

Attribute ratings and their impact on attraction and compromise effects, 2024

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Abstract

Consumers often face uncertainty in decision-making while assessing options presented as attribute-bundles as they are unable to assess their utility. This confusion is exacerbated by the presence of a “decoy,” or an inferior option, which leads to the phenomenon of attraction effect, while the presence of an equally attractive alternative leads to the compromise effect. In this study, we show that if functional attribute values are converted into ratings on a common scale, consumers do not depend on attribute-based processing but choose an option by considering appropriate attribute-bundles based on the attribute ratings. This shift in decision-making process attenuates both attraction and compromise effects.

Keyword: Attribute-based processing, Attraction effects, Compromise effects

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