The Effect of Temporal Framing on Product Choice

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These studies examine how consumers respond to different temporal frames of savings. We show, in two studies, that the temporal framing of savings can have an impact on product choice, purchase intentions, attitudes, and perceptions of savings. We also examine how a person’s temporal orientation can moderate the effect of temporal framing of savings. Findings indicate that given a very small savings value for temporally proximal framings of savings, consumers have a relatively high evaluation of the product. Also, present-oriented, but not future-oriented, consumers appear to discount savings given the most distal and abstract temporal frame.

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Study 2. Following the same procedures, participants received either a “$5-off-any-purchase” or a “$5-off-a-$20-purchase” coupon. Going beyond Study 1, participants’ click-stream data were captured as a measure of what they attended to and a memory task with free recall of all items offered was added.

Compared to the $5-off-$20 group, the $5-off group clicked on more low-price and fewer high-price items, confirming that the type of coupon influences product search. Moreover, they also recalled more low-price items and fewer high-price items.

Conclusions
Our findings highlight an unintended side-effect of dollar-value coupons. Consumers perceive the identical coupon as more valuable when it provides a high (e.g., $5 off $10) rather than low (e.g., $5 off $50) percentage discount (Krishna et al., 2000). To maximize the benefit of a given coupon they attempt to find products that are priced close to the purchase requirement of the coupon, thus maximizing the percentage discount. As a result, consumers who receive a low requirement coupon pay more attention to low-priced products than consumers who do not, biasing their memories and impressions of the store. While the specific effects will depend on the specific coupon type, our findings provide first evidence that coupons channel consumers’ attention with downstream effects on store impressions. Unfortunately, these impressions may be more important in the long run than any short-term sales increase.

References
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This research focuses on the temporal framing of a cost savings message for an energy efficient product, a compact fluorescent light (CFL) bulb. In two experiments, we examine the effects of three different temporal frames of cost savings (one month, one year, and lifetime). We investigate how the framing impacts product choice, purchase intentions, attitudes, and perceptions of savings. Additionally, we look to see if consumers’ temporal orientation (a predisposition toward future outcomes versus present outcomes) will moderate the effect of the temporal framing of savings.

Conceptual Background
Research on the level of construal in decision making has led to formulation of Construal Level Theory (CLT), which demonstrates how people’s perceptions of proximal events are construed in lower-level, concrete terms; whereas distal events are construed in higher-level, abstract terms (e.g. Liberman and Trope 1998). CLT can affect choice and preference such that a product that is favored in the near future, due to framing of specific concrete attributes, might not be favored in the distant future based on those same attributes. CLT also posits that the value associated with distant future situations is increased over delay while the value associated with near future situations is discounted over delay.

A person’s temporal orientation also has the possibility to play a role in how a person construes different events. Some have suggested that temporal orientation—a predisposition to focus one’s attention on the past, present, or future—influences subsequent behavior and attitudes (e.g. Lasane and Jones 1999; Strathman, et al. 1994).

Study 1
The first study examines how the temporal framing of savings of a CFL bulb influences purchase intentions, attitudes, and perceptions of savings. We predict that consumers will have higher evaluations regarding the CFL bulb in the temporally proximal savings frames compared to the more abstract and temporally distal lifetime savings frame.

A total of 78 undergraduate research participants completed the survey. The sample was 68% male with a mean age of 21. Subjects received a sheet that showed a picture of a 60-watt equivalent CFL bulb in its packaging. The label on the CFL package differed across conditions, and this difference was intended to be the proximal one month and one year frames than the temporally distant lifetime frame (p<.05). The temporal framing of savings did not