

Brand First, Price Later: Customer Loyalty in Tech Markets

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Acknowledgements:

The researchers would like to express profound gratitude to the executives of HP Hellas for their guidance and constructive feedback throughout this study.

Cite as:

Papandreopoulou Maria-Eleni, Lionakis Konstantinos (2026), Brand First, Price Later: Customer Loyalty in Tech Markets. *Proceedings of the European Marketing Academy*, 55th, (133075)

Paper from the 55th Annual EMAC Conference, Bath, United Kingdom, June 2-5, 2026



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Abstract

This research explores how specific behavioral drivers (i.e. importance assigned to brand heritage, preference for innovative products, preference for a unified ecosystem solution, desire for premium support, and favorability toward sustainable practices) influence consumers regarding price sensitivity and brand loyalty in the technology sector. Based on an online survey of 301 consumers, we identify significant predictors of brand loyalty that also appear to lower price sensitivity. Additionally, our findings suggest that brand loyalty is not affected by the importance assigned to lower prices as a purchase criterion. These insights may provide actionable guidance for marketing and sales executives with respect to pricing and branding strategies in the highly competitive technology markets.

Keywords: *brand loyalty, price sensitivity, consumer behavior*

Track: *Pricing & Promotions*

1. Introduction

In today's competitive consumers' markets, understanding the antecedents of (a) price sensitivity and (b) brand loyalty, as well as the interplay between these two constructs is crucial. Price sensitivity reflects on the influence of price changes on purchase decisions, as well as on the importance assigned to lower prices for purchase decisions; whereas brand loyalty signifies a lasting preference toward a specific brand (Krishnamurthi & Raj, 1991; Lichtenstein, Ridgway, & Netemeyer, 1993). Though often treated as opposing tendencies, literature suggests a more nuanced relationship between importance assigned to price and brand loyalty, with indications that lower prices may have no influence on prospective choice behavior and accordingly brand loyalty (Bawa & Shoemaker, 1987; Gázquez-Abad & Pérez, 2009; Laroche et al., 2003).

Focusing on the tech market, a key question is whether consumers who exhibit strong brand loyalty are affected by lower prices in other competitive products in the marketplace (McKinsey & Company, 2020). Apparently, in order to overcome price considerations and enhance loyalty, firms should offer added value in terms of specific brand or product characteristics which align with consumer preferences. Specifically, recent research indicates that (a) brand heritage (Suh & Kim, 2022), (b) innovative products (Lam & Shankar, 2013; Lin et al., 2022), (c) the offering of a single brand unified ecosystem solution ((Sheikh, Mirzaei, & Ahmadinejad, 2023), (d) premium support services (Damaschi et al., 2025), and (e) the implementation of sustainable practices (Sheikh et al., 2023), may act as antecedents for reduced price sensitivity and enhanced brand loyalty. In our study, we adopt an exploratory approach, setting as research objectives: (1) the investigation of the influence of these five (aforementioned) potential antecedents (namely: brand heritage, innovative products, unified ecosystem solution, premium support, and sustainable practices), on (a) price sensitivity, and (b) brand loyalty, and (2) the examination of potential inter-relation between the outcome variables: (a) price sensitivity, and (b) brand loyalty.

This approach seeks to uncover the underlying mechanisms that may link brand loyalty with pre-established brand preferences, thereby providing deeper insights into consumer behavior and contributing to current knowledge. It offers insights into how brand associations and behavioral shortcuts influence consumer choices regardless of price considerations.

2. Theoretical Background

In contemporary marketing literature, the constructs of price sensitivity and brand loyalty are increasingly examined not as mutually exclusive, but as dynamically interrelated, shaped by deeper psychological and behavioral mechanisms (Euromonitor, 2023). This section explores the five (5) empirically supported antecedents with potential influence in both constructs, revealing (a) how consumers form preferences regarding brand loyalty, and (b) the importance assigned in lower prices as a purchase criterion (which is considered as an indication of price sensitivity).

(1) Brand heritage and legacy are key drivers of symbolic trust and long-term loyalty. A brand's historical continuity may serve as a credibility cue and identity reinforcement mechanism, particularly in categories involving high involvement or symbolic consumption (Damaschi et al., 2025). Research has shown that consumers are less price-responsive when they associate a brand with cultural continuity and accumulated expertise (Tadelis, 2025). Such associations create emotional security and habitual commitment, shifting evaluations from price to legacy-driven value. (2) Early adoption of innovative products reflects motivational patterns that de-emphasize price. Early adopters tend to prioritize novelty, technological leadership, and distinctiveness over cost-efficiency. Their behavior is aligned with intrinsic motivation, as described in self-determination theory (Deci & Ryan, 2000). Moreover, early adopters often co-create brand value through feedback or advocacy, which reinforces affective loyalty and long-term preference (Lin et al., 2022). (3) A preference for single-brand ecosystems as an integrated buying solution has emerged as a dominant force in digital consumption. Ecosystem participants derive value from compatibility, integration, and convenience—benefits that raise switching costs and encourage habitual repurchase (Suh and Kim, 2022). As further explained, this form of consumer lock-in reduces deliberation and strengthens post-purchase inertia. Loyalty within such systems becomes routinized, and price comparisons are often bypassed altogether (Euromonitor, 2023; McKinsey & Company, 2020). (4) Willingness to pay for premium support emerges from consumer trust in a brand's service infrastructure (Damaschi et al., 2025). Beyond the product itself, consumers increasingly value technical assistance, warranties, and personalized care. According to Tabelessy (2025), these attributes contribute to perceived brand credibility and assurance. From a signaling perspective, paying a premium reflects relational commitment and decreases the likelihood of brand switching (Gounaris, 2005). (5) Finally, sustainability-oriented brand preference reflects a value-based consumer orientation. Green consumers are guided not

only by functional benefits but also by ethical alignment and reputational signaling, while they are often willing to pay a higher price when the brand's environmental practices align with their personal beliefs (Sheikh et al., 2023). This is consistent with the value-belief-norm theory, which suggests that moral identity and perceived social impact can reduce price sensitivity and enhance ideological loyalty (Stern et al., 1999).

Collectively, these five antecedents - rooted in psychological utility, identity, and convenience - may shape not only brand loyalty but also the extent to which consumers consider lower price an important purchase criterion. Understanding their effect on (a) price sensitivity, and (b) brand loyalty, may help marketers move beyond simplistic economic models, enabling more nuanced strategies that prioritize emotional, symbolic, and experiential brand value.

3. Research Objectives and Methodology

3.1 Research Objectives

This research aims to explore the influence of five psychological and behavioral factors (i.e. importance assigned in brand heritage, preference for innovative products, preference for a unified ecosystem solution, premium support, and favorability in sustainable practices) on (a) price sensitivity, and (b) brand loyalty, while also examines the inter-relation between the two outcome variables (price sensitivity and brand loyalty).

3.2 Methodology (data collection, variables, sample)

Given the exploratory nature of the study, a quantitative research design was adopted. Data was collected through an online questionnaire, which was developed based on the theoretical framework and recent literature on price sensitivity and brand loyalty in the consumer technology sector. We used a random sample of consumers, accessed from university databases, to whom we sent emails with the questionnaire, explaining the research objectives and guaranteeing anonymity. A filter question was applied to ensure that respondents had recently purchased a technological device. Data collection took place for two months (May- and follow up June 2025), resulting a response rate close to 30% and providing N=301 usable questionnaires (11 questionnaires were rejected from our study due to a large number of missing values). We also controlled for differences between early and late respondents (no significant differences emerged).

For the operationalization of the variables, we applied a single item measure for each dependent and independent construct using a seven-point Likert type scale (*1=strongly disagree, 7=strongly agree*). The use of single-item measures has been encouraged by several authors asserting that single-item measures are appropriate and can substitute multiple-item measures especially regarding attributes and attitudes towards tech products (Alexandrov, 2010; Castro et al. 2023). The statements were worded so as lower values in the responses to indicate lower importance/preference for each construct in question. The seven items (variables) that we include in this research concern: the importance assigned to (1) brand heritage, (2) innovative products, (3) the offering of a single brand unified ecosystem solution, (4) premium support services, and (5) the implementation of sustainable practices, as buying criteria, and behavioral attitude regarding (6) price sensitivity (i.e. importance assigned to lower prices), and (7) brand loyalty. This operationalization enables a nuanced measurement of participants' attitudes and perceptions, while basic demographic data (age, gender, marital status and income) were additionally captured through nominal measures and used as control variables.

The study sample consisted of 301 participants with ages spanning from 18 to 65 years old. The gender distribution was balanced, with 46.2% male and 53.5% female respondents. Participants reported diverse household arrangements, with the largest shares either living alone (30.2%) or with a partner and children (29.2%), while others lived with parents (17.6%) or with a partner (19.9%). Monthly household income varied considerably, though most fell within the €801–€3,200 range, with smaller proportions earning up to €800 (13.0%) or over €3,200 (20.9%). In terms of occupation, more than half were private sector employees (55.8%), followed by students (15.9%), self-employed professionals (13.6%), and smaller shares of public servants (6.6%), business owners (7.0%), and unemployed individuals (1.0%). All participants owned at least one technological device (which was recently purchased), ensuring alignment with the study's focus on consumer behavior in technology context. Survey responses were collected digitally and analyzed via IBM SPSS.

4. Results

We applied basic quantitative analyses (paired sample t-test, and Pearson correlation analysis) to provide insights into the relationship between the five essential antecedents and the two key dependent variables in consumer decision-making.

As shown in Table 1, price sensitivity appears relatively high ($X = 5.05$), while brand loyalty is slightly - but not significantly - lower (in the basis of paired sample t-test). Among the antecedents, brand heritage ($X = 5.17$) and willingness to pay for premium support ($X = 4.81$) score highest, highlighting the importance of perceived brand value. Early adoption of innovations is reported as having the lowest mean value among the examined antecedents ($X = 3.30$), suggesting limited appeal among our consumer's sample. These results align with previous studies emphasizing that in high-involvement sectors, like technology, consumers consider strongly brand credibility, innovation, and ethical alignment and not only price (Sheikh et al., 2023; Suh & Kim, 2022).

Table 1. Descriptive Statistics of Key Variables in Consumer Purchase Behavior		
Dependent variables	X	SD
Price Sensitivity	5.05	1.75
Brand Loyalty	4.83	1.60
Antecedents		
Perceived Brand Heritage	5.17	1.55
Preference for Early Adoption of Innovative Products	3.30	1.71
Preference for a Single-Brand Ecosystem	4.35	1.93
Willingness to Pay for Premium Support	4.81	1.55
Preference for Brands with Sustainable Practices	4.42	1.55
Notes: X = Mean score, SD = Standard Deviation, $N = 301$. All variables were measured on a 7-point Likert type scale (1 = strongly disagree, 7 = strongly agree).		

Table 1. Descriptive Statistics of Key Variables in Consumer Purchase Behavior

As shown in Table 2, Pearson's correlation coefficients reveal statistically significant patterns between the independent variables and the two dependent variables. Specifically, the five examined antecedents exhibit negative correlation with price sensitivity, implying that when these consumer characteristics are present, sensitivity to price tends to decline; whereas all antecedents in question correlate positively with brand loyalty, underscoring their role in strengthening psychological and behavioral brand ties. Notably, brand loyalty does not appear to be affected by the importance assigned to lower prices from consumers as a purchase criterion. This finding may be explained by behaviors highlighted in consumer psychology literature, since

default brand choices often stem from trust, familiarity, and positive past-experiences regardless of the price (Hoyer et al., 2020; Lichtenstein et al., 1993).

Additionally, Duncan tests (ANOVA) were conducted to control potential variations of the variables in question with respect to demographic characteristics (age, gender, income, household status, and occupation). No statistically significant differences emerged, indicating that the observed correlations are consistent across demographic groups.

Table 2. Correlations Between Preference Variables and Consumer Behavior Indicators		
	Outcomes	
Antecedents	Price Sensitivity	Brand Loyalty
Perceived Brand Heritage	-.140*	.362**
Preference for Early Adoption of Innovative Products	-.253**	.382**
Preference for a Single-Brand Ecosystem	-.196**	.421**
Willingness to Pay for Premium Support	-.164**	.343**
Preference for Brands with Sustainable Practices	-.157**	.318**
Dependent Variables (outcomes)		
Price Sensitivity	1	ns
Brand loyalty		1
Note: Values represent Pearson correlation coefficients. * $p < .05$, ** $p < .01$, ns = not significant / $N=301$		

Table 2. Correlations Between Preference Variables and Consumer Behavior Indicators

5. Discussion and Implications

This study examined key behavioral and psychological drivers influencing price sensitivity and brand loyalty in the consumer technology sector, providing theoretical and managerial contribution. Results point to a coherent pattern: consumers who value brand heritage and exhibit preference for innovative products, a single brand ecosystem solution, premium support, and brands which apply sustainable practices, tend to place less emphasis on lower prices and demonstrate enhanced loyalty in brands that meet these expectations.

These findings advance existing theory on switching costs and consumer lock-in, while extending brand loyalty frameworks by incorporating heritage and sustainability as relevant predictors, as anticipated in the literature (Lam & Shankar, 2013; Suh & Kim, 2022; Tabelessy, 2025). The findings also affirm that in high-involvement product categories, consumers may prioritize psychological or experiential value over economic concerns. Additionally, the examined antecedents may be interpreted as expressions of perceived value (Mutlu & Yilmaz, 2017), emotional investment (Sheikh et al., 2023), and brand lock-in mechanisms (Suh & Kim, 2022), thereby diminishing the influence of cost on purchasing decisions. Our findings also

indicate that tendency for loyalty in a specific brand is not associated with low price considerations. This result concurs with frameworks such as the Self-Determination Theory (Deci & Ryan, 2000) and the Value-Belief-Norm Theory (Stern et al., 1999), in which loyalty serves as a psychological shortcut (Hoyer et al., 2020), reducing the weight of rational price comparisons in favor of default selections. Additionally, our findings further support the consumer behavior literature in which it is indicated that preference for a brand, regardless of the price, is associated with reduced cognitive effort and less perceived risk (Erdem et al., 2006). These results also echo the findings of Bawa and Shoemaker (1987) and Laroche et al. (2003) regarding customer satisfaction and loyalty.

From a managerial perspective, the results highlight the strategic value of building brand heritage, fostering innovation, providing aggregated product solution and premium support, as well as placing emphasis on sustainable practices. Such efforts not only differentiate brands but also foster long-term loyalty and reduce the emphasis on pricing competition, since they may be the basis of sustainable advantage, reducing churn and cultivating long-term brand relationships. Moreover, firms placing emphasis on the examined antecedents of this study may reinforce trust, symbolic value, and habitual preferences that anchor the consumer-brand relationship. This conclusion aligns with prior research stressing the importance of ecosystem coherence (McKinsey, 2020), green innovation (Sheikh et al., 2023), and symbolic brand value (Lam & Shankar, 2013; Mutlu & Yilmaz, 2017) in driving loyalty and reducing price-based decision-making.

In sum, this exploratory research reinforces the importance of multidimensional branding and reveals how psychological loyalty can counteract price-driven decision-making in technology markets. While the findings offer valuable insights into how brand-related factors shape loyalty and price sensitivity, some limitations should be noted. The study relies on self-reported, cross-sectional data, which limits causal interpretation and may introduce response bias. Its focus on tech-savvy consumers further restricts generalizability. Future research could adopt experimental or longitudinal designs and broader samples to validate and expand these results. Furthermore, latent (multi-item) measures may be applied to capture the variables (and the associations amongst them) of our study, placing emphasis on default brand choice (a predisposition to select a brand before evaluating alternatives) which may moderate the relationship between brand loyalty and price sensitivity (Erdem, Swait, & Valenzuela, 2006), and

may function as both a driver and outcome of loyalty, buffering price-based decision-making (Krishnamurthi & Raj, 1991), especially in high involvement products (Ramirez and Goldsmith, 2009). Beyond latent measurement, structural equation modeling (SEM) approach analyses (e.g. Confirmatory Factor Analysis) and Regression models may be applied to predict the interpretation of the examined antecedents on the dependent variables.

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