Consumer Choices of How to Interact with Firms

Choice symposium discussion, June 5

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Consumer-firm interaction

◆ Consumer interactions with supply chains are becoming increasingly complex, yet coordinated.

❖ Multiple points of access
❖ Multiple moments
❖ Multiple channels
❖ Multiple situations

Individualization of interactions

Learning
Collect data on customer and use data to learn about customer's preferences and tastes

Matching
Use knowledge of customer to develop offerings that best satisfy their preferences and to target these to the appropriate market segment
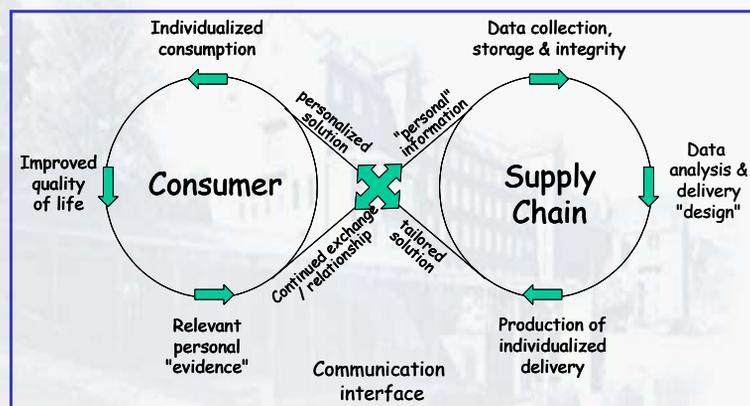
Evaluation
Evaluate the effectiveness of learning and matching efforts in providing meaningful personalization to the firm's customers

('personalization', Murthi and Sarkar 2003)

Extended interaction model

(van Trijp et al. 2004)

Previous research

◆ Evaluates effect of single design features or interfaces, or…

IT literature

◆ Consumer beliefs and attitude for single technologies, with little connection to features, and…   Self-service technology literature

◆ Focuses on Information Systems applications, not real-world interactions

Compare between interaction mechanisms

◆ Requires choice models for 'huge' decision problems

❖ "Basket" choice problem
  • Complex multiple component models
    – Recent advances in choice modeling
    – Dynamic decision making over time

❖ Simplification and the use of heuristics
  • Use of intermediate constructs
    – e.g., Technology acceptance model
  • Use of simplifying heuristics
    – e.g., Consideration sets

Compare between interaction mechanisms

❖ Context and situational effects
  ◆ Benefit based choice models
    – E.g., Substitution in Use models

❖ Learning and habit formation
  ◆ Transaction cost models
  ◆ Dynamic updating of beliefs

Priorities for future research?

◆ …..