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THE EFFECT OF INFORMATIONAL CUE BRAND NAME ON CONSUMER PRICE EVALUATION

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ABSTRACT

Consumers often judge the price to be paid for a product on the basis of brand name. Previous research has found that positively perceived brand name enhances buyer's perception regarding the product. Consumer price limits are bounded by upper and lower threshold as suggested by adaption level theory. In the absence of specific product informational cues, individual price limits will exhibit greater variability. This paper is an attempt to study the effect of brand name present/absent condition on consumer price limits in an experimental setting and integrate research that has investigated previous research experimentally in this area. The research method uses anova to understand the effect of brand information on price. The results support the past findings that brand name affects price perception. Findings show that Brand information significantly influence acceptable price range and price is very much a part of the product and branding policy.

KEY WORDS: *Acceptable price limit, Brand information, Consumer Perception, Pricing, Product evaluation*

INTRODUCTION

Price is considered the most important element in the consumer purchase decision stage in the buying process. According to economic theory price is assumed to influence buyers choice because it serves as an indicator of purchase cost. However price is not the only aspect to which the buyer responds brand name, colour, package, size also impacts the perceptual process of behavioral responses made by the buyer.

Perception is considered to be subject to thresholds of awareness, researchers have found that there are upper and lower boundaries to human perceptual and sensory capabilities (Corso 1963, Monroe 1973). In the context of pricing consumers have a latitude of acceptance and a latitude of unacceptance, this gives rise to an acceptable price range/price limit. In other words buyers have a lower price limit and an upper price limit. This concept of price thresholds evolves from Weber's law and principles of psychophysics (Webb, 1961). Fechner analyzed subjective sensations using differential increments and derived the Weber-Fechner law (see Monroe (197 1)).

To explore the influence of price range on perception attention should be given on end values as consumers tend to get attracted to end values the most. Precisely we should study what happens to perception when extreme prices are present both high and low. Stimuli values used by individuals to make perceptual judgments are called anchoring stimuli (Kent B. Monroe 1973).

Evidence of assimilation-contrast in a pricing context is less, but if applicable the implications are intense and there is a good chance that the high and low prices in a product line may be more noticeable to a buyer and thus influence his perceptions.. The organization of these information cues as purchase decision inputs depends on the perceptual process an individual uses to give meaning to the raw material provided by the external world. (Kent B. Monroe1973)

Based on single cue studies several studies investigated not only price but other extrinsic cues like store name, brand name etc. Many studies found that brand effect is sometimes larger than price effect but some researchers opined that actually presence of brand name impacts the price effect.

Positive brand name will enhance buyers' perception of the quality, value and hence their willingness to buy the product (Dodds, Monroe and Grewal, 1991) impact was also seen in the form of decreased social, psychological and functional risk (Dodds 1996). Brands have been so successfully implanted in the public mind that they have lost their exclusive character. The name "Kodak," for instance, became synonymous with the word "camera"; consumers would accept the output of other producers as Kodak.

The brand name is thus a weapon in the competitive struggle between different manufacturers and different marketing agencies to control the consumer market, and thereby to increase the margin of net profit.

Scitovsky (1945) observed that buyers use price as an indicator of product quality. He argued that such behavior was not irrational but simply represents a belief that the forces of competitive supply and demand leads to a “natural ordering” of products on a price scale, resulting in a strong, positive relationship between price and product quality.

ROLE OF BRAND FAMILIARITY ON PRICE

Studies have shown that the greater the involvement in an object, the narrower the latitude of acceptance (sheriff et al 1965; sheriff and Hovland 1961). Considering the familiarity factor researchers have studied the effects of brand name (Fouilhe 1970), prior purchase experience (Cox 1986; Raju 1977) and price knowledge (Kosenko and Rahtz 1988).

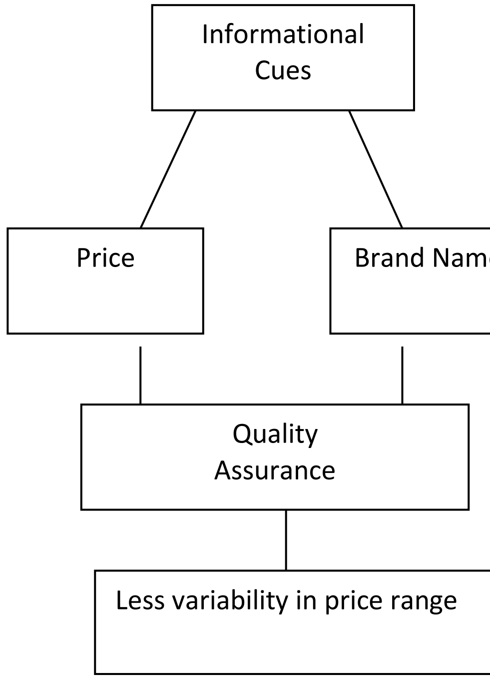
This study will try to examine the effect of brand name on consumer price limits. Lichtenstein Bloch and Block (1988) categorized involvement in terms of price consciousness (price involvement) and brand consciousness (brand or product involvement) in order to explain their effect on price acceptability.

Consumers have been using lot of informational cues to judge the quality of a product. Some cues may be product features while others may be extrinsic to the product, and as per the buyer’s perception of price, store and brand name. Others are objective measures of quality such as those reported by Consumer Reports. Altogether there are extrinsic cues and intrinsic cues that infer product quality.

Branding can be defined as the "Entire process involved in creating a unique name and image for a product (good or service) in the mind of the consumer, mostly by using advertisement. “Branding aims to establish a significant and differentiated presence in the market that attracts and retains loyal customers" (Kotler P 2003). Infact “Brand equity has been defined as the value that consumers associate with a brand” (Aaker 1991) and it is this feeling of superiority that makes the customer ready to even pay premium in many cases. It would seem reasonable that the greater the amount of experience a buyer has with a particular brand, the more information he possesses about the brand. Monroe and Dodds (1985) argued that perceptions of value were directly related to preferences or choice.

Andrews and Valenzi (1971) and Smith and Broome (1966) have operationalized brand name along with brand familiarity and have found a satistically significant brand x price interaction. Olson’s review (1977) noted that brand name when used as a cue for understanding consumer showed both main effect as well as interaction effects with perception. Monroe and Krishnan (1984) discovered that price had a more positive effect on product quality perception when brand information was present than when brand information was absent.

Figure no. 1 : Interaction Between Price and Brand Name



How brand works can be easily understood with the above figure developed in this study it seems that "Lack of familiarity" with the product will lead to uncertainity in the mind of the buyer which in turn will lead to extension of the range of prices. So we can say , in the absence of specific product informational cues, individual price limits will exhibit greater variability. Fouilhe (1970) had examined the effect of brand knowledge on acceptable price range of two products namely detergent and packaged soup. As reported by Fouilhe branded products had narrower acceptable price range and the lower and upper price limits were greater for the branded than their unbranded counterparts. Thus when product information in the form of market price and brand awareness is good the acceptable range tends to be narrower. Based on the above postulates and the findings of Rustan Kosenko and Don Rahtz (1988), P. S. Raju (1977) the dependent variables for the study are selected as follows –

1. Upper price limit, 2. Lower price limit, 3. Acceptable price

In fact, Dodds (1995, 1996) found an asymmetric relationship between price and brand name information where evaluation of the brand name impacted the perception of the price but the evaluation of the price information did not affect the perception of the brand name.

LITERATURE REVIEW

Literature reviewed for understanding the research designing relevant to the current study				
Sl. No	Title & Author	Research Objective	Research Design/variable studied	Findings
1	The Effects of Perceived and Objective Market Cues on Consumers' Product Evaluations, William B. Dodds	This paper investigates the interactive effects of objective quality information on price and brand name on buyer's product evaluation.	DV: Perceived sacrifice, perceived transaction value and willingness to purchase. IV:Price – high,low Brand name – 2 Objective information – good ,poor Statistical Tool 2x2x2 factorial design	Findings suggest that brand effects are not dependent among objective quality information. But strong interaction can be seen between price brand name and objective quality.
2	Rustan Kosenko and Don Rahtz ,Buyer Market Price Knowledge Influence on Acceptable Price Range and Price Limits	This study examines the effect of consumer market price knowledge on their acceptable price limits	DV : acceptable price range, lower price range and upper price range IV: market price knowledge Treatment levels: 1. Market price knowledge and 2. No market price knowledge, Statistical Tool: Separate one way ANOVA	The results indicate that price limits are strongly affected by market price knowledge of the customer. Subjects indicated higher mean for upper price range and narrower price limits with market price information available.
3	The effect of brand and price information on buyers subjective evaluation, William B. Dodds and Kent B. Monroe	It reports an experiment on the effect of price and brand on product evaluation. It also investigated, whether perceptions differed when prices were used as odd or even.	DV: perceived quality, perceived value and willingness to purchase IV: brand, price, and odd-even prices Brand was manipulated as either present or absent. Three pairs of prices were used for odd even prices Price: low ,medium,high Statistical Tool: 2x3x3x2 factorial design, MANOVA	The results indicate that perceived quality is positively influenced by price ,and negatively influences perceived value and willingness to purchase. However no difference was reported because of odd even pricing.
4	Product familiarity, brand Name, and price Influences on Product Evaluation, P. S. Raju	This paper reports the results of two studies conducted to study the interrelationships between the mentioned variables and acceptable price range and how they effect product evaluation.	DV: Durability and perfeormance of the product, satisfaction also post purchase evaluation. IV: Price, Product familiarity, Brand name Price : 9 Familiarity: High ,low Brand name: 3 Statistical Tool: ANOVA	The most interesting results seem to be with respect to the acceptable price range and price limits. Consumers seem to be more interested in comparing and evaluating alternatives within the acceptable ranges.
5	Consumer Price Limits and the Brand Effect, Rustan Kosenko and R. Krishnan	The effect of brand name present/absent condition on consumer price limits was examined in an	DV: high price,low price, acceptable price IV:Brand information – present,absent Statistical Tool:ANOVA	The findings suggest that the well-known brand name should be positioned in the upper acceptable price range and the not so

		experimental setting.		well known brand names in the lower acceptable price range. This brand positioning strategy, in turn, will determine the product's position in the product line, the marketplace, its competition, and its use patterns. Price is very much a part of the product and branding policy.
6	The Moderating Effect of Prior Knowledge on Cue Utilization in Product Evaluations, Akshay R. Rao and Kent B. Monroe	This article examines the dissimilar use of product information cues in product evaluations. And use of price and other intrinsic cues for assessment of product quality is hypothesized to understand dependence on prior knowledge.	DV: Prior objective knowledge IV: Price – 4,intrinsic cue – 2 Statistical tool: 4x2 factorial design ANOVA	This study provides additional understanding of factors that may influence information utilization by consumers in product quality assessments. In particular, an attempt has been made to reconcile opposing perspectives on the use of price information in product quality assessments. This article argues that familiarity with the product is likely to mediate the price-perceived quality effect.
7	The Effect of Price, Brand Name, and Store Name on Buyers' Perceptions of Product Quality: An Integrative Review, Akshay R. Rao and Kent B. Monroe	The authors integrate previous research that has investigated experimentally the influence of price, brand name, and/or store name on buyers' evaluations of product quality.	Statistical tool: 1.Stem and leaf plots and descriptive statistical summary of price-perceived quality effects & perceived quality effect of brand and store 2.Regression Analysis	The meta-analysis suggests that, for consumer products, the relationships between price and perceived quality and between brand name and perceived quality are positive and statistically significant. However, the positive effect of store name on perceived quality is negligible and not statistically significant. Also the experiment design and the strength of the price manipulation are shown to significantly influence the observed effect of price on perceived quality
8	When do consumers infer quality from price?, Carl Obermiller	It reported how consumers used price to infer quality. It also studied and compered influence of brand	DV: Perceived quality IV: Price, Brand name, POP, Product line Statistical Tool: 2 (price) X 2 (brand name quality)	The research hypothesis predicts that consumers will make greater use of price as an indicator of quality in the presence of

		name or point of purchase information cue over price.	X 2 (POP information) X 2 (product line structure) ANOVA	brand name or POP information for multi-line products relative to single line products.
9	The Effect of Prior Knowledge on Price Acceptability and the Type of Information Examined, Akshay R. Rao and Wanda A. Sieben	This article assesses whether differences in prior knowledge result in diferences in (1) price acceptability and (2) the extent to which different types of information are examined.	DV: Intrinsic and Extrinsic information of the product IV: Prior knowledge, Reference Price Level Statistical tool: Regression Analysis	Acceptable price-range end-points (price limits) were found to be lowest for subjects with low knowledge, moderately knowledgeable respondents also showed effect impact of price and other extrinsic cues The second study supported the claim that that increasing prior knowledge is accompanied by an increase in both limits of the acceptable price range
10	The relative effects of price, store image, and intrinsic product differences on product quality evaluation, George j. Szybillo, Jacob and Jacoby	The primary purpose of the present study was to provide a hypothetical testing of effect of information cues on product quality	DV: Perceived quality, value and purchase intention, IV: Price – present, absent, Store name – 3,Three different product sample statistical Tool: 2x3x3 factorial design	The conclusions of the present study and prior studies may require modification as more information is obtained regarding how such variables as frequency of usage, frequency of purchase, general self-confidence, perceived quality differences between brands, and importance of the product category affect the quality perception process.
11	Effect of Product-Line Pricing Characteristics on Product Evaluations, Susan M. Petroshius and Kent B. Monroe	this article reports an investigation of the relationship between the price structure of a product line and consumers' evaluations of a product model within the product line	DV: Perceived quality, perceived value, willingness to purchase IV: Price features, Price Position,Price differential Price features manipulated as upper,lower, acceptable, Price position: 2^{nd} & 4^{th}, Price differential : relative and constant 3x2x2 factorial design Statistical tool: MANOVA	This study supports the general proposition that the price characteristics of a product line affect buyers' product evaluations. The current research suggests that attention should be given to the effect produced by an individual product model's price on the entire product-line price structure
Literature reviewed for understanding the constructs used in the study				
12	A Price Expectations Model of Customer Brand Choice, Manohar U. Kalwani, Chi Kin Yim, Heikki J. Rinne and Yoshi	The authors develop, calibrate, and test a disaggregate model of customer brand choice with customers' price expectations as the	Price, Brand choice	Findings suggest that customers react more to price losses than price gains, also customer expected price is not based on memory only but

	Sugita	mediating construct.		factors like promotion frequency, financial condition and type of customer also have their role.
13	Brand Names, Quality, and Price, Clair Wilcox	Understanding branding from different prospective of business cycle and price adjustment.	Branding, Price Brand relation, Brand Quality relation	Brands are handy for the customers.They often carry a guarantee of quality. But these advantages are purchased by the consumer at the cost of increased prices, lowered living standards, and industrial instability. Buying by brand is no substitute for buying on the basis of comparative prices and standard specifications.
14	Marketing Universals: Consumers' Use of Brand Name, Price, Physical Appearance, and Retailer Reputation as Signals of Product Quality, Niraj Dawar and Philip Parker	The authors evaluate whether the use of brand, price, retailer reputation, and physical product appearance as signals of quality are marketing universals for consumer electronics products.	Brand Name, Price, Quality	They draw conclusions for the adaptation versus standardization debate and argue that certain perceptions are likely to be universal, whereas others are not. Understanding such differences is essential to international marketing strategies.
15	Cue Utilization in the Quality Perception Process, Jerry C. Olson and Jacob Jacoby	This study tries to establish that quality judgment formation requires a theoretical model or conceptual framework which defines the underlying factors in the quality perception process.	Cue predictive value (PV), confidence value (CV) of the cue, Awareness about the cue, Intrinsic-Extrinsic cue types	This paper has presented an exploratory study intended to provide information regarding importance of cues in assessment of quality. A serious lack of theoretical and conceptual direction was noted in the quality research area by this research.
16	The Impact of Brands on Consumer Purchase Intentions Syed Saad Hussain Shah, Jabran Aziz	The purpose of this study is to incorporate the core brand image, brand attitude and brand attachment with environmental consequences to testify the impact on the consumer purchase intentions and assess whether environmental factors have any role in changing purchase intention of the customer or people do	Brand, brand attitude, brand attachment, core brand image	Findings support that brand elements have positive impact on purchase ,and environmental factors have negative impact upon the same.

		not consider it atall.		
17	Price-Quality Relationships, Steven M. Shugan	The main objective is to understand price quality relation and identify various situations where this notion holds good.	Price and perceived quality	1. Prices reflect levels of quality even with limited competition. 2. The quality-price relationship is non-linear. 3. Prices reflect levels of quality even when some consumers do not behave in a rational economic manner. 4. Consumers using price as a surrogate measure of quality encourage companies to raise the level of product quality. 5. Competition does not destroy the relationship between price and quality.
18	Effects of Reference Pricing on Customer Purchasing Intention, Yi hsu, Huong Pham	This study attempts to investigate the effectiveness of internal (memory-based) and external (stimulus based) reference pricing on consumer purchasing intentions.	Purchase Intention	The results indicate that seven of the eleven hypotheses were supported and internal and external price has positive impact on purchase intentions.
19	Understanding of Perceived Product Quality: Reviews and Recommendations, Somphol Vantamay	This article gives a review of the comprehensive concept of perceived product quality, its major definitions, impact creating factors and other dimensions of product quality.	Product quality	Here perceived quality is defined as the consumer's perception of the overall product evaluation considering both tangible and intangible characteristics. Above all, it's not actual quality of products. It has a powerful effect on profit margins, brand power and marketshare, brand equity, perceived value, Returns on Investment (ROI) and profitability.

RESEARCH HYPOTHESIS

Research Issues

The hypotheses to be tested in this experiment are based on conceptualization of informational cue brand name on consumer price limits. Based on interaction between price and brand name brand name has been manipulated in three levels brand name present, brand name absent and a fake brand . Raju (1977) investigated the impact of product involvement in terms of product familiarity on the acceptable price range using the same method and found that the acceptable range was narrower at p =0.10 for respondents who were familiar or more involved with a stereo receiver (no brand name was provided) used in the study. The acceptable price range of a product will help a firm establish the boundaries of different price market segments and help determine the prices of the low end and high end products in the product line (Kosenko and Krishnan 1991).Based on the theoretical framework and the literature review, the hypotheses guiding the research are –

Hypothesis

Background: Brand name affects price perception. Branded products seem to command a price premium as compared to unbranded products. Research suggest that the end prices of a product line are relatively more visible to buyers than other prices in the line. So it is important to understand the acceptable price range of the consumer (Monroe 1971) as human senses exhibit a threshold phenomenon(Weber-Fecher). Lichtenstein, Block (1988) categorized involvement in terms of price consciousness and brand consciousness in order to explain their effect on price acceptability.

Brand conscious individuals are likely to accept higher prices as opposed to lower prices and therefore are expected to have a narrower acceptable price range. Price conscious individuals, on the other hand, are more likely to focus on the price differences and are likely to accept lower prices as opposed to higher prices. Therefore, the price conscious individuals would also be expected to have a narrower price range. In sum, involvement with the product or price results in a narrower price range. (R. Krishnan). Fouilhe (1970) investigated the impact of brand name on acceptable price limits and range.

Hence with respect to the range of price limits, the following hypotheses was formulated

H1: The acceptable price range will be narrower for products in which consumers know the brand name than when they do not know the brand name.

Consumers tend to acquire price information more often if they are not familiar with brands considered (Bettman 1979, Jacoby 1977) which in turn may be reflected in variability of the acceptable price range. In contrast, if they are familiar with the brands, then a brand name may summarize for them the approximate cost of the product .

Again with respect to variability notion pertaining to the lower and upper price limits the following hypothesis were formulated.

H2: There will be less variability in the lower price limit when consumers know the brand name than when they do not know the brand name.

H3: There will be less variability in the upper price limit when consumers know the brand name than when they do not know the brand name.

Brand name may act as an index to organize and access product information from memory. The result may be narrower price range and less variability in the upper and lower price limits for a well known brand.

With respect to the effect of brand name on the mean level of price limits, the following hypothesis were formulated

H4: The mean lower price limit when the brand name is present will be higher than the mean lower price limit when the brand name is absent

H5: The mean upper price limit when the brand name is present will be higher than the mean upper price limit when the brand name is absent

RESEARCH METHODOLOGY

Research design & procedures

Product: The product selected for the experiment was based on the assumption that there would be variation in market price knowledge among the subjects. Laptop was the product under study, it was selected as because the respondent group comprised of university students of both sexes. Interviews with all local computer retailers confirmed that college students were a major purchasing segment.

The known brand used for the study is HP, the fictitious brand was named “super”.

Sampling Design : Independent variable was "brand information". Brand information was manipulated at three levels, no brand information, not well known brand name (fictitious brand name), and well-known brand name. The dependent variables of the study are 1. Acceptable price 2. Upper price limit and 3. Lower price limit. Anova was used for understanding the variables. Altogether there will be 150 respondents and they will be divided into three groups.

50 subjects were exposed to “no brand information” condition

50 subjects were exposed to a well known brand “HP”

50 subjects were exposed to a fictitious brand name “super”

Experimental Design

	DEPENDENT VARIABLE		
	1.Acceptable price	2.Maximum price	3.Minimum price
1.No brand name			
2. Well known brand 'HP'			
3.Fictitious brand 'Super'			

Brand information was operationalized by providing the three treatment groups with the presence or absence of brand information. The control group received no brand information, the two brand information groups received two sources of brand information. One group received a well-known brand name "HP" while the other received a fictitious brand name "Super." As a control for potential price differences among the experimental subjects, all subjects were provided price information prior to assessing their price limits. Subjects were provided with a 'table' that indicated prevailing market prices that the product was selling for in the local area. Prices differed by a constant interval of 100. Detailed feature wise description of the laptop was provided for helping the respondents in analysis.

Dependent variables for the study

As per the doctrine of Adaption level theory, it is believed that consumers exhibit a threshold of price they are willing to pay for a certain product which is bounded by an upper limit and a lower limit and that is their acceptable price range. Keeping this tendency in mind the dependent variables of this study are :

1. Acceptable price range 2. Lower price limit 3. Upper price limit

Size of acceptable range: Acceptable price range for each subject was measured by taking the difference of the upper price limit and the lower price limit .

Subjects were provided with a detailed description of the product that was presented to them, and a price range (38000/- to 45500/-)which was differed by a constant interval of Rs 500.

The subjects were asked to indicate their response to two questions as per **Stoetzel method**

i) maximum price they will pay for the product

ii) minimum price they will pay for the product

First question gave us the lower price limit and the second question indicated the upper price limit and the difference between the lower and the upper price limit established the acceptable price range for each of the subjects.

Stoetzel (1970) method is a simple method of evaluation hence many have questioned the reliability and validity of the questions used (Monroe 1971, Gabor and Granger 1966, Jacobey sad Olson 1976). However, Kosenko (1987) investigated whether the "leading" question criticism really mattered in the measurement of price limits and his findings indicated that stoetzel is actually a valid measure of assessment.

ANALYSIS

One way anova was conducted to test the effect of the independent variable ie brand information on the dependent variables. Brand name information significantly influenced all three dependent variables lower price limit, upper price limit and acceptable price range. The results are presented in the below tables:

Table no. 1: Summary of Anova

Independent Variable	Dependent variable								
	Acceptable Price Limit			Lower Price Limit			Upper Price Limit		
	df	F	P	df	F	P	df	F	P
Brand Information	2	21.192	0.000	2	5.47	0.005	2	37.019	0.000

Table no. 2 : Summary of effect size

Effect	Eta sq
1. Upper limit x Brand Information	0.335
2. Lower limit x Brand Information	0.069
3. Acceptable limit x Brand Information	0.224

The effect size for dependent variable upper price limit on the independent variable brand information is 0.335 which signals medium association between the variables, The effect size for dependent variable lower price limit and acceptable limit on the independent variable brand information signals low association (0.069 & 0.224) between the variables as per cohen's (1998).

Based on the above results we can say brand information significantly effects the dependent variables of our study upper price limit, lower price limit and acceptable price limit.

The descriptive statistics indicate that condition means are significantly different from one another.On the basis of the above table a sample means table has been prepared as follows :

Table no.3: Sample means – Acceptable Price Range and Price Limits

Brand Name		Acceptable Price Range (in Rs)	Lower Price Limit (in Rs)	Upper Price Limit (in Rs)
Absent	Mean	41180	39900	42460
	SD	1444.58	1403.34	1710.82
HP	Mean	39525	39060	39990
	SD	1014.24	998.16	1122.54
Super	Mean	40460	39500	41420
	SD	1326.11	1366.50	1429.85

The mean acceptable price range for the "HP" brand (brand name present condition) was significantly narrower (X = Rs 39525) than the brand name absent condition (X = Rs 41180), the finding is consistent with our hypothesis 1. In fact the price range is narrower for even the fictitious brand (X = Rs 40460) than the brand name absent condition. Hence the results indicate that brand information (present or absent) affect price perception.

The variance of the lower price limit under brand name absent condition exceeds that of the variance of the lower price limit under brand name present condition. Variablity in the brand name absent condition (sd = 1403.34) and the brand name present condition (sd = 998.16) which is signifinant. Results supported hypothesis 2a and is consistent with previous findings. Also the SD of the fictitious brand (1366.50) is lower than the brand name absent condition. These finding prove that product information will reduce uncertainty and that results in less variability in price range.

Hypothesis 2b was also established, significant differences in upper price variability were found between brand name present condition and brand name absent condition. Variability in the upper price limit in the brand name absent condition (sd = 1710.82) is more than the variability in the upper price limit in the brand name present condition (sd = 1122.54), moreover variability for the fake brand(1429.85) is also less than brand name absent condition.

Results did not support hypothesis 3a and 3b as lower price limit for the brand absent condition (Rs 39900) is marginally higher than the lower price limit for the brand present condition (Rs 39060), interestingly the lower price limit for the fictitious brand (Rs 39500) is also greater than the brand name present condition. Same trend can be seen in upper price limit brand name absent condition (Rs 42460), brand name present condition(Rs 39990) and fake brand name (Rs 41420). This condition can be attributed to formation of a rigid price structure in the minds of the respondents when brand name is known and flexible mind set when only the features of the product is known.

FINDINGS

The 2nd objective of this study tried to study the effect of brand name on consumers' evaluation of price of a computer laptop. The major findings can be summarized as follows:

- Brand information significantly influences consumer price perception.
- The influence of brand information manipulation can be seen in all limits of price level set for the consumers and used as dependent variables of the study namely upper price limit, lower price limit and acceptable price limit.

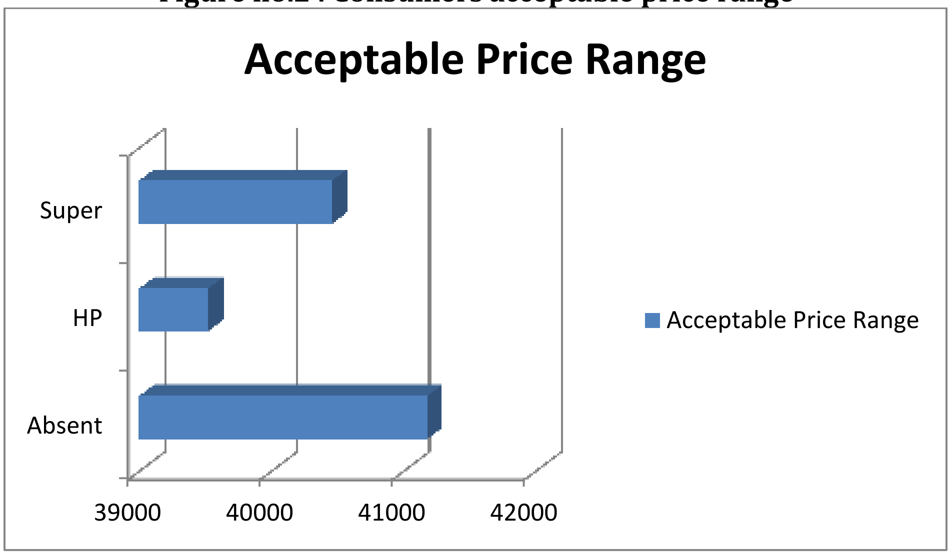
Table :

Independent Variable	Dependent variable		
	Acceptable Price Limit	Lower Price Limit	Upper Price Limit
	p	p	p
Brand Information	0.000	0.005	0.000

The first hypothesis of the study was with respect to price limits and it was hypothesized that the acceptable price limit will be narrower for branded products than non branded product.

- The findings are consistent with our hypothesis, Anova results showed that brand information significantly influenced acceptable price range (p = 0.000).The mean acceptable price range for the "HP" brand (brand name present condition) was significantly narrower (X = Rs 39525) than the brand name absent condition (X = Rs 41180), also the price range is narrower for even the fictitious brand (X = Rs 40460) than the brand name absent condition. Literatures that supported these findings are Fouilhe(1970), Kosenko and Rahtz(1998) and Kosenko and Krishnan(1990).

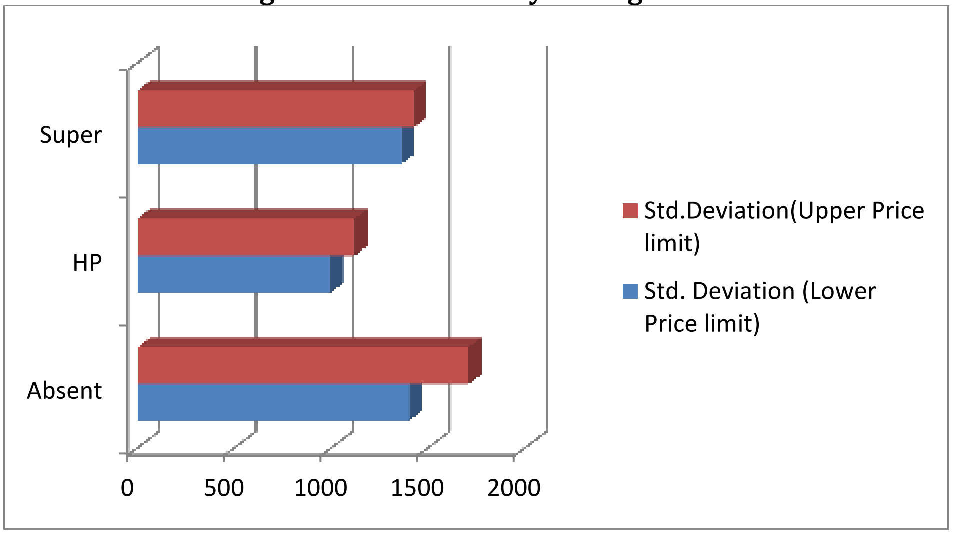
Figure no.2 : Consumers acceptable price range



The second hypothesis was formulated with respect to variability condition pertaining to lower and upper price limit and one way anova and mean study was conducted to establish the same it was hypothesized that there will be less variability in both lower and upper price limit when consumers' more the brand name than when they do not know the brand name.

- The variance of the lower price limit under brand name absent condition exceeds that of the variance of the lower price limit under brand name present condition. Variablity in the brand name absent condition (sd = 1403.34) and the brand name present condition (sd = 998.16) which is signifinant and supports previous findings of Jacoby and Olson 1977, Kosenko and Krishnan(1990)
- Significant differences in upper price variability were found between brand name present condition and brand name absent condition. Variability in the upper price limit in the brand name absent condition (sd = 1710.82) is more than the variability in the upper price limit in the brand name present condition (sd = 1122.54)
- It can be inferred from the findings that brand name is used as a yardstick to access product information from memory and brand name presence reduces uncertainty in the minds of the consumer.

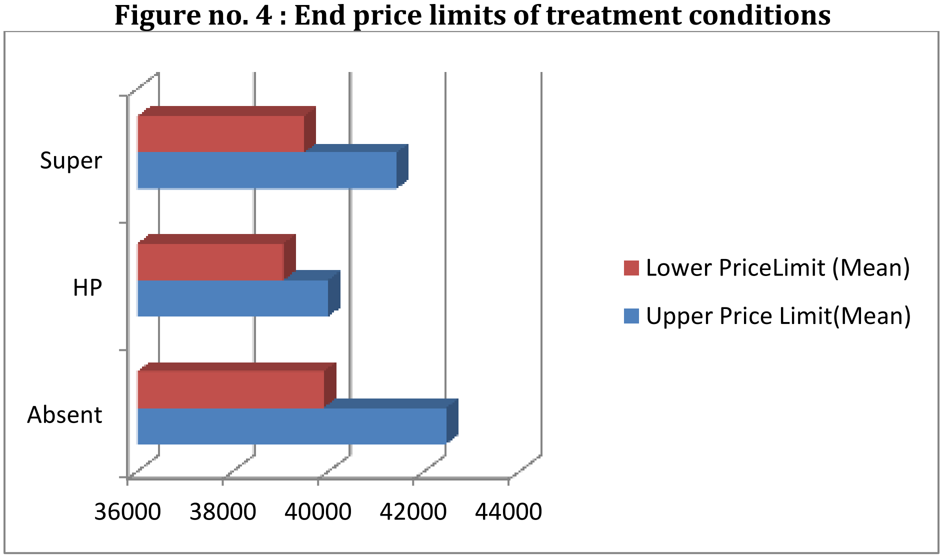
Figure no 3: Variability among treatment condition



In the third hypothesis it was hypothesized that the mean lower and mean upper price limit for branded products > mean lower and mean upper price limit for unbranded products respectively.

- Surprisingly the findings of this study did not support this postulate and lower price limit for the brand absent condition (Rs 39900) is marginally higher than the lower price limit for the brand present condition (Rs 39060) interestingly the lower price limit for the fictitious brand (Rs 39500) is also greater than the brand name present condition also upper price limit brand name absent condition (Rs 42460), brand name present condition(Rs 39990) and fake brand name (Rs 41420).

Figure no. 4 : End price limits of treatment conditions



- It can be said a well known brand name (HP) already has a impression in the memory of the customer which is sometimes vague or wrong or outdated due to lack of memory and attention but when a customer is exposed to new brand (Super) it looks more attractive to him and he creates a altogether new picture of the product. Hence the results. These findings are closer to the findings of Raju(1977) and Cox(1986). Raju (1977) attributed his findings regarding product evaluation in presence and absence brand name to "chunking" process where customers' do not take trouble of perceiving evaluative differences between prices within the categories which may be due to lack of interest in unacceptable prices.

MANAGERIAL IMPLICATIONS AND DIRECTIONS FOR FUTURE RESEARCH

Understanding consumers' judgmental/acceptable price limit is important for those who investigate purchase behavior. To build long-term relationships with customers, marketers must ensure positive brand price quality associations. However, its success demands on marketers' understanding of how price and brand information works and how consumers perceive these market cues. Findings of this study indicate that "known brand" is positively related to consumers' risk associated with uncertainty. So, marketers can use brand name as guarantee for price scarified by the buyer but brand name also impacts positioning of the product in case of computer laptop. Marketers cannot simply sit back with a matured brand with anticipation for price premium especially in dynamic industries like consumer electronics. Brand extension within the acceptable price range may be good strategy to effect price perception of the consumer.

The concept of price limit and price range seems to offer a good understanding of consumers' price perception and can be extended beyond the determinants studied in this research. A detailed and more rigorous study with a larger sample size can be undertaken to understand these relations better. In many cases consumers' financial position can become a constraint in evaluating the acceptable price range perhaps manipulating this constraint may lead to a better understanding of how price thresholds are formed. Gabor and Granger in their research not only confirmed the acceptable price range theory, but also found that the range shifted downward as income fell. Moreover, as income fell, the upper price threshold dropped less than the lower one, implying that low price was a more potent deterrent to the higher-income groups than was high price to lower income groups. Study of Demographic factors (sex, age, income) can be systematically studied as they are directly related to price limit measurement. Brand name present/absent condition was studied only for understanding price limits of the consumer, this study can be extended to constructs like perceived quality, value and purchase intention.

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