

# When the price just feels right: Do rounded numbers appeal to our emotions?

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Consumers usually look for the lowest price when shopping for a product. But can prices sometimes just feel right? According to a new study in the *Journal of Consumer Research*, consumers are drawn to prices with rounded numbers when a purchase is motivated by feelings.

"A rounded price (\$100.00) encourages consumers to rely on [feelings](#) when evaluating products, while a non-rounded price (\$98.76) encourages consumers to rely on reason. When a purchase is driven by feelings, rounded prices lead to a subjective experience of feeling right," write authors Monica Wadhwa (INSEAD, Singapore) and Kuangjie Zhang (Nanyang Technological University).

Five studies reveal that rounded prices (\$100.00) make consumers more likely to buy a product when a purchase is primarily driven by feelings (buying a camera for a family vacation). However, non-rounded prices (\$98.76) make [consumers](#) more likely to buy the same product when a purchase is rational or utilitarian (buying a camera for a class project).

Companies should be aware that small changes in pricing can have a big impact. Products that are purchased for recreational or personal reasons (vacation packages, clothing and handbags, or even houses) could benefit from rounded prices. Meanwhile, companies selling practical [products](#) (appliances, toothpaste) could benefit from using non-rounded prices.

"Past research has generally focused on how an increase in a product's price impacts perceptions related to the quality of the product. Ours is

the first research to show that the mere roundedness of a price number could significantly influence consumer preferences, depending on whether a [purchase](#) is driven by feelings or has a more utilitarian purpose," the authors conclude.

**More information:** Monica Wadhwa and Kuangjie Zhang. "This Number Just Feels Right: The Impact of Roundedness of Price Numbers on Product Evaluations." *Journal of Consumer Research*: February 2015.

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