

# The “Indie” Premium: How Independent Firms Create Product Value across Cultures

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## **Abstract**

Although firm growth through acquisitions of independent players is record high, a parallel increase in independent firms enjoying strong consumer support is evidenced. Despite this contrast, no research has investigated how independent firms stack up against non-independent counterparts from a consumer perspective. We examine this standoff and propose that independent firms have an advantage over non-independent contenders in fostering perceptions of product authenticity and warmth for specific product categories and cultures. An experimental study using a US (individualistic) and a Chinese (collectivist) sample shows that (1) firm independence breeds product warmth, (2) consumers view products sold by independent firms as warmer than products sold by non-independent firms in hedonic but not in utilitarian categories, and (3) firm independence increases perceived product authenticity in individualistic cultures but decreases it in collectivist cultures. The findings enrich cross-cultural branding literature and assist decisions of competitive strategy, brand architecture, and international brand portfolio management.

**Keywords:** *independent firms; authenticity; warmth*

**Track:** International Marketing & Marketing in Emerging Countries