Are Consumers Really Willing to Pay More for Favorable Brand Associations? The Moderating Role of Product Value and Product Risk Level

Tüketiciler Olumlu Marka Çağrışımları İçin Daha Fazla Ödemeye Gerçekten İstekli mi? Ürün Değeri ve Ürün Risk Düzeyinin Düzenleyici Rolü

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ABSTRACT

Despite the prolific research on the effect of brand associations on consumer product evaluations, the price-related consequences remain neglected. This study seeks to explain the effect of brand associations on consumers' willingness to pay (WTP) a price premium. Moreover, it attempts to explain whether this effect is moderated by product value and product risk level. Utilizing data from both US and Turkey, this study shows that brand associations significantly and positively influence consumers' WTP. It suggests that favorable brand associations also have price-related consequences. Furthermore, the results suggest that consumers are willing to pay a price premium for favorable brands more for products that have high value and risk level.

Keywords: Brand associations, willingness to pay, ANM model, equity theory, structural equation modeling

ÖZET

Marka çağrışımlarının tüketici ürün değerlendirmelerine etkisi üzerine çok sayıda çalışma olmasına rağmen, fiyatla ilişkili sonuçlar ihmal edilmiştir. Bu çalışma, marka çağrışımlarının tüketicilerin prim fiyatı ödemeye isteklilikleri üzerine etkisini açıklamayı amaçlamaktadır. İlaveten bu çalışma, ürün değeri ve ürün risk düzeyinin bu etki üzerinde düzenleyici rol oynayıp aynamadığını açıklamaya çalışmaktadır. Amerika ve Türkiye'den elde edilen verileri kullanan bu araştırma göstermiştir ki marka çağrışımları tüketicilerin ödeme isteğini anlamlı ve pozitif bir şekilde etkilemektedir. Ayrıca sonuçlar, ürün değeri ve risk düzeyi yüksek olduğunda tüketicilerin pozitif çağrışımlara sahip markalar için prim fiyatı ödemeye daha çok istekli olduğunu göstermiştir.

Anahtar Kelimeler: Marka çağrışımları, ödeme isteği, ANM modeli, eşitlik teorisi, yapısal eşitlik modeli

1. INTRODUCTION

Marketers have been increasingly aware of the strategic importance of the notions brand personality (Venable et al., 2005) and brand associations (O'Cass and Lim, 2001). Developing a favorable brand personality or creating positive brand associations has become a key task for marketers. It enables firms to lower their marketing costs and develop ability to influence consumer behavior positively (Nigam and Kaushik, 2011). Although the branding literature is rich with investigations of the effect of brand associations, which also includes brand personality, on consumer brand attitudes, to the best of the author's knowledge, research that examines the effect of brand associations on consumers' willingness to pay a price premium has been neglected.[1] In other words, despite the acknowledged importance of brand associations effect, the price-related consequences remain neglected. That is, very little is known regarding the influence of brand associations on pricing decisions.

This study aims at examining how brand associations influence consumers' willingness to pay (WTP) a price premium. In other words, it examines whether consumers are really willing to pay more for brands that evoke positive associations. Furthermore, it investigates whether product value and product risk level moderate the relationship between brand associations and WTP a price premium.

2. CONCEPTUAL MODEL AND RESEARCH HYPOTHESES

2.1. Brand Associations

Aaker (1991, p. 109) defines brand associations as "anything linked in memory to a brand." In another definition, the brand associations are "the other informational nodes linked to the brand node in memory and contain the meaning of the brand for consumers" (Keller, 1993, p. 3). These associations have a level of strength and the link between the associations and brand will be stronger when it is based on more experiences and exposures (Aaker, 1991; Keller, 1993;

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Yoo and Donthu, 2001). In other words, the more experiences or the more messages associated with a brand, the stronger the brand associations (Lin and Kao, 2004).

Brand associations can be classified into three major categories: attributes, benefits and attitudes (Keller, 1993, 1998). While attributes refer to the descriptive features that characterize a brand, such as what a consumer thinks the brand is, benefits reflect the personal values that individuals attach to these attributes, such as what consumers think the brand can do for them (Keller, 1993, 1998; Rio, Vazques and Iglesias, 2001). On the other hand, brand attitudes reflect consumers' overall evaluations of a brand (Keller, 1993). These attitudes can be positive or negative (Curras-Perez et al., 2008; Park et al., 2010), last for a long time and be changed when individuals gain new experiences or reflections (Solomon, 2009; Park et al., 2010; Ghorban, 2012).

The branding literature suggests that the notion brand associations also includes brand personality construct (Yoo and Donthu, 2001; Pappu, Quester and Cooksey, 2007; O'Cass and Lim, 2001). Brand personality is "the set of human characteristics associated with a brand" (Aaker, 1997, p. 347). Based on the self-congruity theory, previous research (e.g. Aaker, 1997; Graeff, 1996; Malhotra, 1998; Belk, 1988; Sirgy, 1980, 1982, 1986; O'Cass and Lim, 2001) suggests that individuals tend to prefer the brands whose characteristics are congruent with their own personality traits. This argument is based on the idea that individuals can enhance their self-image through the images of the brands they prefer (Rio et al., 2001). Therefore, the greater the consistency between the brand image and one's self-image, the greater his/her intention to buy it (Graeff, 1996). Human characteristics come to be associated with a brand in a direct and an indirect way. In the direct way, the associations are created by the people associated with the brand such as the brand's product endorsers and the brand's user imagery, whereas in the indirect way, the associations are created through product features, product category associations, brand name, logo, advertising, price, and distribution channel (Aaker, 1997).

Research suggests that brand associations influence consumer product evaluations (Rio et al., 2001; Teas and Grapentine, 1996; Kamakura and Russell, 1991; Cobb-Walgren, Ruble and Donthu, 1995; Yoo, Donthu and Lee, 2000; O'Cass and Lim, 2001; Pappu et al., 2007; Bayraktar, 2013; Low and Lamb, 2000; Romaniuk and Gaillard, 2003). This effect has been tested for a variety of products such as consumer packaged goods (Krishnan, 1996), clothing (Rio et al., 2001), sports (Rio et al., 2001; Ross, 2007) and services (Dawes et al. 2009). While many studies (e.g. Lassar, Mittal and Sharma, 1995; Keller 2003; Pappu et al., 2007; Bayraktar, 2013; Washburn and Plank, 2002; Cobb-Walgren et al., 1995) have examined brand associations as a dimension of brand equity, few studies (e.g. O'Cass and Lim, 2001; Rio et al., 2001) have examined it as a separate construct. The deduction from these studies is that consumers evaluate the brands with favorable associations more positively than the brands with less favorable or unfavorable associations. They use brand associations to process, organize, and retrieve information in memory when making purchase decisions (Aaker, 1991; Low and Lamb, 2000).

The literature on brand equity suggests that brand associations construct is a dimension of brand equity (Aaker, 1991, Keller, 1993; Yoo and Donthu, 2001; Kamakura and Russell, 1993; Pitta and Katsanis, 1995; Washburn and Plank, 2002). Focusing on the perceptual components of the construct, Pappu et al. (2007) define brand equity as "the value consumers associated with a brand, as reflected in the dimensions of: brand awareness, brand associations, perceived quality and brand loyalty" (p. 728). According to this definition, brand equity dimensions will differ across consumers and add or subtract value for them. On the other hand, some researchers (e.g. Faircloth, Capella and Alford, 2001) consider brand associations a separate construct and suggest a relationship between this construct and brand equity. In this context, developing favorable brand associations result in a positive brand image, which is a conceptual antecedent to enhanced brand equity (Aaker, 1991).

2.2. Willingness to Pay a Price Premium

Willingness to pay (WTP) a price premium is defined as "the amount a customer is willing to pay for his/her preferred brand over comparable/lesser brands of the same package size/quantity" (Netemeyer et al., 2004, p. 211). The definition suggests that the price premium is conceptualized with respect to a competitor or set of competitors that must be clearly specified (Aaker, 1996). For example, a consumer may be willing to pay 10% more for Toyota than for Honda. Similarly, a consumer may be willing to pay 30% more to shop at Versace rather than at Perry Ellis. This is called "price premiums" associated with the brand. The price premium can be high or low and positive or negative depending on the brands involved in the comparison. WTP a price premium may be the most reasonable summary measure of overall brand equity (Aaker, 1996).

Given the brand associations as an influence on consumers' WTP, a critical question is whether using WTP as a dependent variable is likely to yield insights beyond those generated by previously used outcome variables such as brand evaluations and preferences. Eventually, WTP can be expected to correlate positively with these outcome variables. We expect additional insights for two reasons. First, the antecedents to two highly correlated variables and the impact of these antecedents can be different. Second, the previously used outcome variables fail to consider the "sacrifice side" of the brand associations effect. Although consumers positively evaluate the brands with favorable associations, they may not be willing to make the necessary sacrifice to actually purchase them. In this context, WTP can provide more meaningful findings about the brand associations effect.

2.3. ANM Model and Equity Theory

The effect of brand associations on consumer behavior is explained by Associative Network Memory (ANM) Model (Aaker, 1991; Keller, 1993). This model also provides a strong basis for explaining the brand equity construct. The ANM model aims at explaining the nature of human intelligence and how people think. It suggests that human semantic memory consists of networks, and each network is composed of several nodes (Anderson, 1976). These nodes are stored information in memory and linked to each other in some way (Keller, 1993). For example, if a brand (e.g. Levi's) is a node in memory, there could be other nodes (e.g. ruggedness) that are linked to this brand node and serve as associations. The activation of a node in memory leads to the activation of other linked nodes. This spreading activation process determines the extent of retrieval in memory. In addition, the links among nodes vary in strength (Keller, 1993). Therefore, the strength of link between the activated node and all linked nodes determines the extent of the spreading activation process and the related information that can be retrieved from memory.

In addition to the ANM model, we employ equity theory to underpin the hypothesized relationship between brand associations and WTP. Equity theory suggests that individuals in exchange relationships compare the ratios of their inputs into the exchange to their outcomes from the exchange (Huppertz, Arenson and Evans, 1978). While the input describes the contribution individuals should make within the exchange to earn rewards, the outcome refers to expected positive and negative consequences of the exchange. In an exchange relationship, distributive justice is achieved when the benefits of each partner are proportional to their investments (Fischer, Dia-

mantopoulos and Oldenkotte, 2012). Inequity occurs when the inputs and/or outcomes in an exchange are perceived to be inconsistent with the inputs and/or outcomes of the referent (Huppertz et al., 1978).

In an exchange situation between a buyer and a seller, the buyer evaluates the benefit received from a brand in relation to its cost such as price and shopping effort (Woodruff, Cadotte and Jenkins, 1983). The buyer seeks to adjust his/her input according to the expected outcome in order to achieve an equitable exchange (Fischer et al., 2012). The buyer is expected to provide a higher input when he/she expects a higher benefit from the product or service. In the context of our research, input/outcome ratio reflects consumers' comparison of the expected benefit from a brand with favorable associations and their WTP for that brand. Therefore, consumers are expected to pay more for brands with more favorable associations. These arguments lead to the following hypothesis:

H_1: Consumers' WTP is higher for brands with more favorable associations than those with less favorable associations.

2.4. The Moderating Role of Product Value and Product Risk Level

Cue evaluation theory suggests that consumers base their judgments on both intrinsic and extrinsic product cues (Darwar and Parker, 1994; Richardson, Dick and Jain, 1994; Wall, Liefeld and Heslop, 1991). Intrinsic cues (or product-related attributes) refer to a product's "core" physical composition, whereas extrinsic cues (or non-product-related attributes) refer to the "non-core" and external aspects of the product (O'Cass and Lim, 2001). These cues or attributes provide a basis for making various evaluative judgments about the quality and overall value of the products (Darwar and Parker, 1994; Richardson, Dick and Jain, 1994; Wall, Liefeld and Heslop, 1991; Farquhar and Herr, 1993). Both product-related and non-product-related attributes constitute brand associations that are meaningful to consumer evaluations of brands (O'Cass and Lim, 2001).

Another stream of research suggests that the importance of intrinsic and extrinsic product cues in product evaluations depends on consumers' involvement level. Involvement reflects "the subjective perception of the personal relevance of an object, activity, or situation" (Trijp, Hoyer and Inman, 1996, p. 283). When consumers are highly involved in a purchase decision, both intrinsic and extrinsic product cues become more important in product evaluations (Fischer et al., 2012). We argue that consumers' involvement in a purchase situation will increase when the

product value and risk level are high. While product value refers to both physical and non-physical utility obtained from a product, product risk level reflects both performance-related and health-related risk level associated to the product. Perceived product value is defined as "consumer's overall assessment of the utility of a product (or service) based on perceptions of what is received and what is given" (Zeithaml, 1988, p. 14). It may include the symbolic, hedonic, esthetic, social and functional aspects of the consumption process (Holbrook and Hirschman, 1982; Babin, Darden and Griffin, 1994; Sheth, Newman and Gross, 1991; Sweeney and Soutar, 2001). Perceived risk is defined as the subjective expectation of a loss. Although a number of product risk dimensions have been suggested by previous researchers, only two are included in this study: product heath and performance risk. While product performance risk refers to the potential loss when a product does not perform as expected (Horton, 1976), product health risk refers to the potential medical threat posed by a product. These arguments suggest that when the product value and risk level are high, brands associations will play a more significant role in consumers' product evaluations, and thus the effect of brand associations on consumers' WTP will be higher.

Previous research suggests that when product value and product risk level are high, consumers base their judgments on country-of-origin (COO) cue more (Hampton, 1977; Cordell, 1992; Bilkey and Nes, 1982). COO of a product is a non-product-related brand association (O'Cass and Lim, 2001) that influences consumers' product evaluations (Batra et al., 2000; Aurier and Fort, 2007). Therefore, we can argue that brand associations will influence consumers' WTP more when the product value and risk level are high. These arguments lead to the following hypotheses:

H_2: Product value positively moderates the relationship between brand associations and consumers' WTP. The effect of brand associations on consumers' WTP will be greater when the product value is high.

H_3: Product risk level positively moderates the relationship between brand associations and consumers' WTP. The effect of brand associations on consumers' WTP will be greater when the product risk level is high.

3. METHODOLOGY

3.1. Research Method and Sample

We utilized survey method to collect data for the purpose of testing the structural soundness of the research hypotheses. We collected the data from convenience samples of undergraduate business and MBA students in Turkey and the US. The sample was composed of 476 students, 301 from the US and 175 from Turkey. While 235 of the participants were male, 241 of them were female. The age of the participants ranged from 17 to 42 and 64% of them were between the ages of 17 and 21.

3.2. Questionnaire Design

A review of the literature and a pilot study provided the input for identifying the items to be included in the self-administered survey questionnaire. The study used a within-subject design. Three product categories were included in the study: LCD televisions, sport shoes and chocolates. It was assumed that many respondents had used products from these categories, and were able to evaluate them. As a product category, LCD televisions, sport shoes and chocolates were expected to vary in terms of the moderating variables in the study, namely product value and risk level. Three versions of the questionnaire, one for each product category, were developed. The only difference among the three versions was the product category. The questionnaire consisted of two parts. The first part started with a general introduction about the content of the survey and instructions for filling out. The introduction was followed by the descriptions of three branded products in one of the three categories. Various attributes (e.g. price, features, COO information) for each product were introduced. The product information, except for the COO information, was the same across the three branded products. The second part started with the measurement of brand associations for each branded product and consumers' WTP. Next, it measured product value and product risk level. Finally, it included demographical questions.

3.3. Measures, Reliability and Validity

The variables of interest in this study were measured using scales established by previous researchers and those developed in this study. A Likert-type scale of 1 to 7 was adopted for all construct measures, using the anchors "strongly disagree" (1) and "strongly agree" (7). The measures for brand associations construct have been empirically tested (Agarwal and Rao, 1996; MacKay, 2001) and used in a number of studies (e.g. Yoo and Donthu, 2001; Pappu et al., 2007). It measures both brand personality traits and organizational associations (Pappu et al., 2007). On the other hand, the measures for consumers' WTP were developed and empirically tested by Netemeyer et al. (2004).

The items in the scales for moderating variables were drawn to the maximum extent possible from the scales that had previously validated. The scale

for product risk level were adapted from Batra et al. (2000). This scale measures product health and performance risk level. On the other hand, the items included in the product value scale were checked for their relevance by several scholars in the marketing department at an American university.

We employed a three-step approach, as outlined by Churchill (1979) and Anderson (1987), to assess the validity and reliability of the measures. First, Cronbach's alpha coefficients were computed with STATA 12 statistics software in order to assess the reliability of each scale. Coefficient alphas were evaluated relative to the minimum .70 level recommended by Nunnally (1978). All the alphas exceeded the minimum criteria, with the lowest coefficient being .77 for WTP scale, indicating adequate reliability for the measures employed in the study.

Second, a confirmatory factor analysis (CFA) with STATA 12 statistics software was performed to test the convergent validity and the entire measurement of the factors included in the structural model. The measurement model that included all constructs was fitted by the ML procedure of the STATA statistics software. The results of the first analyses indicated that the fit statistics were not between the recommended levels, which led us to make some modifications. In this context, five items in total (three items from the brand associations scale, one item from the product value scale and one item from the product risk level scale) were discarded. After the modifications, the results of the CFA confirmed the structure of the constructs. The chi-squared statistic of the model was slightly greater than the recommended minimum level ($\chi^2 = 456.61$, p < .001, df = 84). Considering the large number of cases in the study, which is 1428, the chi-squared value can be acceptable. The goodness of fit measures were higher than the usually accepted cut-off value (CFI: .953, TLI: .942, RMSEA: .066, SRMR: .030).

Table 1 demonstrates the factor loadings and the reliability coefficients of the four constructs employed in the study. As shown in the table, all the items loaded upon their hypothesized factors in a statistically significant manner (p < .001) and the standardized β values are above .5, indicating that the scales have convergent validity.

As the third step in the reliability and validity assessment, the discriminant validity was examined using the procedure recommended by Anderson (1987) and Bagozzi, Youjae, and Lynn (1991). This procedure required analyzing all possible pairs of constructs in a series of two-factor CFA models (Yeniyurt, Henke and Cavusgil, 2012). Each pair of constructs was included in CFAs estimated by constraining the correlation between factors to one and then releasing this constraint. Next, a chi-square difference test was conducted on the nested models to assess whether the chi-square values were significantly lower for the unconstrained models. In all cases, the critical value of 3.84 was exceeded, which shows that the measures included in the study have discriminant validity.

Table 1: Measurement Scales with Item Loadings and Reliability Coefficients

Factor	Standardized Loading	α
Brand Associations		.80
1. I associate product X to sincerity.	.70	
2. I associate product X to excitement	.69	
3. I associate product X to competence	.73	
4. I associate product X to sophistication	.70	
5. I like the company that makes product X.	.54	
Willingness to Pay a Price Premium		.77
1. The price of product X would have to go up a bit before I would switch to another brand of sport shoes (television/chocolate).	.54	
2. I am willing to pay a higher price for product X than other sport shoes (television/chocolate) brands.	.90	
3. I am willing to pay a lot more for product X than other brands in this category of sport shoes (televisions/chocolates).	.77	
Product Value		.79
1. Sport shoes (televisions/chocolates) provide a high level of utility to people.	.51	
2. The sport shoes (television/chocolate) a person selects tells something about him/her.	.76	
3. The sport shoes (television/chocolate) one uses ("eats" for chocolate) can contribute to his/her social status.	.79	
4. The brand of sport shoes (television/chocolate) one has ("eats" for chocolate) can make an impression on me.	.73	
Product Risk Level		.84
1. It would be risky for my health if I make a mistake in choosing sport shoes (television/chocolate).	.54	
2. It would be risky for running/walking (display/flavor) performance if I make a mistake in choosing sport shoes (televisions/chocolates).		
3. A poor choice of sport shoes (television/chocolate) would pose a threat in terms of running/walking (display/flavor) performance.	.87	

Goodness-of-fit statistics: χ^2 = 456.61, p < .001, df = 84, CFI: .953, TLI: .942, RMSEA: .057, SRMR: .042

Finally, a multi-group CFA was performed to assess the cross-cultural equivalence of the measurement model. The dataset was divided into two groups based on the country where the survey was conducted. A constrained two group CFA indicated that, according to the chi-squared difference statistic, there were no statistically significant differences in the factor structure and item loadings across the two groups.

4. RESULTS

This research utilized Structural Equation Modeling (SEM) with STATA 12 to examine the hypothesized relationships. It applied the ML procedure within the STATA program to the variance-covariance matrix of the factors. Figure 1 indicates the parameter estimates and fit statistics of the structural model.

The chi-squared statistic of the path model was slightly greater than the recommended minimum level (χ^2 = 143.61, p < .001, df = 19). Considering the large number of cases in the study, which is 1428, the chi-squared value can be acceptable. Since the chi-square should not be used alone to evaluate model fit, other fit indices were also examined. The analysis shows that the comparative fit index (CFI) is .965, and the Tucker-Lewis index is .949. In addition, the standardized residuals are small, and all parameter estimates are in the expected direction. The high fit indices and the theoretically consistent parameter estimates suggest that the structural path model fits the data well, which means that the coefficients of the path model adequately represent the relationships between the brand associations and WTP constructs. The path coefficient in figure 1 indicates that brand associations positively and significantly influence consumers' WTP (β = .43, p < .001). Thus, H_1 is supported.

Figure 1: Standardized Path Coefficients for the Hypothesized Model
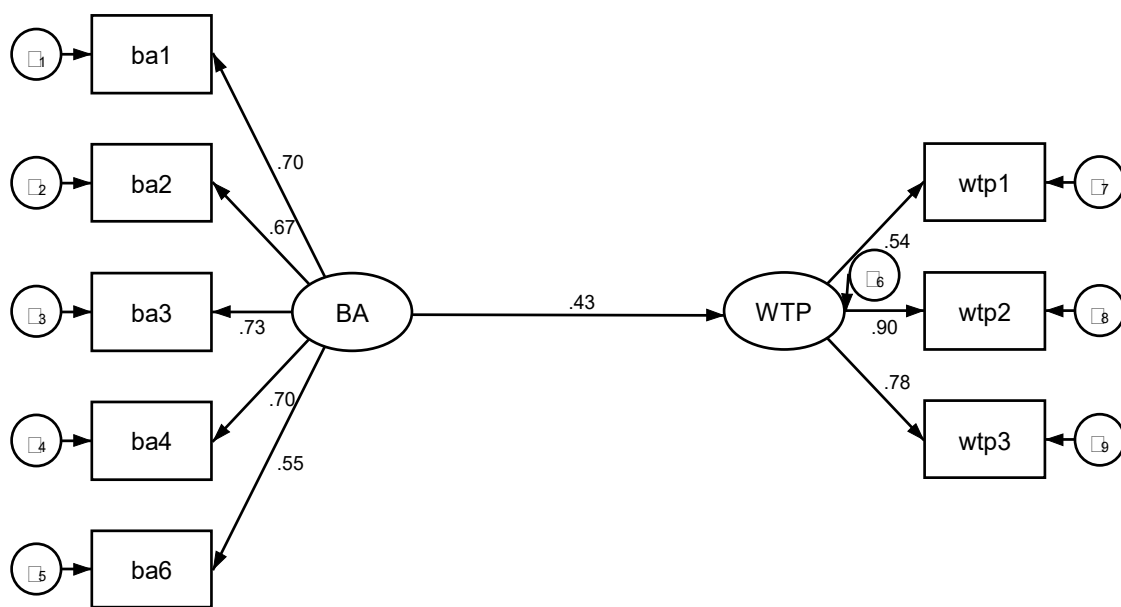
Goodness-of-fit statistics: χ^2 = 143.61, p < .001, df = 19, CFI: .965, TLI: .949, RMSEA: .069, SRMR: .040

The path model for each product category was also examined. The findings demonstrate that there is no significant difference in the path coefficients across the three product categories (Televisions (β = .42), Sport Shoes (β = .40), Chocolates (β = .39), p < .001). That is, consumers are willing to pay more for favorable brand associations regardless of the product categories examined in this study.

The path model was also analyzed based on the country where the data was collected. The findings demonstrate that the relationship between brand associations and consumers' WTP does not differ across the two countries (Turkey (β = .418), USA (β = .422), p < .001). That is, consumers are willing to pay more for favorable brand associations regardless of whether they live in a developing or a developed country.

The moderation effects were examined by applying a multi-group analysis, which is called a split-

group approach, where the initial sample is divided into two sub-groups on the basis of cut-off values of each individual moderator. For each potential moderating variable, the sample was divided into two groups (low and high) based on their respective median. The two structural path models were subsequently estimated for each hypothesized moderation effect. In support of H_2, the results show that product value positively moderates the relationship between brand associations and consumers' WTP. That is, the effect of brand associations on consumers' WTP will be greater for products that have high value ($\beta = .55$, $p < .05$) than products that have low value ($\beta = .32$, $p < .05$). In addition, the results indicate that product risk level positively moderates the relationship between brand associations and consumers' WTP, which supports H_3. That is, the effect of brand associations on consumers' WTP will be greater for products that have high risk level ($\beta = .56$, $p < .05$) than products that have low risk level ($\beta = .23$, $p < .05$). Table 2 demonstrates the moderation effects.

Table 2: Results of Moderation Effects

Main Effect	High Product Value	Low Product Value
Brand Associations --> WTP	.55	.32
Main Effect	High Product Risk Level	Low Product Risk Level
Brand Associations --> WTP	.56	.23

Notes: * The standardized β values are presented.

    ** P < .05

The path model was also analyzed based on the level of income of the participants. The findings show that the effect of brand associations on consumers' WTP is greater for high-income consumers ($\beta = .48$, $p < .05$) than low-income consumers ($\beta = .39$, $p < .05$). Therefore, level of income significantly and positively moderates the relationship between brand associations and consumers' WTP.

DISCUSSION

Despite the prolific research on the effect of brand associations on consumer product evaluations, the extant marketing literature does not explain whether consumers are willing to pay more for brands with favorable associations. In other words, the price-related consequences of brand associations remain neglected. This study sought to explain the effect of brand associations on consumers' willingness to pay a price premium. Moreover, it attempted to explain whether this effect was moderated by product value and product risk level.

The results demonstrate that brand associations significantly and positively influence consumers' WTP. This finding suggests that favorable brand associations also have price-related consequences. In other words, in addition to their influence on consumer product evaluations, as suggested by previous researchers, brand associations significantly affect consumers' desire to pay more. Furthermore, the results suggest that consumers are willing to pay a price premium for favorable brands more for products that have high value and risk level. In addition, the effect of brand associations on consumers' WTP is greater for high-income consumers than low-income consumers.

The findings of this study have significant managerial and practical implications. First, the results highlight the importance of branding by introducing the price-related consequences of this activity. Particularly, they emphasize the significance of developing favorable brand associations. Second, the findings suggest that managing brand associations is a more crucial activity for firms operating in industries where the product value and risk level are high. In other words, favorable brand associations have less meaning to consumers when they consider that the product category has low value and when the perceived risk level of the product category is low. Therefore, the firms operating in such industries may not achieve desirable price-related outcomes by engaging in the activity of developing favorable brand associations. Third, this study suggests that marketers that target high-income consumers should pay more attention to developing favorable brand associations. Finally, it suggests that managing brand associations can yield positive price-related outcomes in not only developed countries but also developing countries where purchasing power is relatively low.

A couple of new research attempts can contribute to our understanding of the effect of brand associations on consumer behavior. First, future research should develop a multi-dimensional brand associations construct, which may include various dimensions such as brand personality, organizational associations and non-product-related associations. Examining the relative effects of these dimensions on consumer behavior might improve our understanding of brand associations effect. Furthermore, such study might introduce the priorities in managing brand associations. Second, future research should address whether the findings of this study apply to product categories other than televisions, sport shoes and chocolates. Such research attempt might yield more generalizable results. Third, future researchers should examine different variables as potential moderators of brand associations effect. In this context, product familiarity, product complexity, and certain personality traits such as mindfulness, susceptibility to normative influence, and sociability can be examined as potential moderators of brand associations effect. Fourth, future research should address whether the effect of brand associations on consumers' WTP holds across various cultures. Finally, future research should examine whether demographics, particularly income level, moderate the relationship between brand associations and consumers' WTP.

NOTES

[1] The only other study we are aware of is "Rio, D.A.B.; Vazquez, R. and Iglesias, V. (2001). The Effects of Brand Associations on Consumer Response. *Journal of Consumer Marketing*, Vol. 18(5), 410-425," where the authors examine how the associations of a brand with four brand functions (guarantee, personal identification, social identification and status functions) influence consumers' WTP. This study examines the effects of the associations with these functions separately, not the brand associations as a construct.

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