

**DESIGNING THE BUNDLE: CHOOSE YOUR WEAPON!**

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*Role of price partitioning in driving consumer attention towards the benefits associated with seemingly unrelated bundle components had been recently investigated along with effects of discount framing. None of the studies, however, investigates the joint effects of price partitioning and component relatedness. In this research, the effect of different price partitions for economically equivalent bundles consisting of a focal component and an ancillary is studied across various degrees of component relatedness. Based on psychological theories of judgement and information processing product bundles comprising of seemingly unrelated components is expected to fare more favourably in consumer evaluation as compared to economically equivalent bundles comprising of highly related or unrelated components. Secondly, the effect of overpricing the ancillary for the seemingly unrelated component combination is investigated. The combined effect of overpricing and seemingly unrelated nature of components is expected to result in higher overall evaluation of the bundle as compared to the other bundles. Further, robustness is built around the above results by considering individual differences in Need for Cognitive Closure as a moderator. Another supporting study is conducted to investigate how the results change in the presence of an indicating stimulus like a price discount which diverts consumers' attention from product features to prices. This research contributes to the scarce process oriented research in bundling by throwing light on the psychological mechanism of bundle evaluation. Lastly, the study has implications for the choice of pricing mechanisms for product bundles.*

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