Product Assortment and Consumer Choice: An Interdisciplinary Review
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Full text available at: http://dx.doi.org/10.1561/1700000030

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Foundations and Trends® in Marketing, 2011, Volume 6, 4 issues. ISSN paper version 1555-0753. ISSN online version 1555-0761. Also available as a combined paper and online subscription.
Product Assortment and Consumer Choice: An Interdisciplinary Review

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Abstract

The topic of product assortment has generated a plethora of research across various domains, including economics, analytical and empirical modeling, individual and group decision making, and social psychology. Despite the voluminous assortment research, however, the key findings have remained scattered across domains. In fact, the very domain of assortment research has not been clearly defined, thus complicating the understanding of the current state of assortment research. The goal of this review, therefore, is to define the field of assortment research and outline its key findings. In this context, this review delineates three key domains of assortment research: (1) how consumers perceive the variety of items in an assortment, (2) how consumers choose an item from a given assortment, and (3) how consumers choose among assortments. The key findings in each of these three areas are synthesized in the form of specific research propositions that build on the existing findings and provide guidance for further empirical investigation. By outlining the key findings in each of these three areas, this review offers an integrative framework for understanding the impact of assortment on consumer choice.
# Contents

1 Introduction 1

2 Perceptions of Assortment Variety 3
   2.1 Assortment Size and Perceived Assortment Variety 3
   2.2 Assortment Structure and Perceived Assortment Variety 4

3 Choosing from an Assortment 9
   3.1 Purchase Likelihood 9
   3.2 Purchase Quantity 21
   3.3 Option Choice 23

4 Choosing Among Assortments 29
   4.1 The Impact of Assortment Size on Choice among Assortments 29
   4.2 The Impact of Assortment Structure on Choice among Assortments 33
   4.3 The Impact of Purchase-Quantity Goals on Choice among Assortments 35

5 Developing an Agenda for Further Research 37
6 Product Assortment and Consumer Choice: A Managerial Perspective 43
6.1 Strategies for Optimizing the Assortment 43
6.2 Strategies for Optimizing the Consumer Decision-Making Process 46
7 Conclusion 49
References 51
Introduction

The importance of assortment decisions for both retailers and manufacturers has been underscored by numerous research articles, marketing textbooks, and the popular press (Kahn, 1999; Kay and Jost, 2003; Lerner, 1980; Levy and Weitz, 2006; Iyengar, 2010; Schwartz, 2003). Common assortment decisions involve issues such as assortment size, reflecting both the breadth (i.e., number of categories) and the depth (i.e., number of items within a category) of the available product lines; the type of items (e.g., overall attractiveness); the relational properties of the items (e.g., item similarity); pricing policies; and the variety of items over time.

Because of its importance, the topic of product assortment has generated a substantial amount of interest across different research domains, including economics, analytical and empirical modeling, individual and group decision making, and social psychology (Broniarczyk, 2008; Kahn, 1999; Lancaster, 1990; Simonson, 1999). This research has contributed to significant advancement in understanding the impact of assortment on consumer choice. Yet, most prior research has focused on specific problems without necessarily integrating the findings with the existing research across different domains. The goal of this review,
Introduction

therefore, is to discuss existing literature and, building on the current theoretical developments across different research domains, develop a set of research propositions delineating the impact of product assortment on consumer choice.

This review takes a consumer’s perspective to examine how product assortment influences decision making and choice. In particular, it defines the consumer aspect of assortment research to answer three key questions: (1) How do consumers perceive the variety of items in an assortment? (2) How do consumers choose an item from a given assortment? and (3) How do consumers choose among assortments? Accordingly, this review is comprised of three main sections.

The first part examines factors that influence consumer perceptions of the variety of an assortment. In particular, it investigates how factors such as assortment size, the degree of distinctiveness of assortment options, the dispersion of option frequencies (entropy), and the organization of the assortment influence consumer perceptions of assortment variety. The second part discusses factors that influence consumer choice of an item from a given assortment. It examines the impact of assortment size on the purchase likelihood from a given assortment, the number of options purchased, and the particular options chosen from the assortment. The third part examines factors that influence consumer choice among assortments. In particular, it investigates how assortment size, assortment structure, and purchase quantity influence consumers’ choice of an assortment.

Conceptual analysis of the existing research in each of these three areas is summarized in a series of research propositions that integrate current findings and offer directions for future research. We conclude with a discussion of the theoretical contributions and managerial implications of existing product assortment research and identify venues for further investigation.


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