



Impacts of product type and representation type on the perception of justice and price fairness



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ABSTRACT

Consumers make purchasing decisions every day. This paper investigates perceptions of justice and price unfairness, where the product (hedonic vs. utilitarian) is presented either in a more abstract (verbal) or a more concrete (photo) way in a context of discriminatory pricing—a widely-employed marketing practice. Two experimental studies were completed. Results show an interaction between product and representation types. When consumers pay more than others to purchase utilitarian products that are concretely represented, participants perceive more unfairness when compared to hedonic products. However, when consumers pay more than others to purchase utilitarian products abstractly represented, the perception of unfairness decreased compared to hedonic products. For consumers and practitioners, this study offers important contributions—it presents situations in which a discriminatory price can result in a different perception of injustice or price unfairness to informed consumers. Accordingly, implications of these findings for the literature, consumers, and managers are discussed.

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1. Introduction

Consumers purchase all kinds of products every day, from utilitarian to hedonic ones. In general, utilitarian consumption is related to instrumental and functional needs or products while hedonic consumption is related to fun, pleasure, excitement, fantasy, experimental situations, or sensual pleasure (Curry, 2001; Shiv & Fedorikhin, 1999; Wertenbroch & Dhar, 2000). Researchers have been exhaustively exploring the impacts of hedonic and utilitarian products on the choice process. Investigating the processing resource Okada (2005) revealed that the presentation format (hedonic and utilitarian products presented together or individually) can influence consumers' choices and Sela, Berger, and Liu (2009) showed that when presented with a large assortment of products, people tend to choose more utilitarian products over hedonic ones. However, very little attention was given to the representation type in either case.

Psychology and, more recently, neuroscience studies have shown information processing differences when people are presented with words or pictures (Amit, Algom, & Trope, 2009; Hinojosa, Carretié, Valcárcel, Méndez-Bértolo, & Pozo, 2009; Miwa, Libben, Dijkstra, & Baayen, 2014; Schlochtermeier et al., 2013). For instance, the Stroop

test—a test in which subjects are presented with the names of colors printed in ink of a different color (i.e., the word “blue” is written in red ink) and are then instructed to either name the color of the ink or read the written word as quickly as possible—has shown that participants presented with words have slower information processing than when presented with pictures (Glaser & Glaser, 1989; Lavy & van den Hout, 1993). In other words, pictures entail privileged access to processing semantic and affective information when compared to words (Azizian, Watson, Parvaz, & Squires, 2006; De Houwer & Hermans, 1994).

Closely related to the differences found when presenting words versus pictures is the level of abstraction associated with construal level theory. This theory proposes that individuals create interpretations for objects and events (Trope & Liberman, 2010). The construal level of events or objects is defined as being either high or low. It is high when representations are more abstract compared to other events or objects (Trope, Liberman, & Wakslak, 2007; Trope & Liberman, 2003). Amit et al. (2009) applied construal level theory to words and pictures and demonstrated through eight studies that objects represented by either words or images have distinct abstraction levels, influencing the speed of their classification.

Due to the fact that hedonic attributes are more related to fantasy, projective images of events, and consumption experiences (Spangenberg, Voss, & Crowley, 1997), hedonic purchases may be perceived to be more abstract than utilitarian purchases, which involve a

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