Illusion of Specialization: How Being Good Turns Out to Be Bad

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Abstract:

This research examines the impact of attribute or product combinations on consumer perceptions of specialization and purchase intention. Grounded in reference point effects and lay theory and utilizing a series of controlled experiments, we demonstrate across three studies how the combination of two attributes—one highly rated and the other poorly rated ("good-bad") versus both highly rated ("good-good")—affects specialization perceptions and subsequent purchase intentions. Furthermore, this effect extends to brand-level perceptions, with "good-bad" product combinations heightening perceived brand specialization. Our findings contribute to the specialization and consumer decision-making literature by highlighting the role of compensatory inferences in shaping specialization perceptions. This study provides actionable insights for marketers on managing attribute or product combinations to enhance consumer perceptions and drive purchase behavior.

Keywords: Specialization Perception, Lay theory, Compensatory inference making

Track: Consumer Behavior