Does Time of Day Affect Consumers' Price Sensitivity?

Sha Zhang
University of Chinese Academy of Sciences
Xiting Wu
University of Chinese Academy of Sciences
Peiqi Jiang
University of Chinese Academy of Sciences

Acknowledgements:
This work was supported by the National Natural Science Foundation of China (Grant No. 72172146, 71772169); the Fundamental Research Funds for the Central Universities (Grant Number Y95402AXX2).

Cite as:
Zhang Sha, Wu Xiting, Jiang Peiqi (2024), Does Time of Day Affect Consumers' Price Sensitivity?. *Proceedings of the European Marketing Academy*, 53rd, (119801)

Paper from the 53rd Annual EMAC Conference, Bucharest, Romania, May 28-31, 2024

Does Time of Day Affect Consumers' Price Sensitivity?

Abstract

Amid the current economic downturn, consumers are exhibiting high price sensitivity. With mobile technology allowing businesses to connect with consumers at any time, understanding the daily fluctuations in price sensitivity becomes crucial. Previous price sensitivity research has neglected time-of-day influences; studies on time-of-day effects have not focused on price sensitivity as a key outcome. Bridging this gap, our research utilizes real-world transaction data from two distinct companies to explore this relationship. Our findings indicate that consumers are more price-sensitive in the morning than during the rest of the day. This phenomenon is explained through the lens of circadian rhythms theory. This study uncovers the latent link between time of day and price sensitivity, thereby deepening our understanding of how situational factors influence price sensitivity. These insights are invaluable for businesses in adjusting pricing and promotional strategies throughout the day.

Subject Areas: *Marketing Strategy, Pricing*

Track: Pricing & Promotions