Executive Summary

The Effect of Option Framing in Self-Other Decision Making
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Option framing can be divided into additive and subtractive framing. In additive framing, individuals are asked to add desired options to a base model, i.e., to a core product which does not include any extras, whereas in subtractive framing, individuals are asked to deselect undesired options from a fully loaded model, i.e., a product that does already include all possible extras (Biswas and Grau 2008; Park et al. 2000). In additive framing, individuals must take action if they want to choose the option, e.g., by checking a box in an online configuration. In subtractive framing, individuals find preselected options, and they receive a preselected option unless they actively decide against it, e.g., by unchecking a box in an online configuration (Brown and Krishna 2004; Park et al. 2000). While option framing has received considerable attention with regard to decision making for the self (e.g., Biswas and Grau 2008; Herrmann et al. 2013; Levin et al. 2002; Park et al. 2000; Park and Kim 2012), no researchers have focused on option framing in self-other decision-making contexts. The aim of this paper is to examine the influence of option framing on decision making either for oneself or on behalf of another person.

In two studies, we investigate choice behaviour for oneself or on behalf of someone else, namely one's mother, when either one option (Study 1) or more options (Study 2) are presented in additive and subtractive framing. The effect of option framing on decision making for a family member is a relevant question for firms and policy makers since it helps to clarify how an individual's benefits and expenditures can be influenced by the way a choice is presented when deciding for someone else. In accordance with previous studies (e.g., Biswas and Grau 2008; Levin et al. 2002; Park and Kim 2012), we found the option framing effect when individuals decided on insurances for themselves; i.e., individuals were more likely to choose an option in subtractive framing than in additive framing. When individuals were asked to decide on behalf of their mother, we could not prove an option framing effect when a single option was considered (Study 1). When several options were available (Study 2), the option framing effect emerged; decision makers chose more options for their mother in subtractive framing than in additive framing. We believe that having the opportunity to vary the number of options is the underlying reason. In both studies, individuals deciding on behalf of their mother had a greater tendency to add an option in additive framing than did those deciding for themselves. The greater likelihood of choosing an option in additive framing when deciding for the mother corresponds to our assumption, derived from social values analysis, that decision makers engage in risk-minimizing behaviour as the socially preferred behaviour for proxy decision making. In both studies, no choice differences could be found for subtractive framing. Accepting the insurance option and the number of accepted insurance options remained stable when individuals decided for themselves or for their mother. We assume that for both framing, individuals who decided for their mother acted according to social values and therefore were likely to choose protection for their mother. Moreover, there might be a kind of ceiling effect for insurance decisions because some individuals either may not expect
an insurance event to occur for themselves or their mother or may have a general aversion to insurance. Our results add to a growing body of evidence that decision making for others is more dependent on social norms than is decision making for oneself.