What determines consumers' price decisions?

The influence of numeracy on the perception and elaboration of quantity information on product packages

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Venue: Seminar Room, Department of Economics and Management

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Abstract

Quantity indicators (e.g. weight or volume) on packages should provide meaningful information for consumers’ willingness to pay. In one eye-tracking and three lab experiments, we examined the influence of individual differences in objective numeric abilities on the perception and elaboration of quantity information and subsequent price judgments. Across all experiments, we demonstrate that greater numeric skill is related to higher likelihoods to look at quantity indicators and use this information in price judgments, whereas people with lower numeric skill do not differentiate between different quantities. Variations in package design can increase the use of quantity information.