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Do Credit Cards Change the Way Consumers Perceive Products?

People who pay cash focus on different aspects of products than people who use credit cards, according to a new study in the [Journal of Consumer Research](#).

“Our research suggest that, when it comes to product evaluation, beauty truly lies in the eyes of the cardholder,” write authors Promothesh Chatterjee (University of Kansas) and Randall L. Rose (University of South Carolina).

Although previous research has already proven that consumers are willing to pay more when they use credit cards instead of cash, the authors found that consumer perception of products is also affected when thinking about paying with one or the other.

In the experiments, the authors induced people to think about either credit cards or cash as means of payment. They then examined the ways participants evaluated different product attributes. “We find that people attend more to product benefits when concepts related to credit cards are highlighted in their minds as compared to cash concepts,” the authors write. “On the other hand, when cash concepts are primed, people tend to focus more on product costs (monetary and non-monetary).”

The authors note that consumers develop mental associations about credit cards and cash from early ages. Credit card advertising, for example, links the use of credit cards with highly desirable products and lifestyles and immediate gratification. Cash, on the other hand, is closely linked to the pain of payment.

“While convenient, credit cards do not encourage consumers to deliberate over their spending behavior,” the authors write. “Our findings suggest that marketers may be affecting not just the amount of money consumers are willing to spend but also the nature of the goods and services that find their way into consumers’ market baskets.”

“The effects of credit cards go far beyond increasing consumer spending power and shifting consumption from the future to the present; fundamental product perceptions are affected as well,” the authors conclude.

Promothesh Chatterjee and Randall L. Rose. “Do Payment Mechanisms Change the Way Consumers Perceive Products?” *Journal of Consumer Research*: April 2012 (published online August 11, 2011). For more information, contact Promothesh Chatterjee (chatterjee@ku.edu) or visit <http://ejcr.org/>.

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