

Selling on eBay? Get higher bids with a red background

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The color red influences consumers to become more aggressive in online auctions and affects how much they are willing to pay for products as varied as video game consoles and Florida vacation packages, according to a new study in the *Journal of Consumer Research*. But the color blue can influence consumers to make lower offers when negotiating directly with a seller.

"Red background color induces aggression through a feeling of arousal and it increases aggression relative to blue or gray backgrounds. This causes individuals to make higher bids in auctions but lower offers in negotiations," write authors Rajesh Bagchi (Virginia Tech) and Amar Cheema (University of Virginia).

The authors asked consumers to imagine they were purchasing a [Nintendo Wii](#) video game console on [eBay](#) and then showed them identical products on a white [computer screen](#) with either a blue, red, gray, or white banner on the page.

Some consumers were shown a screenshot of an eBay auction and given the option to choose a maximum bid or pay a "buy it now" price of \$149.99. Buyers offered higher bids when the screen had a red background.

A second group had the option to pay the "buy it now" price or make just one offer that the seller could either accept or reject. In this case, a red background had the opposite effect of reducing willingness to buy

the product and consumers were willing to pay more when the background was blue.

Buyers think they are competing against other bidders in auctions. Therefore, a red background is advantageous to sellers as aggressive bidders will try to win by outbidding other potential buyers and therefore offer higher bids. In negotiations, however, buyers are competing against the seller and will try to get the best deal. In this case, sellers will benefit from a blue background.

"Just as influential as the product itself is its selling mechanism—auction or negotiation—which moderates the effect of color on willingness-to-pay," the authors conclude.

More information: Rajesh Bagchi and Amar Cheema. "The Effect of Red Background Color on Willingness-to-Pay: The Moderating Role of Selling Mechanism." *Journal of Consumer Research*: February 2013.

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