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PURCHASING DECISIONS WHEN COMPLEMENTARY GOODS HAVE A PRICE CATEGORY RESTRICTION: AN ANALYSIS ON REGRET AND RESPONSIBILITY

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Abstract

Many times individuals make purchasing decisions about products of different price categories (premium or cheap), what allows to assess their level of risk. Furthering previous research on the impact of emotions in decision making, this paper analyzes financial behavior when complementary items are restricted to the price category of the main good and how regret and responsibility influence that decision. Experiment 1 (n=68) revealed that when individuals expect to buy complementary goods from the same price category, the expensive brand was preferred stronger than if there was no restriction. Experiment 2 (n=68) analyzed the same situation for when the outcome of the decision influences others besides the individual. Results showed that even considering that individuals feel higher regret and responsibility when restricted in their options, these emotions were not significant for their final choice.

Keywords: anticipated regret, responsibility, decision making, complementary goods.

Introduction

Purchasing decisions of individuals are many times influenced by more factors than it seems. Because emotions play a vital role, making decisions feels different when seen by other people's perspective, resulting in different behaviors. Individuals can make different decisions for the same situation, depending on mood or emotions they are feeling at the moment, and their own motivations (Epley & Gilovich, 2016). The main difference between mood and emotions is that moods are less intense than emotions and fluctuate more regularly, while emotions are aroused by specific events or situations (Mohanty & Suar, 2014). Understanding human preferences facing uncertainty can help businesses strive as they may understand what the consumers want and feel in a purchasing situation.

Emotions in decision making

The role of emotions in financial decision making has received increasing attention over the last years, as it has been proved that emotions often induce biases and skew information retrieval (Fenton-O'Creevy, Soane, Nicholson, & Willman, 2011). But it is wrong to think that being an emotional individual will always lead to a wrong decision. One of the main functions of emotions is to induce the person to act. Emotional action can assume different forms, by leading the individual's action readiness, to make him act or in other stages of decision making (Koshkaki & Solhi, 2016).

People incur in several mental processes to assess the best decision for themselves. For example, they often use their apparent affective response to the situation to make the decision easier to reach, thinking how they would feel about a certain possible outcome (Schwartz, 2000). The relationship between emotions and decision making is bidirectional, as the outcome of a positive or negative event has a direct influence on the person's feelings. The emotions felt about that outcome affect the duration of the consumption (Holbrook & Gardner, 1998) and subsequent decisions, either because the individual decided to buy or even just by his inertia (Anderson & Lyons, 2013). But not only internal factors influence individuals. External factors, such as positive and negative trends, have an impact on how an individual perceives a decision and its outcome, even having different effects according to the person's gender (Dubé & Morgan, 1996).

Everyday individuals range through different negative and positive emotions, which have opposite effects in the risk judgement of situations. A more positive emotional valence (like happiness or surprise states) is associated to a larger risk tolerance, and stronger emotions (such as fear) have, in terms of intensity, a greater correlation with risk-averse decision making (Nguyen & Noussair, 2014). Negative emotions specifically have been subject of large research, and proven to be very useful for behavioral decision making, by offering a facilitating role when facing uncertainty. Fear and shame are two good examples, as they motivate the consumer to act. Individuals consider the lack of awareness shameful, what leads them to seek information to make a better decision (Koshkaki & Solhi, 2016). States like fear and regret make the consumer consider all his options and make a better judgement of the risk that each decision implies.

Anticipated Emotions

In the past few years, a recent trend has emerged describing the effect of anticipated emotions on consumer behavior, which influence judgement by making individuals think about the expected consequences of the decision in the present. For those decisions, the decision making process is "modeled as the implicitly cognitive task of predicting the nature and strength of future emotions in response to possible decision outcomes and weighting them according to their likelihood of happening". (Loewenstein, Weber, Hsee, & Welch, 2001). Research has gone even further to suggest that individuals aware of the influence of feelings and anticipated emotions can regulate possible biases that affect their judgement in order to improve their decision-making performance (Seo

& Barret, 2007). People are therefore motivated to reach those anticipated emotions, which are then viewed as goals (Bagozzi, Baumgartner, & Pieters, 1998). With this perspective in mind, they then show signs of avoiding negative emotions such as anger and regret, and approach possible outcomes of positive emotions, such as joy and happiness.

The ability to predict which choices individuals are going to make under specific emotions outlines obvious advantages for companies. Not only by predicting which anticipated emotions consumers feel, but also considering the effect of immediate emotions. Immediate emotions change consumption patterns significantly, altering the decision that they would reach under risk and uncertainty, but these are not consequentialist (Schlosser, Dunning, & Fetchenhauer, 2013). Therefore, by combining analysis on immediate and anticipated emotions, companies can better adjust their selling approach to each market.

Regret Theory

The emotion of regret is activated when individuals feel that by making other choices they would have reached a better desired outcome. People experience regret when the outcome of the rejected option would have been better, opposite to the feeling of joy and happiness in case the rejected option was in fact the worse.

Regret theory goes beyond the common knowledge that the purchasing decision depends exclusively on the desired outcome and its probability of happening modeled in Utility Theory (Zeelenberg, Beattie, Van Der Pligt, & De Vries, 1996), as it was already shown that some inconsistent consumer behavior by that model fits with his desire to avoid post regret (Bell, 1982). Several contributions to Regret Theory have already helped understanding how this emotion is in conflict with decision making. People are regret averse, making decisions in order to minimize their future regret (Zeelenberg, Beattie, Van Der Pligt, & De Vries, 1996). When no information about the outcome is available, consumers are more likely to feel regret if the chosen outcome differs from the status quo and is irreversible (Tsiros & Mittal, 2000), an effect that is mediated by the level of justifiability of the decision to change the norm (Zeelenberg & Inman, 2002). Other factors, such as the introduction of expected feedback on foregone options, for example, can motivate consumers to risk-averse but also risk-seeking decisions according to their own motivations. Regret for itself has already shown that can even influence other emotions, decreasing trust between individuals who are in that state (Martinez & Zeelenberg, 2015). All of these propositions confirm that regret and how individuals project the future has implications on investment decision making (Das & Mohapatra, 2017).

One specific emotion that has been subject of research due to its clear impact on regret is responsibility, changing the way we experience regret (Zeelenberg, Van Dijk, & Manstead, 1998). It becomes important to define both terms, as they can be different in how they influence our decisions. Regret represents the sorrow over something that it was done or not, independently of the fact of the individual being or not the main responsible for that decision (Simonson, 1992). Responsibility is different as it represents the level of self-blame that the individual attributes to himself for a certain decision. When a decision turns out badly, individuals are expected to experience lower levels of responsibility in case they think they made a conscious decision with the information available, although feeling at the same time a high level of regret.

Responsibility in decision making

In order to fully understand the impact of regret in financial decision making, the relationship between responsibility and this emotion must therefore be analyzed. Choice is influenced by anticipating the likelihood of regret and responsibility (Simonson, 1992).

This means that individuals, besides thinking on the negative feelings that they would experience from choosing the wrong alternative, also try to assess the level of blame that they would feel by making the wrong decision.

In 1992, Simonson conducted a research that studied the relationships between choice-timing and brand name-price and how these factors can influence anticipated regret. The experiments on the level of responsibility were made by offering two alternatives to participants, where they would have to choose between one well-known, expensive brand and a lesser known, less expensive brand. Either choice would be revealed to be the worst option. Thinking in how much regret they would feel by not choosing the right alternative and by having to handle with those consequences made people alter their choices. This enabled the research to assess how anticipated regret is connected to brand name and price.

The results showed that people who selected lesser-known brands which turned out to be the worst option saw themselves more responsible for that decision, what goes according to the notion that choosing better-known brands is the standard option in a risky decision. Justifying their choices, participants who chose the lesser-known brand said that they would feel less regret as their expectations were already lower for a brand of that category. In fact, thinking about regret beforehand, by comparing both alternatives, influences the choice of individuals. Information about foregone alternatives that were not chosen but were also available to participants, like in this example, can influence the level of regret but also have a significant impact on post-choice valuation (Inman, Dyer, & Jia, 1997). Nevertheless, pre-purchase and post purchase comparisons between the available alternatives has different effects on the satisfaction with the chosen alternative. Post-purchase comparisons have a greater effect on individual's level of regret (Cooke, Meyvis, & Schwartz, 2001). Brands can use this knowledge to successfully influence the consumer to maintain their loyalty and trust, by showing or making him imagine how he would feel in case he decided to switch to a product of another brand which later turned out to be the worst option. By making regret more evident for their customers, it becomes easier for brands to create long term relationships with them, as regret is directly connected to repurchase intentions (Tsiros & Mittal, 2000).

In an attempt to create long term relationships, companies have already started to incorporate functionalities in their products that disables them to connect to complementary products from other brands. One of those examples is Apple, who produced series of products (like iPod Touch or iPhone) only compatible with their own software, iTunes. Their computers started running their own Operating System, opposite to Windows which was the standard option/norm since the beginning. The plug through which the phone charges is different from the larger majority of chargers, what obliges the consumer to consider many factors related to usability that he wasn't used to handle before. These techniques attempt to increase the consumer loyalty and attachment to the brand, increasing switching costs.

Many other examples can be found where brands try to engage customers by offering them complementary products from the same price category of their main product. In the car industry, the services offered and parts that boost the car's performance are within a certain price range which makes the consumer expect a better experience than if he had opted for a more conservative choice. In the gaming industry, consoles have a wide offering of games that belong to a certain price range. The most expensive, Sony's PlayStation and Microsoft's Xbox consoles, are premium brands when compared to other alternatives, such as Nintendo Wii, and their games are traditionally more expensive than other alternatives. When a consumer thinks about buying a game console, the cost of the games and other accessories (like additional game controls) is something that must be considered in his financial decision of buying a product or not.

For these products, complementary goods become also important to consider, as they can range through a large variety of prices, increasing the cost associated to each purchase. After purchasing a costly good, changing may not be an option and the range price of the complementary goods (games, accessories) will already be defined in case the brand has that restriction in place.

The previous research of Simonson analyzed the choice between difference price category brands, drawing some important conclusions for Regret Theory that will further serve as an introduction to the present study. Even though regret and responsibility often seem to be correlated, they may sometimes vary in opposite directions. One of those cases is when a well-known brand is present, once it makes the individual to expect a higher safety in his risky decision. The selection of a well-known brand is associated with a greater level of regret in case it turns out to be the wrong option and with less responsibility, once at the time the individual thinks he made the best decision he/she could with the available information.

This study aims to go further in Simonson's investigation, by introducing the variable of complementary goods restricted to a certain price category and testing again if regret and responsibility have an impact on the final decision. The goal is to assess if the presence of complementary goods of a restricted price category makes a difference in how individuals think they will regret a dissatisfying outcome, in situations where these goods are the only option. In order to create a long-term relationship, brands need to know if restricting complementary goods to the same price category of the main product is good strategy and what is the consumer behavior towards brands that are more recognizable. Responsibility is also one of the focus. Previous research is still incomplete when it comes to understand how our emotions change in case our purchasing decisions influence not only ourselves, but also people around us. The level of regret in case the decision turns out to be the worst is expected to be higher in these situations, but if individuals would prefer well-known brands over other cheaper alternatives is still unknown, and one of the purposes of the following experiments.

Overview of the Experiments

Two experiments were developed to analyze consumer behavior and test the impact of regret and responsibility in financial decisions where individuals are expected to buy complementary goods from the same price category of the main good (premium or cheap). Both experiments were inspired in the study in which this paper is based on for ease of comparability. Experiment 1 focused on analyzing how the restriction 'buying complementary goods from the same price category' impacts the final choice and if anticipated regret and responsibility influence that decision. Experiment 2 tested the same results when the consequences also affect other people.

Experiment 1 – Purchasing decisions when complementary goods are restricted to a price category

The first experiment was designed to assess whether people would prefer a well-known brand, though more expensive over a cheaper brand when they are expected to do repeated purchases in the same price category. The introduction of regret and responsibility was made by presenting a relatable situation and by asking for every alternative (to buy the more expensive or the cheaper option) how they would feel in case that turned out to be the worst option. Then the final question of which brand they would buy is made, so that it can be concluded how much impact complementary goods have in their decisions.

Participants and Design

Sixty eight people participated in the experiment on a voluntary basis. Of those, 51.5% were female. The participants had an average age of 22.6 years (*SD*=1.58), and the conditions were attributed randomly (with 34 participants for each condition).

Procedure

Participants were asked to imagine themselves facing a scenario where they would be entering university, so they would have to buy a new tablet in order to be more productive outside their home. At the store, two products were presented to them by the salesmen, one labeled as a less-known/cheaper brand and other as well-known/expensive brand. In order to not influence any participant to choose a specific brand, no brand names were referred, as participants could already have an emotional attachment to them and it would bias the investigation. In case a brand they owned was suggested, they could choose in order to not change the status quo, as it was shown to have influence on the decision. No budget was referred as well.

After presenting product specifications of each alternative, with better ones for the more expensive option, price was revealed, showing that the expensive option cost more than double of the price of the cheaper one (130€ vs 400€). With this information, participants were told that they would also need to buy accessories in the future, and that each of the brands would make available its own products. These, which included a yearly insurance, a keyboard, a stylus pen and a case, were much more expensive on the second brand, in line with the price of the original product. No quality or durability specifications were referred. According to the condition in which the participants were in, they were told that they would be able to buy complementary goods from any brand (condition 1), or would only be allowed to do it from the same brand (condition 2). Then, the focus was to compare both situations in terms of regret and responsibility. That means, to see if regret and responsibility have impact and if people would choose the expensive brand more easily in the first situation, once it seems to offer a smaller risk to be the worst option when compared with the other.

In order to assess regret and responsibility, it was asked to participants how they would feel in each situation in case their decision turn out to be the worst option, reminding some of the factors that could potentially ruin their original decision. For example, it was asked the level of regret for "*If you chose brand A and it was the worst option, because it is clearly less reliable and inferior to brand B and did not meet your expectations"* to see what happens when they feel regret for the cheaper alternative; and for the expensive brand, how would they feel "*If you chose brand B and find out it was the worst option, as it is not better in any way than the less expensive brand A"*. The rating scale used was a 7-point metric (1= low regret/responsibility, 7=high regret/responsibility), complying with Simonson's original research.

Results

The results have shown that the possibility of having to buy complementary goods of the same price category has an influence on the decision to buy a cheap/lesser-known brand or an expensive/well-known brand. As table 1 shows, when people are obliged to buy complementary goods from the same price category of the main good (condition 2), they have a preference for the more expensive brand (64.7% vs 35.3%) as it represents lower risk, opposite to the equally split preferences seen in the first condition.

Table 2 shows the comparison between both options in relation to their average level of anticipated regret and responsibility when their decision is revealed to be the worst. When there are no restrictions regarding which brand to buy the accessories from, individuals felt higher anticipated regret by imagining that they would choose the expensive brand (5.2 vs 4.3 on the cheaper brand). When it comes to responsibility however, the results show the opposite. Individuals feel less responsible when they chose the most expensive option (4.5 vs 4.7 on the cheaper brand) as it seemed to be a well informed and thoughtful decision. With the complements restriction, feeling of regret was very high for choosing the well-known brand (5.8 vs 4.1 from the cheaper brand). Responsibility was also higher in the second option.

An analysis of the relationship between the condition in which participants are in and the choice that they make shows that their relationship is independent. By using a Pearson's Chi-squared test, it can be concluded that the condition in which the individual is in is not significant for his final choice (to buy cheaper brand; to buy expensive brand) (X^2= 1.503, p>.05). A binary logistic regression analysis was then conducted, as in the original research, to determine if the four variables (regret and responsibility to buy each of the brands) have impact in the final choice and if they can be interpreted as a predictor for individual's choices. The 0-or-1 categorical dependent measure received a value of 1 if the selected option was the expensive. In the first condition, none of them was significant for the final choice (always p>.05), as in the second condition. This means that both emotions are not fit to predict which of the choices individuals are going to make.

Analysis of correlation between the variables and the final choice show the type of relationship between each variable and the final choice. In terms of regret, in the first condition, when individuals could choose from any brand, correlation between regret felt by choosing the cheap alternative and the final choice was r=0.23, while for the expensive brand was r=-0.13. Regarding the second condition, when they can only buy accessories from the same brand, correlation in the cheaper and expensive brands was r(regret for cheaper alternative, final choice)=0.366 and r(regret for expensive alternative, choosing expensive alternative)=-0.477, respectively. As expected, the greater regret for buying the more expensive brand has an influence in the final decision, being the factor that shows bigger impact on individuals' behavior.

Table 1: Brand preference according to price category restriction

	Without restriction	With restriction
Lesser-known/Cheaper brand	50% (17)	35.3% (12)
Well-known/Expensive brand	50% (17)	64.7% (22)
	100% (34)	**100% (34)**

Table 2: Average of Regret and Responsability according to each conditon

	Regret	Responsibility
Choosing cheaper brand without restriction	4.3	4.7
Choosing expensive brand without restriction	5.2	4.5
Choosing cheaper brand with restriction	4.1	4.6
Choosing expensive brand with restriction	5.8	4.9

Note: A 1 (Low Regret/Responsability) to 7 (High Regret/Responsability) scale was used

Experiment 2 – Purchasing decisions when complementary goods are restricted to a price category and consequences influence others.

For the second experiment, the main goal was to see how individual's financial choices change when they face the same decision involving a well-known and a cheaper brand, but the consequences of that decision are not restricted to the individual. That means, to assess if they would prefer a safer alternative (the well-known brand), as the outcome will now influence other people. In these situations, responsibility is expected to be higher for choosing a cheaper option, as it represented lower quality from the beginning. Another objective was to compare the level of regret and responsibility in each situation to assess how these emotions can impact the choice of the individual.

Participants and Design

Sixty eight people participated in the second experiment. In order to prevent biases, different participants from the first experiment were chosen. The mean age was 22.7 (*SD*=1.6), where 53% (36) were female. The conditions were once again randomly attributed.

Procedure

Participants were asked to imagine themselves facing this situation:

"*You have recently been accepted for a position in a new office. Your boss assigns you the task to buy a new coffee machine, once the old one is malfunctioning. The cost of the machine will be split by you and your team. Unfortunately, you don't know which model you are supposed to buy. The salesman comes up with two different options. Take in consideration that your decision will influence everyone who uses to have coffee in the office. However, no one will know that it was you who bought the coffee machine, so no feedback on the decision will be made".*

It is important to refer that there will be no feedback on the decision, once it can influence the level of regret in case individuals choose the wrong option and bias them to choose the well-known brand, as it seems to be more easily justifiable to other people. Following this information, two alternatives were shown to participants, again one lesser-known/cheaper brand (costing 200€) and a well-known/expensive brand (450€), with different functionalities. No information about reliability and money restraints were disclosed so that the choice was only dependent on the level of risk that the individuals were willing to take. After that, prices of the coffee capsules were revealed, showing that for the expensive coffee machine the price was the double of the cheaper alternative (0.5€

vs 1€). Now, the impact of having to buy additional goods in order to benefit from the original good is predicted to be stronger as the impact of the decision is not restricted to one individual. This choice would enable a long term relationship with the brand by more than a single person, what required higher responsibility and a more thoughtful decision than in the first situation. In the first condition there was no restriction to which brand they would have to be loyal to, by allowing them to buy capsules from any brand, while in the second condition they were restricted to buy from the same brand of the coffee machine.

Questions regarding regret and responsibility were introduced as in experiment 1, by asking the level of each emotion in case the choice that they had made turned out to be the worst option, finalizing with the question of which brand they would choose from the two. For example, when checking the regret for the first alternative, it was asked "*If you choose the least expensive brand A and find out that it was the worst option as functions and durability are far inferior to brand B"* and for the expensive brand "*If you choose the most expensive brand B and find out that the machine was the worst option as it is not superior in durability and reliability to A and it costs much more than A".* The scale of 1 (low regret) to 7 (high regret) was used once again.

Results

Tables 3 and 4 allow to reach important conclusions and to make the comparison between both conditions. As it can be seen, the fact that the decision has a broader influence significantly changed the way individuals thought about each decision.

Table 3 shows that the preference for the expensive brand changed when the restriction of buying complements from the same brand was introduced. Before this, when individuals were able to choose a capsule from any price they wanted (only influencing how much they would pay for the machine), they revealed a tendency to choose the expensive brand (64.7%). That changed when the capsules could only be bought from the same brand, decreasing their likelihood to choose the expensive brand to 52.9%.

The results can be better understood by examining the levels of regret and responsibility in table 4. In terms of regret, both cheap and expensive brand showed little alterations from one condition to another (always 4.6 for cheaper brand, and 5.2 to 5.4 for expensive brand). When it comes to responsibility, results are mixed, showing no increase between conditions for the cheaper brand (always 5). However, for the expensive brand, it increased significantly (4.9 to 5.9) as expected, due to the impact of their decision on third parties.

The analysis of significance between the condition in which the participants are in and their final choice revealed that the two variables are independent (χ^2=0.9714, $p>.05$). A binary logistic regression analysis was conducted like in the first experiment, to check if the four variables (regret and responsibility to buy each of the brands) have significance and can predict final choice. The 0-or-1 categorical dependent measure received a value of 1 if the selected option was the expensive for a confidence level of 95%. For the first condition, none of them was significant for the final choice (always $p>.05$), but in the second condition, the regret of buying the cheaper alternative revealed to be a good predictor for the decision ($p<.05$) with a coefficient of 1.45 (all other variables had negative coefficients). This means that both emotions are not fit to predict which of the choices individuals are going to make, but even so the regret for buying the cheaper alternative when only complements of the same brand can be bought has the biggest impact in the decision.

The analysis of correlation between regret and responsibility of each decision and final choice indicates which of the variables had a larger impact on individual’s final decision. When there was no restriction on which complements to buy, the correlations for the final decision were medium significant for regret, with r=0.36 for buying the cheapest brand and r=-0.3 for the expensive brand. In terms of responsibility, no meaningful relationship was detected, with the highest being r=0.13 for buying the cheapest brand. For the second condition, results were more evident. Regret of buying a cheaper brand when complements are restricted to the same category of prices is correlated positively with the final choice with r=0.50, while for the expensive brand, the final choice was inversely correlated by r=-0.09. Responsibility didn't produce meaningful conclusions being the highest r=-0.16 for when individuals buy the expensive option.

Table 3: Brand preference according to price category restriction when consequences are not restricted to the self

	Without Restriction	With Restriction
Lesser-known/Cheaper brand	35.3% (12)	47.1% (16)
Well-known/Expensive brand	64.7% (22)	52.9% (18)
	100% (34)	**100% (34)**

Table 4: Average of Regret and Responsability according to each restriction when consequences are not restricted to the self

	Regret	Responsibility
Choosing cheaper brand without restriction	4.6	5
Choosing expensive brand without restriction	5.2	4.9
Choosing cheaper brand with restriction	4.6	5
Choosing expensive brand with restriction	5.4	5.9

Note: A 1 (Low Regret/Responsability) to 7 (High Regret/Responsability) scale was used

General Discussion

Following Simonson's research, this paper went beyond some of his conclusions and helped to better understand consumer decision making. After his research revealed the behavior and the role of regret in purchasing decisions between lesser-known and well-known brands, this paper attempted to find out if the conclusions are the same for situations where the individual is expected to do repeated purchases within the same category of prices (either the premium price, or the considered cheapest price).

Experiment 1 showed that when individuals face this dilemma, they are more likely to choose the well-known brand, even considering that that decision will increase regret considerably. By comparing both conditions, it can be seen that regret and responsibility vary in opposite directions when the restriction of buying complementary goods from the same category of prices is present and when it is not, always decreasing in the cheaper brand and increasing in the expensive brand. For the first option, that effect was expected, as individuals anticipate higher regret from choosing a cheaper brand and then not achieving the expectations for the product, taking the responsibility for that mistake. When they are obliged to buy from the same category of prices, that mistake is extended throughout the life expectancy of the main product, which increases their disappointment over the outcome. Buying the expensive alternative would be worse for the consumer as he would be left with a more costly alternative that showed not to be satisfactory. Anticipated regret from a bad choice is higher as expectations are also higher for well-known brands, as in case of failure the money seems to be much worse spent. This effect goes according to past research and is often called "emotional amplification", making pleasure and disappointment more intense when the outcomes are surprising (Mellers & Schwartz, 1999). The effect of surprise also leads to more extreme responses. Individuals feel less responsible when they choose the most expensive option, as it seemed to be a well informed and thoughtful decision, but can't avoid to feel a very high level of regret (5.8). In these cases, the guilt of opting for the expensive brand has less impact in responsibility as the blame is appointed to the producer, and not to the own individual (in the study, responsibility only increased 0.3). This way, they don't feel so guilty for a wrong decision. Unfortunately, neither emotion revealed a strong relationship and correlation with the final decision, opening the possibility that besides thinking how regretful they would feel for that choice, the risk that they are willing to take is not that dependent on these emotions. Nevertheless, it was confirmed that regret of choosing the expensive brand always had an inverse relationship with the final choice.

Experiment 2 concluded that individuals feel a much larger sense of responsibility when their decision impacts other people and they consider to buy the more expensive alternative. Due to its cost, if one decision turns out badly it is not only them who will suffer its consequences, and that will have a worse impact in everyone than if they had opted for the conservative alternative. Those reasons help explaining why the percentage of people that chose the expensive alternative in the first condition has dropped so much. While they showed a clear preference for the cheaper brand in the beginning, now that they have no option to go back and buy any complementary goods that they like, they would rather play safe and not risk that much money in an uncertain outcome. Also, in a real life situation, the perceived similarity between the self and others has influence on how people experience different emotions and how they predict outcomes. If individuals are under the effects of pride, they see themselves superior and less caring to others, while if they feel compassion, they will have other's opinions in better regard (Han, Lerner, & Keltner, 2007). Responsibility has different effects on negative emotions. In this experiment, participants would feel less regret in case they were feeling compassionate about others, having a more positive valence than responsibility reattribution in a self-criticizing outcome (Arimitsu & Hofmann, 2017). That means, in case participants appointed blame to themselves, anticipated regret would be expected to be higher, changing the choice to the other option. As in the first experiment, the relationship between the emotions and the final choice was still not evident. For higher levels of regret and responsibility on the expensive option, it shows an inverse relationship, but not strong enough to take meaningful conclusions.

Managerial Implications

The findings of the first experiment lead to some interesting conclusions. Even though the conditions did not prove to be significant enough to influence final choice, the comparison between averages allows to predict how consumer feel in the purchasing decision. Brands who follow this strategy of restricting complementary products of goods to alternatives within the same brand may not have the desired effect, as there are many other cheaper alternatives available that become more attractive to consumers. Nevertheless, this conclusion is not applicable to all brands, as there are many that invest much time and effort building a relationship and an emotional attachment with consumers, becoming more trustworthy over time and simplifying that decision. For other products, mainly those which consumers don't have a deep knowledge about, this research can be a good illustration of what may happen in case a brand restriction is in place. The level of regret can be reduced by companies, by giving the user more information about the products so that he trusts the brand entirely and feels less regret about a certain outcome (Costante, Hartog, & Pektovic, 2015).

To what it concerns to the second experiment, it becomes clear that when individuals take decisions that influence more than themselves, they change their tendency to choose the most well-known option, as it represents a bigger cost to be supported not only by them. Companies may not have access to know if the decision of the individuals will only impact themselves or more people around them, but it may be beneficial to adopt a cautious approach for goods which are expected to serve more than one person and can represent a too big expense when complementary goods start to be considered. For that reason, the strategy to restrict the complementary goods to a single price category may only be a good approach when the brand has already built a relationship of trust in those markets. Either else, it will more probably represent a too large expense to bare for the consumer.

Research Limitations and Future Research

In order to standardize the population of this research, only individuals between 18 and 30 years old were considered. That was done so that they could relate to the scenario presented in both conditions, one being entering university, the other the first few months in a new job. In other age gaps results of the investigation can be different, as individuals change their level of risk throughout their life, increasing their income in years following university. In those cases, it is expected that most of times they choose the well-known option, the one which represents less risk. Both scenarios were presented with goods that people relate to their work, like utility goods. But with a hedonic goal in mind, results can also change as individuals start to accept more risk and feel less regret over wrong decisions. Also, both experiences were built to not include the effect of feedback, as it was already deeply studied in past research. However, in the real world it may be difficult to not have complete feedback in a decision of this nature.

Research on regret theory and responsibility is already extent. Nevertheless, the theories comprised in this paper could be developed on further research to include variables such as feedback or changes in the status quo. Another interesting take on the matter would be to examine individual's behavior towards the decision between a well-known and a cheaper brand when the brands have already a relationship of trust in place with the consumer, in order to analyze anticipated regret in comparison to the results of this paper.

Conclusion

Emotions have been proved to be an important part of the decision making process, changing people's perspectives about their outcomes. This study analyzed financial behavior by offering to individuals a choice between a well-known and a cheaper brand, and how anticipated emotions have impact on the decision. A restriction of complementary goods being from the same price category of the main good had a clear effect on the purchasing intent of individuals, but no clear relationship was established between the variables regret and responsibility and the final decision in both occasions. By understanding the many factors that influence people's choices, companies can better adapt their selling approach to become more successful in the future.

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