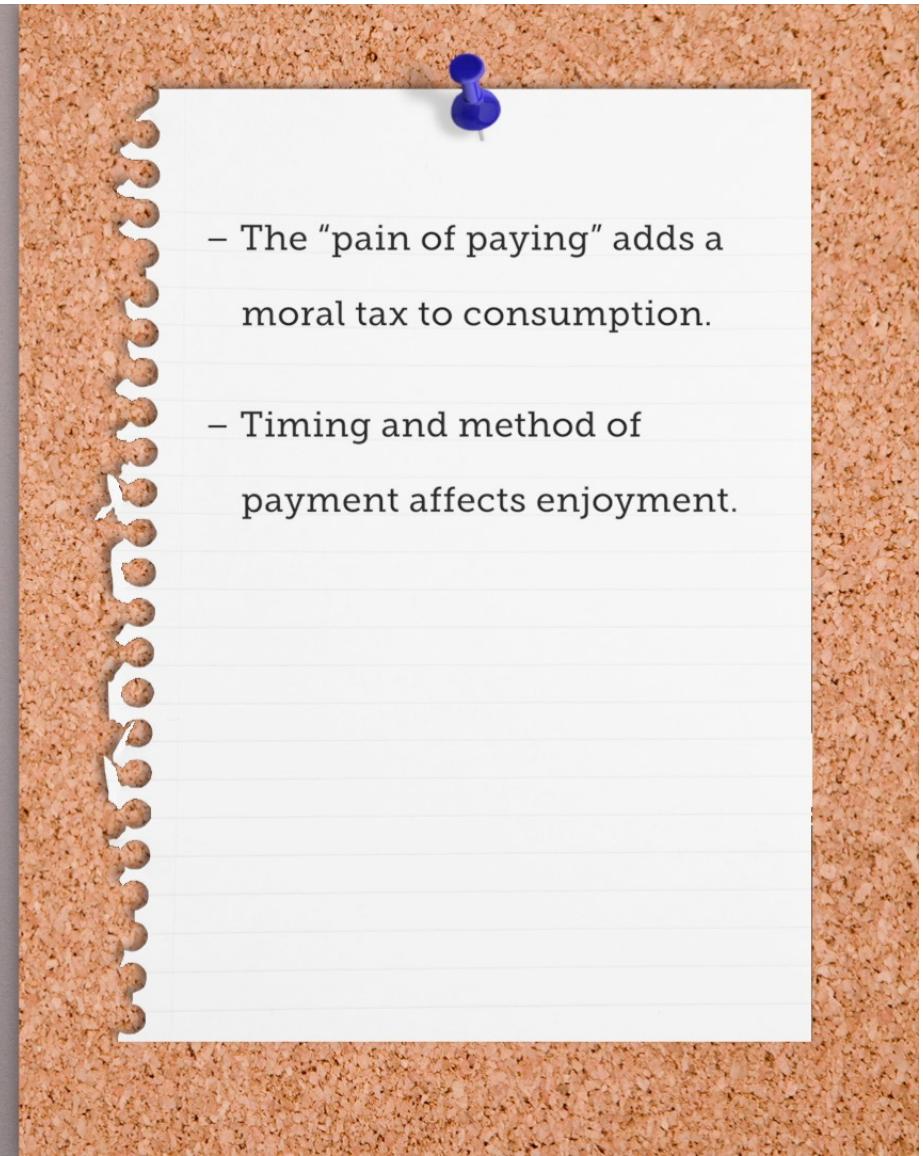


Part 3:

The Pain of Paying

A close-up photograph of a woman with long blonde hair and black-rimmed glasses. She is looking directly at the camera with a neutral expression. Her right hand is visible in the foreground, holding a US dollar bill. The bill is oriented vertically, showing the profile of George Washington. The background is dark and out of focus.

The “pain of paying” is magnified when our feelings about spending money are coupled with consumption.



To increase the pain of paying:

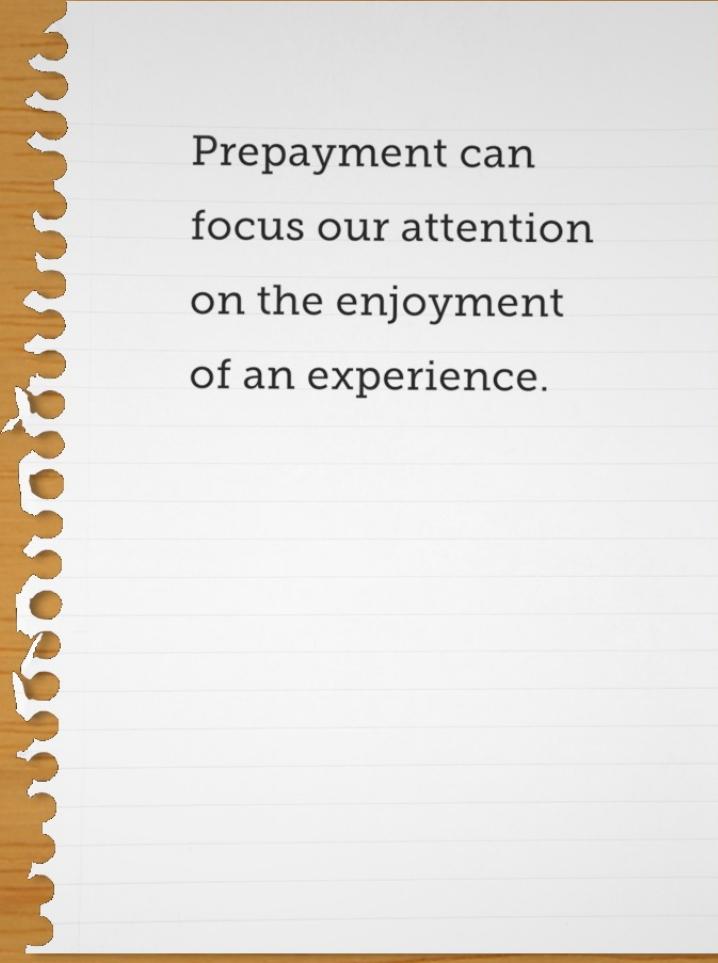
- use cash
- receive notification whenever money is spent
- increase salience





To decrease the
pain of paying:

- use credit cards
- keep payments hidden
- prepay before consumption



Prepayment can
focus our attention
on the enjoyment
of an experience.

What is an ideal gift?



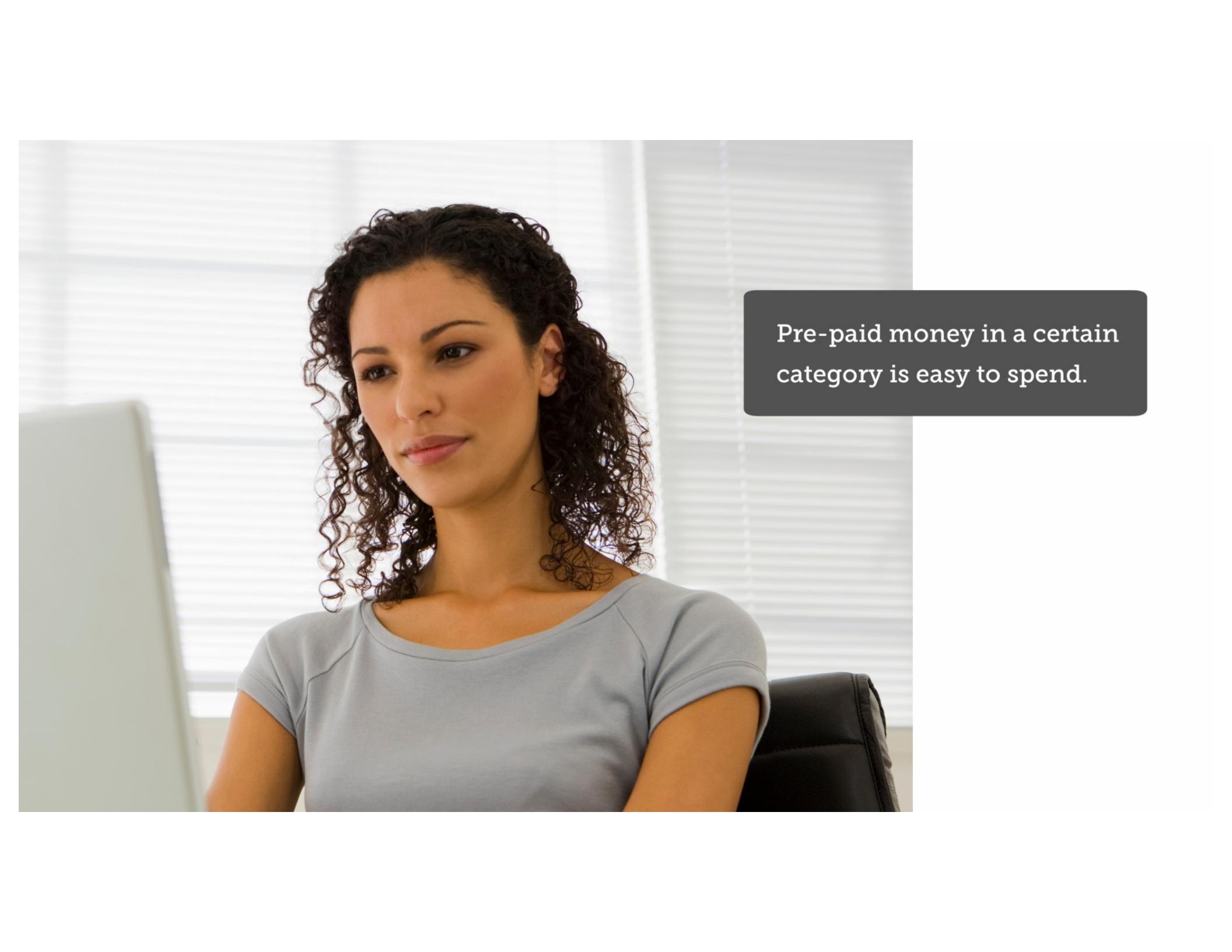
The Pain of Paying involves:

- the opportunity cost
- a "hassle" component
- a moral tax, with its associated guilt
- method of payment
- timing of payment





We experience less pain of paying
when the form of payment is distanced
from the pure representation of money.

A medium shot of a woman with dark, curly hair, wearing a light gray t-shirt. She is seated at a desk, facing slightly to her left. The background consists of two large windows with white horizontal blinds. A dark grey rectangular callout box is positioned in the upper right area of the image, containing the text.

Pre-paid money in a certain category is easy to spend.



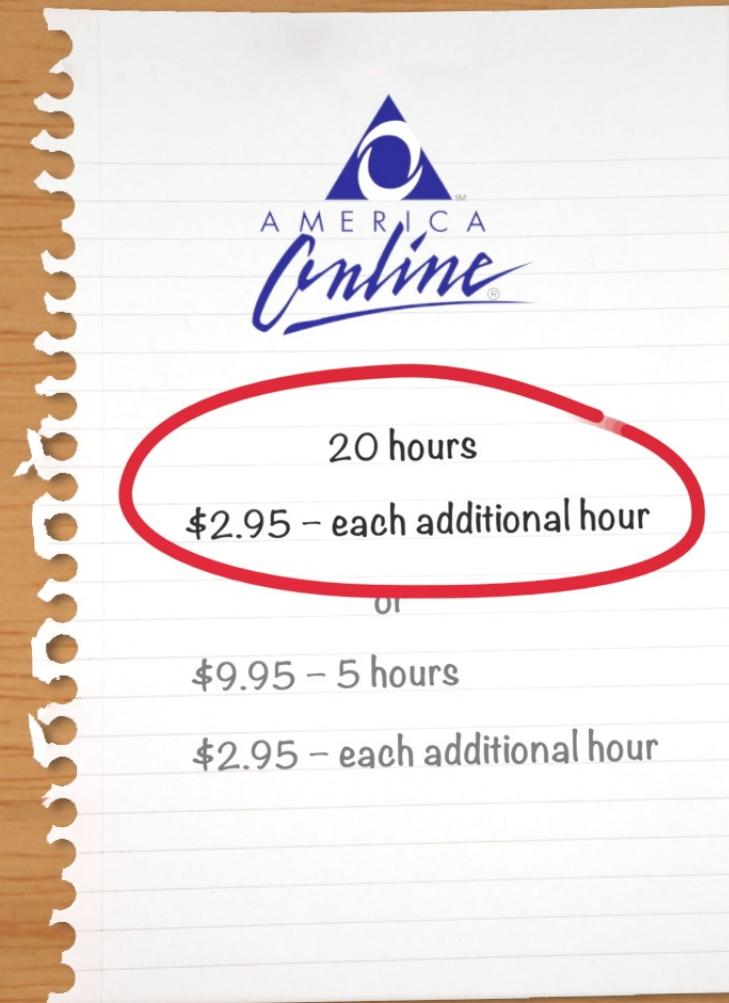
20 hours

\$2.95 - each additional hour

or

\$9.95 - 5 hours

\$2.95 - each additional hour





End of 1996:

20 hours

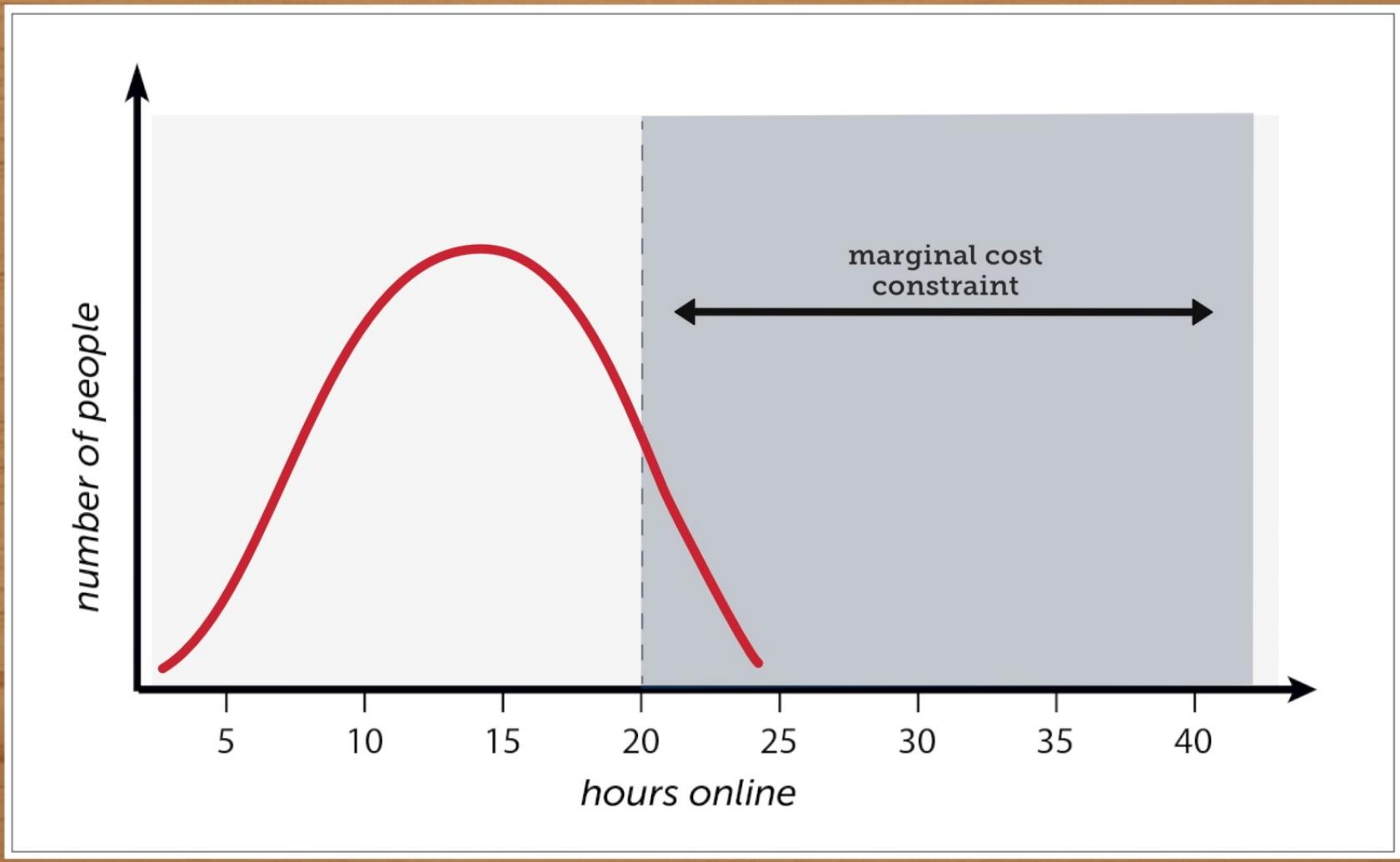
\$2.95 – each additional hour

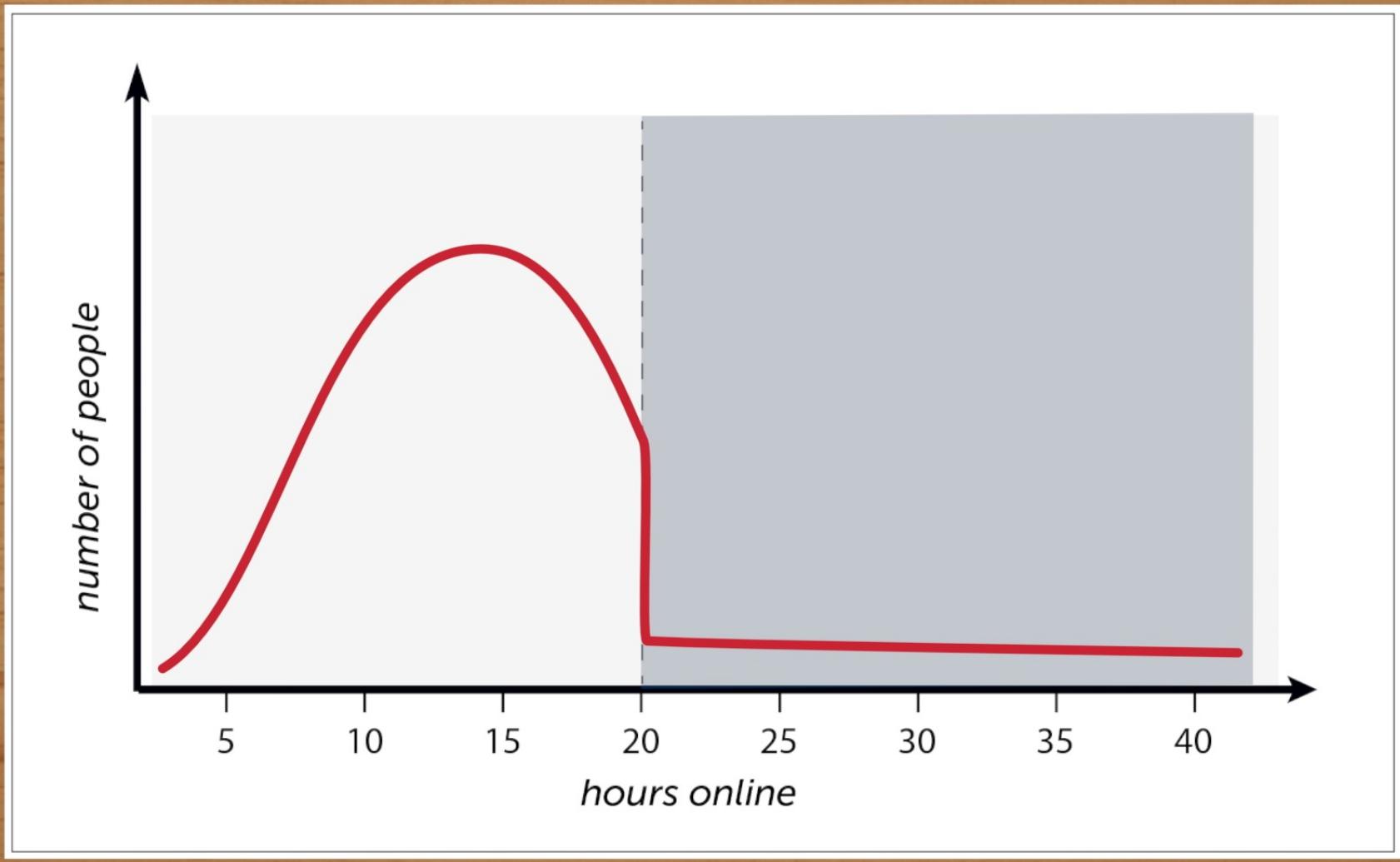


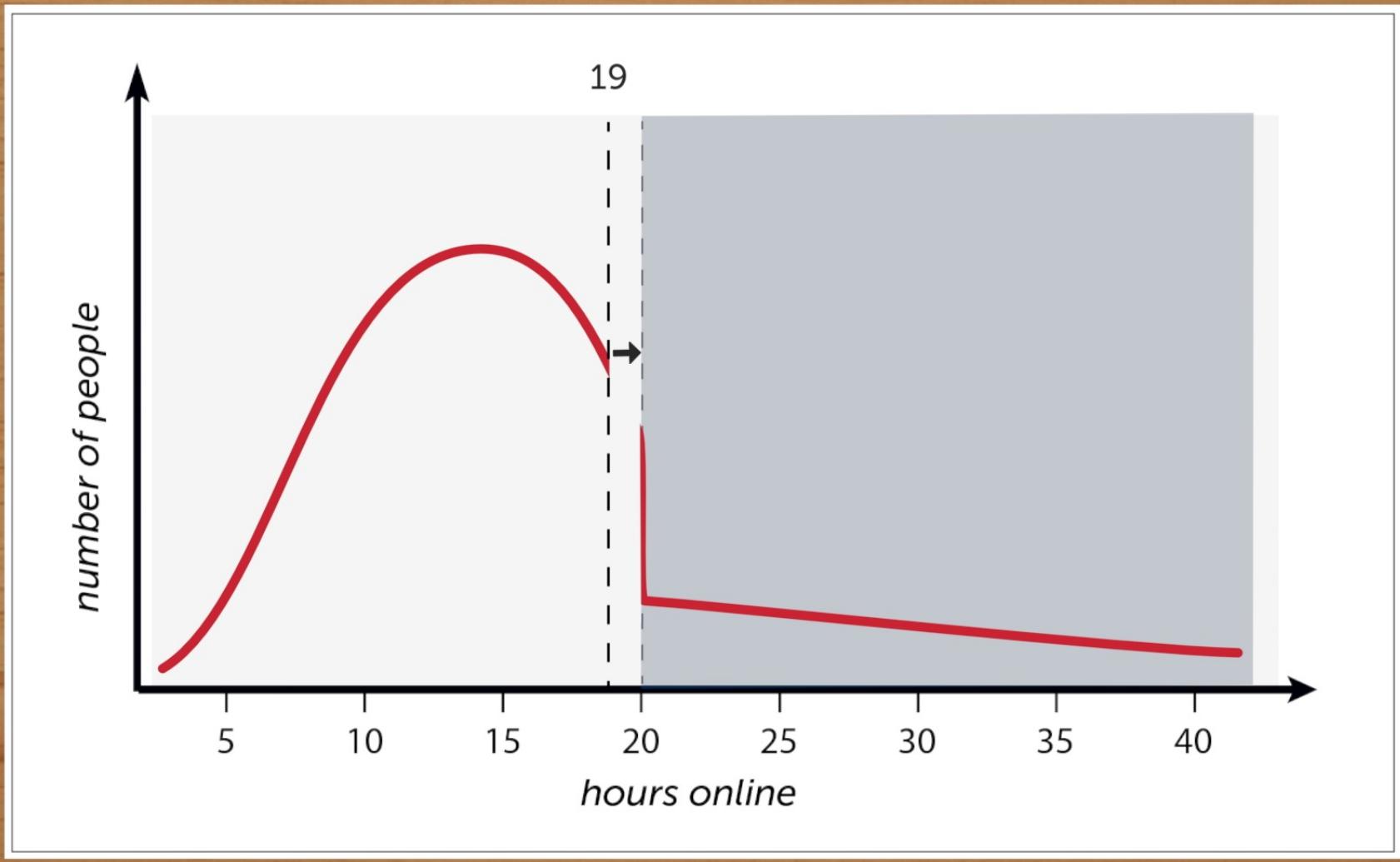
End of 1996:

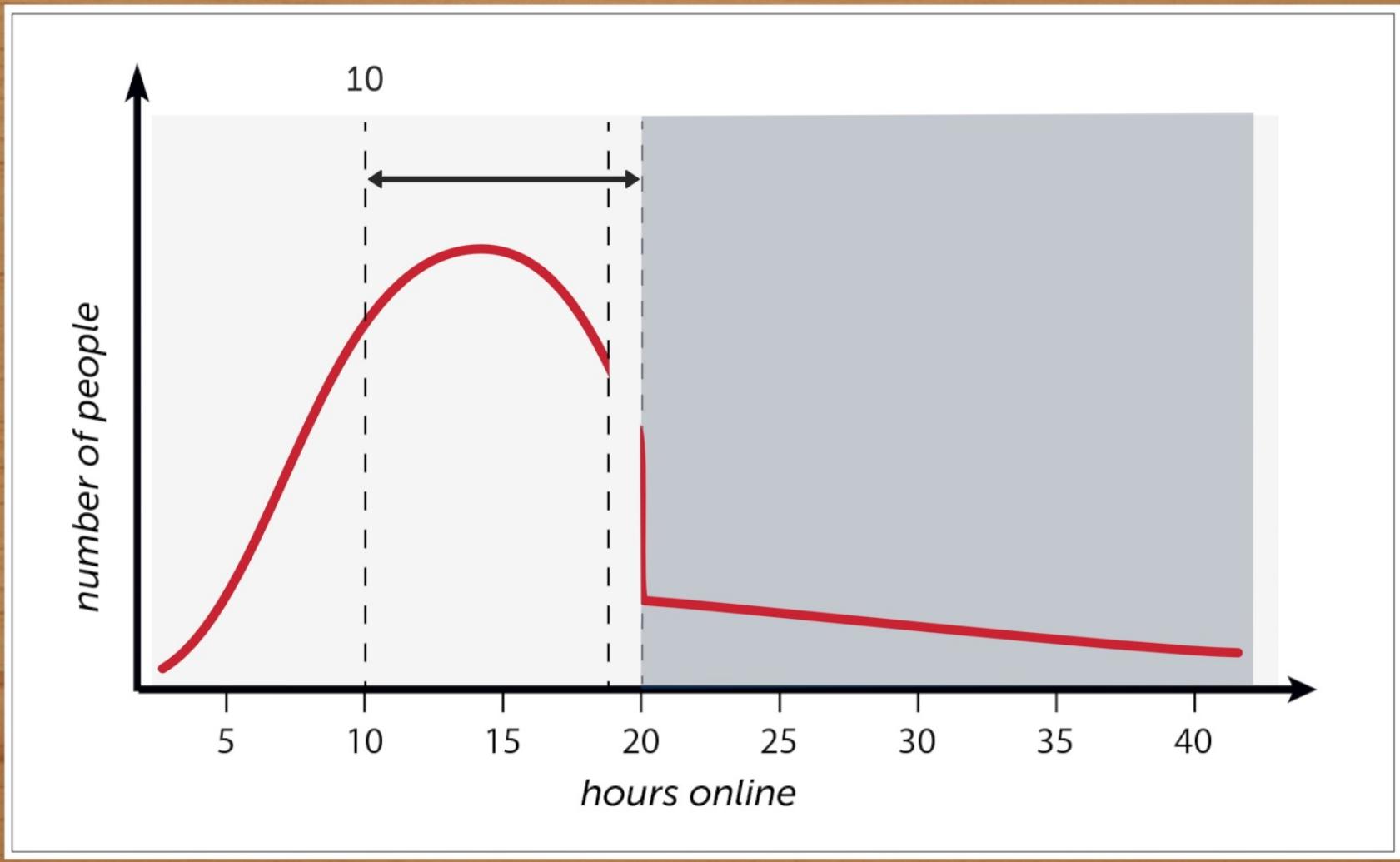
~~\$2.95~~ unlimited!

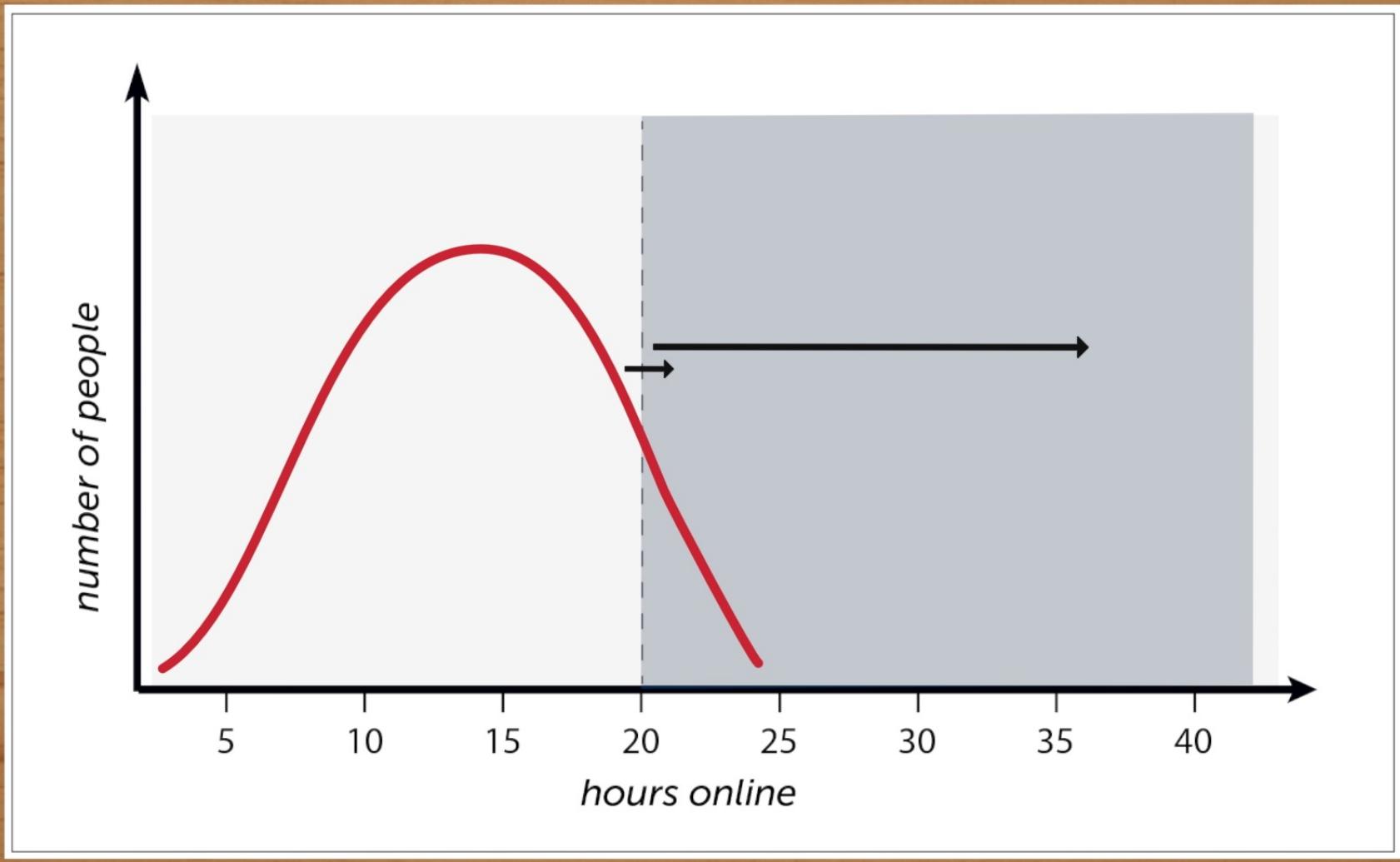
~~\$2.95 each additional hour~~













The pain of paying
influenced the number of
hours that people used
when they switched to
unlimited internet packages.

