Doing good for you and me? – Consumer responses towards price increases for environmentally friendly production

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Abstract

Consumer behavior strongly depends on the cultural context in which an individual is embedded (De Mooij, 2011; Kumar and Pansari, 2016). While culture is a multidimensional phenomenon, in particular, individualism is seen as the key cultural dimension that can explain consumer behavior (Moon, Chadee, and, Tikoo, 2008). Our study focuses on the scantly investigated role of culture and hereby of individualism on perceptions of price increases. We examine the impact of three subdimensions of individualism on consumers' fairness perceptions and related behavioral intentions towards firms. Our research focuses on contexts in which companies communicate to have an environmentally friendly production of their goods. We found that the three dimensions of individualism differently influence fairness perceptions of higher prices. The findings suggest to differentiate firms' communication campaigns of higher prices towards consumers.

Subject Areas: Consumer Behaviour, Customer Relationship Management and Customer Satisfaction, Marketing Strategy, Pricing

Track: Relationship Marketing