

Consumers' Immediate Memory for Prices

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Abstract

We examine the cognitive mechanics involved in keeping prices in short-term memory for subsequent recall. Consumers code and store prices verbally, visually, and in terms of their magnitude. The encoding used influences immediate recall performance. The memorability of prices depends on their verbal length, usualness, and overall magnitude. We find that the performance of consumers is affected by their pronunciation speed and price abbreviation habits. Overall, consumers recall prices better than what previous digit span studies with simple numbers have suggested.

Keywords: consumer behavior, numerical cognition, price memory