Chinese Scholarship Council Project

Project Title

Size matters: The effects of package size on consumers' purchase decisions and consumer health

Supervisory Team

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Project Description

Research has recognized the role of package size in consumers' purchase decisions for food products such as soft drinks or snack chips. Concerns about widespread obesity have made this topic only more important because package size may have implications for consumption amounts and thus consumer health. Also in China, the prevalence of overweight and obesity, especially among children and adolescents, has soared over the past decades. The goal of this project is to investigate the impact of package size on consumers' purchase decisions. We are particularly interested in the following questions:

- How are consumers' purchase decisions influenced by package size? For example, consumers
 may switch to a smaller package size (the choice decision), but then buy more units of it (the
 quantity decision).
- Does the role of package size depend on the nature of the product category (e.g., highly perishable versus storable products)?
- Which size dimension is most decisive: the weight of the package or the number of pieces or servings per unit (e.g., the number of hotdogs in a single container)?
- How does the impact of size compare to that of price? For example, decreasing the size in itself
 may make a product more attractive to a health-concerned consumer. But what will be the final
 outcome if the price does not decrease proportionally?

For this project, we make use of a large, already available, database containing the purchases for thousands of consumers over a period of multiple years, in about 30 different product categories, such as hotdog, peanut butter, mayonnaise, and soft drinks. Using econometric techniques, we model the impact of package size on a consumer's incidence decision (whether or not to buy in a product category on a specific shopping trip), choice decision (which product to buy), and quantity decision (how many units to buy).

Keywords: Package Size, Consumer Health, Purchase Behavior, Marketing, Econometrics

Areas: 人口与健康 / Population and Health, 人文与社会科学领域 / Humanities and Social Sciences

Methodologies: Consumer Panel Data, Econometric Analysis

Requirements: We are looking for a candidate with solid technical, ideally statistical, skills. Experience with econometric modelling and programming is recommended.

5 Major Publications of the Team

Holtrop, N., J.E. Wieringa, M.J. Gijsenberg, P.C. Verhoef (2017), "No Future Without the Past? Predicting Churn in the Face of Customer Privacy," *International Journal of Research in Marketing*, 34 (1), 154-172. (34 citations)

Foubert, B. and E. Gijsbrechts (2016), "Try It, You'll Like It—Or Will You? The Perils of Early Free-Trial Promotions for High-Tech Service Adoption," *Marketing Science*, 35 (5), 810-826. *** **AMA Servsig Award for Best Service Article** *** (44 citations)

Datta, H., B. Foubert, and H. van Heerde (2015), "The Challenge of Retaining Customers Acquired with Free Trials," *Journal of Marketing Research*, 52 (2), 217-234. *** Finalist Paul E. Green Award *** (111 citations)

Brüggen, E., B. Foubert, and D. Gremler (2011), "Extreme Makeover: Short- and Long-Term Effects of a Remodeled Servicescape", *Journal of Marketing*, 75 (5), 71-87. *** **AMA Servsig Award for Best Service Article** *** (117 citations)

Foubert, B. and E. Gijsbrechts (2007), "Shopper Response to Bundle Promotions for Packaged Goods," *Journal of Marketing Research*, 44 (4), 647-662. (96 citations)

Approved by head of Marketing and Supply Chain Management department,

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