The Price Is Right: Perceptions of Control Influence How Consumers Use Price in Judging Product Quality

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We investigated whether and why personal control influences the extent to which people rely on price in their judgments of product quality. A set of four studies demonstrated that low control increases people’s reliance on price in quality judgments by increasing their susceptibility to normative social influence.

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**EXTENDED ABSTRACT**

In the current research, we investigate whether feelings of control—the sense that one can make positive things happen in one’s life and avoid negative things—influences how much individuals rely on price to judge product quality. More specifically, we reason that price will have a greater impact on quality judgments when individuals’ personal control is threatened. A set of four studies offers convergent evidence for this central thesis. Further, we demonstrate an underlying psychological mechanism of the effect. Specifically, we find that in a state of low control, people become more susceptible to normative social influence. Given that price-quality judgments are often deemed to be normative, people in low control are more likely to increase their reliance on price in judging quality.

As a first step, we argue that when individuals’ feelings of control are low, they become more susceptible to normative social influence. While no existing research offers direct empirical evidence for this claim, related research points to its plausibility. For example, Terror Management Theory (TMT; Greenberg, Pyszczynski, and Solomon 1986) has shown that individuals who were reminded of death—which is perhaps the most fundamental obstacle to one’s ability to control the environment (Becker, 1973)—are more likely to endorse socially approved standards in judgment and decision making (Norenzayan, 2006). Research on social exclusion also provides support for the idea that low control should increase the susceptibility to normative social influence. For instance, Williams, Cheung, and Choi (2000) found that social exclusion in an online ball tossing game leads people to be more likely to follow the majority’s wrong opinion on a simple perception question than those socially included.

We further propose that this elevated susceptibility to normative social influence will result in greater reliance on price when judging product quality. We argue that this happens because people perceive that using price in judging quality is a social norm that is popularly practiced by other people. Consumer researchers have documented that people interpret high price as a cue for high quality (Broniarczky and Alba 1994; Cronley et al. 2005). People who are susceptible to social influence tend to rely on others’ opinions in judging quality (Martin, Wentzel, and Tomczak 2008). In sum, this research suggests that in the absence of other signals or information, a reliance on price in the judgment of quality is what consumers have learned to be a socially accepted, normative approach to decision-making.

Taken together, we propose that low control heightens susceptibility to normative social influence, which in turn, increases reliance on price when making quality judgments. Four studies support our propositions.

Study 1 investigated the role of feelings of control on price-quality inferences. The study employed a 3 (control: low vs. high vs. neutral) x 2 (price: expensive vs. cheap) between subjects design. Participants in the high (low) control condition were asked to recall something positive that happened (not) because of something they did (Kay et al. 2008). The use of a positive memory enabled us to manipulate control while holding mood constant. Those in the neutral condition wrote about “a movie or television show that you saw and enjoyed in the past few months”. Next, participants judged a burger whose price was presented as either $18 for the expensive condition or $5 for the cheap condition. As predicted, the results showed that lowering control indeed increased the reliance of price in quality judgments (as opposed to high feelings of control dampening reliance on price).

Study 2 supported the proposed process by showing that merely describing the use of price in judging product quality as normative or not moderates the effect. The results revealed that low control enhanced reliance on price when reliance on price was described as popular and socially acceptable. Communicating the non-normative aspect of using price, however, decreased individuals’ reliance on price.

Study 3 examined whether uncertainty, lack of confidence in judgment, or desire for clarity could explain the effect. None of the variables was significant as a mediator.

Lastly, Study 4 documented that control moderates the downstream effect of price on actual quality experience. People in a low state of control rated an indulging food product as better when it was presented as expensive rather than as cheap. Such difference was not found among people in the high control condition.

In demonstrating the basic relationship between control and price reliance, this research makes several theoretical contributions. First, it extends the price literature by identifying a unique motivational driver for consumers’ reliance on price in judging product quality. In addition, this research offers a new perspective on why consumers rely on price. We suggest that the social aspects of price have been understudied and propose that relying on price-quality inferences can feel like the popular, socially accepted course of action.

This research also contributes to the personal control literature. Our research offers new insight into this area by providing the first investigation into how control influences perceptions around pricing. Further, our documentation of the underlying mechanism of susceptibility to normative social influence is novel; no systematic investigation has addressed the impact of personal control on susceptibility to social influence. By providing empirical evidence of the impact of control on the susceptibility to social influence, this research creates an opportunity to explore various implications of control on consumers’ social behaviors.

**REFERENCES**


