

Small Device, Higher Price? Heterogeneous Product Category Valuations in Mobile Commerce

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Cite as:

Wiegand Nico, Bruno Hernán, Reinartz Werner (2020), Small Device, Higher Price? Heterogeneous Product Category Valuations in Mobile Commerce. *Proceedings of the European Marketing Academy*, 49th, (63767)

Paper from the 49th Annual EMAC Conference, Budapest, May 26-29, 2020.



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Abstract

Research shows that the shift from mouse to touch interfaces affects consumers' information processing and search efforts, which may yield higher prices on mobile (versus desktop) devices. However, this price premium is unlikely to be uniform, because information search and processing depend on the product category in question. This study examines whether mobile price premiums vary between categories and why some categories give rise to substantial overpayment on mobile devices, while others reach higher prices on desktop PCs. The authors use a dataset from a European on-line auction and e-commerce company including over 100k unique transactions over a two-year period. Results show a positive main effect of mobile, but this effect varies substantially between categories. For example, in higher-priced categories the mobile price premium can reach more than 30%. Managers thus need to promote favorable device-category combinations along the purchase funnel to increase firm profitability.

Keywords: *Mobile commerce; willingness-to-pay; category-specific effects*

Track: Retailing & Omni-Channel Management