Effects of base price upon search behavior of consumers in a supermarket:
An operant analysis

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Abstract

The effects of product base price upon the duration of search behavior of consumers was investigated in a supermarket using an operant framework. Searching was interpreted as a pre-current behavior, influenced by the consequences for buying and consuming. Search duration was measured while consumers selected two cleaning products (Experiment 1) and two food products (Experiment 2), differing in base price. Search duration was significantly larger for the more expensive products. Consistent individual differences in search duration were also observed across products. These results, obtained from direct observation of search behavior, corroborate those found in the literature which used laboratory simulations and surveys, and illustrate the feasibility of an operant analysis of consumer behavior.

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PsycINFO classification: 3920
JEL classification: M30
Keywords: Consumer behavior; Search behavior; Base price; precursory behavior; Operant psychology; Consumer psychology; Consumer economics

1. Introduction

Consumers usually gather information before purchasing products. They may search for a favorable price among different stores or brands, examine product quality,
try out new products or brands, or investigate payment conditions. This search may be brief and effortless, as when the person chooses a soft drink on a supermarket shelf, or long and costly, as when one is looking for an apartment. The identification of the variables that influence pre-purchase behavior may be important to our understanding of store and brand choice, sale promotion effectiveness, reactions to new products or packages, effects of store and product location, and such like.

The amount of money that can be saved as search increases has been often cited as one of the variables that might influence search behavior. Some authors have suggested that perfectly rational consumers should continue to search until the expected gain from more search is less than its cost (Stigler, 1987). According to this analysis, consumers should know the distribution of prices in the market and the costs of searching, in order to maximize utility by balancing the amount of money saved from more search with the costs associated with that search. However, consumer behavior is not always optimal as described by traditional economic theory. It has been shown to be influenced by several other factors beyond the absolute amount of money saved and search costs (cf. Kahneman & Tversky, 1984; Thaler, 1985).

Results stemming from experimental investigations, for instance, have shown that more participants said that they would make a trip to another store when they could get a discount of 33% than when the discount was equal to 4%, despite the fact that in both conditions they would save the same amount of money ($5) (cf. Tversky & Kahneman, 1981; Kahneman & Tversky, 1984). This inconsistency in their decisions may be explained, according to the authors (cf. Kahneman & Tversky, 1979), when one considers that financial transactions might be framed at different levels, namely, minimal, topical, or comprehensive. The minimal frame would consider only the absolute amount of money gained or lost, whereas a topical frame would be more inclusive, comparing, for example, the current price with the last price paid for the same product. A comprehensive frame would be even more inclusive and would consider, for instance, one’s monthly budget. In the case of the above mentioned results, participants would have been influenced by the percentage off the price, which would be a topical frame, rather than by the absolute amount of money saved, a minimal frame. Findings such as these led Kahneman and Tversky (1984) to conclude that sale prices are framed according to the percentage off rather than in terms of absolute amount of money saved.

However, this conclusion has not been completely supported by subsequent research. Darke and Freedman (1993, Experiment 1), using a laboratory simulation, found that when the percentage to be saved by visiting another store was low (1% or 5%), the absolute amount of money ($5 or $25) to be saved influenced participants’ decision to extend price search. When the percentage of the base price to be saved varied more widely (5–25%), both variables influenced participants’ decisions (Darke & Freedman, 1993, Experiment 2). Another experiment corroborated and extended such results by showing that the percentage of discount influenced participants decision of ending price search for a product with low base price ($100) but not for a product with high base price ($300) (Darke, Freedman, & Chaiken, 1995). The authors explained these results by proposing a heuristic–systematic model of price search, which distinguishes between systematic and heuristic processing of
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