

**The Synthesis of Preference:**  
**Bridging Behavioral Decision Research and Marketing Science**

Ran Kivetz, Oded Netzer, and Rom Schrift

\* Ran Kivetz ([rk566@columbia.edu](mailto:rk566@columbia.edu)) is Professor of Business, Oded Netzer ([on2110@columbia.edu](mailto:on2110@columbia.edu)) is Assistant Professor of Business, and Rom Schrift is a doctoral student ([rys2105@columbia.edu](mailto:rys2105@columbia.edu)), all at Columbia University Business School. This paper benefited from the comments of Shay Dotan-Eliaz, Nahum Melumad, Oleg Urminsky, and participants in the Columbia University Ph.D. seminar titled “Bridging Behavioral Decision Research and Marketing Science.”

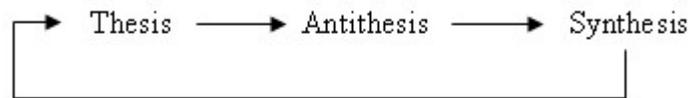
## **The Synthesis of Preference: Bridging Behavioral Decision Research and Marketing Science**

### ABSTRACT

Scientific inquiry often advances in triadic waves of thesis, antithesis, and synthesis. We concur with Simonson (this issue) that BDT's antithesis of preference construction, positioned against the normative utility thesis, may have swung the pendulum too far. Contrary to BDT's focus on constructed preference, inherent preferences --- or what may be considered dispositions --- are ubiquitous and critical determinants of choice. Thus, a synthesis in decision research is proposed, one in which researchers better bridge inherent and constructed preferences, or more broadly, marketing science and BDT. Such a synthesis, although uncertain and difficult, has the potential to explain the origins of inherent preferences, their slow evolution over time, and their interaction with constructed preferences. In this commentary, we discuss the synthesis between constructed and inherent preferences and how such a synthesis could be conceptualized and modeled. We conclude by suggesting some ways in which Behavioral Economics might evolve.

“The man of knowledge must be able not only to love his enemies but also to hate his friends.”  
(Friedrich Nietzsche)

Scientific progress often follows a triadic form of a thesis, antithesis, and synthesis. This triadic terminology was used by Kant and Fichte to describe a process in which the partial truths of a thesis and its antithesis clash and lead to a higher level of truth, a synthesis (Beiser, 2005). The synthesis reconciles the partial truths contained in both the thesis and its antithesis, and forms a new proposition that eventually becomes a new thesis. This process continues in a cyclic manner leading to higher levels of truth.



One can interpret Simonson’s (2008) vision for the progress of decision research along this triadic process. On the one hand, behavioral decision theory (BDT) has been positioned as an *antithesis* to the normative economic *thesis* of value maximization. We interpret Simonson’s call for a paradigm shift as an appeal for a synthesis between these warring disciplines. On the other hand, in his critique of BDT and its constructionist focus, Simonson essentially provides an *antithesis* in the form of inherent preferences, which to us seem closely related to the economist notion of a master list of utilities. The *synthesis*, then, lies in the creation of a higher level of truth about the nature of preference. Scholars could attain this higher truth by studying, synthesizing, and *explaining*, both constructed preferences and inherent preferences (or dispositions).

To reconcile thesis and antithesis, one must accept their partial truths, while, at the same time, reject their purity. Such synthesizers are likely to face criticism from both factions, particularly if they are a faction-member themselves. Indeed, history is rife with paradigm shifts in religion, art, science, and politics that were driven by “traitors” who had the insider knowledge and credibility to shake the foundations of the houses they helped built. Such well-intentioned paradigm shifts are often:

- risky and potentially erroneous (due to the untested nature of the new idea);

- confronted with motivated reasoning, biased assimilation, belief perseverance, and confirmation bias (Kunda, 1990; Lord, Ross, and Lepper 1979; Wason, 1960);
- perceived as treasonous and opportunistic (“you first benefited from these constructionist effects, and now you want to benefit from criticizing them”); and
- resisted, repressed, and/or denied (Freud, 1936; McWilliams, 1994) by stakeholders, who are emotionally and professionally tied to the old paradigm and seek closure and certainty (“we already knew all of this”).

The “pillow paper” makes several key arguments: (1) that BDT research has overstated the magnitude of preference construction, often using methodologies that maximize the likelihood of obtaining effects at the expense of external and ecological validity; (2) that inherent preferences are prevalent and important; and (3) that future research should explore the origin of dormant inherent preferences and their relative role vis-à-vis constructed preferences.

In this commentary, we first review Simonson’s critique of the constructionist BDT thesis and his antithesis of inherent preferences. We then discuss the possible synthesis between BDT and normative utility theory, or between constructed and inherent preferences. We conclude by calling young BDT researchers to pursue this synthesis and study not only how rabbits magically vanish, but also how they eat, reproduce, and engage in other mundane, yet ubiquitous behaviors.

### **Destructing a Thesis (“Et tu, Brute?”)**

Simonson raises important points regarding BDT research and the overstating of the constructionist viewpoint. He argues that many demonstrations of preference construction could stem from a combination of the methodologies employed and the decision-maker’s inherent difficulty in evaluating absolute values. The notion that relative judgments or reference points may serve as a unifying mechanism for the different manifestations of preference construction merits further analysis and empirical testing.

Simonson implies that our field “eats its own dog food;” construction is often demonstrated using the principles of preference construction and careful engineering (editing) of the experimental settings and stimuli. This may often result in methodologies and decision tasks with low external and ecological validity (low generalizability and realism). While we have no

doubt that preferences are often constructed, we believe that a great deal of real-world preferences (or their dispositional determinants) are inherent or stable and that controlled, laboratory-type experiments may risk overstating preference construction. To alleviate concerns regarding generalizability and realism and to “give a chance” to inherent preferences, BDT researchers should conduct more real-world field experiments and secondary data analyses (e.g., of existing customer databases).

Simonson also points out that most BDT research focuses on immediate and transient effects, neglecting the early antecedents and delayed consequences of preference. For example, most BDT studies do not examine whether the observed effects persist over time (cf., Amir and Levav, 2008; Keinan and Kivetz, 2008) or in repeated choice environments (cf. Drolet, 2002). Such research questions are harder to investigate but are important for real-world decision-making. Similarly, BDT research has conveniently focused on preferences expressed during the decision stage (decision utility). However, different preferences, possibly more stable, may emerge during or after the consumption experience (e.g., Thompson, Hamilton, and Rust, 2005).

We agree with Simonson that our field should examine preferences from a broader perspective. Such an examination would consider the primitive determinants of preference, the decision-maker’s conscious and unconscious dispositions, and the long-term effects of situational and dispositional factors. A comprehensive study of preference would also pay more attention to the necessary and sufficient conditions that give rise to preference construction effects as well as to “contrarian” consumers whose responses are diametrically opposed to the reported effects (e.g., “extremeness seekers” or those for whom gains loom larger than losses).

BDT researchers make a name for themselves by discovering counterintuitive “special effects,” or in other words, demonstrating surprising preference construction. Although academic research should change the reader’s prior beliefs (and counterintuitive effects do achieve that), the generality and breadth of the (behavioral decision) theory are also very important. By primarily focusing on constructed preferences and relegating stable or inherent

dispositions to the background, BDT researchers have left unexplained a large percentage of variance in decision-making and choice.

Justified criticisms of BDT notwithstanding, preference construction certainly plays a major role in real-world decision-making (see, e.g., the Economiost.com study conducted by Kivetz, Netzer, & Srinivasan, 2004a). A defensive interpretation of the “pillow paper” might misinterpret Simonson’s position as denying the construction of preference or argue with Simonson about specific effects and studies. We believe a much broader perspective is required, one that engages in a fruitful discussion of where the field is headed. Do our studies and articles result in a lopsided, unrealistic positioning of preference as mostly constructed? Do we neglect the study and understanding of inherent preferences, which, combined with a constructionist view, may enable a richer and more profound understanding of decision-making and choice? Simonson’s “treachery” toward the constructionist camp is a prerequisite to the development of an antithesis of inherent preferences.

### **Constructing an Antithesis: Inherent Preferences**

#### What are Inherent Preferences?

Simonson’s revelation of the pillow is offered as a sign of inherent, dormant, context-independent preferences. He defines inherent preferences as “...stable preference components or dispositions that are assumed to reside within a person over an extended period, even before being tested.” More “formal” definitions of preference suggest an *active state* of preferring one object over another: “the act of preferring, or the state of being preferred” (Miriam-Webster Online), and “selection of somebody or something: the view that one person, object, or course of action is more desirable than another, or a choice based on such view” (Dictionary.com). According to these dictionary definitions, preferring requires *acknowledging*, or at least *acting* in accordance with, a preference for one object over another. We interpret “inherent preferences” as dispositions that underlie preferences, regardless of whether or not decision-makers are

conscious of their dispositions. The distinction between inherent preferences and dispositions may be more than just semantic. Focusing on dispositions might help demystify the concept of inherent preferences by more accurately representing the process of preference formation.

### The “Construction” of Dispositions

The active formation of a preference (upon encountering an object) does not mean that the preference was completely constructed on the fly during the time of choice. Dispositions formed through genetics, early childhood experiences, needs, and personal goals and values (e.g., Rokeach, 1968) may exist prior to the formation and expression of a preference. These (conscious or unconscious) dispositions may drive the “construction” of inherent preferences, which are context-independent and relatively persistent. Translating these concepts to the language of economists and choice modelers, one can think of dispositions toward “meta-attributes” (e.g., pleasure, comfort, speed) that eventually “roll up” into preferences for products and product attributes. Borrowing from Simonson’s example of the Nintendo Wii, we argue that consumers may have a strong disposition toward lifelike gaming experiences (a meta-attribute) rather than an inherent preference toward a Wii’s motion-sensitive remote (a specific product or product attribute), which they never encountered. Thus, dispositions may underlie preferences that emerge when products are first experienced or encountered.

While dispositions toward meta-attributes are likely to be stable (but possibly evolving over time), their realization as a preference for products or product attributes is likely to be more abrupt and susceptible to changes in the local choice environment. For example, consumers may exhibit an innate disposition toward faster computing, but the translation of this need to product attributes such as processor speed or the number of cores is likely to be constructed during the choice incidence. The notion of meta-attributes is consistent with Simonson’s argument that preferences for product attributes are largely ordinal. The meta-attribute defines the ordinal preference (e.g., “the more the better”) but the expression of the inherent preference in terms product attributes and attribute levels may vary with the set of alternatives and product attributes

being offered. Studying the experiences, needs, and values that create dispositions toward meta-attributes is a challenging and promising research avenue.

Dispositions may be innate characteristics that are biologically or genetically determined, formed during early childhood, or developed over time. Dispositions may help distinguish between consumers. Furthermore, consistent with Simonson's description of active and dormant inherent preferences, dispositions may be conscious or unconscious. For example, a child who has never eaten chocolate may have a disposition toward sweet foods, and manifest this as a preference for chocolate over broccoli once tasting both for the first time. Contrary to Simonson's mocking of the economist's master list of utilities, we view that "mathematical" concept as closely related to the construct of disposition. However, economists often remain agnostic with respect to the origins of the master list and treat this list as an "as-if" model. Thinking in the space of dispositions or meta-attributes may bring us closer to understanding the formation of preferences. We believe that there is an opportunity for BDT researchers to fill this void and investigate what consumers "bring with them" to any given local instance of choice or judgment and how these dispositions interact with preference construction to create the observed, revealed preferences. Such an effort would reward researchers not only with a more comprehensive view of preference, but also with a better understanding of preference construction.

We agree with Simonson that the distinction between inherent preferences (or dispositions) and constructed preferences requires greater precision, elaboration, exploration, and refinement. It is currently difficult to test and falsify the proposition that a particular choice was driven by inherent preferences or dispositions as opposed to by constructed preferences. Was Simonson's infatuation with the pillow driven by an awakening (dormant) inherent preference? Or was this immediate attraction aroused by elements of the retail environment of which even a Master constructionist like Simonson was unaware? Many environmental cues --- unobserved by the researcher or the consumer --- could construct a revealed preference, but at the same time, many unmeasured dispositions could shape local choices. Further, consumers may differ in their

disposition to exhibit preference construction, and constructed preferences may exogenously affect the evolution of a disposition. The need to better define the distinction between inherent and constructed preferences should entice rather than deter further conceptual analyses and empirical investigations. Paradigm shifts in science are exploratory and should not be subjected in their youth to the same scrutiny (e.g., of precision, operationalization, falsifiability, parsimony) as are aging paradigms:

“Since new paradigms are born from old ones, they ordinarily incorporate much of the vocabulary and apparatus, both conceptual and manipulative, that the traditional paradigm had previously employed. But, they seldom employ these borrowed elements in quite the traditional way. Within the new paradigm, old terms, concepts, and experiments fall into new relationships one with the other. The inevitable result is what we must call, though the term is not quite right, a misunderstanding between the two competing schools.” (Kuhn, 1996; p. 149)

In spite, or because, of such a misunderstanding, we believe a holistic and deeper analysis of preference requires synthesizing constructed preferences with dispositions.

### **Synthesizing Constructed and Inherent Preferences**

BDT has revolutionized our understanding of decision making and choice. However, like many revolutions, BDT has swung the pendulum from one extreme to another, from the purity of expected utility theory (Von Neumann and Morgenstern, 1944) and a master list of utilities, all the way to the depiction of “environmentally-contaminated” preferences primarily constructed during choice (e.g., Bettman, Luce and Payne, 1998; Loewenstein & Prelec, 1993; Slovic, 1995; Thaler, 1985; Tversky and Kahneman, 1981). As Simonson notes, although constructionist BDT researchers (briefly) acknowledge that preferences are not purely constructed, they eventually conclude that preference is inherently constructive and labile.<sup>1</sup> Thus, while the co-existence of stable dispositions and locally-constructed preferences is not a new idea (e.g., Payne, Bettman, and Johnson, 1993), BDT researchers have all but guillotined this synthesis in their rush for (BDT) recognition. Similar to BDT’s attack on the notion of underlying, stable values or utilities, social

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<sup>1</sup> See, e.g., Bettman, Luce, and Payne (1998, p. 188) who write that “preferences are not always constructed; people do have a firm and stable preferences for some objects.”

psychologists have criticized the research on pre-dispositions and personality. Indeed, both the economic analysis of preference and the study of personality have been fraught with oversimplification and inaccuracies. Nevertheless, BDT researchers and social psychologists are risking throwing the baby out with the bath water. In this section, we discuss how revealed preferences might emerge from the transformation of dispositions, or inherent preferences, by the local situation and context.

From the economics perspective, the notion of bounded rationality (Simon, 1955) suggests that consumers may have a list of utilities for each product attribute; however, given their limited cognitive capacity, consumers only retrieve a subset of this utility list and employ decision processes that satisfice rather than maximize value. Bounded rationality, therefore, is consistent with an underlying disposition (or utility function) being distorted by a limited search over a local set of options. More recently, McFadden (1999) urged economists to look for new economic analysis, which looks into the construction of attitudes and preferences.

Paradoxically, demonstrated violations of value maximization, such as asymmetric dominance, compromise, and loss aversion (Huber, Payne, and Puto, 1982; Kahneman and Tversky, 1979; Simonson, 1989), rely on the existence of utilities or inherent preferences. For example, in the case of asymmetric dominance, the consumer must have an inherent, ordinal preference in order to be swayed by the decoy option. Similarly, in order for an alternative to gain choice share when it becomes the intermediate rather than the extreme alternative in the choice set, the consumer must perceive the alternatives as roughly ordered along the Pareto efficiency line in the utility space, again requiring inherent, ordinal preferences. Ad absurdum, losses cannot loom larger than gains if decision makers do not experience them as losses and gains in a utility (preference) space. Our point is *not* that BDT researchers are oblivious of a utility space made of inherent preferences, but rather that constructionists have relegated such preferences and dispositions to the background. BDT researchers, who are tasked to study the antecedents of preference, have not seized the opportunity to study and explain the origins and location of inherent, ordinal preferences.

Only a few papers have attempted to bridge preference construction with utility theory by modeling the utility shift imposed by the situation or local choice context. For example, Tversky and Simonson (1993) defined the utility of an alternative as a linear combination of the value maximization utility ( $v(x)$ ) and the context dependent utility ( $g(x, S)$ ) such that:

$$V(x, S) = v(x) + \theta g(x, S) \quad (1)$$

In doing so, Tversky and Simonson advanced toward a synthesis of inherent and constructed preferences: the parameter  $\theta$  defines the weight given to the constructed preference relative to the value maximization utility. Hardie, Johnson, and Fader (1993) and Bell and Lattin (2000) added a loss aversion component to the value maximization model and demonstrated significant loss aversion parameters using scanner panel data. Kivetz, Urminsky, and Zheng (2006) incorporated a behavioral goal-gradient parameter within hazard rate, Tobit, and logit models to demonstrate that consumers expend more effort as they perceive themselves approaching goals and rewards. These papers are among the very few demonstrations of constructed preferences using secondary data and empirical choice models, originally developed within the normative economic framework.

#### The Interplay between Dispositions and Constructed Preferences

Kivetz, Netzer, and Srinivasan (2004b) developed several models that can incorporate the compromise and other context effects in a multi-attribute logit (value maximization) model. In one of their models, the contextual concavity model, the authors mapped the value maximization utility (or gains) onto a context-dependent concave utility function. As shown in Figure 1, for the choice set ABC, the normalized contextual concavity model (NCCM) transforms the original value maximization (VM) utility in a locally-concave manner, making the intermediate alternative more desirable. Although these models are merely paramorphic to the underlying decision process, their underlying rationale suggests that revealed preferences could represent transformations of inherent preferences (or dispositions) and not simply newly-constructed preferences. Future research could examine whether such transformations offer a plausible behavioral (and econometric) mechanism to synthesize inherent and constructed preference.

More generally, one can view consumer preference at any point in time as a combination of context-independent (inherent) preferences and context-dependent (constructed) preferences. The synthesis between these two types of preference can consist of a linear combination (e.g., Tversky and Simonson, 1993), or a transformation (distortion) of the context-independent preferences based on the local context (e.g., Kivetz et al., 2004b).

The context-independent preferences, while relatively stable, are not necessarily static and could exhibit a slow evolution over time due to intrinsic changes in tastes (e.g., shifts in loyalty or variety seeking) or other preference dynamics (e.g., learning, experience, or satiation). On top of these slow preference dynamics, at any point in time, the choice context or situation may generate fast and local modifications of consumers' preferences, as shown in Figure 2. It is important to note that the suggested synthesis does not imply that the contextual effects are merely local and short lived noise. It is possible that the two types of preferences interact and influence one another. A certain local and contextual effect might carry long-term effects by influencing the pattern in which the more stable set of preferences develops over time. Further, not all preferences that appear stable are inherent. What may look like stable revealed preferences could be preferences that are repeatedly constructed in the face of the same choice context.

Figure 2 highlights that not all that is dynamic is constructed or irrational. We believe that inherent preferences or dispositions may form or change over time (Meyer et al., 1997). For example, preferences may evolve due to learning (Kuehn, 1962), the effect of prior experience on the current purchase occasion in the form of state-dependence (e.g., Heckman, 1981; Guadagni and Little, 1983), variety seeking (e.g., McAlister and Pessemier, 1982), purchase-event feedback (e.g., Massy, Montgomery and Morrison, 1970), or strategic behavior and forward-looking product trial aimed at taste exploration (e.g., Erdem and Keane, 1996). As an anecdote, Simonson's surprising preference for pillows may be explained as learning of his own (possibly inherent) preferences through the experience of sleeping with a pillow. The motivation to try the pillow (despite being satisfied with his current sleeping conditions) may be attributed to forward-looking behavior on Simonson's part. Such "rational" models of choice dynamics provide only a paramorphic

description of the evolution of preference under relatively stable conditions. Particularly, these models have difficulty capturing the dynamics when the context (e.g., the set of options to choose from) abruptly changes. By contrast, BDT researchers are experts in explaining how the local context impacts preference (typically via relative evaluations). However, possibly due to the difficulty of studying repeated choices in an ecologically-valid way, most BDT research has focused on the role of the task and context in preference construction, overlooking the role and evolution of dispositions and inherent preferences. Thus, collaboration between BDT researchers and choice modelers may prove fruitful in understanding and capturing the “slow construction” of inherent preferences.

Many business and natural systems operate as a synthesis between a stable system that evolves over time and a local influence that temporally affects the system as depicted in Figure 2. For example, weather is generally affected by long-term, or recurring, trends (global warming, the season); however, at any particular day the weather is affected by local currents or by major events (large wildfires, volcano eruptions). Similarly, the US stock market tends to provide positive returns in the long-run (on average, 6-8% real [inflation adjusted] returns a year; Siegel, 2002) and go through periods of several years of recessions and spurts, but on any given day the stock market is affected by short-lived considerations (e.g., an interpretation of a particular word in yesterday’s speech by the Chairman of the Federal Reserve). Such interplay between immediate shocks and long-term dynamics is often modeled in finance using the Brownian motion (Black and Scholes, 1973), in which the stock market is slowly evolving over time through a continuous sequence of local (random) jumps. In marketing applications, a natural approach to integrate the dynamics of disposition and preference construction is through a hidden Markov model (Netzer, Lattin, and Srinivasan, 2008). In the hidden Markov model, the evolution of dispositions can be captured by the customers’ transitions between latent (inherent) preference states. These dynamics tend to be relatively slow and stable due to the “stickiness” of the preference states. However, the customer may reveal a preference that deviates from the latent preference state due to the specific choice context and environment.

### **The Evolution of Behavioral Economics**

Cultures, organizations, and personages rarely foresee their own demise, particularly not at the height of their success. Without doubt, the constructionist assault on microeconomics has allowed BDT to make major scientific contributions to multiple disciplines, including economics and consumer psychology. However, if BDT does not diversify beyond constructionist demonstrations of labile preferences, it risks losing its relevance. In fact, one might argue that BDT is already saturating, with counter-intuitive “effects” receiving less (enduring) attention. This likely is not a result of fewer discoveries of new interesting main effects, but rather of a growing numbness, in the scientific community, to such construction demonstrations. Sustainable innovation typically necessitates paradigm shifts (e.g., Picasso’s blue, rose, and cubism periods). Thus, young researches should stop reaping with shouts of joy the payoffs of the BDT antithesis and start sowing in tears the synthesis of constructed and inherent preferences.

The ill-defined field of *behavioral economics* may fill this void if it becomes true to its name, that is, if it combines deep insights and rigorous methodologies from both the *behavioral* and *economic* spheres. A true synthesis will both measure *and* explain the origin, identity, and impact of dispositions and how they interact with contextual and task cues to form preferences. Such a “consumer science” has the potential to formalize bounded rationality through a unifying mathematical model, and might even discover an underlying mechanism for the numerous BDT demonstrations of preference construction.

A behavioral economics synthesis between inherent and constructed preferences will have to rely on the strengths of researchers focusing on each of these preference sources. BDT researchers have advanced the field in terms of understanding the process of preference construction and its antecedents. On the other hand, economists and choice modelers have developed multiple methods to mathematically model and measure value-maximizing utilities using econometric models like logit (McFadden, 1974; Guadagni and Little 1983) and preference measurement techniques like conjoint analysis (Green and Srinivasan, 1978). However, only few

attempts have been made to rigorously measure and formally model constructed preferences (the NCCM dashed lines in Figure 1 and  $g(x,S)$  in Equation 1). These bridging studies often involved collaboration between BDT researchers and economists or choice modelers and tested behavioral theories using econometric modeling, secondary data, and/or field studies (e.g., Kivetz et al., 2004b; Hardie et al., 1993; Prelec, Wernerfelt, and Zettelmeyer, 1997; Simonson and Winer, 1992). These studies, however, still fall short from a true synthesis of preference. For example, the tested models are paramorphic, and their improved fit to the data over alternative models should not be interpreted as better representation of the preference formation process. Future work should focus on building such synthesized models that capture the relative weight between inherent and constructed preferences. For example, as highlighted in the “pillow paper,” the weight of constructed preferences ( $\theta$  in Equation 1) may vary based on the characteristics of the decision maker, product category, and decision environment. Identifying the impact of individual characteristics and product categories may be difficult (and expensive in terms of sample size) within the traditional BDT framework, because effects are often tested at the aggregate level. Choice modelers, on the other hand, are accustomed to capture variations across individuals (e.g., Hierarchical Bayes estimation; Allenby and Rossi, 1999) and across categories (e.g., Iyengar, Ansari, and Gupta, 2003). For example, using Bayesian estimation techniques one may be able to estimate  $\theta_i$  at the individual level even with scarce data (e.g., Sharpe, Staelin, and Huber, 2008).

The most important (and difficult) task facing a true synthesizer of preference is to *understand* the antecedents and dynamics of dispositions (the VM solid lines in Figure 1 and  $v(x)$  in Equation 1) and how such dispositions influence, and are influenced by, constructed preferences. As mentioned previously, the (solid) VM utility is rather easily *measured* and *predicted* by choice modelers, whereas the local (constructed) distortions (the dashed, curved graphs) are rather easily *explained* by BDT researchers. What is now required is a joint venture between consumer behaviorists, economists, and choice modelers to both predict and *explain* the location of the measured utilities (inherent preferences), as well as to measure how they interact with constructed preferences. An evolved field of behavioral economics will synthesize between

inherent preferences (dispositions) and constructed preferences, between the person and the situation, and between marketing science and BDT. The numerous fragmented antecedents of constructed and particularly inherent preferences make this a very ambitious research program.

A question that naturally arises is how to go about the Herculean task outlined above. We believe this might be achieved by marrying ecologically valid (field) experiments, deep psychological insights, economic principles, and econometrics and statistical tools. Researchers should focus on techniques that help reveal dispositions (dormant inherent preferences or latent needs) before the consumer actually experiences the target object. Relatedly, it is important to study valuations during and after consumption experiences as opposed to only during the improvised decision phase. Dispositions and inherent preferences may be partially genetic, and therefore, it may be necessary to study the decisions of young (pre-verbal) children before the onset of major socialization and learning. Similarly, researchers should investigate the formation of inherent preferences in the distant past. Relatedly, behavioral economists may wish to employ some of the methodologies used in research on unconscious thinking and automaticity. Additionally, BDT researchers should move beyond proof of existence (of preference construction and violations of VM) toward an understating of the “why,” “when,” “how much,” and “who” of construction effects. Finally, behavioral economists should identify and explain stable needs and personal values that vary across individuals, form the building blocks of dispositions, and interact with constructed preferences.

### **Final Comment**

Often, the contribution of important articles is providing closure on a key research question, by offering conclusive analytical or empirical evidence for a particular proposition. In other cases, scholarly work, such as Simonson’s “pillow paper,” is important because it offers an opening, by suggesting a new perspective or a controversial paradigm shift. We hope that the “pillow paper,” along with the commotion and commentaries it has stirred, will stimulate further investigation of inherent dispositions and their synthesis with constructed preferences.

Figure 1: The Contextual Concavity Model (CCM) from Kivetz et al. (2004)

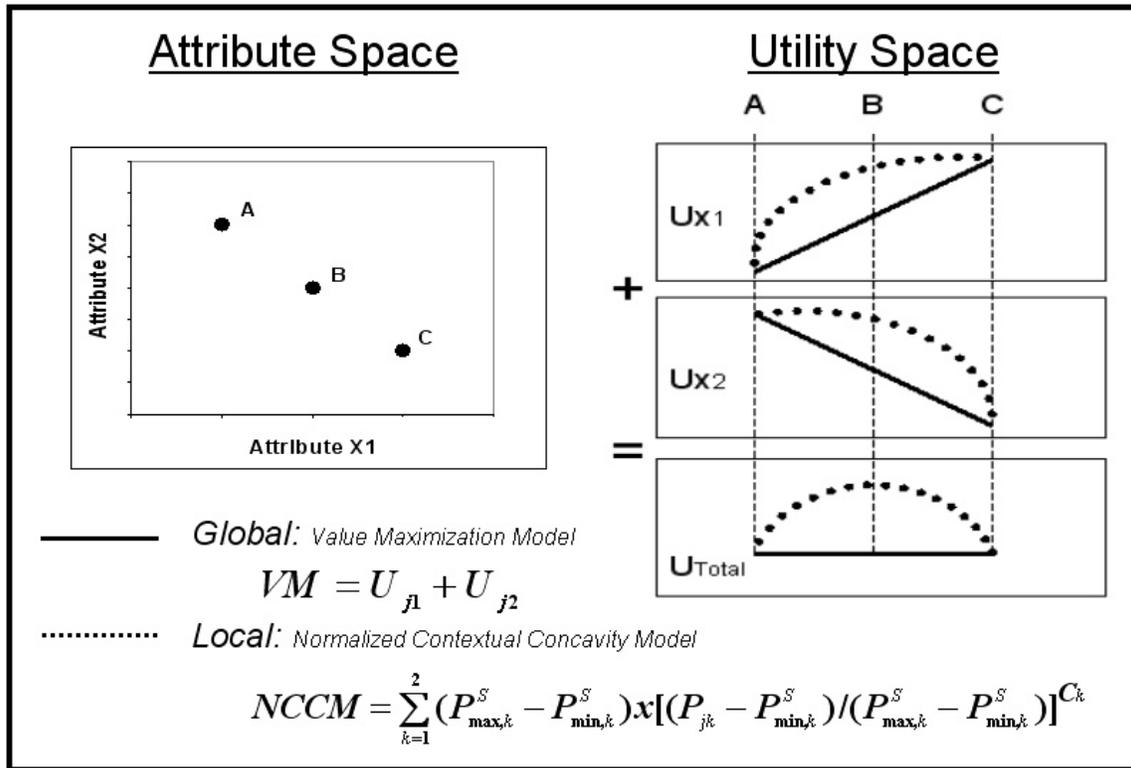
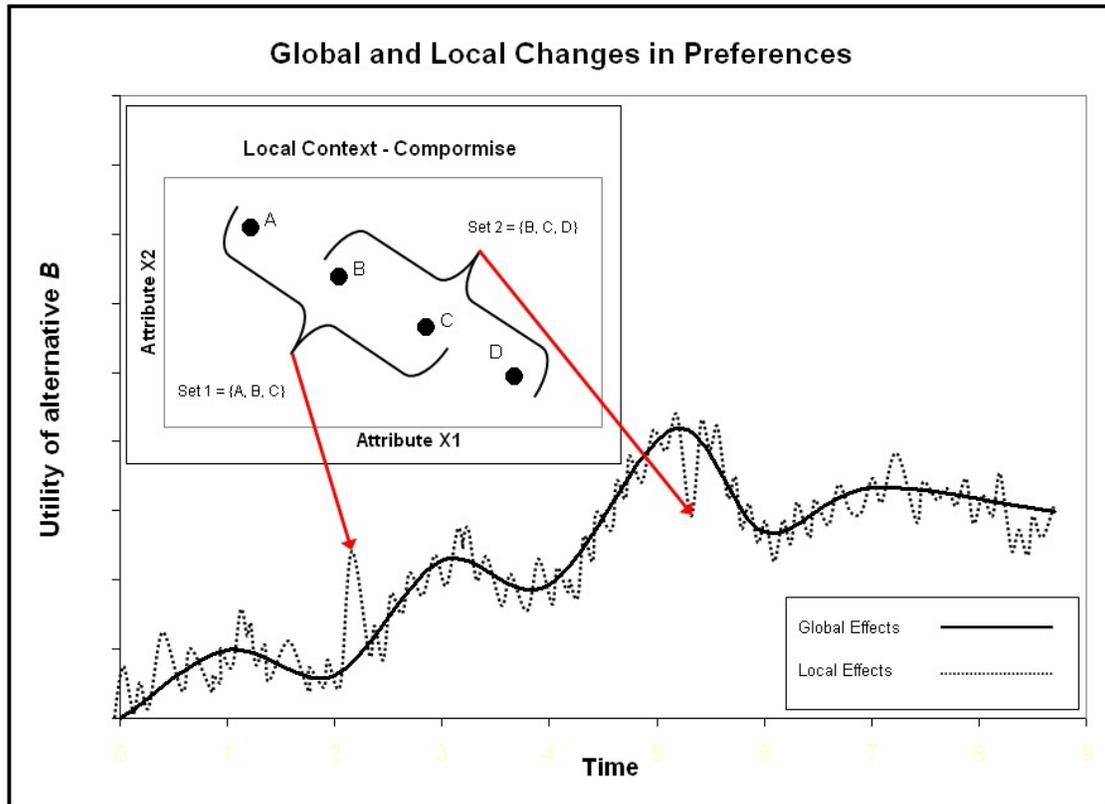


Figure 2: Synthesis of Dispositions and Constructed Preferences



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