

## How Do Consumers Compare Prices?

**Gilles Laurent**

ESSEC Business School

**Marc Vanhuele**

HEC Paris

**Madhav Arora**

ESSEC Business School

Cite as:

Laurent Gilles, Vanhuele Marc , Arora Madhav (2022), How Do Consumers Compare Prices?. *Proceedings of the European Marketing Academy*, 51st, (107161)

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



# How Do Consumers Compare Prices?

## **Abstract**

Using eye-tracking, we examine how consumers compare two prices. Three different theories of this process lead to different predictions for the pattern of eye movements. None of the three can entirely account for the empirical patterns observed in our study. Notably, our results contradict a “left-digit effect” according to which a price comparison would first rely on a comparison of the first digits of the two prices. The first fixation on a price is not on its leftmost digit. It seems consumers encode “chunks” of two consecutive digits while making price comparisons. Consumers devote about as many fixations overall to the cents part as to the euro part even when the cents part is not essential for the price comparison. While these surprising findings need to be completed by further analyses, they lay the groundwork for the development of a novel alternative theory of price comparisons.

**Keywords:** *consumer behaviour; price perceptions; eye-tracking*

**Track:** Consumer Behaviour