Article Title
Price promotions and products with low consumer ratings

Citation

Abstract
Previous research indicates the aversive effect of low consumer ratings on consumers’ purchasing decisions. This paper aims to apply decision justifiability theory to investigate how price promotions – price discount and price bundling – can reduce this effect.

Methods
Two scenario-based experiments were administered among college students (Experiment 1) and online consumer panels (Experiment 2) to test the research hypotheses.

Results
When time-to-purchase is long (vs short), a large discount is more effective in alleviating consumers’ negative responses toward products with low consumer ratings. However, when a price discount is presented as a bundle rather than a separate deal, a small discount size becomes as attractive as a large discount size for consumers with a longer time-to-purchase.

Conclusion
This paper makes an initial attempt to examine situations where consumers would be less averse to products with low consumer ratings. It identifies the roles of two price promotions (i.e. price discount size and price bundling) and an important contextual factor (i.e. time-to-purchase) that influence consumers’ decision justifiability and, subsequently, alter consumers’ online purchase decisions for such products.