Abstract

In the past two decades, pricing research has paid increasing attention to instances where a product’s price is divided into a base price and one or more mandatory surcharges, a practice termed partitioned pricing. Recently, partitioned pricing strategies in the marketplace have become more pervasive and complex, raising concerns that consumers do not always fully attend to or process all price information, and underestimate total prices, which in turn influences their purchasing behavior. Thus, understanding how partitioned prices affect consumers is of increasing interest to consumer researchers, public policy makers, and marketing managers. This paper reviews and organizes the academic literature on partitioned pricing and proposes an agenda for future research. We focus on the psychological processes underlying partitioned pricing, to help these three constituencies understand how partitioned pricing works, the mechanisms by which it exerts its impact, and the appropriate areas where the practice may need regulation to protect consumers.

© 2015 Society for Consumer Psychology. Published by Elsevier Inc. All rights reserved.

Keywords: Partitioned pricing; Behavioral pricing; Surcharges; Fees; Price obfuscation

Contents

Introduction ............................................................... 106
The need for a comprehensive review of partitioned pricing research ...................................................... 106
The expanding, more complex role of partitioned pricing in practice ...................................................... 107
Partitioned pricing’s growing popularity and complexity in the marketplace ............................................. 107
Public policy and partitioned pricing ................................................................. 108
Existing empirical research on the downstream impact of partitioned pricing ........................................ 108
PP’s impact on consumers’ perceptions of total cost ................................................................................. 108
Impact on willingness to pay, purchase likelihood, and demand ............................................................. 111
Impact on other downstream variables ................................................................................................. 111
Factors that moderate PP’s impact ........................................................................................................ 111

☆ The authors thank Joseph W. Alba, JCP’s Research Review Editor, three JCP reviewers, and the participants at the Economics of Drip Pricing Conference, held at the Federal Trade Commission in May 2012, for their helpful comments. Order of authorship is alphabetic.

⁎ Corresponding author. 

E-mail addresses: egreenle@stern.nyu.edu (E.A. Greenleaf), ejj3@columbia.edu (E.J. Johnson), vmorwitz@stern.nyu.edu (V.G. Morwitz), eshalev@ie.technion.ac.il (E. Shalev).

http://dx.doi.org/10.1016/j.jcps.2015.04.006

1057-7408/© 2015 Society for Consumer Psychology. Published by Elsevier Inc. All rights reserved.
Introduction

A considerable amount of research has studied how consumers react to prices that are divided into two or more mandatory parts and presented to consumers as a base price and one or more mandatory surcharges, a practice known as partitioned pricing (abbreviated here as PP). PP is distinct from all-inclusive pricing (abbreviated as AIP) which involves the use of single, all-inclusive price that covers all costs. Examples of PP surcharges include airline fuel surcharges, shipping and handling charges, hotel resort fees, and the buyer’s premium paid by winning auction bidders. With PP the base price and mandatory surcharges are typically associated with the purchase of a single product or service. This differentiates PP from price bundling, where consumers purchase multiple products at the same time, for one price, and cannot split the bundle and buy only a subset of the products.

The need for a comprehensive review of partitioned pricing research

The questions of how consumers react to PP, and how their reactions differ from those to AIP, are becoming of greater
دانلود مقاله

http://daneshyari.com/article/882004

امکان دانلود نسخه تمام متن مقالات انگلیسی
امکان دانلود نسخه ترجمه شده مقالات
پذیرش سفارش ترجمه تخصصی
امکان جستجو در آرشیو جامعی از صدها موضوع و هزاران مقاله
امکان پرداخت اینترنتی با کلیه کارت های عضو شتاب
دانلود فوری مقاله پس از پرداخت آنلاین
پشتیبانی کامل خرید با بهره مندی از سیستم هوشمند رهگیری سفارشات