

# **We're not buying it: Product add-ons influence consumer judgment**

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Charging extra for "add-on" features on a product may backfire on merchandisers, according to a new study in the *Journal of Consumer Research*.

Authors Marco Bertini (London Business School), Elie Ofek (Harvard Business School), and Dan Ariely (Duke University) examined the way consumers perceive common objects such as digital cameras, laptop computers, and coffee when firms charge extra for add-ons.

"Our research argues that consumer perception of common objects can be influenced by the mere presence of an add-on. Importantly, this influence is not always positive," write the authors.

Consumer reactions depend on the type of add-on being offered, the authors explain. "On the one hand, add-ons that improve or upgrade existing features of products affect evaluation by shifting our sense of how well the product performs on that particular feature. For example, a consumer presented with the opportunity to buy a 32MB memory card for a digital camera might suddenly find the standard storage capacity of 64MB unsatisfactory."

The authors found that offering optional new features such as a tripod for a camera or a printer for a laptop computer led participants to rate products more favorably. "A consumer presented with the opportunity to buy an attractive tripod might transfer beliefs about this object to the digital camera," the authors explain.

Another surprise was that while study participants had negative impressions about optional upgrades, they liked downgrades.

"Participants presented with optional downgrades had the exact opposite response, rating the laptop more favorably than those who saw no add-ons at all," the authors write.

Both consumers and marketers can benefit from knowledge of the ways add-ons and downgrades can influence opinions. "As the commercial appeal of add-ons continues to grow, it becomes increasingly important to understand their role in the marketplace," write the authors.

Paper: Marco Bertini, Elie Ofek, and Dan Ariely. "The Impact of Add-On Features on Consumer Product Evaluations." *Journal of Consumer Research*: June 2009.

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