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A global brand imagery context on consumers'  
willingness to purchase and pay price premium:  
the EuroAsia telecommunication sector

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# A global brand imagery context on consumers' willingness to purchase and pay price premium: the EuroAsia telecommunication sector

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## **Abstract**

**Purpose** – The aim of this study is to explore how societal culture and brand imageries influence consumers' willingness to pay price premium, along with consumers purchase intentions.

**Design/methodology/approach** – The study is based on a quantitative survey of brand images found in the telecommunication sector and branding literature. In order to have maximum reach of the questionnaire, the survey was released via email databases of universities and digital channels.

**Findings** Imageries were identified that positively correlates to purchase intention and price premium, and there seems to be a determined difference between consumers in Europe and Japan. This initial study was intentionally broad to achieve multiple insights, and future studies might want to specify more in order to increase the understanding regarding certain areas of the issue.

**Practical implications** – The results help brand managers to recognize the importance of incorporating price premium and to develop a better understanding of what drives price premium in addition to more traditional dimensions as quality and satisfaction. As well as the importance of adapting to local culture and recognize the issue of individualism and collectivism.

**Originality/value** – This paper connects culture to price premium and purchase intention. By exploring these concepts from an international perspective, this paper provides interesting insights into the importance of societal culture and also how price premium and purchase intention might be achieved.

**Keywords:** Price premium, Purchase intention, Brand imageries, Brand equity, Telecommunication, Smartphones

**Paper type:** Master Thesis

## **Introduction**

Price competition are a challenge faced by many companies active within the markets of consumer goods. One such market is the telecommunication sector, where the issue seems to be multifaceted (Ahn, 2016). A growing middle class in emerging markets

have indeed increased the demand, however at the same time, this have triggered several domestic alternatives where low prices don't seem to have any effect on the features within the device (The Economist, 2014). The telecommunication sector usually competes through price or by improving the features, so if certain brands

provide similar features to a lower price, other market actors will have to adapt to this strategy which decreases profitability (Ahn, 2016). Furthermore, the telecommunication sector contains of high-involvement products which is linked with certain attributes when it comes to the purchasing situation for the consumer - for example such attributes that might differ from low-involvement products like groceries (Martin, 1998; Patterson, 1993). The high involvement product requires higher level of engagement and more time in information seeking, product searching and comparison of alternatives. Hence, there is higher risk linked with the purchase of high-involvement products, compared to low-involvement products (Marketing 91, 2017).

Moreover, successful brands can gain competitive advantage through brand equity, hence the importance of the concept. With strong brand equity, the brand can obtain higher premium asset valuation – hence the importance of a well-known brand (Lassar, Mittal & Sharma, 1995). One can argue that brand equity is a result of consumers' loyalty to a brand, and the confidence they place in the specific brand in contrast to a competing brand – in addition to the consumers' willingness to pay premium price for the given brand (Lassar, Mittal & Sharma, 1995). The role of societal culture is therefore an important aspect, since it can explain the reason behind consumer loyalty and purchase intentions on various levels among consumers (Lassar, Mittal & Sharma, 1995; Eisingerich & Rubera, 2010; Noordin, Williams & Zimmer, 2002; Triandis et al., 1988).

It's also proven that brands can provide useful solutions for consumers' needs – as the level of brand innovativeness. If the brand can address the consumers' needs in a greater extent, thus the greater will the commitment to the brand be by the consumers (Eisingerich & Rubera, 2010). It's once again clear that societal culture plays a vital role in explaining consumers' commitment towards a brand, along with the level of loyalty. Brand innovativeness seems to be of greater importance in individualistic cultures in the West – in comparison to collectivistic cultures in the East (Eisingerich & Rubera, 2010). Therefore, culture in this respect, is an important aspect and influence the level of trust and engagement towards a brand and its benefits – thus, people in collectivist cultures tend to be more trusting compared to individualistic cultures (Eisingerich & Rubera, 2010).

The conceptualization is further strengthened by comparative studies of Asian and Western societies regarding values in relation to individualism - collectivism, and how this affect purchasing decisions regarding high-involvement products. It's been stated that Asian societies are more collectivistic – i.e. the self is identified with an in-group. Contrary, the Western societies tends to be more individualistic – thus, the self is distinct from the in-group (Noordin, Williams & Zimmer, 2002; Triandis et al., 1988).

The country of Japan is an interesting example of a collectivistic society. Japan being Europe's third largest trade partner and likewise well developed (Costel and Tudor, 2015). While Japanese and European consumers both have strong purchasing power, the cultural differences

generate variation regarding behavior in purchasing of consumer goods. Moreover, Japan is the highest ranked country in Asia, due to the high development rate based on HDI, and similar to Western Europe in many matters (United Nations Development Programme, 2017).

Furthermore, Japanese consumers view price as an important indicator of quality, and are often willing to pay more for higher quality (Martin and Herbig, 2002; Costel and Tudor, 2015). Whereas Western Europeans, as individualistic societies, often look for bargains and discounts, which has increased due to normalization of purchases through online retailers (EMEA, 2013; Costel and Tudor, 2015). Japanese consumer also tends to evaluate more than just the product specifics, such as intrinsic values or products with the right appearances (Johansson & Nebenzahl, 1986).

Chun-Tung Lowe & Corkindale (1998) found that purchasing intentions differ due to cultural values, which are shaping consumers' motivations in life along with their product choices, such as that individuals from East Asia tend to use products as a social symbol. However, social influence and brand loyalty in collectivistic cultures such as Japan, tends to be of major importance among average consumers, when it comes to high-tech products (Eisingerich & Rubera, 2010).

Traditionally, the literature within the field of brand imagery and price premium has been less developed. Much of the earlier research are focused on quality as a way of achieving profit margin above industry average, and higher prices that leads to

above average profits are defined, according to previous research, as price premiums (Martin and Herbig, 2002; Costel and Tudor, 2015; Rao & Bergen, 1992). Moreover, price premium can be obtained when consumers are willing to pay more for a specific item compared to their willingness to pay more for another item – within the same product segment (Anselmsson, Bondesson & Johansson, 2014; Rao & Bergen, 1992). On the other hand, the reason behind consumers' willingness to pay for price premium regarding products and services might differ depending on the given situation, but also the intentions for each consumer based on culture and values. Thus, price premium deals with consumers' willingness to pay and their reasoning behind that, does not necessarily reflect real prices (Anselmsson, Bondesson & Johansson, 2014; Steenkamp, Heerde & Geyskens, 2010).

*Thus, the underlying research question of this study is how societal culture and brand imageries influence consumers' willingness to pay price premium, along with consumers purchase intentions, regarding high-involvement products such as smartphones.*

Current research is somewhat limited regarding international context and the influence of culture. Much of the current research within the area of price premium and brand imagery lack global context (Kalogeras et al., 2009; Anselmsson, Bondesson & Johansson, 2014; Steenkamp, Heerde & Geyskens, 2010), while other research has the sole focus on perceived quality, product relatable tangibles and loyalty factors (Lassar, Mittal & Sharma, 1995; Yoo and Donthu, 2001). Specifically, by exploring societal culture and brand

imageries, and its effect on price premium and purchase intention, the aim of this study is to develop the field of price premium and brand imagery, and the role culture plays within this area. From the perspective of management, more knowledge within the area of price premium and culture will contribute to achieve stronger brand equity, which is vital for creating premium asset valuation (Lassar, Mittal & Sharma, 1995).

The conceptual framework and perceptions effect on price premium and consumer purchase intention  
As per Keller and Lehmann (2006) one of the most important aspects that research on branding should focus on is not something physical in relation to the brand, but rather the brand's intangibles including brand image that does not include physical, concrete attributes or benefits and tangibles. The notion of brand intangibles is defined as a mean that marketers utilize in order to achieve differentiation with consumers that transcend beyond normal physical products (Park et al. 1986). In 2001, Keller exemplified brand intangible as actual or aspirational user imagery, purchase and consumption imagery, history, heritage and experience which are all associated with the brand. The topic has raised a question on how both brand tangibles and intangibles have an impact on brand equity. On the other hand, when a brand is unable to control the consistency of its intangible, which includes brand imagery, it might cause a confusion on the brand's position within the market to the consumers, and would eventually hinder its brand equity in the long-run (Hsieh, 2002).

Within the durable goods and long-term purchase segments, which requires more

time to make decision and level of involvement, an existing study by Raj and Roy (2015) covered the same aspects with the aforementioned studies. The research looked into the influence of brand awareness and imagery towards consumers' purchase intentions. Rather than measuring the specific type of product, authors measured the industry as a whole, and labelled it as 'hi-tech'. The measured set of products in the hi-tech industry includes laptops, tablets and PCs; however, this way of measuring might not fully represent the imagery for each product as the purpose and usage of the three varies. Furthermore, even though the study heavily labelled itself with regard to purchase intent and brand imagery, the finding mostly focuses on the communication of the brand at certain touchpoints between brands and consumers.

Another study focused on brand imagery of long term goods was conducted by Emelie Jansson (2013) titled Cross-cultural differences in brand image perception. Even by applying Hofstede's (2001) cultural framework, the author herself stated that the robustness of the sample from the qualitative study, which was only 12 in sample size, might not be sufficient when the goal is to generalize the differences in consumer's perception in different countries. Moreover, the practical implication, from a marketer's stand point, might be missing as the study only answered the fact that there is a difference in the way consumer perceived the brand in Sweden, American and China, but no further explanation was given on how this could be built upon.

Similar to Jansson's (2013) study, Petrauskaite (2014) did a qualitative survey among Danish and Lithuanian citizens in

order to find the differences in what consumers are looking for in the footwear market in their respective country. The author managed to point out the importance aspect that buyers look forward to when purchasing footwear, but any significant correlation between the mentioned imagery and purchase intention is missing as there is only 12 respondents, which might not be sufficient to draw generalizations for the two countries.

The study of *The impact of brand image on consumer behaviour* by Zhang (2015) tested the influence of brand imagery on consumer behaviours, namely consumer satisfaction and consumer loyalty. The finding of the research emphasized that brand image has no direct impact on consumer loyalty, but rather is mediated through consumer satisfaction. However, the author of the study commented that a more comprehensive indicator of consumer behaviour could be explored, as these two measures alone might not be able to fully explain the practical implication of the findings.

Moreover, Chun-Tung Lowe & Corkindale (1998) shows that values play a vital role in explaining the purchase intentions between different cultures. Values are shaping consumers motivations in life along with their product choices, such as paying for premium goods. Thus, the purchase intentions can differ between cultures. Individuals in East Asia tends to use products as social symbols in order to reflect their social status. Therefore, the brand name and prestige becomes more important – while the quality of the product itself becomes less important in this context. Cultures in East Asia have a higher tendency to purchase recommended brands

similar to other members of the same culture and also tend to be loyal to that brand in a larger extent – in comparison to more individualistic cultures (Chun-Tung Lowe & Corkindale, 1998). However, the study only covered the behavioural aspect towards general purchasing terms, which lack the definite classification of product nature or type which could variate differently.

### **Brand imageries within the global telecommunication sector.**

Quality is often a fundamental aspect in explaining the standard of a certain product - which also can be linked to the brand itself. It can be seen as an emotional state, how consumers are perceiving the quality of the given product - thus the product can be seen as premium due to its perceived high quality and reputation (Almsensson, Bondesson & Johansson, 2014). On the other hand, the reason behind consumers' willingness to pay for price premium regarding products and services might differ depending on the given situation, but also the purchasing intentions for each consumer based on societal culture and values (Anselmsson, Bondesson & Johansson, 2014; Steenkamp, Heerde & Geyskens, 2010).

Pre-existing research within brand equity in regard to price premium and purchase intention involves both high-involvement products (Ray and Roy, 2015), as well as low involvement segments such as food groceries (Anselmsson, Bondesson & Johansson, 2014). As can be seen research have been conducted on a wide variety of product segments and with different aims, including more conceptual ones such as Aaker (1996) and Keller (2001). Other research has studied packaged food

(Tikkanen and Vaariskoski, 2010; Anselmsson et al., 2007), footwear (Petrauskaitė (2014), restaurants (Kim & Kim, 2005), specific car brands Jansson (2013) and airlines (Chen & Chang, 2008).

Ray and Roy (2015) studied the influence of brand awareness and imagery towards consumers' purchase intention. Rather than measuring the specific type of product, authors measured the industry as a whole, and labelled it as 'hi-tech'. Their findings focus on the communication of the brand at certain touchpoints between brands and consumers. Anselmsson, Bondesson and Johansson (2014) on the other hand measured consumers perception of non-product specific elements and its effect on consumer willingness to pay a price premium.

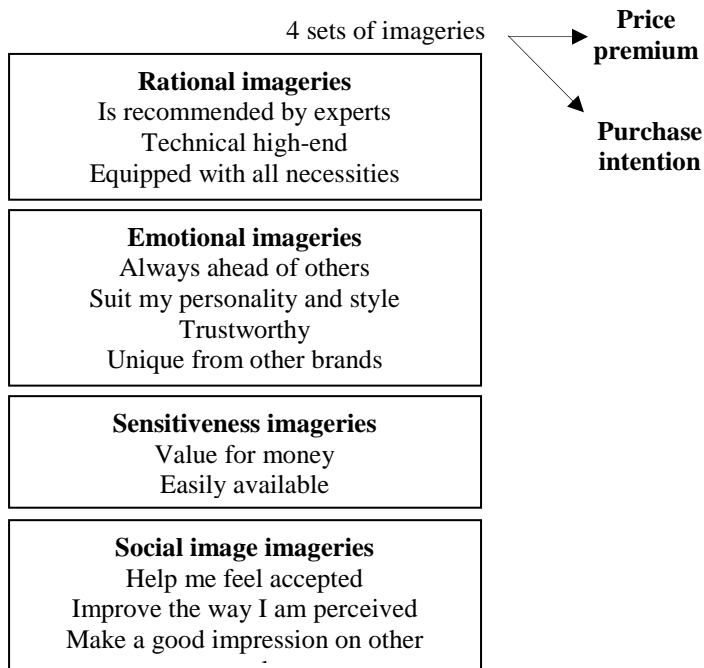


Figure 1, conceptual framework.

Due to the focus of this study - price premium and purchase intention - the two quantitative above-mentioned studies (Ray & Roy, 2015; Anselmsson, Bondesson & Johansson, 2014) are used to construct the model and the hypotheses. Following, the

items of the model (figure 1) will be explained, while hypotheses explaining the supposed relationship between the different imageries will be produced and outlined.

### Rational imageries

Companies and brands can have a substantial benefit by understanding consumers' behavior in different purchasing situations. Some consumers tend to base their decisions on rational aspects, such as the technology of a certain product, or the recommendations by experts (Raj & Roy, 2015). Therefore, items linked with rationality are to be seen above in figure 1, and according to previous research, might affect purchasing intentions among individuals along with their willingness to pay a price premium for that given product. Collectivistic cultures have a higher tendency to purchase recommended brands and also tend to be loyal to that brand in a larger extent – in comparison to more individualistic cultures (Chun-Tung Lowe & Corkindale, 1998).

As per Raj & Roy (2015), 'Equipped with all necessities', 'Is recommended by experts' and 'Is technically high end' was factored into 'Rational image', and hypothesized to have a positive influences on price premium and purchase intention. However, this study instead looks at this factor as individual items.

H1a: Item 'Equipped with all necessities' has a positive relationship with price premium.

H1b: Item 'Equipped with all necessities' has a positive relationship with purchase intent,

H1c: Item 'Is recommended by experts' has a positive relationship with purchase intent.

H1d: Item 'Is recommended by experts' has a positive relationship with price premium.

H1e: Item 'Is technically high end' has a positive relationship with price premium.

H1f: Item 'Is technically high end' has a positive relationship with purchase intent.

### **Emotional imageries**

The items linked with emotionality are to be seen above in *figure 1*, and as in hypothesis 1, societal culture are probable to have an impact. Consumers can have different opinions of a certain brand, and the level of uniqueness of that brand may vary, i.e. to what degree the consumers feel that the brand differs from other competing brands (Anselmsson, Bondesson & Johansson, 2014). Hence, emotions play a vital role in explaining motives for consumers' purchasing behaviour – and the reason for paying a price premium for certain products due to strong feelings and emotions towards a brand (Raj & Roy, 2015).

Furthermore, brand innovativeness seems to be of greater importance in individualistic cultures in the west – in comparison to collectivist cultures in the East (Eisingerich & Rubera, 2010). Therefore, societal culture in this respect, is an important aspect and influence the level of trust and engagement towards a brand and its benefits – thus, people in collectivist cultures tend to be more trusting compared to individualistic cultures (Eisingerich & Rubera, 2010).

“Suit my personality and style” along with “Trustworthy” are two of the items used to

examine the relationship between Brand Imagery and Purchase Intention on high tech product by Raj and Roy (2015). Moreover, “Unique from other brands” and “Always ahead of others” are two items in a similar context by Anselmsson et. al., (2014). These items were categorized into factors in these previous studies, however, this study focus on each item individually.

H2a: Item 'Suit my personality and style' has a positive relationship with price premium

H2b: Item 'Suit my personality and style' has a positive relationship with purchase intent

H2c: Item 'Always ahead of others' has a positive relationship with price premium

H2d: Item 'Always ahead of others' has a positive relationship with purchase intent

H2e: Item 'Trust worthy' has a positive relationship with purchase intent

H2f: Item 'Trust worthy' has a positive relationship with price premium.

H2g: Item 'unique from other brands' has a positive relationship with purchase intent

H2h: Item 'unique from other brands' has a positive relationship with price premium.

### **Social image imageries**

The term of social image is used to categorize the items about the self, as to be seen in *figure 1*. Moreover, how the consumers view themselves in relation to their surroundings. In branding literature, the social image of a brand often plays a vital role in explaining consumers' purchasing intentions – thus it can explain



the level of loyalty towards a brand (Keller, 2001). Moreover, the social dimension can give the brand the ability to provide consumers with means to identify themselves along with the ability to express their values with this certain brand (Ball & Tasaki, 1992). It's evident that social image can influence consumers and be the main reason for purchasing a certain brand, and the reason for paying price premium. It has been tested within the food sector, in the study of food brands by Anselmsson et al. (2007).

One example of how social image can influence consumer decision making from a perspective of societal culture, is the fact that Asian societies tend to be more collectivistic, meaning that the self is identified with an in-group. In contrast, Western societies tend to be more individualistic – thus, the self is distinct from the in-group (Noordin, Williams & Zimmer, 2002; Triandis et al., 1988).

In practice this means that Japanese consumers tends to evaluate more than just the product specifics during the decision-making process, such as intrinsic values or products with the right appearances (Johansson & Nebenzahl, 1986). Also, individuals in East Asia tends to use products as social symbols in order to reflect their social status. Therefore, the brand name and prestige becomes more important – while the quality of the product itself becomes less important in this context.

As per Anselmsson et. al (2014), 'Improve the way I am perceived', 'Help me feel accepted' and 'Make a good impression on other people' was factored into 'Social Image', and hypothesized to have a positive

influences on price premium and purchase intention. However, this study instead looks at this factor as individual items.

H3a: Item 'Improve the way I am perceived' has a positive relationship with price premium.

H3b: Item 'Improve the way I am perceived' has a positive relationship with purchase intent.

H3c: Item 'Help me feel accepted' has a positive relationship with price premium.

H3d: Item 'Help me feel accepted' has a positive relationship with purchase intent.

H3e: Item 'Make a good impression on other people' has a positive relationship with purchase intent.

H3f: Item 'Make a good impression on other people' has a positive relationship with price premium.

### **Sensitiveness imageries**

The items in *figure 1* which focus on value for the consumers are categorized under the term of sensitiveness. Culture in this matter might have a high level of relevance in explaining the following hypothesis, due to the differences in values that seem to be connected to differences in social culture. Consumers have different views and perspectives about value, i.e. some may think that high prices refer to high value of the given product, while others might think that a high price isn't a measurement of value (Zahid & Dastane, 2016). According to Kotler and Armstrong (2010), value of a certain product is something that each consumer gain when using or acquiring

benefits of that product - which is individual for each consumer.

Moreover, since societal culture seems to play a vital role in consumers' decision-making process, it's important to see the potential connection between culture and the rational items mentioned. For example, Japanese consumers view price as an important indicator of quality, and are often willing to pay more for higher quality, whereas Western Europeans, as individualistic societies, often look for bargains and discounts (Martin and Herbig, 2002; Costel and Tudor, 2015).

As per Raj and Roy (2015) 'Value for money' and 'easily available' was factored into 'Sensitiveness', and hypothesized to have a positive influence on price premium and purchase intention. However, this study instead looks at this factor as individual items.

H4a: Item 'Value for money' has a positive relationship with purchase intent

H4b: Item 'Value for money' has a positive relationship with price premium

H4c: Item 'easily available' has a positive relationship with purchase intent

H4d: Item 'easily available' has a positive relationship with price premium.

## Methodology

### Data collection

All of the data and findings from this study were collected through a survey which was sent through an email database of University of Gothenburg, along with universities in Japan and other European countries (Western Europe). There were no specific requirement or criteria for participation. The research approach in this study were explanatory, and the hypothesis testing were adopted to examine the relationship between the brand imagery items and consumers' purchase intentions along with their willingness to pay price premium regarding smartphones. Moreover, a quantitative approach is used since a quantitative study can provide more reliable findings when having a larger population size, according to Collis and Hussey (2013).

A total sample of 386 was achieved, in which 207 was from Western Europe and 173 was from Japan, with 57 percent of the respondent as men and 41 percent as females. The average age of the sample were 28 years old, while the median were 26 years. All respondents were informed that this would be a claimed perception towards all the three brands based purely on their personal opinion and assumptions on all three brands up to that instance; thus, no prior experience using any of the brands were required. Moreover, the data was cleaned by removing respondents of whom indicated "not at all familiar" for a certain brand in the survey, as well as removing respondents who indicated a residence outside the regions of Western Europe or Japan. Respondents were asked to complete all of the questions.

### Selection of countries

The criteria for choosing Western Europe and Japan in this study are mainly due to culture and values that might differ between these geographical areas, according to theory. As stated in the introduction, the purchasing intentions among consumers can be based on underlying values, which isn't necessary similar around the world - as Western Europe is more individualistic within its societies, where the underlying values differ from collective societies in East Asia. Moreover, the comparison between Japan and Western Europe is made due to the high development rate based on HDI - as Japan is the highest ranked country in Asia and similar to Western Europe in that matter (United Nations Development Programme, 2017). To clarify, Western Europe in this study is referring to Scandinavia, Belgium, Germany, Italy and France.

### Selection of Brands

The criteria for using these three brands for the study is mainly due to the differences in their origin, along with the fact that these three brands are in different price categories, while still having similar features and hardware. Specifically, the brands in the study share similar features and functions in their products, but possibly different brand position. Xiaomi; in particular, was selected because of how fast

the growth of the brand has become worldwide, which has even surpassed Apple and Samsung in terms of growth rate (Faulkner, 2017). Moreover, Samsung and Apple (iPhone) are the market leaders (Gartner, 2018) which are more of household brands in this category, compared to Xiaomi. Finding out the

variation in brand perception by referring to difference in popularity is the reason for choosing these three brands.

### Measurement

The final questionnaire of this study was based on a Likert-scale. With a five-point scale, respondents have to determine the degree of agreement towards each imagery perception for all three brands. This approach was done in accordance with models provided by Lassar et al. (1995); Aaker (1996); Yoo and Donthu (2001) and Netemeyer et al. (2004) from their previous research.

Content validity of the scales were reached

through finding the correct representational selectable items, in regard to the concept of the research question. In order to ensure a correct representation of the construct, prior research in the area were used. The main components of the questionnaire rely on mainly a section of imageries, which consists of twelve imageries adopted from Raj and Roy's (2015) study on High-Technology Products, which was modified

	Frequency	Percent
<b>Gender</b>		
Male	219	56.74
Female	157	40.67
Other	10	2.59
<b>Age</b>		
< 25	129	33.5
25- 31	179	46.5
> 31	77	20.0
Median age	26	
Average age	27.96	
<b>Origin/living</b>		
Western Europe	207	53.64
Japan	173	44.81
Other	6	1.55

**Table 1.** Characteristics of the subjects

into a Likert-scale, as well as Anselmsson, Bondesson and Johanssons (2014) article regarding consumers' willingness to pay price premium for certain food brands (**See appendix 1**).

Finally, an CFA analysis were conducted, however, the results clearly showed that the factors solutions did not match (p value .000). Structuring the imageries into four factors did not fit the observed data, hence, instead of grouping the items into four factors – rationality, sensitiveness, social image, emotionality – like earlier researchers (Anselmsson, Bondesson and Johanssons, 2014; Raj and Roy, 2015), each individual item became a hypothesis. The individual items were then run through regression.

## Results

At the brand level, Apple seems to have the most endorsement on imagery compared to other brands in the set with a mean score of total endorsement at 3.58 and 3.94 in Europe and Japan respectively. Xiaomi, similar with Apple, has more total imagery endorsement in Japan at 3.06 comparing to Europe at 2.34 unlike Samsung which was endorsed more in Europe. Apple's most stand out imagery in Europe is Easily available with a mean of 4.12 and Is technically high end with a mean of 4.16 while Samsung in well known for Easily available with a mean score of 3.87 in Europe and Is technically high end, with a mean score of 3.6 in Japan. Lastly, Xiaomi is being known for Value for money in Europe while stands out for Equipped with all necessities in Japan. See table 0 below.

	Mean		Mean		Mean	
	Apple		Samsung		Xiaomi	
	Europe	Japan	Europe	Japan	Europe	Japan
<b>Sample Size</b>	207	173	207	173	207	173
Equipped with all necessities	3.77	4.12	3.76	3.58	2.37	3.65
Is technically high end	3.96	4.16	3.81	3.6	2.38	3.39
Is recommended by experts	3.86	3.73	3.76	3.24	2.38	3.11
Always ahead of others.	3.55	3.86	3.45	3.21	2.31	2.91
Suit my personality and style	3.64	3.9	3.39	2.81	2.34	2.86
Trust worthy	3.78	4	3.5	3.23	2.36	2.94
Unique from other brands	3.76	3.91	3.27	3.07	2.36	3.15
Value for money	3.23	3.64	3.51	3.16	2.43	3.39
Easily available	4.12	3.83	3.87	3.31	2.35	3.07
Help me to feel accepted	3.07	4.04	2.89	2.65	2.26	2.89
Improve the way I am perceived	3.06	4.01	2.88	2.49	2.27	2.69
Make a good impression on other people	3.19	4.04	2.95	2.61	2.27	2.69
<b>Total</b>	3.58	3.94	3.42	3.08	2.34	3.06

Table 0

### *Regression for price premium*

To find out hypotheses within the set of rationality, H1a, H1d, H1e, and hypotheses within emotionality H2a, H2c, H2f, H2h, as well as social image H3a, H3c, H3f and sensitiveness H4b and H4d, the regression analysis was ran on the basis of having each mentioned hypothesis as an independent variable while price premium as the dependent variable. This is to find out whether the relationship between the independent variable, which is the respective imageries, and the dependent variable, which is willingness to pay price

premium, exist. 12 regressions were done based on the stated hypotheses; however, the process was repeated three times as to compute the results to reflect all the three brands asked in the questionnaire. Moreover, under each brand table, the result was further divided according to the regions of Japan and Europe for the sake of comparisons. The regression for Apple brand is shown in table 1, Samsung at table 2 and Xiaomi at table 3.

### Apple price premium

The regression model for Apple's brand imagery towards price premium showed that all the imageries contribute significantly to the brand's ability to demand price premium with R square of .562 and .506 for Japan and Europe respectively. "Improve the way I am perceived" is a significant determinant for price premium for Apple in Japan (B=.731, p<0.05); thus, H3a is supported in Japan. As for Europe 'Equipped with all necessities' (B=.611, p<0.05) and 'Suit my personality and style' (B=.877, p<0.05) are the strong predictors towards the brand's ability to demand higher price; hence, H1a and H2a are supported.

Apple	Variable	Beta	P-value	T	R2	Adjusted R2	F	Sig.					
Japan	Equipped with all necessities	.224	.178	1.355									
	Is technically high end	.319	.121	1.558									
	Is recommended by experts	-.043	.796	-.259									
	Always ahead of others.	.155	.396	.851									
	Suit my personality and style	.252	.108	1.619									
	Trust worthy	-.094	.533	-.625									
	Unique from other brands	.053	.738	.335									
	Value for money	.135	.323	.992									
	Easily available	-.023	.861	-.176									
	Help me to feel accepted	-.061	.833	-.212									
	Improve the way I am perceived	.713	.024	2.285									
	Make a good impression on others	.428	.071	1.820									
	<b>Price Premium</b>								.562	.526	15.689	.000 <sup>b</sup>	
	Europe	Equipped with all necessities	.611	.009					2.623				
Is technically high end		.271	.338	.961									
Is recommended by experts		-.413	.093	-									
Always ahead of others.		.146	.559	.586									
Suit my personality and style		.877	.000	4.284									
Trust worthy		.350	.173	1.368									
Unique from other brands		.159	.509	.662									
Value for money		-.065	.753	-.315									
Easily available		-.040	.858	-.180									
Help me to feel accepted		-.337	.335	-.966									
Improve the way I am perceived		.203	.605	.518									
Make a good impression on others		.417	.108	1.616									
<b>Price Premium</b>					.506	.474	15.890	.000 <sup>c</sup>					
		<b>Variable</b>	<b>Beta</b>	<b>P-value</b>	<b>T</b>	<b>R2</b>	<b>Adjusted R2</b>	<b>F</b>	<b>Sig.</b>				

Table 1

### Samsung price premium

As for Samsung, the influence of imageries towards premium could be explained with R square of .486 for Japan and .527 for Europe. “Always ahead of others” is a significant predictor for Samsung’s price premium in Japan (B=.336, p<0.05); hence, H2c is supported in Japan. Looking at Europe ‘Suit my personality and style’ (B=.733, p<0.05) is a strong determinant for Samsungs price premium; thus, H2a is supported. However, “Is recommended by experts” has a negative relationship with consumer’s willingness to pay a price premium for Samsung (B=-.649, p<0.05); therefore, H1c is rejected.

Samsung		Beta	P-value	T	R2	Adjusted R2	F	Sig.
Japan	Equipped with all necessities	.383	.052	1.964				
	Is technically high end	-.089	.594	-.534				
	Is recommended by experts	.003	.988	.015				
	Always ahead of others.	.336	.035	2.133				
	Suit my personality and style	.019	.915	.107				
	Trust worthy	.185	.323	.993				
	Unique from other brands	.326	.093	1.695				
	Value for money	-.039	.809	-.242				
	Easily available	.131	.390	.862				
	Help me to feel accepted	.323	.163	1.403				
	Improve the way I am perceived	.375	.156	1.426				
	Make a good impression on others	-.057	.824	-.223				
	<b>Price Premium</b>					.486	.436	9.705
Europe	Equipped with all necessities	.339	.267	1.113				
	Is technically high end	.648	.051	1.968				
	Is recommended by experts	-.649	.043	-				
	Always ahead of others.	-.057	.849	-.191				
	Suit my personality and style	.733	.001	3.544				
	Trust worthy	.096	.713	.368				
	Unique from other brands	.179	.426	.798				
	Value for money	.416	.100	1.654				
	Easily available	-.117	.612	-.509				
	Help me to feel accepted	.023	.950	.063				
	Improve the way I am perceived	-.148	.705	-.379				
	Make a good impression on others	.554	.088	1.714				
	<b>Price Premium</b>					.527	.496	16.806
Variable		Beta	P-value	T	R2	Adjusted R2	F	Sig.

Table 2

### Xiaomi price premium

Relationship between proposed imageries and price premium for Xiaomi could be explained by R square of .712 for Japan and .852 for Europe. However the models between countries are uncomparable as ANOVA test for Europe is ( $F=1.56$ ,  $sig>.000$ ). In Japan, “Equipped with all necessities” ( $B=.653$ ,  $p<0.05$ ) and “Help me to feel accepted” ( $B=.448$ ,  $p<0.05$ ) are the two main predictors for Xiaomi’s price premium in Japan; hence, H1a and H3c are supported. On the other hand, “Is technically high end” ( $B=-.516$ ,  $p<0.05$ ) and “Value for money” ( $B=-.310$ ,  $p<0.05$ ) have a negative relationship towards price premium; thus, H1e and H4b are rejected.

Xiaomi	Variable	Beta	P-value	T	R2	Adjusted R2	F	Sig.	
Japan	Equipped with all necessities	.653	.003	3.042					
	Is technically high end	-.516	.018	-2.398					
	Is recommended by experts	.089	.589	.542					
	Always ahead of others.	.106	.514	.655					
	Suit my personality and style	.233	.203	1.279					
	Trust worthy	.113	.491	.692					
	Unique from other brands	.275	.113	1.596					
	Value for money	-.310	.036	-2.116					
	Easily available	.076	.650	.455					
	Help me to feel accepted	.448	.030	2.194					
	Improve the way I am perceived	.147	.593	.536					
	Make a good impression on others	.523	.050	1.983					
	<b>Price Premium</b>					.712	.683	24.470	.000 <sup>b</sup>
	Europe	Equipped with all necessities	1.236	.796	.282				
		Is technically high end	-	.510	-.746				
Is recommended by experts		1.206	.691	.438					
Always ahead of others.		2.245	.354	1.094					
Suit my personality and style		1.049	.805	.269					
Trust worthy		0.121	0.151	1.603					
Unique from other brands		1.209	.564	.647					
Value for money		.591	.744	.357					
Easily available		-	.415	-.943					
Help me to feel accepted		.040	.986	.019					
Improve the way I am perceived		3.723	.380	1.028					
Make a good impression on others		-	.340	-					
<b>Price Premium</b>						.852	.308	1.567	.394 <sup>c</sup>
		Variable	Beta	P-value	T	R2	Adjusted R2	F	Sig.

Table 3



### *Regression for Purchase Intent*

In order to validate hypothesis within the rational set of imageries, H1b, H1c, H1f, and hypotheses of emotionality H2b, H2d, H2e, H2g, as well as social image H3b, H3d, H3e and sensitiveness H4a and H4c, the regression analysis was conducted with the stated hypotheses as an independent variable while fixing price premium as the dependent variable. The purpose of this set of regression was to examine the relationship between the independent variable, which is the respective imageries, and the dependent variable - purchase intention. The regressions were done with 12 items based on the mentioned hypotheses; however, the process was repeated three times as to capture the results for the brands shown in the questionnaire. Moreover, under the table of each brand, the result was further divided into regions - Japan and Europe for the sake of comparisons. The regression for Apple brand is shown in table 4, Samsung at table 5 and Xiaomi at table 6.

### Apple purchase intention

As for Apple, the influence of imageries towards purchase intent could be explained with R square of .404 for Japan and .481 in Europe. 'Suit my personality and style' is the only strong predictor for both Japan and Europe with value of (B=.276, p<0.05) and (B=.706, p<0.05) respectively; therefore, H2b is supported.

Apple	Variable	Beta	P-value	T	R2	Adjusted R2	F	Sig.				
Japan	Equipped with all necessities	.053	.543	.610								
	Is technically high end	.157	.144	1.467								
	Is recommended by experts	-.062	.475	-.715								
	Always ahead of others.	-.027	.778	-.283								
	Suit my personality and style	.276	.001	3.388								
	Trust worthy	-.068	.390	-.863								
	Unique from other brands	-.004	.965	-.044								
	Value for money	-.168	.020	-								
	Easily available	.092	.192	1.311								
	Help me to feel accepted	.234	.119	1.567								
	Improve the way I am perceived	.119	.466	.730								
	Make a good impression on others	.078	.528	.633								
	<b>Purchase Intent</b>								.404	.356	8.311	.000 <sup>b</sup>
	Europe	Equipped with all necessities	.249	.068					1.834			
Is technically high end		.313	.058	1.906								
Is recommended by experts		-.221	.123	-								
Always ahead of others.		-.016	.914	-.108								
Suit my personality and style		.706	.000	5.916								
Trust worthy		.026	.862	.174								
Unique from other brands		.049	.729	.347								
Value for money		-.184	.124	-								
Easily available		.019	.883	.148								
Help me to feel accepted		-.078	.701	-.385								
Improve the way I am perceived		.057	.804	.249								
Make a good impression on others		.215	.154	1.430								
<b>Purchase Intent</b>					.481	.447	14.354	.000 <sup>c</sup>				
		Variable	Beta	P-value	T	R2	Adjusted R2	F	Sig.			

Table 4

### Samsung's purchase intention

The regression model for Samsung's brand imagery towards purchase intention showed that all the imageries contribute significantly to the brand's ability to drive consumer purchase intent with R square of .579 and .491 for Japan and Europe respectively. "Suit my personality and style" (B=.245, p<0.05), "Value for money" (B=.205, p<0.05) and "Equipped with all necessities" (B=.213, p<0.05) ; thus, H2b, H4a and H1b are supported in Japan. As for Europe 'Suit my personality and style'(B=.877, p<0.05) and 'Trust Worthy' (B=.192, p<0.05) are the strong predictors towards Samsungs purchase intent; hence, H2b and H2e are supported.

Samsung		Beta	P-value	T	R2	Adjusted R2	F	Sig.
Japan	Equipped with all necessities	.213	.048	1.994				
	Is technically high end	.060	.512	.657				
	Is recommended by experts	-.095	.347	-.945				
	Always ahead of others.	.049	.573	.565				
	Suit my personality and style	.245	.015	2.476				
	Trust worthy	.192	.062	1.884				
	Unique from other brands	-.139	.191	1.314				
	Value for money	.205	.022	2.326				
	Easily available	.146	.081	1.757				
	Help me to feel accepted	.011	.931	.086				
	Improve the way I am perceived	.116	.424	.802				
	Make a good impression on others	.190	.179	1.352				
	<b>Purchase Intent</b>					.579	.538	14.083
Europe	Equipped with all necessities	.228	.238	1.185				
	Is technically high end	.364	.082	1.747				
	Is recommended by experts	-.364	.072	1.812				
	Always ahead of others.	-.140	.458	-.744				
	Suit my personality and style	.435	.001	3.329				
	Trust worthy	.391	.018	2.379				
	Unique from other brands	-.091	.521	-.644				
	Value for money	.138	.388	.866				
	Easily available	.017	.906	.118				
	Help me to feel accepted	-.349	.126	1.537				
	Improve the way I am perceived	.057	.819	.230				
	Make a good impression on others	.352	.087	1.722				
<b>Purchase Intent</b>					.491	.457	14.558	.000 <sup>c</sup>
Variable		Beta	P-value	T	R2	Adjusted R2	F	Sig.

Table 5

### Xiaomi purchase intention

For Xiaomi, the level of prediction of the relationship between the set of imageries and purchase intent could be explained by R square of .680 for Japan and .719 for Europe. However the models between countries are uncomparable as ANOVA test for Europe is (F=.697, sig>.000). In Japan, “Unique from other brands” (B=.247, p<0.05) and “Help me to feel accepted” (B=.247, p<0.05) are the two main determinants for Xiaomi’s purchase intent in Japan; hence, H2g and H3d are supported. On the other hand, “Is technically high end” (B=-.301, p<0.05) has a negative relationship towards purchase intent; thus, H1f is rejected.

Xiaomi		Variable	Beta	P-value	T	R2	Adjusted R2	F	Sig.
Japan		Equipped with all necessities	.215	.081	1.758				
		Is technically high end	-.301	.016	2.449				
		Is recommended by experts	.071	.446	.764				
		Always ahead of others.	.032	.728	.349				
		Suit my personality and style	.056	.588	.543				
		Trust worthy	.093	.318	1.004				
		Unique from other brands	.247	.013	2.513				
		Value for money	.117	.163	1.403				
		Easily available	-.158	.099	1.661				
		Help me to feel accepted	.247	.036	2.124				
		Improve the way I am perceived	.262	.098	1.666				
		Make a good impression on others	.132	.382	.877				
		<b>Purchase Intent</b>				.680	.647	21.043	.000 <sup>b</sup>
	Europe		Equipped with all necessities	.472	.889	.152			
		Is technically high end	-.252	.926	-.101				
		Is recommended by experts	.412	.846	.212				
		Always ahead of others.	-.510	.748	-.352				
		Suit my personality and style	.098	.974	.036				
		Trust worthy	0.434	0.837	0.192				
		Unique from other brands	-.582	.689	-.440				
		Value for money	1.181	.386	1.011				
		Easily available	-.329	.809	-.264				
		Help me to feel accepted	1.080	.524	.719				
		Improve the way I am perceived	.445	.873	.174				
		Make a good impression on others	-	.787	-.295				
		<b>Purchase Intent</b>				.719	-.313	.697	.715 <sup>c</sup>
		<b>Variable</b>	<b>Beta</b>	<b>P-value</b>	<b>T</b>	<b>R2</b>	<b>Adjusted R2</b>	<b>F</b>	<b>Sig.</b>

Table 6

## Hypothesis results

As the model developed in this study is in a very early stage by combining theory across studies, along with the fact that there was no alternative framework available, Structural Equation Modelling were deemed to be of little use. Thus, simple regression was chosen to explain the findings for this paper. In fact, the main aim of this study was to distinguish the differences in perception towards brands in two regions, that would eventually influence consumers purchase intention and price premium for the brands. With this traditional regression, it is optimal to point out the relationship between imageries and the two dependent variables which is summarized in the following tables. Several regressions have been made in order to get a clear picture of the relationship between all the independent brand imageries and the two dependent variables – price premium and purchase intentions. One regression for each brand has been conducted. Although, not all imageries impact the result.

### *Price premium Apple*

Hypothesis **H3a**, meaning that the way people are perceived, contribute significantly to price premium for Apple in the country of Japan. In Europe, **H1a** and **H2a** are both price premium contributors for Apple. So, being equipped with all necessities, as well suiting to people's personality and style, contribute significant. From a cultural perspective this is interesting due to the fact that Japanese, being part of a collectivistic society, gives an answer that indicates that it is important for them how they are perceived. In Europe the answer on the other hand involves the individual personality and style.

### *Price premium Samsung*

For Samsung it seems that being ahead of others significantly impact their price premium in Japan, while once again being in line with individual's personality and style significantly impact the price premium for Samsung in Europe, hence **H2c** is supported in Japan, while **H2a** is supported in Europe. On the other hand, **H1c** is rejected since it seems that recommended by experts has a negative relationship with consumers' willingness to pay a price premium.

### *Price premium Xiaomi*

For Xiaomi, it seems that “Equipped with all necessities” and “Help me feel accepted” significantly influence price premium for Xiaomi in Japan. Hence, **H1a** and **H3c** are supported. Hypothesis **H1e** and **H4b** have a negative relationship to price premium, thus, they are both rejected. Important to notice, the models between countries are uncomparable as ANOVA test for Europe is ( $F=1.56$ ,  $sig>.000$ ).

### *Purchase intention Apple*

The only strong predictor for the purchase intention of Apple in both Europe and Japan is that it fits the personality and style, which supports hypothesis **H2b**.

### *Purchase intention Samsung*

For Samsung on the other hand, it seems that all imageries contributed significantly to the purchase intention, for Japan and Europe respectively. As stated, “Suit my personality and style”, “Value for money” and “Equipped with all necessities” shows that hypothesis **H2b**, **H4a** and **H1b** are all supported in Japan. When it comes to Western Europe, “Suit my personality and

style” and “Trustworthy” are significantly influencing purchase intention, thus, **H2b** and **H2e** are supported.

#### *Purchase intention Xiaomi*

The purchase intention for Xiaomi in Japan are mainly determined by “help me feel accepted” and unique from other brands”, thus **H2g** and **H3d** are supported. On the other hand, “Is technically high end” has a negative relationship towards purchase intent; thus, **H1f** is rejected. Important to notice, the models between countries are uncomparable as ANOVA test for Europe is ( $F=.697, sig>.000$ ).

Moreover, the following hypothesis below didn't show a significant impact on neither price premium nor purchase intention. Therefore, **H1d** along with **H2d**, **H2f**, **H2h**, **H3b**, **H3e**, **H3f**, **H4c** and **H4d** are all rejected because of that. The main reason for this conclusion seem to be the low level of impact these imageries had on price premium and purchase intention among Japanese and Western European respondents in general.

## Discussion

The main objective of this study was to explore how societal culture and brand imageries influence consumers' willingness to pay price premium along with purchase intentions of smartphones, from a societal culture scale at the brand level. The findings contribute to theories about individualistic- and collectivistic societies, which were explained earlier, although some aspects could have been more explored during the research - thus, not all imageries explained the given result. The

results, e.g. didn't show exactly all the assumptions held beforehand, although, for Japanese citizens, the result for paying price premium for Apple is in line with the theoretical understanding regarding societal structure. As stated by Chun-Tung Lowe & Corkindale (1998), the collectivistic societies in Asia tend to put higher value in the opinions of other members of the society, in contrast of individualistic societies in Western Europe.

At 95 percent confidence level, Japanese respondents indicated “Improve the way I am perceived” as a major determinant for paying price premium - for an iPhone by Apple. In Western Europe, the items of “Equipped with all necessities” and “Suit my personality and style” were the major determinants for price premium. Therefore, it's evident that items based on social image and being in harmony explained the reason for paying price premium for Apple smartphones in Japan, while in Europe, it was explained by items linked with our definitions of rational and emotional dimensions.

An interesting aspect that's evident in the result is that different imageries had different influence on each brand. In Japan, Samsung had other imageries influencing consumers' willingness to pay price premium. The item of “Always ahead of other” was of greatest importance in relation to Samsung in Japan. While in Europe, “Suit my personality and style” was of greatest importance. For the Samsung brand, the dimension of emotionality was overall the one influencing consumers' willingness to pay price premium, and no distinct difference in that matter was evident.

Interestingly, collectivistic societies like Japan tend to be more trusting compared to individualistic societies in Europe; this was well illustrated with the item of 'Is recommended by expert' in relation to Samsung brand as there is a significantly negative influence on consumers' willingness to pay price premium in Europe. According to Eisingerich and Rubera (2010), emotionality had the same impact for the Samsung brand. This might have to do with personal preferences towards the brand itself, regardless of the geographic region. Thus, it can further be explained by emotions and its vital role in explaining motives for consumers' purchasing behavior. Moreover, the reason for paying a price premium for certain products is due to strong feelings and emotions towards a brand (Raj & Roy, 2015).

When it comes to Xiaomi, the comparison between Japan and Europe couldn't be done due to lack of awareness towards the Xiaomi brand in Europe. Although, in Japan, the items of "Equipped with all necessities", "Is technically high end", "Value for money" and "Help me to feel accepted" are the four main predictors for Xiaomi's price premium. These items are based on the imagery set of rationality, sensitiveness, and social image. Due to the fact that Xiaomi is better known in Japan, the given result does not come as a big surprise. Xiaomi has similar features as the other smartphone brands in this study, which could explain the rational items influencing price premium for Xiaomi. Although, Xiaomi has a relatively lower price than the other brands which can further explain why the Japanese respondents tend to value that aspect - based on the result and the item of "Value for

money". Also, it is clear that, culturally, consumers in Japan tend to put the liking of others in the forefront, answering 'help me feel accepted' as an important part of paying price premium.

When it comes to consumers' purchase intentions towards a smartphone brand, the items influencing the decision-making process differs a lot and is not really in line with the anticipated conclusions held beforehand.

For Apple, it's the same item influencing purchase intention in both Europe and Japan - "Suit my personality and style". This is an emotionality item which can be explained by how emotions play a vital role influencing consumers' purchasing behavior due to the potential strong feelings and emotions towards the brand (Raj & Roy, 2015). The different results between price premium and purchase intention for Apple cannot be explained with high certainty, but since the knowledge for consumers' purchasing behavior and attitudes towards large brands can be of vital importance for corporations, this field can be developed by further research.

The reason why the imageries differs between Apple and Samsung regarding consumers' purchase intentions could be explained by personal preferences. The theory about individualistic and collectivistic societies are not adequate in explaining the result for the purchase intention regarding Samsung. It is clear that emotionality imageries such as "Suit my personality and style" is of major importance, just as for Apple, in both regions. It could be explained by the homogeneous age population in this study. Meaning, that younger people tend to value the same aspects due to the ongoing

globalization, which seem clear for all the brands. The societal culture differences that theory explain is not very evident in our results, which urges for further research in this area and among younger generations.

The purchase intentions for Xiaomi is only evident for Japanese respondents due to the lack of awareness among the European respondents, hence no comparison can be made. Although, the imageries influencing purchase intention for the Xiaomi brand is similar to Apple and Samsung, thus no distinct difference is clear. Japanese respondents seem to appreciate Xiaomi for its rational, emotional and social items which is similar to the other brands.

Due to the development in the field of price premium and consumers' purchase intentions in relations to brand imageries, the purpose has hence been fulfilled even though the result to some extent isn't as anticipated.

## Conclusion

This paper brings forward an idea involving societal culture and its impact on consumer preference for certain brand imageries, which contributes to the area of brand imagery and its effect on price premium and purchase intention. The reasoning behind this paper were that current research did not incorporate an international perspective, something that are of utmost importance in the global marketplace of today.

The results didn't show exactly all the assumptions held beforehand, although, the paper proves a connection between societal culture, brand imageries and its effect on price premium and purchase intention. Among other things this paper makes it clear that regions with different societal

culture need different imageries as a mean to achieve price premium and purchase intention. Also, that individualistic versus collectivistic thinking impacts brand imageries and directly consumers' willingness to pay price premium and purchase high-involvement products.

## Limitations and future research

The amount of responses in this survey could be greater to increase the level of statistical significance, hence the margin of error in regard to generalizing the behavior of certain geographical areas could be improved. Moreover, there is a lacking of a total population representation in each region due to difficulty in achieving demographical quota distribution. However, having had collected a sample of hundreds of objects from all over Europe and Japan, it is sufficient to draw some generalizations while respecting the ratio of margin of error. One of the possible future

studies could be more specific in terms of location as using Europe as a continent against the country of Japan might not be the most effective comparison. This way the possibility of doing demographic quota distribution control to represent the population of mobile phone user would be more feasible to achieve.

The number of brands included in the survey also does not represent the true market structure of each regions. Moreover, the majority of respondents in European countries are completely unaware of the brand Xiaomi which makes it difficult for consumers to provide any opinion towards the brand leaving out the opportunity to compare the perception towards Xiaomi



brand in Europe and Japan. For future studies to have a bigger sample size and more concentrated questionnaire, it might be more feasible to demonstrate the complete picture of the market via the bigger brand list.

The number of variables also resulted in a survey consisting of eighteen questions, which might have made a lot of individuals decide not to complete the survey, opting out half way, or caused them to respond in an untruthful manner, making it less representable. The result provided in this study is largely generalized as the specific model created could not prove to be sufficient. Therefore, future studies are suggested to design questionnaire in a more concise manner in order to be able to grab consumers' insight robustly. One of the approach could be that instead of looking at

two dependent variable which are purchase intent and price premium simultaneously, examining one dependent variable at a time might allow for more concise questionnaire, and more in-depth and insightful study

This survey was also incorporating a lot of variables and dimensions, making the entire study quite broad. However, being the first study in this area that explore brand imagery with very contrasting international culture in the lens makes broadness acceptable, as a first step to map the area. This study among much proved that societal culture affects the way consumers view brands and price premium. We recommend future studies to increase the focus on certain areas of this study, such as which brand imageries are relevant for price premium in certain cultures.

## Appendix 1

*Previous quantitative literature of price premium and brand imageries.*

### Price Premium Question

Price premium (Netemeyer et al., 2004)

1. p1 I am willing to pay a higher price for products of this brand than for other brands.
2. p2 I am willing to pay a lot more for this brand than other brands in this category.

### Imagery Question

1. What item will you consider before purchasing these hi-technology products? Please indicate the degree of agreement with the following statements using a 7 point scale. ( 1 = strongly disagree, 7 = strongly agree)

What item will you consider before purchasing these hi-technology products? Please indicate the degree of agreement with the following statements using a 7 point scale. ( 1 = strongly disagree, 7 = strongly agree)

	1	2	3	4	5	6	7
For me, the products must be of <b>technically high end</b> .							
I wait for the <b>opinion on various tech forums</b> available on internet.							
The <b>brand name</b> is most important for me.							
I buy only if it is <b>recommended by experts on television and/or newspaper</b> .							
I will buy the <b>latest model</b> from my preferred brand.							

	1	2	3	4	5	6	7
I buy products <b>which suit my personality and style</b> .							
I choose products depending on their <b>utility</b> .							
I will <b>compare the prices of all the products</b> in the category before buying.							
<b>I would rather buy before others</b> , and I would like to provide information to others.							
I will buy the product which is <b>available easily</b> .							
Before buying the product I check <b>reviews on social web sites</b>							
I will buy the product which is <b>least priced</b> .							
I give great importance to <b>recommendation from friends</b> .							
I will buy <b>products which will give value for money</b> .							

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