

Research Brief

A **Research Brief** is a brief summary of research findings.

GEORGETOWN INSTITUTE *for* CONSUMER RESEARCH | Sponsored by KPMG

When Consumers Value Products Based on Relative Usage Frequency

THE PROBLEM

What factors impact a consumer's decision to buy durable goods and how much they are willing to pay for them? Intuition and research suggests that consumers consider how often they will use the product, but this conception fails to incorporate another key factor. Debora Thompson and colleagues demonstrate that consumers not only consider their own predicted use, but also the number of times they will use the product relative to other consumers. Because of this second consideration, suggesting to consumers that they will use a product often (e.g. once a day) can actually make them willing to pay less for it than suggesting that they will use it less often (e.g. once a week).

FINDINGS

In her studies, Thompson and colleagues propose this is because the very same cues that make people think they might use a product very frequently also make them think that other consumers use the product more frequently. For example, Thompson shows that although college students report playing video games more often when they are given high-frequency response options compared to when they are given low frequency options (see the figure for an example), the high frequency options lead them to believe that they play video games less often than peers. As a result, their interest in buying new video games is lower. Thompson and colleagues demonstrate the strong influence of comparisons with other consumers – which they refer to as “perceived relative usage frequency” – on consumers’ evaluations of several different kinds of products, such as running shoes, indoor grills, calculators and digital readers.

*How frequently do you play video games?
(consumers were provided one of the two response set options)*

High Freq. Scale	Greater than once a day	~ Once every 2 days	~ Once every 3 days	~ Once every five days	~ Once a week	Less than once a week
Low Freq. Scale	Greater than once a week	~ Once every 2 weeks	~ Once a month	~ Once every six months	~ Once a year	Less than once a year

In one study, they demonstrate the same effect using a product advertisement to cue either a high or low frequency norm. In this study consumers viewed advertisements for two products (running shoes or a panini grill) that suggested daily or weekly use. Consumers that saw an ad promoting weekly use were more interested in the product and predicted that they would use it more often than those who saw an ad promoting daily use.



Debora Thompson

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Thompson's research interests are in the area of judgment and decision making, information processing, and attitude change.

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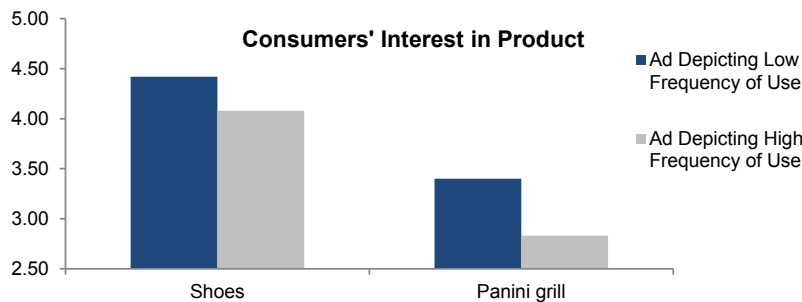
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In several follow-up studies, Thompson and colleagues tried to identify the conditions in which perceived relative usage frequency impacts consumer's interest in products. They found that consumers were susceptible to perceived relative usage when the frequency cue was generated by a similar consumer, but not when it was generated by a dissimilar consumer. For example, when college students read a customer review of a digital reader written by a peer, they were willing to pay more for the digital reader when the review contained a low frequency cue ("I use it once a week") than when it contained a high frequency cue ("I use it once a day"). However, when the same review was attributed to a parent in a city half-way across the country, the frequency cue was no longer effective. Additionally, Thompson and colleagues showed that consumers' individual characteristics affect their responses to usage frequency cues. For instance, light exercisers responded more favorably to low frequency cues than to high frequency cues in an ad for running shoes, while heavy exercisers responded more favorably to high frequency cues.



IMPLICATIONS & CONCLUSIONS

Thompson and colleagues' research highlights the importance of relative usage frequency as an important influence on consumers' attitudes and purchase intentions. Ads or customer reviews highlighting how a product can be incorporated into a consumer's daily life can backfire if consumers believe their own usage frequency will be lower than that of others. Consumer perceptions of a product's value are, therefore, a function not only of how often they will use the product themselves, but whether they believe this is relatively high or low compared to other people. Our findings suggest that if individuals believe they won't be able to keep up with the pace of others, they might choose not to even try.

These findings have interesting implications for those who wish to help consumers eat more healthy foods, exercise more, save more money, or take steps to reduce energy consumption. For example, our results suggest that an ad campaign asking people "How will you save money this month?" might be more effective than "How will you save money today?," particularly among those segments of consumers who find it difficult to eke out savings on a daily basis. Notably, some existing marketing campaigns seemingly get it wrong, such as a Gold's Gym sign promoting daily usage by exhorting exercisers to "Know that you'll be back for more tomorrow." Our findings suggest that for light exercisers, suggesting weekly gym use would be a more effective approach for increasing the perceived value of a gym membership.

Source: Hamilton, R. W., Ratner, R. K., and Thompson, D.V. (2011). When Consumers Value Products Based on Relative Usage Frequency, *Journal of Consumer Research*, 37, 1079-1094

This Brief, based on the work of Debora Thompson et al., was composed by Chris Hydock in collaboration with Debora Thompson.

Key Points

- Consumers not only consider their own predicted use, but also the number of times they will use the product relative to others
- Suggesting to consumers that they will use a product often (e.g., once a day) can actually make them willing to pay less for it.
- Our findings suggest that if individuals believe they won't be able to keep up with the pace of others, they might choose not to even try.

The Georgetown Institute for Consumer Research, Sponsored by KPMG, develops innovative, ground-breaking research to illuminate the challenges and opportunities of understanding and marketing to consumers.

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