HOW MUCH DO PRODUCT DIFFERENTIATION, MARKETING INVESTMENTS AND BRAND EQUITY ACTUALLY AFFECT PRICE? AN EMPIRICAL STUDY IN THE CONSUMER MARKET

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ABSTRACT:

Interdisciplinary research on marketing and finance phenomena has received some attention in the literature over the last couple of years, but such research is still scarce and limited in scope. This study is an attempt to highlight the influence of various marketing phenomena on price and on possibilities to obtain the price premium in the consumer market.

The author studied an aggregate data set for 735 fast moving consumer goods (FMCG) (food) brands. The study suggests that brand equity, marketing investment and innovation activities are closely associated with price. Using a cluster analysis, the author found that price premium is significantly associated with innovation and company type with regards to the brand strategy.

Rather than employing the more common single-research approach and measurement, this study utilizes a multi-research approach and measurement in order to provide a more insightful and informative contribution to marketing theory and practice. The managerial implications of the presented models estimated by regression analysis, as well as the results of the cluster analysis and possible research enhancements, are discussed.

References available upon request