

Measuring Consumers' Willingness-to-Pay with Reaction Times & Mouse Tracking

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Cite as:

D'hondt Jonathan, Dezwaef Jasper, Briers Barbara (2022), Measuring Consumers' Willingness-to-Pay with Reaction Times & Mouse Tracking. *Proceedings of the European Marketing Academy*, 51st, (107078)

Paper from the 51st Annual EMAC Conference, Budapest, May 24-27, 2022



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Abstract

Having a clear idea of what consumers are willing to pay (WTP) for a product is essential in marketing and multiple procedures have been developed for this purpose. However, some of the most used procedures often result in underestimating the actual amount that consumers want to pay, which is partly caused by strategic response biases. The work presented here suggests that reaction times might be an alternative way to determine consumers' WTP. In an online study (N = 1500), the use of reaction times (price evaluation reaction time method or PERT) to estimate WTP is tested in an ecologically valid context and compared with estimates produced by two different traditional methods. Results indicate that reaction times measures can result in more reliable WTP estimates less affected by strategic answering biases. In a second study (N = 160), we explore a mouse tracking variant of the PERT. Mouse tracking results suggest that the reaction time effect is indeed caused by price ambiguity.

Keywords: *Willingness-to-pay; Reaction-time; Response-bias*

Track: Pricing & Promotions