

# ANNOUNCEMENT

## BACHELOR'S THESIS

### KEYWORDS

- Consumer Interactions
- Willingness to Pay
- Decision Making

### TOPIC: HOW DO CONSUMER INTERACTIONS IMPACT WILLINGNESS TO PAY FOR MUNDANE CONSUMER GOODS?

Consumer interactions are the major source for providing consumers with trusted information (over 90% in offline and online recommendations, Kantar, 2020). They can signal product quality and help consumers forming their preferences (e.g., Berger 2014, Ismagilova et al. 2020). Thus, consumer interactions can reduce their purchase-related uncertainty specifically in risky contexts leading to an increased purchase likelihood (e.g., purchasing complex consumer electronics, Babic Rosario et al. 2016, You et al. 2015). But what if the good is mundane, that is, all necessary information can be retrieved at inspection? How do consumer interactions impact willingness to pay in such non-risky contexts?

While the impact of information on risky decisions is already well established, its impact in contexts perceived as safe surprisingly is not. If consumer interactions are seen as trustworthy information, does it help or hinder eliciting higher willingness to pay for mundane goods?

The aim of this thesis will thus be to assess the direct effect of consumer interactions on consumers' willingness to pay by means of an (online) experiment. This thesis can be processed by several students, whereas each of the students is asked to select a different context for their (online) experiment.

The following examples are possible contexts, which can be chosen by a student:

- a) Product reviews
- b) Pop-up chat windows
- c) Recommendations (online or offline)

The student is supposed to design and implement a simple experimental setup for data collection. The collected data is expected to be analysed using suitable multivariate methods like analysis of variance or regression analysis.

#### LITERATURE & LINKS:

Shulman, Cunha, Saint Clair (2015): Consumer Uncertainty and Purchase Decision Reversals: Theory and Evidence, *Marketing Science*, 34(4). Online: <https://doi.org/10.1287/mksc.2015.0906>

Wang, T., Venkatesh, R., Chatterjee, R. (2007), Reservation Price as a Range: An Incentive-Compatible Measurement Approach, *Journal of Marketing Research*, 44(2), 200-213.

Dost, F., Wilken, R. (2012), Measuring willingness to pay as a range, revisited: When should we care?, *International Journal of Research in Marketing*, 29(2), 148-166.

Schlereth, C., Eckert, C., Skiera, B. (2012), Using discrete choice experiments to estimate willingness-to-pay intervals, *Marketing Letters*, 23, 761-776.

Braun, C., Rehdanz, K, Schmidt, U. (2016), Validity of Willingness to Pay Measures under Preference Uncertainty, *PLoS ONE*, 11(4), available online: <https://doi.org/10.1371/journal.pone.0154078>

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#### APPLICATIONS:

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