Which Side Is Right? Enhancing Customer Experience Through Visual Price Dominance

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This research demonstrates that the location of a price shapes price perception. Study 1 demonstrates in a field setting consumers purchase more of a product when the price is not dominant. Studies 2-3 show mechanism via response latency and neuroimaging. Study 4 shows location impacts value perception.

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EXTENDED ABSTRACT
Imagine you want a new T.V. As you point out options that you like to a friend, your friend comments that it’s interesting that all the T.V.s you are considering show the price on the right side of the T.V. This research examines how price location impacts price perception and product evaluations, as moderated by engagement.

A survey of 727 prices for six different retailers show that electronics retailers, which tend to offer more engaging products, price information was on the right (p < .001). For discount retailers, which tend to offer less engaging products, the price information was shown more on the left (p < .001).

STUDY 1: VISUAL FIELD EFFECTS IN THE MARKETPLACE

Pretest
Consistent with our predictions, participants showed greater purchase intention for the product, when the product’s price was in the right visual field compared to the left (p < .05).

Method
The study was a single three-level factor (visual field location: left, right, control) between design. We featured a promotion for a product (i.e., Arizona iced tea) by posting a large sign on the front of a product cooler. To ensure realism, the price on the promotion represented a discounted price ($8.99; regular price $9.99). During the first promotional week the price was shown on the right side of the sign. In the second promotional week, the price was shown on the left side of the sign.

Results and Discussion
Sales. To assess the effect of visual field location on consumer response, we examined the number of units of the target product that were sold on average in each of the two-hour intervals. While, a price featured in the left visual field led to a non-significant increase in sales (p > .22), a price featured in the right visual field led to significantly more sales (p < .05).

STUDY 2: EVIDENCE OF VISUAL PRICE DOMINANCE

Method
Sixty-six right-handed students participated in a 2 (engagement: low, high) x 2 (visual field location: left, right) between-subjects design. The level of engagement was manipulated using scenarios adapted from Howard and Kerin (2006) and Suri and colleagues (2012). Half of the participants saw the description of the television and its price in the left visual field while the other half saw the same information in the right visual field. Participants were then asked to first recall the price of the television and recognize the slogan. Response times were measured using DirectRT software.

Results and Discussion
Response latencies. We examined the effect of visual field location and engagement on participant response time using ANOVA. As expected, under low engagement, participants responded faster when the price was located in the left visual field (p < .01). Further, under high engagement, participants responded faster when the price was located in the right visual field (p < .05).

STUDY 3: HOW PRICE LOCATION AND ENGAGEMENT ACTIVATE THE BRAIN

Method
Ten right-handed people participated in a 2 (engagement: low, high) x 2 (visual field location: left, right) mixed design. Procedure. Participants were told that as part of a marketing study they would see six prices in a row on the screen in front of them and be asked to remember the location of one of the six prices shown. To assess the relative level of activation in the left versus right hemisphere during the task, we measured the blood flow in the prefrontal cortex at 16 different points across the participant’s forehead. To examine asymmetric activation in the prefrontal cortex we used functional near-infrared spectroscopy (fNIR; Ayaz et al., 2012).

Results and Discussion
Location recall. In study 3 we expected that during low engagement (first five trials) we would see a leftward bias in recall of a price’s location compared to high engagement (last five trials). Mouse clicks for each trial were coded as to the left (1) or to the right (0) of the actual price location (no participant selected precisely the original location of the price). No significant main effects were observed. The clicks were analyzed via a 2 (location of click: left, right) x 2 (trial timing: first five, last five) within-subjects design. A significant interaction of direction of clicks (left/right) and trial timing (first/last) was observed (p < .05). As expected participants showed a leftward bias in recall of the price location under low engagement (first five trials) but not high engagement (last five trials). Hemispheric activation. As participants grow more engaged in the task activation of the left prefrontal cortex associated with such high engagement will increase. Supporting our prediction, greater oxygenated-hemoglobin concentration changes were observed in the anterior left dorsolateral prefrontal cortex (DLPFC) (p < .01).

STUDY 4: VISUAL FIELD EFFECTS ON EVALUATIONS

Method
One hundred five right-handed students participated in a 2 (engagement: low, high) x 2 (visual field location: left, right) between-subjects design. Half of the participants saw this information with the product’s price on the left while the other half saw this information with the product’s price on the right.

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Results and Discussion
Perceived value. As we predicted, under low engagement, consumers viewed the product to offer higher value (Grewal, Monroe, and Krishnan 1998) when its price was located in the right visual field (p < .05), and under high engagement, consumers viewed that the product offered higher value when its price was located in the left visual field (p < .05).

Monetary sacrifice. As expected, under high engagement, consumers perceived lower monetary sacrifice when the price appeared in the left visual field (p < .01).

Using PROCESS Model 8 we show that moderated mediation indicates that the effects of price location were mediated by sacrifice perceptions in the high engagement condition (with a 95% confidence interval excluding zero: = -1.29 to -1.7) but not in low engagement condition (the 95% confidence interval included zero: -.28 to .58).