

Vouchers Cloud The Mind: Consumer's Mental Accounting for Discounted Gift Vouchers

Gianluca Scheidegger

University of St.Gallen, Institute of Retail Management

Thomas Rudolph

University of St. Gallen, Institute of Retail Management

Marc Linzmajer

University of St. Gallen/ Institute of Retail Management

Severin Bischof

University of St.Gallen, Institute of Retail Management

Cite as:

Scheidegger Gianluca, Rudolph Thomas, Linzmajer Marc, Bischof Severin (2019), Vouchers Cloud The Mind: Consumer's Mental Accounting for Discounted Gift Vouchers. *Proceedings of the European Marketing Academy*, 48th, (9830)

Paper presented at the 48th Annual EMAC Conference, Hamburg, May 24-27, 2019.



Vouchers Cloud The Mind: Consumer's Mental Accounting for Discounted Gift Vouchers

Abstract

Price promotions are a frequently used tool by companies to attract price-sensitive customers. In recent years, as consumers have more access to price information, they are becoming even more popular. While consumers profit from price war, companies' bottom-line profits shrink. We build upon mental accounting research to introduce an effective alternative to regular price discounts strategies for price-sensitive industries: A discounted gift voucher (DGV). In an online experiment and two field studies, we show that DGVs lead to higher spending and an increased preference of the voucher-issuing company, even when the competitor offers the same product/service at a lower price.

Keywords: *pricing; promotions; mental accounting*

Track: Pricing & Promotions