



Individual differences in the use of variable budget information in consumer choice

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Introduction

- Economic theory is often based on the premise that an individual's value or willingness to pay (WTP) for an item is stable.
- Behavioral studies have shown that context, including "mental accounting" of money into categories, can exert a strong influence on WTP^{1,2}.
- We examined how budget size influences willingness to buy a variety of consumer items.
- We used eye tracking to explore individual differences in attentional patterns of information gathering that affect the extent to which budget modulates willingness to buy.

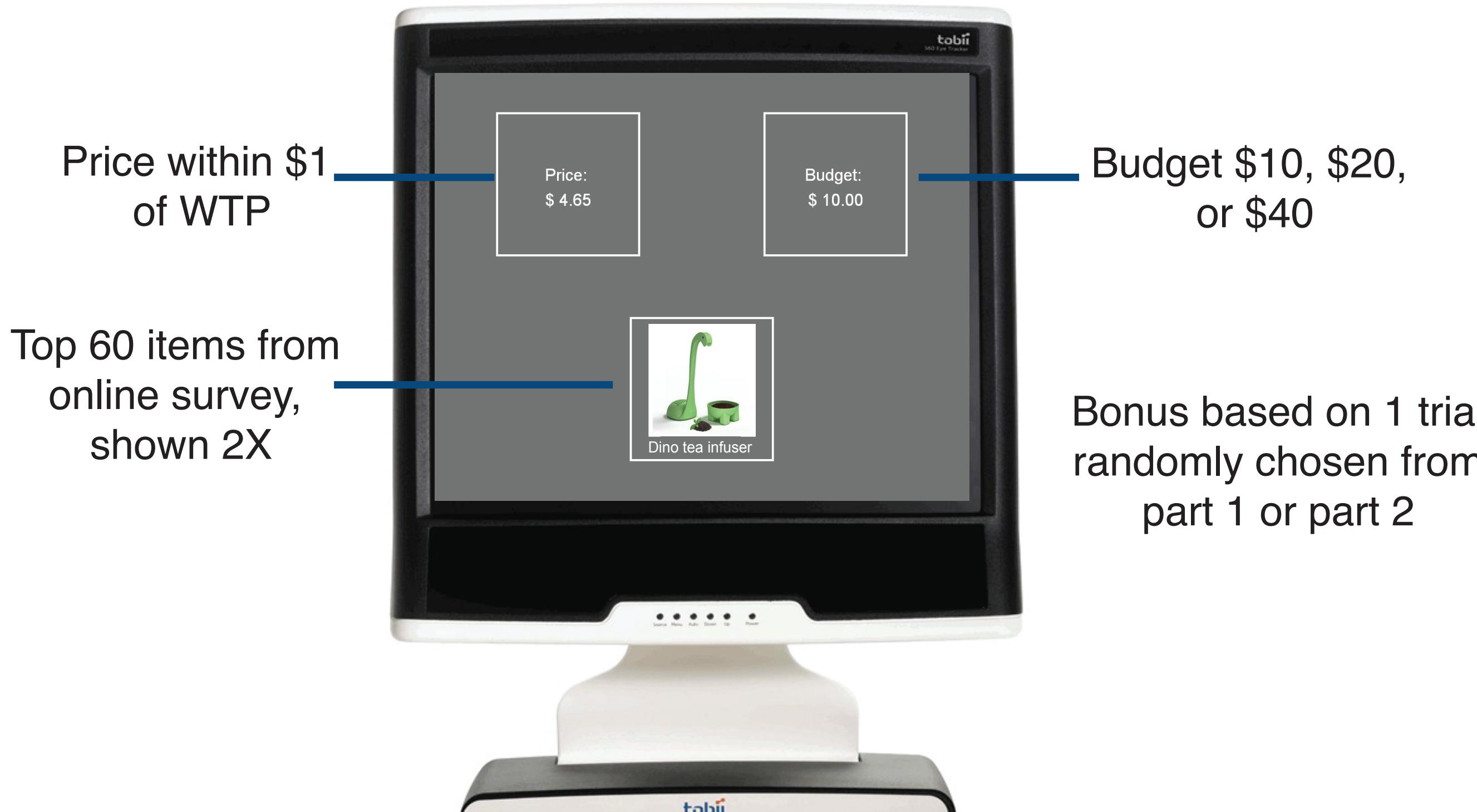
Methods

Part 1: online

- 90 items
- Becker-DeGroot-Marschak auction³ to measure willingness to pay (WTP)



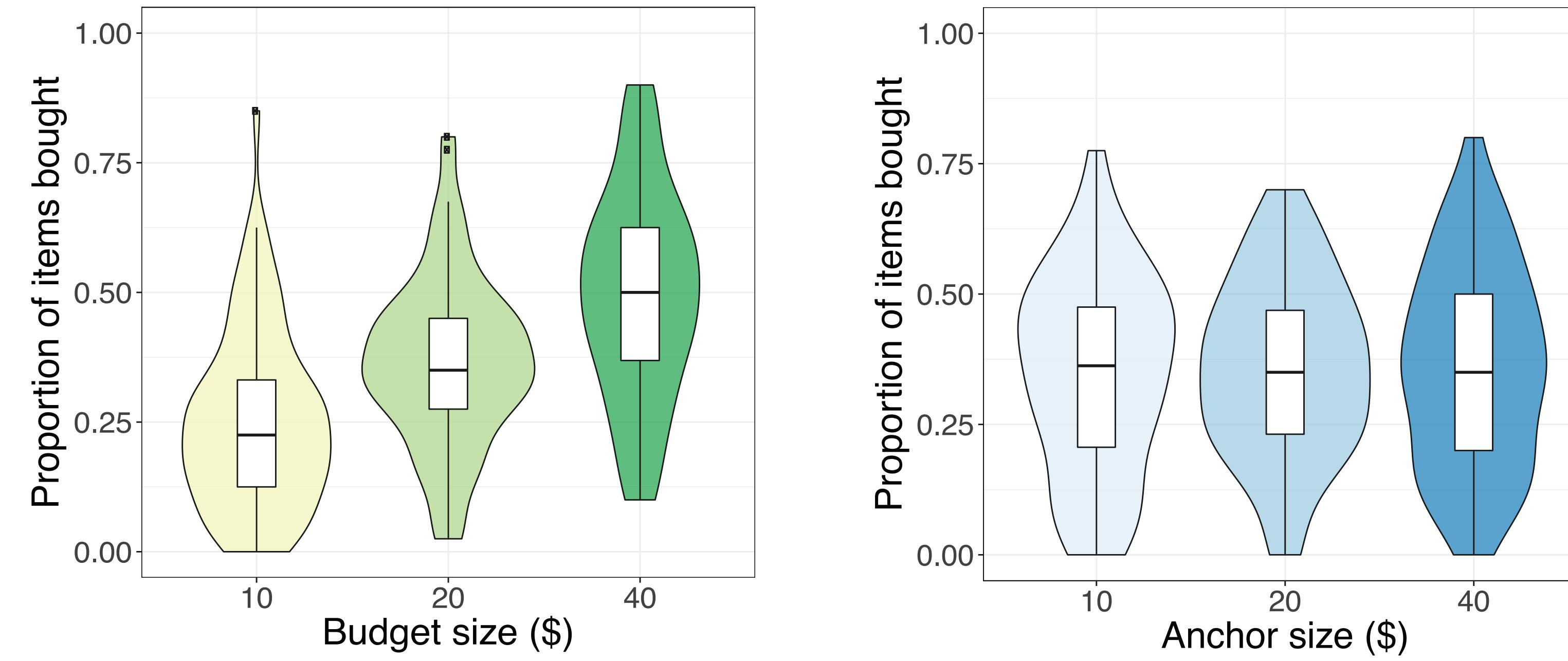
Part 2: eye tracker N = 76 (71)
anchoring control N = 58 (55)



References

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Purchasing increases with budget, but not anchor size

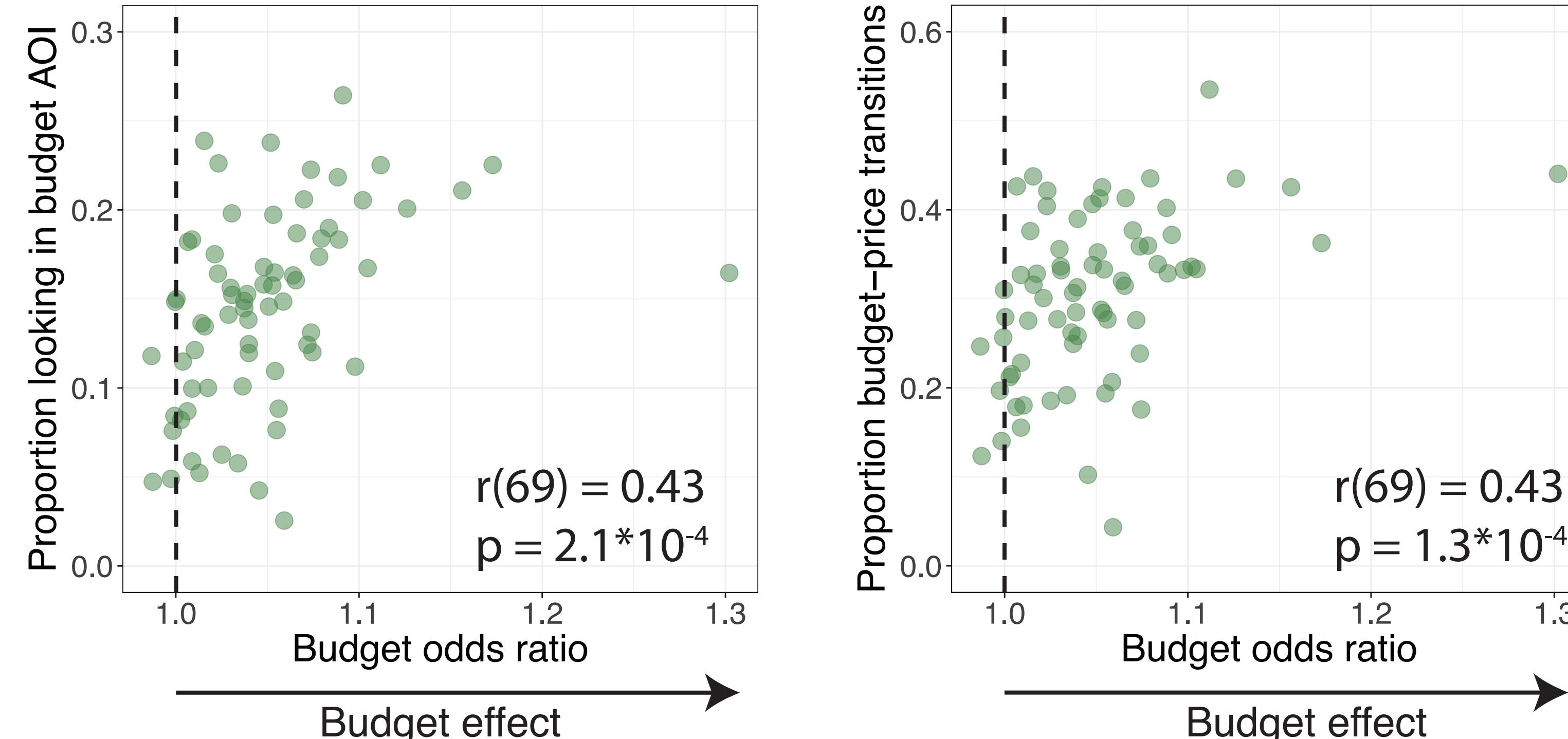


Mixed effects logistic regression predicting purchasing

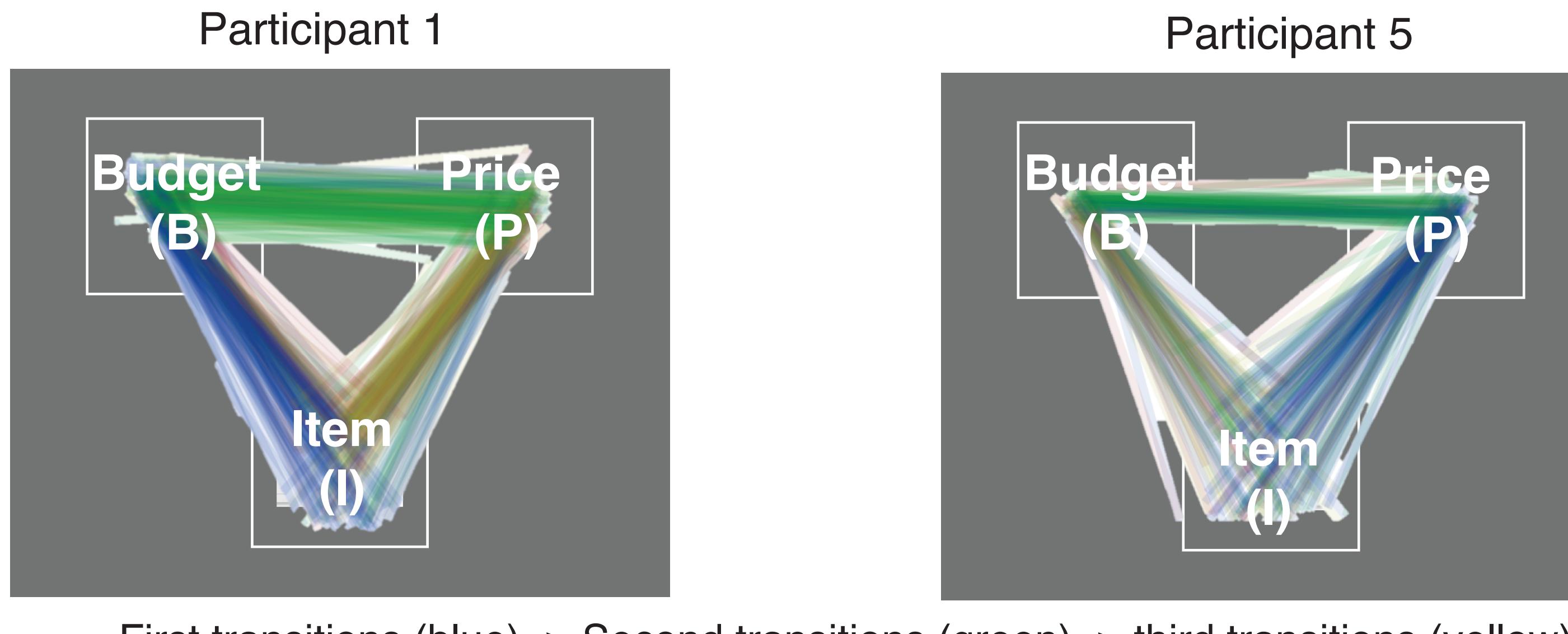
Fixed effects	Intercept	Budget/ Anchor	WTP	Consumer surplus	Observations, groups
Budget experiment	-2.089*** (0.134)	0.041** (0.002)	0.031*** (0.012)	0.086*** (0.014)	9120, 76
Anchoring control	-2.026*** (0.029)	0.002 (0.002)	0.14*** (0.011)	-0.031* (0.012)	6960, 58

p < 0.05 = *, p < 0.01 = **, p < 0.001 = ***

Individual differences in information gathering

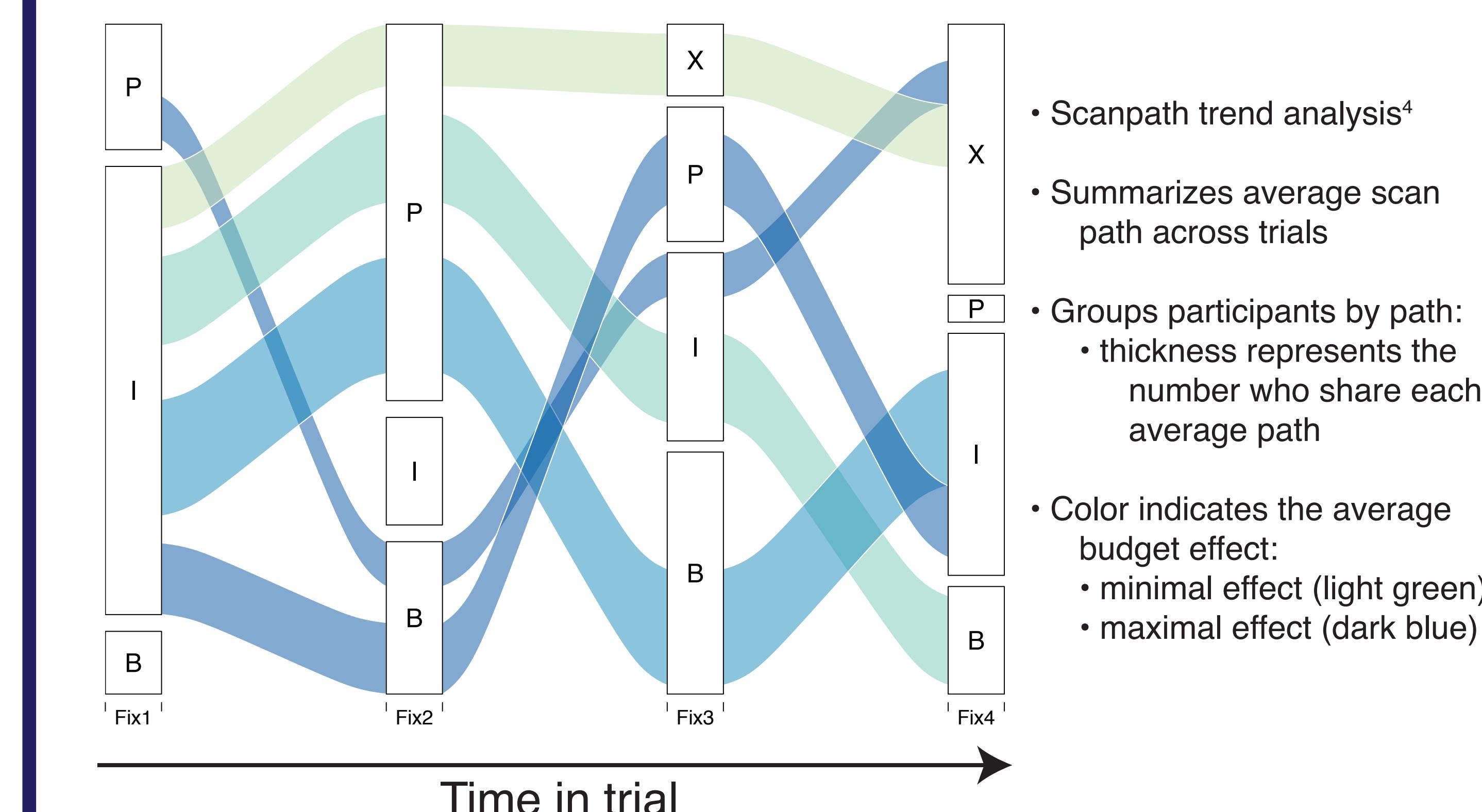


Example trajectories

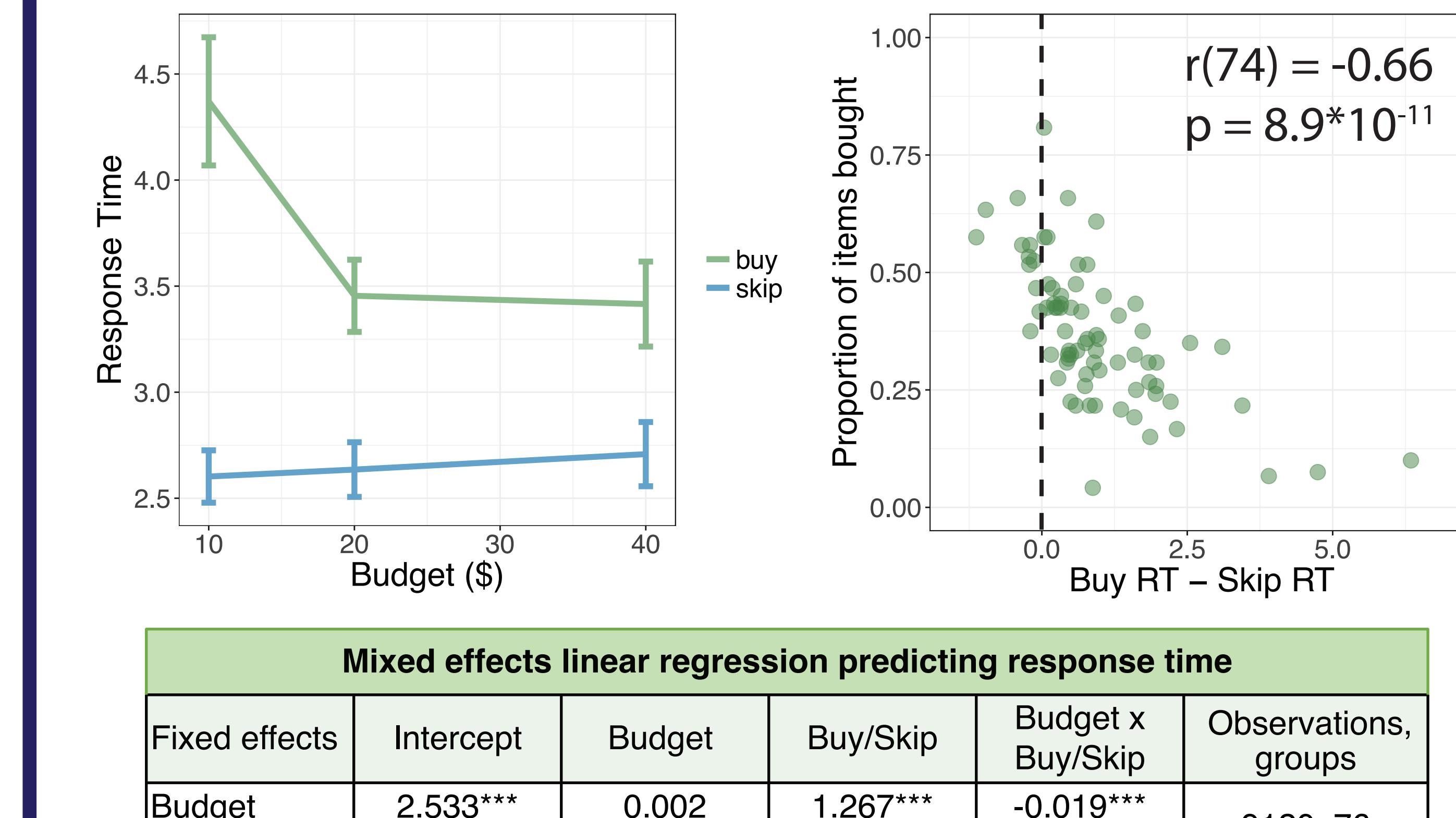


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Scanpath analysis



Budget and purchasing relate to response time



Conclusions

- Purchasing increases with budget size, but not with anchor size
- Individual differences in use of budget correlate with looking time in the budget AOI and the proportion of budget-price transitions
- Individual differences in average trajectories relate to budget use
- Response time is faster for skipping compared to buying items, but is faster for buying at higher budgets compared to lower budgets
- The difference in response time for buying compared to skipping correlates with the proportion of items bought overall

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