Chapter 13
The Second Generation of the Laddering Methodology and Its Use in Studying Decision Making

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ABSTRACT

The laddering technique can be considered a meaning-based qualitative approach for understanding preferences, motivations, and other general determinants of consumer and organizational choices. This chapter begins by presenting the original version of the laddering technique and its limitations and then introduces the technique's second generation. Based on Means-End Chains Theory (MEC Theory), the laddering methodology is used to uncover mental schemas in the form of cognitive maps by using principles derived from social network analysis. The bases for motives, goals, or values can be studied with such procedures. It also allows us to understand the influence of cognitive schemas on attitudes and behaviors through appropriate quantitative tests. Using data from a sample of 102 members of the Ducati community participating in a motorcycle event, the authors present the rationale and procedures involved in laddering and illustrate its overall approach while discussing its strengths and weaknesses.

INTRODUCTION

Scholars and organizations seek to understand consumers' and employees' decisions. Thus, such questions as "Why does a consumer choose a specific product?", "Why does an employee join the company?", and "Why does he or she engage in some activities and neglect others?" are essential. From a methodological perspective, empirical studies on motivation have traditionally relied on long checklists of general motives. These motives, however, are often broad, ambiguous, and overlap, with a tendency to neglect the relationships between motives (e.g., the possibility that

motive "x" leads to motive "y"). Moreover, the theoretical basis for the motives on such checklists is often lacking; the fit of such motives to particular decision contexts is typically strained. A more specific approach is required to uncover decision makers' motive development and explain how these motives guide, influence, and interfere with actual decision making.

One such approaches the Means-End Chain theory (MEC theory; Gutman, 1982), which has recently garnered attention from scholars and practitioners. First proposed and formalized in marketing, this approach has also been successfully applied to individual decision making in the organizational, psychological, business ethics, and entrepreneurship literature (e.g., Bagozzi, Bergami & Leone, 2003; Bagozzi, Sekerka, & Hill, 2009). After presenting the original version of MEC theory and its limitations, we describe the second generation of the laddering methodology. Illustrating a specific decision, that is the one to participate in a brand fest, we then sketch the main stages of data gathering, analysis, and interpretation, with the intent to provide information useful to scholars, students, and practitioners interested in studying goals, motives, or values.

MEC THEORY AND THE ORIGINAL VERSION OF LADDERING

In the original version of laddering (Gutman, 1982, p. 60), "Means are objects (products) or activities in which people engage […]. Ends are valued states of being […]. A means-end chain model is a model that seeks to explain how a product or service selection facilitates the achievement of desired end-states". The theory is based on three fundamental assumptions derived from cognitivism: (1) values play a dominant role in directing choice patterns; (2) people face a wide offer of products and activities coherent with their values, grouping them in categories so as to reduce choice complexity; and (3) actions pro-

duce consequences, and people learn to associate particular consequences with specific actions. Consequences refer to any physiological or psychological result that arises—directly or indirectly, earlier or later—from consumer behavior. The central aspect of the model is that people choose products that produce desired consequences and minimize undesired ones.

As shown in Figure 1, the general model assumes that people attribute importance and meaning to consequences. These attributions are modified by the situation that induces the person to consider the consequences in the light of situational demands. The relevant consequences emerging from this person-situation interaction constitute the basis for of a functional classification of products that can best produce the relevant consequences. These products are chosen on the basis of the attributes they possess that imply their ability to produce the desired consequences while avoiding undesired ones. Over time, people learn to distinguish between products they would use, those they would not, and what types of situations would lead them to use or choose not to use them.

The objective of the MEC theory is to understand what makes products personally relevant to people by modeling the perceived relationships between a product (defined as a collection of attributes) and a person (regarded as a holder of values). Product attributes are assumed to lead to various consequences of product use, which, in turn, satisfy a person's values. The result of a means-end chain analysis is a value map showing the salient linkages between attributes, consequences, and values for a group of people in a certain product class. The map indicates which values make products personally relevant; this information is useful in developing brand positioning concepts and advertising strategies.

Some limitations pertaining to this model, however, must be noted (Bagozzi & Dabholkar, 2000). First, there are concerns about the underlying psychological and philosophical assumptions of the approach. The assumption that map linkages

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