

Quantitative Marketing 3: Retailing & Consumer Choice

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Abstract

In the data-rich business landscape, effective decision-making hinges not just on data volume, but on the ability of firms and analysts to extract valid and actionable insights. Quantitative marketing, at the intersection of marketing, economics, statistics, and machine learning, therefore, remains pivotal in this era of data-driven decision-making. Against this backdrop, we aim to stimulate the application of advanced empirical methods and innovative quantitative marketing approaches within the EMAC community through a series of 5 special sessions. This session on “Retailing & Consumer Choices” focuses on the consequences of retailers’ and consumers’ choices for societal and environmental outcomes. Specifically, the four papers in this session tackle the questions of how retail crime affects retailer pricing, how voluntary labels impact consumers’ choices, why consumers do not compare all products, and how consumers’ food choices impact the environment. In the first paper of this session, titled “The Pass-through of Retail Crime”, Hase and Kasinger provide a better understanding of the societal costs of retail crime. The authors use data from the Washington State cannabis industry to show that after a robbery, the robbed store and the competitors in the area increased prices substantially, passing along the increased crime prevention costs to consumers. The second and third papers of this session study how consumers choose products when they have limited information and how firms can influence these choices. In “The Impact of Voluntary Labels”, Rau and Ursu study how the voluntary “no high fructose corn syrup” label impacts consumers’ choices. Using product labeling and experimental data, the authors find that consumers buy nutritionally worse products in the presence of such a voluntary label. In “Make Every Second Count: Time Allocation in Online Shopping”, Greminger, Huang, and Morozov study why such search frictions can exist even in online shopping. The authors construct detailed data on how consumers spend time shopping for products online and, leveraging two shifters in these data, show that consumers’ opportunity cost of time is an important determinant of how many products consumers compare. The final paper of this session studies how consumers’ food choices impact the environment. In “From Aisles to Emissions: Tracking the Environmental Costs of Household Grocery Purchases”, Bronnenberg, Bui, Deleersnyder, Haerkens, Knox, van Lin, Pachali, Paley, Smith, and Stäbler construct a comprehensive dataset that links individuals’ grocery purchases to the environmental cost of these foods. Using these data, the authors highlight differences in the adoption rate of plant-based alternatives to milk or meat and the resulting environmental impact by different demographic groups.