

Predicting Purchase Probabilities Precisely: How Price Related Variables in Purchase Intention Surveys Help Consumers to Evaluate their True Intentions.

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# Predicting Purchase Probabilities Precisely: How Price Related Variables in Purchase Intention Surveys Help Consumers to Evaluate their True Intentions.

## **Abstract**

Purchase intention surveys are important concept test tools before new product launches. They serve as a decision-making aid to select a suitable launch strategy. However, these surveys are prone to bias, thus reducing the precision of predicting product success. Numerous studies examine various (e.g., innovation-related) factors responsible for this discrepancy between intention and behavior. Although price plays a crucial role in a consumer's actual purchase decision, it is not considered in purchase intention surveys. This paper examines whether addressing prices (willingness to pay (WTP) and recommended retail price) can improve the validity of purchase intention measurements. In a between-subjects experiment (N=212), we provide evidence that both asking a preceding WTP question before the purchase intention question and providing a price help a potential customer better manifest purchase intention. This paper contributes to the literature by systematically providing results of including price related variables in purchase intention surveys. At the management level, this paper recommends managers to consider the feasibility approach in surveys.

**Keywords:** *Intention–Behavior Gap; Purchase Intention; Concept Testing*

**Track:** Innovation Management & New Product Development