“The Dynamics of Context-Dependent Preferences”

Everyday we make hundreds of choices. Some are seemingly trivial -- what cereal should I eat for breakfast? Others have long lasting implications -- what stock should I invest in? Despite their obvious differences, these two decisions have one important thing in common; both can be sensitive to context. That is, our preferences for existing alternatives can be altered by the introduction of new alternatives. This raises the important questions of how preferences for different options are constructed, how they evolve over time, and how contextual sensitivity impacts that process. Dynamic process models provide a way to examine these questions and to explore the underlying cognitive processes involved in choice behavior. In this talk, I will describe how choice and response time data can be used to test different theories of context effects in multi-alternative, multi-attribute choice. I will also discuss how contextual sensitivity can be manipulated by making comparisons between options more difficult.