

Do you get what you pay for? It depends on your culture

April 9 2013

Consumers from less individualistic cultures are more likely to judge the quality of a product by its price, according to a new study in the *Journal of Consumer Research*.

"Culture influences the tendency to use the price of a product to judge its quality. Although price-quality judgments are made by consumers across cultures, less individualistic consumers (Koreans, Japanese, Indians, Chinese) rely more on price to judge quality than do individualists (Americans, British, French, Canadians, [Australians](#))," write authors Ashok K. Lalwani (Indiana University) and Sharon Shavitt (University of Illinois at Urbana-Champaign).

Less individualistic consumers have a holistic thinking style and are therefore more likely to see things as interconnected and to find relationships between various product attributes. Individualists, in contrast, have an [analytic thinking](#) style and tend to focus on separating and distinguishing between product attributes and less on the relationships between them.

In a series of studies, consumers were encouraged to think holistically (versus analytically). Those from less individualistic cultures were more likely to use price to judge the quality of products as diverse as paper towels, shaving cream, hand soap, bicycles, and watches.

These findings help to identify viable target markets for companies with higher [prices](#). Advertisements or in-store contests inviting consumers to

focus on background images or to identify interconnections in a larger picture should make consumers think more holistically and rely more on price as a signal for quality.

"Because less individualistic consumers are more likely to use the price of a product to infer its quality, they may represent a better prospective market for higher-priced brands, particularly when brands compete on the basis of [quality](#). Although consumers around the world are responsive to deals and price-reductions, competing largely on the basis of lower price may be less effective for collectivistic markets, particularly when launching new brands or promoting brands whose prices are not well known," the authors conclude.

More information: Ashok K. Lalwani and Sharon Shavitt. "You Get What You Pay For? Self-Construal Influences Price-Quality Judgments." *Journal of Consumer Research*: August 2013.

Provided by University of Chicago

Citation: Do you get what you pay for? It depends on your culture (2013, April 9) retrieved 2 May 2024 from <https://phys.org/news/2013-04-culture.html>

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