

Analysis of Consumer Behavior in an Omni-Channel World

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Pod 5

- ▶ Purchase Stage: Whether to buy or not and how much
 - Pricing
 - Perceived Variety

Conversion and Purchase

- ▶ Evaluate the alternatives and pick a brand
 - Importance of fair price
 - **Increase accessible variety** (multiple purchases)

Mindless Shopping

- ▶ Price Awareness :
 - Ave. time between arriving and departing from product category = 12 seconds
 - in 85% of purchases only the chosen brand was handled, and 90% of shoppers inspected only one size
 - 21% could not offer a price estimate when asked

(Dickson and Sawyer)



Price Awareness (cont.)

- ▶ only 50% were able to state correct price
- ▶ 93% did know relative price (i.e., higher, lower or the same as other brands in category)

Reference Prices

- ▶ Consumers do not evaluate price absolutely, but rather relatively -- Context Matters!
- ▶ Two kinds of reference prices
 - External Reference price
 - Internal Reference price

External Reference Prices

- ▶ List prices/ sale prices
- ▶ Price Signaling