

Learning how consumers value products

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Suggesting to consumers that they will use a product frequently can actually reduce their interest in purchasing the product, according to a new study in the *Journal of Consumer Research*.

"When <u>consumers</u> estimate the value of a durable product, they consider not only the absolute number of times they think they will use the product, but also the number of time they will use the product relative to other consumers," write authors Rebecca W. Hamilton, Rebecca K. Ratner (both University of Maryland, College Park), and Debora Viana Thompson (Georgetown University).

The very same cues that consumers use to determine that they might use a product frequently also make them think that others use the product more often than they will, the authors explain. In an initial study the authors found that college students reported playing video games more frequently when they used a high frequency response scale (ranging from "less than once a week" to "more than once every day") than when they used a low frequency response scale (ranging from "less than once a year" to "more than once a week").

However, the participants who used the high frequency scale were less interested in buying new video games, and the low frequency scales nearly doubled the percentage of respondents who accepted a free trial of a new video game. "The high frequency scale leads them to believe they play video games less than other college students," the authors write.



The researchers also that found college students were willing to pay more for a digital reader when they believed another college student had written a review suggesting low frequency of use ("once a week") than when the reviewer suggested high frequency of use ("once a day.") But when the participants thought a parent in a distant city wrote the review, the effects diminished.

"Ads or customer reviews highlighting how a product can be incorporated into a consumer's daily life can backfire if consumers believe their own usage frequency will be lower than others," the authors write. "Our findings suggest that if individuals believe they won't be able to keep up with the pace of others, they might choose not to even try."

More information: Rebecca W. Hamilton, Rebecca K. Ratner, and Debora Viana Thompson. "Outpacing Others: When Consumers Value Products Based on Relative Usage Frequency." *Journal of Consumer Research*: April 2011. A preprint of this article (to be officially published online soon) can be found at <u>journals.uchicago.edu/jcr</u>

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