

MARKETING COLLOQUIA

SPRING 2017

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Date: Thursday, February 23, 2017

Where: 741 JMHH

When: 12:00 PM to 1:20 PM

PAIN OF PAYING? — A METAPHOR GONE LITERAL: EVIDENCE FROM NEURAL AND BEHAVIORAL SCIENCE

ABSTRACT: How do individuals consider the price of a good when making purchase decisions? Standard economic theories assume an analytical process: Individuals consider the opportunity cost. Recent behavioral economic theories suggest an additional, hedonic process: Individuals consider the immediate displeasure or “pain of paying” the price. This paper is the first to present direct empirical evidence that the metaphor is more than a theoretical concept; it stands for a literal pain experience. In addition, the authors characterize its quality as an affective pain experience in three incentive-compatible experiments. First, an fMRI experiment suggests an affective pain experience and rejects a somatosensory (i.e., physical) pain experience. Second, the facilitation of affective pain perception through conceptual priming decreases willingness to pay (WTP). Third, misattributions of pain perception to placebo drugs increases versus decreases WTP for affective pain enhancers versus affective pain relievers. Conversely, facilitation and misattribution of somatosensory pain perceptions do not alter WTP