefit, consumers should be asked to explicitly state their preferences within the attributes, but the salesperson should not go as far as to ask the consumer to make comparisons and trade-offs between attributes. Note the last point's relationship to the findings of Gourville and Soman (2005) where trade-offs between attributes are found to strain consumers more. In essence: a salesperson's efforts could break down a seemingly overwhelming display of products into more easily understood attributes and contribute to filling the decision process with possibilities rather than foregone benefits.

The benefits of consumer choice and decision power as such is thoroughly supported and rarely questioned (see Botti and Iyengar, 2004; Iyengar and Lepper, 2000, for backgrounds), but a few, doubting notions do emerge. It may be suggested that a company that does not lend the customer a helping hand and take on the role through a flexible choice process may see its influence diminished, as e.g. Nelson (2002:194) discusses an increased role for *third parties*, where especially retailers might step in and become “trusted editors” of choice for consumers, by means such as promising to match best value.

When would the consumer relinquish a supposedly much cherished decision power? While Iyengar and Lepper (2000) suggest that the more consumers lack expertise, the more prone will they be to yield decision power to someone perceived as more knowledgeable, Nelson (2002) briefly argues that consumers would still want to choose for themselves when they have time and find enjoyment from the process of becoming knowledgeable in a product area. Also, Botti and Iyengar (2004) find that consumers are somewhat more likely to be satisfied with a product chosen for them when the choice set in question contained unattractive products, and Schwarz (2006:52) suggests the potential for an “everything you need to solve this problem” message. In other terms, there could be a somewhat larger competitive opportunity to offer third party guidance with regards to negatively motivated purchases with *informational* components (c.f. Percy and Elliott, 2005:147–148, 154–156).

Note the caveat that any brand may not suffice as a choice editor. Schwartz (2006:51) agrees to brands having value as navigational tools, but additionally comments on the currently “over-branded” world where brands come close to being commodities and impose costs of choosing between them as well. In all, the taking over of a consumer’s decision process towards making a choice may mean some smart coaxing with hard work to achieve a trusted status – and perhaps be most successful with regards to informational products.

In summary: Overchoice research suggests the importance of consumers gaining a guide – most often a salesperson of blood and flesh – towards making a choice. The guide may intelligently turn the assortment into more comprehensible attributes and benefits, or gain the mandate to take over parts of or even the decision process as a whole.

The assortment through time

Within Ramdas’ (2003) framework of a firm’s variety related decisions, the *timing* of product launches is said to have received “little attention from variety researchers” (Ibid., 2003: 88). According to Ramdas, a firm’s timing of launches impacts the *perceived variety* of its products over time, and the issue arguably gains importance in light of findings such as: 1) Consumers may postpone purchases if bewildered (Dhar, 1997), and 2) A lot of variety may stem from firms not pulling back previous products when introducing new ones in an increasing pace (e.g. Bayus, 1994; Costanzo and Ashton, 2006; Quelch and Kenny, 1994).

In Costanzo and Ashton’s (2006) study, managers briefly express doubts as to consumers’ abilities to appreciate truly innovative financial services. Somewhat opposite, Cooper (2004) finds that consumers e.g. discard around four years old mobile phones while wishing for them to last six years, and generally find consumers to be less likely to complain about the life span of those types of appliances “most subject to technological innovation” (2004:441).

Overall however there is a lack of overchoice research and management recommendations

on timing, but it would arguably be possible to make conceptual connections between negative overchoice effects and the particular impact that new technology and rapid product evolution is said to have on people. Mick and Fournier (1998) note previous research on new technology that suggests anxiety and stress to be psychological reactions. It could also be said that the discussion on overchoice has revealed a *paradox*: people may be initially attracted to choice but subsequently struck negatively by its consequences (Schwarz 2004, 2006 for inspiration, see e.g. Chernev, 2006; Chernev, in Denton 2006; Iyengar and Lepper, 2000; Nelson, 2002). As Mick and Fournier (1998) investigate *paradoxes* of technology, people are found to embrace new technology – but to also express frustration with it. A common finding is the ambivalence when respondents state that new technology brings benefits, but is soon to be outdated. “I know I’m going to be envious of what’s out there”, one respondent said after having purchased a computer (1998:129).

While Mick and Fournier (1998) find numerous ways for consumers to resolve such paradoxes, their accounts of some consumers delaying purchases and information gathering around new products matches Hirschman’s (1987) argumentation in contexts of rapidly evolving and complex innovations. The propositions concentrated on adoption may be summarized as follows: Consumers postpone gathering of information and the adoption decision for as long as possible. Complex products are evaluated on tangible features that the consumer has some previous experience of. Additionally, Hirschman (1987:59) states:

“the more rapidly proliferating the number of alternatives [...] the lower the threshold of acceptable performance will be [and] whatever option the consumer happens to adopt first has a high probability of being continued. Large levels of dissatisfaction are necessary before the option will be discontinued.”.

In summary: Product proliferation over time might arguably have connections to studies on consumers’ views on product adoption. Researchers’ opinions are however divided. Consumers might embrace innovation to the point of e.g. switching products while the old ones are still functioning. Or, consumers might postpone purchases for as long as possible and then let suffice with the first option eventually chosen, even if it should be found as being of low quality.

Previous managerial perspectives in particular

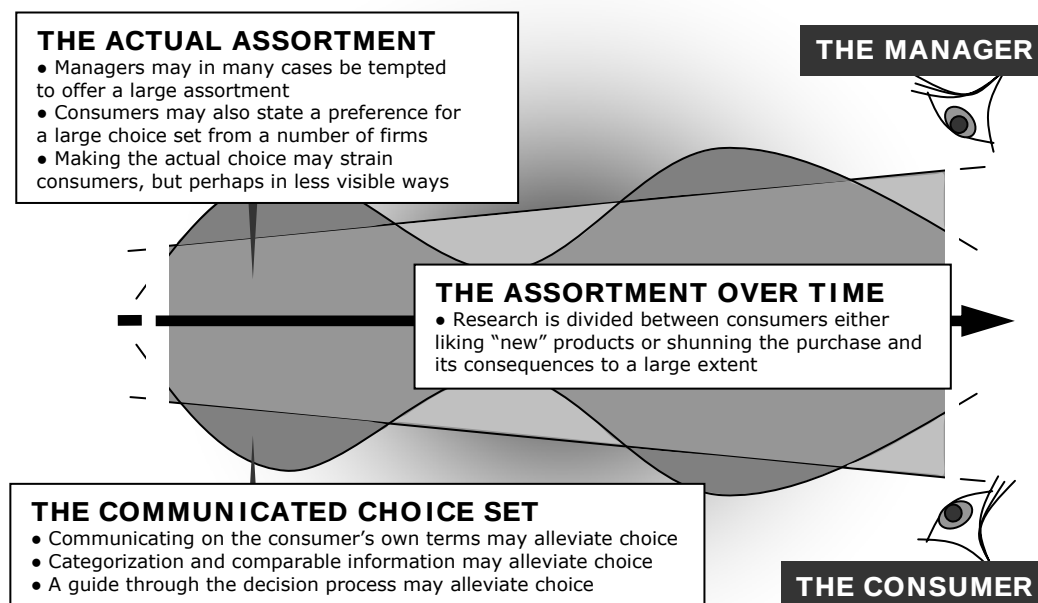
As mentioned in the introduction, managerial views are currently less well investigated. The viewpoints found are brief and limited. In Turnbull et al’s (2000) short mention of a pilot study, retail managers reportedly suggest that a confused customer warrants extra, personal sales effort but that a confused consumer at the same time is more prone to listen to a sales person. In Costanzo and Ashton’s (2006) investigation of financial services, managers talk of swift responses to competitors and reaching more consumers as factors that induce new product launches, albeit the process seems rather taken for granted. Also, managers briefly express doubts as to consumers’ abilities to appreciate truly innovative financial services.

A summary of previous theory and the framework components

All in all, the preceding discussion has used overchoice research coupled with various other strands of research to provide an overarching framework to guide the empirical investigation and subsequent analysis. As seen, the end of each previous section has provided a summary. To clarify matters even further, the main points are restated in the following, general summary, and added to the theoretical model encountered in the beginning of the chapter.

- **The actual assortment – the manager’s perspective:** Much of current literature as well as the pervading norms of society would trigger a manager to provide an extensive assortment.
- **The actual assortment – the consumer’s perspective:** The power of brands are questioned and consumers may be asking for quite a lot of choices from a number of firms. However when actually choosing, consumers may be overwhelmed, albeit negative overchoice effects may be hard to distinguish.
- **The communicated choice set – talk smart and be clear:** Choice may be alleviated by categorizing products and providing comparable information instead of toting unique categories and/or selling points
- **The communicated choice set – on the consumer’s own terms:** Firms should adapt the communication around the products to the consumer’s pace and knowledge, e.g. by providing interactive search or by knowing the customer and adapting the communication accordingly.
- **The communicated choice set – lending a helping hand:** A guide, such as a sales person, could either make the assortment more comprehensible, or gain the mandate to decide for the consumer.
- **The assortment through time:** Researchers’ opinions are divided. Consumers might either embrace innovation or postpone purchases for as long as possible and let suffice with the option eventually chosen.

MODEL 3: Main points of previous research



The visual model encountered earlier with the main points from previous research added.

4. FRAMEWORK: Finding a market prone to overchoice

As seen throughout the thesis there have been a number of studies carried out on what may be summarily called overchoice determinants and effects. Each study has provided a small part of the puzzle when the research has ranged from laboratory settings to real world experiments and statistical crunching, encompassing a wide variety of product markets.

However in order to carry out a fruitful empirical investigation on managers' actions and concerns within the framework of overchoice, it is now arguably of the essence to chisel out a general, theoretical definition of a market that runs as large a risk as possible to complicate consumer choice to a problematic extent.

It is hereby posited that a combination of these separate studies yields a summarizing definition of a market under high risk of detrimental overchoice effects as follows:

A number of products and attributes, equally attractive and with non-alignable attributes, on high involvement products, where consumers have little experience and an element of pressure exists.

Each of these elements will in the following sections be theoretically grounded. The definition will subsequently be used to single out two markets where each arguably has a potential of providing enlightening empirical data from managers on the issue of overchoice.

A number of products and attributes...

Malhotra (1982) finds “dysfunctional effects of information overload” at levels of 10 or more overall alternatives in the “choice set” or when information is provided on 15 or more attributes. Several subsequent researchers have cited Malhotra's findings on 10 choices and have found additional support for detrimental effects from choice sets of e.g. 11 (Maxwell, 2005), 16 (Chernev, 2003), 18 and 27 (Lee and Lee, 2004; Lurie, 2004). One important aspect to note is Hutchinson and Alba's (1991) remark that consumer comparisons between manufacturers are more challenging than those within a single manufacturer's product line, e.g. as one firm's variety of product alternatives have many attributes in common.

In conclusion: The market investigated should contain at least 10 alternatives from different manufacturers. The number of attributes on which to compare the offerings should exceed 15.

...equally attractive and with non-alignable attributes...

Already Malhotra (1982) did however show that the detrimental effects are quite constant as the number of alternatives increase, and according to Lurie (2004:484), it is important to note that “more alternatives do not necessarily mean more information”.

Rather, what matter the most seems to be the number of attributes (c.f. Malhotra, 1982) combined with the distribution of the attributes over the range of products (Lee and Lee, 2004). That is, products that share a particular attribute may be seen to form sub-groups within the choice set. A clearly dominant subgroup – such that most computers (alternatives)

have a certain amount of ram memory (attribute) – may suggest to the consumer that this amount of ram memory is common practice and would make choice easier. Additionally, Gourville and Soman's (2005) research shows that people seem to be strained the most when trading off *non-alignable* attributes – essentially foregoing one product's unique feature when choosing another one. Would you like a computer with built in wireless capabilities or one with a software suite? It is thus important to note that a few distinguished but equally dominant sub-groups would perhaps alleviate choice from an overload sense, but still not make choice much easier if the groups' respective attributes were non-alignable.

In conclusion: the market investigated should have a choice set where many attributes are non-alignable and where the attributes should be as evenly distributed as possible over the choice set.

...on high involvement issues...

One common definition of *involvement* is “the degree to which an object is personally relevant” (Celsi and Olson, 1988, as referred to in Blackwell et al., 2001). As consumer decisions on a high involvement issue means more elaboration and perhaps often a longer time horizon, it would then perhaps be intuitive to think that a consumer then could handle or negate many of the detrimental consequences of overchoice – the consumer would be highly motivated and really think through the various options and their consequences.

However, Carmon et al. (2003) show that elaboration may make consumers feel a loss to non-chosen alternatives, and Mitchell and Papavassiliou (1999:319) frankly suggest that overload and confusion may be “particularly acute in high-involvement and complex purchases”. Malhotra (1982:428) remarks that research that has yielded ambiguous results has studied e.g. laundry detergent and prepared dinners, where “consumers typically do not seek and process information on many attributes or alternatives”. Empirically, several studies have demonstrated overchoice effects in selections of arguably medium to high involvement products such as residential homes, cd-players, job opportunities and retirement plans (e.g. Malhotra, 1982; Tversky and Shafir, 1992; Lee and Lee, 2004; Keller and Staelin, 1987; Iyengar et al., 2004). For rather thorough reviews of product categories examined, see e.g. Mitchell and Papavassiliou (1999) and Walsh and Mitchell (2005).

In conclusion: the market investigated should contain high involvement products.

...where consumers have little experience...

The mediating factor of consumer experience (or the consumer being an *expert*) is one of the more reoccurring remarks within overchoice research. Iyengar and Lepper (2000:1004) state that “the precise number of options that would be considered reasonable, as opposed to excessive, may vary as a function of both the chooser's perception of their choice making goals and their prior expertise with the subject of choice”. Malhotra (1982) shows that

cognitively complex individuals (i.e. experts) have a higher ability to efficiently handle information on attributes. According to Chernev (2003), it is enough to just have previously formed *ideal points* on the product's attributes – i.e. earlier experience with a product or at least conscious contemplation of the implications of a product's features – to handle choice somewhat better. Other mediating aspects of concern are the power of loyalty and brands, where Kahn and Lehmann (1991:297) suggest that high loyalty and extensive knowledge of a category probably would mean that the presence of a *most-preferred brand* contributes “very heavily, perhaps exclusively to the value of the assortment”. In other words: a choice may essentially be determined from the outset by a loyal and experienced consumer.

The probability of finding consumer experts or set brand beliefs and habits on the market arguably decreases with the newness of the category, which suggests that any category picked to investigate the complications of excess choice should be of a more unstable kind (c.f. Rosa et al 1999) – in essence confronting a large percentage of prospective consumers with variety as to which they have not yet formed firm preferences.

Last, pure services or products with extensive service components, such as bank savings and mobile phones, have been investigated from more or less overchoice related problem perspectives (Costanzo and Ashton, 2006; Turnbull et al., 2000). Additionally, Hirschman (1987:59) argues that even though some services such as child care and bank loans are “those very decisions whose outcomes have the most potential for increasing or decreasing consumers' happiness”, the proliferation of such services makes the consumer just “satisfice and muddle through” these difficult choices. From general theory on services, too, it would be expected that a service attribute is particularly challenging to evaluate. The much cited properties of services such as *intangibility*, *inseparability* from the provider and *variability* (e.g. Kotler et al., 2002:537–544) would be expected to contribute to consumer difficulties.

In conclusion: the market investigated should be new or have few experienced consumers and/or with a heavy service component to evaluate.

... and an element of pressure exists

The issue of time pressure is up for debate. Several studies incorporate an element of urgency (e.g. Dhar, 1997), and Mick et al (2004:208) state that “disadvantageous effects of time-stress [...] are unambiguous and robust”. On the other hand, consumers that are able to postpone their decision may do so when e.g. struck by uncertain needs and the possibility that better products may emerge in the future (Greenleaf and Lehmann, 1995). Additionally, Carmon et al. (2003:15) suggest that extensive deliberation may make consumers feel “postchoice discomfort and find nonchosen options more attractive after the choice”.

A more or less clear time limit is however not the only factor that might press a consumer

in a choice situation. At least three overchoice studies (Turnbull et al., 2000; Cooper, 2004; Walsh and Mitchell, 2005) point to the more likely occurrence of women and especially elderly people as subject to overchoice-like detrimental effects. Additionally, Walsh and Mitchell (2005) show that lower educated consumers are prone to experience difficulties when choosing. It is then worth to note that these studies focus on high-tech products or financial services that may by some be deemed as a must-have but a nuisance to handle (c.f. the earlier mentioned paradoxes of Mick and Fournier, 1998). Theory shows that valuable expert knowledge does not come with age or passive experience but rather with active efforts to learn: *deliberate practice* (Ericsson and Lehmann, 1996, as referred to in Wärneryd, 2001:114). In other words: rather than accepting demographics such as gender, age or education as explaining factors, the key aspect could be about consumers struggling as they have to address an *informational* problem (c.f. Percy and Elliott, 2005:154–156). Neither many women nor elderly or lower educated people may have an inherent interest in a computer or financial service as such – but not choosing a product would pose problems e.g. of not being able to communicate adequately or bringing financial worries.

In conclusion: the market investigated should have an ingredient of pressure, e.g. from a time aspect or as an informational problem to eventually handle.

The chosen markets

While a good number of various consumer markets might well fit the above derived “checklist” of having a high likelihood to be stricken by overchoice problems, two particular markets have been singled out for investigation. Their properties will now be briefly described, and their suggested point-by-point correspondence with the definition of a theoretically problematic market is found in Table 1.

The must-have digital TV

Between 2005 and 2008, Sweden’s terrestrial TV broadcasting was switched from an analogue to digital standard (DTV). At least a quarter of the four million TV watching households had to get set top boxes for digital terrestrial TV or satellite to be able to continue to watch the national TV channels (Digital-tv-kommisionens årsrapport, 2004:7–12).

Set top box alternatives were abound, on several levels of analysis. Overall, there were at least 118 models of set top boxes for terrestrial TV and 112 models for satellite TV (Pricerunner, 2007). The variety of boxes formed several sub-groups with often non-alignable features: e.g. with or without a card reader for pay channels, a hard-drive for recording or high definition TV capability. The terrestrial system provided a number of free channels and pay channels (Boxer.se, 2007), but two competing satellite alternatives added to the complexity with non-alignable features in the form of different pay channels available

(c.f. Viasat.se, 2007; Canaldigital.se, 2007). In addition, several broadband providers could offer TV via an internet connection (e.g. Telia.se, 2007). All in all, technical features could be evaluated on at least 14 attributes of which many were non-alignable (Pricerunner, 2007), and it was possible to subscribe to up to 65 TV channels depending on the set top box and service provider chosen (c.f. Boxer.se, 2007; Canaldigital.se, 2007; Viasat.se, 2007).

In essence: The DTV market is new and contains a lot of alternatives. While distinguished sub-groups may be found, such as the terrestrial system versus satellite providers, most features were non-alignable. The market is high technology with a service component to evaluate in which channels to be able to watch. Consumers have been under time pressure with a problem to solve before the analogue shutdowns, and a DTV choice would often warrant high involvement, either due to the consumer's TV habits or financial impact from subscription terms.

The choice of pension savings

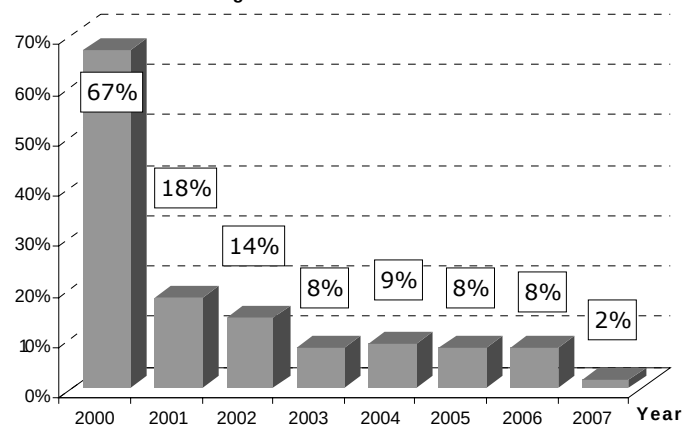
Starting in 2000, everyone ever employed in Sweden face a choice: where to invest a significant part of their pension savings. As of spring 2007, people had a choice of 790 different funds, where many fund providers offered similar types of funds, e.g. with a particular geographic constitution. The current account is sent out each year, and people are directed to a web site and call center to select the constitution of their portfolio of funds.

The PPM funds were introduced on the site PPM.nu as the type of fund (e.g. stocks or rate funds), fee level, risk during the past three years, this year's and last year's turn-out and the developments over a five-year average. There were however also additional tabs to the list, e.g. with analysts' grades and further decomposition of the performance figures. A standardized sheet of information with roughly 20 attributes to evaluate accompanied all funds. With the exception of e.g. the geographic location of the companies within a fund, all attributes were alignable such as the funds having had a better or worse turnout. Apart from the aggregated amount of 790 funds on display on the governmental body's site PPM.nu, banks and insurance companies promoted their respective funds e.g. on their own web sites. In several cases, the individual firms' PPM alternatives numbered at above 20 and even close to 40 (PPM.nu, 2007).

People may however also skip making an active choice and the individual's savings are then held in a pre-selected, global fund.

CHART 1: Active choosers dwindle among new PPM savers

Active choosers among new PPM savers



Source: Dagens Nyheter, 2008

Non-choosers are abundant – 40 percent of the eligible Swedes have not bothered to make an active fund savings choice (PPM, 2007a). In addition, statistics show that the number of active choosers among the newcomers on the market has dwindled. In 2007, only around two percent of the around 100 000 yearly new individuals within the system (PPM, 2008) made an active choice. Active choices had however in total increased for each year, e.g. from around 630 000 in 2004 to 2 500 000 in 2007 (Eriksson, 2008).

TABLE 1: Overchoice factors present on the chosen markets

	Digital TV	PPM funds
At least 10 alternatives from different firms	✓	✓
Products may be evaluated on more than 15 attributes	✓	✓
Many attributes are non-alignable	✓	
Attributes are evenly distributed over the set		✓
The market contains high involvement products	✓	✓
The market is new or has few experienced consumers	✓	✓
The market is of a high technology nature	✓	
The market has a heavy service component	✓	✓
Consumers are under time pressure	✓	
Consumers have a problem to solve	✓	✓

The governmental body administrating the system had realized the complexity of the system. Early May 2007, Premiepensionsmyndigheten [PPM] presented a report to the government: “Many [people] see the system as difficult. It is time to simplify it. The pension fund system may be more accessible with a more limited [assortment] and ready-made packages of funds”, a press release summarized the proposal (PPM, 2007b).

Interestingly, a US counterpart to the PPM system, 401 (k) savings, has been investigated by overchoice researchers. Iyengar et. al., (2004:87) deemed the choice of savings as “potentially life changing” but noted that only an average of 68 percent of eligible employees enrolled in 401 (k) plans in 2002. As employers’ plans vary in the number of options given (e.g. funds provided), a regression with the participation rate was calculated. Iyengar et. al. (2004) found that US participation rates peaked at 75 percent when two fund options were offered, but then dropped 1,5–2 points for each additional 10 funds offered. Tongue-in-cheek, it may seem that Swedes endure choice better. The US trend line would bottom at around 500 funds, while two percent of the Swedish newcomers actually made a choice among the around 790 funds offered.

In essence: While the PPM market is not undeniably new, it is a pure service market that contains a lot of inexperienced customers at least in those 40 percent that have not made an active choice. However alignable, there is a large number of non-dominant fund variants to evaluate on lots of attributes. Pension savings would arguably warrant high involvement and be a pending problem to solve to an individual. Last, overchoice researchers have earlier investigated a similar market, tying many options with little consumer participation.

5. DATA: The managers' tales

As described previously, a choice has been made to investigate the DTV and PPM fund markets, with expectancy that these markets constitute critical cases for a furthered understanding of the subject of overchoice. On each of these markets, manager practices of four firms have been more closely investigated through interviews with one respondent in each firm. The particular companies selected and persons interviewed within the two markets of PPM funds and digital television equipment (DTV electronics) are briefly described in Table 2 just below. Granting some respondents' wishes for anonymity, company names have been changed and the description of each company's character is held in more general terms. While the managers' names are withheld, their titles are accurately described.

TABLE 2: The respondents and the investigated firms

The digital television (DTV) market			
The MegaStore	The MegaCompetitor	The Specialist Brand	The Local Stores
• The MegaStore (MS) has spearheaded the super market concept for consumer electronics in Sweden. As of September 2007, MS had around 70 stores and offered nearly 10 subscription-free set top boxes as well as a number of additional alternatives from two of the pay-TV-providers. • The interviewee had been responsible for the business area of digital TV for one and a half years.	• The MegaCompetitor (MC) has expanded rapidly over the last decade, opening nearly 60 stores in Sweden. A store visit revealed 13 set top boxes on physical display, not counting subscription packages. • The manager interviewed was Head of Sales for the audio and video business area. This was a new job for the manager at the time, but gained from seven years experience within the field.	• The Specialist Brand (SB) has mainly a specialty retailer concept with a number of centrally located stores, but additionally runs a number of super markets. In September 2007, the website listed close to 30 set top box alternatives. • The representative had been head of the digital TV business area for five years, with a relevant field experience of 20 years.	• The Local Stores (LS) is a number of specialty stores. The stores have a common brand and some centrally run activities. The manager estimated the range of set top box alternatives to be around 20. • The manager interviewed was Head of Marketing for the audio and video business area and had been so for roughly a year, with a claimed field experience of 27 years.
The pension fund savings (PPM) market			
The Insurance Company	The Provincial Bank	The Business Bank	The General Bank
• The Insurance Company (IC) is among the top Swedish market actors on life insurances but also offers fund savings. As of September 2007, the company had around 20 funds in the PPM system. • The representative interviewed was the CEO of the IC's daughter company concentrated on fund management. The CEO was newly appointed, but had 20 years of experience in the field.	• The Provincial Bank (PB) has during the last fifteen years grown to become a top actor within life insurances. The Provincial Bank (PB) offered over 30 funds in the PPM System. • The PB manager was Head of Information and Business Development of Funds in the asset management company in the PB group. The person had roughly eight years on the job and claimed 20 years of experience in the field.	• The Business Bank (BB) focuses on companies and private banking but offers everyday services as well from a few hundred offices and the bank's web site. In September 2007, the bank offered roughly 25 funds within the PPM system. • The interviewee was responsible for marketing at the fund management company in the BB group since three years, with a total of eight years of experience within the field.	• The General Bank is one of Sweden's larger banks with many both private and company customers, serviced through the bank's web site and several hundred offices. In September 2007, the bank had nearly 40 funds in the PPM system. • The GB representative was Coordinator for Product Development in the GB fund management company since one and a half year, with four years of relevant field experience.

Main sources: Interviews with the managers (2007), the companies' respective web sites (2007), PPM.nu (2007)

With the firm characteristics in Table 2 as a guiding background, the main body of this chapter will try to provide a good description of the empirical data gathered. The report has been divided into a number of salient themes overall emerging through the course of the interviews. It will describe a self centered and self contained outlook on the market (“every firm an island”, p. 27), a rather limited awareness of overchoice issues (“at a loss to overchoice consequences”, p. 29), but various actions taken that may “address overchoice symptoms” (p. 31), while the companies at the same time may be “stuck in market practices and circumstances (p. 34).

Every firm an island

One of the most salient features during the interviews was that none of the respondents took an overall, bird’s eye view of the market, except when the interview was explicitly lifted to this level by the author. Simply put: every company treated its own portfolio of products as a pretty isolated entity, e.g. in terms of its breadth for different tastes and non-duplicated functions among its products.

No bird’s eye view

Competitors were rarely mentioned by the DTV electronics managers except with a sideway glance at their shortcomings: “Check out [the SB stores], they carry a load of set top boxes”, the MS manager said. In turn, the SB manager mentioned his competitors along these terms:

“It is a matter of having the breadth in both contracts and set top boxes to be successful. Many of our competitors lost a lot when they all advertised one and the same box for the same price [prior to one of the stages of the digital switchovers].”

The SB manager admitted to finding some input from the competitors, but then in terms of marketing practices, e.g. finding inspiration for store displays. According to the SB manager, competitors’ actions were not useful inputs for the assortment selection itself, due to a long buying process before the products eventually reached the stores.

Competitors were more prevalent in the PPM fund managers’ considerations, but then in an outright admittance of being copycats or finding themselves copied. Competitors were generally held in high esteem, and three out of four managers’ admitted to launching their own variants of competitors’ offers. The remaining one stated in general terms: “Copying is immediate in this business” (IC manager).

As well as competitors’ actions may be somewhat mocked, so may many of the products be discounted in the minds of the DTV electronics managers. The MS company does not carry no-name – “white label” – brands, and the MS manager clearly disregards these products in several comments, e.g. as “hardly existing” in terms of sales volume. According to the MC manager, subscription services often functioned as a filter: customers were said to

often having decided for a particular deal already before entering the store. Also, the SB manager seemed to assume a rather summary, initial choice process:

"The question is if [the customer] really chooses between that many different products. [The customer] has a budget to keep to and an opinion on design and that selection is done rather quickly. Then the salesperson enters as a last guide".

The PPM fund managers' views were different to those of the DTV managers. The fund managers rather thought of the market as undifferentiated: There are a number of product variants out there, without any particular quality differences. "I don't know if you really could say that certain [funds] have a higher or lower standard", the PB manager said.

All in all, however, the market view for the managers in both areas still boiled down to a disregard of a sizeable lot of the individual items actually on offer. The only dissident voice was really the IC manager, who explicitly took on the view of the general public: "As a consumer, I think it is madness to have 700 funds to choose from", the manager said.

Serving everything to everyone

If a self-centered and/or disregarding view of the overall market situation reigns, it is no wonder that the total number of products on the markets reach around 240 DTV offers and 790 PPM funds respectively. But why does a single company investigated offer so many products in its own portfolio?

The managers' notion of their individual company aiming to offer a broad assortment was explicit, and the emphasis on the importance of a broad assortment was generally salient. The MC manager went so far as to put the breadth of the assortment on top of the list of portfolio considerations. The manager did not once mention market demand as a limiting factor, but rather concentrated on the delivery capacity of the distributors and the cost of keeping the items in stock. Overall, the MC manager not only thought the individual consumer wished for a lot of products to choose from, but also held forth good results in terms of customer reach as his stores' assortment had increased over time:

"I think [the consumer] wants choice, considering how the super market concept has established itself. [Its success] is partly a matter of larger volumes and price pressure but also a wider assortment. Generally, when we increase and widen the assortment, [the business] fares better as we reach more customers [...] The product lines from the larger distributors are ever increasing [and] yes, we are ever more widening the assortment".

However the other DTV electronics companies were a bit more modest in their assertion of the individual consumer's wish for a large choice set. The one DTV manager most hesitant to the benefits of a large assortment was the MS manager, who saw the consumer often reaching for the easiest solution, and additionally said: "If you trim the assortment to a certain level, it will help both staff and the customer to navigate [among the offers]". The SB manager seemed to reason along the same lines:

"I would not say I think we should carry everything. There has been a selection from our part. Especially when the [analogue switch-off process] started, there were a number of gold diggers,

brands you had never heard of before [that we chose not to carry]. The width within an area is really about that you should be able to satisfy all needs. We build our assortment [...] with a base selection that every store should have and a larger selection for some specialty stores and the super markets”.

A reoccurring assumption by the PPM managers was that the individual consumer desired a large choice set. “We do work along the hypothesis that the customer wants a large selection, and we probably follow the market standard in this case”, was the GB manager’s comment. However, three of the managers brought an additional nuance to the matter – they also saw that the consumer started to wish for some limitation of the choice set as the actual decision was about to be undertaken. The PB manager:

[The consumer] wants to know that there is a lot [to choose from], but when [the consumer] de facto arrives at the choice situation it is an advantage to be able to present a lesser amount of alternatives. I think the consumer gets ambivalent when there is too much”.

All in all, it was pretty clear that both markets aimed for a generally large assortment, and several managers thought that the individual consumer would wish for a lot of products to choose from, at least initially. Overall, six out of eight respondents clearly indicated a wide selection as a goal at some point the interviews. The remaining two did so as well, albeit only to some degree and more implicitly.

Another quite unambiguous finding is that the managers overall regarded the consumers as keen to jump in on new products, even in market areas of swift innovation. Six out of eight managers on both markets stated that consumers like new products or at least want to keep up with developments. The SB manager:

“It is clear that many people have gotten digital TV without needing it, and the flat screen TV market’s development has really been enormous. And take Ipod, it’s a classic, everyone wanted an mp3 player despite that [they] would have gotten along well with a ‘walkman’”.

Several of the fund managers mentioned that even pretty radical, new products sold well, and this seemed to hold even if consumers initially were somewhat at a loss of what to make of the fresh variant. The GB manager:

“We introduced a fund [with a particular feature] which was completely new to our customers. That led to a lot of questions. But [the product] achieved very good results”.

At a loss to overchoice consequences

All managers overall acknowledged that customers could have difficulties choosing from the amount of products on their markets. There were however a noticeable difference between the market, as the fund managers were most clear and ready to acknowledge the possible existence of choice difficulties.

At the same time, the managers’ more direct experience with overchoice issues seemed limited, where essentially only the MS manager (the DTV market) and the BB manager (the PPM market) provided closer examples of actual problems. The MS manager told of customer frustration and confusion: “Many people become confused, I think. ‘I’ve been to [a

number of] stores but haven't received any good answers', one may hear". The BB manager told of consumers being affected mentally to some extent, as BB market surveys had revealed that some consumers felt under pressure:

"I do not think that [consumers] suffer psychologically, but people do use expressions such as 'economic anxiety' [in the surveys]. And of course, all the choices prevailing in society contribute to a certain state of mind. One 'should' choose an electricity provider, one 'should'... and I think one is aware that one loses financially [by not choosing] and experiences some bad conscience".

The managers also had only scant ideas on possible consequences for the business, at least in what the managers explicitly mentioned. Of the DTV companies, the MC manager did not agree to there being any particular problems for his company. The MS manager had observed that customers often felt frustrated and went for the easiest solution. The other two DTV managers said to lose and gain from the situation, respectively. As stated above, the SB manager described the consumer as often passing an initial selection of overall products independently and rather quickly. Still, the SB manager described a complicated sales process often remaining when a sales person finally entered into the picture:

"There are so many aspects to take into account. What kind of system, [the consumer's] viewing habits and what [the solution] may cost – and this is before [the consumer] has gotten to the point of choosing the core product. And then it is a matter of design and user friendliness. For us it means that the in-store process [of a consumer buying] takes a longer time, and this is especially an issue in the super markets where it is all about volume".

On the contrary, the electronics chain built on local presence and extensive, personal guidance, saw fortune in the consumers' woes: "It is perfect for us that are specialty retailers, where we additionally can offer installation of the products. Oftentimes, those [customers] that want a bit more help come to us" (LS manager).

Only one of the fund managers did explicitly theorize around the consequences for the business of the close to 800 funds on offer on the PPM market. "It is of course a problem for us that there are a lot of funds on the market. It makes it hard to penetrate the noise and to stick out", the BB manager stated. But the same situation could arguably be traced within the overall course of the interviews with the other managers as well – with quite grave consequences emerging. A striking find in this thesis is that the fund providers seem to spend little resources and concentration on the PPM market. First and foremost, any marketing efforts targeted exclusively towards the PPM market were quite small in scope, but one manager also mentioned that the company directed little product development effort to the PPM market specifically. Three out of the four fund managers said they rather tried to include the PPM savings in the general marketing campaigns. Albeit two of these managers stated financial reasons – the low fees allowed within the system was said to make specific, larger marketing efforts uneconomical – other statements from these and the other managers arguably told of a more fundamental problem: The plethora of funds and the structure of the system seemed to challenge the firms to work especially hard on their communication skills.

The fund managers all mentioned either a basic philosophy of trying to offer “simple” products, e.g. in branding or packaging, and/or efforts to improve the information provided, especially on the internet. However, the BB manager commented that the fund companies do not have access to the identities of the PPM customers: “We do not know if target audiences or our usual segmentation apply, even if one perhaps could take a guess”. In summary: specialized PPM marketing and communication seemed to demand a great effort, where the thin margins only made this fundamental problem even harder to address efficiently.

Albeit the managers on both markets described many consumers as keen on new products, there was at the same time some agreement on the proposition that consumers sometimes may postpone the buying decision for a long time – and that some may let suffice with the first choice eventually made. The MS manager:

“I think that many [consumers] do not have the energy, they wait for as long as possible. Many in Stockholm waited until the shutdown [of the analogue transmissions] before they bought a set top box, and that did not really give the push to the market that the industry hoped for”.

The fund managers described a great deal of customers as being inactive after the initial choice, but were still very reluctant to admit that some consumers then might stay with products that were not to the best of standards. The DTV managers generally commented on their customers as being more active and demanding, but opinions were scant and mixed on whether they stayed with a mediocre product choice or not. The SB manager told of unhappy consumers that had discarded no-name products, while the MS manager thought that people became comfortable with the features and channels available on the chosen box.

Taking actions that address overchoice symptoms

What became quite evident during the interviews was that most of the firms to some degree, in both markets, seemed to spend quite a lot of effort on practices that could from overchoice related research be deemed suitable to address overchoice complications. An exception is perhaps the MC manager within DTV electronics, who expressed scepticism to any significant problems at all for his company or indeed the market as a whole, and subsequently did not describe any particular actions to alleviate choice.

Educating the consumers

Two of the four PPM fund managers told of initial marketing campaigns around the introduction of the PPM system, with a goal to educate the customers. However, still seven years after the introduction, PPM fund providers yearned for education of the general public and customers – either on the benefits of fund savings in general, or stressing the importance of the customer understanding funds on a more technical level, e.g. knowing how to compare offers. As previously stated, the companies rather promoted overall fund savings than the

PPM choice specifically, and also these marketing and information efforts often seemed focused towards education. The IC manager:

"We do everything to achieve better knowledge [among the public]. [You] ought to give fund lessons in school. [Sweden] is the country in the world with the most fund savings, practically everyone has funds [due to the PPM system], but the level of knowledge is low. It is frightening".

The DTV electronics managers saw themselves as more or less in the midst of the initial consumer learning process. The MS manager had toured around Sweden ahead of each digital switch-over, inviting customers to a coffee and a chat with distributors of set top boxes and subscription services. The SB chain had launched a DTV web site containing e.g. explanations of technical terms, and the manager stated: "The more the customer has learned, the quicker [the sales process] is, and the more chance there is that the customer becomes satisfied". The LS manager, however, already saw an end to the consumer learning process: "[We] have come so far that most people are aware of what is happening [with DTV]. People have learned a lot the last two-three years".

Relying heavily on brands

The urge to offer well-known brands was very salient within the digital TV market – to the extent that the MS manager deemed it the most important factor when building a product portfolio: "Branded products are the most important thing for us, to work with well known brands that the customer feels safe with". Two other DTV managers mentioned brands explicitly, while the remaining one implicitly gave the brands prominence, in that approval from the digital TV service providers (e.g. Boxer) was adamant: "The [products we market] should be approved by the operators, and then [we evaluate] price and performance" (LS Manager).

Brand considerations in the assortment decisions were far from an explicit factor on the PPM market. Only the PB manager mentioned something along the lines:

"[...] we have an investment concept, a portfolio theory, simply put. And we wanted to be able to offer this also within the PPM system. The goal was to have an assortment that resembled the general, normal assortment, and we wanted to have some of our largest funds to be in it so that the customers would recognize themselves".

Otherwise, some more general brand considerations surfaced at various points during the interviews. One impression was that the PPM managers treated the firm's overall brand as a rather given factor, with a potential to provide overall recognition and comfort to a consumer's decision within the firm's different product areas. The BB manager stated: "It is [the BB company], simply, it is the bank".

Learning how to walk the consumers through the process

While there was only weak managerial support for the suggested overchoice complications of promoting the uniqueness of products, one of the most salient features on both markets

was the companies' efforts to make themselves understood in the messages provided to the customers. The BB manager summed up the efforts and complications pretty well:

"[...] we have a business language and that easily becomes gibberish. We strive every day to become simpler, clearer and more approachable [in the communication]. If you look at a text that a fund manager has written and thereafter to what an editor changes [the text] to become, there are large differences. But since we have a broad target audience we cannot have too simple a language either. We cannot underestimate people's knowledge. Additionally, we have [authorities'] demands on us to provide information, with legal text in a thick slab that rather scares people off."

The DTV firms are not burdened by duties to provide certain information in voluminous amounts, but several of the interviewees mentioned challenges of adapting the messages to their wide audience as well. The SB manager had an interesting take, blaming both the media and the industry for infesting the language with buzz words:

"[...] media and distributors use expressions that the consumers start using without really knowing what it's about. It's an act of balance. Some customers demand technical expressions".

About the forms of communications used, half of the companies displayed some signs of aiming to simplify and/or standardize the messages from which the consumer gained information independent from a salesperson's help. The SB manager had let standardize the in-store labels attached to the products, and was additionally in the process of making information brochures for different consumer electronic areas, e.g. television and telecom: "Think about this when you buy...", the SB manager summed up the theme of the brochures. The MS manager held forth the chain's simple price and information labels – with more extensive facts in a fold-out manner. Both these chains were also in the process of extending their electronic means of providing user-selected facts and comparisons.

Regarding the PPM fund companies, the BB manager described how the fund selection on the web site was divided into "starter", "complement" and "other" sections, and the three other managers described similar attempts to package and label the offers in simple terms. All in all, a general fund manager focus on developing interactive web services emerged, where e.g. the PB manager said: "[...] we work all the time to get better at [providing information] on the internet." But additionally, the PB bank was also producing brochures themed according to various consumer goals, e.g. buffer or pension savings.

It seems, however, that clear communication and interactive systems was deemed to only get the companies so far. "It is hard to reach everyone in marketing and that is why we have sales people", was the MC manager's simple but arguably telling comment. All firms showed a heavy reliance on personal assistance to help the customer through the choice process. Comments that implied the importance of the individual sales person's skills were common – e.g. the experience to quickly assess the customer's needs. Descriptions of efforts to inform and educate the sales staff on e.g. new offers were abundant, and several efforts to systematize the sales encounter were described. Representatives from both markets described

set systems of questions or models to keep to during the sales conversation, to make the process convenient and effective:

"The easiest thing is probably to ask the customer: 'Do you live in a house?'. 'Do you like sports?'. There are roughly five to ten questions that will get you pretty far. It is simple questions, 'yes, no', where the customer feels confident and do not have to [find the words] to describe [his situation] (MS manager, 2007).

In essence, several of the managers spoke of the personal sales effort somewhat like providing the individual nuances to the sales communication that product messages or interactive systems could not achieve. The only real, dissident voice was the IC manager, who described phenomenal results for the internet sales channel, where "... customers really turn down a lot of help". Otherwise, the BB manager might sum the dominant view: "It's of course easier if [the customer] has someone to hold hand to".

The DTV managers also told of some practices of extending the amount of help further than the straight out sales talk. One of the DTV firms offered "personal shoppers" in some stores, another could undertake home visits to analyze the customer's needs in place. As for third parties taking on the role of choosing, however, meanings were divided. The DTV managers were the most sceptical, where the customers were described as too price sensitive, as wanting to self-assure the quality, or that the majority would not want to yield the decision. The PPM managers all told of actual third parties making inroads on the market, such as independent, electronic marketplaces. However, they spoke of these third parties more in terms of an added channel of distribution rather than a threat, or shrugged somewhat at their potential importance or expected longevity on the market.

Stuck in market practices and circumstances

One of the more striking findings in this thesis is that the interviews sum up to quite contradictory statements. Two of the respondents went as far as to express a goal of trimming the company's offers. The IC manager generally stated the most troubled view on product proliferation, and depicted an internal struggle about the company's general fund offers, outside of the PPM selection:

"We are trying to cut down on our assortment of funds, but we have had heated discussions about it. [Some] think the customers are happier with a lot of choices and that [the customers] would not trust us unless we carried also the externally managed funds that many others do, a complete fund market".

The BB manager described some earlier cutdowns having been made during the 80's through the 90's – due to similar offers within a particular category of funds. To avoid exposing the customers from tax on capital gains, the funds were mostly merged.

"We will [trim the assortment] even more, since we think simplicity is of more importance, and we have [nowadays] also gotten people used to us cancelling and merging funds. I think it is a chore we have to go through" (BB manager).

However, outside of the PPM system, the BB bank would at the same time try to handle a simultaneous, growing strategy of launching and withdrawing trend products more quickly, with the help of external fund providers: “We can follow the trends by bringing in external fund managers, and we can change the fund [variety] easier”.

To a certain extent, it seemed that the fund companies were stuck in certain practices and a market situation much taken for granted. The fund managers often mentioned important factors as outside of their control: government and financial market regulations on margins and provision of information – and regulations on mergers or withdrawals of funds. A prevalent copycat behaviour was described – where current customers were said to often demand that the companies mimicked competitors’ innovations. ”[A competitor] has launched a new fund, why don’t you have it?”, the BB manager cited customers’ inquiries, “and we have to be able to answer to that”.

Yet again, a difference between the markets emerged. As well as the DTV managers overall expressed a less worried outlook than the fund managers on possible overchoice problems on the market, they could be said to express a quite worry-free view of their own actions concerning the products offered. None of the DTV managers described any plans or efforts to trim their current assortment. The managers overall seemed to be content with the selection offered, despite e.g. the LS manager acknowledging a very skewed distribution of sales: ”[...] that is how it is, out of these twenty set top boxes there are a few that yield the majority of the sales. That is the case with all products”.

A general impression was that the DTV managers thought of the selection process as rather self-evident: one checked the technical specifications of upcoming products, in some cases testing them for e.g. user friendliness, and with a hunch of upcoming customer demand decided whether to market the product or not. As for subscriptions, the DTV managers unanimously described themselves as governed by the service providers’ offers, where three out of four managers stated that they offered the full range of subscription variants.

While the LS manager said: ”If we add one product we often remove another. The assortment cannot just grow and grow”, the MC manager on the contrary impressed the customer with a mass of products: “When there is a giant TV section I think the customer thinks, ‘here’s everything there is [on the market]’”. The two other DTV managers were somewhere in between, as the assortment offered was said to undergo rather natural shifts due to technical improvements: a new, superior product simply replaced an older one – and the assortment volume as well as the variety offered was thus implicitly held constant.

6. ANALYSIS: A theoretical take on the managers views

To serve the thesis' overall purpose to **deepen the understanding of overchoice complications for a business within a real market context**, the empirical findings will now be discussed within the theoretical framework constructed. Overall, the discussion will revolve around giving a comprehensive picture based on the two, overarching research questions earlier posed.

A known problem – but fuzzy consequences

Research question 1: What manager awareness of overchoice issues and manager concerns on the business effects of such issues may be uncovered?

All managers acknowledged that overchoice problems may exist on their respective markets, believing that consumers may have a hard time choosing among the products to a larger or lesser extent. But in essence, the awareness of overchoice issues must be said to be limited, as only two managers really told of personal experience or described overchoice-related findings on the market. The agreement was also in some cases rather weak, especially on behalf of the DTV managers. Generally, the managers' ideas on possible effects of an overchoice state were scant, and none of the managers really communicated any appreciation of the gravity of the situation, or indeed seemed overly concerned about the effects on their business. It should however be noted that the two DTV managers' mentions of a more taxing personal sales effort correspond to Turnbull et al's (2000) previous findings.

Overall, the limited experiences and vague statements collected in this investigation could be the practitioner's real world image of the theoretical overchoice notions in summary, studies that altogether describe a quite multi-faceted, complicated and perhaps fleeting overchoice phenomenon for a manager to handle. According to researchers, consumers seem to perceive and react to the amount of products offered differently depending on the category as well as the choice environment (e.g. Amine and Cadenat 2003, Borle et al., 2005; Kahn, 1998; Ramdas, 2003), which are arguably rather fuzzy variables. And despite all the negative psychological consequences reported (e.g. Schwarz, 2004, 2006) and some reports or assumptions of consumers postponing their purchases (e.g. Dhar, 1997; Iyengar and Lepper, 2000; Maxwell, 2005), enough consumers might perhaps not be consciously aware of the confusion, cope with overchoice and still eventually close a deal (e.g. Mitchell et al. 2004; Mick et al., 2004) for the market situation to seem pretty viable as a whole – at least for quite some time.

All in all, albeit an awareness of overchoice issues may exist in the back of a manager's mind, the problems and especially their effects may be hard to assess and articulate. It is arguably not far-fetched to conclude that even a manager on a market with a high, likely

occurrence of individual consumer overchoice issues might not really be able to appreciate the overall consequences comprehensibly.

In summary: While overall acknowledging that consumers may have a hard time choosing among the products on the market, managers displayed a very limited awareness of actual overchoice issues on the market. They only provided scant notions on the business effects of such issues, and overall displayed a limited concern about the business effects.

Taking actions to counter a partly self-created problem

The topic of the second research question is far wider than the first one. As the various manager actions taken range from the initial selection of the assortment to subsequent actions to inform and guide the consumers, the upcoming discussion has been sub-divided into six separate headlines. Altogether, the sections provide an arguably comprehensive answer to **Research question 2:**

What are the implications of the firms' current actions concerning the assortment deployed on the market within an overchoice perspective?

The simultaneous good and bad of a large selection

The overall, quite explicit aim concerning the firms' assortment was unquestionable: These firms all aimed to offer a broad assortment. The overall objective to do so, however, was somewhat confused. To some managers, this was a way of reaching the aggregated, varying tastes on their mass markets – i.e. providing a large variety. However some managers, and notably all managers within the PPM market, also put forward the assumption that the individual customer would wish for a large assortment to choose from. Additionally, most managers reported that they regarded the consumers as keen on jumping in on new products.

The first assumption of a large variety to satisfy widely varying tastes makes good sense from a theoretical point of view, and somewhat mirrors Costanzo and Ashton's (2006) findings of financial managers talking about reaching more customers through new product launches. Overall, digital TV and pension savings are mass markets comprised of a good portion of Sweden's households and neither of the companies investigated are particularly niched. Customers would thus be expected to have diverse preferences (c.f. Bayus and Putsis, Jr., 1999, 2001). Additionally, Sorenson's (2000) and Putsis and Bayus' (2001) findings point to that a large variety is an advantage in new or uncertain markets. The DTV market has unquestionably been rather new to each Swedish region hit by the gradual switchover process between 2005 and 2008 (Digital-tv-kommissionen, 2004). Albeit the PPM market is perhaps somewhat more established since 2000, each year new entrants to the labor market encounter the PPM funds for the first time. Also, the market holds a large, unknown factor in the circa 40 percent of the eligible Swedes that have not yet bothered to make an active fund savings choice (PPM, 2007a). What dormant preferences might these

non-choosers reveal if they could somehow be triggered to make a choice? And even the already existing customers are largely unknown: The system does not disclose the identity of the individual fund savers to the managing firms. In essence, also the PPM market is arguably still new to many consumers and their preferences are not easily deduced, at least on a more detailed level.

What about the managers' second assumption: that the individual consumer wishes for a large assortment to choose from? Several if not most overchoice researchers do agree that consumers want to be able to experience a large assortment at first glance (e.g. Chernev, 2006; Kahn and Lehmann, 1991; Schwarz, 2006), where a supposedly large variety for example could offer many possibilities for the future purchase decision or be just a spectacle to behold. Additionally, standard economic theories (c.f. Lancaster, 1990) as well as the general societal climate might arguably do a certain part to reinforce the urge for "the more choice, the better" (Iyengar and Lepper, 2000). All in all, also this assumption is a rather natural one to make, whether a manager traces the consumer's footsteps, read economic theory or feels the prevailing trends.

But an extensive assortment could arguably be called a backfiring trap, luring in the consumer but eventually catching both the consumer and the selling firm in a difficult situation. As earlier stated, the actual choice situation may e.g. put mental strain on the consumer (e.g. Schwarz 2005, 2006; Chernev 2006), the consumer may postpone the purchase (c.f. Dhar, 1997; Hirschman, 1987) or choose according to quite arbitrary heuristics (e.g. Mick et al., 2004). These symptoms and effects were all occasionally mentioned by the managers to a larger or lesser extent, and the PPM managers (three out of four) did indeed show an outright appreciation of there being two phases, where a large choice set was initially attractive but subsequently posed a challenge for the consumer to handle. The DTV managers however did not reason along such lines, but arguably held a generally more positive outlook as to the consumer's ability and inclination to navigate through also the subsequent making of an actual choice.

As said, overchoice researchers are so far rather silent on the consumers' appreciation for new product introductions, and the managers' tales do not really collaborate with the arguably somewhat related research of technology paradoxes (Mick and Fournier, 1998). When the managers on both markets describe an individual consumer's views of product news as positive and embracing, it is without acknowledging simultaneous, negative feelings. However, as earlier elaborated upon, these mass markets hold a wide variety of preferences, and there is at the same time manager statements supporting Hirschmann's (1987) propositions of e.g. postponement of purchases. In other words: while some

individual consumers are inherently attracted to pension funds or digital set top boxes, others could probably not care less. Thus, the classic, more general marketing notions of a difference between consumers addressing transformational or informational needs (c.f. e.g. Percy and Elliott, 2005:147–148, 154–156) is probably a better explaining theoretical point of view on an aggregated level. In essence, the managers have to handle both types of customers on their markets.

In summary: The investigated firms aim to cover all consumer tastes, but often also try and attract the individual consumer by assuming that a large assortment and new product introductions also speaks of attractive free choice and contemporary products. On an aggregated level, the managers act on rather new and uncertain mass markets where, according to theory, the large variety the managers aim for currently is an advantage. However, as the managers extend the assumption to be valid for the individual consumer, they may capture but the initial parts of the decision process and fail to appreciate the difficulties for an individual consumer to eventually reach a conclusion. Also, the prevalent assumption that consumers are attracted to new products may arguably risk straining those individuals that do not have an inherent interest in the product category as such.

Trusting the power of the own brand to take charge

The managers generally seemed to have quite a narrow outlook on the overall market situation, where e.g. some DTV managers showed outright disregard for the presence of no-name products. All in all, the managers often leaned towards the assumed power of their established brand or branded products to capture customers. And generally, the managers did not express any particular concern that objective third parties would make significant, threatening inroads on their markets, helping consumers to making choices.

Overchoice theory has a doubting view of a brand's navigational power, where arguably at worst a brand's presence may become just another overloading factor for the consumer (c.f. Schwarz, 2006; Mitchell and Papavassiliou, 1999). And at the same time, predictions of a rising importance of third party, trusted choice editors are surfacing thoughts within overchoice research (c.f. Nelson, 2002; Iyengar and Lepper, 2000; Schwartz, 2006). Such discrepancies between overchoice research and the managers' rather self content viewpoints would perhaps warrant a caution – had it not been for the firms' simultaneous, determined actions to help and guide consumers by themselves.

A main finding that transpires throughout the interviews is not one about an opening for competitors to make inroads to guide consumers with e.g. a promise of objectivity. Rather, a common and strong overall impression is that the manager interviews altogether spoke quite clearly of trying to take as much charge as possible themselves – and guide the consumers all the way to a final conclusion. The actions may broadly be divided into two categories: 1) various simplifying communication efforts and 2) structured personal sales efforts, where the

salesperson seems to provide the nuances and final push towards a deal that a pre-made message or interactive information system often may not have the ability to provide. These two categories will be further explored in the upcoming sections of the analysis, along with the caveat of the important ability to adapt to the consumer's level of knowledge whether small – or large.

As a final note, while the managers on both markets mainly disregarded the rise of third parties, there were still some slight differences between the markets, providing less investigated overchoice areas with further support. As discussed, Schwartz' (2006) and Nelson's (2002) suggestions and Botti and Iyengar's (2004) findings could if scrutinized point to a larger propensity for a consumer to relinquish decisions on products of an informational type than transformational decisions. Such a pattern may arguably be seen on the investigated markets. As previously brought forward, the DTV managers generally seemed to regard their electronics customers as transformational pleasure-seekers – and altogether, the DTV managers described their customers as wanting to make their own decisions. The PPM managers were rather more muted. While a certain amount of customers were described as both becoming more active in recent years and liking new products, fund savings were not described as being *positively motivated* to the extent the DTV managers describe their products (c.f. Percy and Elliott, 2005:147–148, 154–156). In essence, funds are arguably to a larger extent informational than transformational products than what home electronics are. On the rather more informational PPM market then, the managers both described actual third party brokers and e-businesses making inroads, and the managers were more permissive than the DTV managers as to the potential of such companies.

In summary: The managers displayed a narrow outlook on the market as a whole and stated quite vague hopes of the power of their brands to capture the customers. The managers largely negated suggestions that consumers may yield the decisions to objective third parties, albeit interviews pointed to a larger potential for such companies to help out with informational products. While the above observations may suggest for a vulnerability on the markets, several of the companies' actions simultaneously speak of a firm objective to take as much charge as possible themselves, and guide the consumers all the way to a final conclusion.

Providing clear information

A general correspondence with overchoice researchers' suggestions can be found in that most managers could be said to display an overall objective to provide the consumer with comprehensible and readily present information in order to alleviate choice.

The power of categorization to alleviate choice is as discussed emphasized within overchoice research (Iyengar et. al., 2004; Gourville and Soman, 2005; Mogilner et. al., in press), and efforts to categorize and label the offers are prominent in several of the firms'

communicative efforts. One of the DTV retailers e.g. labelled its products “good, better, best” – as if per outright recommendation from Gourville and Soman (2005). All four fund managers described efforts to label and package the choice set into more comprehensive chunks and labelled offers, e.g. like the BB firm’s “starter” offering.

Albeit none of the managers spoke of comparative advertising or allowing interactive comparisons also with competitors’ offers as suggested by Dhar (1997) and Lee and Lee (2004), there was a reoccurring emphasis to provide worked through and standardized information in-store and on the internet. In all, the type of information provided and the tools to do so arguably spoke of a common manager emphasis of providing the consumer with the means to sift through important information at own pace, a practice that would reduce the consumer’s information load according to Hutchinson and Alba (1991).

In summary: The firms displayed a number of communicative efforts that serve to categorize and label the products into more comprehensive offers and sub-divisions of the assortment. Information systems and in-store information let the consumer sift through the information at own pace. Altogether, there were several examples to be found of communicative efforts that would, from previous research, alleviate choice from an extensive assortment and counter negative effects from overchoice.

Emphasizing the importance of personal sales

Regardless of the efforts to structure the written messages and developing interactive systems, an eventual manager reliance on personal sales was much prominent, and arguably more so than the emphasis put on personal guidance by most overchoice researchers.

Of course, the managers’ reliance could to some extent be an inherent factor of the businesses investigated, as the market actors were rather traditional, long-established retailer type firms. The firms mainly operate stores and banks with face-to-face customer encounters, albeit complemented by e.g. web sites and phone services to a larger or lesser degree.

However the manager comments on the sales process were arguably more faceted than just holding the power of salespeople at a natural high esteem. Several managers described structured sales dialogues supported by systems and models, and the overall picture given was an aim to deduce the consumer’s preferences on attributes or benefits, ending up in a recommendation rather than challenging the consumer with choosing from a number of alternatives. Thus, the tactics described were arguably along the lines with the suggestions of recommending a product after a series of easy questions (Gourville and Soman, 2005), and thus focusing on preferred attributes rather than set alternatives (Huffman and Kahn, 1998).

In summary: From the views of the managers, informative messages and interactive systems seemed to take the consumer only so far. Thus, the firms leaned quite heavily on utilizing personal sales efforts in structured ways, where personal flexibility and experience was supported by systematized components.

Noting the importance of speaking on the consumers own terms

Notably, both the managers' descriptions of communications efforts and personal sales were permeated by recognition of the importance of adapting to the knowledge level of the consumer. The issue of information fit must be said to be one of the reoccurring cornerstones of overchoice research (e.g. Chernev, 2003; Iyengar and Lepper, 2000; Malhotra, 1982; Mitchell et al., 2004). However, the overarching theme from overchoice research is arguably a one way perspective: an urge towards message simplification and/or raising an ignorant consumer's level of knowledge. As depicted, managers on both markets did indeed describe conscious efforts to educate the consumers. But again, due to the mass market nature, managers found themselves in a more difficult, real-life situation. Manager comments told of an act of balance to not simplify the information too much. One remark was that one would then underestimate the portion of the firm's customers that were more knowledgeable. Another was that consumers sometimes expected certain buzz words to be present in the communication, despite being rather ignorant as to the true meaning and importance of the technical expressions. Altogether, the sales staff arguably had a main role in the flexible adaptation to the consumer's level of knowledge and demands of product information.

In summary: Both the described information efforts and personal sale tactics show of an attempt to provide guidance on the consumer's own terms. However, real-life complications add some nuances to the previous research in depicting a challenge to provide neither too easy nor too complicated information to a mass market – in essence, speaking on each consumer's own terms. Related to the issue of two-way information fit, the managers arguably leaned to a larger extent on the flexibility of personal sales than what overchoice research suggests.

An assortment cut as the final straw

On the PPM market, one of the managers described a future cut on the assortment as being inevitable, due to an aim for simplicity. A second fund manager described heated managerial discussions on the matter of whether the individual consumer wanted such a large choice set as currently offered or not. Additionally, two of the fund managers told of previously made cut downs on the number of products.

On the DTV market however, the managers' construction of the assortment was described as rather self evident and the current assortment adequate, or even too small (the MC stores).

How may such differences between the markets be explained?

It has earlier been argued that there are evident managerial assumptions of the benefits of a large assortment to 1) foremost cover widely varying tastes on their markets and 2) to a certain extent address the individual consumers' wish for a large variety to choose from (c.f. Lancaster, 1990). Such overall aims coupled with the newness of the markets and unknown needs on it (Putsis Jr. and Bayus, 2001; Sorenson, 2000) arguably make for a strong

hesitation to cut the assortment and thus threaten the presumably needed variety within it. Add to this, as argued in the first section of the analysis, overchoice as a complex problem that is seemingly hard to distinguish and assess even on a market much prone to such issues.

What may then make a manager question the assortment? Overchoice issues are perhaps not even second on the list of considerations, as there is yet to discuss another, traditional management consideration with regards to variety: the costs of providing the assortment (c.f. Bayus and Putsis, Jr., 1999, 2001). It may be argued that only in the face of undeniable cost issues and a bleak market turnout will a company really contemplate trimming the assortment thought warranted for reasons of variety.

There have been no warning lights flashing on the DTV market. No set top box – no watching TV anymore: the digital switchover process did not leave people with a non-choice to postpone the purchase, and the symptoms of an overchoice problem were arguably much lost in business as usual. The DTV managers generally thought of themselves as marketing shiny dreams, not nuisances to handle for the consumer. And there were probably enough customers with an appetite for new electronics in general – or perhaps too many people only silently cursing the need for a digital set top box – as to not shatter that rosy picture.

However, on the PPM market, cost issues permeated the managers' reasoning to a large extent, albeit cost issues surfaced as through proxy. As fees were low, margins were described as thin. As described earlier, the thin margins did not allow much of a dedicated effort to promote choice within the PPM system and perhaps neither to guide the consumer through the offers. The PPM managers apparently hoped in vain for increased consumer knowledge, while they described the consumer's making of a choice as demanding, the offers on market as swiftly copied (c.f. Costanzo and Ashton, 2006) and without any particular differences in quality. The overall market turnout was undeniable: 40 percent being non-choosers overall (PPM, 2007a), and only two percent of newcomers making a choice in 2007 (Eriksson, 2008). What to do then but finally contemplate cutting down on the amount of offers – but still perhaps not foremost from an overchoice perspective but from a more tangible equation on the returns? In essence stating: “we cannot support this many products”, rather than “consumers cannot handle this many products”.

In summary: Albeit overchoice issues and the extensive effort needed to guide customers through the choices may suggest benefits from cutting an assortment, it may take pressing cost figures, perhaps even paired with a harsh market turnout, to prompt managers to the apparently drastic resort of cutting the assortment.

7. FINDINGS: A picture of the managers' situation

Along with the purpose **to deepen the understanding of overchoice complications for a business within a real market context**, the empirical data paired with the theoretical framework has arguably given both a certain amount of support to previous research and some added nuances to previous findings and researchers' managerial suggestions.

However the discussion has spanned over a number of points and has provided extensive reading through a number of pages. To hopefully achieve greater clarity, this chapter will provide a brief, overarching point by point summary of the findings. The findings will also be incorporated in the now familiar theoretical model from Chapter 3. Additionally, they will be compared to the limited managerial viewpoints from previous research. Finally, while the conclusions are carefully based on similarities as well as differences between the PPM and DTV markets, it could be enlightening to summarize in particular the differences found between the markets and how these have affected the conclusions (see Table 3).

The overall research findings summarized

Altogether, the below summarized findings, visual model and differences found between the markets provide the stepping point for the discussion in the following chapter and the ending chapter's reflections on the results and suggestions for further research.

Research question 1: What manager awareness of overchoice issues and manager concerns on the business effects of such issues may be uncovered?

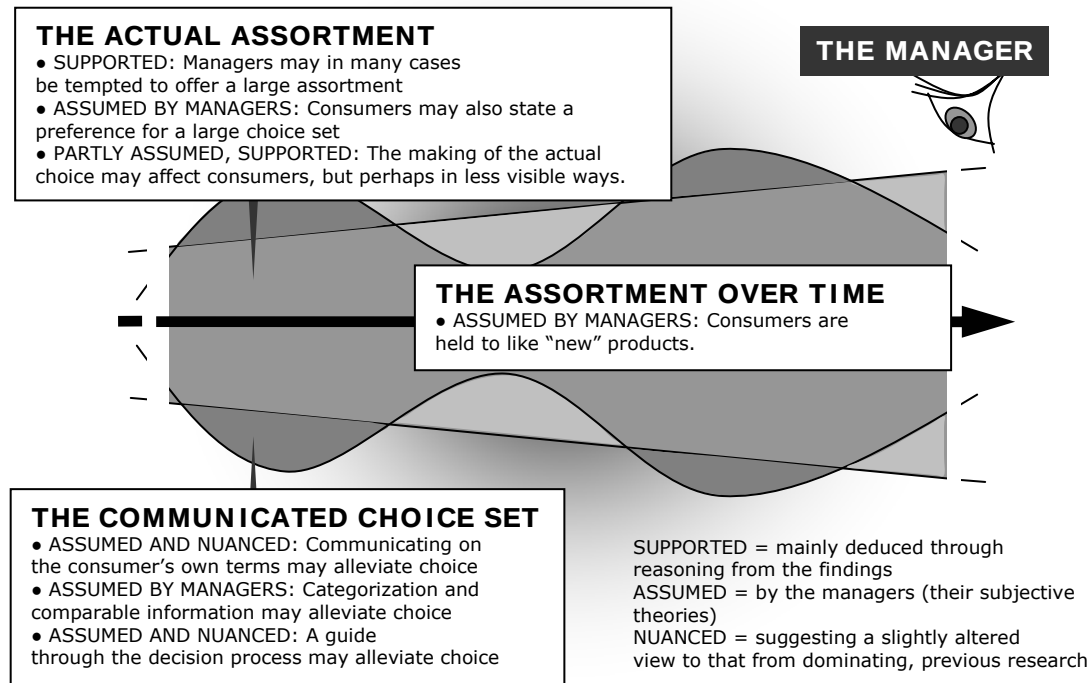
1. Albeit the managers acknowledged that consumers may have difficulties choosing among the products, managers displayed a limited awareness of actual overchoice issues on the market.
2. The managers did not display particular concerns about the business effects of overchoice issues.

Research question 2: What are the implications of the firms' current actions concerning the assortment deployed on the market within an overchoice perspective?

1. Assuming a need for a large variety is to an extent theoretically warranted on these mass markets that are new or have uncertain needs, but the managers may theoretically fail to appreciate difficulties arising during the consumer's choice process due to the large amount of choices available on the market.
2. Reliance on the own brand(s) and negating third parties' potential role could point to additional vulnerability for losing sales and market power, especially with regards to informational product choices.
3. A number of efforts to provide theoretically effective information and guidance however show of a common determination from several firms to take charge throughout the consumer's choice process, where the actions may theoretically counteract overchoice complications to a certain extent.
4. Adding to previous research, an actual cut on variety is suggested to be a last resort when efforts possible to inform and guide consumers clearly are inadequate.
5. Providing nuances to previous overchoice research, 1) personal guidance may have a larger role to help consumers than commonly suggested, and 2) notions of adapting to the consumer's level of knowledge are complemented with a suggestion of there being a challenge to not simplify the information too much.

Below, the main points of the theoretical framework from previous research is complemented with the findings that arguably arise from the managers' explicit statements and inference from the actual practice described.

MODEL 4: Main points of previous research complemented



The visual model finally complemented with the findings from the empirical investigation.

As seen, it is argued that several of the main issues receive support from the managers' tales or by the assumptions in the managers' subjective theories, e.g. that managers are tempted to offer a large assortment, and to an extent assuming that also the individual consumer like a large number of choices as well as new products. Subsequently, consumer reactions to overchoice may be hard to spot and assess, but the managers simultaneously describe several efforts to alleviate choice that are appropriate from an overchoice perspective. They describe communicative efforts to categorize and make the products comparable, and personal guidance through the choice process is not only displayed but much emphasized. In all it could be said that the managers underscore the importance of adapting communications to the knowledge level of the consumer, whether low or high.

In a comparison in particular to the few managerial viewpoints previously held forward (Chapter 3), the findings mirror these to a large extent. The DTV managers suggest that choice difficulties make for a more demanding personal sales process (as in Turnbull et al, 2000), and the influence of personal sales is further exacerbated. As in Costanzo and Ashton's (2006) managerial remarks, limited to new product introductions, PPM managers talk of copycat behavior. The strategic objective of reach likewise corresponds to the overall objective found in this study to attract a wide variety of consumers. While some doubts that

consumers are ready for “truly innovative products” (Ibid., 2006:291) could be at odds with that fund managers mentioned even pretty radical, new products selling well, the degree of innovation or reasons are not further specified. Costanzo and Ashton (2006) however touch upon consumer education in their end discussion, found lacking also by PPM managers.

The differences found between the markets

While a great deal of the findings have emanated from similarities between the markets and the largest amounts of unambiguous, empirical support, the differences found between the markets have arguably been much enlightening to put some additional twists to the conclusions. Below, then, is a summary of the main differences found on various issues, along with their inductive contributions to the conclusions.

Table 3: The differences between the markets

Issue	Digital TV	PPM funds	Induced contribution
The view of competitors and competing products (pp. 27–28)	Dismissive and/or describing shortcomings among the competition.	Competitors held at high esteem, products copied and quite undifferentiated.	✓ Contributing to the view of an assortment cut as a final resort, research question 2, conclusion 4.
Acknowledging consumer difficulties in choosing on the market (pp. 29–30)	Acknowledging the potential existence of difficulties but in general having a rather worry-free view of the situation.	Acknowledging the potential existence of difficulties while providing a more problematic market situation.	✓ One of the signs contributing to the view of an assortment cut as a final resort, research question 2, conclusion 4.
Distinguishing between the allure of a large choice set and the subsequent process of choosing (p. 29)	No manager made such a distinction.	Three out of four managers mentioned subsequent difficulties in the actual choice situation.	✓ Contributing to the impression that choice-alleviating efforts in the PPM market do not suffice: research question 2, conclusion 4.
The view of the customers (pp. 31–32)	Mostly described as active and demanding and keen on new products.	Some customers described as less active and/or burdened by choice. Managers stressed the importance (or lack) of consumer knowledge. All the same, customers are seen as demanding and abandoning a poor choice.	✓ Contributes to the depicted complicated, real-world situation on a mass market (Research question 2, conclusion 1). ✓ A suggested difference between informational and transformational products (Research question 2, supporting conclusion 2).
The view of brands (p. 32)	Branded products much central in product portfolio considerations	Having the firm’s brand as a given, providing an umbrella of recognition and customer comfort	✓ Equally troublesome from an overchoice perspective. Research question 2, conclusion 2.
The view of third parties (p. 34)	Dismissed as a tenable idea.	Acknowledged as an idea and exemplified with actual third parties, but doubting their importance.	✓ Altogether incorporated in research question 2, conclusion 2.
The view of the assortment size (pp. 34–35)	Managers were content with the current assortment or in one case describing practical limitations to not offer an ever bigger selection.	Mentions of previously made cuts, heated discussions on the size of the product selection and a future trimming as inevitable.	✓ Providing the impetus to suggest an assortment cut as the final straw. (Research question 2, conclusion 4).

8. CONCLUDING DISCUSSION: What overchoice?

As seen in the empirically complemented model (p. 45), the managers' tales and subjective theories largely underscore or even put additional emphasis and nuances to previous research on overchoice and variety selection. As perhaps noticed however, the model altogether suggest a problematic scenario, difficult to grasp and analyze and wasteful with resources.

Even if only taking the investigated firms into account, the stage is set for a mass of products from a number of firms. For most managers, a large assortment should capture a variety of tastes on the market and/or the assumed individual consumer's wish for a large assortment to choose from. The manager additionally assumes that consumers are keen on "new" product introductions, and the next unveiling is arguably not far away.

To put actual numbers to the picture: At the time of the study each firm's assortment was of a potentially problematic size (at 10 but in some cases far above, see Chapter 4) and only the eight investigated firms' assortments altogether comprised around 70 set top boxes (excluding subscription packages) and 115 pension funds of various constitutions (see Table 2, Chapter 4). Of these products, many were the very same products or near duplicates.

From an overchoice perspective, the amount of products is expected to become a problem as an actual choice is to be made. Managers are challenged to provide suitable guidance and information, at least to a number of consumers that are not captives under a particular brand or knowledgeable to the point of expertly navigating the market. However the negative overchoice effects may still not be readily apparent, as a consumer may be confused without realizing it and/or use heuristics to come to a conclusion.

The above described scenario from previous research and the empirical study combined to an extent addresses the **purpose to deepen the understanding of overchoice complications for a business within a real market context**, yielding an overall description of the problem:

While a large assortment may seem warranted to a manager, it is subsequently expected to challenge the managers to inform and guide consumers towards a choice. At the same time, overchoice effects may not be readily distinguishable as such.

In essence: a manager may have to address a partly self-created situation of overchoice while at the same time being largely oblivious as to the existence of the problems.

The above summarizing picture is contradictory and perplexing e.g. as to cause and effect. Is it feasible to think that managers deploy a number of choice alleviating efforts without particular reference to overchoice? Arguably, yes. Altogether, this has to do with the high extent to which overchoice problems seem to be obscured and being far down the list of managerial considerations. A second key element is the limitations of overchoice research as an overall explaining factor. Still, the choice-alleviating efforts on display may arguably

provide intriguing suggestions to previous overchoice research, as an understanding of possible real world complications to previous advice and inspiration to further studies. A critical journey through the findings will delve into the points just made.

Research question 1: A fuzzy real world overchoice phenomenon

What overchoice? An immediately rather puzzling result is that the DTV and PPM markets were purposefully selected from the model developed in Chapter 4 with an expectation for their having a high intensity of the phenomenon, in essence being as much likely as possible to be struck by negative overchoice effects. While the pickings did receive some support in e.g. managerial acknowledgement of possible choice difficulties on their markets, the managers displayed a rather limited awareness of actual overchoice issues. And above all – the managers seemed not too worried about the business implications of overchoice.

To an extent, the empirical support for **Research question 1** may be questioned (see Chapter 9). Arguably however, there is still support for the explanation earlier touched upon: It may be very difficult to spot and assess the consequences of overchoice in a real market context, as a number of customers may still act, but e.g. on the grounds of heuristics countering overchoice. And particularly these managers on mass markets may receive additional, counteracting signals, when certain other consumers are indeed enthusiastic, have a high level of knowledge and happily jump on – and even ask for – new additions to the assortment. In other words: The assortment on a market may swell to a difficult state for a number of consumers to handle – but their problems may to a certain extent be invisible or overshadowed, apparently even on these two, theoretically very troublesome markets.

Research question 2: Overchoice issues even further down the list

As seen in Table 3, Chapter 7, a main output from the differences found between the DTV and PPM markets is a suggestion that a cut on the assortment may be seen as the very last resort. While the digital switch over process did not really let consumers skip choice, the PPM market is struck by undeniable consumer postponement. From an overchoice perspective, this situation would be hard to explain as anything but overchoice related. However as mentioned in Chapter 6, the PPM managers' reasoning arguably does not provide consumer choice difficulties as the prominent explanation for assortment cuts. Rather, that picture rises through an overall bleak picture of thin margins and limited marketing and guiding possibilities on an undifferentiated market. It is argued that it may take an undeniably bleak cost/benefit equation to start contemplating an assortment cut down, in essence concluding "we cannot support this many products" rather than question the assortment size as such. The managerial assumption of the benefits of a large assortment seemed difficult to shatter indeed.

Research question 2: Coincidental actions to counter overchoice?

From a strict overchoice perspective, an apparent contradiction to the managers' rather relaxed attitude towards overchoice is the number of efforts simultaneously displayed to inform and guide the consumers through the choice process. Many of these efforts chime so well with the managerial suggestions from overchoice research: labeling, categorizing, having the sales person ask a number of smart questions – and overall adapting to the consumer's level of knowledge... why else would the managers take such actions?

As has been mentioned briefly in Chapter 6, at least the personal guiding efforts are probably firmly rooted in tradition, as the firms are established bricks and mortars retailers. In addition however, explaining factors may be found when briefly peering outside the frame of overchoice research. Several of the remedies suggested by overchoice researchers are arguably not only rather common sense and previously found on the market (c.f. Gourville and Soman, 2005). It is also to be found in general consumer research – without overchoice reference – that holds forward e.g. the power of categorization and benefit-based sales messages (e.g. Percy and Elliott, 2005:111–117, 120–121).

One peculiar twist is the similarities of the choice alleviating actions to suggestions from one current management fad and main propagator of immense choice. The theory of *the long tail* is arguably often cited only on the possibility of reaching the global variety of niche tastes, and Schwarz' (2004) as well as other researchers' findings are criticized (Anderson, 2007:170–175). However, the less cited, smart “filters” suggested are essentially about giving the consumer help on his or her own terms, with information that really matters (c.f. Ibid., 2007:110–122). The most influential help is suggested to be people, e.g. through blogs and search engine page ranks (Ibid., 2007:122–124), coincidentally also lending support to overchoice suggestions of a rise of the importance of third party guidance.

In conclusion, the investigated firms' information and personal guidance efforts need not have been triggered by overchoice issues per se but stem from tradition and market practices as well as general marketing notions – and even find support from current, choice propagating literature. To what extent the efforts subsequently may have been colored by a difficult choice situation is unfortunately not distinguishable within this study.

Research question 2: Now, how may they help you?

A strict overchoice perspective would be condemning and might trick one into thinking that the investigated companies could be treading into significant difficulties. Largely oblivious to overchoice problems, launching a number of products, hoping for brand salvation but subsequently, perhaps haphazardly, remedying a difficult choice situation with choice alleviating efforts. If not eventually having to withdraw parts of the assortment, that is.

However, suppose for a second that the investigated managers' real world picture would be rather representative of the market situation(s). With managers and consumers alike much blinded of the apparent benefits of a large assortment and new products – from where should an attractive and competitive change come? A third party *without* such a nice display?

Perhaps these incumbents will not be moved any time soon. So regardless of the underlying motives to the managerial actions taken, and bleak turnout with regards to actual consumer choice at least on the PPM market, there might well be something to learn from the choice-alleviating efforts deployed and complications described.

Apart from overly supporting or clarifying overchoice researchers' suggestions, the analysis of these companies arguably brings forward an increased role for personal guidance than previously investigated and suggested, and a challenge to not merely simplify, but speak the language of experts as well as novices. However, while these findings may be interesting in isolation, the most profound implication arises together, in the context argued that the companies' choice alleviating actions seem to have a potential to take a firm grip of the consumer throughout the entire choice process. And especially so when bearing in mind the support found for consumers having a larger propensity to yield decision power over informational issues. Altogether, the empirical data suggests an arguably powerful philosophy: A high sensitivity to the individual customer's comfort. Talk on his or her terms, and alleviate or even eradicate the most troublesome or boring parts of the purchase.

Indeed, some time after making the interviews for the thesis, other indications emerged of some Swedish electronics dealers wanting to embrace the consumer through personal expertise, where in some cases the holding of hands continued post-purchase:

- One retailer promised that its customers would never need to understand technical expressions. While the firm also promoted its website where a consumer could choose among the offers at own pace, there was a complementing phone support for further help (TV ads, L'Easy, 2007, 2008).
- According to a Swedish newspaper, "home service has in a short time become a new weapon in the battle for customers" (Falk, 2008), where the dealers' craftsmen nailed the TV to the wall, tuned in channels, hid cables from view – essentially set up a complete home cinema if the customer so wished.

In essence: this discussion will end with a proposition to further overchoice research: might these traditional firms not potentially have a very powerful, wide reaching weapon to deploy in their experiences of personal customer encounters, much more so than previously suggested? In a situation of seemingly unavoidable overchoice, there might be a not yet thoroughly investigated power of a human person to offer very flexible guidance and help.

"How may I help you?" is a simple question, but with one answer for each customer.

Perhaps even more on today's markets of abundance.

9. COMMENTS: On the results and their usefulness

The overarching composition of this study may benefit from being repeated:

- Previous overchoice theory was compacted into a “checklist”, suggesting the properties of product markets expected to complicate choice to a problematic extent. A framework of consumer and manager viewpoints and actions regarding market assortment and choice was derived from previous overchoice theory, variety research, a strand of psychology research on new products and common marketing theory.
- The DTV and PPM markets were picked with a suggested *high intensity* of overchoice issues, and four firms on each market deemed important as *critical cases* approached. Interviews with one manager (deemed a *good informant*) in each firm subsequently provided data and managers’ *subjective theories* to **deepen the understanding of overchoice complications for a business within a real market context** when contrasted to the theoretical framework (c.f. Flick, 1998:18–19; Morse, 1994 and Patton, 1990, in Flick, 1998:69–70).

Validity, reliability and some weak points of the study

An overall question is the extent to which the study is valid as a report of the situations on overchoice stricken markets, perhaps foremost due to the weak managerial awareness of actual overchoice issues and scant reports of possible business consequences of these.

Much care has been undertaken to develop the theoretical “checklist” (Chapter 4) from previous overchoice theory. However the DTV and PPM markets are only two of a number of possible markets to investigate, and it is much up to the reader, e.g. from the market and case descriptions (Chapters 4 and 5 respectively), to assess their actual suitability for study. Arguably however, they do fit the description of theoretically very problematic markets. Rather, argumentation through the analysis (Chapter 6) and ensuing conclusions (Chapters 7, 8) has pointed towards a strengthened impression of the initial theoretical view (Chapter 3) of overchoice as a complex problem to spot and assess in a real market situation.

Still, while the study may overall be on the right track, the critical eye might perhaps question the reliability (and partly validity) of the data to support some of the conclusions:

- As mentioned in the methodological section (Chapter 2), the interview guide (Appendix) was amended after the first two interviews. The addition of Question 10 warrants a further comment. As the markets were selected expecting them to be overchoice stricken, a decision was made to let managers describe worries spontaneously (show their subjective theories), rather than perhaps delve into excessive and anecdotal detail when explicitly querying about certain overchoice issues. However as the first interviews provided a puzzling lack of managerial concern, Question 10 was added – but without much effect on the eventual conclusions. Might a more extensive set of questions regarding overchoice reports and effects yielded a picture of larger managerial awareness or concern? Perhaps, but would it be truer to reality? Arguably, there is a thin balance between awakening latent understandings and provoking subjects to an expected answer.
- As perhaps understood, deriving the theoretical framework was a complex task (see Chapter 3). Due to this, the empirical investigation had to be *conveniently* limited (c.f. Patton, 1990, in Flick, 1998:70) – it was a matter of time and abilities for a sole author. Still, with an empirical base of eight interviews (four on each market), there was some indication as to the richness of the data. Several manager remarks were much

reoccurring, arguably reaching a certain amount of *saturation* (c.f. Glaser and Strauss, 1967, in Flick, 1998:66). However with hindsight, a larger sample could perhaps have underscored one of the suggested nuances to previous research, i.e. the probable reliability of the deviant findings. Now, the intriguing suggestion of a challenge to provide a two-way information fit stems from remarks by only two managers.

Additionally, some varying properties between the markets, companies and individual respondents may warrant further comments. More or less explicitly, this thesis takes off from the perspective of a consumer (c.f. Model 1, Chapter 3) – which firms along with their respective assortment are encountered and have to be evaluated in a choice situation? However, due to the differing properties of the respective markets, the companies investigated then vary in span over the common division of a supply chain (c.f. Schary and Skjøtt-Larsen, 2001:39).

- The digital TV set top box (DTV) firms investigated are all *intermediaries*, reselling producers' or their subsequent distributors' goods to consumers (c.f. Kotler, 2003:118–119).
- The PPM firms are insurance companies and banks, company groups that at the highest operational level are rather all-encompassing, with internal product development as well as marketing and sales directly to consumers.

Also, mostly due to a combination of accessibility and the *conveniently* limited sample discussed (c.f. Patton, 1990, in Flick, 1998:70), the functions approached differ somewhat. While the DTV managers have rather similar roles, all four PPM cases revolve around daughter companies concentrated on fund development and management, and the PPM managers were in two cases somewhat more specialized upstreams, around product or business development (see the manager and company descriptions in Table 2, Chapter 5).

In all, it is acknowledged that this varied selection of markets, firms and interviewees to some extent put the respondents at various distances from the individual consumer and at various degrees of specialization. However each respondent is arguably still as touched upon a *good informant* with close insight or decision capability regarding the issues at hand (Morse, 1994, as cited in Flick, 1998:70). To the author, no respondent has felt limited in relevant competence or insight, and they have each provided much valuable and comparable data for the subsequent analysis – as hopefully seen in Chapter 5 and the subsequent analysis and conclusions.

General applicability, usefulness and further inspiration

This thesis could be argued to bring certain originality in the senses that it 1) “[makes] a synthesis that hasn’t been made before” and 2) “[adds] to knowledge in a way that hasn’t been done before” (Phillips and Pugh, 1994, in Silverman, 2000:55). While the framework is a somewhat original synthesis, perhaps foremost, the study is to the knowledge of the author the first time the subject of overchoice has been investigated from the company side of the

market, providing a broad managerial perspective to the issue. While Costanzo and Ashton (2006) and Turnbull et al. (2000) do report managerial aspects these are very limited – to product launches and a few brief comments from a pilot study respectively.

From a fellow practitioner's view, the thesis might bring worries as to the extent the reader's market might be hit with a largely shrouded overchoice phenomenon. However it could also point to some opportunities to come to terms with consumer choice difficulties, from previous theory as well as the issues brought forward by the investigated firms. But overall, the main benefit is perhaps a spark, inspiring some healthy contemplation over nuances to the benefits of a mass of consumer choice, seemingly often taken for granted.

Inspiration is the word. It would arguably be dangerous to generalize the findings to be outright valid for other *contexts*, as on other markets or even other firms active on the investigated markets apart from tentative suggestions (c.f. Flick, 1998:233–234). And the focus of the thesis and subsequent main usefulness is research oriented: as a furthered understanding and inspiration within the field of overchoice (and variety research). The framework chiselled out and empirically investigated, together with the ensuing conclusions may hopefully serve as entry points for further studies, on these or other markets.

- It has been argued (Chapter 8) that while the managers may be largely oblivious to overchoice problems and choice alleviating actions to an extent coincidental, nuances to previous research still deserves a closer look: 1) Might over-simplifying messages (popularly “dumbification”) do more harm than good even in an overchoice context? 2) Might not personal sales have a larger role to counter overchoice than previously held forward?

- However the picture of these particular markets might also be improved. To connect the customer and firm side of the issue, actual consumer behaviour could be studied. And perhaps could an actual assortment cut be tested, to detail and even quantify consequences of the current, but seemingly much shrouded overchoice problems – as well as to further scrutinize the apparent, hard-set manager hesitation to sacrificing parts of the assortment.

APPENDIX: The interview guide

1. Could you describe the factors that affect the selection you choose to offer the customer?
2. Could you describe your reasoning around the advertisements and information on the products that you address to the customer?
3. What considerations precede the introduction of a new product?
4. What are the objectives of any specific marketing activities around the introduction of a new product?
5. Does your way of talking about your products differ from the terms that the consumers use?
6. Could you describe the objectives concerning the options you give the customers within a particular offer, for example different levels of service or subscription periods?
7. Do you have an opinion on how important these options are to the customer?
8. What considerations precede the withdrawal of an existing product?
9. Overall, research seems to point to that companies often want to offer a large selection, for example to hinder new competitors or due to consumers' preferences being unknown. What is your opinion on this matter?
10. Do you think that customers may have difficulties choosing among the products on your market – and in that case, what are the implications for the industry and your company?
11. Could you describe the actions you take to alleviate the customers' choice process and why you do this?
12. Some authors hold forth several tactics to alleviate the consumer's choice process. Could you appreciate the practical usefulness to 1) allow the consumer to choose the attributes on which the products are compared, or 2) adapt the information to each customer's individual level of experience?
13. Some authors predict an increased role for a third party helping consumers to choose. Somewhat like a personal shopper but not necessarily a person but a trusted brand with a particular selection or means to lead the consumer through the choice process. What is your opinion on this?
14. Authors suggest three different ways to lead the consumer through the choices around a product: 1) a dialogue with the individual consumer, 2) knowing the consumer well enough to silently adapt the offer or 3) offer enough adaptable and flexible products so that consumers may tweak them to their needs after the purchase. What is your opinion on these tactics?
15. Today's research is contradictory on whether consumers really want or does not want to have a large selection to choose from. What do you think?
16. Some authors mean that if products are introduced as unique and non-comparable with earlier products, it becomes more difficult for the consumer to evaluate the products' usefulness. What is your opinion on this?
17. Some authors mean that consumers may be unaware of the real extent of choices available on the market. What is your opinion on this?
18. It seems that several of the negative psychological effects of too much choice is not experienced consciously by the consumer. For example, one could confuse one product or brand with another without knowing it. What is your opinion on this?
19. Researchers seem to disagree on what is the easiest for the consumer to choose from: between various packaged offers – a system choice – or on a detailed level, the consumer has to take a number of product attributes into consideration, and one so to say constructs a natural choice of a product. What is your opinion on this?
20. There are opinions that rather than the number of products the consumer chooses between, it is the number of attributes and whether these are comparable or not that have the largest impact to create negative effects of too many choices. What is your take on this?
21. Some authors suggest that consumers on markets with rapid innovation 1) tend to accept a rather low standard, and 2) there is a high likelihood that the consumer sticks with the product first chosen. What is your opinion on this?
22. Research is rather ambiguous when it comes to consumers' opinions on products and rapid product development. One could talk about paradoxes, where consumers on one hand are curious on the upcoming new products, but on the other hand feel a pressure to keep up with developments. What is your take on this?

REFERENCES

Previous research

- Amine, A., & Cadenat, S. 2003. Efficient retailer assortment: a consumer choice evaluation perspective. *International Journal of Retail & Distribution Management*, 31:486–497.
- Anderson, J. C., & Narus, J. A. 2004. *Business market management: Understanding, creating, and delivering value* (2nd ed.). Upper Saddle River, NJ: Pearson Education.
- Anderson, C. 2007. *The long tail: How endless choice is creating unlimited demand*. London: Random House Business Books.
- Bayus, B. L. 1994. Are product life cycles really getting shorter? *Journal of Product Innovation Management*, 11: 300–308.
- Bayus, B. L., & Putsis Jr., W. P. 1999. Product proliferation: An empirical analysis of product line determinants and market outcomes. *Marketing Science*, 18: 137–153.
- Blackwell, R. D., Miniard, P. W. & Engel, J. F. 2001. *Consumer behavior* (9th ed.). Mason, OH: South-Western.
- Borle, S., Boatwright, P., Kadane, J. B., Nunes, J. C., & Shmueli, G. 2005. The effect of product assortment changes on customer retention. *Marketing Science*, 24: 616–622.
- Botti, S. & Iyengar, S. S. 2004. The psychological pleasure and pain of choosing: When people prefer choosing at the cost of subsequent satisfaction. *Journal of Personality and Social Psychology*, 87(3): 312–326.
- Bown, N. J., Read, D., & Summers, B. 2002. *The lure of choice*. Working paper no. LSEOR 02.54, The London School of Economics and Political Science, London.
- Brunsson, N. 2000. *The irrational organization: Irrationality as a basis for organizational action and change*. Bergen, Norway: Fagbokforlaget.
- Brynjolfsson, E., Hu, Y., & Smith, M. D. 2006. From niches to riches: Anatomy of the long tail. *MIT Sloan Management Review*, 47(4): 67–71.
- Carmon, Z., Wertenbroch, K., & Zeelenberg, M. 2003. Option attachment: When deliberating makes choosing feel like losing. *Journal of Consumer Research*, 30: 15–29.
- Carpenter, G. S., Glazer, R., & Nakamoto, K. 1994. Meaningful brands from meaningless differentiation: The dependence on irrelevant attributes. *Journal of Marketing Research*, 31:339–350.
- Chernev, A. 2003. When more is less and less is more: The role of ideal point availability and assortment in consumer choice. *Journal of Consumer Research*, 30: 170–183.
- Chernev, A. 2006. Decision focus and consumer choice among assortments. *Journal of Consumer Research*, 33: 50–59.
- Costanzo, L. A., & Ashton, J. K. 2006. Product innovation and consumer choice in the UK financial services industry. *Journal of Financial Regulation and Compliance*, 14: 285–303.
- Cooper, T. 2004. Inadequate life? Evidence of consumer attitudes to product obsolescence. *Journal of Consumer Policy*, 27: 421–449.
- D'Aveni, R. A. 1995. *Hyperkonkurrens: Sju nya ess – strategiska principer för dynamisk marknadsmiljö*. Lund, Sweden: Studentlitteratur.
- Denton, D. K. 2006. Keep it simple. *Industrial Engineer: IE*, 38(5): 30–35.
- Desmeules, R. 2002. The impact of variety on consumer happiness: Marketing and the tyranny of freedom. *Academy of Marketing Science Review*, 6(6): 1–18.
- Dhar, R. 1997. Consumer preference for a no-choice option. *Journal of Consumer Research*, 24: 215–231.
- Foxman, E. R., Berger, P. W., & Cote, J. A. 1992. Consumer brand confusion: A conceptual framework. *Psychology & Marketing*, 9: 123–141.
- Flick, U. 1998. *An introduction to qualitative research*. London: Sage Publications.
- Gourville, J. T., & Soman, D. 2005. Overchoice and assortment type: When and why variety backfires. *Marketing Science*, 24: 382–395.
- Greenleaf, E. A., & Lehmann, D. R. 1995. Reasons for substantial delay in consumer decision making. *Journal of Consumer Research*, 22: 186–199.
- Hirschman, E. C. 1987. Adoption of an incredibly complex innovation: Propositions from a humanistic vantage point. *Advances in Consumer Research*, 14: 57–60.
- Huffman, C., & Kahn, B. E. 1998. Variety for sale: Mass customization or mass confusion? *Journal of Retailing*, 74: 491–513.
- Hutchinson, J. W. & Alba, J. W. 1991. Ignoring irrelevant information: Situational determinants of consumer learning. *Journal of Consumer Research*, 18: 325–345.
- Iyengar, S. S., & Lepper, M. R. 2000. When choice is demotivating: Can one desire too much of a good thing? *Journal of Personality and Social Psychology*, 2000, 79: 995–1006.
- Iyengar S. S., Huberman, G., & Jiang, W. 2004. How much choice is too much? Contributions to 401(k) retirement plans. In O. S. Mitchell & S. Utkus (Eds.), *Pension Design and Structure: New Lessons from Behavioral Finance*, 83–97. Oxford: Oxford University Press.
- Jacobson, R. 1992. The ‘Austrian’ school of strategy. *Academy of Management Review*, 17: 782–807.
- Kahn, B. E. 1998. Dynamic relationships with customers: High-variety strategies. *Journal of the Academy of Marketing Science*, 26: 45–53.
- Kahn, B. E., & Lehmann, D. R. 1991. Modeling choice among assortments. *Journal of Retailing*, 67: 274–299.
- Kekre, S., & Srinivasan, K. 1990. Broader product line: A necessity to achieve success? *Management Science*, 36: 1216–1231.
- Keller, K. L., & Staelin, R. 1987. Effects of quality and quantity of information on decision effectiveness. *Journal of Consumer Research*, 14: 200–213.
- Keller, K. L. 2003. *Strategic brand management: Building, measuring, and managing brand equity* (2nd ed.). Upper Saddle River, NJ: Pearson Education.
- Kirk, J., & Miller, M. L. 1986. *Reliability and validity in qualitative research*. Newbury Park, CA: Sage Publications.
- Kotler, P., Armstrong, G., Saunders, J. & Wong, V. 2002. *Principles of marketing* (3rd European ed.). Harlow, England: Pearson Education.
- Lancaster, K. 1990. The economics of product variety: A survey. *Marketing Science*, 9: 189–206.
- Lehmann, D. R. 1998. Customer reactions to variety: Too much of a good thing? *Journal of the Academy of Marketing Science*, 26: 62–65.
- Lee, B-K., & Lee, W-N. 2004. The effect of information overload on consumer choice quality in an on-line environment. *Psychology & Marketing*, 21: 159–183.
- Lurie, N. H. 2004. Decision making in information-rich environments: The role of information structure. *Journal of Consumer Research*, 30, 473–486.

- Malhotra, N. K. 1982. Information load and consumer decision making. *Journal of Consumer Research*, 8: 419–430.
- Maxwell, S. 2005. Hyperchoice and high prices: An unfair combination. *Journal of Product & Brand Management*, 14: 448–454.
- McNamara, G., Vaaler, P. M., & Devers, C. 2003. Same as it ever was: The search for evidence of increasing hypercompetition. *Strategic Management Journal*, 24: 261–278.
- Mick, D. G., & Fournier, S. 1998. Paradoxes of technology: Consumer cognizance, emotions, and coping strategies. *Journal of Consumer Research*, 25: 123–143.
- Mick, D. G., Broniarczyk, S. M., & Haidt, J. 2004. Choose, choose, choose, choose, choose, choose: Emerging and prospective research on the deleterious effects of living in consumer hyperchoice. *Journal of Business Ethics*, 52: 207–211.
- Mitchell, V-W., & Papavassiliou, V. 1999. Marketing causes and implications of consumer confusion. *Journal of Product & Brand Management*, 8: 319–342.
- Mitchell, V-W., Walsh, G., & Yamin, M. 2004. Towards a conceptual model of consumer confusion. *Advances in Consumer Research*, 32: 143–150.
- Mogilner, C., Rudnick, T., & Iyengar, S. S. (in press). The mere categorization effect: How the presence of categories increases choosers' perceptions of assortment variety and outcome satisfaction. *Journal of Consumer Research*, In press.
- Nelson, W. 2002. All power to the consumer? Complexity and choice in consumers' lives. *Journal of Consumer Behaviour*, 2: 185–195.
- Normann, R. 2001. *Reframing business: When the map changes the landscape*. Chichester, England: John Wiley & Sons.
- Percy, L., & Elliott, R. 2005. *Strategic advertising management*. Oxford, England: Oxford University Press.
- Pine II, B. J., Victor, B., & Boynton, A. C. 1993. Making mass customization work. *Harvard Business Review*, 71(5): 108–118.
- Putsis Jr., W. P., & Bayus, B. L. 2001. An empirical analysis of firms' product line decisions. *Journal of Marketing Research (JMR)*, 38: 110–118.
- Quelch, J. A., & Kenny, D. 1994. Extend profits, not product lines. *Harvard Business Review*, 72(5): 153–160.
- Ram, S., & Sheth, J. N. 1989. Consumer resistance to innovations: The marketing problem and its solutions. *Journal of Consumer Marketing*, 6(2), 5–14.
- Ramdas, K. 2003. Managing product variety: An integrative review and research directions. *Production & Operations Management*, 12: 79–101.
- Riezebos, R. 2003. *Brand Management: A theoretical and practical approach*. Harlow, England: Financial Times Prentice Hall.
- Robinson, W. T., & Fornell, C. 1985. Sources of market pioneer advantages in consumer goods industries. *Journal of Marketing Research (JMR)*, 22: 305–317.
- Rosa, J. A., Porac, J. F., Runser-Spanjol, J., & Saxon, M. S. 1999. Sociocognitive dynamics in a product market. *Journal of Marketing*, 63(Special issue 4): 64–77.
- Sawhney, M. S. 1998. Leveraged high-variety strategies: From portfolio thinking to platform thinking. *Journal of the Academy of Marketing Science*, 1998: 54–61.
- Schary, P. B., & Skjøtt-Larsen, T. 2001. *Managing the global supply chain* (2nd ed.). Copenhagen, Denmark: Copenhagen Business School Press.
- Schwartz, B. 2004. *The paradox of choice: Why more is less*. New York: HarperCollins Publishers.
- Schwartz, B. 2006. Navigating the paradox of choice. *ECR Journal : International Commerce Review*, 6(1): 43–53.
- Silverman, D. 2000. *Doing qualitative research*. London: Sage Publications.
- Sorenson, O. 2000. Letting the market work for you: An evolutionary perspective on product strategy. *Strategic Management Journal*, 21: 577–592.
- Teresko, J. 1994. Mass customization or mass confusion? *Industry Week*, 243(12): 45–48.
- Turnbull, P. W., Leek, S., & Ying, G. 2000. Customer confusion: The mobile phone market. *Journal of Marketing Management*, 16: 143–163.
- Tversky, A., & Shafir, E. 1992. Choice under conflict: The dynamics of deferred decision. *Psychological Science*, 3: 358–361.
- Vyas, N., Woodside, A. G. 1984. An inductive model of industrial supplier choice processes. *Journal of Marketing*, 48(1): 30–45.
- Walsh, G., & Mitchell, V-W. 2005. Demographic characteristics of consumers who find it difficult to decide. *Marketing Intelligence & Planning*, 23: 281–295.
- Widerberg, K. 2002. *Kvalitativ forskning i praktiken*. Lund, Sweden: Studentlitteratur.
- Wärneryd, K-E. 2001. *Stock-market psychology: How people value and trade stocks*. Cheltenham, England: Edward Elgar Publishing.
- Zhang, S., Kardes, F. R., & Cronley, M. L. 2002. Comparative advertising: Effects of structural alignability on target brand evaluations. *Journal of Consumer Psychology*, 12: 303–311.

Other resources

- Digital-tv-kommissionen. 2004. *Digital-tv-kommissionens årsrapport*. Stockholm, Sweden.
- Boxer.se. 2007. Available at www.boxer.se.
- Canaldigital.se. 2007. Available at www.canaldigital.se.
- L'Easy, 2007, 2008. TV advertisements.
- Eriksson, H. 2008. Bråk om PPM-kod: Mer krångel för spararna befaras när e-legitimation införs. *Dagens Nyheter*, 5 February.
- Falk, J. 2008. Shelas teve tittklar på 20 minuter: "Allt blev bra". *Dagens Nyheter*, 3 February.
- Pricerunner. 2007. Available at www.pricerunner.se.
- PPM.nu. 2007. Available at www.ppm.nu.
- Premiepensionsmyndigheten. 2007a. *Pensionsspararna 2006*. Stockholm, Sweden.
- Premiepensionsmyndigheten. 2007b. *Pressmeddelande: PPM föreslår förenklningar för fondspararna*. Stockholm, Sweden.
- Telia.se. 2007. Available at www.telia.se.
- Viasat.se. 2007. Available at www.viasat.se.
- Web sites of the investigated, anonymized companies

Interviews conducted

- BB manager. Interview on August 29, 2007.
- GB manager. Interview on June 28, 2007.
- IC manager. Interview on June 14, 2007.
- LS manager. Telephone interview on August 27, 2007.
- MC manager. Interview on August 6, 2007.
- MS manager. Interview on June 5, 2007.
- PB manager. Interview on August 29, 2007.
- SB manager. Telephone interview on August 24, 2007.