Who Uses All Those Bells and Whistles?

Paper: “Having versus Consuming: Failure to Estimate Usage Frequency Makes Consumers Prefer Multi-Feature Products”  
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Is buying that brand new iPhone 5 with all those extra features really going to make you happy? New research from Olin suggests it may not.

Across five studies and four product domains, researchers Goodman and Irmak found that consumers do not typically estimate their probable use of a product’s features before buying it. And when buyers fail to consider how often they will use product features—features that may be trivial or too complicated to master in the long run—consumers are less satisfied with their purchase.

"Why do people fail to incorporate feature usage in their purchase decisions? Our research suggests that individuals are concerned more about ‘having’ the features rather than using them.”

But when consumers stop to think about how much they will actually use all those nifty bells and whistles, they often decide they don’t really need them. Instead, they choose the product with fewer options, Goodman and Irmak find. They also tended to be happier with their choice and the product overall.

For some buyers, simply having the latest, greatest gadget is all that matters, the researchers discovered. Such shoppers with “high material values” are simply concerned about having the newest iteration of the product because of the status it conveys on the buyer: wealthy, tech savvy, fashionable, and current. For those consumers, the fully loaded model trumps how often they will actually use those features.

“Our findings can’t tell consumers what to buy, but they do suggest that consumers should at least stop and consider how often they are going to use each new additional feature before they make their decision,” Goodman says. “This little act of consideration can lead to greater satisfaction down the road.”

“Our findings suggest that manufacturers and retailers may suffer from a decrease in customer loyalty when consumers are caught paying more for multifunctional products and not using the features, which we show can damage customer satisfaction.”

Research implications for:

Marketers
- Emphasize the bells and whistles of your product, but don’t call attention to how long it will take consumers to learn how to use them or even if they need those functions.
- Focusing the consumer on having a feature will be more likely to drive purchase to multifunctional products.
- Consumers not only overestimate their feature usage but also fail to estimate usage altogether.

Manufacturers and Retailers
- Customer satisfaction and loyalty may decrease when consumers have paid premium prices for multifunctional products but realize they are not using the features.
- Focus on matching a consumer to a product that he or she will use in the first place, and then encourage and educate the consumer to use the features that are purchased.

Consumers
- Consumers should consider how often they will use each product feature before making multifunctional product purchase decisions.
- Products with multiple features usually come with a hefty price tag. Purchasing products with fewer but more useful features is likely to lead to greater savings for consumers.