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The effects of cognition, discount framing, and expectations on consumer purchase decisions

The Effects of Cognition, Discount Framing, and Expectations on Consumer Purchase Decisions
Consumers are constantly faced with discounts, presented either as percentages or as dollar discounts. Also, consumers sometimes enter a store with the expectation of buying an item and saving money because they know beforehand that it is on sale; at other times they discover that the items they are interested in are on sale only after they enter the store. Furthermore, consumers occasionally find out in the store that there will be an additional discount if they are willing to wait until a later date to make their purchase. In such situations, consumers' decisions on whether to purchase a product immediately or to wait could be motivated by their need for instant gratification, use of the product, perceived savings, and/or various other reasons. The purpose of this research is to explore a set of factors that might jointly determine whether consumers choose to buy immediately a product that is on sale or to postpone their purchase to obtain additional savings. Specifically, we expect that the buy immediately vs. delay decision will be influenced by (1) the way a discount is framed (i.e., percentage vs. dollars), (2) prior expectations of savings, and (3) the extent to which consumers are motivated to think about savings information as assessed by their individual "need for cognition." An experiment will be conducted wherein subjects will be presented with hypothetical shopping situations in which they must make the choice of whether to wait or to buy immediately. Discount framing and expectations will be manipulated in the shopping scenarios between subjects. Subjects will also answer a set of items for measuring their need for cognition as an individual difference variable. The results of this study will help us better understand how different groups of consumers react to in-store discounts and the way in which discounts are framed. This information in turn will further our knowledge of how to motivate consumers to buy.