

Shoppers who try harder to estimate spend more

March 2 2010, By Susan Lang

(PhysOrg.com) -- The harder consumers try to track how much their groceries will cost, the worse they do, according to a new study co-authored by Brian Wansink in the March issue of the Journal of Marketing.

Almost one in three U.S. households shop on a budget -- and one in six can only afford basic necessities. So it's no wonder that 78 percent of budget [shoppers](#) -- twice as many as those who shop without a budget (37 percent) -- try to track how much their groceries are likely to cost as they roll through the aisles.

But the harder they try, the worse they do -- overspending as much as 19 percent, according to a new study, which was conducted by a Cornell professor and colleagues and is published in the March issue of the [Journal of Marketing](#).

In general, the researchers found that all consumers tend to underestimate how much their groceries are going to cost.

"But those who try to calculate the exact total price almost always do worse than those who just estimate [prices](#)," said co-author Brian Wansink, Cornell's John S. Dyson Professor of Marketing, who co-authored the series of studies with two colleagues. The studies included two field studies and two laboratory studies.

And it is low-income shoppers who try most to calculate, rather than

estimate, Wansink said.

That means that those on the tightest budgets -- those most motivated to track their spending -- may be at greatest risk for spending more than their [budget](#) allows, said Wansink, forcing them to cut back in other areas, which "could cause shoppers unexpected financial distress." This chain of events can also cause these shoppers to develop [negative feelings](#) toward the store they patronize because they spent more than they planned.

The researchers also found that the most accurate shoppers based their estimates on the dominant range of price endings in their baskets -- such as the 99 cents in \$4.99. In other words, if the price endings of most of the grocers are between \$.50 and \$.99, people rounded up to the nearest dollar. "When people don't round up, it leads to some unpleasant surprises at the cash register said co-author Koert van Ittersum of the Georgia Institute of Technology.

Wansink suggests that the retailers might help [consumers](#) estimate the cost of their groceries with cart scanners, by changing their price-setting strategies or by providing shopper trainings in the principles of decision making, statistics and mental computation.

In the meantime, Wansink offers these tips:

- Round each item to the nearest dollar -- \$2.25 down to \$2 and \$5.50 to \$6.
- If you lose track, estimate the total number of items, then guess the price of the average item and multiply them together.
- If you really want to know the exact total price, use a calculator.

Provided by Cornell University

Citation: Shoppers who try harder to estimate spend more (2010, March 2) retrieved 25 April 2024 from <https://phys.org/news/2010-03-shoppers-harder.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.