

Abstract

Consumer's perception of different intensity levels of stimuli plays a significant role in understanding consumer behavior patterns. At the beginning of the nineteenth century, Ernst Heinrich Weber discovered a model, the so-called Weber's Law, which describes, how individuals perceive physical stimuli. The psychophysical model determines the smallest change in the intensity of a stimulus required to be noticed by an individual. It states that changes in incentives have to be relative to the initial stimulus. In this paper, Weber's Law is applied to understand consumer buying-decisions and buying behavior. The implications of Weber's Law are used to make recommendations, that can be applied by managers to determine the optimal structure and design of company's marketing mixes for a given product dependent on individual goals. Real-world examples are used to explain the proposals in an understandable way. The findings of this paper can be used in practice to pursue different business objectives.