

# FRAMING EFFECT, INFORMATION COMPLETENESS AND INTERNET BUYER'S DECISION MAKING

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## ABSTRACT

This article reported results from a laboratory experiment which examines the influence of message framing as well as information completeness on Internet buyers' judgments. The results revealed a significant framing effect that participants in positive message condition showed more favorable attitude toward and higher intention to buy the electronic translator than those in negative message condition. In addition, the susceptibility of participants' responses to message framing depends on the information completeness of the decision problem. Significant framing effect occurred in incomplete information condition, but not in complete information condition.

## INTRODUCTION

It has been shown that judgments and decisions can be influenced greatly by the way information is presented or framed. For example, Tversky and Kahneman (1981) described the same Asian disease problem in terms of either the likelihood of lives saved (positive frame) or the likelihood of lives lost (negative frame). The results indicated that the relative attractiveness of options varies when the same decision problem is framed in different ways.

The first goal of current study is to understand the effect of framing message on decision makers' judgment in online shopping environment. That is, will the participants' judgment on the target product, an electronic translator, be different when the product attribute was framed either positively or negatively? The second goal of this article is to examine the effects of information completeness on Internet buyers' evaluation of the target product. In other words, will the participants' judgment be different when they were presented with either complete or incomplete information?

## THEORETICAL BACKGROUND

### Attribute Framing Effect

Attribute framing effect refers to the situation in which individuals' judgments vary as a function of the labels used to define specific object attributes (Johnson and Levin, 1985). For example, in Levin and Gaeth's (1988) study the ground beef was framed as either "75% lean" or "25% fat" and was presented to two groups of subjects. The results indicated that the participants' evaluations were more favorable when the beef was described in percent-lean than was described in percent-fat. Other studies (e.g., Levin, Schneider, and Gaeth, 1998) also demonstrated similar findings that the same alternative was rated more favorable when a key attribute is framed in positive terms than when framed negatively.

## **Information Completeness in Framing Effect**

Incomplete information in this study is defined in situations where some of the description of an object is missing. In standard wordings of framing effect, the decision problems are not fully described. Kühberger (1995) suggest that no framing effects would emerge with fully described problems. The Asian disease problem presented in Tversky and Kahneman (1981) was employed in Kühberger (1995). The original description in positive condition (program A) of “200 people will be saved” was re-framed as “200 people will be saved and 400 people will not be saved” in complete framing condition. The results of Kühberger (1995) indicated that no framing effects occurred with completely described problems.

## **EXPERIMENT**

One hundred and sixty undergraduate students participated the experiment in partial fulfillment of a class requirement and each participant received a NT \$100 (about US\$ 3) McDonald coupon for their participation. The experiment is a 2 (completeness: complete/incomplete)  $\times$  2 (framing: positive/negative) between-subjects factorial design. Subjects were assigned to one of four conditions randomly and were asked to provide their attitude toward the target product and their intention to buy the product. The target product is an electronic translator. All the experimental stimuli were displayed through Web pages. The key attribute of the electronic translator is the accuracy of translation, which was framed either positively or negatively. In addition, half of the participants were presented with incomplete information, in which the information was described in either positive or negative way. Complete information was provided to another half of the participants and both positive and negative information was presented. Participants were asked to rate their attitudes toward and their intention to buy the electronic translator.

## **RESULTS AND CONCLUSIONS**

The results of present article add to the body of literature considering the influence of information representation and message framing on Internet buyers' buying decisions. Significant framing effect was observed in experimental results and a more favorable response was observed when the participants were exposed to positive information than those who were exposed to negative information. In addition, the susceptibility of participants' responses to message framing depends on the information completeness of the decision problem. Participants in positive condition show more favorable responses than those in negative condition when the information was provided incompletely.

The most basic contributions of this study come from investigating information completeness in attribute framing effect. From a theoretical point of view, current study supports the assumption that framing effect can be mitigated by providing complete information (presenting positive and negative information simultaneously). The research reported in this article has some limitations. First, this study considered only one target product. Any extrapolation of our findings to other products should be careful. Second, it is important to consider whether similar findings can be observed is the subjects are not students. Thus, future research should help expand these framing effect findings to other populations and product categories. Further, personal characteristics, product knowledge and other individual differences might have influences on people's judgments and should be taken into consideration in future research.

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