



**Master Thesis**

**Value-Based Pricing Across Cultures: A  
Comparative Study of Consumer Perception**

# TITLE PAGE FOR PROJECTS



AALBORG UNIVERSITY  
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## **Abstract**

The research examines how cultural contexts influence consumer responses to value-based pricing strategies, focusing on the impact of cultural dimensions such as individualism vs collectivism, uncertainty avoidance, and power distance. This research uses Hofstede's cultural dimensions framework to study how people from different cultures see pricing fairness, their willingness to pay, and their intention to buy. It includes respondents from Bangladesh, Denmark, Australia, Canada, the UK, and other European countries. The study shows that consumers are more likely to pay extra for a product if they believe the price is fair and matches its value. Additionally, when companies act responsibly and respect cultural values, consumers also tend to be willing to pay more, no matter their cultural background. However, the research found no major differences in buying intentions between people from individualistic and collectivistic cultures. Factors like uncertainty avoidance and power distance did not significantly affect how people responded to premium pricing either. These findings suggest that businesses should focus on perceived value, fairness, and ethical practices when setting their prices. The research highlights the need to align pricing strategies with what consumers value and their ethical beliefs, providing practical advice for businesses in different cultural settings.

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## AI Declaration

I, Asif Zakaria, declare that this thesis titled "**Value-Based Pricing Across Cultures: A Comparative Study of Consumer Perception**" is my original work. I confirm that all data, analysis, and conclusions are my own, except where referenced.

I have used AI tools in the following ways:

- ChatGPT and DeepSeek for idea generation and content drafting.
- AI was used for content structuring

I confirm that AI tools were only used as support, and all conclusions are my own. This thesis follows the academic integrity guidelines of Aalborg University.



Asif Zakaria

Date: 1/6/2025

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## **List of Abbreviations**

IV: Independent variable

DV: Dependent Variable

WTP: Willingness to pay

H: Hypothesis

PD: Power Distance

UA: Uncertainty Avoidance

B2B: Business to Business

CSR: Corporate Social Responsibility

## Executive Summary

This research looks at how cultural contexts affect how consumers respond to value-based pricing strategies. It focuses on cultural factors like individualism versus collectivism, uncertainty avoidance, and power distance. Using Hofstede's cultural dimensions framework, the study explores how these factors influence people's intentions to buy and their views on pricing fairness.

Research shows that how fair people think prices are and how much they agree with a company's ethics affect their willingness to pay more. Consumers are more likely to pay extra when they believe the price reflects the product's true value and matches their ethical or cultural beliefs. This shows that ethical consumerism is becoming more important in pricing decisions, encouraging businesses to add social responsibility to their products.

The research showed that cultural factors like individualism vs collectivism, uncertainty avoidance, and power distance had less effect on buying intention than expected. There was no major difference in buying intention between individualistic and collectivistic cultures. Additionally, uncertainty avoidance and power distance did not noticeably affect responses to premium pricing. These findings indicate that product quality, perceived value, and ethical considerations are more important for consumer behavior than cultural background.

Based on these findings, businesses should focus on transparency, fairness, and ethical alignment in their pricing strategies, rather than relying solely on cultural dimensions. The research also suggests that future research could explore the impact of digital influence, personal demographics, and longitudinal trends in consumer behavior, as well as expanding the sample size to include more diverse cultural contexts.

In conclusion, the study emphasizes that while cultural context plays a role in consumer behavior, businesses should prioritize value alignment and ethical considerations when developing value-based pricing strategies to better connect with consumers across diverse markets.

## **1.0 Introduction**

This chapter introduces the main topic of the thesis by providing an overview of culture, pricing, value-based pricing and why it is becoming more important in global business. The chapter outlines the research problem and states the main objectives and questions guiding the research. It also clarifies the scope of the study and the cultural contexts involved. Additionally, the chapter highlights the importance of this research for both academic knowledge and practical use. Finally, it concludes with an overview of the thesis structure, which serves as a roadmap for the following chapters.

## **1.1 Background and Context**

Culture is a powerful force that shapes the way people think, behave, and make decisions, significantly influencing consumer behaviour. As consumers, our purchasing choices are deeply affected by our cultural background, beliefs, and values. Culture, which encompasses the shared beliefs, customs, values, and behaviours of a group, not only forms our identity but also guides the way we interact with products and services (Alemohamad, Mir Hossein). It affects how we perceive products, make decisions, and consume goods, with key cultural elements such as language, religion, values, and social norms playing a critical role in shaping consumer preferences. Moreover, cultural differences lead to varying consumer behaviours across regions for instance, while bargaining is a normal practice in some cultures, it may be considered inappropriate in others. Recognizing and respecting these differences is vital for businesses aiming to connect with diverse customer bases. To succeed in multicultural markets, companies must adapt their marketing strategies by considering the cultural context and crafting messages that resonate with the values and expectations of their target audience (Alemohamad, Mir Hossein.).

Pricing is a method used by businesses, companies, or manufacturers for deciding the best price for their products or services. A method to decide on price will help you choose prices to maximize profits and shareholder value as well as understand consumer and market demand. Deciding price is an economic and financial term used to establish a value for a product or service a company offers to its customers. It means how much a customer must pay to get a company's product or service to its customers (Bhasin, Hitesh).

An example of pricing is the amount set for a car's MSRP (Manufacturer Suggested Retail Price). Pricing can also refer to the strategies used to set prices, such as competitive pricing, market-based pricing, or cost-plus pricing (Bhasin, Hitesh).

Different pricing methods are used for adjusting the cost of goods or services which is suitable for the manufacturer as well as the target customer. Businesses decide the price to sell their products or services to their customers. Pricing is a fundamental aspect of product management. It is also a part of the 4 Ps (product, price, place, and promotion) of the marketing mix. Among the four Ps of the marketing mix, price is the only factor that generates revenue (Bhasin, Hitesh).

In today's globalized economy, it is important to align pricing strategies with both product value and cultural expectations of consumers. Businesses seeking competitive advantage are increasingly using value-based pricing, where prices are set primarily by the customer's perceived or estimated value of the product. Value-based pricing is one of the popular pricing methods businesses use in setting prices to their products and services. It is a customer-centric pricing strategy where companies base their prices on how much their target market believes a product is worth. Instead of looking within the company (considering costs, profit margins, etc.) or laterally (maintaining competitive prices against business competition), this strategy looks outward, towards your target market's needs, wants, and willingness to pay (Ferguson, Annette).

This strategy works best for companies offering products and services that enhance a customer's self-image or provide unique life experiences when availed. Such products should be customer-focused, tailor-made to fit the wants and needs of your target market. Its perceived value depends on how much customers are willing to pay to own those products or experience those services. Since value-based pricing is consumer-centric, businesses who want to apply this pricing strategy need to have in-depth research and communication with its customers. Data gathered from customer feedback is essential to make this strategy work as accurately as possible. Aside from open communications and strong relationships with customers, company must also deliver high-quality products and services that satisfy the standards set by target market. However, this perception of value is not universal. It is deeply influenced by cultural norms, preferences, and cognitive biases. As companies expand internationally, it becomes

more important to understand the way cultural differences impact consumer responses to value-based pricing (Ferguson, Annette).

## **1.2 Problem Statement**

Value-based pricing, while widely recognized for its customer-centric approach, presents significant challenges especially for businesses operating in highly competitive, commodity-driven markets. In such environments, justifying added value becomes increasingly difficult unless the product offers a clear and distinctive advantage (Ferguson, Annette). The subjective nature of perceived value adds further complexity, as it is influenced by dynamic cultural, social, economic, and technological factors beyond a company's control. Over time, even loyal customers may become desensitized to a product's perceived value, especially when competitors introduce superior alternatives, compelling businesses to lower prices and potentially erode revenue and profit margins (Ferguson, Annette).

Moreover, value-based pricing requires constant adaptation to changing market conditions, as fluctuations in consumer needs, preferences, and purchasing power can occur rapidly in volatile global environments (Welford, Caragh). Despite the availability of extensive pricing and customer data, value-based pricing remains imprecise and context-dependent, unlike cost-plus models that follow a more straightforward, internally driven logic (Welford, Caragh). These challenges show the importance of understanding how cultural factors affect how consumers see value. They also highlight how these factors can impact the success of value-based pricing in different markets.

## **1.3 Research Objectives**

The main aim of this research is to study how cultural differences affect consumer views on value-based pricing strategies. It specifically looks at how cultural factors, based on Hofstede's work like individualism vs collectivism, uncertainty avoidance, and power distance shape how consumers see value and how much they are willing to pay. The research also explores how social norms, consumer viewpoints and their perceived ability to act influence their views on value-based pricing. Additionally, it investigates how the type of product affects the relationship between cultural values and pricing perceptions. By considering economic variables, such as income level, the research also aims to understand how these factors further influence consumer responses to value-based pricing strategies.

## 1.4 Research Question

The following research question serves as the guiding focus for the study.

***How do consumers in different cultural contexts perceive and respond to value-based pricing strategies?***

and there are some sub-questions as well.

1. How do consumers assess the fairness of premium price in relations to product benefits?
2. What types of value justifications most increase WTP?
3. How does individualism vs collectivism influence acceptance of value-based pricing?
4. Do high certainty avoidance cultures require strong evidence to accept premium pricing?
5. How does power distance affect the association between high price and status signalling?

## 1.5 Scope and Delimitations

This research looks at how cultural background affects how consumers perceive value-based pricing. It uses Hofstede's cultural dimensions as a framework. A survey was conducted with participants from Denmark, Bangladesh, Australia, Canada, and other EU countries to explore these cultural influences on perceived value and willingness to pay. This research focuses only on consumer responses, excluding businesses. It is limited to specific countries, so it may not represent all cultural contexts worldwide and might not reflect the full range of regional diversity. The data comes from self-reports, which can be biased, and we only considered general economic factors like income. Furthermore, this research is cross-sectional in nature, signifying that it represents consumer perceptions at a specific point in time and does not consider potential changes that may occur over time.

## 1.6 Significance of the Study

This research examines how individuals from various cultures perceive value-based pricing, a strategy that establishes prices based on customers' perceptions of a product or service's worth. As global businesses increasingly adopt value-based pricing, understanding the impact of cultural differences on these perceptions becomes essential. The study contributes to the field of cross-cultural marketing by demonstrating how culture shapes pricing perceptions. The findings will aid companies in refining their pricing strategies across different cultural markets.

This research highlights the importance of ethical values and local cultures to help businesses succeed in global markets. Understanding these factors will allow companies to tailor their pricing strategies to better meet local consumer's expectations.

## **1.7 Structure of the Thesis**

The framework of this thesis is organized to clearly present the research process and results. It begins with the Title Page, which includes the thesis title, the author's name, the institution, and the submission date. The Executive Summary provides a brief overview of the study, highlighting the research goals, methods, main findings, and recommendations.

In Chapter 1 (Introduction), this research presents its background and context. It outlines the main problem, research goals, and questions. The chapter discusses what the study covers and its limitations, as well as its importance. Finally, it ends with a summary of how the thesis is organized.

Chapter 2 (Literature Review) delves into the foundational concepts of value-based pricing and examines how consumer perceptions of pricing, including fairness and willingness to pay, shape pricing strategies. It also investigates the influence of cultural factors, particularly Hofstede's cultural dimensions, on consumer behavior. The chapter concludes by pinpointing gaps in the current literature that this research intends to address.

In Chapter 3 (Hypothesis Development and Conceptual Framework), the study's hypotheses are formulated, followed by the introduction of the conceptual framework that visually represents the key variables and their interconnections. The theoretical foundations that support the research are also detailed.

Chapter 4 (Methodology) explains how the research was designed and carried out. It covers the sampling method, the target population, and the tools used to collect and analyze data. The chapter also explores ethical considerations, validity and reliability of the study.

Chapter 5 (Results and Analysis) showcases the descriptive statistics of the respondents, followed by the essential findings derived from data analysis. It includes a cross-cultural comparison of value perception, hypothesis testing, and the interpretation of the results.

In Chapter 6 (Discussion), the primary findings are summarized, and their implications for value-based pricing strategies and businesses operating within cross-cultural contexts are examined. The limitations of the research and suggestions for future inquiries are also discussed.

Lastly, Chapter 7 (Conclusion and Recommendations) provides a summary of the research, responses to the research questions, practical suggestions for businesses, and recommendations for future research. The thesis ends with a References section that lists all cited sources, followed by Appendices containing additional materials such as survey questions and data analysis results.

## **2.0 Literature Review**

This section is based on the existing literature on value-based pricing and consumer behavior, particularly across different cultural settings. It covers the theoretical foundations of value-based pricing, contrasting it with other pricing strategies like cost-based pricing, and examines the role of perceived value and willingness to pay. Cultural influences on consumer behavior are explored in detail, with a focus on Hofstede's cultural dimensions and how these affect perceptions of pricing fairness, social and ethical considerations, and purchase intentions. This chapter explores previous studies on cross-cultural pricing and identifies gaps in the existing literature that this study expects to fill. By synthesizing the current research, it establishes the theoretical foundation for the hypotheses and framework that will be developed in the later chapters.

### **2.1 Value-Based Pricing: Conceptual Foundations**

#### **2.1.1: Definition and Principles of Value Based Pricing**

Value-based pricing is one of the popular pricing methods businesses use in setting prices to their products and services. It is a customer-centric pricing strategy where companies base their prices on how much their target market believes a product is worth. Instead of looking within the company (considering your costs, profit margins, etc.) or laterally (maintaining competitive prices against business competition), this strategy looks outward, towards your target market's needs, wants, and willingness to pay. (Ferguson, Annette)

This strategy works best for companies offering products and services that enhance a customer's self-image or provides unique life experiences when availed. Such products should be customer-focused, tailor-made to fit the wants and needs of your target market. Its perceived value depends on how much customers are willing to pay to own those products or experience those services. (Ferguson, Annette)

Any company engaged in value-based pricing must have a product or service that differentiates itself from the competition. The product must be customer-focused, meaning that any improvements and added features should be based on the customer's wants and needs. Of course, the product or service must be of high quality if the company's executives are looking to have a value-added pricing strategy. The company must also have open communication channels and strong relationships with its customers. In doing so, companies can obtain

feedback from customers regarding the features they're looking for in a product and how much they're willing to pay. (Bloomenthal, Andrew)

Since value-based pricing is consumer-centric, businesses who want to apply this pricing strategy need to have in-depth research and communication with its customers. Data gathered from customer feedback is essential to make this strategy work as accurately as possible. (Ferguson, Annette)

Aside from open communications and strong relationships with customers, your company must also deliver high-quality products and services that satisfy the standards set by your target market. (Ferguson, Annette)

Other factors that may give you an edge with value-based pricing are your brand recognition, your reputation in the industry, and your connections and associations with the big leagues. Prestige, uniqueness, limited editions, history, and influence are also factors that can add value to your products and services. (Ferguson, Annette)

### 2.1.2: Value Based Pricing vs Cost Based Pricing

When deciding between cost-based and value-based pricing, several key factors must be considered. Market demand plays a crucial role—if customers are highly price-sensitive, cost-based pricing may be more effective, whereas if they are willing to pay a premium for perceived value, value-based pricing offers greater flexibility. Company must also evaluate the competitive landscape; in a highly competitive market, understanding and responding to competitors' pricing strategies is essential. Customer perception is another important element if product or service offers something unique or of significant value, value-based pricing may be more appropriate. Company's cost structure matters too: if costs are largely fixed, cost-based pricing can provide predictability and consistency, especially in industries like manufacturing or basic services. (Rigdon, Todd)

However, if the value delivered far exceeds production costs, value-based pricing can drive higher profits. Generally, cost-based pricing suits scenarios requiring simplicity and consistency, while value-based pricing is ideal for products with high perceived value, such as luxury goods, advanced technology, or specialist services. Ultimately, the right pricing strategy cost-based or value-based depends on industry, market conditions, and how customers perceive

company's offering. Often, the best approach combines elements of both strategies to align pricing with business goals, enhance profitability, and strengthen market positioning. (Rigdon, Todd)

### 2.1.3: Benefits and Challenges of Value Based Pricing

Value-based pricing offers several advantages that can significantly benefit a business. Firstly, it allows easier market penetration, especially in markets that are not brand-loyal or are relatively untapped, particularly when products and services are packaged in a distinctive manner. This strategy is especially effective for new and limited-edition items, which tend to perform well under value-based pricing. Secondly, it enables businesses to command higher price points for prestigious and culturally significant products such as art, fashion, collectibles, and luxury cars, where customers are often willing to pay more based on perceived value, prestige, and the reputation of the creator. Another key advantage is that it provides real willingness-to-pay data, helping businesses determine the maximum price customers are willing to spend, which in turn informs overall demand and aids in setting profitable prices. (Ferguson, Annette)

Additionally, value-based pricing supports the development of higher-quality products, as ongoing consumer feedback highlights areas for innovation and improvement, with perceived value often linked to quality. This approach also enhances focus on customer service, aligning pricing with customer satisfaction and encouraging improvements in the customer experience. Over time, this leads to stronger customer loyalty, as high-quality offerings and excellent service reinforce the perceived value customers associate with the brand. Furthermore, value-based pricing boosts brand value by demonstrating a commitment to quality and customer-centricity, with high prices being justified by superior products and service. Lastly, it helps balance supply and demand by offering insights into market demand, allowing businesses to align their production and inventory with the actual purchasing power and interest of their target customers. (Ferguson, Annette)

Value-based pricing, while advantageous in many ways, also presents several challenges. One major disadvantage is the difficulty in justifying added value for commodities, as products in this category often face intense competition and a saturated market, making it hard to stand out unless they offer something truly unique. Additionally, perceived value is not always stable, it is subjective and influenced by cultural, social, economic, and technological changes that are

beyond the business's control. Over time, customers may become desensitized to a product's value, or competitors may offer something more appealing, forcing a price reduction that can harm revenue and profitability. Setting the right price is also more complex with value-based pricing because perceived value varies across different segments of the target market, and even thorough research and feedback may not yield definitive pricing decisions until actual sales data is compared with forecasts. (Ferguson, Annette)

Moreover, value-based pricing often results in serving a niche market, which, while fostering customer loyalty, limits market reach and becomes more vulnerable when competition increases. Executing this pricing model requires significant research, time, and resources, which may be impractical for start-ups or smaller businesses. It is not an exact science, relying heavily on subjective customer perceptions and less on quantifiable metrics, making pricing more volatile. This subjectivity also hampers scalability; value-based pricing is easier to apply in small, specialised markets but becomes challenging to implement across larger, more diverse audiences. (Ferguson, Annette)

Furthermore, maintaining the high standards expected with value-based pricing often means increased production costs due to the need for premium materials and skilled labour. However, value-based pricing can be highly effective in situations where demand is inelastic, where customer satisfaction and loyalty provide a competitive edge, or where a brand seeks to promote exclusivity and prestige. The key to success lies in a business's ability to optimise the benefits while managing the drawbacks through a well-aligned business model and strategic marketing. Though not suitable for every business, when executed well, value-based pricing can significantly boost profitability, strengthen brand value, and cultivate long-term customer loyalty. (Ferguson, Annette)

## 2.2 Consumer Perception of Pricing

### 2.2.1: Perceived Value and Willingness to Pay

In marketing terminology, perceived value is customers' evaluation of a product or service's merits and its ability to meet their needs and expectations, especially compared with its peers. Marketing professionals try to influence consumer's perceived value of a product by describing the attributes that make it superior to the competition. (Kopp, Carol M)

Perceived value comes down to the price that the public is willing to pay for a good or service. Even a snap decision made in a store aisle involves an analysis of a product's ability to fulfil a need and provide satisfaction compared to other products under different brand names. The work of the marketing professional is to enhance the perceived value of the brand they are selling. The pricing of products takes perceived value into consideration. In some cases, the price of a product or service may have more to do with its emotional appeal than with the actual cost of production. (Kopp, Carol M)

Willingness to pay (WTP) is the maximum amount a customer is willing to spend on a product or service, often expressed as a specific dollar amount or price range. While most customers prefer to pay less than their maximum threshold, they are generally unwilling to exceed it. WTP can differ greatly among individuals due to both extrinsic and intrinsic factors. Extrinsic differences are observable characteristics such as age, gender, income, education, and geographic location—all of which can influence how much someone is prepared to spend. In contrast, intrinsic differences are internal, unobservable traits like risk tolerance, social conformity, and personal passion, which also play a significant role in shaping a person's willingness to pay. Understanding both types of differences is crucial for businesses aiming to price effectively and cater to diverse customer segments. (Stobierski, Tim)

### 2.2.2 Price Fairness

Price fairness is typically defined in terms of a reference price or the process that produced a particular price. According to the first explanation, a price is perceived as unfair if it deviates significantly from a reference price. This reference price can be a past price or the price that other customers have paid for comparable services. This explains why certain forms of price differentiation, such as discounts for new customers, are perceived as unfair (Reinartz et al. 2017; Tarrahi et al. 2016). This concept of fairness is also known in business literature as the equity theory (Xia et al. 2004). (Radic, Dubravko)

A price is also perceived as unfair if the process that led to this price is unfair. In business literature, this concept is known as the dual entitlement theory, according to which each market participant has a reasonable claim to consumer surplus and profit (Cox 2001). A cost-based pricing process, in which the price is based on the costs, is perceived as fair, but not a value-based pricing approach, in which the price skims off the maximum willingness of the customer to pay. Revenue management carried out by many service companies is perceived by customers

as unfair (Frey and Pommerehne 1993), since price increases are only raised due to an increase in demand and thus lead to an unreasonable profit. (Radic, Dubravko)

### 2.2.3 Psychological Pricing

Psychological pricing encompasses a set of strategies that businesses use to influence consumer behaviour and purchasing decisions through subtle pricing techniques. These tactics exploit various cognitive biases and psychological factors to create perceptions of value, affordability and prestige. By understanding and implementing psychological pricing, businesses can optimize their pricing strategies to resonate with customers and drive profitability. Psychological pricing strategies are inexpensive and easy to implement, making them accessible to businesses across industries, and they can be seamlessly integrated with other pricing approaches to enhance effectiveness. (O'Brien, Megan)

Psychological pricing capitalizes on human cognitive biases and behaviours to influence consumer perceptions of product value and pricing. It involves setting prices in a way that triggers specific psychological responses, such as the perception of a “deal,” affordability or esteem. Tactics like charm pricing for example, pricing a product at \$9.99 instead of \$10 exploit the left-digit bias, leading consumers to perceive a lower price. Other strategies, such as price anchoring and decoy pricing, manipulate consumer’s reference points and comparison processes to sway their purchasing decisions. By understanding the psychological factors that drive consumer behaviour, businesses can strategically set prices to maximize sales, profitability and competitiveness. (O'Brien, Megan)

Psychological pricing is effective due to its ability to tap into fundamental aspects of human psychology and decision-making processes. By leveraging cognitive biases and psychological factors, businesses can shape consumer perceptions, ultimately influencing their purchasing decisions. These tactics create an environment in which customers are more likely to perceive offerings as desirable and make purchasing decisions that align with the company’s objectives. Moreover, psychological pricing strategies are cost-effective and easy to implement, making them accessible to businesses across various industries. (O'Brien, Megan)

## 2.3 Cultural Influences on Consumer Behaviour

### 2.3.1 Hofstede's Cultural Dimensions

Hofstede's Cultural Dimensions Theory is a framework used to understand the differences in culture across countries and the ways that business is done across different cultures. In other words, the framework is used to distinguish between different national cultures, the dimensions of culture, their impact on etiquette and to facilitate communication in areas ranging from business to diplomacy. (Wale, Helen)

Hofstede's Cultural Dimensions Theory was created in 1980 by Dutch management researcher Geert Hofstede who carried out an extensive survey during the 1960s and 1970s, investigating variations in values within different sectors of IBM, a global computer manufacturing company. (Wale, Helen)



Figure 1 Hofstede Cultural Dimensions Model

Hofstede's Cultural Dimensions Theory identifies six key categories that define and differentiate cultures around the world: Power Distance Index, Individualism vs collectivism, Uncertainty Avoidance Index, Masculinity vs Femininity, Long-Term vs Short-Term

Orientation, and Indulgence vs Restraint. The Power Distance Index considers the extent to which inequality and power differences are tolerated and accepted within a society. A high-power distance suggests a culture that accepts inequity, supports centralized authority, and respects hierarchy, while a low power distance reflects a preference for egalitarianism, participative decision-making, and flatter organizational structures. For instance, in high power distance cultures, children are expected to obey parents without question, while in low power distance societies, children are more likely to engage in open discussions with parents. (Wale, Helen)

Individualism vs collectivism evaluates the degree to which societies value personal independence over group cohesion. In individualistic cultures, the focus lies on self-reliance, personal achievements, and the rights of the individual and their immediate family. In contrast, collectivist cultures emphasize group loyalty, shared responsibilities, and a “we” perspective, where the needs of the group often take precedence over individual desires. The Uncertainty Avoidance Index measures a society’s comfort level with ambiguity and unpredictability. Cultures with high uncertainty avoidance exhibit low tolerance for the unknown, prefer clear rules, regulations, and structured environments, and attempt to minimize risk through strong institutional frameworks. Low uncertainty avoidance cultures, however, embrace ambiguity, tolerate deviations from the norm, and are more comfortable with innovation, change, and unstructured situations. (Wale, Helen)

The Masculinity vs Femininity dimension explores the roles of gender within society. Masculine cultures tend to value assertiveness, competitiveness, strength, and clearly defined gender roles, whereas feminine cultures are more nurturing, modest, and concerned with quality of life, promoting gender fluidity and more balanced societal roles. A high femininity score typically correlates with better maternity benefits and support systems, while a lower femininity score could reflect greater gender equality in leadership roles and entrepreneurship. Long-Term vs Short-Term Orientation assesses a society’s time horizon in planning and decision-making. Long-term oriented cultures prioritize future outcomes, persistence, savings, and gradual progress, focusing on adaptability and sustainable growth. In contrast, short-term oriented cultures emphasize tradition, current social obligations, and immediate achievements or gratification. (Wale, Helen)

Finally, Indulgence vs Restraint considers the degree to which societies allow or suppress gratification of desires. Indulgent societies promote enjoyment, leisure, and the freedom to satisfy personal desires, often leading to more liberal social norms and spending habits. Restrained societies, on the other hand, tend to regulate behaviours through social norms, promote self-discipline, and place value on frugality and practicality. (Wale, Helen)

While Hofstede's model offers a structured framework for understanding global cultural differences, it is not without its limitations. One of the main criticisms is that it can be considered somewhat outdated and overly simplistic in capturing the complex, evolving nature of modern cultures. Additionally, while the model is meant to describe cultural tendencies rather than individual behaviours, it risks reinforcing stereotypes and overlooking the diversity within any given population. Despite these drawbacks, the theory provides significant advantages. It enhances cultural insight, fosters mutual understanding, and promotes effective communication across cultural boundaries. It is especially valuable in international business, education, and diplomacy, where cultural awareness can reduce misunderstandings and improve collaboration among individuals from different backgrounds. (Wale, Helen)

### 2.3.2 Fairness Heuristic Theory

The Heuristic Price Theory describes actual consumer behaviour, informed by heuristic judgments and decisions, and unfettered by the assumptions of the stylized demand curves and rational utility maximizing consumers with stable preferences. This framework will also serve the function of unifying the extant behavioural pricing literature, bringing together seemingly disparate insights from five decades of experimental research on consumer's responses to prices. For instance, researchers with a methodological focus, specializing in conjoint analysis and preference regressions (Green and Seenivasan 1978; Rao 2014), have operated on the assumption that consumers evaluate prices by making trade-offs between price and other features ("Am I paying for the features that I want?"). In contrast, researchers studying reference prices (Briesch et. al. 1997; Hardie, Johnson, Fader 1993; Winer 1986) have operated on the assumption that consumers evaluate prices by comparing it to a reference price ("Is the price higher than its usual price or a similar product's price?"). And yet another group of researchers studying the pain of paying (Rick, Cryder, and Loewenstein 2007) have argued that consumers evaluate prices by considering their attitudes towards spending money ("Am I spending more money than what I have and how do I feel about such spending?"). Acknowledging that all these considerations can influence price evaluations in specific contexts, the proposed model

provides a pluralistic perspective, unifying these disparate characterizations of consumer's price evaluations. (Thomas, Manoj)

A central postulate of the proposed Heuristic Price Theory is that there are different decision rules for price evaluations that vary with the decision context. For example, a consumer might judge the magnitude of a price to be much higher than competition. In some contexts, a high price magnitude can have a negative effect on purchase decisions; but, in other contexts, a high price can signal superior quality and have a positive effect on purchase decisions (Rao and Monroe 1989). Similarly, although a consumer might evaluate a price as unfair, that unfairness judgment will not necessarily influence her purchase decision. As Urbany, Madden, and Dickson (1989) point out, price fairness judgments matter only when fairness is the most relevant input in the purchase decision. Thus, the Heuristic Price Theory posits that, to understand how prices affect consumer's purchase decisions, we will have to identify both the decision rules that consumers use to make purchase decisions and the conscious and unconscious heuristic processes that influence these decision rules. (Thomas, Manoj)

### 2.3.3 Theory of Planned Behaviour

According to the theory of planned behaviours (Ajzen, 1991), behaviours are influenced by intentions, which are determined by three factors: attitudes, subjective norms, and perceived behavioural control. It is also possible for external factors to directly force or prevent behaviours, regardless of the intention, depending on the degree to which a behaviour is controlled by the individual, and the degree to which perceived behavioural control is an accurate measure of actual behavioural control. This relationship is shown with a dashed line in the below picture. (Sansom, Rebecca)

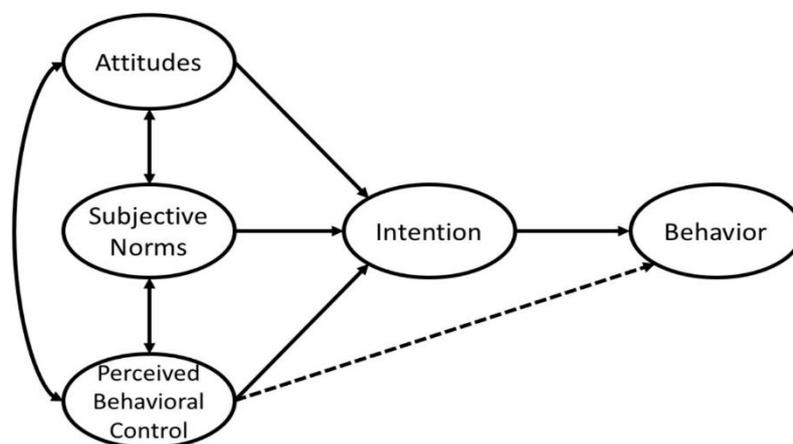


Figure 2 Theory of Planned Behavior

The Theory of Planned Behaviour assumes that individuals act rationally, according to their attitudes, subjective norms, and perceived behavioural control. These factors are not necessarily actively or consciously considered during decision-making but form the backdrop for the decision-making process. In other words, people may not articulate a particular attitude, but it may nonetheless influence their decision-making. Research in this area aims to uncover these hidden values and ideas that influence decision-making. There is some controversy about the assumption of rationality because sometimes humans act emotionally, not rationally. Rather than saying humans behave rationally, some researchers call this "sense-making". (Sansom, Rebecca)

## 2.4 Comparative Studies on Pricing across Culture

The literature on cross-cultural pricing presents differing perspectives on the influence of culture on consumer behaviour. Some studies, such as those by Graham et al. (1988) and Graham (1983), suggest significant differences in business negotiating strategies across cultures, noting that these differences affect pricing outcomes. Collectivist societies, like China, emphasize price consciousness and sophistication in money-handling, while individualistic cultures, such as the U.S., may not prioritize these values in the same way. Similarly, Clark (1990) and others argue that national behavioural characteristics are unique and consistent over time due to shared cultural norms and values, which influence pricing behaviour. These findings suggest that cultural values can shape consumer expectations and responses to pricing, requiring marketers to tailor their strategies accordingly. (Ackerman and Tellis)

In contrast, other studies report no significant cross-cultural differences in pricing behaviour. For example, Anderson and Engledow's (1977) survey of German and American shoppers finds no notable differences in attitudes toward the purchase process. Dawar and Parker (1994) also find that key signals of product quality—such as brand name, price, physical appearance, and retailer reputation—are used similarly across cultures. Douglas and Craig (1992) suggest that cognitive processes involved in consumer decision-making may be more universal than culturally specific, which challenges the necessity of culturally tailored pricing strategies. Even when behavioural differences are observed, some studies attribute them to structural rather than cultural factors. Tse (1989), for instance, links advertising content differences to economic and

political development, while Douglas (1976) and Gatignon et al. (1989) point to variables like the working status of women and demographic composition. (Ackerman and Tellis)

## 2.5 Research Gaps

The literature review identifies several critical gaps and shortcomings in existing research regarding the influence of cultural contexts on consumer reactions to value-based pricing strategies. A major limitation is the strong reliance on Hofstede's cultural dimensions, which might overlook other important cultural factors like masculinity versus femininity and long-term versus short-term orientation. This area could contribute additional insights into consumer behavior and ought to be incorporated into future studies. Another shortfall is the oversimplification of cultural differences, particularly the emphasis on the binary distinction between individualistic and collectivistic cultures. This perspective fails to represent the intricacies of cultural values, and future studies should adopt a wider array of cultural dimensions and more detailed approaches to comprehend how culture affects consumer reactions to pricing strategies.

Moreover, while the existing literature tends to highlight perceived fairness, there is a lack of in-depth investigation into the ethical and social factors that influence consumer's WTP to a premium price for products that align with their ethical beliefs. As ethical consumerism continues to rise, it is essential to understand how cultural values intersect with ethical convictions. Additionally, current research often neglects to consider personal demographics such as income, age, and education, which can significantly alter consumer's perceptions of value and pricing. Furthermore, most studies conducted in this field are cross-sectional, which means they only capture consumer behavior at one specific moment. Longitudinal research would provide a more completely view of how cultural influences on price perception change, particularly as society evolves and globalization progresses. Lastly, the impact of digital and social media platforms on consumer decision making has been largely overlooked, despite the essential role these platforms play in shaping views on pricing and value. Future studies should fill these gaps by expanding the range of cultural dimensions examined, integrating personal and contextual factors, and investigating how digital influences affect consumer behavior related to pricing strategies.

### 3.0 Hypothesis Development and Conceptual Framework

This chapter explains the study's hypotheses based on the literature review. It discusses all the hypothesis and it shows proper logic behind every hypothesis. It also shows which theory aligns with hypothesis. The chapter also presents a conceptual framework that shows the relationship between the independent variable (value-based pricing strategy) and the dependent variables (perceived fairness, willingness to pay, and purchase intention). It also highlights moderating and mediating variables, like ethical values and cultural orientation, that may impact these relationships.

#### 3.1 Hypothesis Development

***H1: Consumers perceive value-based pricing strategies as fairer when aligned with product benefits, leading to higher purchase intentions.***

This hypothesis asserts that consumers judge the fairness of a product's price by assessing its alignment with the perceived benefits they receive. This hypothesis aligns with Fairness Heuristic Theory. Heuristic Price Theory explains consumer price evaluations using context-dependent heuristics rather than rational models. It unifies research on trade-offs, reference prices, and emotional spending responses, showing that consumers use different decision rules based on the situation. Price effects depend on which heuristic is activated, making context key to understanding purchase behaviour. (Thomas, Manoj).

***H2: Value-based pricing strategies that emphasize non-monetary value increase willingness to pay, as consumers anchor on perceived social/ethical benefits.***

Companies that emphasize non-monetary value (such as environmental sustainability or ethical practices) in their pricing strategy are more likely to attract consumers to higher prices. This hypothesis aligns with prospect theory. Prospect theory belongs to the behavioural economic subgroup and focuses on choice. It describes how individuals make a choice between probable alternatives where risk is involved, and the probability of different outcomes is unknown. This theory was formulated in 1979 and further developed in 1992 by Amos Tversky and Daniel Kahneman. They deemed it more psychologically accurate about how decisions are made than expected utility theory. The underlying explanation for an individual's behaviour, under prospect theory, is that because the choices are independent and singular, the probability of a

gain or a loss is reasonably assumed as being 50/50 instead of the probability that is presented. Essentially, the probability of a gain is generally perceived as greater. (Chen, James)

***H3: The positive effect of value-based pricing on purchase intention is stronger in individualistic cultures than in collectivistic cultures as individualists prioritize personal utility.***

This hypothesis is based on Hofstede cultural dimension theory, particularly the distinction between individualism and collectivism. The individualism vs collectivism dimension considers the degree to which societies are integrated into groups and their perceived obligations and dependence on groups. In individualistic societies, the emphasis lies on personal achievement and rights, prioritizing the needs of oneself and one's immediate family. Collectivism indicates that there is a greater importance placed on the goals and well-being of the group. A person's self-image in this category is defined as "We" and individuals from collectivist backgrounds often prioritize relationships and loyalty more prominently than those in individualistic cultures. (Wale, Helen)

***H4: Consumers in high uncertainty avoidance cultures require stronger justification for premium pricing and prioritize predictable value cues over subjective benefits.***

This hypothesis states that, Culture with high certainty avoidance needs strong justifications for high prices because consumers from those cultures prefer to choose trusted brand, rely on expert reviews and seek guarantees. This hypothesis goes with uncertainty avoidance of Hofstede (1980). Uncertainty avoidance refers to how a culture deals with uncertainty and anxiety. People within the society tend to react in the way that their culture influences them to. If a culture is open and accepting, citizens will be more likely to make decisions that are risky and uncertain. If the culture is strict and controlled, citizens are likely to take fewer risks and be more close-minded. This measurement of a culture's uncertainty avoidance is called the Uncertainty Avoidance Index. (Rollo, Jo Amy)

***H5: In high-power-distance cultures, consumers are more likely to associate higher prices with status, increasing purchase intent for premium products.***

This hypothesis states that, in high power distance cultures, social hierarchies are widely accepted within the society. Individuals in this culture tend to place significant importance on status symbols that visibly communicate their social position. That’s why consumers increase their purchase intent for premium products as a means of signalling status and comforting to cultural expectations regarding social hierarchy. This hypothesis goes with power distance index of Hofstede Cultural Dimensions theory. The Power Distance Index (PDI) is a cultural measurement that gauges how societies perceive and accept power inequality among individuals. In societies with high PDI, individuals tend to accept significant disparities in power dynamics—where subordinates are less likely to challenge their superiors or engage in decision-making processes. Conversely, low PDI societies prioritize equality, fostering expectations for democratic decision-making and open communication. (Geoff, Adam)

### 3.2 Conceptual Framework

A conceptual framework is a description of the way a researcher understands the factors and/or variables that are involved in the study and their relationships to one another. The purpose of a conceptual framework is to articulate the concepts under study using relevant literature (Rocco and Plakhotnik, 2009) and to clarify the presumed relationships among those concepts (Rocco and Plakhotnik, 2009; Ankara and Mertz, 2014). Conceptual frameworks are different from theoretical frameworks in both their breadth and grounding in established findings. Whereas a theoretical framework articulates the lens through which a researcher views the work, the conceptual framework is often more mechanistic and malleable. (Luft, Julie A., et al.)

#### 3.2.1 Identify Key Variables

To advance the research question and effectively test the hypothesis and causal relationships, it is essential to first identify the Independent and Dependent Variables.

- Independent Variable (IV): Value Based pricing strategy
- Dependent Variable (DV): Perceived Price Fairness (H1), WTP (H2), Purchase Intention (H1, H3, H5)



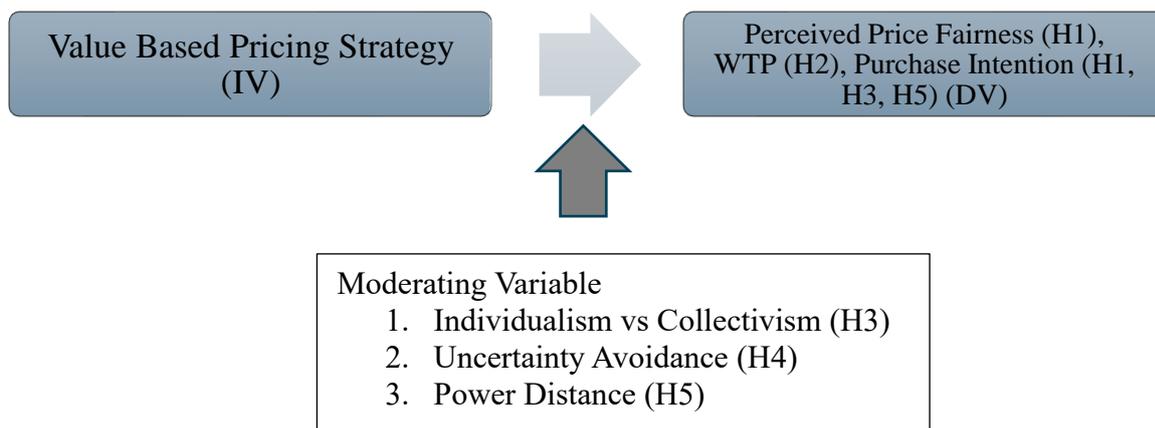
This framework proposes that, consumers purchase intentions/WTP is affected by value-based pricing strategy.

### 3.2.2 Other Influencing Variables

It is important to acknowledge additional factors that might influence the connection between independent and dependent variables during the research process. Types of variables that are typically considered include moderating, mediating, and control variables

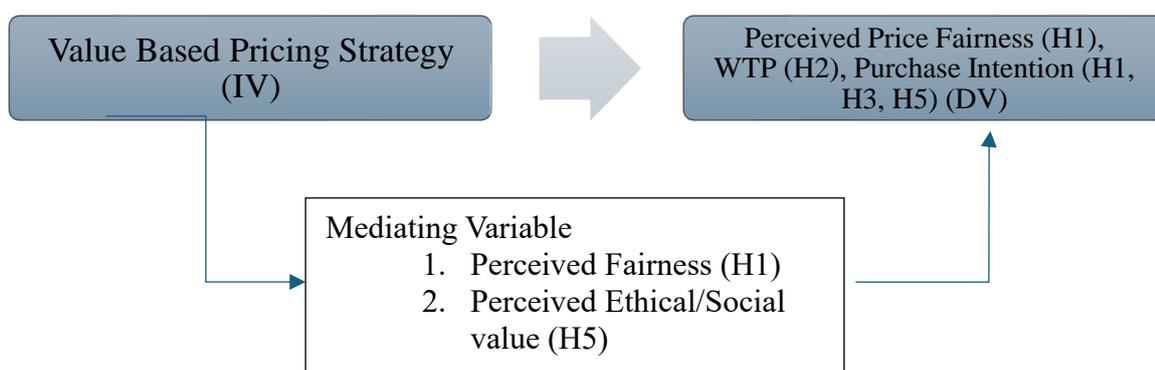
Moderating variable (or moderators) alter the effect that an independent variable has on a dependent variable. In other words, moderators change the “effect” component of the cause-and-effect relationship. (Swaen and George)

Conceptual Framework with a moderating variable is given below:



Mediating variables link the independent and dependent variables, allowing the relationship between them to be better explained. (Swaen and George)

Here’s a representation of what the conceptual framework could resemble with the incorporation of a mediating variable.



### 3.3 Theoretical Foundations

<b>Hypothesis</b>	<b>Theory</b>	<b>Key Mechanism</b>
H1	Fairness Heuristic Theory	Consumer judge fairness based on perceived product benefit
H2	Prospect Theory	Consumer anchor on non-monetary value
H3	Hofstede (Individualism)	Individuals prioritize personal utility increasing purchase intent
H4	Hofstede (Uncertainty Avoidance)	High UA cultures need strong justifications
H5	Hofstede (Power Distance)	High PD cultures associate price with status, increasing WTP

## **4.0 Methodology**

A research methodology describes the techniques and procedures used to identify and analyse information regarding a specific research topic. It is a process by which researchers design their study so that they can achieve their objectives using the selected research instruments. It includes all the important aspects of research, including research design, data collection methods, data analysis methods, and the overall framework within which the research is conducted. (Sreekumar, Divya)

This chapter shows the research design and methodology employed to achieve the research goals. The research discusses the quantitative research methodology, which relies on numerical data collected from participants through a survey. The sampling method is elaborated upon, highlighting the criteria for choosing participants from various cultural backgrounds, including those from Denmark and Bangladesh. The chapter describes the methods for data collection, focusing on the use of structured questionnaires and the variables being measured, such as cultural influences, perceived value, and WTP. It also outlines the statistical techniques applied for data analysis, which encompass descriptive statistics, t-tests, ANOVA, and regression analysis. Ethical considerations are discussed to ensure that the study complies with the principles of informed consent, confidentiality, and voluntary participation. Additionally, the chapter addresses validity and reliability of the research, explaining how the research methods and tools were developed to guarantee strong and accurate results.

### **4.1 Research Design and Strategy**

A research design is a strategic framework for addressing research question using empirical data. It involves making key decisions about various aspects of study, including overall research objectives and approach, the choice between primary and secondary research, and the sampling methods or criteria for selecting subjects. Additionally, it encompasses decisions about the methods and procedures for data collection, as well as the techniques for analysing the collected data. A well-structured research design ensures that chosen methods align with research goals and that the data analysis is appropriate for the type of data gathered. Whether written as a standalone assignment or as part of a broader research proposal, developing a research design requires careful consideration of the most suitable and practical methods for effectively answering research question. (McCombes, Shona)

This research was conducted utilizing quantitative research strategy. Main aim for selecting quantitative research was to understand consumer perception regarding value-based pricing across different cultural context. Quantitative research is the process of collecting and analysing numerical data to describe, predict, or control variables of interest. This type of research helps in testing the causal relationships between variables, making predictions, and generalizing results to wider populations. The purpose of quantitative research is to test a predefined theory or hypothesis and eventually either accept or reject it based on the results. (Sreekumar, Divya).

The research is entirely based on a survey-based approach to collect standardized data from individuals with different cultural background. Survey research is defined as "the collection of information from a sample of individuals through their responses to questions" (Check & Schuss, 2012, p.160). This type of research allows for a variety of methods to recruit participants, collect data, and utilize various methods of instrumentation. Survey research can use quantitative research strategies (e.g., using questionnaires with numerically rated items), qualitative research strategies (e.g., using open-ended questions), or both strategies (i.e., mixed methods). As it is often used to describe and explore human behaviour, surveys are therefore frequently used in social and psychological research (Singleton & Straits, 2009). (Point, Julie)

Surveys, while widely used for data collection, come with several disadvantages that can affect the quality and reliability of the results. One major limitation is that responses may be inaccurate if participants are disengaged, distracted, or exhibit bias. Sensitive or personal questions may not be answered truthfully, leading to distorted data. Additionally, respondents might interpret answer options differently terms like "somewhat agree" can be subjective and vary in meaning from one person to another. Non-responses or skipped questions further complicate analysis and can skew the overall findings. Moreover, the use of closed-ended questions often limits the depth of insight, as they do not allow participants to elaborate on their thoughts or experiences. Finally, poorly designed or customized surveys may introduce unintended errors, reducing the validity of the results and potentially misleading conclusions. (DeFranzo, Susan)

## **4.2 Sampling Method and Target Population**

### **4.2.1 Sampling Method**

Sampling involves the strategic selection of individuals or a subset from a population, aiming to derive statistical inferences and predict the characteristics of the entire population. It offers a pragmatic and practical approach to examining the features of the whole population, which would otherwise be difficult to achieve because studying the total population is expensive, time-consuming, and often impossible. Market researchers use various sampling methods to collect samples from a large population to acquire relevant insights. (Bisht, Renu)

A non-probability sampling technique was utilized in this case because of its feasibility and ease of access. Non-probability sampling methods involve selecting individuals based on non-random criteria, often relying on the researcher's judgment or predefined criteria. While it is easier and more economical, it tends to introduce sampling bias, resulting in weaker inferences compared to probability sampling techniques in research. (Bisht, Renu)

### **4.2.2 Target Populations**

The population targeted for this study includes consumers from Bangladesh, Denmark, other EU countries, and an option for participants from additional countries to specify their nationality. These nations were chosen to represent diverse cultural and economic contexts. A total number of 111 individuals participated in the survey, with the majority coming from Bangladesh and Denmark. There were also participants from other countries, which provided a well-rounded representation for the analysis.

## **4.3 Data Collections Instrument**

Data collection is the process of collecting and evaluating information or data from multiple sources to find answers to research problems, answer questions, evaluate outcomes, and forecast trends and probabilities. It is an essential phase in all types of research, analysis, and decision-making, including that done in the social sciences, business, and healthcare. During data collection, researchers must identify the data types, the sources of data, and the methods being used. (Jain, Pulkit)

In this research, data was gathered using a structured online questionnaire designed to assess consumer perceptions of value-based pricing. The questionnaire included a mix of multiple-

choice, Yes/No, Likert-Scale questions covering areas such as cultural influence of price perceptions, price fairness, price negotiations, cultural perceptions towards value-based pricing, WTP, and so on. The survey was created by using Google Forms and shared through social media platforms like Facebook, LinkedIn, and WhatsApp. The survey was accessible exclusively in English.

#### **4.4 Data Analysis Techniques**

Data analysis, the process of systematically collecting, cleaning, transforming, describing, modelling, and interpreting data, generally employing statistical techniques. Data analysis is an important part of both scientific research and business, where demand has grown in recent years for data-driven decision making. Data analysis techniques are used to gain useful insights from datasets, which can then be used to make operational decisions or guide future research. (Eldridge, Stephen).

In this research, the collected data was thoroughly analyzed using a combination of descriptive and inferential statistical methods. Descriptive statistics serve as essential tools for calculating, describing, and summarizing the research data in a logical, meaningful, and effective manner. These statistics are presented numerically within the manuscript and/or illustrated in tables and figures. The study is based on a survey that comprises 20 questions, for which descriptive statistics will be provided for each individual question. To examine variations among different cultural groups, independent samples t-tests, regression analysis, and ANOVA were used to identify statistically significant differences. Data analysis was conducted using SPSS and Excel to ensure accurate and well-organized interpretations of the results.

#### **4.5 Ethical Considerations**

Ethical consideration in a research proposal refers to a set of guiding principles that shape the design and practice of research. These principles ensure that the rights, dignity, and safety of research participants are respected throughout the study. Ethical considerations also require researchers to report their data, results, methods, and procedures with honesty and accuracy. By adhering to ethical standards, researchers enhance the credibility, validity, and integrity of their work. Furthermore, these considerations help protect researchers from ethical violations or misconduct, reinforcing the trustworthiness of the research process and its outcomes. (Javid, Fahad)

In this study, all ethical protocols were adhered to. All survey participants were informed about the study's purpose and guaranteed that their responses would remain confidential. Participation was completely voluntary, and no identifying information was collected, such as names, phone numbers, or email addresses, in accordance with standard research ethics guidelines.

#### **4.6 Validity and Reliability of the Study**

Validity and Reliability are concepts used to evaluate the quality of research. They indicate how well a method, technique, or test measures something. Reliability is about the consistency of a measure, and validity is about the accuracy of a measure. (Middleton, Fiona)

Validity refers to how accurately a method measures what it is intended to measure. If research has high validity, that means it produces results that correspond to real properties, characteristics, and variations in the physical or social world. High reliability is one indicator that a measurement is valid. If a method is not reliable, it probably isn't valid. (Middleton, Fiona). In this study, to guarantee the reliability of the survey, the questionnaire was created following an extensive literature review on value-based pricing and cross-cultural consumer behavior. Content and face validity were confirmed through reviews and a pilot test with a culturally diverse sample. The questionnaire was aligned with the theoretical constructs of perceived value, cultural dimensions, cultural influences, value perceptions etc to enhance validity.

Reliability in research means that collecting data is consistent and dependable, like having a steady hand that produces the same result for a given task. In the research context, reliability ensures that the results would be consistent each time if the same study were repeated using the same reliable method. It's like having different researchers independently conduct the same experiment and obtain outcomes that match perfectly. (Yeshaswi, Godi). The structure of this research depends on the consistency of data collections. In administering the survey to participants from various cultural background, it was necessary to maintain a standardized approach ensuring that all respondents received the same questions, presented in same format and order.

Throughout the data collection process, all survey procedures were implemented with precisions, from participant instructions to the recording of responses. Each step was carefully designed to avoid variation, enhancing the reliability of the research. This commitment to methodological consistency-across survey distribution, participant engagement and data recording-ensures that results are replicable and dependable, laying a strong foundation for credible analysis and conclusions.

## 5. Result and Analysis

This chapter presents the findings from the survey data and statistical analysis. Descriptive statistics are provided to summarize the demographic characteristics of the respondents and their perceptions of value-based pricing. The chapter then delves into hypothesis testing, using statistical methods such as paired samples t-tests, ANOVA, and regression analysis to explore the relationships between cultural dimensions, perceived fairness, and purchase intentions. The results are presented in tables and figures, and key findings are highlighted, such as how consumers from different cultures perceive the fairness of value-based pricing and their willingness to pay a premium. The chapter concludes with an interpretation of the statistical outcomes, offering insights into how cultural context influences consumer behavior in relation to value-based pricing strategies.

### 5.1 Descriptive Statistics of Respondents

Descriptive analysis is a type of data analysis that helps describe, show, or summarize data points in a constructive way, allowing patterns to emerge that fulfil the conditions of the dataset. It is one of the most important steps in conducting statistical data analysis. This method provides a conclusion about the distribution of the data, aids in the detection of typos and outliers, and helps identify similarities among variables. As a result, it lays the groundwork for conducting more advanced statistical analyses. (Rawat, Ayush Singh)

I have developed a set of 20 questions for the survey to collect important information about value-based pricing, how culture affects pricing and so on. In the following sections I will share the insights from each of the questions.

#### Section 1: Demographic Information's

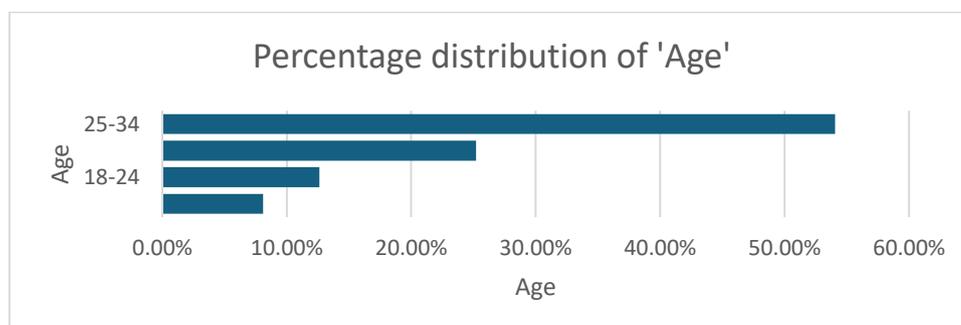


Figure 3 Percentage distribution of Age (Q1)

The ages of the survey participants varied from 18 to 45 years, as indicated by the first questions' results. The age group with the most participants is 25-34, with a participation rate of 54.05%. The age group 35-44 is the second largest group of participants, and their participation rate is 25.3%. The third group consisted of the 18-24 age group, while the fourth group consisted of the 45+ age group. Their participation rates were 12.61% and 8.11%, respectively.

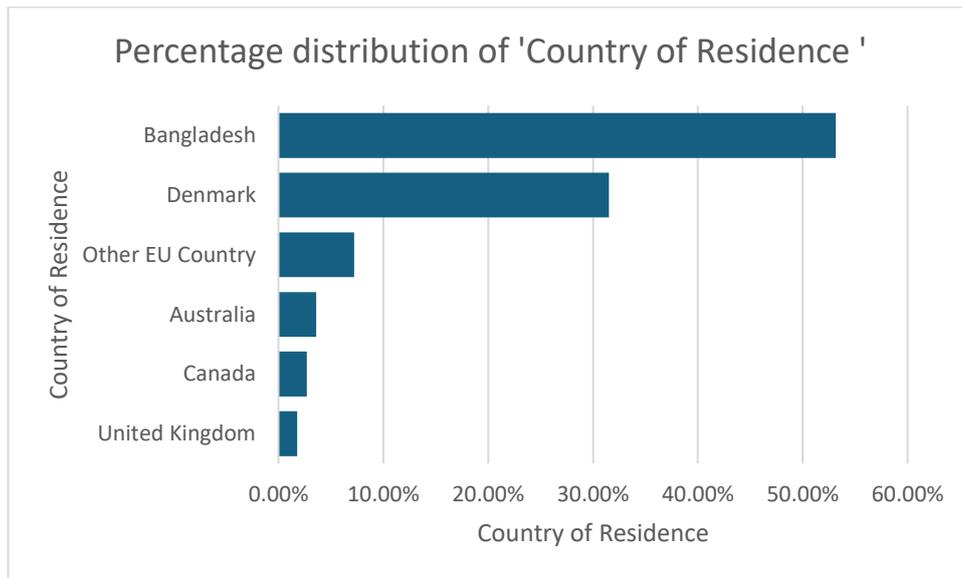


Figure 4 Percentage distributions of Country of Residence (Q2)

The second question was about Country of Residence of participants. The majority respondents are from Bangladesh (53.15%), followed by a significant portion from Denmark (31.53%). Smaller percentage comes from other EU countries (7.21%), while 3.60% participants were from Australia and 2.70% were from Canada. Additionally, a few responses were recorded from United Kingdom (1.80%).

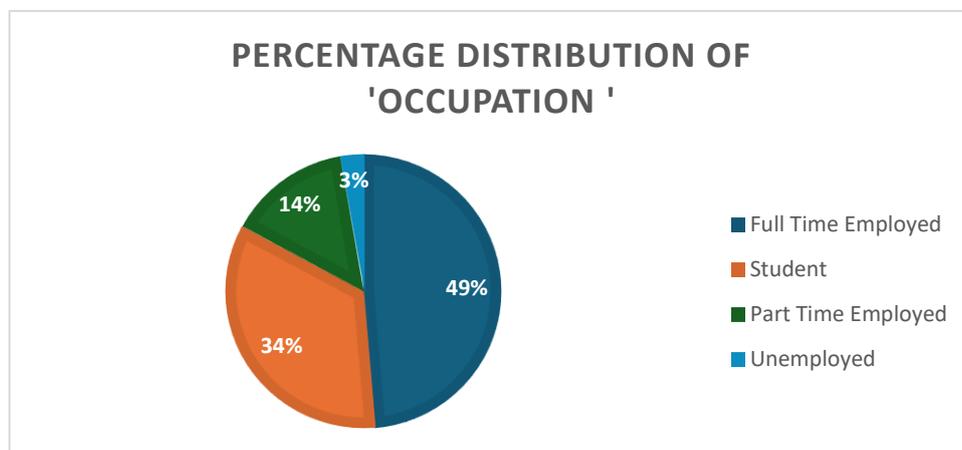


Figure 5 Percentage of Occupation (Q3)

Out of 111 respondents, the largest participants 48.65% (54 participants) are employed full time, indicating that nearly half of the participants are doing stable full-time work. Second largest participants are students 34.23% (38 participants) of the sample. It also suggests that strong representations from the academic or younger demographic. A smaller group is part time employed (14.41%) and only 2.70% are unemployed. This means, the survey mostly reflects the views of people who are working or studying which could affect how they see value and pricing in products or services.

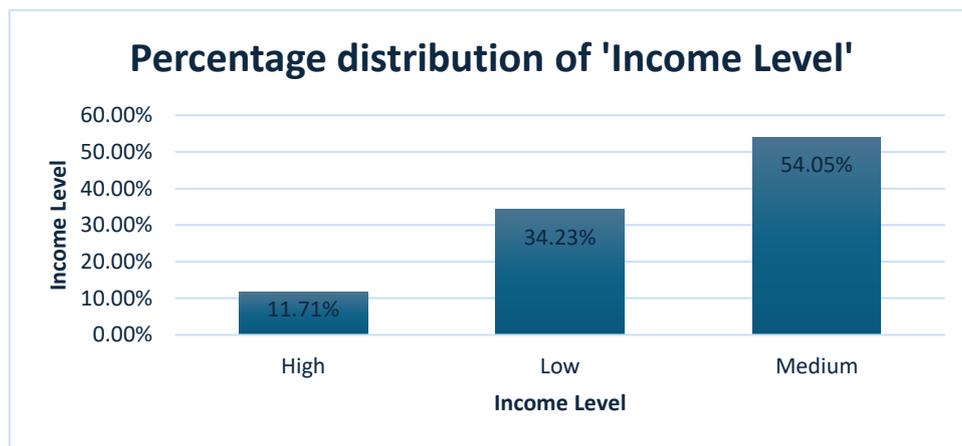


Figure 6 Income Level (Q4)

In question 4, participants income level was asked to understand financial situations. It helps to learn about groups need, habits, purchase decisions etc. Here, data shows that majority of people 54.05% are from medium income level. Many people (34.23%) have a low income. Only a few people (11.71%) have a high income.

## Section 2: Consumer Perceptions of Value Based Pricing

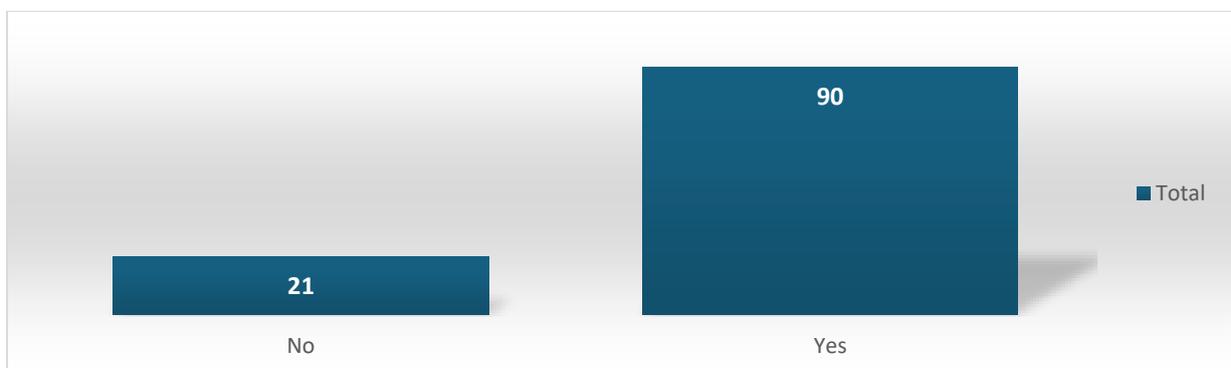


Figure 7 Participant's response for paying premium price for product/service (Q5)

The survey results reveal that, a large majority of participants, 90 out of 111 people have paid a premium price for a product or service because they believed it offered higher perceived value. This indicates that, most individuals are willing to spend more money when they feel that the quality, brand and benefits of a product or services justify the higher price. On the other hand, only 21 participants answered that they have not paid extra based on perceived value, suggesting that a smaller portion of the participants is either more price-sensitive or less influenced by quality and branding. Overall, the findings highlight how perceived value has a significant impact on consumer buying choices.

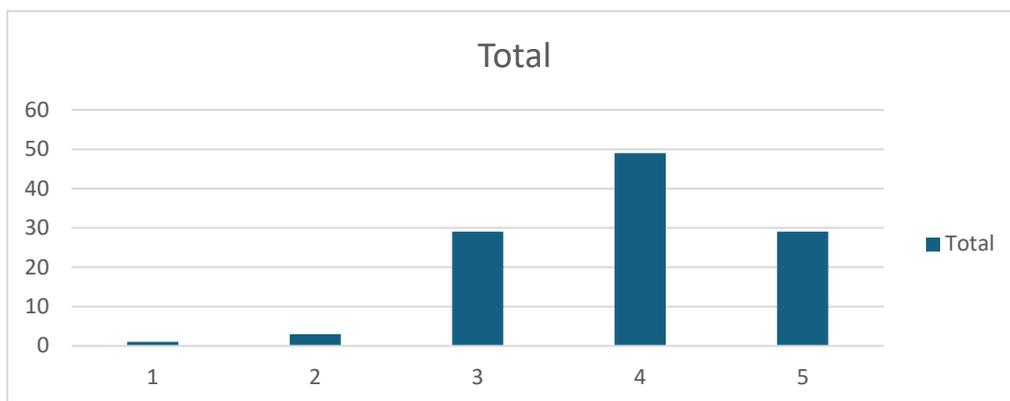


Figure 8 Importance of perceived value when making a purchasing decision (Q6)

This question was asked to understand the importance of perceived value when making a purchasing decision. Perceived value is a key driver in purchasing decisions, with 70% of respondents rating it as Important (4) or Extremely Important (5). 26% participants were Neutral and 4% of respondents rating it as Not Important (1,2). The mean (3.92), median (4), and mode (4) all confirm this trend, while the low standard deviation (0.84) indicates strong agreement among participants.

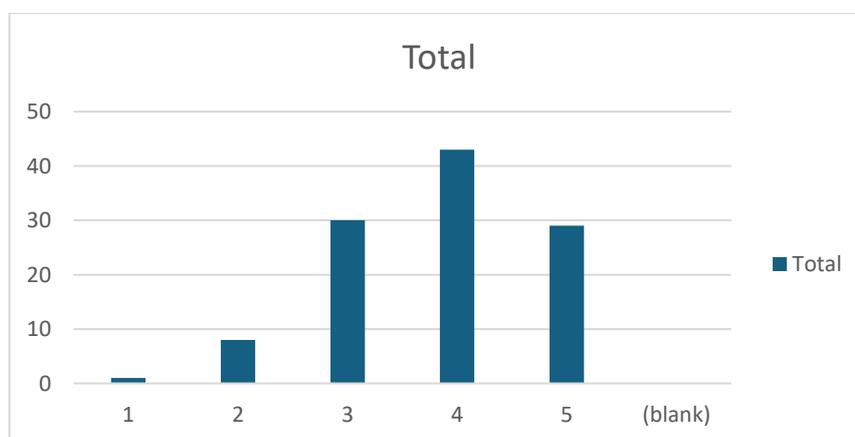


Figure 9 Price reflects the quality of a product/service (Q7)

This question was asked to find out that if participants believe that price reflects that quality of a product of service. Most respondents (64.8%) believe price reflects quality with a mean rating of 3.81 (agree). However, 27% remain neutral and 8% disagree. suggesting price is not a universal proxy for quality.

What factors contribute most to a product's perceived value?	Participation
Brand Reputation	3
Brand Reputation, Personal Experience, Social Influence	1
Brand Reputation, Personal Experience, Social Influence, Product Design	1
Brand Reputation, Product Design	2
Brand Reputation, Quality and Performance	7
Brand Reputation, Quality and Performance, Personal Experience	12
Brand Reputation, Quality and Performance, Personal Experience, Product Design	12
Brand Reputation, Quality and Performance, Personal Experience, Social Influence	3
Brand Reputation, Quality and Performance, Personal Experience, Social Influence, Product Design	11
Brand Reputation, Quality and Performance, Personal Experience, Social Influence, Product Design, Mouth of word	1
Brand Reputation, Quality and Performance, Product Design	4
Brand Reputation, Quality and Performance, Social Influence	3
Brand Reputation, Quality and Performance, Social Influence, Product Design	3
Personal Experience	11
Quality and Performance	23
Quality and Performance, Personal Experience	2
Quality and Performance, Personal Experience, Product Design	6
Quality and Performance, Personal Experience, Social Influence	3
Quality and Performance, Personal Experience, Social Influence, Product Design	1
Social Influence	2
<b>Grand Total</b>	<b>111</b>

Figure 10 Factors that contribute most to a products perceived value (Q8)

Quality and performance emerged as the most critical factor in perceived value, with 23 respondents selecting it as a standalone choice and nearly all combinations including it. This shows that consumers prioritize quality, reliability and performance above all. Brand reputations and personal experience tied as a secondary driver frequently appearing together. 12 participants selected the combinations of Brand, Quality and personal experience reinforcing that trust and emotional resonance enhance perceived value when paired with strong performance. Product design played a supporting role, appearing in 26 responses but always alongside core factors like Quality of Brand, suggesting it acts as a differentiator rather than a primary driver. Social influence had minimal standalone impact (2 participants) and gained relevance only when paired with Brand or Quality, indicating that influencer marketing works best for established brands. The strongest driver of perceived value is Brand, Quality and Personal experience selected by 12 participants alone and 11 more when combined with design or social influence. This suggests that products succeed when they deliver performance, trust and positive user experience.

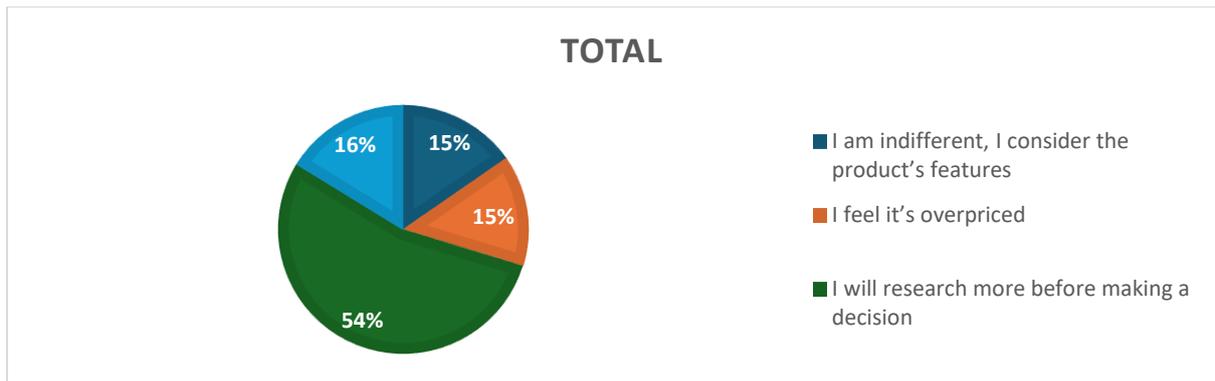


Figure 11 Consumer Reactions to higher priced product (Q9)

This survey shows mixed consumer reactions to higher-priced products. Most participants (60) prefer research more before deciding which indicates cautious buying behaviour. Some (18) associate a higher price with better quality while others (16) see it as overpriced. A smaller group (17) remains indifferent focusing on features rather than price.

These findings suggest that while many consumers hesitate to judge based on price alone, perceptions vary. Some trust premium pricing while others question its value.

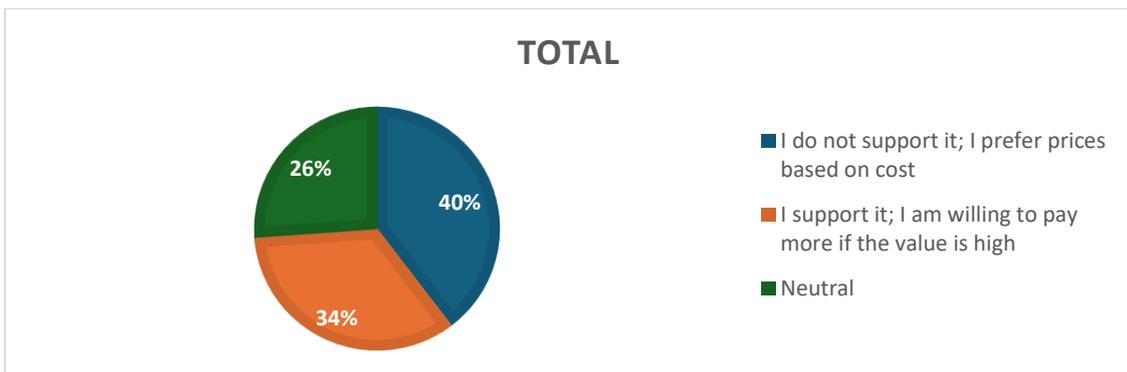


Figure 12 Participant's opinion on Perceived Value (Q10)

This survey results reveal a clear divide in consumers preferences regarding pricing strategies. A respondent of 44 prefer traditional cost-based pricing, valuing transparency and fairness in product pricing. However, 38 participants demonstrate willingness to pay premium price when they perceive higher value in products or services. Remaining 29 respondents maintain a neutral base, suggesting they evaluate pricing on a case-by-case basis.

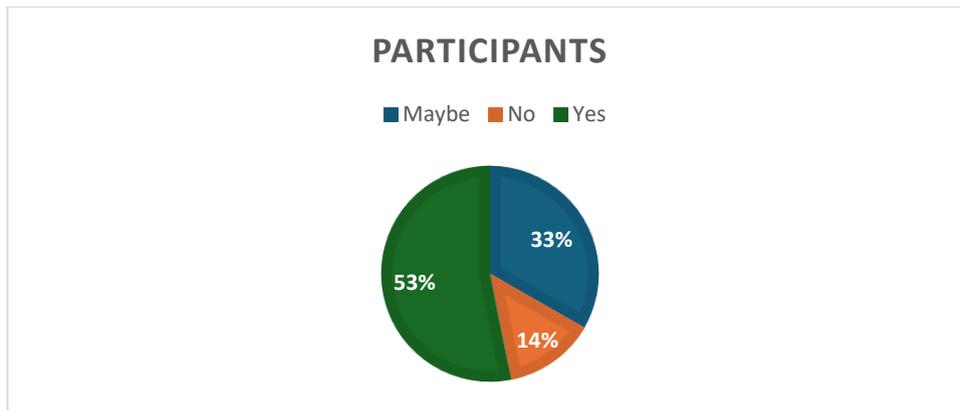


Figure 13 WTP for a product of Service (Q11)

The responses to the question, "Would you be willing to pay more for a product if it aligns with your cultural or ethical values?", show that most consumers are open to paying more for products that match their values. 59 participants (53.2%) said "Yes", indicating a strong interest in products that align with cultural or ethical beliefs. Another 37 participants (33.3%) answered "Maybe", suggesting they might pay more, depending on factors like product quality or price. However, 15 participants (13.5%) answered "No", showing that some consumers are not willing to pay extra, likely due to price concerns. Overall, the results suggest that cultural and ethical values influence purchasing decisions for many consumers, but price remains an important factor for some. Businesses should focus on aligning products with values while keeping prices competitive.

### Section 3: Cultural influence on Pricing Perceptions

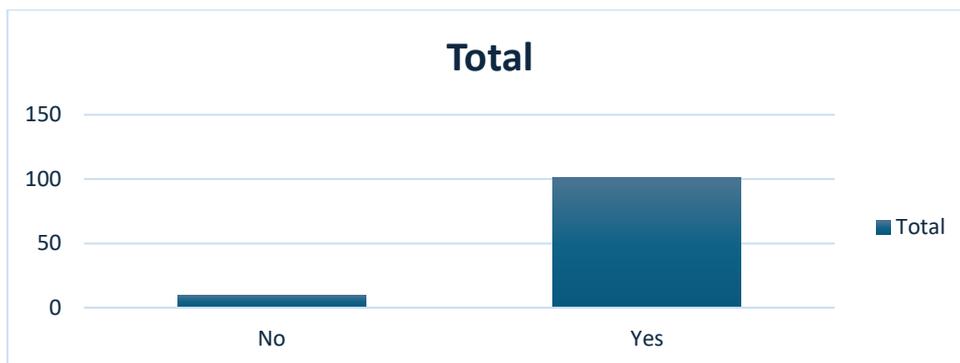


Figure 14 Cultural Influence on Perceive Value (12)

The survey result shows, respondents (101 out of 111) believe that cultural background influences how people perceive value in pricing, while only a small fraction (10) disagrees. This strong consensus suggests that consumers recognize cultural factors such as traditions, spending habits play a significant role in shaping price sensitivity and perceived value.

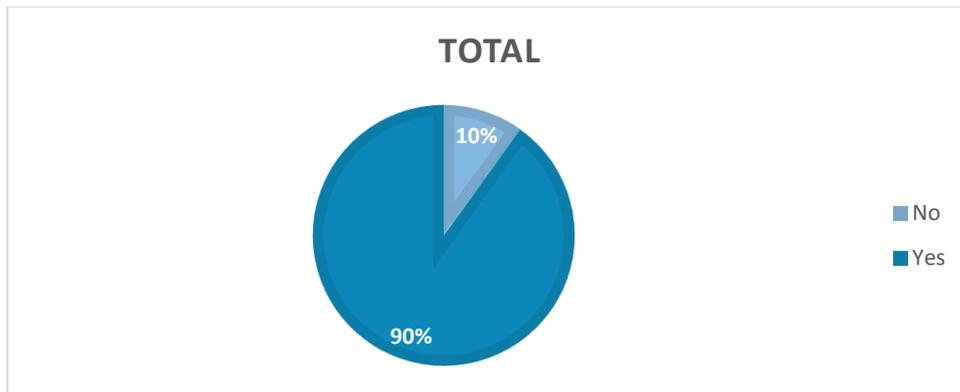


Figure 15 Participants thinking about Price Negotiations (Q13)

Survey results show that 90% of respondents (100 out of 111) consider price negotiation a common practice in their culture, while only 10% disagree. This suggests that in many regions, consumers expect flexibility in pricing, whether in informal markets or formal retail. Businesses operating in such cultures should consider adaptable pricing models, such as tiered discounts or trained sales negotiators, to align with local expectations and improve customer satisfaction.

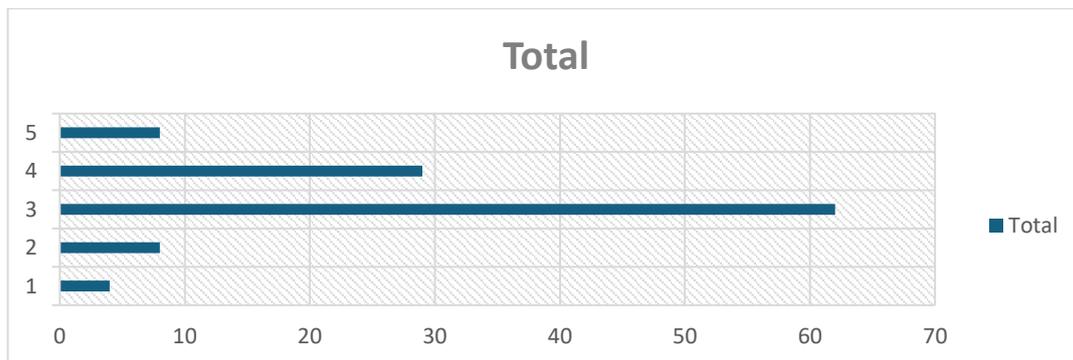


Figure 16 Participants trust to a company's pricing strategy if it aligns cultural expectations (Q14)

Most people (62 out of 111) feel neutral (rated 3) about trusting a company's pricing if it matches their cultural expectations. A smaller group (29) feels somewhat likely (rated 4) to trust it, while very few (8) strongly trust (rated 5) such pricing. On the other hand, a few (12 in total, combining ratings 1 and 2) are unlikely to trust it. This means that while cultural alignment in pricing matters, it doesn't guarantee trust for everyone. Companies should focus on fairness and transparency in pricing, even when following cultural norms, to build stronger trust with more customers.

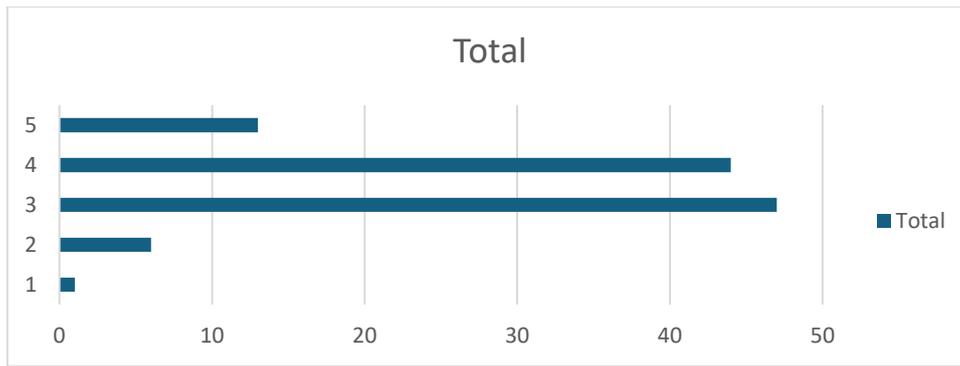


Figure 17 Participant's feedback on cultural background influences (Q15)

The survey shows that cultural background plays a moderate to strong role in shaping companies' pricing strategies. Nearly half of respondents (47 out of 111) gave a neutral rating (3/5), suggesting they see some cultural influence but don't consider it overwhelming. However, a combined 57 participants rated it 4 or 5 (44+13), meaning they believe culture significantly affects pricing. Only a small number (7 total, combining 1+2 ratings) think culture has little to no impact.

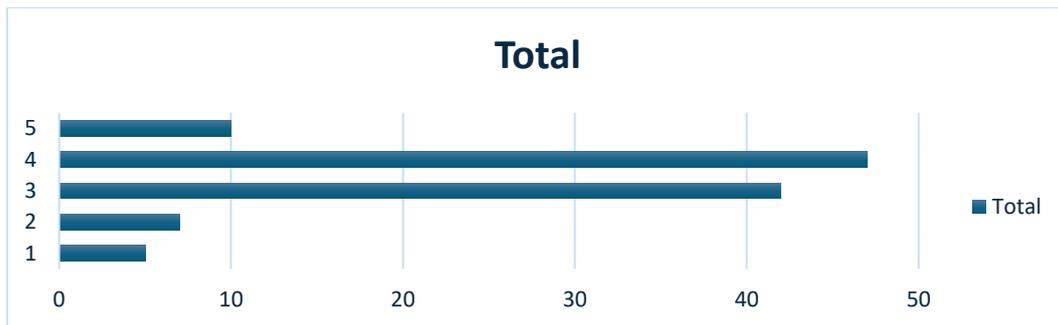


Figure 18 How culture affect WTP (Q16)

Most people in the survey (42 out of 111) feel their cultural view of quality have a moderate effect (3/5) on their WTP for value-based pricing. A larger group (47) says it has a strong effect (4/5), while a few (10) feel it has a very strong effect (5/5). Only a small number (12 total, combining 1+2 ratings) say culture doesn't really influence what they're willing to pay. This means, cultural beliefs about quality clearly play a big role in how people judge prices. Companies using value-based pricing should consider local cultural attitudes—what one group sees as "high quality" might not convince another.

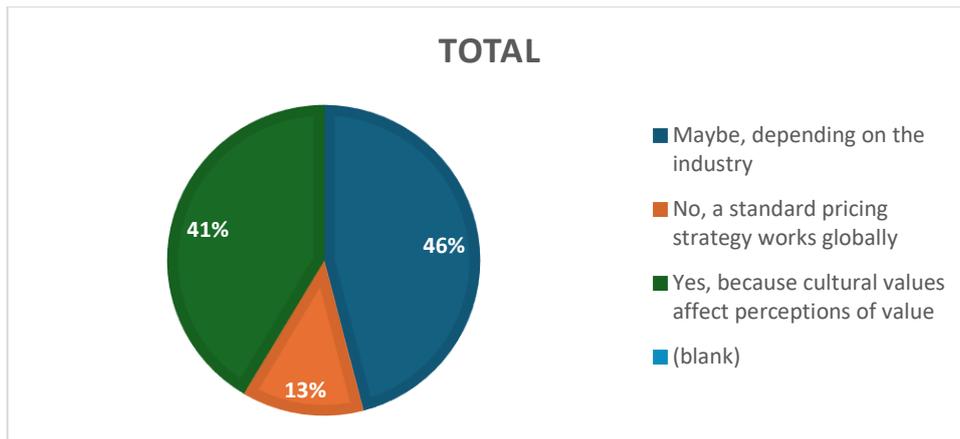


Figure 19 Cultural Context influences Pricing Strategies (Q17)

The survey results show that most respondents believe value-based pricing should adapt to cultural contexts, but with industry-specific considerations. The top choice (51 responses) was "Maybe, depending on the industry," suggesting flexibility is key. Meanwhile, 46 respondents agreed that cultural values directly impact perceived value, supporting tailored pricing. Only 14 favoured a standard global strategy, indicating limited belief in a one-size-fits-all approach. Overall, companies should balance cultural sensitivity with industry needs when setting prices.

Row Labels	Count of Age
Cultural reputation of the brand	4
Cultural reputation of the brand, Familiarity with the product	1
Cultural reputation of the brand, Familiarity with the product, Quality of the product or service	1
Cultural reputation of the brand, Familiarity with the product, Trust in the company, Quality of the product or service	7
Cultural reputation of the brand, Familiarity with the product, Trust in the company, Quality of the product or service, The product aligns with my values or beliefs	12
Cultural reputation of the brand, Familiarity with the product, Trust in the company, Social pressure (e.g., others also buying the product), Quality of the product or service, The product aligns with my values or beliefs	6
Cultural reputation of the brand, Familiarity with the product, Trust in the company, The product aligns with my values or beliefs	1
Cultural reputation of the brand, Quality of the product or service	1
Cultural reputation of the brand, Quality of the product or service, The product aligns with my values or beliefs	1
Cultural reputation of the brand, The product aligns with my values or beliefs	1
Cultural reputation of the brand, Trust in the company, Quality of the product or service	4
Cultural reputation of the brand, Trust in the company, Quality of the product or service, The product aligns with my values or beliefs	5
Familiarity with the product	3
Familiarity with the product, Quality of the product or service, The product aligns with my values or beliefs	1
Familiarity with the product, Trust in the company, Quality of the product or service	7
Familiarity with the product, Trust in the company, Quality of the product or service, The product aligns with my values or beliefs	8
Quality of the product or service	15
Quality of the product or service, The product aligns with my values or beliefs	2
Social pressure (e.g., others also buying the product)	2
Social pressure (e.g., others also buying the product), Quality of the product or service, The product aligns with my values or beliefs	1
The product aligns with my values or beliefs	3
Trust in the company	8
Trust in the company, Quality of the product or service	9
Trust in the company, Quality of the product or service, The product aligns with my values or beliefs	6
Trust in the company, Social pressure (e.g., others also buying the product), Quality of the product or service	2
(blank)	
<b>Grand Total</b>	<b>111</b>

Figure 20 Participant's responses for WTP to accept higher prices (Q18)

The survey results reveal that product quality is the top factor influencing willingness to pay higher prices, with 15 respondents selecting it alone and many more choosing it in combination with other factors. Trust in the company is also key, mentioned by 8 respondents alone and

frequently paired with quality and values. Alignment with personal values was selected by 3 respondents alone and often combined with trust and quality. Fewer respondents prioritized cultural reputation (4 alone), familiarity (3 alone), or social pressure (2 alone). However, some still considered these factors alongside others. In summary, quality, trust, and personal values are the strongest drivers of price acceptance, while other influences play a smaller role.

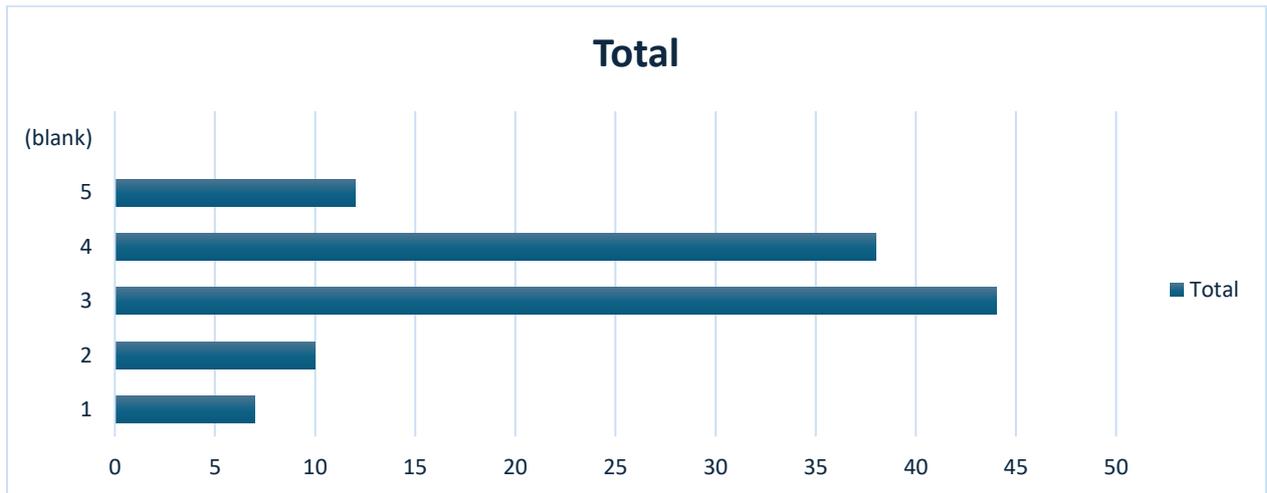


Figure 21 cultural relevance in determining the perceived value of a product or service in your culture (Q19)

The survey shows that most people see cultural relevance as somewhat important when judging a product's value. The largest group (44 participants) rated it a 3 (moderately important), while 38 chose 4 (important) and 12 said 5 (extremely important). This means over half (60%) find it fairly to very important. However, 17 participants (1+2) believe it's not very important, showing cultural relevance isn't a priority for everyone. So, Brands should consider cultural relevance for most customers, but its importance depends on the audience.

## 5.2 Key Findings from Descriptive Analysis

The survey aimed to explore the influence of value-based pricing and cultural factors on consumer purchasing decisions. The main objective was to evaluate the extent to which consumers are inclined to spend more on products and services when they believe they receive greater value. Additionally, it aimed to identify the elements that influence this perception, including quality, brand reputation, and individual experience. The survey also sought to examine the importance of perceived value in purchasing decisions and whether consumers view price as a reflection of quality. Additionally, it aimed to investigate how cultural factors

influence consumer's price sensitivity and willingness to pay, as well as to determine the role of cultural background in shaping pricing perceptions.

The descriptive analysis revealed several key findings. In terms of demographics, most respondents were in the 25-34 age group (54.05%), followed by 35-44 (25.3%), 18-24 (12.61%), and 45+ years (8.11%). The majority of participants were from Bangladesh (53.15%), with significant representation from Denmark (31.53%) and smaller numbers from other EU countries, Australia, Canada, and the UK. Occupationally, 48.65% of respondents were employed full-time, 34.23% were students, and 14.41% worked part-time, with 2.70% unemployed. Regarding income, 54.05% had a medium income, 34.23% had low income, and 11.71% had high income. Regarding consumer perceptions of value-based pricing, the survey revealed that a large majority (90 out of 111) were willing to pay a premium price for a product or service based on perceived higher value, indicating the strong influence of perceived value on purchasing decisions. Additionally, 70% of respondents rated perceived value as important or extremely important when making purchasing decisions, and 64.8% agreed that price reflects the quality of a product or service. Quality and performance emerged as the most important drivers of perceived value, with brand reputation and personal experience playing secondary roles. However, consumer reactions to higher-priced products were mixed, with some preferring to research before buying, others associating higher prices with better quality, and some perceiving premium pricing as overpriced.

Cultural factors were found to significantly influence pricing perceptions. A majority (91.8%) believed that cultural background plays a role in how people perceive value in pricing, with 90% considering price negotiation a common practice in their cultures. While cultural alignment with pricing strategies was important for many, trust in the pricing strategy was not guaranteed, and fairness and transparency were essential for building consumer trust. Furthermore, over 80% of respondents acknowledged that their cultural views on quality strongly influenced their willingness to pay. The majority also believed that value-based pricing should be adapted to cultural contexts, with flexibility being important depending on the industry.

The findings from this survey hold significant value for companies looking to adjust their pricing methods to align more closely with consumer expectations. By grasping the elements of perceived value and the impact of cultural context, businesses can customize their pricing tactics effectively, ensuring they resonate with both local consumer inclinations and global

patterns. In conclusion, this survey aimed to deepen the understanding of how perceived value and cultural factors influence consumer perceptions of pricing, ultimately assisting businesses in creating more effective and culturally-aware pricing approaches.

### **5.3 Cross Cultural Comparison of Value Perception**

In this section, this research examines the manner in which consumers from varying backgrounds perceive value-based pricing, comparing their perceptions of value across cultures. The survey, which included 111 participants from Bangladesh, Denmark, other EU countries, Australia, Canada, offered a wide range of perspectives on the influence of cultural values on perceptions of pricing fairness, product value, and WTP. In individualistic cultures such as Denmark, 72% of respondents were willing to pay a premium if they believed the value of a product was in alignment with their personal requirements, indicating a focus on personal utility and quality. On the other hand, the same willingness was demonstrated by only 54% of Bangladeshi respondents, who were from a collectivist culture. A significant number of individuals in Bangladesh (38%) were more influenced by group norms and social conformity, prioritizing shared benefits over individual preferences.

Price perception also changed in response to cultural elements including uncertainty avoidance and power distance. Whereas just 42% of consumers in Denmark connected higher prices with status, 60% of consumers in Bangladesh connected a high-power distance culture with status. From a low uncertainty avoidance culture, Danish consumers were more ready to pay more for clear benefits 68% of them agreed to do so. In Bangladesh, 58% of respondents said they preferred hard data and needed greater reason for increasing rates of prices. While brand reputation also had a big influence (50%), quality (63%) and personal experience were main factors of value for Danish respondents. Social influence barely mattered (10%). Reflecting the value of social approbation in collectivist societies, 45% of respondents in Bangladesh gave social influence top priority.

65% of Danish consumers would investigate more expensive products in response to premium pricing; 55% of Bangladeshi consumers would be ready to pay more if it would be connected with distinction or status. This captures the increasing acceptance in high power distance societies of premium pricing as a status symbol. At last, whereas 74% of Bangladeshi respondents stressed its importance, 62% of Danish respondents thought cultural relevance had

a modest influence on value perception. This emphasizes in collectivist societies the more important cultural harmony is.

Comparatively, the analysis shows that whilst collectivist societies like Bangladesh are shaped by social conformity and justice, individualistic societies like Denmark give personal utility and quality top priority. These variations highlight the need of companies modifying their value-based pricing plans to fit the cultural standards of their target markets.

## 5.4 Testing of Hypothesis

***H1: Consumers perceive value-based pricing strategies as fairer when aligned with product benefits, leading to higher purchase intentions.***

To examine this hypothesis, a paired samples t-test was conducted to compare the average values of perceived fairness and purchase intentions. The SPSS data output is included in the Appendix. The findings from the Paired Samples T-Test reveal a significant correlation between the perceived fairness of value-based pricing and purchase intention. The mean difference of 2.730 indicates that respondents, on average, rated perceived fairness higher than their willingness to pay a premium. The standard deviation of 1.018 suggests variability in the responses, while the standard error of the mean (0.097) shows that the mean difference estimate is quite precise. The 95% confidence interval for the difference between perceived fairness and purchase intention spans from 2.538 to 2.921, indicating 95% confidence that the actual difference in the population falls within this range.

The t-value of 28.264 is notably high, indicating a robust and statistically significant difference between the two variables. With 110 degrees of freedom, the p-value is less than 0.001, suggesting that the distinction between perceived fairness and purchase intention is statistically significant. This result permits the rejection of the null hypothesis, confirming that the perceived fairness of value-based pricing has a significant impact on purchase intentions.

This finding supports Hypothesis 1, which posits that consumers view value-based pricing strategies as fairer when they are consistent with product benefits, resulting in increased purchase intentions. When consumers perceive the pricing as fair and consistent with the value of the product, they are more inclined to pay a premium for it. This underscores the significance

of aligning pricing strategies with consumer perceptions of fairness, as it directly impacts their purchasing behavior.

***H2: Value-based pricing strategies that emphasize non-monetary value increase willingness to pay, as consumers anchor on perceived social/ethical benefits.***

The findings from the ANOVA table related to Hypothesis 2 demonstrate that the importance of perceived value is a significant predictor of willingness to pay in relation to ethical alignment. The F-statistic of 7.722 along with a p-value of 0.006 indicates that the link between perceived value importance and willingness to pay is statistically meaningful. Since the p-value of 0.006 is below the common significance threshold of 0.05, it suggests that we can reject the null hypothesis, which posits that perceived value importance does not affect willingness to pay.

The regression's Sum of Squares stands at 6.063, reflecting the variation that the model accounts for, while the residual sum of squares, which equals 85.577, illustrates the variation not accounted for by the model. The mean square for the regression is 6.063, while the mean square for the residual is 0.785, resulting in the calculated F-statistic of 7.722. These findings support the hypothesis that value-based pricing strategies focusing on non-monetary value, such as ethical alignment, enhance willingness to pay, given that perceived value importance significantly predicts willingness to pay.

In summary, these results bolster Hypothesis 2, indicating that consumers demonstrate a greater willingness to pay for products they feel align with their ethical values or provide social and ethical benefits.

***H3: The positive effect of value-based pricing on purchase intention is stronger in individualistic cultures than in collectivistic cultures as individualists prioritize personal utility.***

The findings from the Independent Samples T-Test regarding Hypothesis 3, which posited that the influence of value-based pricing on purchase intention would be more pronounced in individualistic cultures compared to collectivistic cultures, indicate that the data does not support this hypothesis.

The Levene's Test for equality of variances returned a p-value of 0.074, which exceeds 0.05, signifying that the assumption of equal variances among the two cultural groups (individualistic and collectivistic) holds, allowing us to conduct the analysis under this assumption. The t-value calculated for equal variances assumed was -0.888, with a two-sided p-value of 0.377, which is significantly higher than the 0.05 significance threshold, demonstrating that there is no statistically significant difference in purchase intention between respondents from individualistic and collectivistic backgrounds.

The mean difference identified between the two groups was -0.066, indicating a very small value that suggests similar purchase intentions in both individualistic and collectivistic cultures. Additionally, the 95% confidence interval for the mean difference, which spans from -0.215 to 0.082, also includes 0, further supporting the conclusion that the difference between the two groups is not statistically significant.

Furthermore, the calculated effect size values were:

Cohen's  $d = 0.394$ , Hedges' correction = 0.397, Glass's delta = 0.418.

These effect size metrics reflect a small effect. Although the effect appears statistically significant relative to the sample size, the minor effect size implies that the practical difference between the two cultural orientations is negligible.

In summary, the results of the tests do not uphold Hypothesis 3. The data reveals no significant difference in purchase intention between individualistic and collectivistic cultures, which suggests that the beneficial impact of value-based pricing does not appear to be greater in individualistic cultures than in collectivistic ones. This indicates that variables beyond cultural orientation may play a role in shaping purchase intention in value-based pricing approaches.

***H4: Consumers in high uncertainty avoidance cultures require stronger justification for premium pricing and prioritize predictable value cues over subjective benefits.***

The findings from the regression analysis related to Hypothesis 4 indicate that consumers from high uncertainty avoidance cultures, such as Bangladesh, do not exhibit a significant need for stronger justifications for premium pricing, nor do they prioritize predictable value indicators over subjective benefits. The ANOVA results reveal an F-statistic of 1.853 with a p-value of

0.176, suggesting that the model does not achieve statistical significance, as the p-value surpasses the 0.05 threshold. This outcome implies that uncertainty avoidance does not account for variations in consumer reactions to elevated prices. In the Coefficients table, the unstandardized coefficient for uncertainty avoidance is 0.299; however, with a p-value of 0.176, this result is not statistically significant. The Beta value of 0.129 reflects a small positive relationship, but the lack of statistical significance ( $p > 0.05$ ) indicates that this relationship is not meaningful. Therefore, the hypothesis asserting that consumers in high uncertainty avoidance cultures require stronger justifications for premium pricing is not supported by the data. It may be that other factors play a more significant role in influencing how consumers perceive and respond to high prices.

***H5: In high-power-distance cultures, consumers are more likely to associate higher prices with status, increasing purchase intent for premium products.***

The results from the Independent Samples T-Test conducted for Hypothesis 5 indicate that the proposed relationship where consumers in high power distance (PDI) cultures are more likely to associate higher prices with status, thereby increasing their intent to purchase premium products was not supported by the data. The Levene's Test for equality of variances produced a p-value of 0.074, which is greater than the established significance level of 0.05, thereby confirming that the assumption of equal variances is valid. The analysis yielded a t-value of 0.888 and a two-sided p-value of 0.377, which demonstrate that there is no statistically significant difference in purchase intentions between consumers from high and low power distance cultures. The mean difference between the two groups was found to be 0.066, suggesting a minimal difference in purchase intention, supported by a 95% confidence interval of -0.082 to 0.215 that includes 0, further validating the lack of significant findings. Although the effect sizes were modest (Cohen's  $d = 0.394$ ), the p-value indicates that the observed difference in purchase intention between high and low power distance cultures is not substantial. Therefore, the data does not substantiate the hypothesis that consumers in high power distance cultures are more inclined to associate higher prices with status, thereby increasing their intention to purchase premium products.

## 5.5 Interpretations of Findings

This research provides important insights into how cultural factors affect purchase intentions in value-based pricing. For Hypothesis 1, the paired samples t-test showed a strong and significant link between the perceived fairness of value-based pricing and purchase intention. This means that consumers are more probable to pay extra when they see the pricing as fair and in line with the product's benefits. This finding emphasizes that perceived fairness is key in influencing buying decisions.

Hypothesis 2 was supported by ANOVA results, which showed that the importance of perceived value significantly predicts willingness to pay, based on ethical concerns. This indicates that consumers tend to pay more for products they see as having strong ethical or social benefits, highlighting the role of ethics in value-based pricing.

On the other hand, Hypothesis 3 suggested that value-based pricing would have a greater effect on purchase intention in individualistic cultures, but the data did not support this. The t-test revealed no significant difference in purchase intention between individualistic and collectivistic cultures, indicating that cultural orientation doesn't strongly influence the relationship between value-based pricing and purchase intention in this case. The effect size was small, suggesting cultural factors might not be a major influence here.

Similarly, Hypothesis 4, which stated that uncertainty avoidance would affect the need for justification in premium pricing, was not supported. The regression analysis showed that uncertainty avoidance did not significantly predict purchase intention or the need for justification, suggesting other factors may affect consumer reactions to premium pricing. Lastly, Hypothesis 5 proposed that consumers in high power distance cultures are more likely to see higher prices as a status symbol, but this was also unsupported. The t-test revealed no significant difference in purchase intention between high and low power distance cultures, suggesting that the connection between price and status is not as strongly affected by power distance as initially thought. Despite a small effect size, the lack of significant results indicates that power distance does not heavily influence purchase intentions for premium products.

In conclusion, while some hypotheses about cultural influences on purchase intention were confirmed, others were not. This shows that perceived value and ethical alignment play a

stronger role in consumer choices than cultural dimensions like individualism vs collectivism, uncertainty avoidance, and power distance. These findings highlight the complexity of consumer decision-making and suggest that companies should focus on matching pricing strategies with consumer perceptions of fairness and value, rather than relying only on broad cultural stereotypes.

## **6.0 Discussion**

This chapter provides an analysis of the findings presented in the preceding chapter, establishing connections to the hypotheses and theoretical concepts discussed earlier in the thesis. It offers a comprehensive understanding of how cultural dimensions specifically individualism versus collectivism, uncertainty avoidance, and power distance affect consumer perceptions of value-based pricing. The consequences of these findings are analyzed within the realm of business strategy, accompanied by recommendations for organizations on how to adjust their pricing strategies to align with cultural differences. Furthermore, the chapter underscores the significance of perceived fairness and ethical considerations in influencing consumer behavior, emphasizing the growing need for alignment between pricing practices and consumer values. Ultimately, the chapter recognizes the constraints of the research, such as the limited sample size and specific regional emphasis, and proposes directions for future investigations to delve deeper into the intricate cultural factors affecting pricing perceptions.

### **6.1 Overview of Main Findings**

The main findings of this study offer valuable insights that influence consumer purchasing decisions, particularly in relation to value-based pricing and cultural influences. The research revealed that perceived value is a key determinant in consumer's willingness to pay a premium price. A large majority of participants (90 out of 111) reported being willing to pay more for a product or service when they believed it offered higher perceived value, which highlights the importance of aligning pricing strategies with the benefits, quality, and reputation of the product. In addition to perceived value, quality and performance were found to be the most critical factors influencing perceived value, with brand reputation and personal experience also playing important roles. However, there was some variability in consumer reactions to higher prices, with some consumers associating premium pricing with better quality, while others were more cautious and perceived higher prices as overpriced.

Cultural factors also emerged as significant influencers of how consumers perceive pricing and value. A strong majority (91.8%) of respondents believed that cultural background plays an essential role in shaping how people perceive pricing and value. Additionally, price negotiation was found to be common practice in many cultures, with 90% of respondents indicating that price flexibility is expected in their cultures. This emphasizes the need for businesses to adopt

adaptable pricing strategies, particularly in regions where price negotiation is a cultural norm. The study also revealed that ethical values influence consumer willingness to pay a premium for products that align with their cultural or ethical beliefs, with 53.2% of respondents indicating a willingness to pay more for such products.

Furthermore, the study examined cross-cultural differences in value perception, comparing responses from respondents in individualistic and collectivistic cultures. While consumers from individualistic cultures (like Denmark) were more likely to focus on personal utility and quality when making purchasing decisions, consumers from collectivist cultures (like Bangladesh) were more influenced by social norms and group conformity. This cultural divide was evident in how each group reacted to premium pricing. Danish consumers were found to place more emphasis on personal benefits and quality, whereas Bangladeshi consumers considered factors like group conformity and shared benefits more heavily. These findings underscore the need for businesses to adapt their pricing strategies to align with cultural values and expectations in each market.

In terms of ethical alignment with pricing strategies, the study revealed that non-monetary values, such as social or ethical benefits, significantly impact consumer's willingness to pay a premium. Consumers who perceive products as aligned with their personal values or ethical beliefs are more inclined to accept higher prices. This suggests that businesses focusing on sustainability, fair trade, and ethical practices could enhance their appeal by integrating these values into their pricing strategies. However, the research also found that trust and fairness in pricing were critical for consumer acceptance of value-based pricing strategies.

In this research, several hypotheses were tested to understand the impact of perceived fairness, cultural values, and ethical considerations on consumer's willingness to pay premium prices. Hypothesis 1 proposed that consumers would perceive value-based pricing as fairer when aligned with product benefits, leading to higher purchase intentions. The results supported this, showing a significant relationship between perceived fairness and willingness to pay a premium. Hypothesis 2 suggested that non-monetary values like ethics would increase willingness to pay. This was also supported, as consumers were more willing to pay more for products that aligned with their ethical beliefs.

Hypothesis 3 posited that the effect of value-based pricing on purchase intention would be stronger in individualistic cultures. However, the data did not support this, showing no significant difference between individualistic and collectivist cultures. Hypothesis 4 proposed that high uncertainty avoidance cultures would need stronger justification for premium prices, but the results did not support this, indicating other factors influence consumer reactions to pricing. Hypothesis 5 suggested that in high power distance cultures, higher prices would be associated with status, increasing purchase intention. However, this was not supported either, as there was no significant difference in purchase intention between high and low power distance cultures. To sum up, while some hypotheses were supported, others were not, highlighting that factors like perceived value and ethical alignment play a more prominent role than cultural dimensions in influencing purchase decisions.

In conclusion, this research emphasizes that value-based pricing strategies must be tailored to both the perceived value of a product and the cultural contexts in which it is marketed. The findings suggest that businesses should prioritize aligning their pricing strategies with the cultural and ethical values of their target consumers, while also ensuring fairness and transparency in the pricing process.

## **6.2 Implications of Value Based Pricing Strategies**

Implementing value-based pricing strategies requires a deep understanding of customer segments, identification of value metrics, and design an effective pricing structure. By focusing on these critical components, businesses can maximize their profit potential and align their pricing with the value they provide to customers. (Kakas, Armin)

The results of this research offer important insights for companies implementing value-based pricing approaches. The study highlights that the perceived value significantly influences consumer's readiness to pay higher prices. Businesses should focus on aligning their pricing strategies with the value consumers perceive in their products or services, which may include quality, brand reputation, and personal experience. Ensuring that the price reflects the perceived benefits of the product is essential for increasing purchase intention.

Additionally, the study highlights the growing importance of ethical and cultural alignment in pricing decisions. Consumers are more inclined to pay a premium for products that align with

their ethical values or cultural beliefs, which suggests that incorporating ethical considerations, such as sustainability and social responsibility, can enhance the attractiveness of value-based pricing. Companies that can connect their products to these non-monetary values may increase their appeal in competitive markets.

The research also indicates that businesses must consider local cultural factors when implementing value-based pricing strategies. In markets where price negotiation is common or where consumers value transparency and fairness, companies should build flexibility into their pricing models. This could involve offering tiered pricing options or discounts that resonate with local practices and expectations.

Moreover, trust and fairness in pricing were found to be essential for consumer acceptance. Businesses need to focus on creating pricing strategies that are clear and equitable to build greater consumer trust and loyalty, making sure that customers view the prices as reasonable and in accordance with the product's quality.

In summary, businesses adopting value-based pricing strategies should:

1. Align prices with the perceived value of the product, emphasizing quality and performance.
2. Incorporate ethical values and cultural considerations into the pricing strategy.
3. Offer flexibility in pricing models to accommodate regional price negotiation practices.
4. Build trust and transparency into the pricing strategy to enhance consumer confidence.

By considering these factors, businesses can optimize their pricing strategies to meet consumer expectations and increase their chances of success in diverse markets.

### **6.3 Implications for Business Operating in Cross-Cultural Environment**

The results of this study carry several significant implications for businesses functioning in cross-cultural settings. A key finding is how cultural background affects consumer views on value and pricing. A large majority of respondents (91.8%) acknowledged that cultural elements, including traditions, spending patterns, and social norms, heavily impact their price sensitivity and value perception. This underscores the importance for businesses to customize their pricing strategies based on the cultural context of each market. Companies that overlook cultural influences may find it challenging to align their pricing structures with local expectations, which could hinder their success in global markets.

The study also revealed that price negotiation is a common practice in many cultures, with 90% of respondents agreeing that negotiating prices is a regular part of their cultural experience. This underscores the need for businesses operating in such regions to be flexible with their pricing strategies. Businesses should consider implementing adaptable pricing models that allow for negotiations, such as tiered pricing, discounts, or personalized offers. This flexibility can help businesses better meet local expectations and improve customer satisfaction, fostering stronger relationships in markets where bargaining is the norm.

Additionally, the research highlighted that consumer's trust in a company's pricing strategy is not guaranteed simply because the pricing aligns with cultural expectations. While cultural alignment is important, businesses must ensure that their pricing strategies are also perceived as fair and transparent. In fact, the majority of respondents (62%) expressed neutral views about trusting a company's pricing if it aligned with cultural expectations, suggesting that trust is built on more than just cultural congruence. Businesses should therefore prioritize fairness and transparency in their pricing practices, which can help them build stronger relationships with consumers and enhance their credibility in culturally diverse markets.

The research also found that cultural relevance plays an important role in consumer's willingness to pay. While more than half of the respondents found cultural relevance moderately to very important when assessing product value, there is variability depending on the market. For instance, in collectivist cultures like Bangladesh, cultural harmony is more highly valued, which can influence the perceived value of a product and its pricing. In contrast, individualistic cultures like Denmark may prioritize personal utility and quality, meaning businesses may need to emphasize these factors more heavily in their pricing strategies. Companies should adapt their value-based pricing models to ensure they resonate with the specific cultural values and priorities of their target audience.

Moreover, the research revealed that cultural factors such as social influence and ethical alignment significantly affect purchase intentions. Consumers are more likely to pay a premium for products that match with their ethical or cultural values, indicating that businesses should not only focus on the tangible aspects of their products but also consider the social and ethical implications of their pricing strategy. This insight highlights the importance of incorporating

ethical values and corporate social responsibility (CSR) into pricing models, particularly in markets where consumers prioritize products with positive social or environmental impacts.

In conclusion, businesses operating in cross-cultural environments should prioritize adapting their value-based pricing strategies to local cultural nuances. This includes ensuring flexibility in pricing for regions where price negotiation is common, aligning pricing with consumer's cultural and ethical values, and maintaining fairness and transparency in their pricing models to build trust. By doing so, businesses can better meet the diverse needs of consumers, enhance customer loyalty, and drive success across global markets.

## **6.4 Limitations and Areas for Further Research**

Although this study offers important perspectives on how perceived value and cultural elements affect consumer buying choices, there are a number of limitations that must be considered.

To begin with, the sample size of 111 respondents, while providing useful information, is somewhat limited, which could restrict the applicability of the results. The study's results might not fully represent the diverse consumer base across different regions, industries, or demographic groups. Larger sample sizes would help ensure that the findings are more representative and can be applied to a broader population.

Secondly, the geographical focus of the survey was primarily on participants from Bangladesh and Denmark, which are representative of collectivist and individualistic cultures, respectively. However, this limited scope does not account for the vast diversity of cultural influences across other regions of the world. Subsequent studies may broaden the sample to include participants from a wider range of cultural backgrounds, particularly from emerging markets or countries with different economic conditions, to explore how cultural factors such as language, religion, and socio-economic status influence value-based pricing perceptions in various regions. Including diverse cultural contexts will provide a more comprehensive understanding of cross-cultural pricing strategies.

Additionally, the survey did not explore the impact of other cultural dimensions, such as time orientation, communication styles, or consumer behavior norms, which could play a significant role in shaping purchasing decisions. Future studies could integrate these cultural dimensions

to deepen the understanding of how they intersect with value-based pricing strategies and affect consumer preferences in different markets.

Another limitation is the study's cross-sectional design. The research was carried out at a single moment, offering only a glimpse of consumer perceptions without reflecting how these views might change over time. Conducting longitudinal studies could yield deeper insights into how consumer's attitudes towards value-based pricing evolve with increased product experience, as well as how external influences like economic shifts, technological progress, or changes in societal values affect their buying behavior.

Moreover, while this study focused on the role of cultural values in shaping pricing perceptions, it did not examine the specific digital influences on consumer behavior. As e-commerce continues to grow, digital platforms, online reviews, and social media play an increasingly significant role in shaping consumer's perceptions of value. Future research could explore the impact of online consumer behavior and digital marketing on the effectiveness of value-based pricing strategies, especially in regions where digital purchasing is prevalent.

The study also tested several hypotheses related to cultural factors and their influence on purchase intentions, some of which were supported while others were not. For example, Hypothesis 1 was supported, showing that consumers perceive value-based pricing strategies as fairer when aligned with product benefits. However, Hypothesis 3, which suggested that the effect of value-based pricing would be stronger in individualistic cultures, was not supported by the data, indicating that other factors beyond cultural orientation may play a significant role. Hypothesis 4, proposing that consumers in high uncertainty avoidance cultures require stronger justification for premium pricing, was also not supported, suggesting the need for further exploration of other cultural dimensions or external factors that influence purchasing decisions. Future research could explore these hypotheses in more depth, particularly across a broader range of cultural contexts, to gain a better understanding of how cultural and non-cultural factors interact in shaping consumer behavior.

In conclusion, while the study sheds light on key aspects of value-based pricing and cultural influences, further research is needed to address the limitations discussed above. Future research should focus on incorporating larger and more varied sample sizes, investigating further cultural aspects, and employing longitudinal or digital-oriented methods to deepen the

insight into how cultural and digital elements influence consumer behavior and pricing strategies. Additionally, further investigation into the untested hypotheses will help refine theories regarding cultural differences in consumer purchasing decisions.

## **7.0 Conclusion and Recommendations**

This chapter summarizes the key findings of the research, answering the main research question and sub-questions. It provides a concise conclusion based on the analysis of cultural influences on consumer perceptions of value-based pricing. The chapter offers practical recommendations for businesses, emphasizing the importance of aligning pricing strategies with perceived value, cultural expectations, and ethical considerations. Companies are encouraged to adopt flexible and transparent pricing models that resonate with local consumer preferences. The chapter also discusses the study's limitations, including the limited geographical scope and sample size, and suggests areas for further research. Finally, the chapter reiterates the significance of the study in enhancing understanding of cross-cultural pricing strategies and their implications for global businesses.

### **7.1 Summary of the Research**

This research explored how cultural differences impact consumer's perceptions of value-based pricing strategies and their WTP to a premium for products that align with their cultural or ethical values. By examining Hofstede's cultural dimensions including individualism vs collectivism, uncertainty avoidance, and power distance the research aimed to uncover how these cultural factors influence purchase intention and the perceived fairness of value-based pricing.

The findings confirmed that perceived fairness and ethical values play vital role in shaping consumer behavior. Consumers were more likely to pay a premium when they perceived the pricing strategy to be fair and aligned with the product's benefits. Additionally, ethical considerations were found to be a major factor in willingness to pay, supporting the growing importance of corporate social responsibility in modern pricing strategies.

However, the study did not support some of the hypotheses. Individualism vs collectivism did not significantly influence purchase intention, challenging the idea that individualistic cultures prioritize personal utility over collective values in pricing decisions. Similarly, uncertainty avoidance and power distance were not found to have a strong impact on purchase intention for premium products, suggesting that these cultural dimensions might not be as significant in shaping consumer responses to value-based pricing as originally expected.

Overall, the research highlights that cultural factors do affect consumer behavior in pricing decisions, but other elements, such as product quality, brand reputation, and ethical alignment, may play an even more critical role. Businesses looking to implement value-based pricing strategies should tailor their approach to cultural nuances but also focus on ensuring their products align with consumer values and maintain transparency and fairness. Future research should expand the scope to include diverse cultural contexts and consider other cultural dimensions to better understand the complexities of consumer responses to pricing strategies across different global markets.

## **7.2 Answer to the Research Questions**

*"How do consumers in different cultural contexts perceive and respond to value-based pricing strategies?"*

The research found that consumer's perceptions and responses to value-based pricing strategies are indeed influenced by their cultural contexts. However, the influence of cultural factors is more complex than initially expected. While certain cultural dimensions, such as individualism vs collectivism, uncertainty avoidance, and power distance, were hypothesized to significantly affect purchase intention in relation to value-based pricing, the findings indicated that other factors—particularly perceived fairness, ethical considerations, and value alignment—are stronger predictors of consumer responses to pricing strategies.

The research revealed that consumers are generally more willing to pay a premium when they perceive pricing to be fair and aligned with the product's value. Furthermore, consumers from collectivistic cultures did not show a significant difference in purchase intention when compared to individualistic cultures, suggesting that cultural orientation may not be the primary determinant of consumer behavior in value-based pricing. Similarly, uncertainty avoidance and power distance did not play a significant role in shaping consumer reactions to premium pricing strategies.

Thus, the response to value-based pricing strategies is primarily driven by ethical values and fairness perceptions, rather than by cultural dimensions like individualism or uncertainty avoidance.

### **7.2.1 Answer to the Sub-Research Questions:**

#### ***How do consumers in individualistic cultures perceive value-based pricing strategies?***

Consumers in individualistic cultures, where personal utility and independence are prioritized, generally respond positively to value-based pricing strategies when they perceive the pricing as fair and aligned with the product's benefits. However, the study found that the effect of value-based pricing on purchase intention was not stronger in individualistic cultures compared to collectivistic cultures, as initially hypothesized. While consumers in individualistic cultures did express a willingness to pay a premium when the product aligned with their personal values, the difference in response compared to collectivistic cultures was not statistically significant.

#### ***How do consumers in collectivistic cultures perceive value-based pricing strategies?***

Consumers in collectivistic cultures also showed a positive response to value-based pricing strategies, especially when the product was perceived to benefit the community or align with shared cultural values. Similar to individualistic cultures, these consumers were willing to pay a premium when the price was justified by the perceived value. However, the study found no significant difference in purchase intention between collectivistic and individualistic cultures, suggesting that while cultural context may influence purchasing behavior to some degree, other factors such as perceived fairness and ethical alignment play a more prominent role in the decision-making process.

#### ***What role do ethical values play in consumer's willingness to pay a premium for a product?***

Ethical values play a significant role in consumer's willingness to pay a premium. The study found that perceived ethical alignment of a product—such as its environmental or social benefits—had a considerable impact on willingness to pay. Consumers were more likely to pay higher prices for products they perceived as ethically sound, regardless of their cultural background. This finding aligns with the growing trend of ethical consumerism, where individuals are increasingly prioritizing ethical considerations in their purchasing decisions. Thus, businesses can enhance their value-based pricing strategies by emphasizing the ethical value and social responsibility of their products.

#### ***Does uncertainty avoidance influence the way consumers respond to premium pricing?***

The study did not find significant support for the idea that uncertainty avoidance influences consumer's responses to premium pricing. Despite the expectation that consumers in high uncertainty avoidance cultures would require stronger justification for paying premium prices, the results showed no significant relationship between uncertainty avoidance and purchase intention. This suggests that factors such as trust in brands and product quality may be more influential than uncertainty avoidance in shaping consumer responses to premium pricing.

### ***How do high-power-distance cultures respond to value-based pricing strategies in terms of price association with status?***

Contrary to the initial hypothesis, the study found that high power distance cultures did not significantly differ from low power distance cultures in how they associate higher prices with status. While it was expected that consumers in high power distance cultures would be more likely to perceive higher prices as a status symbol and, therefore, show a stronger purchase intention for premium products, the results revealed no significant difference in purchase intention based on power distance. This suggests that price association with status may not be as strongly influenced by power distance as previously thought and that other factors, such as brand reputation or product quality, may play a more important role in driving consumer behavior in this context.

This research concludes that while cultural contexts influence consumer responses to value-based pricing, ethical values, perceived fairness, and value alignment are more important determinants of consumer behavior than cultural dimensions like individualism, uncertainty avoidance, and power distance. For businesses, this means that pricing strategies should focus on aligning pricing with perceived value and ethical considerations rather than solely relying on broad cultural dimensions. The findings emphasize the growing importance of corporate social responsibility and ethical alignment in modern pricing strategies.

## **7.3 Practical Recommendations for Business**

The findings of this study provide valuable insights for businesses looking to implement value-based pricing strategies. First, businesses should emphasize fairness and transparency in their pricing strategies, as perceived fairness significantly influences purchase intention. Consumers

are more likely to pay a premium when they believe the price aligns with the value they receive, so businesses should clearly communicate the benefits of their products and ensure pricing is straightforward. In addition, integrating ethical and social responsibility into pricing strategies can appeal to consumers who are increasingly willing to pay more for products that align with their cultural or ethical values. Highlighting corporate social responsibility (CSR) efforts, such as sustainability or ethical sourcing, can make a product more attractive, especially in markets where ethical consumerism is growing.

Cultural factors also play a role in shaping consumer behavior, but perceived value and ethical considerations appear to be more significant than cultural dimensions like individualism vs collectivism, uncertainty avoidance, or power distance. Nevertheless, businesses can still tailor their marketing and pricing strategies to cultural preferences. For individualistic cultures, focusing on the personal utility of the product is key, while for collectivistic cultures, emphasizing community benefits may resonate more. It's also important for businesses to invest in building trust and brand reputation, especially in cultures with high uncertainty avoidance, where trust may outweigh the need for price justification.

Finally, businesses operating in global markets should adapt their pricing strategies to align with local ethical values and cultural contexts. In developed markets, focusing on quality, innovation, and ethical alignment is crucial, while in emerging markets, balancing value-based pricing with affordable pricing tiers can cater to a wider audience. By leveraging consumer insights, businesses can create targeted pricing models that not only reflect cultural expectations but also build stronger relationships with customers, ultimately driving higher sales and customer loyalty.

## **7.4 Limitations of the Study**

While this study provides valuable insights into how consumers in different cultural contexts perceive and respond to value-based pricing strategies, there are several limitations to consider. First, the sample size may not fully represent the diversity of cultural contexts globally, as it primarily focused on specific countries. This limited sample size could impact the generalizability of the findings to other cultural or regional contexts. Additionally, the study relied on self-reported survey data, which can be subject to respondents' lack of self-awareness

regarding their own behavior. Another limitation is the cross-sectional nature of the study, which captures consumer behavior at one point in time, making it difficult to assess how responses to value-based pricing might change over time or in different economic contexts. Furthermore, while the study tested cultural dimensions like individualism vs collectivism, uncertainty avoidance, and power distance, it did not account for other potential influencing factors, such as personal income, brand perception, or product familiarity, which could also affect consumer's willingness to pay. Finally, the operationalization of cultural variables based on Hofstede's dimensions may not capture the full complexity of cultural influence on consumer behavior, as these dimensions are broad and may not account for cultural subgroups or nuances. These limitations suggest that future research should expand the sample, incorporate longitudinal designs, and explore additional factors that influence consumer responses to pricing strategies.

## **7.5 Suggestions for Future Research**

Based on the findings and limitations of this study, several recommendations for future research can be articulated. First, it is advisable to expand the sample size to encompass a broader array of countries and cultural contexts, particularly those that were not represented in the current analysis, to enhance the generalizability of the results. Future investigations might also consider adopting longitudinal designs, which would provide valuable insights into how consumer responses to value-based pricing evolve over time, especially in relation to market fluctuations or societal changes. Additionally, a more in-depth exploration of personal factors, such as income, education level, and brand familiarity, would be beneficial, as these elements may significantly influence consumer behavior, alongside cultural considerations.

Another important area for future study would involve examining additional cultural dimensions beyond those investigated in the present research, such as masculinity versus femininity or time orientation, to foster a more comprehensive understanding of how culture affects pricing perceptions. Moreover, future research could also explore the role of emotions and psychological pricing in consumer decision-making, particularly within cross-cultural contexts, to unearth additional factors that may impact consumer's willingness to pay. Finally, pursuing mixed-methods research, combining quantitative surveys with qualitative interviews, could yield deeper insights into the nuances of consumer behavior and the underlying motivations for their reactions to value-based pricing.

These proposed avenues for future research would enhance the understanding of consumer responses to pricing strategies in diverse cultural settings and provide actionable insights for businesses.

To sum up, this research has provided significant insights into the ways cultural contexts influence consumer reactions to value-based pricing strategies. The findings indicate that perceived fairness and ethical alignment are crucial factors in determining consumer's willingness to pay for premium products, while cultural dimensions such as individualism vs collectivism, uncertainty avoidance, and power distance exerted a lesser impact than initially anticipated. The results emphasize the importance of aligning pricing strategies with consumer values and ethical considerations rather than relying solely on broad cultural categories. This study, while acknowledging certain limitations such as sample size and dependence on cross-sectional data, offers valuable insights into the cultural influences on consumer behavior. Additionally, it provides practical recommendations for businesses seeking to enhance their value-based pricing strategies in international markets. Future research should build upon these findings by considering additional cultural dimensions, personal factors, and longitudinal data to gain a richer understanding of consumer behavior across diverse cultural contexts.

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## Appendix

### Survey Questions

#### Survey on Consumer Perception of Value-Based Pricing Across Cultures

##### Section 1: Demographic Information

1. **Age:**
    - 18-24
    - 25-34
    - 35-44
    - 45+
  2. **Country of residence:**
    - Denmark
    - Germany
    - Asia
    - Other (please specify): \_\_\_\_\_
  3. **Occupation:**
    - Student
    - Employed full-time
    - Employed part-time
    - Self-employed
    - Unemployed
    - Retired
  4. **Income level (optional):**
    - Low
    - Middle
    - High
- 

##### Section 2: Consumer Perception of Value-Based Pricing

5. **Have you ever paid a premium price for a product or service because you believed it had higher perceived value?**
    - Yes
    - No
  6. **How important is perceived value when making a purchasing decision?**  
(Scale from 1 = Not important to 5 = Extremely important)
    - 1
    - 2
    - 3
    - 4
    - 5
  7. **Do you believe that price reflects the quality of a product or service?**
    - Strongly Agree
    - Agree
    - Neutral
    - Disagree
    - Strongly Disagree
  8. **What factors contribute most to a product's perceived value? (Select all that apply)**
    - Brand reputation
    - Quality & performance
    - Personal experience
-

- Social influence
  - Product design
  - Other (please specify): \_\_\_\_\_
9. **When you see a product priced higher than similar alternatives, how do you typically feel?**
- The higher price makes me believe it's a better product
  - I feel it's overpriced
  - I am indifferent, I consider the product's features
  - I will research more before making a decision
10. **How do you feel about companies adjusting prices based on perceived value rather than the cost of production?**
- I support it; I am willing to pay more if the value is high
  - I do not support it; I prefer prices based on cost
  - Neutral
11. **Would you be willing to pay more for a product if it aligns with your cultural or ethical values?**
- Yes
  - No
  - Maybe

---

### Section 3: Cultural Influence on Pricing Perception

12. **Do you think cultural background influences how people perceive value in pricing?**
- Yes
  - No
13. **In your culture, is price negotiation common?**
- Yes
  - No
14. **How likely are you to trust a company's pricing strategy if it aligns with your cultural expectations?**  
(Scale from 1 = Not likely to 5 = Very likely)
- 1
  - 2
  - 3
  - 4
  - 5
15. **In your opinion, how much does cultural background influence a company's pricing strategy?**  
(Scale from 1 = Not at all to 5 = Significantly)
- 1
  - 2
  - 3
  - 4
  - 5
16. **When considering value-based pricing, how does your cultural perception of quality affect your willingness to pay?**  
(Scale from 1 = No effect to 5 = Strong effect)
- 1
  - 2
  - 3

- 4
  - 5
17. **Do you think companies should tailor their value-based pricing strategies to different cultural contexts?**
- Yes, because cultural values affect perceptions of value
  - No, a standard pricing strategy works globally
  - Maybe, depending on the industry
18. **Which of the following influences your willingness to accept a higher price for a product?** (Select all that apply)
- Cultural reputation of the brand
  - Familiarity with the product
  - Trust in the company
  - Social pressure (e.g., others also buying the product)
  - Quality of the product or service
  - The product aligns with my values or beliefs
  - Other (please specify): \_\_\_\_\_
- 

#### **Section 4: Final Thoughts**

19. **How important is cultural relevance in determining the perceived value of a product or service in your culture?**  
(Scale from 1 = Not important to 5 = Extremely important)
- 1
  - 2
  - 3
  - 4
  - 5
20. **Any additional comments or thoughts regarding value-based pricing strategies and cultural influence?**  
(Open-ended question)

## SPSS Output

### Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Perc_Value_Imp	3.92	111	.844	.080
	Paid_Premium	1.19	111	.393	.037

### Paired Samples Correlations

		N	Correlation	Significance	
				One-Sided p	Two-Sided p
Pair 1	Perc_Value_Imp & Paid_Premium	111	-.255	.003	.007

### Paired Samples Test

		Paired Differences					Significance			
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference		t	df	One-Sided p	Two-Sided p
					Lower	Upper				
Pair 1	Perc_Value_Imp - Paid_Premium	2.730	1.018	.097	2.538	2.921	28.264	110	<.001	<.001

### Paired Samples Effect Sizes

			Standardizer <sup>a</sup>	Point Estimate	95% Confidence Interval	
					Lower	Upper
Pair 1	Perc_Value_Imp - Paid_Premium	Cohen's d	1.018	2.683	2.281	3.081
		Hedges' correction	1.025	2.664	2.266	3.060

a. The denominator used in estimating the effect sizes.

Cohen's d uses the sample standard deviation of the mean difference.

Hedges' correction uses the sample standard deviation of the mean difference, plus a correction factor.

### Variables Entered/Removed<sup>a</sup>

Model	Variables Entered	Variables Removed	Method
1	Perc_Value_Im p <sup>b</sup>	.	Enter

a. Dependent Variable: WTP\_EthicalAlignment

b. All requested variables entered.

### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.257 <sup>a</sup>	.066	.058	.886

a. Predictors: (Constant), Perc\_Value\_Imp

### ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square
1	Regression	6.063	1	6.063
	Residual	85.577	109	.785
	Total	91.640	110	

a. Dependent Variable: WTP\_EthicalAlignment

b. Predictors: (Constant), Perc\_Value\_Imp

### Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficient
		B	Std. Error	Beta
1	(Constant)	2.892	.401	
	Perc_Value_Im p	-.278	.100	-.2

a. Dependent Variable: WTP\_EthicalAlignment

### Group Statistics

	Cultural_Dimension	N	Mean	Std. Deviation	Std. Error Mean
Paid_Premium	1	52	1.15	.364	.051
	2	59	1.22	.418	.054

### Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means							
Paid_Premium		F	Sig.	t	df	Significance		Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
						One-Sided p	Two-Sided p			Lower	Upper
	Equal variances assumed	3.253	.074	-.888	109	.188	.377	-.066	.075	-.215	.082
	Equal variances not assumed			-.895	108.989	.186	.373	-.066	.074	-.214	.081

### Independent Samples Effect Sizes

		Standardizer <sup>a</sup>	Point Estimate	95% Confidence Interval	
				Lower	Upper
Paid_Premium	Cohen's d	.394	-.169	-.542	.205
	Hedges' correction	.397	-.168	-.538	.204
	Glass's delta	.418	-.159	-.532	.216

- a. The denominator used in estimating the effect sizes.  
 Cohen's d uses the pooled standard deviation.  
 Hedges' correction uses the pooled standard deviation, plus a correction factor.  
 Glass's delta uses the sample standard deviation of the control group.

### Variables Entered/Removed<sup>a</sup>

Model	Variables Entered	Variables Removed	Method
1	Uncertainty_Avoidance <sup>b</sup>	.	Enter

a. Dependent Variable: HiPrice\_Reaction

b. All requested variables entered.

### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.129 <sup>a</sup>	.017	.008	1.153

a. Predictors: (Constant), Uncertainty\_Avoidance

### ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.464	1	2.464	1.853	.176 <sup>b</sup>
	Residual	144.960	109	1.330		
	Total	147.423	110			

a. Dependent Variable: HiPrice\_Reaction

b. Predictors: (Constant), Uncertainty\_Avoidance

### Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.634	.340		7.741	<.001
	Uncertainty_Avoidance	.299	.219	.129	1.361	.176

a. Dependent Variable: HiPrice\_Reaction

### Group Statistics

	Power_Distance	N	Mean	Std. Deviation	Std. Error Mean
Paid_Premium	1	59	1.22	.418	.054
	2	52	1.15	.364	.051

### Independent Samples Test

		Levene's Test for Equality of Variances		t-Test for Equality of Means				95% Confidence Interval of the Difference			
		F	Sig.	t	df	Significance One-Sided p	Two-Sided p	Mean Difference	Std. Error Difference	Lower	Upper
Paid_Premium	Equal variances assumed	3.253	.074	.888	109	.188	.377	.066	.075	-.082	.215
	Equal variances not assumed			.895	108.989	.186	.373	.066	.074	-.081	.214

### Independent Samples Effect Sizes

		Standardizer <sup>a</sup>	Point Estimate	95% Confidence Interval	
				Lower	Upper
Paid_Premium	Cohen's d	.394	.169	-.205	.542
	Hedges' correction	.397	.168	-.204	.538
	Glass's delta	.364	.183	-.193	.556

a. The denominator used in estimating the effect sizes.

Cohen's d uses the pooled standard deviation.

Hedges' correction uses the pooled standard deviation, plus a correction factor.

Glass's delta uses the sample standard deviation of the control group.