

MARKETING COLLOQUIA

Spring 2026 - Abstract

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Thursday, February 5, 2026

Where: 741 JMHH

When: 12:00 PM to 1:20 PM

SOPHISTICATED CONSUMERS WITH INERTIA: EVIDENCE FROM A LARGE-SCALE FIELD EXPERIMENT

ABSTRACT:

Are consumers aware of their future inertia? We run a field experiment that offers over a million readers of a European newspaper auto-renewing or auto-cancelling contracts. Many consumers are inert yet most anticipate and account for their inertia: though offering auto-renewing contracts benefits the firm in the short-term, it lowers subscriptions take-up by 35% and total subscribers by 23% over 20 months. Inertia's impact on market outcomes depends on consumers' overall awareness of it, which is often ignored by the literature, firms, and policy makers. In our context, consumer sophistication limits the firm from exploiting their behavioral limitations.