

Internet too slow? You may be paying too much to save a few seconds

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Your current printer prints only twenty pages per minute. Wanting to save time, you buy a new printer that prints fifty pages per minute. But do you really save time? Probably not, says a new study in the *Journal of Marketing Research*. According to the study, productivity metrics such as pages printed per minute often fool consumers, who usually have incorrect notions about the effect of productivity increases on how much



time they will save.

"It's true that the faster something works, the more time the consumer will save," write the authors of the study, Bart de Langhe (University of Colorado) and Stefano Puntoni (Erasmus University). "But what consumers often don't realize is that once a product is already fast, slight increases in its speed save proportionately less and less time."

This article is the first to examine how productivity metrics affect consumers' assessment of time savings and their willingness to pay for perceived time savings. The authors conducted studies of three products and their associated productivity metrics: printers, Internet connections, and food processors. Sometimes consumers were given productivity metrics and sometimes not. Study participants were also given, or in some cases not given, time metrics (e.g., in the case of food processors, seconds per revolution).

De Langhe and Puntoni found that consumers tend to overestimate the benefits of productivity increases at high-productivity levels relative to the benefits of productivity increases at low-productivity levels. For example, consumers are more willing to pay for an Internet connection that is six seconds faster when the speed goes from ten seconds to four seconds than when the speed goes from sixteen seconds to ten seconds.

"Manufacturers assume that consumers can accurately translate changes in a productivity metric to changes in relevant benefits. However, our findings suggest that this assumption is incorrect," de Langhe and Puntoni write. "We don't think that marketers have been willfully taking advantage of <u>consumers</u> in this regard. But given the results of our study, any decision to rely on such consumer misunderstanding now becomes an ethical one."

More information: Bart de Langhe et al. Productivity Metrics and



Consumers' Misunderstanding of Time Savings, *Journal of Marketing Research* (2015). DOI: 10.1509/jmr.13.0229

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