

# One Discount or Two? It Depends on How (Much) You Feel

Abhijit Guha,  
University of South Carolina

Date: 05.06.2018, Venue: P12 @ 2.30 PM

## Abstract

Despite the presence of multiple, stacked price discounts in the marketplace, beliefs about the effectiveness of such discounts are mixed. On the one hand, consumers may overestimate the numeric value of stacked discounts (versus a single, equivalent discount), increasing deal attractiveness. On the other hand, stacked discounts involve multiplicative calculations, in effect requiring cognitive effort; this may evoke negative affect, undermining deal attractiveness. Using field and lab studies, we test these competing views, and we find that - amongst consumers who prefer affective processing, and in contexts associated with affective processing - stacked discounts evoke negative affect, reducing deal attractiveness. This paper contributes to the literatures on behavioral pricing, price promotions, numeric processing, and affective processing. By focusing on the role of *negative* affect, it provides a contrasting perspective relative to prior work on price promotions that has focused either on cognitive evaluations, or on the role of positive affect.

## Speaker Profile:

[http://www.sc.edu/study/colleges\\_schools/moore/directory/guha\\_abhijit.php](http://www.sc.edu/study/colleges_schools/moore/directory/guha_abhijit.php)