

How do consumers judge quality? It depends on who's making the purchase

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Someone is more likely to predict the quality of a product by its price if someone else is buying it, according to a new study in the *Journal of Consumer Research*. But when consumers buy products themselves, they are more likely to judge quality by a product's attributes.

"Consider the following scenario: you observe that a friend has bought a well-designed attractive handbag for a surprisingly low price. What inference would you draw regarding the quality of that bag?" write authors Dengfeng Yan and Jaideep Sengupta (both Hong Kong University of Science and Technology). According to the authors, you'd be more likely to believe the bag was of low quality because of its low price—more so than if you'd bought it yourself.

The researchers found that the way people assess quality based on price or attributes has to do with distance—both temporal and psychological.

In a series of studies, the authors asked participants to predict the quality of different products (like yogurt and laptop computers) on the basis of price and attribute information. They were asked to imagine that they made the <u>purchase</u> or someone else did. Results consistently showed that the influence of price was greater when judgments were made on the basis of someone else's (rather than one's own) purchase, whereas the reverse was true regarding the product's attributes.

People tend to rely on more abstract thinking to form their judgments when events are psychologically removed, the authors explain, for



example when it has to do with other people or with a distant future. The authors posit that thinking about price is more abstract than thinking about attributes. "In one such study, participants were asked to imagine making a computer purchase either the next day or two months later," the authors write. "In support of our arguments, price had a weaker impact when participants imagined the purchase was for the next day."

"Our findings have clear implications for retailers and salespeople who are seeking to influence quality perceptions," the authors write. "If marketers wish to signal high quality through high price (a strategy that has long been in use), they should try to increase the psychological distance between the consumer and the product." For example, they could advise <u>consumers</u> to think of using the product in the relatively distant future, or to consider how friends might feel about the product.

More information: Dengfeng Yan and Jaideep Sengupta. "Effects of Construal Level on the Price-Quality Relationship." Journal of Consumer Research: October 2011 (published online March 22, 2011).

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