Today, most firms assume that low price increases the likelihood of purchase. However, is this assumption always true? If the answer is no, when does the negative relationship between perceived price and willingness to purchase not hold true? This study systematically investigates the relationship between perceived price and willingness to purchase, incorporating three existing theories (i.e., signaling theory, equity theory, and Veblen's theory of the leisure class). A conceptual research model consists of Phase I and Phase II: Phase I includes the antecedents of perceived price (i.e., symbolic brand benefits, perceived brand globalness, and perceived brand quality), and Phase II includes the moderators (i.e., perceived price fairness, vanity, and consumer sophistication) of the relationship between perceived price and willingness to purchase. Both Phase I and Phase II are tested in the U.S. and India, separately. Using a questionnaire survey with college students in the U.S. and India, 543 usable responses (287 from the U.S. and 256 from India) were analyzed for this study. Before analyzing the proposed hypotheses, measurement invariance tests were conducted to decide whether each construct measured the same factor structure and factor loadings across the U.S. and India. In both Phase I and II, the two countries revealed sharply contrasting results. In Phase I, four hypotheses were tested in each country. Of the three antecedents of perceived price, only perceived brand quality ($\gamma = .23$) had a positive relationship with perceived price among U.S. respondents. The additional paths suggested by modification indices indicated that symbolic brand benefits ($\gamma = .16$) and perceived brand globalness (γ

=.20) had positive relationships with willingness to purchase in the U.S. In contrast, the path between perceived brand quality and willingness to purchase was not supported in the U.S. Surprisingly, none of antecedents of perceived price turned out to be significant for Indian consumers. Among the three additional paths suggested by modification indices, only perceived brand quality and willingness to purchase (γ =.21) was found to be significant in India. The negative relationship of perceived price-willingness to purchase was supported both in the U.S (β = -.37) and India (β = -.22). In Phase II, three hypotheses were tested in each country. Among the three moderators, perceived price fairness (β = .271) and vanity (β = .271) moderated the perceived price-willingness to purchase relationship in the U.S. Consumer sophistication did not have a moderating effect on the perceived price-willingness to purchase relationship. In the Indian data, none of the three moderators of the relationship between perceived price and willingness to purchase were supported. This study is one of the earliest attempts to examine the relationship between perceived price and willingness to purchase comprehensively in multiple countries (i.e., the U.S. and India). Findings from this study suggest that 1) marketers should pay attention to perceived brand quality in order to maintain a higher price in the U.S. and high purchase intention in India; 2) symbolic brand benefits and brand globalness should be promoted and stressed when marketers introduce products to U.S. consumers; 3) in order to increase purchase intention, building a concept of price fairness should be emphasized in the U.S.; and 4) marketers should intrigue and target consumers who have a high level of vanity in the U.S.

DO LOWER PRICES ALWAYS INCREASE WILLINGNESS TO PURCHASE?

A COMPREHENSIVE UNDERSTANDING TOWARD

THE ROLE OF PERCEIVED PRICE

by

Junghwa Son

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_____
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CHAPTER I

INTRODUCTION

Chapter I presents eight sections: (1) Background, (2) Problems, (3) Research Questions, (4) Purpose of the Study, (5) Significance of the Study, (6) Limitations, (7) Definitions, and (8) Outline of Work.

Background

Is it always true that consumers are willing to purchase cheaply priced products? Does this negative relationship between perceived price and purchase intention fit every situation? If the answer is no, when does the negative relationship between perceived price and willingness to purchase not hold true? What factors can influence the relationship between perceived price and willingness to purchase?

This study started with a question that asked whether the negative relationship between perceived price and willingness to purchase is true all the time. Today, most firms promote either the everyday low price strategy or a cheap price campaign to consumers. However, in some settings a high price strategy works better. For example, some consumers see price as a cue of prestige; in this case, purchase intention increases when the price is high (Sternquist, Byun, & Jin, 2004). Some consumers are willing to pay a higher price because of loyalty to the brand (Yoo, Donthu, & Lee, 2000). Additionally, consumers with high ostentation and self-gratification characteristics are

willing to purchase expensive products and luxury goods, rather than inexpensive and cheap products, to display their success and wealth (Yoo & Lee, 2009). Furthermore, a premium price strategy is preferred in some countries, such as emerging markets. For example, Indian consumers tend to purchase more expensive products, foreign brand goods, and luxury brands than cheap and local products because of the status symbols that the more expensive products convey (Bhardwaj, Kumar, & Kim, 2010; Gupta, 2011; Sathish & VenkatramaRaju, 2010).

Therefore, the low price strategy may not work all the time, and there will be other factors, such as country-of-origin, store name, or design, that may influence consumers to decide which products to purchase. Following are summaries of previous studies on perceived price, an overview of three theories related to perceived price, and a pricing strategy in emerging markets and the expectation of country differences.

Research on Perceived Price

Perceived price is defined as consumers' evaluation of price (Chiang & Jang, 2006). It has also been described as the process by which consumers interpret the information about price (Jacoby & Olson, 1977; Lichtenstein, Block, & Black, 1988). Price has an important role in the retail setting and in the decision-making process, and it has been widely studied in numerous contexts. However, previous studies have been mainly focused on antecedents of perceived price, such as perceived quality (Chen & Dubinsky, 2003; Dodds, Monroe, & Grewal, 1991; Jacoby, Olson, & Haddock, 1971; Lichtenstein & Burton, 1989; Zeithaml, 1988) and brand (Chiang & Jang, 2006; Dodds & Monroe, 1985; Kalwani & Yim, 1992; Kalwani, Yim, Rinne, & Sugita, 1990; Winer,

1986). As a consequence of perceived price, adoption intention (Kim, Chan, & Gupta, 2007), consumer satisfaction (Iglesias & Guillén, 2004; Sumaedi, Bakti, & Metasari, 2011), perceived monetary price (Campo & Yagüe, 2007), purchase intention (Campbell, 1999b; Chen & Dubinsky, 2003; Chiang & Jang, 2006; Dickson & Sawyer, 1986; Lockyer, 2005; Sternquist et al., 2004; Zeithaml, 1988), purchase preference (Ha-Brookshire, 2012), re-purchase intention (Homburg, Hoyer, & Koschate, 2005), perceived value (Baker, Parasuraman, Grewal, & Voss, 2002; DeSarbo, Jedidi, & Sinha, 2001; Kerin, Jain, & Howard, 1992; Oh, 2000; Sweeney & Soutar, 2001), and willingness to purchase (Dodds et al., 1991; Dodds & Monroe, 1985; Sweeney & Soutar, 2001) have been predominantly studied.

Table 1 presents selected studies that have examined antecedents and consequences of perceived price, and it shows how research on antecedents of perceived price has been limited and has focused mainly on perceived quality and brand. As Table 1 shows, the limited studies on perceived price have been conducted on country-of-origin (Ha-Brookshire, 2012) and price promotion (Campo & Yagüe, 2007) as antecedents and on perceived price fairness (Campbell, 1999a, 1999b; Homburg et al., 2005; Xia, Monroe, & Cox, 2004) as a consequence. Moreover, the majority of studies on perceived price have been performed in the U.S., with a few studies conducted in Europe and Asia or cross-national (Ha-Brookshire, 2012; Iglesias & Guillén, 2004; Sumaedi et al., 2011).

Table 1. Summary of previous studies on perceived price

	Construct	Context	Reference
Antecedents of perceived price	Country-of-origin	Product (cotton)	Ha-Brookshire (2012)
	Price promotion	Service (vacation package)	Campo & Yagüe (2007)
	Perceived quality	E-retailing environment	Chen & Dubinsky (2003)
		Product (calculator, stereo headset player)	Dodds et al. (1991)
		Product (beer)	Jacoby et al. (1971)
		Product (durable and nondurable goods)	Lichtenstein & Burton (1989)
		Product (beverages)	Zeithaml (1988)
	Brand	Product (hotels)	Chiang & Jang (2006)
		Product (stereo headset player)	Dodds & Monroe (1985)
		Product (shampoo)	Kalwani & Yim (1992)
		Product (ground coffee)	Kalwani et al. (1990)
		Product (coffee)	Winer (1986)
Consequences of perceived price	Adoption intention	E-retailing environment	Kim et al. (2007)
	Consumer satisfaction	Service (restaurant)	Iglesias & Guillén (2004)
		Service (university)	Sumaedi et al. (2011)
	Perceived monetary price	Service (vacation package)	Campo & Yagüe (2007)
	Perceived value	Retail environment (cards and gifts)	Baker et al. (2002)
		Service (electric utility)	DeSarbo et al. (2001)
		Service (electric utility)	Kerin et al. (1992)
		E-retailing environment	Kim et al. (2007)
		Product (hotels)	Oh (2000)
		Product (durable goods)	Sweeney & Soutar (2001)
	Price fairness	-	Xia et al. (2004)
	Purchase intention	Product (toy)/Retail environment (store reputation)	Campbell (1999b)
		E-retailing environment	Chen & Dubinsky (2003)
		Product (hotels)	Chiang & Jang (2006)
		Product (beverage)	Dickson & Sawyer (1986)
		Product (hotel)	Lockyer (2005)
		Price	Sternquist et al. (2004)
		Product (beverages)	Zeithaml (1988)
	Purchase preference	Product (cotton)	Ha-Brookshire (2012)
	Re-purchase intention	Service (restaurant)	Homburg et al. (2005)
	Willingness to purchase	Product (calculator, stereo headset player)	Dodds et al. (1991)
		Product (stereo headset player)	Dodds & Monroe (1985)
		Product (durable goods)	Sweeney & Soutar (2001)

Signaling Theory, Equity Theory, and the Theory of the Leisure Class: An Overview

Most previous research on perceived price has paid little attention to the use of theory to explain price perception. Some studies have used "adaptation-level theory" (Kalwani & Yim, 1992; Winer, 1986), "signaling theory" (Erdem, Keane, & Sun, 2008; Milgrom & Roberts, 1986), or "equity theory" (Dickson & Kalapurakal, 1994; Oh, 2003) to address perceived price, but limited theories have been applied in examining relationships between perceived price and its antecedents, moderators, and/or consequences. In this study, adaptation-level theory is not dealt with because it focuses mainly on the relationship between price perception and price promotion expectation rather than on perceived price and willingness to purchase. Although adaptation-level theory has been utilized in studies of perceived price, it seems to have a weaker link with this study; thus, only signaling theory and equity theory will be discussed.

Signaling theory has been used to explain the situations of asymmetric information distribution in the relationship between buyers and sellers and firms and customers (Boulding & Kirmani, 1993; Rao, Qu, & Ruekert, 1999; Spence, 1974). It has been used in many areas to demonstrate a signaling factor, including price, quality, warranties, and brand. For example, perceived quality is an important cue to evaluate perceived price of products and services (Kelly, 1988; Kirmani, 1990). In Erdem and Swait's (1998) study, a brand name was confirmed as a signal of the price perception of products. Also, a brand name or image is associated with perceived product quality

(Aaker, 1991; Erdem & Swait, 1998; Park, Jaworski, & MacInnis, 1986). Therefore, quality and brand have been utilized as important cues in the decision-making process.

Along with signaling theory, equity theory has been used to explain the concept of fairness and rightness in the relationship between price perception and purchase intention. The main idea of equity theory, first developed by Adams (1963), is to explain relationships in exchanges. Equity theory primarily clarifies a concept of fairness, equality, and rightness in exchange situations (Oliver, 1997). According to the theory, inequity exists when the ratio of an individual's inputs to his/her outcomes is not the same as the ratio of a comparison person's inputs to outcomes (Wicker & Bushweiler, 1970). An experience of inequity in exchange situations leads to a form of discomfort, distress, anger, or leaving the relationship (Huseman, Hatfield, & Miles, 1987; Martin & Moore, 1994). Most research on equity theory relies heavily on social comparison, work and job motivation, and input and outcome situations in the context of business (Adams, 1965; Finn & Lee, 1972; Jaques, 1961; Lawler, 1968; Moore & Baron, 1973), but not in the relationships in retail exchanges. Equity theory mainly deals with fairness and equality in social exchange situations, and input-output or gain-loss definitely exist in the relationship between perceived price and willingness to purchase. Thus, the theory may be useful in explaining the perceived price and price fairness perception and in giving a better understanding to the relationship of price perception and willingness to purchase.

While not explicitly utilized in previous studies, this study views that Veblen's theory of the leisure class may help explain the relationship between perceived price and willingness to purchase. The concept of the theory of the leisure class was first

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introduced by Veblen (1899) and is defined as the individual's tendency to purchase

products that enhance one's social status or image (O'Cass & McEwen, 2004). Veblen's

theory of the leisure class, which is also commonly known as conspicuous consumption,

has been widely used to study luxury and prestige consumption (Duesenberry, 1949;

Grilo, Shy, & Thisse, 2001; O'Cass & McEwen, 2004) and vanity (Durvasula &

Lysonski, 2008; Hirschman, 1990; Chang, Lu, Su, Lin, & Chang, 2011). Conspicuous

consumption is practiced when consumers have a main purpose of obtaining symbolic

benefits from products and brands. In order to boost or display an individual's ostentation

of financial success and wealth, consumers have a tendency to purchase expensive

products, prestigious goods, and luxury services. Possessing expensive products and

luxury goods conveys social status, social position, and individual success (Arrow &

Dasgupta, 2009; Engel, Kollat, & Blackwell, 1968; O'Cass & McEwen, 2004). Because

conspicuous consumption is in line with vanity and ostentation of wealth, Veblen's theory

of the leisure class is expected to be related to explaining the relationship between

perceived price and willingness to purchase.

Pricing Strategy in Emerging Markets

It is generally assumed that a high-priced product is preferred in emerging

economies such as China and India (Sathish & VenkatramaRaju, 2010). In contrast, a

high price or premium price strategy is not favored in developed countries like the U.S.

(Brouthers, Werner, & Matulich, 2000; Levy, Grewal, Kopalle, & Hess, 2004). What

makes the price strategy different in each economy? Why does the high price strategy

work better in emerging markets?

Many studies that have focused on consumer behavior in developing countries and emerging economies acknowledge that consumers in those markets differ from consumers in developed countries (Agbonifoh & Elimimian, 1999; Batra, Ramaswamy, Alden, Steenkamp, & Ramachander, 2000; Essoussi & Merunka, 2007; Steenkamp & Burges, 2002). Findings indicate that consumers in emerging markets prefer to possess luxury products and foreign brand goods that are associated not only with images of high quality, but also with social and symbolic value (Beinhocker, Farrell, & Zainulbhai, 2007; Bhardwaj et al., 2010; Gupta, 2011; Maxwell, 2002; Sathish & VenkatramaRaju, 2010; Zhou & Hui, 2003). In emerging markets, the lack of information about a product makes consumers rely heavily on the price of the product as a product quality cue rather than relying on other product attributes (Sjolander, 1992; Zhou, Su, & Bao, 2002). Therefore, consumers in developing countries tend to purchase a high-priced product that conveys a high product quality, such as foreign brand goods, luxury brand goods, and expensive products, and consumers actually prefer to pay higher prices (Tellis & Gaeth, 1990). Thus, a premium and high price strategy is predominantly recognized in emerging countries (Zhou et al., 2002).

In addition, the high price and prestige image of foreign brands convey social image, social rank, and ideal self-image, and consumers in emerging countries wish to be seen publicly with products congruent with their ideal personalities and actual or desired status in society (Batra et al., 2000; Essoussi & Merunka, 2007). In summary, a greater price reliance to assure quality and a signal of social status and success among consumers in emerging markets lead to a premium price strategy by practitioners in emerging

markets (Zhou et al., 2002), so the relationship between perceived price and willingness to purchase in emerging countries is expected to be different from the relationship in developed economies.

Based on the above, this study expected consumer perception differences in the role of price and associated factors by country. This study chose the U.S. and India to examine the country differences because the two countries differ in culture orientation (i.e., a small power distance vs. a large power distance) and economic development levels (i.e., developed country vs. emerging country).

Problems

This study began by discovering research gaps in the extant literature. It identified and responded to six major gaps in the perceived price and willingness to purchase literature within the context of shopping: (1) a lack of research on the antecedents of perceived price; (2) a lack of research on when the negative relationship between perceived price and willingness to purchase does not hold true; (3) a lack of research on possible moderators on the relationship between perceived price and willingness to purchase; (4) a lack of research or theory to systematically explain the relationship between perceived price and willingness to purchase; (5) a lack of integrated research that includes antecedents, consequences, and/or moderators on the relationship between perceived price and willingness to purchase; and (6) a lack of studies on the relationship between perceived price and willingness to purchase in emerging markets and cross-cultural comparisons.

First, limited research exists on the antecedents of perceived price, even though factors that influence perceived price are intrinsic (e.g., quality, color, design, durability, etc.) and extrinsic (e.g., brand name, logo, country of origin, etc.). A signal that creates information about the price of products can be advertising, warranty, purchase experience, knowledge about products, channel choice, or a combination of these (Muniz & O'Guinn, 2001). However, most studies related to perceived price have focused heavily on product quality and brand (Pincus & Waters, 1975; Richardson, Dick, & Jain, 1994; Szybillo & Jacoby, 1974); only a few studies have been conducted to identify the antecedents of perceived price and to examine their effects on perceived price (Alden, Steenkamp, & Batra, 1999; Maynes & Assum, 1982; Rao & Monroe, 1996). Rao and Monroe (1996) claimed that the credibility of the seller is an important factor in deciding to purchase a car. Price variance (i.e., a wide range of prices) in a particular product was also found to be an antecedent of perceived price (Maynes & Assum, 1982). Moreover, Alden et al. (1999) delineated that a global image of product/brand has an influence on perceived price. Given this, it is necessary to research other factors that have an effect on perceived price, in addition to quality and brand, to thoroughly understand how consumers perceive a price.

Second, a number of studies have identified the significant negative relationship between perceived price and willingness to purchase (Chiang & Jang, 2006; Dickson & Sawyer, 1986; Ha-Brookshire, 2012; Huber, Holbrook, & Kahn, 1986; Özsomer & Altaras, 2008); however, these studies have not always questioned whether the negative relationship between perceived price and willingness to purchase works all the time. One

finding indicates a greater willingness to purchase perceived high-priced products when

brand information is present than when this information is absent (Monroe & Krishnan,

1985). More consumers concerned with high quality are willing to purchase high-priced

products (Dodds et al., 1991; Oh, 2000; Rao & Monroe, 1996). In addition, some

consumers use price as an indicator of prestige; in these cases, a higher price is associated

with a higher willingness to purchase (Sternquist et al., 2004). Thus, understanding when

and how the negative relationship between perceived price and willingness to purchase

does not work is important in helping marketers and practitioners establish the right

pricing strategies.

Third, researchers have given little attention to the moderating effect on the

relationship between perceived price and willingness to purchase. Although the

relationship itself has been examined, further investigation is needed with respect to

moderating effects. In some studies, perceived price itself has been used as a moderator.

For example, in Ryu and Han's (2010) study, perceived price had a moderator role in the

relationship between perceived quality and satisfaction in food and restaurant selection.

Types of product, brand extension, and source credibility were moderators in the

relationship between perceived price and other factors, such as perceived quality and

perceived risk; however, identifying a moderator in the relationship between perceived

price and willingness to purchase has received minimal attention. For instance, types of

product (e.g., durable or nondurable) served as a moderator on the relationship between

perceived price and perceived quality (Lichtenstein & Burton, 1989). Also, brand

extension had a significant moderating effect on the perceived price and quality in Taylor

and Bearden's (2002) study. Source credibility also played a significant moderator role in the relationship between perceived price and risk (Grewal, Gotlieb, & Marmorstein, 1994). Thus, identifying the moderating effects on the relationship between perceived price and willingness to purchase is required because moderators will give diverse perspectives and valuable insights to understanding the relationship between perceived price and willingness to purchase.

Fourth, while signaling theory or equity theory has been used in perceived price studies, very limited studies or theories have attempted to systematically explain the relationship between perceived price and willingness to purchase. When a study adopts theories, the research framework seems more concrete and solid in explaining the relationship between variables and constructs. Additionally, theories help the ideas integrate factors related to research purposes or objectives concretely. Consequently, utilizing relevant theories to delineate the relationship between perceived price and willingness to purchase is critical.

Fifth, although a significant number of studies of perceived price and willingness to purchase have been conducted in consumer behavior literature, there has been a lack of attention in terms of an integrated and unified study to include antecedents, consequences, and/or moderators in explaining the relationship between perceived price and willingness to purchase. In other words, comprehensive research on the relationship between perceived price and willingness to purchase has been neglected. It seems insufficient to explain the big picture of the research frame with only one or two factors because related factors should be understood within the whole research framework. Therefore, research is

needed to systematically incorporate all factors (i.e. antecedents, consequences, and/or moderators) to comprehensively explain the relationship between perceived price and willingness to purchase.

Sixth, studies on perceived price in emerging markets and cross-nations have not discovered much. Even though the importance of emerging markets has become greater, most studies of perceived price do not pay much attention to emerging markets. Instead, most previous studies of perceived price have been conducted in the U.S. or Europe (Dawar & Parker, 1994; Dodds et al., 1991; Lichtenstein & Burton, 1989; Lichtenstein, Ridgway, & Netemeyer, 1993; McGowan & Sternquist, 1998), rather than being cross-cultural. Emerging markets, in particular India and China, have a huge purchasing power with a quickly growing middle class, growing income, and increasing demand (Biswas, 2006; Jung & Shen, 2011); thus, these features make emerging economies significant markets not only for U.S. companies, but also for international and global corporations. Furthermore, more than 80% of the world's consumers live in emerging markets and traditional markets (Steenkamp & Burges, 2002), so studies of the relationship between price perception and willingness to purchase are certainly required to better understand consumers in emerging markets. Indeed, understanding similarities and differences between countries in the price perception-purchase intention relationship is undoubtedly necessary.

Research Questions

To address the major research gaps and to answer the larger research question of this study, five separate research questions were investigated:

1. What are the factors that cause consumers to perceive price differently?

2. How do these factors influence perceived price?

3. Does the influence of these factors on perceived price differ by country?

4. Is the negative relationship between perceived price and willingness to purchase always true? If not always true, what factors moderate the relationship between perceived price and willingness to purchase?

5. How does the relationship between perceived price and willingness to purchase in emerging markets differ from this relationship in developed countries?

Purpose of the Study

The purpose of this research was to explore and systematically understand the relationship between perceived price and willingness to purchase. For this purpose, three existing theories (i.e., signaling theory, equity theory, and the theory of the leisure class) were incorporated into a theoretical framework. As antecedents of perceived price, symbolic brand benefits, perceived brand globalness, and perceived brand quality were incorporated into the framework to identify how these factors influence perceived price. Furthermore, this study examined the moderating effect on the relationship between perceived price and willingness to purchase. This study chose three moderators for the relationship (i.e., perceived price fairness, vanity, and consumer sophistication) and examined how these moderators affect the relationship between perceived price and willingness to purchase. For the country comparison between the U.S. and India, the two countries were tested separately in the research framework and the similarities and differences between the two countries were compared. This study expected that the

perceived price and willingness to purchase research model would be best described in a complete framework incorporating symbolic brand benefits, perceived brand globalness, perceived brand quality, perceived price fairness, vanity, and consumer sophistication. Furthermore, the country comparison (i.e., U.S. vs. India) in the proposed model was anticipated to be fruitful for both researchers and marketers.

Significance of the Study

This study has significance in multiple aspects. First, the study contributes to a better understanding of the relationship between perceived price and willingness to purchase in the retailing context. Although previous studies have focused on perceived price, identification of the antecedents of perceived price has been limited to perceived quality and brand image or brand name. This study examined multiple antecedents of perceived price; thus, it sheds light on how various antecedents impact perceived price. Second, most previous studies have agreed that a low perceived price leads to willingness to purchase; this study, however, contributes to identifying when and how the negative relationship between perceived price and purchase intention changes. Third, this study explores the moderators of the relationship between perceived price and willingness to purchase. Therefore, the findings of this study make a contribution by determining which moderating factors are important and influence the relationship between perceived price and willingness to purchase in the shopping context. Fourth, utilizing theories to define the relationship between perceived price and willingness to purchase and incorporating various antecedents and moderators provides academics as well as practitioners with significant insights. Research on the relationship between perceived price and willingness

to purchase has been quite restricted to testing the effects of a number of variables discretely. However, this study contributes by examining the comprehensive and extensive relationship of perceived price-willingness to purchase with three significant theories. Also, integrating three theories in this study helps to incorporate many variables and factors that create conditions that are closer to actual shopping situations and circumstances. Fifth, testing the research framework in an emerging market results in not only a better understanding of consumer behaviors in emerging economies, but it also gives a diverse perspective and richness to the relationship of perceived price-willingness to purchase. Finally, the results of this study guide not only practitioners but also researchers to design effective marketing strategies regarding the relationship of perceived price and willingness to purchase and country differences in the proposed research framework.

Limitations

The sample of this study represents one particular demographic group, college students, so the results of this study may have limitations regarding generalization to different demographic groups. Also, data was collected in a particular area of each country (i.e., Greensboro, North Carolina, in the U.S. and Mumbai in India); therefore, caution is advised in generalizing the findings because consumers' perceptions of price may vary by region in each country. Thus, these limitations should be taken into account when interpreting the study findings.

Definitions

Symbolic brand benefits is a concept related to the internal fulfillment needs for self-enhancement, role position, self-image, or ego-identification (Park et al., 1986).

Perceived brand globalness is defined as the consumer's belief about the brand being purchased and recognized in multiple countries (Steenkamp, Batra, & Alden, 2003).

Perceived brand quality is conceptualized in terms of superiority or excellence of product performance in consumers' minds (Martins & Monroe, 1994; Zeithaml, 1988).

Perceived price is defined as the process by which consumers interpret the information about price and consumers' evaluation of price (Chiang & Jang, 2006; Jacoby & Olson, 1977; Lichtenstein et al., 1988; Lichtenstein, Netemeyer, & Burton, 1990; Lichtenstein et al., 1993; Sternquist et al., 2004).

Perceived price fairness is defined as the buyer's judgment about whether the difference between a seller's price and a comparative other party's price is reasonable or acceptable (Lehmann, 2004; Xia & Monroe, 2010).

Vanity is characterized as an individual's trait to achieve success and show off social status (Durvasula, Lysonski, & Watson, 2001; Netemeyer, Burton, & Lichtenstein, 1995). Vanity is generally divided into four dimensions: a concern for physical appearance, a positive (and perhaps inflated) view of physical appearance, a concern for achievement, and a positive (and perhaps inflated) view of achievement (Netemeyer et al., 1995).

Consumer sophistication is regarded as a consumer's attainment of acquired knowledge, experience in purchasing products, and skills to make a relevant decision (Sproles, Geistfeld, & Badenhop, 1978).

Outline of Work

This study consists of five chapters. Chapter One provides an introduction of the current research, the problems (i.e., research gaps) as they are recognized in previous literature, the purpose of the study, the importance of the study, limitations in the research design, and definition of the terms to be used in the study. In Chapter Two, a holistic overview is presented of the existing studies on 1) signaling theory; 2) equity theory; 3) Veblen's theory of the leisure class; 4) country differences; 5) antecedents of perceived price; 6) moderators on the relationship of perceived price-willingness to purchase; and 7) the research model development and hypotheses. Chapter Three describes the data collection, the nature of the sample, and the data analysis of the study. Chapter Four provides the results of the measurement model and structural equation model analysis. In addition to the analysis, this chapter also presents the moderating regression analysis for the moderating effects and testing of the hypotheses proposed in the study. Chapter Five summarizes the findings of the research model and discusses the findings of the study, academic and practical implications, limitations, and recommendations for future study.

CHAPTER II

REVIEW OF LITERATURE

Chapter II consists of seven parts. The chapter introduces 1) signaling theory, 2) equity theory, 3) Veblen's theory of the leisure class, 4) country differences, 5) antecedents of perceived price, 6) moderators on the relationship of perceived price-willingness to purchase, and 7) the model development for this study. In this chapter, the main theories employed in this study are addressed first. This discussion includes the concepts, major constructs, and previous studies related to each theory. Second, country differences between the U.S. and India, particularly in price perception, are addressed. Third, the antecedents of perceived price as defined by this study are examined. This examination includes the definition of each construct (i.e., symbolic brand benefits, perceived brand globalness, and perceived quality) and the previous research done around each construct. Fourth, moderators on the relationship between perceived price and willingness to purchase are presented. As with antecedents, the definition of and related previous studies on each moderator (i.e., perceived price fairness, vanity, and consumer sophistication) are introduced. Last, to identify the relationships among all constructs in this study, a research framework is proposed incorporating antecedents and moderators built around three theories, and the seven hypotheses in the proposed research framework in each country are postulated.

Signaling Theory

Signaling theory is reviewed to explain the relationship between antecedents of perceived price in this study. Signaling theory has been used primarily to describe situations in which buyers and sellers possess asymmetric information when facing a market interaction (Connelly, Certo, Ireland, & Reutzel, 2011; Spence, 1974). The market interaction emerges from sellers knowing the quality of their goods or services, but buyers not fully knowing the quality of the seller's goods or services (Boulding & Kirmani, 1993). In this setting, asymmetric information emerges between sellers and buyers, and sellers produce signals about the quality of products. A signal is an informational device (Rao & Ruekert, 1994), and numerous signals, such as price (Milgrom & Roberts, 1986; Wolinsky, 1983), quality (Kelly, 1988; Kirmani, 1990), advertising expenditures (Kirmani & Wright, 1989; Nelson, 1974; Schmalensee, 1978), and warranties (Grossman, 1981; Lutz, 1989; Spence, 1977), have been examined using signaling theory. Brand equity is also viewed from another perspective based on signaling theory (Erdem & Swait, 1998).

Generally, a brand name is assumed to reduce a buyer's shopping effort by providing information about the product's perceived quality (Gardner & Levy, 1955). That is, a brand usually tells consumers who the manufacturer of a product is (Rao & Ruekert, 1994), so a brand name has been used as an important signal of quality when marketplace information is imperfect and asymmetric (Chu & Chu, 1994; Dawar & Parker, 1994; Rao & Ruekert, 1994; Shapiro, 1983; Wernerfelt, 1990).

With a firm's mix of past and present marketing strategies, a brand becomes a signal of the quality or price of products or services (Erdem & Swait, 1998). In choosing among competing brands, consumers are faced with uncertainty of product quality (Dawar & Parker, 1994). In order to figure out the quality of products, consumers rely on the given information of products, for instance price, brand name, and product/retailer reputation. In other words, a controlled and manipulated mix of marketing strategies and activities conveys information to consumers (Erdem & Swait, 1998). Aaker (1991) insisted that strong brands are associated with higher perceived quality. Branded products are, therefore, less likely to debate quality than unbranded products due to the reduced perceived risk. In addition to the quality of a product, the image associated with a brand often reflects its personality or concept (Park et al., 1986). The image or concept of a brand frequently implies not only the information of a product, but also the important strategies of a company (Rao & Ruekert, 1994). When a product is consumed in public, the brand choice sends a signal (Wernerfelt, 1990). High prices reflect the combined effect of high quality and symbolism (Wernerfelt, 1990). The symbolic meaning derived from a particular brand is based on the association between the brand and its user or the type of consumer who purchases the brand (Muniz & O'Guinn, 2001). Therefore, with asymmetric and imperfect information, brands serve as effective signals.

In summary, the asymmetric information distribution between buyers and sellers or companies and customers creates a signaling factor that helps to assess the price of products. Thus, in this study, signaling factors, which include symbolic brand benefits,

perceived brand globalness, and perceived quality, are expected to be important cues to evaluating perceived price.

Equity Theory

In this study, equity theory is utilized to clarify the relationship between perceived price and perceived price fairness. Equity theory, proposed by Adams (1963, 1965), Homans (1961), Jaques (1961), and Patchen (1961), is suggested to primarily explain relationships in exchanges. Equity is closely related to a concept of fairness, rightness, and equality (Oliver, 1997; Xia et al., 2004). Equity theory, therefore, primarily includes various comparative situations that may influence the perceived fairness of an exchange relationship (Adams, 1965).

Most equity theory studies have centered on work and job motivation (Adams, 1963; Bretz & Thomas, 1991; Festinger, 1957; Griffeth & Gaertner, 2001; Lawler, 1968; Moore & Baron, 1973), financial and economic matters (Pritchard, 1969; Walster, Berscheid, & Walster, 1973), social comparison (Jaques, 1961; Thibaut, 1950), or the nature of input and outcome situations (Adams, 1963, 1965; Leventhal, Weiss, & Long, 1969). However, equity theory research regarding retail transactions has received little attention from scholars (Lapidus & Pinkerton, 1995; Martins & Monroe, 1994), even though Adams (1963) and Walster et al. (1973) suggested that equity theory can apply to any situation in an exchange.

The notions of equity theory posit that (1) a person will experience inequity in a certain situation, (2) the experience of inequity will lead to some form of discomfort, and (3) the person will act in ways to reduce this discomfort and to re-establish equity in the

situation. Inequity exists when the perceived inputs and outcomes in an exchange relationship are not consistent with the perceived inputs and outcomes of the referent (Huppertz, Arenson, & Evans, 1978). For example, when the price is greater than expected, a person feels the buying situation is unfair. A result of an inequity experience can be feelings of distress, anger, or tension to the person in the inequitable exchange relationship (Martins & Monroe, 1994). In the case of a retail transaction, consumers decrease the perceived value of products/services and willingness to purchase products/services when experiencing inequity (Huppertz et al., 1978). Explaining fairness and equality relationships in exchanges is the main idea of equity theory. Hence, this study views that a consumer's perception of price fairness is an important factor that influences perceived price and willingness to purchase.

Veblen's Theory of the Leisure Class

In this section, Veblen's theory of the leisure class (widely known as Veblen's conspicuous consumption) is discussed. Veblen's conspicuous consumption is delineated to provide an understanding of the relationship of one moderator in this study, vanity. Also, previous studies on Veblen's theory of the leisure class are reviewed.

When goods and services are consumed, the desire to purchase products emerges not only due to functional and utilitarian reasons, but also due to symbolic and sensory reasons. Consumers buy products associated with status in order to make themselves more visible in the eyes of significant others (Shukla, 2008). Therefore, consumers "use products as symbols or badges of their wealth. They buy the largest homes in the best suburbs, the most expensive automobiles, swimming pools, yachts and other symbols that

are perceived by others as obvious indicators of wealth" (Engel et al., 1968, p. 290).

Today, status and prestige considerations continue to play a significant role in shaping

preferences for many products that may appear to be purchased for their direct utility, but

which in fact serve only as a means of displaying wealth and purchasing power (Mason,

2007). The theory of the leisure class, in which Veblen (1899) initially introduced the

concept of conspicuous consumption, defines conspicuous consumption as the

ostentatious display of individuals who have squandered their fortunes. It is also defined

as "the tendency for individuals to enhance their image, through overt consumption of

possessions, which communicates status to others" (O'Cass & McEwen, 2004, p. 34). A

clearer meaning provided by Trigg (2001) suggests that conspicuous consumption is a

behavior by which an individual can display wealth through extensive leisure activities

and luxury expenditures on consumption and services.

Since conspicuous consumption products are visible, they show variability and

personality in ownership (Holman, 1981). They focus on the visual display or obvious

usage of products in the presence of others. For example, consumers may carry a Louis

Vuitton handbag because they see the brand as symbolizing luxury and their own wealth

in being able to afford expensive handbags. In addition, Corneo and Jeanne (1997)

argued that conspicuous consumption is a consequence of consumers' desires to signal

their wealth. For example, some people may buy a Ferrari merely because many others

cannot afford such an expensive car. Consequently, conspicuous goods differ from many

frequently purchased goods in social needs and status ways. In simple terms, people

consume conspicuously with the purpose of signaling their wealth.

Conspicuous consumption has been studied previously from luxury and prestige (Duesenberry, 1949; Grilo et al., 2001) and brand associated factors (O'Cass & Frost, 2002; Shukla, 2008), particularly regarding automobiles, mobiles phones, and designer label apparel categories and other personal accessories for the youth segment (Amaldoss & Jain, 2005a; Chao & Schor, 1998; Eastman, Goldsmith, & Flynn, 1999; O'Cass & Frost, 2002; Wong, 1997). Factors that influence conspicuous consumption, including symbols of success, symbols of prestige, indicators of achievement, interests in status, enhancing self-image, snob demand, materialism, and income, have been discussed in previous studies (Amaldoss & Jain, 2005a, 2005b; Belk, 1988; Mason, 1981; Mason, 2007; Shukla, 2008; Wong & Ahuvia, 1998).

Conspicuous consumption is seen as a phenomenon that is stimulated entirely by social class differences, and it is described as a predominantly "lower-upper class" activity (Mason, 2007). One study found that people of lower socioeconomic status have a higher tendency to buy more 'conspicuous' items (Mason, 2007). Another study found a strong negative association between conspicuous consumption and the mean income of one's reference group within all races (Arrow & Dasgupta, 2009). Interestingly, however, Blacks and Hispanics spend about 30% more on conspicuous consumption items (e.g., jewelry) than Whites (Charles, Hurst, & Roussanov, 2009). The above research suggests that conspicuous consumption may be a class-specific activity, which may not be conducive to understanding the dynamics of perceived price and its impact on willingness to purchase. Instead, the consumer's level of vanity, which is an individual's trait to show off success, accomplishment, and wealth, may be more adequate to relate consumers'

perceptions of price. Therefore, because conspicuous consumption is practiced as a consequence of one's level of vanity, this study includes vanity as a factor to understand more fully conspicuous consumption in the perceived price and willingness to purchase relationship.

Country Differences Between the U.S. and India

Most cross-cultural studies have used Hofstede's (2001) cultural dimensions (e.g., individualism/collectivism, power distance, uncertainty avoidance, and masculinity/femininity) as key variables in explaining the differences among countries and cultures (Choi & Geistfeld, 2004; Jung & Shen, 2011; Migliore, 2011; Nicholls, Roslow, Dublish, & Comer, 1996). This study focuses mainly on power distance in cultural dimensions and economic diversity between the U.S. and India.

Among the four cultural dimensions, in particular, power distance shows a significant difference between the U.S. and India. The power distance scores of 40 and 77 for the U.S. and India, respectively, indicate that the U.S. is a small power distance country while India is a large power distance country (Hofstede, 2001). Power distance is the degree to which the less powerful members of organizations and institutions (like the family) accept and expect that power is distributed unequally (Hofstede, 2001). Inequality of power and wealth exists; therefore, money and things are standard to classify someone's power. In a large power distance culture, it is important to display one's social status and power to others; therefore, conspicuous consumption, status consumption, luxury consumption, brand goods, and foreign brand product consumption are well associated with purchase behaviors (Eng & Bogaert, 2010; Hofstede, 1984;

Shukla & Purani, 2012; Souiden, M'Saad, & Pons, 2011). Additionally, consumers in large power distance societies (e.g., Mexico) tend to possess a greater percentage of branded goods, foreign brand products, and luxury goods than consumers in small power distance cultures (e.g., the U.S.) (De Mooij, 2003). As a result, high priced products and expensive goods are deemed to be favored in a large power distance culture, so a high priced product may lead to a higher willingness to purchase in the culture.

In terms of economic development, the U.S. is considered an economically developed country while India is deemed to be an emerging and developing country. It has been known that consumers in emerging markets are willing to purchase higher priced products, foreign brand goods, and luxury brand goods because these products symbolize carriers' social status and financial success (Beinhocker et al., 2007; Sathish & VenkatramaRaju, 2010). Moreover, consumers in emerging markets tend to depend greatly on the price of products because of the lack of product information and purchase experience. Therefore, they believe that high priced products hold superior product quality (Sjolander, 1992). In this sense, a premium price and higher price strategy works better in emerging markets (Zhou et al., 2002). In contrast, a premium price strategy does not cause a high willingness to purchase in economically developed countries because a significant amount of information is available on which to judge the quality of products. For example, the price of a pair of Levi's jeans in India is about 71% of an individual's monthly GDP per capita, compared to 6.7% in the U.S., which is the highest among studied countries (Son & Jin, 2012). Table 2 presents the price of Levi's jeans by country,

and Figure 1 depicts the price of Levi's jeans as a share of monthly GDP per capita in selected countries. Given these examples, the country may influence the relationship between perceived price and willingness to purchase in this study. In other words, the country might have an important role in explaining the price perception-purchase intention relationship.

Table 2. Price of a pair of Levi's jeans by country

Country	Price	Country	Price	Country	Price
Pakistan	$33 (Rs 2,975)	India	$90 (4501INR)	Brazil	$116 (R$209)
Vietnam	$43 (900,000,000VNĐ)	Ecuador	$92 ($92)	Belgium	$118 (€90)
Mexico	$55 (MEX$649)	Hungary	$92 (20,214 Ft)	UK	$119 (£75)
Canada	$61 (C$60)	Columbia	$99 (COL$174,671)	Greece	$120 (€91)
Peru	$62 ($165)	Hong Kong	$99 (HK$769)	Denmark	$121 (kr682)
USA	$64	Germany	$102 (€77)	France	$123 (€94)
Chile	$67 (CH$32,444)	Ireland	$102 (€78)	Australia	$124 (AU$117)
Thailand	$68 (2,089฿)	Poland	$102 (319 zł)	Taiwan	$125 (3680 元)
Philippines	$72 (php 3,110)	New Zealand	$103 (NZ$125)	Netherlands	$136 (€103)
Venezuela	$73 (Bs 620)	Spain	$105 (€80)	Russia	$143 (руб 4,173)
Indonesia	$76 (Rp693,900)	Portugal	$106 (€80)	Sweden	$147 (993kr)
Turkey	$79 (142 TL)	Austria	$108 (€82)	Switzerland	$148 (CHF136)
South Africa	$81 (R 616)	Finland	$110 (€83)	Norway	$154 (KR885)
Malaysia	$83 (RM 254)	Czech Rep.	$112 (2,093Kč)	China	$158 (元 999)
Argentina	$88 (ARS$382)	Italy	$112 (€85)	Korea	$194 (218,000₩)
Singapore	$90 (SGD$113)	Japan	$114 (¥9,500)		

Note: Price has been calculated by U.S. dollars and the original price has been placed in parentheses.
Price of Levi's jeans = (actual price in US$/monthly GDP per capita)*100
This table is adopted from Son & Jin's (2012) study.
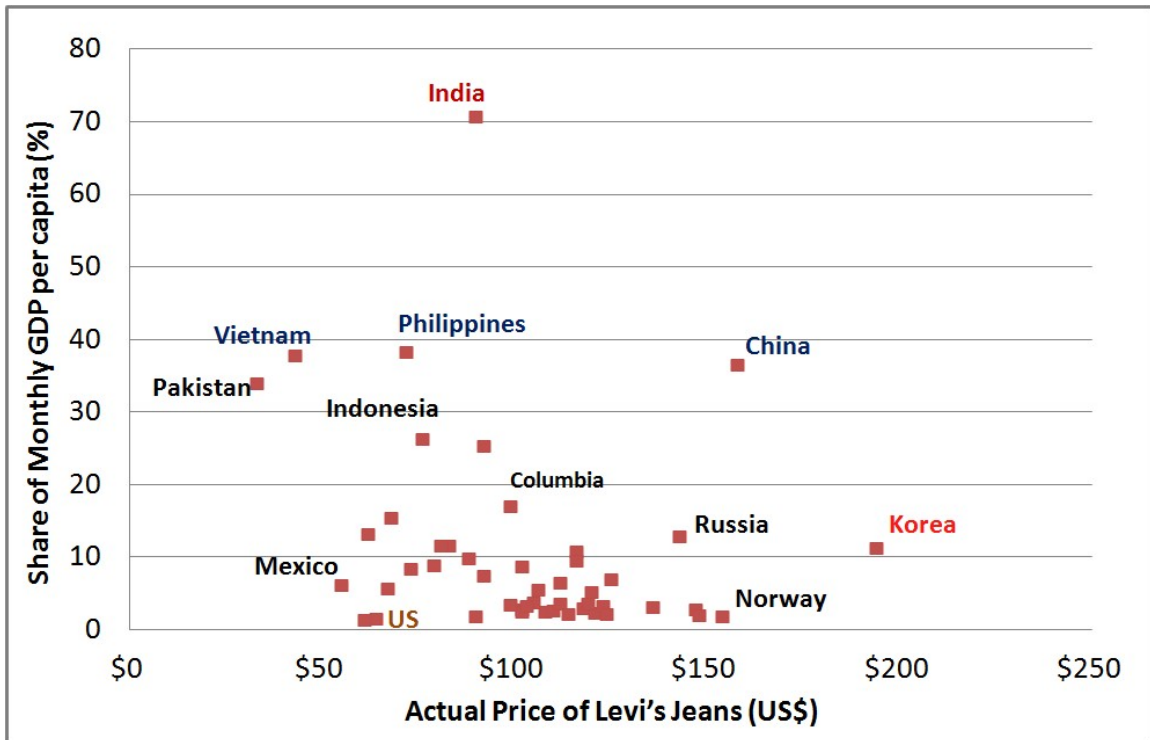
Note: This figure is adopted from Son & Jin's (2012) study.

Figure 1. The price of Levi's jeans as a share of monthly GDP per capita in selected countries.

Antecedents of Perceived Price

Built on signaling theory, this study views that the levels of 1) symbolic brand benefits, 2) perceived brand globalness, and 3) perceived brand quality could cause consumer price estimation to be different. Thus, this study posited these three factors as antecedents of perceived price.

Symbolic Brand Benefits

The concept of symbolic brand benefits was first introduced in the framework of Brand Concept Management (BCM) by Park et al. (1986). BCM proposes that every brand image needs to be developed based on a brand concept or a brand-specific meaning

(Park et al., 1986). The framework of BCM advises that a consistent brand concept needs to introduce and support a company from the beginning to the end of its lifetime (Park et al., 1986). Three broad categories of brand concepts in BCM are suggested: functional, symbolic, and experiential (Park et al., 1986).

A brand concept is defined as "a firm-selected brand meaning derived from basic consumer needs (i.e., functional, symbolic, and experiential)" (Park et al., 1986, p. 136). Brand concepts place products in an individual's mind and differentiate given products from other brands in the same product category (Park et al., 1986). That is, brand concepts are abstract meanings (e.g., high status) that originate from a particular configuration of product features (e.g., high price, expensive-looking design, limited offer, etc.) and create abstract meanings from these arrangements by a company (e.g., "the relentless pursuit of perfection" by Lexus) (Park, Milberg, & Lawson, 1991). In other words, a brand concept reflects a unique meaning associated with the brand.

A brand with a functional brand concept is defined as a brand designed to solve externally generated consumption needs. For example, the brand Casio is considered a functional brand because of its ability to tell the time correctly (Bhat & Reddy, 1998). A brand with a symbolic brand concept is identified as one intended to fulfill internally generated needs for self-enhancement, self-image, group membership, social status, prestige, or ego-identification (Ghodeswar, 2008; Park et al., 1986; Thorbjørnsen, 2005). For instance, the brand Rolex is considered a symbolic brand since it is used mainly for its status appeal and prestige. Therefore, a functional brand is mainly focused on its problem-solving capability, while a symbolic brand primarily emphasizes consumers'

values of prestige, exclusivity, or fashionability. Lastly, the experiential brand concept is primarily related to a brand that provides sensory pleasure, variety, and/or cognitive stimulation (Park et al., 1986; Thorbjørnsen, 2005). For example, the brand Build-A-Bear is considered an experiential brand because of the sensory pleasure and excitement it provides. Consumers can possess not only the product itself, but also the sensory pleasure of the process of building their own teddy bears. Thus, an experiential brand concept generally considers fulfilling the need for stimulation and/or variety (Park et al., 1986).

Previous research has explored the idea of functional, symbolic, and experiential dimensions, even though the terms have varied by researchers, such as symbolic concepts, symbolic benefits, symbolic images, symbolic values, and symbolic personalities (Bhat & Reddy, 1998; de Chernatony & McWilliam, 1990; Keller, 1993; Myers & Shocker, 1981; Park et al., 1986). Similar to brand concepts, three types of brand benefit associations (i.e., functional, symbolic, and experiential) were distinguished (Dimofte, Johansson, & Bagozzi, 2010). Likewise, Keller (1993) proposed brand benefits.

The key concepts of brand benefits proposed by the scholars are in the line with previous studies (Keller, 1993). A brand benefit is a personal value that a consumer attaches to a product or service attributes; that is, what the consumer thinks the product or service can offer (Keller, 1993). Benefits, further, are distinguished into three categories: functional benefits, experiential benefits, and symbolic benefits. Functional benefits are defined as a brand's ability to solve basic consumer problems, such as quality and value (Dimofte et al., 2010). Functional benefits refer to the intrinsic advantages of the product or service's consumption (product-related attributes) (Keller, 1993). Physiological and

safety needs are usually included in functional benefits (Dimofte et al., 2010). Experiential benefits are designed for the sensory pleasure that consumers gain from the brand, for example excitement (Dimofte et al., 2010), and are related to the feeling of the product or service's consumption (Keller, 1993). Experiential benefits are usually related to sensory pleasure, variety, and cognitive stimulation (Keller, 1993). Last, symbolic benefits refer to the less tangible aspects of a brand's equity (e.g., more ethical, environmentally friendly, etc.), but communicate cultural meanings such as social status, self-identity, and self-symbolism (Dimofte et al., 2010; Elliott, 1997). Furthermore, symbolic benefits are extrinsic advantages of the product or service's consumption (Keller, 1993). Therefore, symbolic benefits are usually not related to the product itself, which means that they address non-product-related attributes, for example self-esteem, social status, social class, and the individual's taste (Wee & Ming, 2003). In addition, symbolic benefits are obtained only when the receiving person or group understands and shares the same meanings as the person who gives them (Keller, 1993). Hence, a mutual understanding between senders and receivers is needed in order to produce symbolic benefits. According to signaling theory, symbolic brand benefits reflect self-image, self-esteem, social status, and prestige in consumers' minds, so the price of the brand might be higher than other brands that do not have symbolic benefits. Thus, as an antecedent of perceived price, symbolic brand benefits may convey a significant price cue to consumers.

Perceived Brand Globalness

A global brand is defined as a brand positioned in multinational markets through the brand name, logo, visual themes in advertising, etc. (Alden et al., 1999). Global also

refers to those brands that use the same marketing strategy or marketing mix in all world-wide target markets (Schuiling & Kapferer, 2004). Steenkamp et al. (2003) mentioned that a global brand is a brand to be found under the same name in multiple countries with similar and centrally coordinated marketing activities. Accordingly, global brands are identified as those that have widespread global awareness, acceptance, and availability with the same marketing strategies and programs.

With global availability, awareness, and recognition, higher perceived quality and prestige are associated with global brands (Steenkamp et al., 2003). Similarly, Quelch (1999) found seven common features of global brands: strong in domestic market, geographical balance in sales (i.e., a certain level of awareness, recognition, and sales all over the world), response to similar consumer needs worldwide (i.e., products and services are similar or the same in multiple markets), consistent brand positioning worldwide (i.e., the way the brand is positioned around the world is consistent), consumer value for the country of origin (i.e., the country of origin is a factor in making the brand global), product category focus (i.e., the closest or similar product category is centered), and corporate name (i.e., the corporate name is the same as the brand name). Lastly, global brands may be perceived as charging premium prices in that they are more expensive than local brands (Batra et al., 2000; Erdem, Swait, & Valenzuela, 2006) because most global brands signal status-seeking, prestige, luxury, and urbanism (Kochan, 1996; Roy & Chau, 2011; Thompson & Tambyah, 1999).

Recently, companies have tended to move toward brands with a 'global image' and to choose brand names that 'sound like a global brand' (e.g., using English or French

in brand names) due to consumers' preferences (Shocker, Srivastava, & Ruekert, 1994).

Even when the quality and value of the local brand is better than the global brand, the

choice of consumers toward the global brand is favored, especially in emerging markets

such as China (Kapferer, 1997). It is widely accepted that consumers prefer global brands

over local brands because global brands have higher prestige and higher quality in

developing markets such as Russia and India (Bearden & Etzel, 1982; Kapferer, 1997;

Shocker et al., 1994). In addition, many studies have indicated that global brands are

typically more expensive than local brands (Batra et al., 2000; Bearden & Etzel, 1982;

Keller, 1998). The higher price could be linked to global brands' scarcity and prestige

appeal compared to local brands; therefore, obtaining global brands enhances a

consumer's self-image as being sophisticated, modern, and cosmopolitan (Friedman,

1990; Hannerz, 1990; Steenkamp et al., 2003).

Perceived brand globalness is described as the consumer's belief regarding the

brand being purchased and recognized in multiple countries (Steenkamp et al., 2003). In

other words, it refers to the degree to which a brand is perceived as having multimarket

reach and is believed to be globally available, desirable, and demanded (Holt, Quelch, &

Taylor, 2004; Özsomer & Altaras, 2008). Thus, perceived brand globalness is defined as

the perception that consumers hold of a brand that is available everywhere in the target

markets with standardized products and communications (Akram, Merunka, & Akram,

2011).

Although research on perceived brand globalness is quite limited, many studies

have been conducted on brand globalness, such as the influence of brand globalness on

brand attitudes and preferences (Batra et al., 2000; Steenkamp et al., 2003), differences between global and local brand images (Schuiling & Kapferer, 2004), antecedents of global brand esteem (Johansson & Ronkainen, 2005), measurement of brand globalization (Hsieh, 2002), and global brand positioning strategies (Alden et al., 1999; Basu, 2006; Farquhar, 2005).

With increasing attention on global brands, research on consumer global brand perception is needed. Indeed, since a global brand with an image of cosmopolitanism, urbanism, Westernism, and luxury conveys higher prestige and status to consumers (Shocker et al., 1994), perceived brand globalness may serve as an effective signal of price in consumers' minds.

Perceived Quality

It has been noticed that the quality of products or services serves as an important cue for consumers when making purchase decisions (Allison & Uhl, 1964; Valenzi & Andrews, 1971). Quality is a core concept on which to build customer value and satisfaction (Ophuis & Van Trijip, 1995) and the cause of business success or failure (Bylinksky, 1998).

Quality is defined as a multifaceted concept to explain superiority or excellence of product/service performance (Ophuis & Van Trijip, 1995; Zeithaml, 1988). In other words, quality is the actual superiority or excellence of a product or service. Quality of a product or service fulfills the customer's requirements and desires (Iglesias & Guillén, 2004). Therefore, quality is the most important factor underlying the long-term success of products and companies (Mitra & Golder, 2006).

To determine the overall product quality, product-related attributes are divided into intrinsic cues and extrinsic cues. Product-related attributes involved in quality cues have been indicated in several previous studies (Pincus & Waters, 1975; Richardson et al., 1994; Szybillo & Jacoby, 1974). Intrinsic cues are product-related attributes such as ingredients, color, size, shape, texture, etc. that cannot be manipulated without altering the physical properties of the product (Richardson et al., 1994). On the other hand, extrinsic cues represent product-related attributes, such as price, brand name, packaging, etc., that are not part of the physical product (Richardson et al., 1994). In short, intrinsic cues are a part of the physical product; conversely, extrinsic cues are related to the product but are not physically part of it (Ophuis & Van Trijip, 1995). Some studies have found that intrinsic cues might be more important determiners of perceived quality than extrinsic cues (Szybillo & Jacoby, 1974), but many other studies have mentioned that consumers are likely to use both intrinsic and extrinsic cues when evaluating product quality (Jacoby et al., 1971; Simonson, 1989).

The definition of perceived quality has been discussed by several researchers in a similar way. Perceived quality refers to the overall quality or superiority of products or services of intangible perceptions or judgments by consumers (Aaker, 1997; Keller, 1993; Parasuraman, Zeithaml, & Berry, 1988; Steenkamp, 1989). It is also conceptualized as the overall subjective judgment of quality relative to the expectation of quality (Herbig & O'Hara, 1994; Mitra & Golder, 2006) and a product's overall excellence or superiority as appraised by a consumer (Zeithaml, 1988). Chapman and Wahlers (1999) defined

perceived quality as "the belief in the overall goodness of what is received" (p. 54).

However, because perceived quality is based on consumers' judgments in terms of

personal preferences, perceived quality will vary accordingly (Ophuis & Van Trijip,

1995).

Identified antecedents of the perceived quality of products include price (Curry &

Riesz, 1988; Erickson & Johansson, 1985; Lichtenstein et al., 1993), brand name (Dodds

& Monroe, 1985; Jacoby et al., 1971), store name (Valenzi & Andrews, 1971; Wheatley

& Chiu, 1977), retailer reputation (Render & O'Connor, 1976), and advertising

(Boulding, Kalra, Staelin, & Zeithaml, 1993). The results of these studies indicated that

brand name was the most important perceived quality cue, followed by price and retailer

reputation (Agarwal & Teas, 2002). Several studies have demonstrated that perceived

quality influences various desirable outcomes, such as consumer satisfaction, purchase

intention, and customer value (Bitner, 1990; Gutman & Alden, 1985; Olson, 1977).

Consistent with previous studies, this study expected that perceived quality may send a

price cue to consumers because perceived quality is the overall superiority of the product

in consumers' minds. In other words, perceived quality may be used as a signal cue to

judge price.

Moderators on the Relationship of Perceived Price-Willingness to Purchase

The negative relationship between perceived price and purchase intention may not

always work. Some factors may influence to change the direction between the two

constructs, or some factors may create a stronger relationship between price perception

and willingness to purchase. Additionally, a particular factor can make the relationship of

perceived price-willingness to purchase weaker. In line with this notion, this study

introduces three moderators to explore when and how the relationship is different. The

three moderators employed in this study are 1) perceived price fairness, 2) vanity, and 3)

consumer sophistication.

According to equity theory, consumers' perceived price fairness is expected to

explain the relationship between perceived price and purchase intention. As a consumer

factor, consumers' levels of vanity and sophistication are included to better explain the

relationship between perceived price and willingness to purchase. The key concept of

each construct and previous studies are presented below.

Perceived Price Fairness

From a consumer's perspective, price is considered as what is to be sacrificed to

obtain a product or service (Campbell, 1999a, 1999b; Monroe & Krishnan, 1985;

Zeithaml, 1988). Price has been used as one of the important factors to influence

consumers' behaviors, such as attitude, satisfaction, purchase intention, satisfaction, etc.

(Chapman & Wahlers, 1999; Lehmann, 2004; Veale & Quester, 2009).

Price perception is actually a comparative process, which means that it involves

different times and/or parties (Monroe & Petroshius, 1981; Xia et al., 2004). This

comparative evaluation gives the concept of price fairness (Oh, 2000). Price fairness is

defined as a buyer's judgment about whether the difference between a seller's price and a

comparable other party's price is reasonable or acceptable (Lehmann, 2004; Xia &

Monroe, 2010). When consumers are informed as to the price of a product, they tend to

interpret the reference price to their internal price standard or competing prices (Oh,

2000). The reference price is the actual price that a consumer expects (Gielissen, Dutilh, & Graafland, 2008). Both market prices and prices from previous transactions can be the reference prices (Gielissen et al., 2008). Thus, price fairness perceptions arise from price comparisons in a transaction (Oh, 2000; Xia & Monroe, 2010).

While numerous studies on perceived price fairness have been conducted in various settings (Dickson & Kalapurakal, 1994; Gielissen et al., 2008; Oh, 2000; Madden, Dickson, & Urbany, 1994; Martins & Monroe, 1994; Warland, Hermann, & Willits, 1975), the concept of perceived price fairness is still ambiguous (Maxwell, 2002; Xia et al., 2004). Previous studies have shown that a fair price is simply a low price that benefits consumers in terms of being economically cheap (Huppertz et al., 1978; Maxwell, 1995). However, other research has found that a fair price is not a cheap price, but a socially acceptable one (Kahneman, Knetsch, & Thaler, 1986). This implies that as long as a price is acceptable, it can be believed to be fair even though it is not cheap (Maxwell, 1995).

According to equity theory, the difference between the internal reference price and the actual price is the price unfairness (Oh, 2003). Perception of price fairness, based on the gain-loss ratio of exchange parties, contains perceived disadvantageous price unfairness and perceived advantageous price unfairness (Martins & Monroe, 1994). Perceived disadvantageous price unfairness occurs either when a consumer pays a higher price and receives an equivalent product compared with other customers or when a customer pays the same price but receives a lesser quality or quantity of product (Martins & Monroe, 1994). Conversely, perceived advantageous price unfairness results in either paying the same price and receiving more product than other consumers or paying less

and obtaining the same product (Martins & Monroe, 1994). The results of both perceptions of advantageous and disadvantageous price unfairness may lead to negative consequences for sellers, such as consumers complaining, switching to substitute sellers or products, leaving the transaction, or spreading negative word-of-mouth (Campbell, 1999b; Dickson & Kalapurakal, 1994; Xia et al., 2004). Thus, this study regards that consumers' perceived price fairness, either advantageous or disadvantageous, moderates the relationship between perceived price and willingness to purchase.

Vanity

In the context of Veblen's theory of the leisure class, conspicuous consumption is used to display one's wealth and success. In this research, vanity, an individual's trait to express excessive pride in appearance or achievement (Durvasula & Lysonski, 2008), is proposed as a moderator on the relationship between perceived price and willingness to purchase.

In the decision-making process, consumers are usually influenced by not only external motives (e.g., advertising appeals, peer approval), but also by internal motives (e.g., vanity, self-consciousness) (Fenigstein, Scheier, & Buss, 1975). One internal motive, vanity, has been studied by many researchers (Burton, Netemeyer, & Lichtenstein, 1995; Durvasula et al., 2001; Netemeyer et al., 1995; Raskin & Terry, 1988; Watson, Rayner, Lysonski, & Durvasula, 1999; Workman & Lee, 2011).

Vanity is a human trait that is influenced by several factors, such as psychological pressure and social pressure (Durvasula et al., 2001). Netemeyer et al. (1995) addressed vanity as a psychological construct that is defined as "a fixation on physical appearance

and achievement of personal goals" (p. 612). That is, vanity is considered as excessive pride in one's appearance or accomplishments (Durvasula & Lysonski, 2008). Similarly, Miller (1970) stated that physical appearance and personal achievement are major components of vanity. Vanity is generally divided into four dimensions: a concern for physical appearance, a positive (and perhaps inflated) view of physical appearance, a concern for achievement, and a positive (and perhaps inflated) view of achievement (Netemeyer et al., 1995). The first two dimensions are about the domain of physical vanity, while the latter two dimensions belong to the domain of achievement vanity.

Physical vanity

Physical vanity focuses on the degree to which a person considers physical appearance important (Durvasula & Lysonski, 2008). Physical vanity addresses the idea that individuals who are concerned with their physical appearance are more likely to compare their appearance to others (Watchravesringkan, 2008). A concern for physical appearance refers to a consciousness that one should be more attractive than others (Netemeyer et al., 1995). A positive view of physical appearance means that others think one has an attractive physical appearance (Chang et al., 2011). Achieving perfection in one's physical appearance may lead to dieting, cosmetic surgeries, clothing, cosmetics, etc. (Burton et al., 1995; Durvasula & Lysonski, 2008). Several studies have reported that people with high levels of physical vanity tend to enjoy greater occupational success (Dickey-Bryant, Lautenschlager, Mendoza, & Abrahams, 1985; Kleck, Richardson, & Ronald, 1974).

Achievement vanity

Achievement vanity focuses on the degree to which a person regards success or social status as important (Netemeyer et al., 1995). Achievement is a greater accomplishment when compared against performance standards (Spenner & Featherman, 1978), for example, attainment of social status, attainment of professional career, financial success through jobs, etc. (Durvasula & Lysonski, 2008). Achievement vanity is visible when consumers use conspicuous consumption as a way of demonstrating status and success (Durvasula & Lysonski, 2008). Thus, consumers would like to display their successes, conveying their accomplishments through the possession of expensive products (Durvasula & Lysonski, 2008).

Netemeyer et al. (1995) insisted that there is a strong relationship between achievement vanity and possessions. Since achievement vanity is observed when material possessions are displayed to indicate personal achievement, consumers who want to display success or social status have a tendency to possess "showing off" materials (Hirschman, 1990). As evidence, materialism is used as a symbol of achievement vanity (Richins & Dawson, 1992). Consumers buy products whose advertising promises them value for the money (social status, prestige, etc.) to fulfill achievement vanity. In addition, purchasing branded goods, personalized goods, and luxury goods is seen as a means to evaluate consumers' success (Chang et al., 2011). As a personal trait to convey one's pride of appearance of achievement, the consumer's level of vanity is expected to be an important factor in this research in measuring the relationship between perceived price and willingness to purchase.

Consumer Sophistication

The concept of consumer sophistication was first introduced by Sproles et al. (1978). Consumer sophistication is defined as "an individual's aggregated level of acquired knowledge, experience in purchasing products, and skills which are relevant to being an efficient decision maker" (Sproles et al., 1978, p. 91). Titus and Bradford (1996) conceptualized consumer sophistication as "the extent to which consumers possess and utilize the characteristics and abilities necessary to make efficient consumer decisions and participate in wise purchase practices" (p. 174).

Similar terms that are used interchangeably with consumer sophistication include consumer savvy, consumer creativity, and market maven. Consumer savvy explains the competency of consumers with an array of practical skills and knowledge to respond to a constantly changing natural and human environment (Macdonald & Uncles, 2007). Similar to consumer sophistication, consumer creativity, as defined by Hirschman (1980), is the problem-solving capability possessed by the individual in consumption-related problems. Feick and Price (1987) presented market mavens as "individuals, who have information about many kinds of products, places to shop, and other facets of markets, and who initiate discussions with consumers and respond to requests from consumers for market information" (p. 85). Even though these concepts share similar traits with consumer sophistication, the concept of consumer sophistication may be more implicit and inclusive, so this study focuses on consumer sophistication as a possible moderator.

A sophisticated consumer refers to an individual who can handle information efficiently, has plenty of experiences in the product category, and enjoys shopping and

sharing these experiences with others (Sauer, 2004). That is, an individual who acquires an aggregated level of knowledge about products and skills to choose relevant decision-making is characterized as a sophisticated consumer (Kim & La, 2012). Singh (1990) conceptualized an overall characteristic of a sophisticated consumer as a consumer who (1) is knowledgeable in the marketplace, (2) is aware of consumer production rights, (3) is concerned about product quality and satisfaction, and (4) has complaint mechanisms.

Previous studies have found that the main characteristics of sophisticated consumers are being better educated (Hirschman, 1980), well-informed, more knowledgeable (Sproles et al., 1978), experienced in purchasing (Sproles et al., 1978), value driven (Feick & Price, 1987), more efficient (Titus & Bradford, 1996), and skilled in using information and searching (Feick & Price, 1987). It is also believed that sophisticated consumers exhibit a continuous effort in their search behavior, information processing, and brand evaluation (Liu, 2010). The skills of consumer expertise and product knowledge are required to be sophisticated consumers (Sauer, 2004). Moreover, sophisticated consumers are happier with their purchase decisions and present higher satisfaction with the resulting consumption than less sophisticated consumers (Liu, 2010; Newell, Wu, Titus, & Petroshius, 2011). Given this, sophisticated consumers are characterized as confident and comfortable with functioning in the role of consumer or buyer compared to less sophisticated consumers. Thus, since consumer sophistication varies within the population of consumers, a consumer's level of sophistication may influence the relationship between perceived price and willingness to purchase.

Model Development

The Proposed Model

This study began with the investigation of the relationship between perceived price and willingness to purchase. Most previous studies have supported the result that higher perceived price lowers consumers' willingness to purchase. However, this study considers whether the relationship is always negative. To this end, this study explores factors that serve as antecedents of perceived price and moderators on the relationship between perceived price and willingness to purchase in the U.S. and India.

Based on the extensive review of literature, this study proposes a comprehensive research framework and seven hypotheses in each country. The research framework consists of two parts, Phase I and Phase II. The framework of Phase I is based on signaling theory. Signaling theory explains that signal information conveys implicit meanings to an individual to help understand, interpret, and judge in interaction. Consumers assess the price of a product based on multiple signals they receive in the marketplace. References on which to judge the price of products included in this study are symbolic brand benefits, perceived brand globalness, and perceived brand quality; these three factors serve as antecedents of perceived price in the proposed research framework in each country.

The framework of Phase II is a confirmation of equity theory and Veblen's theory of the leisure class. In Phase II, three moderators are integrated into the research framework. First, perceived price fairness is utilized as a moderator on the relationship between perceived price and willingness to purchase. According to equity theory,

consumers expect fairness and equality relationships in exchanges, so perceived price

fairness is employed to assess the buyer's judgment about reasonable and acceptable price.

Price fairness is judged by the perceived price; thus, the relationship of perceived price,

perceived price fairness, and willingness to purchase is incorporated into the Phase II

research framework. The next moderator employed in this study is vanity. According to

Veblen's theory of the leisure class, consumers exercise conspicuous consumption in

order to display their success and wealth (O'Cass & McEwen, 2004) and their level of

vanity (i.e., an obsession with physical appearance and achievement of personal goals).

Therefore, vanity will play a role when consumers judge prices and make purchases. The

final moderator included in the Phase II framework is a consumer's level of sophistication.

As the characteristics of a sophisticated consumer, the consumer's aggregated level of

knowledge, experience, and skills is utilized in the perceived price-willingness to

purchase relationship. This study viewed that depending on consumers' level of

sophistication, their use of price as a cue and its impact on purchase decision may be

different; thus, consumer sophistication is incorporated in Phase II as a moderator.

The essence of the proposed framework posits symbolic brand benefits, perceived

brand globalness, and perceived brand quality as antecedents of perceived price, which

leads to willingness to purchase. Figure 2 illustrates the proposed main research

framework and the four hypotheses (i.e., Phase I). In order to compare the country

differences, each hypothesis was tested in the U.S. and India separately; thus, each

hypothesis is composed of two sub-hypotheses with "a" testing in the U.S. and "b" testing

in India (e.g., H1a: symbolic brand benefits → perceived price in the U.S.; H1b:

symbolic brand benefits → perceived price in India). The study framework also posited

that the relationship between perceived price and willingness to purchase differs when

three moderators (i.e., perceived price fairness, vanity, and consumer sophistication)

come into play. Figure 3 depicts the proposed research framework of moderating effects

on the relationship between perceived price and willingness to purchase in Phase II. As in

the Phase I research frame, each hypothesis in the Phase II model was tested in the U.S.

and India separately; thus, each hypothesis contains two sub-hypotheses (e.g., H5a = US,
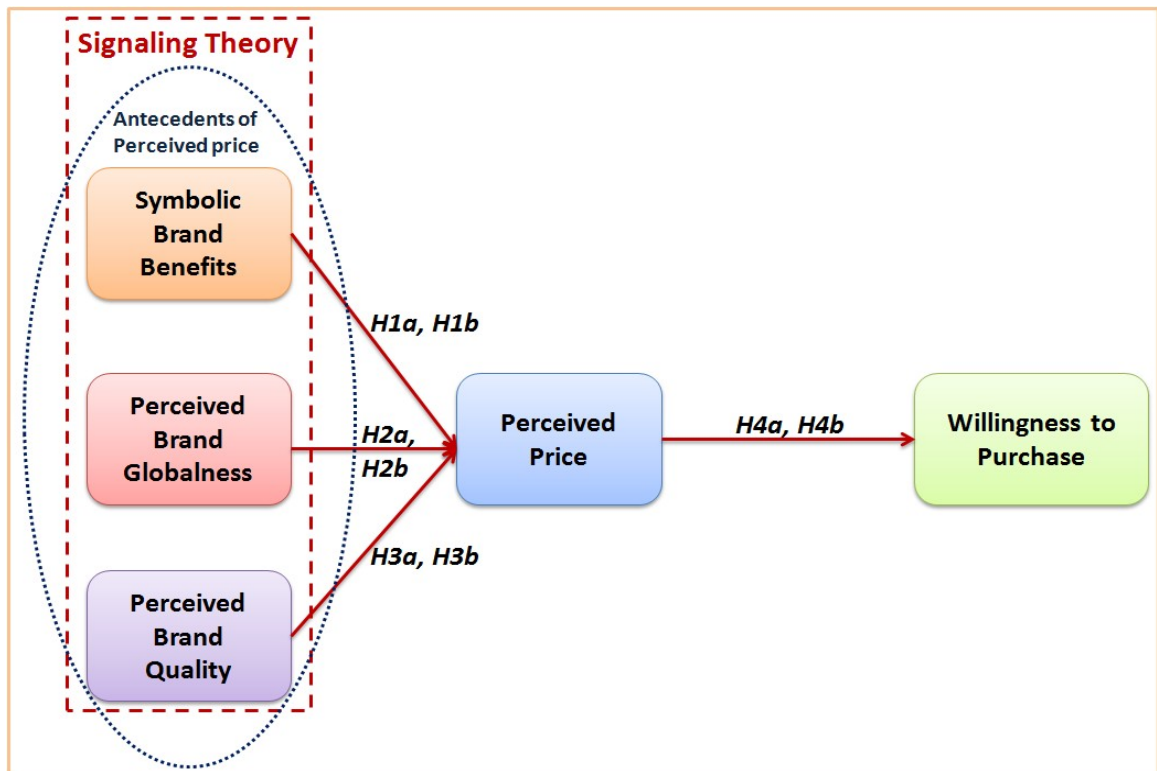
H5b = India).

Note: This research framework was tested in each country separately, so two sub-hypotheses are indicated in the study (e.g., H1a = US; H1b = India).

Figure 2. The proposed model explaining the antecedents of perceived price: Phase I.
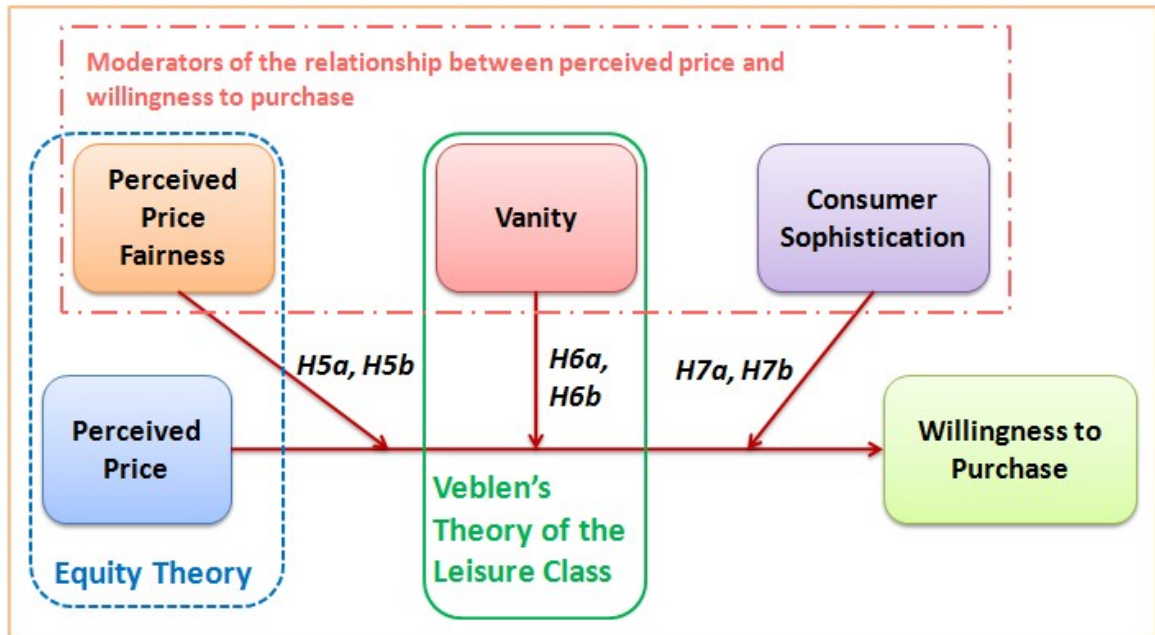
Note: This research framework was tested in each country separately, so each hypothesis includes two sub-hypotheses (e.g., H5a = U.S. H5b = India).

Figure 3. The proposed model explaining the moderating effects on the relationship between perceived price and willingness to purchase: Phase II.

Hypothesis Development

Antecedents of Perceived Price in Phase I

<u>*Effect of Symbolic Brand Benefits on Perceived Price.*</u>

Regarding the impact of symbolic brand benefits on perceived price, this study posited a positive relationship between the two. As Levy (1959) pointed out, consumers purchase products not only for what a product can do, but also for what the product means. For example, people purchase an iPhone over an Android because of the symbol that the iPhone generates, rather than for its ability to make a phone call. That is, a symbolic benefit of a brand serves an important role in differentiating the brand from other brands or competitors. Consumers purchase symbolic benefits in a brand to satisfy

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the internal fulfillment needs of self-enhancement, role position, self-image, or ego-identification (Park et al., 1986).

To meet consumers' needs of self-image, social position, or self-enhancement, a brand with symbolic benefits relies highly on prestige and luxury image (Fionda & Moore, 2008). To convey this sense of luxury, prestige, or exclusivity to consumers, brands focusing on symbolic benefits often position themselves as luxury brands and expensive high-end brands (Fionda & Moore, 2008; Keller, 2003; Solomon, 1983). According to signaling theory, a brand choice can send meaningful social signals to other consumers (Wernerfelt, 1990), and high price or luxury image can certainly be interpreted as a signal of prestige and social status.

A high price position is one of the pricing strategies for a brand with symbolic benefits (Martineau, 1958; Wood, 2007). Since a brand with a symbolic concept focuses mainly on social-symbolism and self-symbolism (Elliott, 1997), the price positioning tends to be higher than with products that center on functional image and benefits in the same category (Verhoevan, van Rompay, & Pruyn, 2009). In summary, a brand with luxury, prestige, or status symbol uses a high price strategy, so it signals a high price. Therefore, this study postulated that the more consumers perceive symbolic benefits in a brand, the higher price consumers will perceive.

H1: A positive relationship will exist between *symbolic brand benefits* and *perceived price*.

Effect of Perceived Brand Globalness on Perceived Price.

Brand globalness is defined as a brand that has a global image, a same marketing strategy, and availability in international markets (Steenkamp et al., 2003). Thus, the belief is that perceived brand globalness creates consumer perceptions of brand superiority in terms of quality and value of products (Apaydin, 2011; Holt et al., 2004; Kapferer, 1997; Keller, 1998; Shocker et al., 1994). Even though the quality and value of products may not be objectively superior to local or domestic brands, consumers prefer global brands because of associations of global brands with higher prestige, sophistication, urbanism, and modernism (Bearden & Etzel, 1982; Friedman, 1990; Kumar, Lee, & Kim, 2009; Priyono, 2009; Thompson & Tambyah, 1999). In Doran's (1997) study, Chinese consumers preferred to purchase global brand electronic goods over local brands, regardless of price. This preference is created not only by the quality of the product, but also by the globalness of the product. The result of Doran's study shows that since obtaining the global brand product brings prestige, status, cosmopolitanism, and self-esteem to consumers, the global brand product is deemed favorable over local brands.

Brand globalness signals superiority of products, which allows firms to claim a premium pricing strategy. Many previous studies have insisted that a premium price is one of the features of global brands (Apaydin, 2011; Batra et al., 2000; Bearden & Etzel, 1982; Erdem et al., 2008; Kumar et al., 2009; Özsomer & Altaras, 2008; Steenkamp et al., 2003). The main reason to charge a premium price is to create and appeal to the credibility, prestige, quality, and country-of-origin of the global brand. Moreover, a brand

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with globalness is associated with a lifestyle of more advanced economies, and this notion is found in a significant amount of advertising (Akram et al., 2011). As a result, consumers believe that global brands evoke higher quality, credibility, prestige, and social status, and perceived brand globalness increases their self-esteem. Thus, these generated images of global brands signal a more expensive price than local brands, which creates a high perceived price in consumers' minds. Consequently, this study expected that the more a consumer perceives globalness in a brand, the higher price a consumer will perceive in the brand.

H2: A positive relationship will exist between *perceived brand globalness* and *perceived price*.

Effect of Perceived Brand Quality on Perceived Price.

The relationship between perceived brand quality and perceived price is a salient outcome of previous studies, and a significant amount of research supports the positive relationship between perceived brand quality and perceived price (Bagwell & Riordan, 1991; Chang & Wildt, 1994; Chapman & Wahlers, 1999; Dodds & Monroe, 1985; Jacoby et al., 1971; Lichtenstein et al., 1993; Monroe & Krishnan, 1985; Motes, 1987; Olshavsky, Aylesworth, & Kempf, 1995; Scitovszky, 1945; Tellis & Wernerfelt, 1987). However, most studies have confirmed the positive effect of perceived price on perceived brand quality, rather than the positive influence of perceived brand quality on perceived price.

This study posited that if price is used as a cue of quality, then quality also serves as a cue of price, meaning that high quality will lead consumers to perceive high price.

Perceived brand quality is conceptualized in terms of superiority or excellence of product performance in consumers' minds (Martins & Monroe, 1994; Zeithaml, 1988), and it is the primary driver of purchase likelihood (Jacoby & Olson, 1985).

One of the quality indicators is credibility. As brand credibility perceptions increase, the perceived price of the brand is also enlarged (Erdem et al., 2006). Additionally, the credibility of the seller drives the quality of a product. Sellers of high-quality products are able to charge a price that is higher than "the minimum average cost (or marginal cost) of high quality" (Klein & Leffler, 1981, p. 622). In the context of the present study, consumers expect a high price for superiority of the product quality and when the brand and seller credibility are great.

Moreover, another indicator of product quality is price difference. Previous research has suggested that price differences are frequently interpreted in terms of quality differences (Bolton, Warlop, & Alba, 2003). For example, if a consumer sees an Italian cashmere sweater in a store, the consumer will probably expect a higher price, whereas if he/she sees a combination nylon/wool sweater in the same store, he/she will definitely anticipate a lower price than the Italian cashmere sweater. In this sense, improvement of quality could indicate the price increase (Chiang & Jang, 2006). Given this, when consumers perceive higher quality in a product, they will perceive the price as high.

H3: A positive relationship will exist between *perceived brand quality* and *perceived price*.

Effect of Perceived Price on Willingness to Purchase.

The perceived price is defined as the process by which consumers interpret the information about price and attribute value to a good or service (Jacoby & Olson, 1977; Lichtenstein et al., 1988; Lichtenstein et al., 1990; Lichtenstein et al., 1993; Sternquist et al., 2004).

The link between price and intent to purchase has been confirmed by many studies (Chiang & Jang, 2006; Dickson & Sawyer, 1986; Huber et al., 1986; Sternquist et al., 2004; Winer, 1986). When making purchase decisions, consumers often follow the interpretation process of price information in terms of overall price level or perception of price (Winer, 1986). In general, consumers have a set of prices that they find acceptable for a considered purchase (Dodds, 1995). In that sense, when the perceived price is too high, a consumer's willingness to purchase a certain product will diminish (Chiang & Jang, 2006; Dodds et al., 1991; Ha-Brookshire, 2012; Özsomer & Altaras, 2008), while if the perceived price is reasonable, the consumer's willingness to purchase is likely to increase.

Previous studies have confirmed the negative relationship between perceived price and purchase intention. Chang and Wildt (1994) found that as the perceived price of PCs increases, the willingness to purchase PCs decreases. When the price of hotel room rates is perceived to be favorable, the intention to book hotel rooms grows (Chiang & Jang, 2006). In the same notion, retailers frequently utilize a low-price strategy to increase consumers' purchase intentions (Byun & Sternquist, 2011). Based on previous

studies, this study hypothesized that perceived price has a negative effect on purchase intention.

H4: A negative relationship will exist between *perceived price* **and** *willingness to purchase***.**

Expectations of Country Differences in Phase I

This study postulated that factors (i.e., symbolic brand benefits, perceived brand globalness, and perceived brand quality) that influence perceived price will vary by country (i.e., the U.S. and India) because consumers' perceptions of price may differ by varying levels of cultural differences and economic development (Hofstede, 2001; Kwak, Jaju, & Larsen, 2006; Nicholls et al., 1996). As mentioned previously, a brand with symbolic images is favored by consumers in large power distance countries (De Mooij, 2003; Eng & Bogaert, 2010; Hofstede, 1984; Shukla & Purani, 2012; Souide et al., 2011). The brand that holds symbolic and sensory images conveys an individual's social rank, status, and position due to the high-price strategy. In other words, to display one's social status and power to others, high priced products and expensive goods are likely to be purchased in large power countries, especially India, because high priced items convey wealth, success, and achievement to consumers (Lakshman, 2006). In Lee, Kim, Pelton, Knight, and Forney's (2008) study, the finding supported that even though the premium price is perceived, college students in Mexico are likely to purchase a U.S. apparel brand because the U.S. product generates symbolic brand benefits to them. In this sense, perceived price will be high when symbolic brand benefits are observed in India.

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Global brands are preferred in emerging economies and economically less developed countries (i.e., India) since the global brands are associated with sophistication, urbanism, modernism, fashionability, and prestige (Doran, 1997; Thompson & Tambyah, 1999). The result of Kumar et al.'s (2009) study supported that Indian consumers prefer to buy American apparel brands over domestic and local brands due to not only the quality of the product, but also the product's brand globalness. Most brands with global image are positioned in high-priced ranges. In the case of Levi's jeans, as seen in Figure 1, the price of Levi's jeans in global markets is much higher than in the U.S. market. For example, the price of Levi's 501 jeans in China is about two and a half times higher than the price of Levi's jeans in the U.S. (e.g., $158 in China vs. $64 in US). Thus, the impact of brand globalness on perceived price will be high in India.

Perceived quality is one of the most significant indicators in the decision making process. It has been discussed that consumers in emerging markets suspect the quality of their domestic brands and local brands (Kumar et al., 2009; Lee et al., 2008). Consumers in emerging markets often believe foreign brands, luxury brands, or prestige brands have significant credibility of quality (Lee et al., 2008). For example, Indian consumers have positive attitudes toward foreign apparel brands due to the high quality of foreign brands (Lee, Kumar, & Kim, 2010). In addition, consumers in Taiwan have a more positive attitude toward a U.S. apparel brand than its domestic counterpart due to the quality aspect (Wang & Heitmeyer, 2006). As a result, the improvement of perceived quality of the product leads to a high perceived price in consumers' minds (Chiang & Jang, 2006).

Given this, perceived brand quality will have a positive relationship with perceived price in India.

The negative relationship between perceived price and willingness to purchase has been indicated in previous studies regardless of culture and country. Kwon and Schumann's (2001) study found that a greater price than one's expected price diminished purchase intention in the U.S. Chinese consumers place the highest importance on price when they purchase denim jeans (Jin, Park, & Ryu, 2010). Similarly, Indian consumers list price as the most important attribute when selecting apparel products (Bennur & Jin, in press). As found with previous studies, a higher perceived price will decrease consumers' willingness to purchase in India.

This study indicated positive relationships will exist between each antecedent (i.e., symbolic brand benefits, perceived brand globalness, and perceived brand quality) of perceived price and perceived price in India. Similar to the U.S., the positive relationships in each path were postulated in India; however this study expected slight variation by country due to the diversity of economic development and culture. The results of testing each hypothesis in the U.S. and India were compared to examine two country differences.

Moderating Effects on the Perceived Price-Willingness to Purchase Relationship:

Phase II

<u>*Moderating Effect of Perceived Price Fairness on the Relationship Between Perceived*</u>

<u>*Price and Willingness to Purchase.*</u>

      This study expected that the relationship between perceived price and willingness

to purchase would be moderated by perceived price fairness. Based on equity theory,

perceived price fairness refers to the equal amount of input and output that consumers

expect in return; that is, the actual price should be equal to the price that consumers

expect (Gielissen et al., 2008). Perceived price fairness judgment is based on comparison

in terms of either comparison between other consumers or comparison from previous

experiences; thus, the judgment is subjective (Xia et al., 2004). Consumers already have

ideas about what a fair price is for a given product. Therefore, if the price is considered to

be unfair, the willingness to purchase the product will decrease (Campbell, 1999a, 1999b;

Huppertz et al., 1978; Kamen & Toman, 1970). According to Martins and Monroe (1994),

the difference (i.e., negative or positive) between the perceived fair price and the actual

price dampens consumers' willingness to purchase.

      However, the judgment on price fairness is not solely based on a price aspect.

Factors such as brand name, product quality, and store reputation are also used by

consumers to judge price fairness (Xia et al., 2004). For example, a consumer may think

the price of $150 for a pair of shoes is expensive but worth paying because the shoes are

a high quality Italian brand leather product. Hence, the willingness to purchase the shoes

will increase. In the same vein, even when a consumer perceives that a price is high, it

may be fair to pay that amount of money to gain the value or quality of the product; thus, the willingness to purchase will rise. In addition, when the seller has greater power (e.g., brand name or reputation), the willingness to purchase is actually greater despite the greater perceived unfairness of price (Maxwell, 2002). That is, as with equity theory, consumers will focus on the gain-loss ratio of the outcome based on their judgment of the products/services, not only on the perceived price. In line with this logic, this study expected that the willingness to purchase is higher among consumers with a high level of price fairness even though the perceived price is high, while the willingness to purchase is lower among consumers with a lower level of price fairness although the perceived price of the product is low.

H5: *Perceived price fairness* will moderate the relationship between *perceived price* and *willingness to purchase*, such that a *positive* relationship will exist in consumers with a high level of price fairness and a *negative* relationship will exist in consumers with a low level of price fairness.

Moderating Effect of Vanity on the Relationship Between Perceived Price and Willingness to Purchase.

Vanity is characterized as an individual's trait to achieve success and show off social status. The level of vanity varies by individual; therefore, this study posited that the relationship between perceived price and willingness to purchase is moderated by a consumer's level of vanity. Vanity is the desire of consumers to signal their social status and wealth, and consumers with high vanity tend to possess luxury designer clothing and

luxury cars to make their social status observable to others (Belk, 1985; Grilo et al., 2001).

Numerous studies have identified the relationship between vanity and consumer behavior (Mandel, Petrova, & Cialdini, 2006). Mui (2004) found that some consumers spend as much as $450 for a pair of Gucci pants to demonstrate their success and achievement. Yoo and Lee (2009) found that consumers with high vanity will purchase a genuine luxury designer brand product that is ten times more expensive than a counterfeit luxury product. The results of these studies indicate that consumers with high vanity are very reactive to a premium price. In support of this notion, Hung et al. (2011) found that achievement vanity has a moderating influence on the relationship of luxury perception and purchase intention. These results indicate that a consumer with a high level of vanity spends more money and purchases luxury brand products. In other words, spending becomes an essential element of establishing the individual's social status and position, and the meaning of goods is decided by prices and brands (Chao & Schor, 1998). That is, higher priced brands and products carry more status; thus, an individual with a high level of vanity spends more money and pays premium prices for products (Chao & Schor, 1998).

As hypothesized previously, the relationship between perceived price and willingness to purchase is negative. In other words, a higher perceived price leads to a lower willingness to purchase. However, if a consumer has a high level of vanity, the relationship between perceived price and willingness to purchase will change. In order to show off and advertise one's status and wealth, the higher perceived price might be

preferred by consumers with high vanity. Therefore, this study anticipated that the relationship between perceived price and willingness to purchase is positive among consumers with a high level of vanity. In contrast, consumers with a lower level of vanity will not purchase the products with high perceived prices.

H6: *Vanity* will moderate the relationship between *perceived price* and *willingness to purchase,* such that a *positive* relationship will exist among consumers with a high level of vanity and a *negative* relationship will exist among consumers with a low level of vanity.

Moderating Effect of Consumer Sophistication on the Relationship Between Perceived Price and Willingness to Purchase.

This study expected that the relationship between perceived price and willingness to purchase is moderated by a consumer's level of sophistication because the aggregate level of knowledge about and experience with products varies by individual. Generally, consumer sophistication is assumed as a consumer's attainment of knowledge about products, experience in purchasing products, and skills to make an appropriate decision (Sproles et al., 1978; Titus & Bradford, 1996). Moreover, sophisticated consumers use different information to judge products than do less sophisticated consumers (Biswas & Sherrell, 1993). Less sophisticated consumers use only extrinsic cues (e.g., price and brand name) as indicators of the quality of a product, but sophisticated consumers rely on intrinsic cues (i.e., physical product attributes) (Park & Lessig, 1981; Rao & Monroe, 1989). Since consumer sophistication leads an individual to be a clever consumer, sophisticated consumers know prices, qualities, and values better, and they are not easily

fooled by marketers. In addition, highly sophisticated consumers may be more critical (Sproles et al., 1978) when they make a decision on the numerous goods and services available. Sophisticated consumers compare price, quality, and value of products over alternatives and put effort into making wise decisions. On the other hand, less sophisticated consumers are easily fooled by marketers because of a lack of knowledge, experience, and skills with products and brands. As a result, less sophisticated consumers easily believe that products with high prices have high quality and high value (Sjolander, 1992).

Given this, highly sophisticated consumers are not likely to purchase a high priced product because of their confidence about their purchase judgments. In contrast, less sophisticated consumers tend to have a high willingness to buy products with a high perceived price because they believe a high price signals high quality. Therefore, the level of consumer sophistication plays an important role as a moderator on the relationship between perceived price and willingness to purchase. Thus, this study expected that the negative path between perceived price and willingness to purchase is stronger in highly sophisticated consumers and weaker in less sophisticated consumers.

H7: The negative relationship between perceived price and willingness to purchase will be moderated by consumer sophistication level, such that the relationship will be *stronger* among *highly sophisticated consumers* and *weaker* among *less sophisticated consumers*.

Expectations of Country Differences in Phase II

This study expected that the relationship between perceived price and willingness to purchase is moderated by perceived price fairness, vanity, and consumer sophistication in both countries. As India is expected to be different from the U.S., this study anticipated country differences in the moderating effects on the relationship of perceived price-purchase intention.

Indian consumers tend to depend greatly on the price itself when making a decision (Sinha, 2003). In other words, they are very price driven consumers and price is the most important cue leading to purchase intention. Since Indian consumers are so sensitive to price, the judgment on price fairness might be based solely on a price aspect. When they feel the price is acceptable or cheap compared to other consumers, previous experiences, or a competitor's price, the willingness to purchase increases. On the other hand, the willingness to purchase decreases when consumers perceive that the price is not cheap or fair compared to reference prices. In line with this logic, this study postulated that the relationship between perceived price and willingness to purchase is moderated by perceived price fairness among Indian consumers, as well as among U.S. consumers.

Since vanity is an individual's tendency to show off one's physical attractiveness and achievement, country differences might not be noticeable in the relationship between perceived price and willingness to purchase. As with U.S. consumers, consumers in emerging economies tend to show off financial achievement and success (Durvasula & Lysonski, 2008). Recently, Indian consumers have become more likely to display their prosperity as wealth among several segments, such as their house, car, luxury and

designer clothing, and vacation, to make themselves observable to others (Lakshman, 2006). In addition, women in India demonstrate their success with their physical attractiveness because of their lower role in society and the workforce (Thiyagarajan & Shanthi, 2012). Thus, women in India have a significant concern for their appearance, and the greater concern for physical attractiveness links to a high level of vanity (Thiyagarajan & Shanthi, 2012). As hypothesized previously, a high level of vanity leads consumers to pay more and spend more money on products (Chao & Schor, 1998). Hence, this study expected that vanity moderates the relationship between perceived price and willingness to purchase among Indian consumers and among U.S. consumers.

The level of consumer sophistication is related to the knowledge of the product, experiences in purchasing products, and skills in decision making (Titus & Bradford, 1996). Since, similar to vanity, consumer sophistication is an individual aspect, this study expected that consumer sophistication moderates the relationship between perceived price and willingness to purchase in both countries. If a consumer has significant experience in purchasing, the consumer does not rely mainly on a price aspect because he/she judges the product by its features, texture, color, label, brand name, function, etc. As opposed to the highly sophisticated consumer, less sophisticated consumers tend to depend entirely on price because a high price is an indicator of high quality and high value (Sjolander, 1992). In summary, the three moderators were expected to influence the perceived price-willingness to purchase relationship in India, as well as in the U.S. Due to country diversity, this study expected the degree of hypothesized moderating effects on the relationship between perceived price and willingness to purchase to differ slightly by

country. As with Phase I, each hypothesis was tested in the U.S. and India separately, with a hypothesis containing "a" denoting the U.S. and a hypothesis containing "b" denoting India. The findings from the two countries were compared to determine whether the degree of the moderating effect is different by country.

CHAPTER III

METHODOLOGY

This chapter presents the research methodology of this study. First, the data collection procedures and the respondents' characteristics are addressed. Second, the survey instrument development is explained. Last, the statistical data analysis procedure to test the proposed seven hypotheses is explained.

Data Collection

Data for this study were collected between December 2012 and January 2013 from a convenience sample of college students living in Greensboro, North Carolina, in the U.S. and in Mumbai in India. Levi's jeans was the product selected to measure the relationship between perceived price and willingness to purchase because this product is worn by college students all over the world (Wu & DeLong, 2006). Therefore, selecting Levi's jeans for price perception in the two countries was appropriate for this study.

The respondents for this study were college students aged 18 and older in the U.S. and India. College students were chosen as respondents because they are more homogeneous across countries than are members of any other group (Bodey & Grace, 2006). Also, the college student group is the main target of the jeans market in each country (Pokrywczynski & Wolburg, 2001). The respondents for this study were invited to voluntarily participate in the study, and data were collected during class periods with

professor permission in each country. In India, a faculty member who has a thorough understanding of survey methods collected data from her institution.

Initially, a total of 800 questionnaires (400 in each country) were distributed, and a total of 651 responses were collected. Questionnaires that were incomplete or insincere were excluded prior to data analysis. To identify insincere responses, a researcher checked each item on each questionnaire. For example, if a respondent answered the same number in a row through the entire questionnaire (e.g., 1-1-1-1-1-1-1 or 7-7-7-7-7-7-7), the questionnaire was regarded as insincere. A total of 543 usable data sets were included for data analysis after eliminating 108 incomplete or insincere questionnaires. Of the 543 data sets, 287 were collected from U.S. college students and 256 were collected from Indian college students.

To analyze respondents' characteristics, SPSS 20.0 was utilized. The U.S. data were comprised of students in grades freshman (n=67), sophomore (n=72), junior (n=86), and senior (n=56); six respondents did not specify a grade. The mean age of respondents was 20.78, and the range was 18 to 41 years old. In terms of gender, female students were 82.2% (n=236) of the sample. The ethnic background of respondents was 49.1% (n=141) Caucasian, 34.8% (n=100) African American, 5.3% (n=15) mixed ethnicity, 3.8% (n=11) Hispanic, 3.5% (n=10) Asian, and 2.8% (n=8) other ethnic background. About 80% of respondents reported that their personal monthly income was less than US$1,000. For the India data, the college status of students responding was freshman (n=65), sophomore (n=82), junior (n=54), and senior (n=55). Among the respondents, 73.8% (n=189) were female students, and the mean age was 19.56, ranging from 18 to 25 years old.

Table 3. Characteristics of respondents

Profile		USA (N=287)		India (N=256)	
		Frequency	%	Frequency	%
Gender	Male	49	17.1	67	26.2
	Female	236	82.2	189	73.8
	Missing	2	0.7	-	-
	Total	287	100	256	100
Age	18-20	154	53.8	205	80.0
	21-24	87	30.3	47	18.4
	25-30	17	5.9	1	0.4
	31-35	3	1.0	-	-
	36 or above	3	1.0	-	-
	Missing	23	8.0	3	1.2
	Total	287	100	256	100
Ethnicity	African American	100	34.8	2	0.8
	Asian	10	3.5	220	85.9
	Caucasian	141	49.1	-	-
	Hispanic	11	3.8	1	0.4
	Mixed ethnicity	15	5.3	9	3.5
	Other ethnic background	8	2.8	23	9.0
	Missing	2	0.7	1	0.4
	Total	287	100	256	100
Year in school	Freshman	67	23.3	65	25.4
	Sophomore	72	25.1	82	32.0
	Junior	86	30.0	54	21.1
	Senior	56	19.5	55	21.5
	Missing	6	2.1	-	-
	Total	287	100	256	100
Monthly income	Under $500 (Under Rs5,000 (Under $93))*	161	56.1	101	39.5
	$500 - $749 (Rs5,001 - Rs10,000 ($94 - $186))	30	10.5	79	30.9
	$750 - $999 (Rs10,001 - Rs15,000 ($187 - $279))	36	12.5	42	16.4
	$1000 - $1499 (Rs15,001 - Rs20,000 ($280 - $372))	16	5.6	7	2.7
	$1500 - $1999 (Rs20,001 - Rs30,000 ($373 - $557))	22	7.7	4	1.6
	$2000 or more (Rs30,001 or more ($558 or more))	10	3.5	3	1.1
	Missing	12	4.1	20	7.8
	Total	287	100	256	100

Note: * indicates that monthly income for Indian respondents was converted to US$ based on currency rates on Tuesday, January 29, 2013, (US $1 = 53.9Rs) and was put in parentheses.

Approximately 87% of respondents earned Rs15,000 (US$279) or less monthly. The respondents' characteristics are presented in detail in Table 3.

Survey Instrument Development

The survey questionnaire for this study was developed in English. This version of the questionnaire was used for the participants in India, too, since Indians speak English as their official language.

The survey questionnaire consists of nine sections to gain information on the eight main constructs in the proposed research model plus demographic information: (1) Symbolic brand benefits, (2) Perceived brand globalness, (3) Perceived brand quality, (4) Perceived price, (5) Perceived price fairness, (6) Willingness to purchase, (7) Vanity, (8) Consumer sophistication, and (9) Demographic information of participants.

All items in the questionnaire were measured by a seven-point Likert scale (1= very low, 7=very high or 1=strongly disagree, 7=strongly agree) except perceived price, perceived price fairness, and the demographic information. Items in perceived price and perceived price fairness were evaluated on a five-point semantic differential scale (e.g., very inexpensive ↔ very expensive; unfair ↔ fair). In addition, the original product name/brand name of previous studies was replaced by Levi's jeans in each item in this study. A copy of the questionnaire for U.S. students is attached in Appendix A.

Symbolic Brand Benefits

The symbolic brand benefits construct measures how the product meets the consumer's desire for products that fulfill internally generated needs for self-enhancement, role position, group membership, or self-image. Zhou and his colleagues

(2008) developed a scale to measure the symbolic brand image benefit. The original scale consisted of six items, but only four items were entered to reliability and validity analysis in Zhou et al.'s (2008) study. This study adopted the original six items from Zhou et al.'s (2008) study; they are as follows: "It signifies one's trendy image," "It represents the latest lifestyles," "It symbolizes one's social image," "It is associated with the symbol of prestige," "It tells something about one's social status," and "It is associated with wealth." The six items were evaluated on a seven-point Likert scale (1=strongly disagree, 7=strongly agree) even though the items were measured using six -point scales in Zhou et al.'s (2008) study.

Perceived Brand Globalness

The perceived brand globalness construct measures the perception that can be formed when consumers believe the brand is marketed in multiple countries, which generally helps to create a global image. Steenkamp et al. (2003) extended the perceived brand globalness scale of Batra et al.'s (2000) study. The extended perceived brand globalness scale consisted of three items with a reliability coefficient of .79 (Steenkamp et al., 2003).

This study adopted the three items from Steenkamp et al.'s (2003) study: "To me, this is a global brand," "I do think consumers overseas buy this brand," and "This brand is sold all over the world." These three items in this study were evaluated on a seven-point Likert scale (1=strongly disagree, 7=strongly agree).

Perceived Brand Quality

The perceived brand quality construct measures the consumer's evaluation of the brand's quality. For this study, items were adopted from Keller and Aaker (1992) and Maxwell (2001). The two items from Keller and Aaker's (1992) study are as follows: "This product is very high on overall quality" and "This product is a brand of superior quality." The three items from Maxwell's (2001) study are as follows: "The quality of this product will probably be excellent," "This product will be extremely durable," and "The quality of this product is very reliable." As was done in the studies from which the items were adopted, the five items in this study were measured on a seven-point Likert scale (1=strongly disagree, 7=strongly agree).

Perceived Price

The construct of perceived price aims to measure the interpreted price with competing prices in consumers' minds. According to the official U.S. website of Levi's jeans, a pair of 501 original fit women's jeans is priced at $78 and a pair of men's 501 original fit jeans is priced at $64. However, this study looked for the perceived price of the 501 original fit Levi's jeans in respondents' minds; therefore, the study questionnaire asked each respondent to state his/her estimation of the price of Levi's jeans:

> In the Levi's store, you find a good selection. You decide to choose the 501 original fit Levi's jeans.
> How much do you think the price of Levi's jeans in the market will be?

After asking for the respondent's perceived price of Levi's jeans, five items that asked for the feeling about the price of the Levi's jeans followed. The items of perceived

price were adopted from Oh's (2000) study and were measured on a five-point semantic differential scale. For example, the price charged by Levi's jeans is "very inexpensive ↔ very expensive."

Perceived Price Fairness

In order to measure the construct of perceived price fairness, the following statement was given at the beginning of the section:

>Compared to other comparable pairs of jeans in the market,
>the price of Levi's jeans you indicated in the above is:

The five items to measure perceived price fairness were adopted from Oh's (2000) study, and they were measured on a five-point semantic differential scale. They are as follows: the price charged for the Levi's is "unfair ↔ fair," "a poor match ↔ a good match," "not logical ↔ logical," "inappropriate ↔ appropriate," and "irrational ↔ rational."

Willingness to Purchase

The willingness to purchase construct measures the degree of purchase intention toward the product. The five items used in this study were developed from Dodds et al.'s (1991) study; they are as follows: "The likelihood of purchasing Levi' jeans is," "If I were going to buy a pair of jeans, I would consider buying this product at the price shown," "I would consider buying this product," "The probability that I would consider buying this product is," and "My willingness to buy this product is." All five items were evaluated on a seven-point Likert scale (1=very low, 7=very high).

Vanity

The vanity construct measures four trait aspects of an individual: (1) an excessive concern for physical appearance, (2) a positive view of one's physical appearance, (3) an excessive concern for personal achievement, and (4) a positive view of one's personal achievements. Netemeyer et al. (1995) developed the original vanity scales that consist of these four distinct dimensions. A total of 21 items measured vanity: concern for physical appearance (5 items), view of physical appearance (6 items), concern for achievement (5 items), and view of achievement (5 items). All items were adopted from Netemeyer et al.'s (1995) study and were measured using a seven-point Likert scale (1=strongly disagree, 7=strongly agree).

Consumer Sophistication

To examine the level of sophistication of consumers, this study used the construct of consumer sophistication. Consumer sophistication measures an individual's aggregated level of acquired knowledge, experience in purchasing products, and skills that are relevant to being an efficient decision maker. In Macdonald and Uncles' (2007) study, seven items were used to measure consumer sophistication. This study adopted these seven items: "When viewing a product, I can identify the qualities of the product to persuade me to buy," "I am familiar with product/marketing jargon," "I am really good at cutting through to the value of the product," "When I am shopping, I can spot a good deal or a bargain," "I am good at finding the best price around," "I know when all the sales are on and do most of my shopping then," and "I often try to engage the store keeper in discussion to reduce the price or get something else thrown in." The original seven items

were measured on a five-point Likert scale, but the seven items in this study were assessed on a seven-point Likert scale (1=strongly disagree, 7=strongly agree).

Demographic Information

In the final section, participants were asked to provide demographic information. Gender, age, ethnicity, year in school, and monthly income were gathered. A summary of the items included in the survey instrument is presented in Table 4.

Data Analysis

A variety of statistical procedures were utilized in this study. To test the proposed research framework, structural equation modeling using LISREL 8.8 was used. To analyze the moderating effects on perceived price and willingness to purchase, the respondents' demographic information, and the reliability, SPSS (Statistical Package for the Social Sciences) 20.0 was used. Before testing the hypotheses, SPSS was employed to calculate descriptive statistics, such as means, standard deviations, and skewness of each construct (see Table 5). As shown in Table 5, skewness and kurtosis values of all the items were considered to have an approximately normal distribution.

Table 4. A summary of research constructs and measurement items

Part	Construct (Number Of items)	Items	Reference
1	**Symbolic brand benefits** (6)	Levi's jeans signify my trendy image. Levi's jeans represent the latest lifestyles. Levi's jeans symbolize my social image. Levi's jeans are associated with the symbol of prestige. Levi's jeans say something about my social status. Levi's jeans are associated with my wealth.	Zhou et al. (2008)
2	**Perceived brand globalness** (3)	To me, Levi's jeans is a global brand. I think consumers overseas buy Levi's jeans. Levi's jeans are sold all over the world.	Steenkamp et al. (2003)
3	**Perceived brand quality** (5)	Levi's jeans are very high on overall quality. Levi's jeans is a brand of superior quality. The quality of Levi's jeans will probably be excellent. Levi's jeans are extremely durable. The quality of Levi's jeans is very reliable.	Keller & Aaker (1992) Maxwell (2001)
4	**Perceived price** (5)	The price charged by Levi's jeans is: Very inexpensive ↔ Very expensive A real bargain ↔ A real rip-off Very low ↔ Very high Not pricey at all ↔ Very pricey Very reasonable ↔ Very unreasonable	Oh (2000)
5	**Perceived price fairness** (5)	The price charged by Levi's jeans is: Unfair ↔ Fair A poor match ↔ A good match Not logical ↔ Logical Inappropriate ↔ Appropriate Irrational ↔ Rational	Oh (2000)
6	**Willingness to purchase** (5)	The chance of purchasing Levi's jeans is: If I were going to buy a pair of jeans, I would consider	Dodds et al. (1991)

		buying Levi's jeans:	
		I would consider buying Levi's jeans:	
		The probability that I would consider buying Levi's jeans is:	
		My willingness to purchase Levi's jeans is:	
7	**Vanity** (21)	The way I look is extremely important to me.	Netemeyer et al. (1995)
		I am very concerned about my appearance.	
		I would feel embarrassed if I were around people and did not look my best.	
		Looking my best is worth the effort.	
		It is important that I always look good.	
		People notice how attractive I am.	
		My looks are very appealing to others.	
		People are envious of my good looks.	
		I am a very good-looking individual.	
		My body is sexually appealing.	
		I have the type of body that people want to look at.	
		Professional achievements are an obsession with me.	
		I want others to look up to me for my accomplishments.	
		I am more concerned with professional success than most people I know.	
		Achieving greater success than my peers is important to me.	
		I want my achievements to be recognized by others.	
		In a professional sense, I am a very successful person.	
		My achievements are highly regarded by others.	
		I am an accomplished person.	
		I am a good example of professional success.	

		Others wish they were as successful as I am.	
8	**Consumer sophistication** (7)	When viewing a product, I can identify the quality of the product.	Macdonald & Uncles (2007)
		I am familiar with product/marketing jargon.	
		I am really good at cutting through to the value of the product.	
		When I am shopping, I can spot a good deal or a bargain.	
		I am good at finding the best price around.	
		I know when all the sales are on and do most of my shopping then.	
		I often try to engage the store keeper in discussion to reduce the price or get something else thrown in.	
9	**Demographic information** (5)	Gender Age Ethnicity Year in school Monthly income	Developed by the researcher

Table 5. Descriptive statistics for variables

Variable	Item	Mean		Std. Deviation		Skewness		Kurtosis	
		USA	India	USA	India	USA	India	USA	India
Symbolic Brand Benefits	Trendy image	3.89	4.12	1.63	1.38	-.049	-.167	-.378	.364
	Lifestyle	4.17	4.46	1.61	1.54	-.185	-.244	-.397	-.334
	Social image	3.49	3.81	1.68	1.62	.097	-.084	-.705	-.327
	Prestige	3.49	4.01	1.57	1.69	.068	-.189	-.591	-.699
	Social status	3.41	4.06	1.68	1.65	.098	-.238	-.779	-.467
	Wealth	3.27	3.80	1.70	1.74	.112	-.025	-.945	-.697
Perceived Brand Globalness	Global brand	5.52	5.61	1.36	1.55	-.867	-1.129	.397	.721
	Available overseas	5.46	5.15	1.30	1.55	-.620	-.519	-.443	-.423
	Sold all over the world	5.42	5.68	1.42	1.40	-.723	-.787	.159	-.137
Perceived Brand Quality	Overall quality	5.10	5.05	1.34	1.42	-.502	-.590	-.036	-.007
	Superior quality	4.76	4.95	1.41	1.43	-.358	-.483	-.012	-.020
	Excellent	4.89	4.93	1.33	1.43	-.383	-.508	-.267	.059
	Durable	5.17	5.30	1.32	1.55	-.553	-.834	.100	.216
	Reliable	5.12	5.40	1.36	1.44	-.534	-.903	-.036	.440
Perceived Price	Expensive	3.20	3.36	.903	.810	-.079	-.220	-.197	.429
	Real rip-off	2.86	3.20	.858	.861	.205	-.108	.424	.127
	Very high price	3.28	3.36	.884	.776	.044	-.369	-.006	.895
	Very pricey	3.15	3.29	.974	.878	-.197	-.249	-.192	.199
	Very reasonable	3.01	3.07	.893	.849	-.206	-.065	.015	.604
Perceived Price Fairness	Fair	3.32	3.35	1.01	.946	-.255	-.084	-.207	-.312
	Good match	3.31	3.55	.911	.875	-.123	-.038	-.284	-.680
	Logical	3.36	3.38	.924	.912	-.264	-.156	-.244	-.102
	Appropriate	3.42	3.41	.946	.925	-.274	-.135	-.055	-.121
	Rational	3.35	3.34	.952	.872	-.306	.058	-.050	-.048
Willingness to Purchase	Chance of purchasing	4.14	4.34	1.87	1.56	-.085	-.310	-.946	-.103
	Buying jeans	4.08	4.14	1.89	1.59	-.107	-.198	-.975	-.464
	Consider buying jeans	4.36	4.19	1.81	1.44	-.260	-.134	-.780	-.116
	Probability	4.25	4.23	1.85	1.54	-.193	-.196	-.920	-.430
	Willingness to purchase jeans	4.16	4.22	1.78	1.61	-.111	-.197	-.793	-.498
Vanity	The way I look	5.53	5.40	1.29	1.51	-.801	-.817	.587	.317
	Appearance	5.32	5.24	1.30	1.51	-.543	-.701	.051	.139
	Embarrassed	4.51	4.37	1.60	1.67	-.327	-.290	-.387	-.413
	Looking my best	5.39	4.90	1.27	1.58	-.498	-.492	-.097	-.310
	Always look good	4.90	4.58	1.50	1.65	-.354	-.317	-.405	-.364
	Attractive	4.74	4.34	1.47	1.41	-.236	-.265	-.356	.398
	Appealing	4.77	4.36	1.37	1.29	-.131	-.137	-.222	.662
	Envy	3.82	3.54	1.42	1.59	-.122	.032	.131	-.411
	Good-looking	4.73	4.20	1.43	1.33	-.208	-.079	-.087	.670
	Sexually appealing	4.51	4.05	1.50	1.37	-.201	-.127	-.226	.617
	Body type	4.41	4.00	1.54	1.43	-.171	-.009	-.315	.327
	Professional	4.75	4.62	1.47	1.49	-.312	-.201	-.226	-.219

	achievements								
	Accomplishments	5.34	5.01	1.40	1.55	-.834	-.601	.607	-.015
	Concerned with professional success	4.83	4.72	1.42	1.56	-.390	-.441	-.228	-.137
	Achieving success	4.78	4.68	1.38	1.73	-.450	-.384	.212	-.604
	Achievements recognized by others	5.29	5.25	1.31	1.59	-.529	-.740	.236	.018
	Successful	4.93	4.44	1.23	1.20	-.158	-.168	-.093	.942
	Achievements highly regarded	4.79	4.47	1.21	1.27	-.061	-.070	.130	.553
	Accomplished	5.09	4.25	1.24	1.32	-.622	-.200	.860	.587
	Professional success	4.57	3.83	1.28	1.28	-.056	-.334	.306	.621
	Wish to be successful	4.05	3.76	1.41	1.50	-.093	-.197	.137	-.187
Consumer Sophistication	Identify quality	5.37	5.28	1.21	1.40	-.514	-.530	.324	-.233
	Familiarity	4.86	4.96	1.56	1.45	-.581	-.373	-.049	-.240
	Catching value	4.94	4.69	1.37	1.38	-.348	.032	-.181	-.377
	Good deal	5.65	4.97	1.23	1.59	-.707	-.453	-.133	-.499
	Best price	5.23	4.96	1.41	1.58	-.315	-.356	-.746	-.535
	Sales	4.77	4.58	1.57	1.72	-.371	-.291	-.335	-.623
	Reducing price	3.54	3.73	1.80	1.80	.159	.023	-.874	-.904

CHAPTER IV

FINDINGS

This chapter presents the results of the multi-group confirmatory factor analysis (i.e., measurement invariance test) and the measurement model using confirmatory factor analysis. Finally, the results of the proposed hypotheses tests are presented.

Measurement Invariance Test Analysis

Previous studies have discussed the problems associated with conducting cross-cultural comparative studies, especially the concern that the instruments designed to measure the relevant constructs are cross-culturally invariant (Cheung & Rensvold, 2000; Steenkamp & Baumgartner, 1998). To decide whether each construct measured the same factor loading across the U.S. and India data, covariance matrices of each item were compared.

To test measurement invariance, two steps were employed: a configural invariance test and a metric invariance test. Configural invariance restricts the factor structure to be the same across the groups, and metric invariance constrains all factor loadings to be equal across the groups. Configural invariance works as a baseline model for the metric invariance, and the metric invariance model is compared to the configural invariance model to assess the χ^2 difference. The χ^2 difference test ($\Delta\chi^2$) is used to test for a statistical significant change in the χ^2 value with differences in degrees of freedom

(Δdf) between competing models for assessing model fit (Cheung & Rensvold, 2000). If the test is non-significant, the statistical evidence is consistent with no differences between the groups. In other words, group comparisons are meaningful across the groups since the group structure and factor loadings are equivalent. The configural invariance test and the metric invariance test of each construct are discussed below.

Measurement Invariance Test on Symbolic Brand Benefits

To test symbolic brand benefits for measurement invariance across the U.S. and India samples, configural invariance was first employed and used as the baseline model for metric invariance. The model fit for configural invariance indicated a poor model fit, $\chi^2 = 245.75$ ($df = 18$), p-value = .00, RMSEA = .216, CFI = .91, and NNFI = .86. There was a significant χ^2 difference between metric invariance and configural invariance, $\Delta\chi^2 = 31.33$ ($\Delta df = 5$); therefore, a partial metric invariance test followed. To test partial metric invariance, SBB4, SBB5, and SBB6 were freed up, and the result specified that there was a non-significant χ^2 difference between partial metric invariance and the baseline model, $\Delta\chi^2 = 2.58$ ($\Delta df = 2$), and ΔCFI = .00. A value of ΔCFI smaller than or equal to -.01 indicates that the null hypothesis of invariance should not be rejected (Cheung & Rensvold, 2002). The partial metric invariance test indicated that the factor loadings of SBB4, SBB5, and SBB6 were different across the two cultures, while those of the remaining items (i.e., SBB1, SBB2, & SBB3) were the same across the groups. Table 6 shows the results of configural invariance and the metric invariance test of symbolic brand benefits.

Table 6. The summary of measurement invariance test on symbolic brand benefits

Model	χ^2	df	RMSEA	NNFI	CFI	$\Delta\chi^2$	Δdf	ΔCFI
Configural (1)	245.75	18	.216	.86	.91	-	-	-
Metric (2)	277.08	23	.20	.88	.91	31.33	5	.00
Partial Metric (3)	248.33	20	.21	.87	.91	2.58*	2	.00

Note: *P < .05
Calculation of differences (X= χ^2, df)
ΔX(2) = X(2) – X(1)
ΔX(3) = X(3) – X(1)

Measurement Invariance Test on Perceived Brand Globalness

Following the procedure of the measurement invariance test on symbolic brand benefits, perceived brand globalness was tested. The results of the measurement invariance test are presented in Table 7. The model for configural invariance indicated a perfect fit, χ^2 = 00 (df =0), p-value = .00. With the configural invariance established, the metric invariance model for perceived brand globalness was tested across the two groups. The result of metric invariance revealed that there was a non-significant χ^2 difference between configural invariance and the metric invariance model ($\Delta\chi^2$ = 3.35 (Δdf = 2)). Therefore, the factor loadings of the items measuring perceived brand globalness were invariant across the two groups.

Table 7. The summary of measurement invariance test on perceived brand globalness

Model	χ^2	df	RMSEA	NNFI	CFI	$\Delta\chi^2$	Δdf
Configural (1)	0.00	0	-	-	-	-	-
Metric (2)	3.35	2	.05	.99	1.0	3.35*	2

Note: *P < .05
Calculation of differences (X= χ^2, df)
ΔX(2) = X(2) – X(1)

Measurement Invariance Test on Perceived Brand Quality

Configural invariance of perceived brand quality across the two groups was tested and the model indicated a very good model fit, χ^2 = 80.65 (df =10), p-value = .00, RMSEA = .016, CFI = .96, and NNFI = .92. When comparing the configural and metric invariance models, there was a significant χ^2 difference between the configural and metric invariance, $\Delta\chi^2$ = 10.21 (Δdf = 4); therefore, a partial metric invariance test was employed. The item PBQ2 was freed up when testing partial metric invariance, and there was no significant χ^2 difference between the baseline model and the partial metric invariance model ($\Delta\chi^2$ = 7.42 (Δdf = 3), and ΔCFI =.00). This means that the factor loading of PBQ2 was different across the two cultures, while the other items (i.e., PBQ1, PBQ3, PBQ4, and PBQ5) were the same across the groups. In other words, the value of observed item differences between the U.S. and Indian participants can be interpreted to the differences in the latent variable perceived brand quality. Table 8 presents the results of the measurement invariance test on perceived brand quality.

Table 8. The summary of measurement invariance test on perceived brand quality

Model	χ^2	df	RMSEA	NNFI	CFI	$\Delta\chi^2$	Δdf	ΔCFI
Configural (1)	80.64	10	.016	.92	.96	-	-	-
Metric (2)	90.85	14	.014	.94	.96	10.21	4	.00
Partial Metric (3)	88.06	13	.015	.93	.96	7.42*	3	.00

Note: *P < .05
Calculation of differences (X= χ^2, df)
ΔX(2) = X(2) – X(1)
ΔX(3) = X(3) – X(1)

Measurement Invariance Test on Perceived Price

Configural and metric invariance tests for perceived price were performed across the two groups. The model fit of the configural invariance test signified a very good model fit, χ^2 = 80.64 (df =10), p-value = .00, RMSEA = .016, CFI = .96, and NNFI = .92. After establishing configural invariance, metric invariance was tested and the significant χ^2 difference between the configural and metric invariance models was determined ($\Delta\chi^2$ = 10.21 (Δdf = 4), and ΔCFI = .00). Since metric invariance was significant, partial metric invariance was tested when the item PP2 was relaxed (i.e., freed up PP2). The χ^2 difference between the partial metric and configural invariance was $\Delta\chi^2$ = 7.42 (Δdf = 3), indicating the group differences in corresponding factor loadings did not exist in the U.S. and India samples, except the factor loading of PP2. The summary of the measurement invariance test is presented in Table 9.

Table 9. The summary of measurement invariance test on perceived price

Model	χ^2	df	RMSEA	NNFI	CFI	$\Delta\chi^2$	Δdf	ΔCFI
Configural (1)	80.64	10	.016	.92	.96	-	-	-
Metric (2)	90.85	14	.014	.94	.96	10.21	4	.00
Partial Metric (3)	88.06	13	.015	.93	.96	7.42*	3	.00

Note: *P < .05
Calculation of differences (X= χ^2, df)
ΔX(2) = X(2) – X(1)
ΔX(3) = X(3) – X(1)

Measurement Invariance Test on Willingness to Purchase

Following the process used for the previous constructs, configural and metric invariance tests were imposed for willingness to purchase. The model for configural invariance fit the data very well, χ^2 = 80.64 (df =10), p-value = .00, RMSEA = .016, CFI = .96, and NNFI = .92. There was a significant χ^2 difference between the configural and metric invariance models, $\Delta\chi^2$ = 10.21 (Δdf = 4), and ΔCFI = .00. Therefore, a partial metric invariance test followed when the equality constraint of factor loading for WP2 was freed up. The χ^2 difference between the configural and partial metric invariance tests was insignificant ($\Delta\chi^2$ = 7.42 (Δdf = 3), and ΔCFI = .00), indicating group differences of the factor loadings did not exist in the two groups, except for item WP2. The results of the measurement invariance of willingness to purchase indicated that the value of observed item differences between the U.S. and Indian participants can be interpreted to the differences in the latent variable willingness to purchase (i.e., WP1, WP3, WP4, & WP5). The results of configural and metric invariance test are summarized in Table 10.

Table 10. The summary of measurement invariance test on willingness to purchase

Model	χ^2	df	RMSEA	NNFI	CFI	$\Delta\chi^2$	Δdf	ΔCFI
Configural (1)	80.64	10	.016	.92	.96	-	-	-
Metric (2)	90.85	14	.014	.94	.96	10.21	4	.00
Partial Metric (3)	88.06	13	.015	.93	.96	7.42*	3	.00

Note: *P < .05
Calculation of differences (X= χ^2, df)
ΔX(2) = X(2) – X(1)
ΔX(3) = X(3) – X(1)

Measurement Invariance Test on Perceived Price Fairness

To test the measurement invariance of perceived price fairness, configural invariance was tested across the two groups. The model fit of configural invariance pointed to a very good model fit, χ^2 = 80.64 (df =10), p-value = .00, RMSEA = .016, CFI = .96, and NNFI = .92. Metric invariance test was employed, and the significant χ^2 difference between the configural and metric invariance models was revealed ($\Delta\chi^2$ = 10.21 (Δdf = 4), and ΔCFI = .00). To impose the partial metric invariance test, item PPF2 was freed up, and there was a non-significant χ^2 difference between configural invariance and partial metric invariance, $\Delta\chi^2$ = 7.42 (Δdf = 3), and ΔCFI = .00. This indicates that the factor loadings of perceived price fairness were the same across the two groups, except for PPF2. Table 11 shows the results of the measurement invariance test on perceived price fairness.

Table 11. The summary of measurement invariance test on perceived price fairness

Model	χ^2	df	RMSEA	NNFI	CFI	$\Delta\chi^2$	Δdf	ΔCFI
Configural (1)	80.64	10	.016	.92	.96	-	-	-
Metric (2)	90.85	14	.014	.94	.96	10.21	4	.00
Partial Metric (3)	88.06	13	.015	.93	.96	7.42*	3	.00

Note: *P < .05
Calculation of differences (X= χ^2, df)
$\Delta X(2) = X(2) – X(1)$
$\Delta X(3) = X(3) – X(1)$

Measurement Invariance Test on Vanity

The initial configural invariance was tested on vanity, and the model fit of configural invariance showed a non-acceptable model fit, χ^2 = 3693.84 (df =378), p-value = .00, RMSEA = .21, CFI = .67, and NNFI = .64. A closer examination of the configural invariance test revealed several insignificant factor loadings: V15, V16, V17, V18, and V19. After deleting these five insignificant items (i.e., V15-19), another configural invariance test was employed. The model fit of configural invariance indicated an improved model fit, but it still misfit, χ^2 = 3309.53 (df =208), p-value = .00, RMSEA = .23, CFI = .77, and NNFI = .73. The significant χ^2 difference between configural and metric invariance was presented, $\Delta\chi^2$ = 94.93 (Δdf = 15), and ΔCFI = .01. The following partial metric invariance test was employed when the items of V2, V3, V4, V5, V8, V12, V13, V14, V20, and V21 were freed up. The χ^2 difference between configural invariance and the partial metric invariance test was non-significant, $\Delta\chi^2$ = 8.41 (Δdf = 5), and ΔCFI = .00, indicating the factor loadings of vanity across the two groups were the same,

except in the cases of V2, V3, V4, V5, V8, V12, V13, V14, V20, and V21. Table 12

presents the results of configural invariance and metric invariance tests.

Table 12. The summary of measurement invariance test on vanity

Model	χ^2	df	RMSEA	NNFI	CFI	$\Delta\chi^2$	Δdf	ΔCFI
Configural (1)**	3309.53	208	.23	.73	.77	-	-	-
Metric (2)	3404.46	223	.23	.74	.76	94.93	15	.01
Partial Metric (3)	3317.94	213	.23	.74	.77	8.41*	5	.00

Note: *P < .05
**: according to the result of the initial configural test, insignificant items (i.e., V15-19)
were removed and a second configural test was run.
Calculation of differences (X= χ^2, df)
ΔX(2) = X(2) – X(1)
ΔX(3) = X(3) – X(1)

Measurement Invariance Test on Consumer Sophistication

Configural invariance of consumer sophistication was tested, and the model fit

indices for configural invariance indicated a very poor fit, χ^2 = 285.61 (df =28), p-value

= .00, RMSEA = .18, CFI = .91, and NNFI = .86. The significant χ^2 difference between

configural invariance and metric invariance ($\Delta\chi^2$ = 28.4 (Δdf = 6), and ΔCFI = .01)

required a further partial metric invariance test. The partial metric invariance test was

employed when the items CS1, CS2, and CS4 were freed up. The non-significant χ^2

difference between configural and partial metric invariance tests ($\Delta\chi^2$ = 5.49 (Δdf = 3),

and ΔCFI = .00) indicated that the factor loadings of CS1, CS2, and CS4 were different

across the two groups, while those of the remaining items, CS3, CS5, CS6, and CS7,

were the same. Hence, a comparison of consumer sophistication between the U.S. and

Indian participants can be made, except for items CS1, CS2, and CS4. Table 13

summarizes the results of measurement invariance test for consumer sophistication.

Table 13. The summary of measurement invariance test on consumer sophistication

Model	χ^2	df	RMSEA	NNFI	CFI	$\Delta\chi^2$	Δdf	ΔCFI
Configural (1)	285.61	28	.18	.86	.91	-	-	-
Metric (2)	314.01	34	.17	.88	.90	28.4	6	.01
Partial Metric (3)	291.10	31	.18	.87	.91	5.49*	3	.00

Note: *P < .05
Calculation of differences (X= χ^2, df)
$\Delta X(2) = X(2) - X(1)$
$\Delta X(3) = X(3) - X(1)$

Confirmatory Factor Analysis

Prior to the hypotheses analysis, confirmatory factor analysis (CFA) on the

measurement model with the eight constructs (i.e., symbolic brand benefits, perceived

brand globalness, perceived brand quality, perceived price, perceived price fairness,

willingness to purchase, vanity, and consumer sophistication) was conducted for each

country.

The initial CFA results revealed that all factor loadings for the U.S. ranged

from .32 to .96 and for India from .33 to .87 and all were statistically significant at p <.01.

However, items with factor loadings that were lower than .40 in both the U.S. and India

(i.e., V1, V2, V3, V12, V13, V14, V20, and CS7) were deleted from further analysis.

The CFA results for the new measurement model (with the eight items deleted)

indicated a reasonable model fit to both the U.S. data (χ^2 = 2202.47 (df =874), p-value

= .00; RMSEA = .073; CFI = .93; NNFI = .93; SRMR = .064) and to the India data (χ^2 =

1941.30 (*df* =874), p-value = .00; RMSEA = .069; CFI = .90; NNFI = .89; SRMR = .071).

The model fit was judged based on parameters like the χ^2 goodness-of-fit statistics,

RMSEA (Root Mean Square Error of Approximation), CFI (Comparative Fit Index),

NNFI (Non-Normed Fit Index), and SRMR (Standardized Root Mean Square Residual).

The χ^2 statistic was statistically significant, and the NNFI and CFI values were all greater

than the cut-off criterion value of .90 recommended by Hu and Bentler (1999). For the

India data, the NNFI value was slightly below .90, but it was regarded as an acceptable fit

to the India data. In addition, the SRMR value met the recommended criterion value

of .08 (Hu & Bentler, 1999), and the RMSEA values were lower than the minimum value

of .10 suggested by Brown and Cudeck (1993). Hence, the model was considered a good

fit to the U.S. data and a reasonable fit to the India data. Internal consistency was proved

with construct reliability (CR) of over .70 and average variance extracted (AVE) of

over .50. Regarding the U.S. data, CR ranged from .87 to .96 and AVE ranged from .53

to .84, surpassing the recommended levels for CR and AVE. Regarding the India data,

CR values surpassed the suggested level, but AVE of symbolic brand benefits (.45),

perceived price (.40), vanity (.40), and consumer sophistication (.46) were below the

recommended values. Although the AVE values of these four constructs were slightly

below the recommended levels, it can be acceptable when the value of CR is higher

than .7 and the AVE value falls just short of the cut-off point (Hair, Black, Babin,

Anderson, & Tatham, 2006). The results of factor loadings, CR, and AVE are shown in

Table 14.

Additionally, discriminant validity was examined by comparing the correlation between any two constructs. If the value of the correlation is below .80, it provides good evidence of discriminant validity (Hair et al., 2006). Table 15 provides the results of discriminant validity with correlations on both sets of data. As shown in the table, all correlations of two constructs are below .80, which proves the measurement constructs have discriminant validity. As reliability and validity were confirmed for both data sets, the hypotheses tests followed.

Table 14. The results of confirmatory factor analysis on the measurement model

Construct	Indicator	Factor loading (t-Value)		CR		AVE	
		USA	India	USA	India	USA	India
Symbolic Brand Benefits	SBB1	.82 (-)	.57 (-)	.90	.83	.61	.45
	SBB2	.76 (14.26)	.53 (6.75)				
	SBB3	.83 (16.27)	.70 (8.13)				
	SBB4	.79 (15.16)	.75 (8.45)				
	SBB5	.79 (15.24)	.77 (8.61)				
	SBB6	.70 (12.78)	.65 (7.75)				
Perceived Brand Globalness	PBG1	.81 (-)	.74 (-)	.88	.74	.70	.50
	PBG2	.91 (16.56)	.78 (9.14)				
	PBG3	.78 (14.54)	.58 (7.84)				
Perceived Brand Quality	PBQ1	.85 (-)	.73 (-)	.94	.88	.75	.60
	PBQ2	.81 (16.92)	.77 (11.78)				
	PBQ3	.86 (19.07)	.75 (11.48)				
	PBQ4	.91 (21.00)	.82 (12.53)				
	PBQ5	.88 (19.77)	.80 (12.26)				
Perceived Price	PP1	.75 (-)	.64 (-)	.87	.76	.57	.40
	PP2	.61 (10.01)	.39 (5.34)				
	PP3	.80(13.25)	.70 (8.52)				
	PP4	.86 (14.09)	.79 (8.97)				
	PP5	.72 (11.78)	.55 (7.17)				
Perceived Price Fairness	PPF1	.73 (-)	.70 (-)	.92	.88	.69	.59
	PPF2	.82 (13.89)	.72 (10.46)				
	PPF3	.83 (14.05)	.80 (11.45)				
	PPF4	.91 (15.44)	.85 (12.02)				
	PPF5	.87 (14.72)	.77 (11.16)				
Willingness to Purchase	WP1	.85 (-)	.83 (-)	.96	.93	.84	.73
	WP2	.92 (21.79)	.84 (16.33)				
	WP3	.95 (23.54)	.87 (17.12)				
	WP4	.96 (23.73)	.87 (17.05)				
	WP5	.92 (21.68)	.86 (16.72)				
Vanity	V4	.46 (-)	.41 (-)	.91	.86	.53	.40
	V5	.54 (6.58)	.51 (5.30)				
	V6	.86(8.08)	.67 (5.97)				
	V7	.89 (8.17)	.70 (6.05)				
	V8	.67 (7.36)	.72 (6.10)				
	V9	.82 (7.96)	.71 (6.07)				
	V10	.84 (8.02)	.70 (6.05)				
	V11	.81 (7.94)	.67 (5.97)				
	V21	.50 (6.31)	.55 (5.49)				

				.88	.84	.54	.46
	CS1	.68 (-)	.55 (-)	.88	.84	.54	.46
	CS2	.60 (9.21)	.63 (7.47)				
Consumer	CS3	.76 (11.37)	.79 (8.51)				
Sophistication	CS4	.83 (12.29)	.76 (8.31)				
	CS5	.86 (12.57)	.76 (8.35)				
	CS6	.67 (10.15)	.55 (6.81)				

CR: Construct Reliability = (square of the summation of the factor loadings)/ {(square of the summation of the factor loadings) + (summation of error variances)}

AVE: Average Variance Extracted = (summation of the square of the factor loadings)/ {(summation of the square of the factor loadings) + (summation of error variances)}

Model fit indexes

• USA: χ^2 = 2202.47 (df =874), p-value = .00; RMSEA = .073; CFI = .93; NNFI = .93; SRMR = .064.

• India: χ^2 = 1941.30 (df =874), p-value = .00; RMSEA = .069; CFI = .90; NNFI = .89; SRMR = .071.

Table 15. Summary of discriminant validity results on the measurement model

Data	Constructs	Correlations							
		1	2	3	4	5	6	7	8
USA	Symbolic Brand Benefits	1.00							
	Perceived Brand Globalness	.210**	1.00						
	Perceived Brand Quality	.442**	.488**	1.00					
	Perceived Price	-.058	-.012	.083	1.00				
	Perceived Price Fairness	.184**	.195**	.116	-.401**	1.00			
	Willingness to Purchase	.488**	.234**	.444**	-.022	.293**	1.00		
	Vanity	.178**	.123*	.119*	-.169**	.121*	.117	1.00	
	Consumer Sophistication	.134*	.215**	.203**	-.067	.102	.138*	.322**	1.00
India	Symbolic Brand Benefits	1.00							
	Perceived Brand Globalness	.273**	1.00						
	Perceived Brand Quality	.374**	.469**	1.00					
	Perceived Price	.032	.024	-.001	1.00				
	Perceived Price Fairness	.213**	.188**	.292**	-.233**	1.00			
	Willingness to Purchase	.299**	.270**	.413**	-.063	.285**	1.00		
	Vanity	.155*	.112	.111	-.141*	.091	-.025	1.00	
	Consumer Sophistication	-.011	.078	.129*	-.034	-.060	.020	.294**	1.00

Note: * p <.05; ** p <.01

Structural Equation Modeling

Structural equation modeling was used to test the proposed research framework and hypotheses. For this study, two separate analyses were conducted to test the main research framework of the antecedents of perceived price (i.e., Phase I) and the

moderating effects on the relationship between perceived price and willingness to purchase (i.e., Phase II). Phase I was tested using LISREL 8.8 and Phase II was analyzed with hierarchical moderating regression using SPSS 20.0. The proposed hypotheses (H1 ~ H7) were tested separately for the U.S. data and the India data; the main framework was tested first, and testing of the moderating effects followed.

Phase I

The model fit indices for the structural model for the U.S. data indicated a good fit (χ^2 = 720.09 (*df* =245), p-value = .00; RMSEA = .082; CFI = .95; NNFI = .94; SRMR = .09). Among the four hypotheses proposed, two paths were supported, but two paths (i.e., symbolic brand benefits → perceived price; perceived brand globalness → perceived price) were not supported in the main research framework. The results of the main structural model test for the U.S. data are depicted in Table 16 and Figure 4.

Regarding the India data, the model fit indices for the structural model showed an acceptable fit, χ^2 = 713.27 (*df* =245), p-value = .00; RMSEA = .087; CFI = .91; NNFI = .90; SRMR = .11. Even though SRMR exceeded the generally favored level of .08, RMSEA, CFI, and NNFI satisfied the recommended levels, indicating an acceptable model fit (Kline, 2005). The analysis of the India data resulted in only one hypothesis being supported (i.e., perceived price → willingness to purchase) and three hypotheses being not supported. Table 16 and Figure 5 present the results of the main structural model test for the India data.

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Table 16. Results of the structural equation modeling (Phase I)

Country	Path	Coefficient (t-Value)	Proposed Hypothesis	Interpretation of Results
USA	H1a: Symbolic Brand Benefits → Perceived Price	-.12 (-1.58)	Positive Relationship	Not supported
	H2a: Perceived Brand Globalness → Perceived Price	-.12 (-1.50)	Positive Relationship	Not supported
	H3a: Perceived Brand Quality → Perceived Price	.23* (2.56)	Positive Relationship	Supported
	H4a: Perceived Price → Willingness to Purchase	-.37*** (-6.09)	Negative Relationship	Supported
India	H1b: Symbolic Brand Benefits → Perceived Price	.09 (1.01)	Positive Relationship	Not supported
	H2b: Perceived Brand Globalness → Perceived Price	.06 (.058)	Positive Relationship	Not supported
	H3b: Perceived Brand Quality → Perceived Price	-.06 (-.65)	Positive Relationship	Not supported
	H4b: Perceived Price → Willingness to Purchase	-.22** (-2.83)	Negative Relationship	Supported

Note: * $p < .05$; ** $p < .01$; *** $p < .001$
• USA: $\chi^2 = 720.09$ ($df = 245$), p-value = .00; RMSEA = .082; CFI = .95; NNFI = .94; SRMR = .09.
• India: $\chi^2 = 713.27$ ($df = 245$), p-value = .00; RMSEA = .087; CFI = .91; NNFI = .90; SRMR = .11.
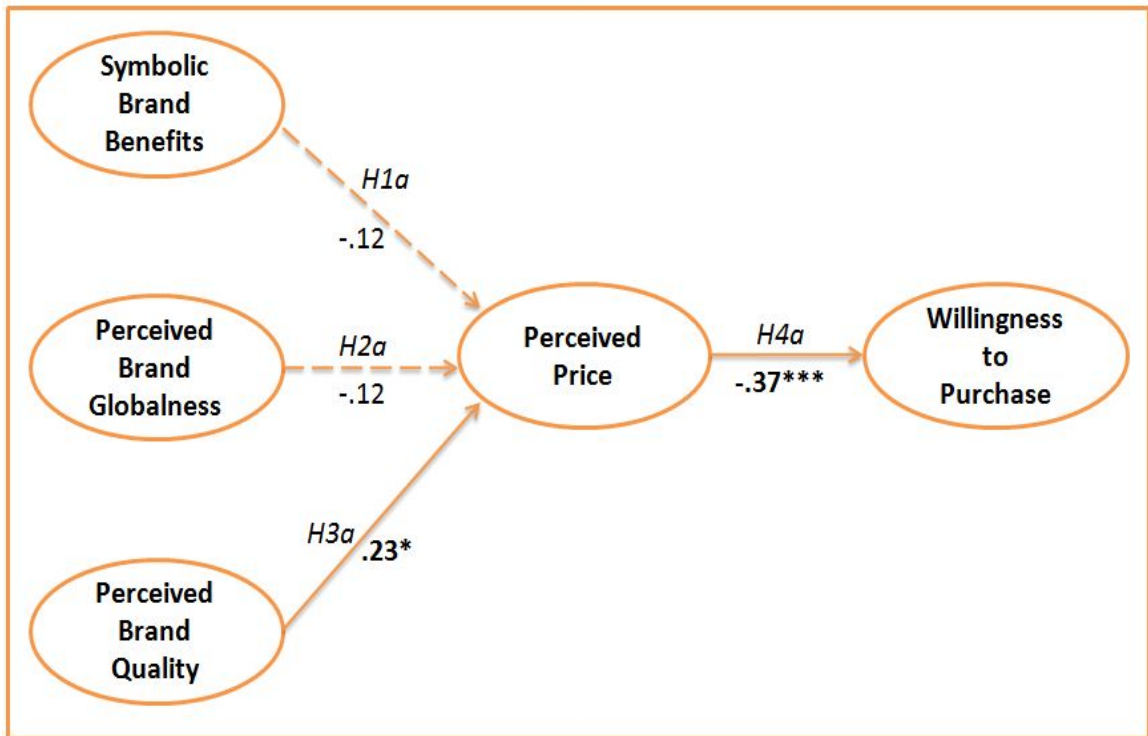
Note: * p <.05; ** p <.01; *** p <.001

Figure 4. Structural model and research hypotheses of the U.S. data.
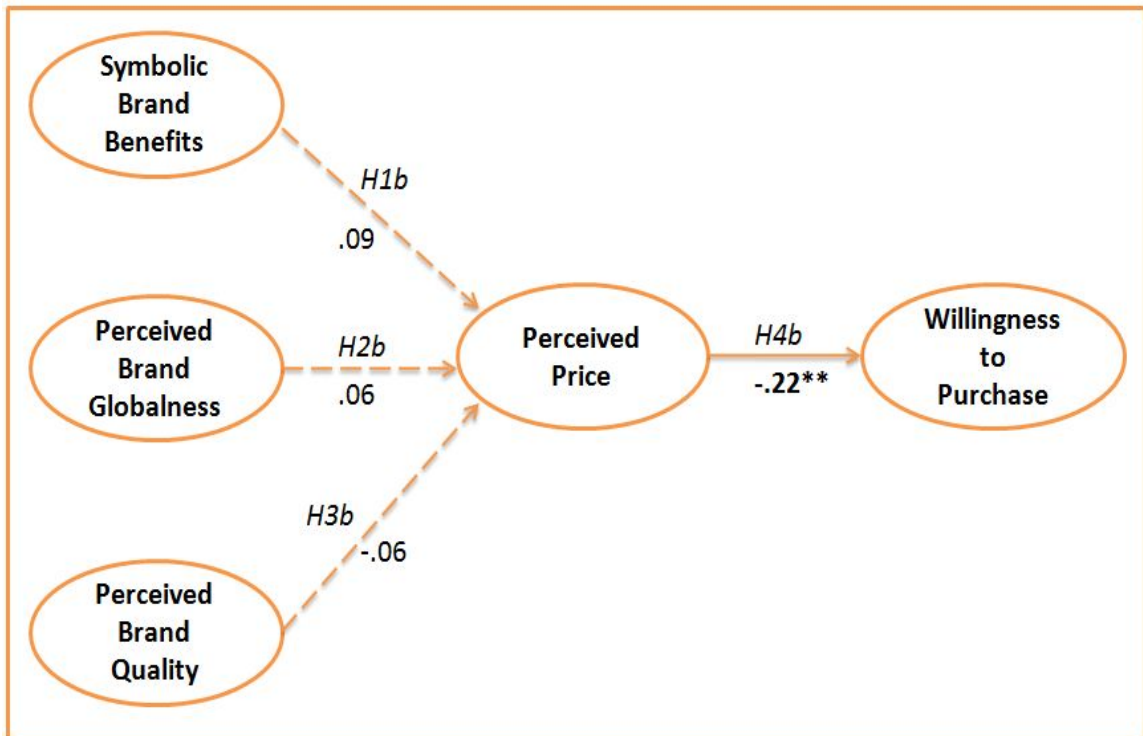
Note: * p <.05; ** p <.01; *** p <.001

Figure 5. Structural model and research hypotheses of the India data.

The Path Between Symbolic Brand Benefits and Perceived Price

H1a, which stated a positive relationship will exist between symbolic brand benefits and perceived price, failed to be supported with the U.S. data (γ =-.12). This means that a brand with symbolic benefits did not lead to a higher perceived price in the U.S. sample. In the India data, the relationship between symbolic brand benefits and perceived price was not significant (γ =.09), failing to support H1b. As was true with the U.S., this result indicated that symbolic brand benefits were not associated with a higher perceived price.

The Path Between Perceived Brand Globalness and Perceived Price

The relationship between perceived brand globalness and perceived price in the U.S. data failed to support H2a (γ =-.12). H2b, stating a positive relationship will exist between perceived brand globalness and perceived price, was not supported in the India data (γ =.06). The path in the model between perceived brand globalness and perceived price for both countries indicates that a brand with a global image did not affect price perception.

The Path Between Perceived Brand Quality and Perceived Price

The effect of perceived brand quality on perceived price was found to be significant in the U.S. data (γ =.23), supporting H3a. On the other hand, H3b, which states that a positive relationship will exist between perceived brand quality and perceived price, was found to be insignificant in the India data (γ =-.06). These results indicate that a positive relationship between perceived brand quality and perceived price existed in the U.S. sample, but no relationship between perceived brand quality and perceived price was established in the India sample.

The Path Between Perceived Price and Willingness to Purchase

H4, stating that a negative relationship will exist between perceived price and willingness to purchase, was supported in both samples. The path in the model between perceived price and willingness to purchase was negative and statistically significant at $p < .00$ (i.e., $\beta = -.37$ for the U.S. data; $\beta = -.22$ for the India data). This indicates that a higher perceived price is tied to a lower purchase intention.

Suggestions From Modification Indices for Phase I

The modification indices for the main research model (i.e., Phase I) suggested a direct relationship between antecedents of perceived price and willingness to purchase in both countries. That is, three additional paths (i.e., symbolic brand benefits → willingness to purchase, perceived brand globalness → willingness to purchase, and perceived brand quality → willingness to purchase) were recommended based on the modification indices. The model fit that contained the additional paths suggested by modification indices for the U.S. data indicated a great model fit (χ^2 = 697.76 (df =242), p-value = .00; RMSEA = .081; CFI = .95; NNFI = .94; SRMR = .062), and the model fit was slightly improved (i.e., the values of RMSEA (.081 vs. .082) and SRMR (.062 vs. .09)). In addition, the model fit for India showed not only an acceptable model fit, χ^2 = 671.53 (df =242), p-value = .00; RMSEA = .083; CFI = .92; NNFI = .90; SRMR = .078, but also a significantly better model fit than the original framework (i.e., the values of RMSEA (.083 vs. .087), CFI (.92 vs. .91), and SRMR (.078 vs. .11)). Figure 6 and Figure 7 depict the framework containing the additional paths suggested by modification indices.

The path between symbolic brand benefits and willingness to purchase presented a significantly positive relationship in the U.S. data. A positive relationship between perceived brand globalness and willingness to purchase was indicated as well. However, perceived brand quality did not show a significant relationship with willingness to purchase (see Figure 6). In contrast, for India, only the path of perceived brand quality and willingness to purchase was significant. Symbolic brand benefits and perceived brand

globalness did not present a significant positive relationship with willingness to purchase

(see Figure 7).
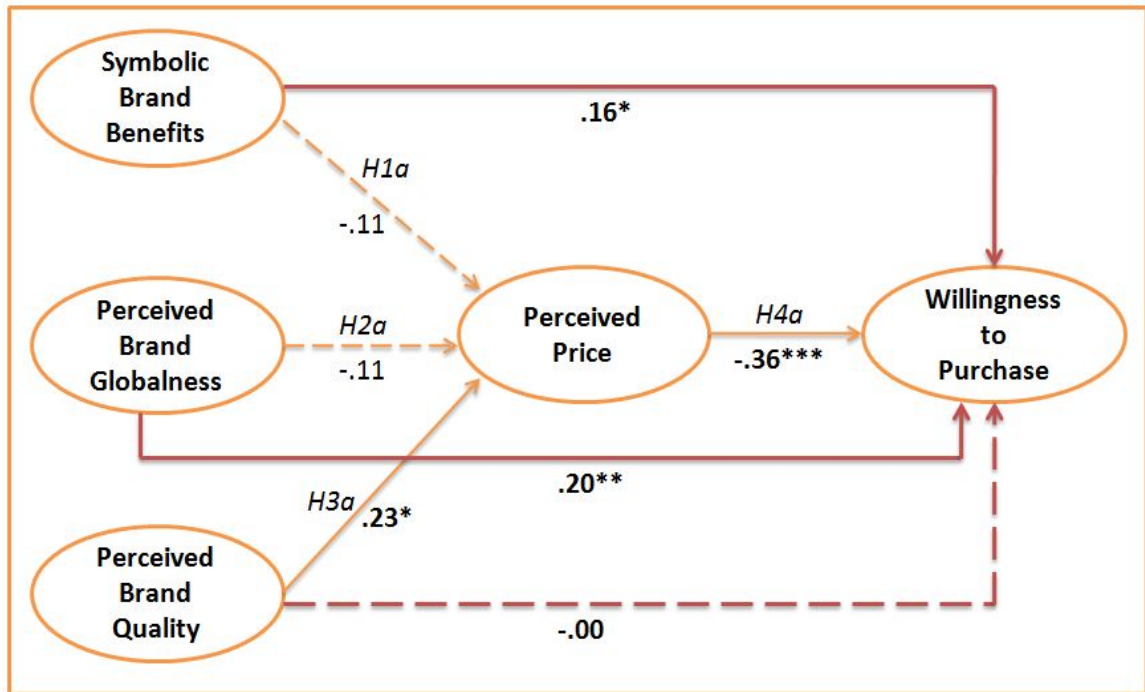
Note: * p <.05; ** p <.01; *** p <.001
• Model fit: χ^2 = 697.76 (df =242), p-value = .00; RMSEA = .081; CFI = .95; NNFI = .94;
         SRMR = .062.
• Additional paths suggested by modification indices are presented in dark red.

Figure 6. Results of model testing including three additional paths: U.S. data
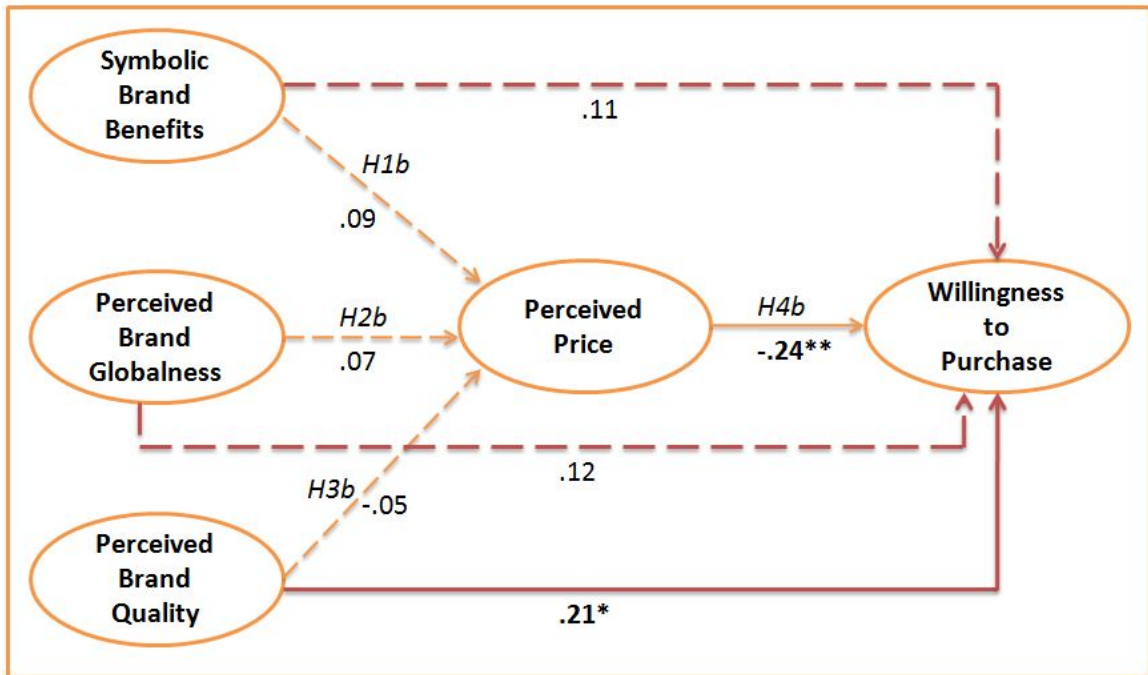
Note: * p <.05; ** p <.01; *** p <.001
• Model fit: χ^2 = 671.53 (df =242), p-value = .00; RMSEA = .083; CFI = .92; NNFI = .90;
    SRMR = .078.
• Additional paths suggested by modification indices are presented in dark red.

Figure 7. Results of model testing including three additional paths: India data

Phase II

To test hypotheses H5a through H7b (i.e., the moderating effects on the

relationship between perceived price and willingness to purchase in the U.S. and India),

this study utilized hierarchical moderated regression analysis. To compare the country

differences regarding the moderating effects, the U.S. data and the India data were tested

separately. Moderated regression analysis is performed by creating interaction terms

between independent variables and moderating variables (Stone-Romero & Anderson,

1994). If the interaction terms significantly increase the power of the regression equation,

a moderating effect exists. Changes in R² and F tests of statistical significance are evaluated to determine the existence of a moderating effect (Hair et al., 2006).

Among the three hypotheses regarding the U.S. data, the relationship between perceived price and willingness to purchase was found to be moderated by perceived price fairness and vanity. Consumer sophistication did not support the moderating effect on the relationship between perceived price and willingness to purchase in the U.S. Regarding the India data, all three hypotheses were found to be insignificant. In other words, perceived price fairness, vanity, and consumer sophistication did not have moderating effects on the relationship between perceived price and willingness to purchase for Indian consumers. Table 17 summarizes the results of moderating effects on the perceived price and willingness to purchase relationship.

Table 17. Results of moderating effects (Phase II)

Country	Path	R^2	f-Value	p-value	F change	Sig. F change	Interpretation of results
USA	H5a: PP → WP						
	Model 1: *PP*	.000	.138	.711	.138	.711	Supported
	Model 2: *PP, PPF*	.095	14.868	.000	29.583	.000	
	Model 3: *PP, PPF, & PP * PPF*	.110	11.550	.000	4.541	.034	
	H6a: PP → WP						
	Model 1: *PP*	.000	.078	.780	.078	.780	Supported
	Model 2: *PP, VA*	.014	1.929	.147	3.778	.053	
	Model 3: *PP, VA, & PP * VA*	.028	2.712	.045	4.234	.041	
	H7a: PP → WP						
	Model 1: *PP*	.000	.105	.746	.105	.746	Not supported
	Model 2: *PP, CS*	.019	2.755	.065	5.403	.021	
	Model 3: *PP, CS, & PP * CS*	.021	2.014	.112	.541	.462	
India	H5b: PP → WP						
	Model 1: *PP*	.004	1.004	.317	1.004	.317	Not supported
	Model 2: *PP, PPF*	.083	11.214	.000	21.342	.000	
	Model 3: *PP, PPF, & PP * PPF*	.096	8.815	.000	3.768	.053	
	H6b: PP → WP						
	Model 1: *PP*	.004	1.029	.311	1.029	.311	Not supported
	Model 2: *PP, VA*	.005	.672	.511	.319	.573	
	Model 3: *PP, VA, & PP * VA*	.005	.455	.714	.025	.874	
	H7b: PP → WP						
	Model 1: *PP*	.004	.974	.325	.974	.325	Not supported
	Model 2: *PP, CS*	.004	.512	.600	.054	.816	
	Model 3: *PP, CS, & PP * CS*	.017	1.417	.238	3.217	.074	

Note: PP: Perceived price
    WP: Willingness to purchase
    PPF: Perceived price fairness
    VA: Vanity
    CS: Consumer sophistication

The Moderating Effect of Perceived Price Fairness on the Relationship Between

Perceived Price and Willingness to Purchase

H5a, which states that perceived price fairness will moderate the relationship between perceived price and willingness to purchase, was supported in the U.S. sample. Model 2 and Model 3 were compared to determine if the interaction terms representing the moderating effect were significant. For perceived price fairness, the F change was statistically significant (F change = 4.541; p-value = .000), indicating perceived price fairness has an influence on the relationship between perceived price and willingness to purchase.

Since the perceived price fairness moderating effect was identified in the impact of perceived price on willingness to purchase, individual coefficient estimates for Model 3 in perceived price on willingness to purchase were examined to further verify the moderating effect. As shown in Table 18, the impact of perceived price fairness on the relationship between perceived price and willingness to purchase was positive (β = .271, p = .034). This means that perceived price fairness changes the direction between perceived price and willingness to purchase.

In contrast, H5b, which states perceived price fairness will moderate the relationship between perceived price and willingness to purchase, failed to be supported in the India sample. The F change was not statistically significant (F change = 3.768; p-value = .000). That is, Models 1, 2, and 3 were not statistically different from one another (see Table 17). In other words, perceived price fairness did not have an influence on the relationship between perceived price and willingness to purchase in India.

Table 18. Regression analysis of Model 3 for testing the effect of PP on WP

Variable	Beta	t-value	p-value
PP	-.605	-1.411	.159
PPF	-.129	-.314	.754
PP × PPF	.271	2.131	.034

The Moderating Effect of Vanity on the Relationship Between Perceived Price and

Willingness to Purchase

Models 1, 2, and 3 were compared to test the moderating effect of vanity on the relationship between perceived price and willingness to purchase (see Table 17). Models 2 and 3 were compared and the F change for vanity was found to be significant (F change = 4.234; p-value = .045), indicating support for H6a (U.S. data). However, for the India data, the comparison between Model 2 and Model 3 indicated that the F change for vanity was not statistically significant (F change = .025; p-value =.714), rejecting H6b.

Since the moderating effect of vanity was recognized in U.S. consumers, individual coefficient estimates for Model 3 in perceived price and willingness to purchase were employed to further prove the moderating effect. Table 19 shows the impact of vanity on the relationship between perceived price and willingness to purchase for U.S. consumers (β = .271, p = .041). This indicates that vanity has a positive impact on the relationship between perceived price and willingness to purchase, and vanity changes the direction of the relationship between perceived price and willingness to purchase in U.S. consumers.

Table 19. Regression analysis of Model 3 for testing the effect of PP on WP

Variable	Beta	t-value	p-value
PP	-1.276	-1.997	.047
VA	-.622	-1.534	.126
PP × VA	.271	2.058	.041

The Moderating Effect of Consumer Sophistication on the Relationship Between

Perceived Price and Willingness to Purchase

H7a, stating the negative relationship between perceived price and willingness to purchase will be moderated by the consumer sophistication level in the U.S., was not supported. The F change of Model 3 indicated that consumer sophistication was not significant on the relationship between perceived price and willingness to purchase (F change = .541; p-value = .112) (see Table 17). For the India data, the F change was not statistically significant (F change = 3.217; p-value = .238) either, rejecting H7b (see Table 17). That is, Models 1, 2, and 3 were not different from one another, which means that consumer sophistication did not have an influence on the relationship between perceived price and willingness to purchase. Table 20 summarizes the results of the moderating effects on the relationship between perceived price and willingness to purchase in both countries.

Table 20. The summary of moderating effects

Hypothesis	Path	Moderating Effect?	Direction Change	
			USA	India
H5: Perceived price fairness	Perceived price ↑ → Willingness to purchase ↓	Yes	Perceived price ↑ → Willingness to purchase ⇑	Not Significant
H6: Vanity	Perceived price ↑ → Willingness to purchase ↓	Yes	Perceived price ↑ → Willingness to purchase ⇑	Not Significant
H7: Consumer sophistication	Perceived price ↑ → Willingness to purchase ↓	No	Not Significant	Not Significant

Note: ⇑ indicates the significant direction change on the relationship between perceived price and willingness to purchase by a moderator.

CHAPTER V

DISCUSSION AND CONCLUSION

Chapter V presents the conclusion of the study in four sections: (1) Summary, (2) Discussion of findings, (3) Implications, and (4) Limitations and future studies.

Summary

Currently, most firms believe that a low price of products or services generates consumers' willingness to purchase. However, is the assumption of the negative relationship between price and purchase intention always true? This study started with the question that asked whether the negative relationship between perceived price and willingness to purchase holds true all the time. To this end, this study aimed to investigate and accurately understand the relationship between perceived price and willingness to purchase by incorporating three existing theories: signaling theory, equity theory, and the theory of the leisure class. A conceptual research framework consisting of Phase I and Phase II was developed by incorporating three antecedents of perceived price (i.e., symbolic brand benefits, perceived brand globalness, and perceived brand quality) and three moderators (i.e., perceived price fairness, vanity, and consumer sophistication). This research framework was tested for both the U.S. and India. In Phase I, the main research framework was examined, and in Phase II, the moderating effects on the relationship between perceived price and willingness to purchase were tested. Both the

Phase I and Phase II models were tested with U.S. and India data separately, and the differences were examined.

A total of 651 data sets were collected from college students in the U.S. and India, but only 543 usable data sets (287 from the U.S. and 256 from India) were analyzed for this study. To analyze the research hypotheses, measurement invariance tests were utilized to decide whether each construct measured the same factor structure and the same factor loading across the U.S. and India data. The main research framework (i.e., Phase I) utilized LISREL 8.8, and SPSS 20.0 was used to analyze the moderating effects model (i.e., Phase II) and demographic information.

In Phase I, four hypotheses were tested for the U.S. and India, separately. In the U.S. sample, as an antecedent of perceived price, only perceived brand quality (γ =.23) had a positive relationship with perceived price. A negative relationship between perceived price and willingness to purchase was revealed in the U.S. sample (β = -.37). However, symbolic brand benefits and perceived brand globalness failed to be supported as antecedents of perceived price for U.S. consumers. The additional paths suggested by modification indices, symbolic brand benefits (γ =.16) and perceived brand globalness (γ =.20), had a positive relationship with willingness to purchase. In contrast to expectation, though, the path between perceived brand quality and willingness to purchase failed to be supported in the U.S. For Indian consumers in the Phase I model, surprisingly, none of antecedents of perceived price were supported. However, a negative relationship between perceived price and willingness to purchase was found to be significant (β =-.22). Among

the three additional paths suggested by modification indices, only perceived brand quality showed a positive relationship with willingness to purchase ($\gamma = .21$).

In Phase II, three hypotheses were tested for each country. In the U.S., of the three proposed moderators of the relationship between perceived price and willingness to purchase, perceived price fairness had a moderating effect on the relationship between perceived price and willingness to purchase ($\beta = .271$). Additionally, vanity moderated the relationship between perceived price and willingness to purchase in the U.S. data ($\beta = .271$). In contrast, consumer sophistication did not have a moderating role on the relationship between perceived price and willingness to purchase in the U.S. For Indian consumers in Phase II, all three hypothesized moderating effects failed to be supported. That is, perceived price fairness, vanity, and consumer sophistication did not show moderating effects on the relationship between perceived price and willingness to purchase.

<h3 style="text-align:center">Discussion of Findings</h3>

Discussion of Findings in Phase I

Of the three antecedents of perceived price in the U.S. data, only perceived brand quality was found to have a positive relationship with perceived price. In other words, when consumers perceive high quality, the perceived price will increase. Even though symbolic brand benefits and perceived brand globalness did not increase perceived price, they were both found to increase consumers' willingness to purchase. This means that a consumer's purchase intention will increase when a product offers symbolic brand benefits or perceived globalness. A negative relationship between perceived price and

willingness to purchase was found among U.S. consumers. This finding indicates that when consumers perceive the price of a product is high, their willingness to purchase the product diminishes.

For Indian consumers, none of the antecedents of perceived price increased perceived price. That is, symbolic brand benefits, perceived brand globalness, and perceived brand quality did not have a relationship with perceived price. In contrast with the U.S. data, perceived brand quality was found to increase willingness to purchase, indicating that if Indian consumers perceive a brand's quality is high, their intention to purchase the brand increases. Also opposite to the U.S. data, Indian consumers' perceived symbolic benefits and globalness of a brand did not increase willingness to purchase. As was true with U.S. consumers, though, the relationship between perceived price and willingness to purchase was confirmed to be negative. This indicates that Indian consumers are less likely to purchase when the perceived price is high.

Some additional findings contrasted between the U.S. and India. First, the path of perceived brand quality – perceived price was found to be different by country. The path was found to be positive in the U.S., but it was insignificant in India. Many previous studies done in U.S. have confirmed price as a cue of quality (Dodds & Monroe, 1985; Jacoby & Olson, 1985; Monroe & Krishnan, 1985; Olshavsky et al., 1995), but limited studies have examined the reversed effect (i.e., the effect of perceived brand quality on perceived price). This study confirmed the reversed relationship (i.e., perceived brand quality → perceived price) and verified an antecedent role of perceived quality on perceived price among U.S. consumers. This finding supports Chiang and Jang's (2006)

study stating that improvement of quality indicates a higher perceived price and Erickson and Johansson's (1985) study revealing a high quality car is perceived to be higher priced than it actually is.

In contrast, in India, the relationship between perceived brand quality and perceived price was not supported. According to Verma and Gupta's (2004) study, Indian consumers do not strongly believe the positive relationship between price and quality. Based on this, it is deemed that Indian consumers judge brand quality based on product features and brand reputation, rather than on price itself (Verma & Gupta, 2004); that is, price may not be the most important factor to refer to quality in India.

The second contrasting finding between the U.S. and India was the path between perceived brand quality and willingness to purchase. This study revealed that the path was insignificant in the U.S. but significant in India. The fact that perceived brand quality-willingness to purchase was insignificant in the U.S. is rather surprising in that it has been the opposite in many previous studies (e.g., Boulding et al., 1993; Parasuraman et al., 1988). However, this study's finding parallels Bush, Bloch, and Dawson's (1989) study, which discovered that consumers place more consideration on a trademark, logo, or brand name than on the product's guaranteed quality, particularly when they purchase branded goods and luxury goods. Also, in the case of increasing the purchase intention of Levi's jeans in this study, product attributes other than quality, such as design, color, fit, etc., might be more important to U.S. consumers since most U.S. consumers are familiar with the quality of Levi's jeans. Taken together, for U.S. consumers, perceived brand quality may not be a key factor to encourage purchase. However, in India, the

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relationship between perceived brand quality and willingness to purchase was discovered to be positive, which is consistent with two previous studies (Kinra, 2006; Yoo et al., 2000). That is, in India, when consumers recognize the high product quality, they are more willing to purchase. Since Indian consumers suspect the quality of domestic or local brands (Kumar et al., 2009), global brands and foreign products, such as Levi's jeans in this study, are considered to have high quality; thus, purchase intention is enhanced when brand quality is perceived to be high.

The third difference between the U.S. and India in the findings was the path between symbolic brand benefits and willingness to purchase. That is, the relationship between symbolic brand benefits and willingness to purchase was found to be positive for U.S. consumers, but insignificant for Indian consumers. This means that purchase intention is increasing when a product holds symbolic brand benefits among U.S. consumers. This finding is consistent with previous studies (Kumar et al., 2009; Lee et al., 2008). Some studies have clarified that Levi's jeans signal symbolic brand benefits (Jin & Kang, 2011; Wærdahl, 2005), and this study confirms that Levi's jeans convey symbolic brand benefits, which leads to high purchase intention in the U.S.

Contrary to the expectation, the positive relationship between symbolic brand benefits and willingness to purchase was not supported in India. That is, for Indian consumers, even though a product has symbolic brand benefits, consumer purchase intention is not increasing. This finding is inconsistent with previous studies (Chaudhuri & Holbrook, 2001; Lee et al., 2008; Sinha, 2003; Zhou & Hui, 2003). Indeed, this finding did not support known purchasing behaviors in large power distance cultures (Hofstede,

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2001; Shukla & Purani, 2012). Consumers in India recognize that Levi's jeans have symbolic brand benefits and they believe that wearing Levi's jeans definitely signals one's social status and wealth (Kumar et al., 2009). However, based on Bandyopadhyay's (2001) study, Indian consumers believe that the price of U.S. products is too expensive. Therefore, Indians evaluate the value of U.S. products even lower than Indian products due to the high price of U.S. products (Bandyopadhyay, 2001). In this sense, Indian consumers' purchase intentions might be lower because of the high price of Levi's jeans, even though Levi's jeans' symbolic brand benefits are perceived as high. In addition, among Indian consumers, price plays the most important role to lead to purchase intention. In other words, Indians are extremely high price conscious and price driven consumers (Sinha, 2003). Hence, the positive relationship between symbolic brand benefits and willingness to purchase might not be supported despite the importance of symbolic brand benefits in a large power distance culture, such as India.

Another contrasting finding between the U.S. and India was the path between perceived brand globalness and willingness to purchase. This study revealed that the relationship between perceived brand globalness and willingness to purchase was positive in the U.S., but not significant in India. This means that U.S. consumers' willingness to purchase increases when they perceive brand globalness. This finding in the U.S. sample is consistent with previous studies (Batra et al., 2000; Kinra, 2006; Kumar et al., 2009). Since Levi's jeans is a very well-known brand not only in the U.S., but also in international markets, perceived brand globalness will be high, which might convert to a high willingness to purchase among U.S. consumers. Thus, the finding on the positive

relationship between perceived brand globalness and willingness to purchase supports

previous studies and was confirmed in the U.S. sample. In contrast to the finding in the

U.S., the path between perceived brand globalness-willingness to purchase was found to

be insignificant in India. That is, even though brand globalness was recognized, Indian

consumers were not likely to purchase, which is contrary to expectations and inconsistent

with previous studies (Batra et al., 2000; Kumar et al., 2009). The reasons for this finding

might be similar to those discussed for symbolic brand benefits and perceived price in

India. In line with Sinha's (2003) study, Bennur and Jin's (in press) study found that

price is one of the must-be attributes for Indian consumers, indicating that price is the

most important attribute when Indian consumers purchase apparel products. Indeed,

Levi's jeans are recognized to be a high priced product in international markets,

especially in Indian markets where the price of a pair of Levi's jeans is one month's

salary for ordinary consumers (Dehejia, 2010). Therefore, even though consumers

recognize brand globalness, they might not relate it to purchase intention because of the

high price of foreign brands, like Levi's jeans.

The fifth contrasting finding between the U.S. and India concerns the antecedents

of perceived price. Among the three antecedents, only perceived brand quality was found

to be significant in the U.S., and none of antecedents was found to be significant in India.

That is, U.S. consumers perceive a higher price when the quality of a product increases;

however, they do not recognize a higher price if a product holds symbolic benefits or

brand globalness. For consumers in the U.S., Levi's jeans might not convey symbolic

brand benefits. That is, U.S. consumers are likely to believe Levi's jeans do not express

one's social status and social success since the price of Levi's jeans is reasonable and affordable in the domestic market. Given this, missing the symbolic brand benefits of Levi's jeans might not lead consumers to perceive the price will be high. Similarly, Levi's jeans might be considered less of a global or foreign brand to U.S. consumers as Levi's jeans is a product of the USA. Thus, respondents might not perceive the globalness of Levi's jeans, which might not lead them to believe the Levi's jeans price will be high.

On the other hand, for Indian consumers, all antecedents of perceived price were unsupported. In other words, Indian consumers do not recognize a high price when a product holds symbolic brand benefits, brand globalness, or high quality. These findings on the antecedents of perceived price were not consistent with previous studies (Apaydin, 2011; Chiang & Jang, 2006; Doran, 1997; Verhoevan et al., 2009). Perhaps because the respondents might already be very familiar with Levi's jeans, the price of Levi's jeans is already well-known; thus, when they answered the perceived price of Levi's jeans they might already have had the actual market price of Levi's jeans in their minds. Thus, this might lead to no relationship with symbolic brand benefits - perceived price and perceived brand globalness - perceived price in this study. If a scenario or experimental research design with a mock product were utilized, however, the antecedents of perceived price might be supported. Since all antecedents of perceived price that were hypothesized in this study were not supported, finding other antecedents to explain the relationship with perceived price in India will be required for future studies.

Finally, the role of perceived price is different in the U.S. and India. Perceived price was placed in the middle of perceived brand quality and willingness to purchase in

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the U.S., but not in India. In other words, perceived brand quality indirectly influenced willingness to purchase in the U.S. (i.e., perceived brand quality → perceived price → willingness to purchase); however, the indirect impact of perceived brand quality on willingness to purchase was not found in India. Even though an indirect impact of perceived price was found in the U.S., the mediator role of perceived price in the research model for the U.S. is questionable and needs to be investigated in further studies. On the other hand, the relationship among perceived brand quality, perceived price, and willingness to purchase showed that no relationship was found between perceived brand quality and perceived price in India. This means that the direct influence of perceived price on willingness to purchase was only verified in the research framework for Indian consumers. In Bennur and Jin's (in press) study, U.S. consumers believed that quality is a must-be attribute, but for the Indian consumer, price is a must-be attribute based on Kano's theory. In addition, U.S. consumers recognized price as a performance attribute, whereas Indian consumers indicated quality as a performance attribute (Bennur & Jin, in press). This means that perceived quality is not as important to Indian consumers as it is to U.S. consumers, and for Indian consumers, at least among college students in this study, price is the most important factor to decide the purchase of apparel products. Given this, the role of perceived price is addressed differently between countries. Since the different result on the role of perceived price between the U.S. and India was found, the importance of perceived price needs to be precisely emphasized among Indian consumers. Moreover, the mediating role of perceived price should be examined in future studies.

The identical finding of a negative relationship between perceived price and willingness to purchase was verified in both countries. That is, both the U.S. and India data supported the negative perceived price-willingness to purchase relationship, and the findings of this study are consistent with previous studies (Dickson & Sawyer, 1986; Dodds et al., 1991; Ha-Brookshire, 2012; Sternquist et al., 2004). Perceived price is considered that which is sacrificed to obtain a product or service (Lien & Yu, 2001); therefore, increasing the amount of sacrifice in monetary terms generates lower purchase intention. In this sense, this study confirmed that when the perceived price is low, the likelihood of consumer purchase intention increases, regardless of country. In the case of the strength of the path between perceived price and willingness to purchase, the findings indicated that the negative relationship between perceived price and willingness to purchase in the U.S. ($\beta = -.37$) was stronger than in India ($\beta = -.22$). Perhaps this is because consumers in the U.S. have been significantly exposed to "every day low price" campaigns and promotions, and companies and practitioners operate price mark downs and sales all year round. Such low pricing strategies in the U.S. might make U.S. consumers more sensitive to lower prices than Indian consumers are.

Discussion of Findings in Phase II

Some findings of the moderating effects on the perceived price-willingness to purchase relationship varied by country. In the U.S., among the three moderators, perceived price fairness and vanity were confirmed to have moderating effects on the relationship between perceived price and willingness to purchase. In other words, even when the perceived price is deemed to be high, the willingness to purchase increases

when consumers recognize price fairness or have vanity. Unlike those two moderators, though, consumer sophistication did not support the moderating effect on the relationship of perceived price-willingness to purchase. That is, the consumer sophistication level did not influence on changing the negative direction of the perceived price-willingness to purchase relationship.

In contrast to the results of the U.S. data, for Indian consumers, none of the moderators impacted on the relationship between perceived price and willingness to purchase. This means that perceived price fairness, vanity, and consumer sophistication did not change the relationship between perceived price and willingness to purchase. Therefore, the lower perceived price seems to be the most significant factor to influence purchase intention among Indian consumers.

As was true in the findings in the Phase I model, some contrasting findings occurred between the U.S. and India. First, among the three moderators, perceived price fairness on the relationship between perceived price and willingness to purchase was significantly different for the U.S. and India. For the U.S., perceived price fairness moderated the relationship between perceived price and willingness to purchase, but not for India. That is, consumer purchase intention increases when consumers recognize price fairness in the U.S. This finding supports the positive relationship between perceived price fairness and willingness to purchase in Sheng, Bao, and Pan's (2007) study, indicating that perceived price fairness has a positive relationship with purchase intention. Moreover, when perceived price fairness is identified, consumers' repurchase intention increases even though price has also increased (Homburg et al., 2005). As with previous

studies, this study confirmed that the negative relationship between perceived price and willingness to purchase was changed to be positive when consumers perceived price fairness. For Indian consumers, on the other hand, perceived price fairness was not found to moderate the relationship between perceived price and willingness to purchase. This means that regardless of perceived price fairness, Indian consumers are likely to purchase when the price of a product is low. Perhaps it is because of the huge role of price in the perceived price-willingness to purchase relationship among Indian consumers.

The second contrasting finding of the moderating effect for the U.S. and India was the moderating role of vanity on the relationship between perceived price and willingness to purchase. This study found that vanity had a moderating effect for the U.S, but it was insignificant for India. This means that if U.S. consumers have vanity, their purchase intentions increase in spite of a high price; this finding is consistent with previous studies (Chao & Schor, 1998; Durvasular & Lysonski, 2008; Hung et al., 2011). According to Mitchell's (1983) study, 31% of Americans are either achievers or those who want to be achievers. In addition, Kahle (1983) found that 16% of Americans respond that "achievement" is the most important value in their lives. Therefore, a high percentage of vanity among U.S. consumers might change the direction of the perceived price-willingness to purchase relationship. In contrast with the result of U.S. consumers, an insignificant relationship was found among Indian consumers. That is, if the price of a product is low, consumer purchase intention is growing, regardless of the level of consumer vanity. Even though previous studies have confirmed a positive relationship between vanity and purchase intention (Durvasula & Lysonski, 2008; Netemeyer et al.,

1995), the perceived price - willingness to purchase relationship was not moderated by vanity among Indian consumers in this study. Based on the findings in the Phase II model, this study verified that perceived price is the vital factor to convey purchase intention for Indian consumers. Thus, Indian consumers might focus solely on perceived price, particularly low price, and perceived price seems to be the key factor in the perceived price research framework in India.

Unlike the other two moderators (i.e., perceived price fairness and vanity), consumer sophistication was not found to be a moderator on the relationship between perceived price and willingness to purchase in either country. In other words, this finding indicated that the relationship between perceived price and willingness to purchase is negative regardless of the level of consumer sophistication in both the U.S. and India. Perhaps this is because the variance of the consumer sophistication level might be lower or homogeneous. In this study, the mean value of consumer sophistication was 5.1 out of 7 for U.S. respondents and 4.9 out of 7 for Indian respondents. Given this data, respondents in both countries might evaluate themselves as more sophisticated consumers because of their education level (i.e., college students), technology accessibility (i.e., Internet and smartphone), and plenty of experiences in purchasing. Moreover, they might consider that they are knowledgeable on products due to the influence of consumer reports, mass media, the Internet, magazines, etc. Thus, consumers in both countries believe that they are not easily fooled by marketers; that is, a high perceived price did not directly link to high quality or superiority of products. From this notion, consumer

sophistication has a minor role in adjusting the relationship between perceived price and willingness to purchase in both countries.

Implications

This study revealed meaningful findings. These findings provide valuable and significant implications for not only researchers who are interested in price perception, cross-nation consumer behavior, etc., but also marketers who plan to enter U.S. and Indian markets or similar emerging markets. Academic and practical implications are discussed below.

Theoretical Implications

First, this study approaches price perception research with a strong theoretical framework incorporating theories (i.e., signaling theory, equity theory, and Veblen's theory of the leisure class) to precisely define the relationship between perceived price and willingness to purchase. Previous studies on the relationship between perceived price and willingness to purchase have utilized only one or two theories, rather than incorporated and systematically unified theories. This study incorporates signaling theory to link to antecedents (i.e., symbolic brand benefits, perceived brand globalness, and perceived brand quality) of perceived price. Also, equity theory and Veblen's theory of the leisure class are utilized in explaining the moderating effects (i.e., perceived price fairness and vanity) on the relationship between perceived price and willingness to purchase. Additionally, most previous research on the relationship between perceived price and willingness to purchase has been limited to testing the effect of various variables discretely. However, this study contributes by examining the comprehensive

and extensive relationship between perceived price and willingness to purchase with three significant theories.

Second, this study contributes to a better understanding of the relationship between perceived price and willingness to purchase by incorporating antecedents of perceived price. Previous studies on price perception have mainly focused on the relationship between perceived price and purchase intention and limited identification of antecedents of perceived price, such as perceived quality, brand image, and brand name (Chiang & Jang, 2006; Dodds & Monroe, 1985; Lichtenstein & Burton, 1989). Moving beyond this limitation, this study attempted to investigate multiple antecedents of perceived price, for example symbolic brand benefits, perceived brand globalness, and perceived brand quality. This study found that perceived brand quality is a critical antecedent of perceived price in the U.S. Therefore, this study enriches the systematical understanding of the relationship between perceived price and willingness to purchase, including various antecedents' impact on perceived price.

Third, this study contributes to identifying the moderating effects on the negative relationship between perceived price and willingness to purchase. While previous studies heavily revealed the negative relationship between perceived price and willingness to purchase, this study found when and how the negative relationship between perceived price and purchase intention changes. That is, perceived price fairness and vanity were found to be major moderators on the relationship between perceived price and willingness to purchase in the U.S. Thus, this study is considered to be one of the earliest

endeavors to prove that low price does not always increase the willingness to purchase, especially in the U.S.

Last, this study defined the relationship between perceived price and willingness to purchase in an emerging market (i.e., India). A number of studies have neglected to investigate the relationship between perceived price and willingness to purchase in emerging markets, despite the fact that the importance of emerging markets is increasing. Moreover, this study investigated the differences and/or similarities between U.S. and Indian consumers' price perceptions. Limited previous studies have attempted to examine the two countries simultaneously in terms of the relationship between perceived price and willingness to purchase. By comparing the countries, this study is able to explain and provide a better understanding of the proposed research framework in the two countries and to identify which factors are more important in the relationship between perceived price and willingness to purchase in each country.

Managerial Implications

The findings of this study provide meaningful implications for practitioners. First, this study found that perceived brand quality has a positive relationship with perceived price in the U.S. In order to maintain a higher price, which is related to a company's profit, marketers need to focus on a high perceived quality of their products, services, or brands for U.S. consumers. Companies should highlight the quality of the product, such as fabric, raw material, ingredients, etc. Hence, consumers expect a high price for a high quality product, so they are willing to pay more for the high quality product. To

accomplish this, marketers are required to create and build a high product quality perception in consumers' minds.

Second, the significant negative relationship between perceived price and willingness to purchase showed in both countries. That is, consumers' purchase intention diminishes when the price of products is perceived to be high. In this sense, companies should be cautious to develop a price strategy or price position in a market. Therefore, prices that seem too high or expensive products do not lead consumers to purchase, so building competitive prices is critical to companies, regardless of country. In addition, for Indian consumers, a competitive price strategy is especially emphasized since they are price-driven consumers and perceived price is the most important factor found in this research. Even though Indian consumers have high purchase intention for U.S. products and other foreign goods, they do not purchase the products if the price is too high or not affordable. Given this, when entering the India market, U.S. companies and other foreign companies should pay attention to developing a competitive price strategy.

Third, symbolic brand benefits and perceived brand globalness positively influenced on willingness to purchase for the U.S. sample, so symbolic brand images and brand globalness should be promoted and stressed when practitioners introduce products to consumers. To address the image of globalness, marketers should stress how the products or brands are consumed in international markets and should do so via social network services, such as Facebook fan pages, Twitter, etc. In addition, to emphasize the symbolic image of products and brands, marketers should address social status, social success, or self-enrichment through consumption of the product and brand. For example,

marketers might use advertising that contains a luxurious and prestigious image with the packaging or logo, or they might use a celebrity who has a gorgeous and elegant image to convey the symbolic brand benefits to consumers. Therefore, symbolic brand benefits and global brand image should be emphasized with promotions and advertising to increase purchase intention in the U.S.

Fourth, since perceived price fairness moderated the negative relationship between perceived price and willingness to purchase, marketers should put efforts into promoting and creating price fairness on their products and brands. Being confirmed as a moderator indicates the importance of perceived price fairness among U.S. consumers. To convey the price fairness of products or brands, this feature should be communicated with consumers in advertising and public relations campaigns. Thus, in order to increase purchase intention, building a concept of price fairness for the product, service, or brand should be emphasized.

Last, vanity was found to be a moderator influencing the relationship between perceived price and willingness to purchase in the U.S. That is, vanity increases purchase intention, even when price is high. As vanity is an individual's trait that expresses pride in appearance or achievement, companies should pay attention to creating an image of vanity (e.g., beauty, attractiveness, success, and accomplishment) in their advertising and campaigns. Also, marketers should intrigue and target consumers who have a high level of vanity. For example, consumers with a high level of vanity tend to purchase products with images of luxury, prestige, or high-end because of their personality trait. Thus, emphasizing the characteristics of products that satisfy vanity and targeting consumers

who want to project success and show off wealth should be focused on to increase willingness to purchase among U.S. consumers.

Limitations and Future Studies

This study contains several limitations. First, a particular limitation is that the respondents were all from one city in each country and they represented only one specific demographic group in the U.S. and in India. Thus, the findings of this study might vary if the study was repeated in different areas or with different respondent groups. For a future study, consideration is suggested for several cities in each country, as well as different demographic groups (i.e., high school students, 30s - 40s, and housewives).

Second, this study focused only on Levi's jeans to examine the relationship between perceived price and willingness to purchase in both countries. However, if the study was repeated with different products or categories (e.g., purses, shoes, cell phones, or automobiles), the results might be different from those of the current study. Accordingly, expanding to different products or categories is suggested for future studies. Moreover, since the respondents of this study (i.e., college students) might be familiar with the actual market price of Levi's jeans in both countries, an experimental research design with a mock product is recommended for further research to better gauge the impact of antecedents on perception of price.

Lastly, this study examined the relationship between perceived price and willingness to purchase using Levi's jeans. However, in order to stress and accurately measure the image of symbolic brand benefits and brand globalness for both groups of consumers, future studies might consider utilizing products from Europe (e.g., England,

France, or Spain) and Asia (e.g., Japan, Hong Kong, or South Korea) because brand

globalness may not work in the U.S. as Levi's jeans is a U.S. brand.

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APPENDIX A

SURVEY QUESTIONNAIRE

Dear Participants,

Hello, I am Junghwa Son, a doctoral student working on a doctoral dissertation under the guidance of Dr. Byoungho Jin at the University of North Carolina at Greensboro. This survey is part of the doctoral research to understand factors related to jeans consumption. Your participation is essential and valuable in order for me to complete the dissertation research.

Your participation in this study is absolutely voluntarily. However, if you decide to participate in this study, you are agreeing that you are at least 18 years old and can clearly read and understand English. Remember, there are no right or wrong answers to the questions, and your answers will be kept confidential. The results of this study will only be used for academic purposes, not commercial. You are allowed to work at your own pace. You may stop filling out this survey at any time if you feel uncomfortable, but we hope you complete all parts of the survey since incomplete surveys cannot be used. It will take about 15 to 20 minutes to complete. This study does not provide compensation. There are no known risks associated with this project which are greater than those ordinarily encountered in daily life.

Thank you in advance for your participation. If you have any questions, please feel free to ask the researchers as we will be glad to assist you. In addition, if you have questions concerning your rights as a research subject, you may contact the University of North Carolina at Greensboro Institutional Review Board at (336) 256-1482.

Sincerely,

Junghwa Son

Doctoral Student

Consumer, Apparel, & Retail Studies

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How much do you know about Levi's jeans? Please select one

_____ I have never heard about the brand
   → **Thank you for your time. Please return this form to the researcher.**

_____ I have heard only the brand name
   → **Please continue.**

_____ I know the brand and have purchased the brand previously.
   → **Please continue.**

> **PART I: Questions about Levi's jeans**
>
> **Please read each of the following items. Circle or bubble the number beside each statement that accurately corresponds with how strongly you believe that statement.**

▶ Please indicate how you feel about Levi's jeans.

	Strongly Disagree			*Neutral*			*Strongly*
1 Levi's jeans signify my trendy image.	○	○	○	○	○	○	○
2 Levi's jeans represent the latest lifestyles.	○	○	○	○	○	○	○
3 Levi's jeans symbolize my social image.	○	○	○	○	○	○	○
4 Levi's jeans are associated with the symbol of prestige.	○	○	○	○	○	○	○
5 Levi's jeans say something about my social status.	○	○	○	○	○	○	○
6 Levi's jeans are associated with my wealth.	○	○	○	○	○	○	○

▶ Please indicate how you feel about Levi's jeans.

	Strongly Disagree			*Neutral*			*Strongly Agree*
1 To me, Levi's jeans is a global brand.	○	○	○	○	○	○	○
2 I think consumers overseas buy Levi's jeans.	○	○	○	○	○	○	○
3 Levi's jeans are sold all over the world.	○	○	○	○	○	○	○

► Please indicate how you feel about the quality of Levi's jeans.

	Strongly Disagree			Neutral			Strongly Agree
1 Levi's jeans are very high on overall quality.	○	○	○	○	○	○	○
2 Levi's jeans is a brand of superior quality.	○	○	○	○	○	○	○
3 The quality of Levi's jeans will probably be excellent.	○	○	○	○	○	○	○
4 Levi's jeans are extremely durable.	○	○	○	○	○	○	○
5 The quality of Levi's jeans is very reliable.	○	○	○	○	○	○	○

► Please indicate how you feel about the price of Levi's jeans.

In the Levi's store, you find a good selection. You decide to choose the 501 original fit Levi's jeans. How much do you think the price of Levi's jeans in the market will be? $ _____

Based on your answer above, how do you feel about **the price of the Levi's jeans**? Please rate each item below by checking (X) in the empty space as in the example.

For example, very uninteresting ___: _X_: ___: ___: ___ very interesting

The price of Levi's jeans you indicated above is:

1. Very inexpensive _____: _____: _____: _____: _____ Very expensive
2. A real bargain _____: _____: _____: _____: _____ A real rip-off
3. Very low _____: _____: _____: _____: _____ Very high
4. Not pricey at all _____: _____: _____: _____: _____ Very pricey
5. Very reasonable _____: _____: _____: _____: _____ Very unreasonable

Compared to other comparable pairs of jeans in the market,
the price of Levi's jeans you indicated above is:

1. Unfair _____: _____: _____: _____: _____ Fair
2. A poor match _____: _____: _____: _____: _____ A good match
3. Not logical _____: _____: _____: _____: _____ Logical
4. Inappropriate _____: _____: _____: _____: _____ Appropriate
5. Irrational _____: _____: _____: _____: _____ Rational

►Please indicate your purchase intention for Levi's jeans in the future.

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		Very Low			Neutral			Very High
1	The chance of purchasing Levi's jeans is:	O	O	O	O	O	O	O
2	If I were going to buy a pair of jeans, I would consider buying Levi's jeans:	O	O	O	O	O	O	O
3	I would consider buying Levi's jeans:	O	O	O	O	O	O	O
4	The probability that I would consider buying Levi's jeans is:	O	O	O	O	O	O	O
5	My willingness to purchase Levi's jeans is:	O	O	O	O	O	O	O

PART II: Questions about personal characteristics

Please read each of the following items. Circle or bubble the number beside each statement that accurately corresponds with how strongly you believe that statement.

▶ Please indicate your level of agreement with each of the following statement.

		Strongly Disagree			Neutral			Strongly Agree
1	The way I look is extremely important to me.	O	O	O	O	O	O	O
2	I am very concerned about my appearance.	O	O	O	O	O	O	O
3	I would feel embarrassed if I were around people and did not look my best.	O	O	O	O	O	O	O
4	Looking my best is worth the effort.	O	O	O	O	O	O	O
5	It is important that I always look good.	O	O	O	O	O	O	O
6	People notice how attractive I am.	O	O	O	O	O	O	O
7	My looks are very appealing to others.	O	O	O	O	O	O	O
8	People are envious of my good looks.	O	O	O	O	O	O	O

#	Statement							
9	I am a very good-looking individual.	O	O	O	O	O	O	O
10	My body is sexually appealing.	O	O	O	O	O	O	O
11	I have the type of body that people want to look at.	O	O	O	O	O	O	O
12	Professional achievements are an obsession with me.	O	O	O	O	O	O	O
13	I want others to look up to me for my accomplishments.	O	O	O	O	O	O	O
14	I am more concerned with professional success than most people I know.	O	O	O	O	O	O	O
15	Achieving greater success than my peers is important to me.	O	O	O	O	O	O	O
16	I want my achievements to be recognized by others.	O	O	O	O	O	O	O
17	In a professional sense, I am a very successful person.	O	O	O	O	O	O	O
18	My achievements are highly regarded by others.	O	O	O	O	O	O	O
19	I am an accomplished person.	O	O	O	O	O	O	O
20	I am a good example of professional success.	O	O	O	O	O	O	O
21	Others wish they were as successful as I am.	O	O	O	O	O	O	O

▶The questions below are about shopping. Please indicate your agreement with each of the following statements.

#	Statement	Strongly Disagree			Neutral			Strongly Agree
1	When viewing a product, I can identify the quality of the product.	O	O	O	O	O	O	O
2	I am familiar with product/marketing jargon.	O	O	O	O	O	O	O
3	I am really good at cutting through to the value of the product.	O	O	O	O	O	O	O
4	When I am shopping, I can spot a good deal or a bargain.	O	O	O	O	O	O	O
5	I am good at finding the best price around.	O	O	O	O	O	O	O

| 6 | I know when all the sales are on and do most of my shopping then. | ○ ○ ○ ○ ○ ○ ○ |
| 7 | I often try to engage the store keeper in discussion to reduce the price or get something else thrown in. | ○ ○ ○ ○ ○ ○ ○ |

▶The below is only for statistical purposes. Please mark (√) on the line that best describes you.

1. What is your gender?   _____ Male   _____Female
2. What is your age?   _____
3. What is your ethnicity? _____ African American
                           _____ Asian or Pacific Islander
                           _____ Caucasian/ White
                           _____ Hispanic/ Latino
                           _____ Native American
                           _____ Mixed
                           _____ Other Ethnic Background
4. What year in school are you? _____ Freshman
                                 _____ Sophomore
                                 _____ Junior
                                 _____ Senior
                                 _____ Graduate/Other (   )
5. What is your monthly income? (Including scholarships, earnings, allowances, etc.)
   _____ Under $500   _____ $500 - $749
   _____ $750 - $999   _____ $1,000 - $1,4999
   _____ $1,500 - $1,999   _____ $2,000 or more

☺ THANK YOU FOR YOUR PARTICIPATION!

APPENDIX B

APPROVAL OF INSTITUTIONAL REVIEW BOARD (IRB) FOR THE USE OF

HUMAN PARTICIPANTS IN RESEARCH

OFFICE OF RESEARCH COMPLIANCE
2718 Beverly Cooper Moore and Irene Mitchell Moore
Humanities and Research Administration Bldg.
PO Box 26170
Greensboro, NC 27402-6170
336.256.1482
Web site: www.uncg.edu/orc
Federalwide Assurance (FWA) #216

THE UNIVERSITY *of* NORTH CAROLINA
GREENSBORO

To: Byoungho Jin
Cons, Apparel, and Ret Stds
210 Stone Building

From: UNCG IRB

Date: 11/13/2012

RE: Notice of IRB Exemption
Exemption Category: 2.Survey, interview, public observation
Study #: 12-0393
Study Title: Do Lower Prices Always Increase Willingness to Purchase? A Comprehensive
Understanding Toward the Role of Perceived Price

This submission has been reviewed by the above IRB and was determined to be exempt from further review according to the regulatory category cited above under 45 CFR 46.101(b).

Study Description:

The purpose of this study is to explore and systematically understand the relationship between perceived price and willingness to purchase in the context of apparel shopping.

Findings and other regulatory items:

- If your study is contingent upon approval from another site, such as the universities in India and the U.S. where you will be conducting your research, you will need to submit a modification at the time you receive that approval.

Investigator's Responsibilities

Please be aware that any changes to your protocol must be reviewed by the IRB prior to being implemented. The IRB will maintain records for this study for three years from the date of the original determination of exempt status.

CC:
Junghwa Son, Cons, Apparel, And Ret Stds
ORC, (ORC), Non-IRB Review Contact

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UNIVERSITY OF NORTH CAROLINA AT GREENSBORO

Project Title: **Do lower prices always increase willingness to purchase? A comprehensive understanding toward the role of perceived price**

Project Director: Dr. Byoungho Jin

Participant's Name: _____

What is the study about?

The purpose of this research is to explore and systematically understand the relationship between perceived price and willingness to purchase in the context of apparel shopping.

Why are you asking me?

You are eligible to participate in this study because you are at least 18 years old, read and speak English, and are likely to purchase apparel brands.

What will you ask me to do if I agree to be in the study?

If you agree to participate, you will be asked to fill out a survey pertaining to your attitudes and behaviors toward apparel shopping. It will take 10-15 minutes to complete this study. There are no right or wrong answers to the questions. You are allowed to work at your own pace. You may choose not to answer some or all of the questions. You may stop filling out this survey at any time if you feel uncomfortable.

Is there any audio/video recording?

No

What are the dangers to me?

The Institutional Review Board at University of North Carolina at Greensboro has determined that participation in this study poses minimal risk to participants.

If you have questions, want more information or have suggestions, please contact the Office of Research Compliance at UNCG at (336)256-1482. Questions about this project or benefits or risks associated with being in this study can be answered by Dr. Byoungho Jin by calling (336) 256-0251 or sending an email at b_jin2@uncg.edu.

Are there any benefits to society as a result of me taking part in this research?

This research benefits society by helping us to comprehensive understanding the relationship between perceived price and willingness to purchase systematically not only in an apparel shopping context but also other business settings. The findings may lead to improve retailers and marketers to have a competitive marketing strategy.

Are there any benefits to *me* for taking part in this research study?

UNCG IRB
Approved Consent Form
Valid 11/13/12 to 11/12/15

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There are no direct benefits to participants in this study.

Will I get paid for being in the study? Will it cost me anything?

There are no costs to you or payments made for participating in this study.

How will you keep my information confidential?

Only principal investigator and the student researchers will have access to information you provided. In order to maintain your confidentiality, neither your name nor address will be asked. Your answers will be kept confidential. Questionnaires will be assigned an id number so that all participants remain confidential. No link will be made between participant's names and their survey answers. The research data will be kept for 3 years in a locked filing cabinet in a locked private office on UNC-Greensboro campus, after which all documents will be shredded and computer files will be deleted. All information obtained in this study is strictly confidential unless disclosure is required by law.

What if I want to leave the study?

You have the right to refuse to participate or to withdraw at any time, without penalty. If you do withdraw, it will not affect you in any way. If you choose to withdraw, you may request that any of your data which has been collected be destroyed unless it is in a de-identifiable state.

What about new information/changes in the study?

If significant new information relating to the study becomes available which may relate to your willingness to continue to participate, this information will be provided to you.

Voluntary Consent by Participant:

By signing this consent form you are agreeing that you read, or it has been read to you, and you fully understand the contents of this document and are openly willing consent to take part in this study. All of your questions concerning this study have been answered. By signing this form, you are agreeing that you are 18 years of age or older and are agreeing to participate, or have the individual specified above as a participant participate, in this study described to you by Ms. Junghwa Son.

Signature: _____ Date: _____

UNCG IRB
Approved Consent Form
Valid _11/13/12_ to _11/12/15_

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An Oral Recruitment Script

Hello everyone, my name is Junghwa Son. I am a doctoral student in Consumer, Apparel, and Retail Studies at UNCG. This is a research study and I am conducting my dissertation project to examine the relationship between perceived price and willingness to purchase in the context of apparel shopping. You are invited to voluntarily participate in this study. And your answer is very important and valuable to my study. However, you can choose not to participate in this study as well. If you decide to participate in this study, you are agreeing that you are at least age of 18 or older and can read and understand English. Remember, there are no right or wrong answers to the questions, and your answers will be kept confidential. The results of this study will only be used for academic purposes, not commercial. You are allowed to work at your own pace. You may stop filling out this survey at any time if you feel uncomfortable, but we hope you complete all parts of the survey since incomplete surveys cannot be used. It will take about 15 to 20 minutes to complete. This study does not provide compensation. There are no known risks associated with this project which are greater than those ordinarily encountered in daily life. If you have any questions, please feel free to ask me or email me at j_son2@uncg.edu as I will be glad to assist you.

APPROVED IRB

NOV 1 3 2012

GREENSBORO

Dear participants,

Hello, I am Junghwa Son, a doctoral student working on a doctoral dissertation under the guidance of Dr. Byoungho Jin at the University of North Carolina at Greensboro. This survey is part of the doctoral research to understand factors related to jeans consumption. Your participation is essential and valuable in order for me to complete the dissertation research.

Your participation in this study is absolutely voluntarily. However, if you decide to participate in this study, you are agreeing that you are at least 18 years old and can clearly read and understand English. Remember, there are no right or wrong answers to the questions, and your answers will be kept confidential. The results of this study will only be used for academic purposes, not commercial. You are allowed to work at your own pace. You may stop filling out this survey at any time if you feel uncomfortable, but we hope you complete all parts of the survey since incomplete surveys cannot be used. It will take about 15 to 20 minutes to complete. This study does not provide compensation. There are no known risks associated with this project which are greater than those ordinarily encountered in daily life.

Thank you in advance for your participation. If you have any questions, please feel free to ask the researchers as we will be glad to assist you. In addition, if you have questions concerning your rights as a research subject, you may contact the University of North Carolina at Greensboro Institutional Review Board at (336) 256-1482.

Sincerely,

APPROVED IRB

NOV 1 3 2012

Junghwa Son

Doctoral Student

Consumer, Apparel, & Retail Studies

University of North Carolina at Greensboro

Tel: (336)549-5176

Email: j_son2@uncg.edu