

**THE EFFECT OF ECONOMIC TRANSITION ON CONSUMER
BEHAVIOR:
THE INFLUENCE OF SOCIAL VALUES ON PRICE PERCEPTION**

By

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ABSTRACT

THE EFFECT OF ECONOMIC TRANSITION ON CONSUMER BEHAVIOR: THE INFLUENCE OF SOCIAL VALUES ON PRICE PERCEPTION

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This study, based on Generational Cohort Theory, investigated Germans price perception by comparing the transitional (East) and long-standing market (West) economies, and examined the influence of social values on these price perceptions. The study investigated whether young adult consumer behavior during the transitional period has converged between former East and former West German consumers. Collective self-esteem and social connectedness were proposed as social values that differentially affect young German consumers' price perceptions.

As Generational Cohort Theory (Inglehart, 1976, 2000) explains, a significant national event results in a new generational cohort. This study applies Generational Cohort Theory to the cohorts from the former East and West Germany that emerged following German reunification. The generation that has grown up over the approximately twenty year-long transitional period is now a significant consumer group. Although the young consumer cohort in the Eastern region grew up in the transitional economy, they have been influenced by their parents who exposed them in their formative years to a set of values associated with the former East Germany's socialist economic system, while at the same time being exposed to their Western counterparts. This newly emerged cohort is now becoming a main consumer group, along with their post-reunification Western counterparts.

The findings of this study indicated that collective self-esteem associated with social connectedness operates differently for the East and West German cohorts, in turn influencing their price perceptions differently. In the Eastern region, Germans who have high collective-self-esteem are less likely to prefer prestigious brands, instead valuing the functional aspects of products. This finding does not mean that they are merely looking for low prices. Rather, they consider the quality of a product in tandem with the price of that product, and consequently are willing to pay a slightly higher price for a product if its quality is high.

At the same time, the results of this study indicate that young adult consumers in the Eastern region tend to use coupons to take advantage of sales. These findings imply that they care about the quality and price of a product, as mentioned above, but that they are also trying to be practical and focus on the functional aspects of products. On the other hand, West Germans who have high collective self-esteem, but do not share price information with others.

This study made a significant contribution to the literature regarding the Generational Cohort Theory, social values, such as regional social connectedness and regional collective self-esteem, and price perception, specifically in the case of (reunified) Germany. This study also yielded implications for marketing, i.e. for developing marketing strategies in the transitional and long-standing market economies, which are discussed in the concluding chapter.

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To My Parents

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CHAPTER I

INTRODUCTION

Since the end of World War II and the subsequent Cold War, the economies in post-socialist countries (e.g., Poland, Russia, Romania, the former East Germany, Hungary, Czechoslovakia) have been transitioning from planned to market systems. There are three types of economic systems: (a) *re-distributive* state socialist economies (e.g. planned economy), which distribute goods primarily through plans constructed by government officials, (b) market systems, which function with buyers and sellers bargaining directly over prices, and (c) transitional economies, in which the market system gradually takes the place of the state socialist system (Walder, 1996). Prior to 1989, most countries in Eastern Europe used a socialist economic model that emphasized government/state controlled monopolistic companies and centrally-controlled production and distribution systems (Fischer & Gelb 1991). In the planned economy, consumers were faced with (a) chronic shortages of desirable products, (b) an inefficient retail distribution system that often required hours of time to buy necessities, and (c) a thriving “second economy” (i.e. black market) that provided products unavailable in the official system (Ericson 1982). After the collapse of the Soviet Union, former post-socialist countries began to reform their political and economic systems by turning away from the inefficient and ineffective socialist command economies to democratic market-based economies (Fischer & Gelb 1991; Ericson 1982).

Historical Background: Post-socialism and Economic Transition

Significant national events often provide an environment in which national economic system changes take place, which in turn reshape socioeconomic elements, alter peoples' value structures, and create new generational cohorts (Inglehart 1976, 2000). For example, Inglehart proposed Generational Cohort Theory to explain the emergence of generational cohorts as a result of political or economic upheaval. The current study treats the changes of political and economic systems in Eastern Europe, due to the end of Cold War and World War II-era socialism, as significant national events. While systems of government changed after the Cold War and World War II, it is economic changes and their subsequent outcomes that lead to changes in social values, especially for people who experience changes during their youth (McKenzie & Merrilees 2008; Inglehart 2000).

Among countries that transitioned from a planned to a market economy after 1990, the former East Germany represents a unique context to study the effects of an economic transition on consumers. For the proposed study, the transformation of the German political and economic systems due to the German reunification is treated as a significant national event. Following World War II, Germany was divided into two nations—East and West Germany. Prior to the 1990 German reunification, West and East Germany operated under two different systems of government and had separate economies. While the West was a democracy with a market economy, the East was under the control of the Union of Soviet Socialist Republic (USSR) and operated under a planned economy that featured state-run, centrally controlled, monopolistic companies (Fischer & Gelb, 1991). As the two governmental systems combined, the German reunification also represented the gradual conflation of the two economic systems of the former East and West Germany into a united economic system, or a single market economy.

Just after the reunification, East Germany experienced mass layoffs after West Germany shut down or acquired formerly state-run industries (Spiegel, 2010a), resulting in an unemployment rate in the Eastern region of 25% in 1991 (Sinn, 1992). Immediately following the German reunification, approximately 14,000 companies in the Eastern region closed or became privatized within the proceeding five years. This dramatic transition in the Eastern region caused the loss of 4 million jobs in this area as the economic system transitioned from a planned to market economy system (Herbst, 2009).

According to Spiegel (2010a), the gap in the standard of living between the East and the West has narrowed since the German reunification. For example, German national statistics show that the unemployment rates in the Eastern region were at 11.5% in August 2010 compared to the Western region's rate at 6.6%, but an economic gap still exists despite the infusion of billions of Euros since the fall of the Berlin Wall (Spiegel, 2010a). Nevertheless, the unemployment rate in the East has improved considerably since the reunification (Herbst, 2009). Eastern German households possessed a net income of €10,900 (\$13,870) after the fall of the Berlin Wall, which was only 35 % of Western households' net income. In 2008, the net income of Eastern German households was €19,500, which was 53% of the Western households' net income (Spiegel, 2010a). By 2012, unemployment had significantly slowed and the economic gap in terms of income, purchasing power, and car ownership decreased (Spiegel, 2010a). On the twentieth anniversary of the German reunification, Brandenburg's governor, Matthias Platzeck, suggested that diminishing gap between the two regions was a clear demonstration of the Eastern Germans' determination to expand their economy (Spiegel, 2010a).

However, one survey found that over 80% of East Germans still felt that they were second-class citizens (Spiegel, 2010b), because much of the money spent in the Eastern region

has gone to social benefits such as welfare and rebuilding downtown areas and historical districts (Neubacher & Sauga, 2010) instead of contributing to direct and tangible benefits to individuals. Moreover, due to different levels of development within the Eastern region of Germany, economic and business success varies greatly (Herbst, 2009). Although developed cities in the Eastern region such as Berlin, Dresden, Leipzig, and Jena have developed into areas characterized by technologically advanced and entrepreneurial cultures, many areas in the former East Germany have suffered from depopulation and high rates of unemployment (Herbst, 2009). This demonstrates that economically prosperous and developed cities like Jena, Dresden, and Berlin distinctly contrast with other rural and undeveloped areas of the Eastern region of Germany (Herbst, 2009). This has led some Eastern Germans to become nostalgic for life as it existed before the fall of the Berlin, with 50% agreeing that: “GDR [German Democratic Republic] had more good sides than bad sides. There were some problems, but life was good there” and with 8% agreeing that "The GDR had, for the most part, good sides. Life there was happier and better than in reunified Germany today” (Herbst, 2009, p1). This represents another aspect of the transitional process that Eastern Germans experienced and continue to experience in the reunified environment.

Furthermore, based on recent interviews with the young adult cohort, Sung et al. (2011d) found that:

[Joe: West]: *After the reunification, politicians said it would take 10 years to be the same in the Eastern and Western regions of Germany, but it will take 60 years after that (reunification).*

[Rosette: East]: *Yes (Rosette agreed with Joe).*

[Rosette: East]: *For the same job, we get less salary than West Germany. When I grew up...I realized that there is (still) progressive change. After the war, we did not have money...The church destroyed...They did not have money to rebuild in GDR. They did not care about Church...Now they have money, I think the whole city is getting prettier now.*

Additionally, the fact that most areas in the East, aside from metropolises like Leipzig, Dresden and Jena, have experienced economic depression has exacerbated feelings of economic divergence (Neubacher & Sauga, 2010). Symptomatic of this is the fact that none of the 100 largest industrial companies and none of the 100 largest service providers in Germany is headquartered in the East, and the population in the former East Germany has decreased by approximately 2 million people since 1990 (Neubacher & Sauga, 2010).

Germans from the Eastern region have adapted to the transformation of the economic system, changes in work life, and occupational socialization and unemployment (Noack et al., 2001). An empirical study on people's perceptions of society during the transitional process found that in former Soviet-bloc countries, the most influential factor on these perceptions was the availability of financial resources (Noack et al., 2001). Since the reunification, families that have better financial resource availability have been able to adapt more effectively to the new environment (Noack et al., 2001). Thus, families with higher income or financial resource availability are more likely to perceive opportunities in the reunification instead of threats, and are better able to psychologically adapt to this transitional environment (Noack et al., 2001).

Furthermore, while Purchasing Power Parities (PPP) of the Western region was \$1.6 trillion in 1997, PPP of the Eastern region was \$144 billion after the Reunification ("Economy of Germany," n.d.). Recently the gap between the PPPs decreased (Goebel et al., 2010). While Eastern German households had a net income of €10,900 (\$13,870) following the fall of the Berlin Wall, it represented only 35 % of Western households' net income (Spiegel, 2010a). In 2008, the net income of Eastern German households was €19,500 and represented 53 % of Western Germans' household incomes (Spiegel, 2010a).

Therefore, because a gap in PPP and net income exists between the two regions, families' financial resources after the German reunification also differ. East German families are more likely to have experienced economic hardship than West German families. This difference in financial resources may affect young consumers' perceptions of product prices in the transitional environment in these two regions (e.g. former East and West Germany). Thus, price perception between these two regions is explored in the current study.

Justification for the Current Study

The current study attempts to investigate whether social values differ between young adult East and West German consumers in the transitional environment, which was shaped by the German reunification of the Eastern and Western regions. Furthermore, this study also investigates whether these social values between the two regions influence consumer perceptions, specifically price perception, resulting from the financial resource availability during the young consumers' formative years during the transitional period.

Therefore, the current study focuses on whether young consumers, who began their consumer path in the market economy, but had different family social backgrounds in their youth, perceive price and value differently. Because price perception is distinguished into two dimensions—positive and negative perceptions—some consumers perceive high prices as a standard of prestige and quality, while other consumers perceive high prices as economic sacrifice and are concerned that prices are reflective of product quality (Erickson & Johansson, 1985; Lichtenstein, Netemeyer, & Burton, 1990; Lichtenstein, Ridgway & Netemeyer, 1993; Monroe & Krishnan, 1985). Because of their divergent backgrounds, it is unclear whether young consumers in the Eastern and Western regions have similar or divergent consumer

behaviors. It is unknown how young former Eastern and Western German consumers perceive themselves, and whether they feel that the gap between the two regions is diminishing. By understanding the differences/similarities in price perception drawn from young consumers' social values due to an historical event (e.g. social and economic system changes), marketers can gain insight into price-driven purchase motivations. Because price perceptions include consumers' perceptions of high and low prices, prestigious brands, values and quality of products, the sharing of discount price information, and coupon and sales proneness (Lichtenstein et al., 1993), marketers could draw a wealth of information that would help them to develop effective marketing strategies in post-socialist contexts.

Purpose and Significance of Study

The financial situation is still unbalanced between the Eastern and Western regions of Germany. While there have been improvements in the East's economic situation since reunification, the process of economic integration is ongoing. In order to better understand the consumer milieu in this transitional environment, an examination of the resulting social values of the emerging generation of consumers must be performed, and how these social values affect price perception must be understood. The current study investigates the relationships between consumer price perceptions, social connectedness, how people perceive themselves (e.g. collective self-esteem), and place of origin (e.g. East vs. West) following the German reunification.

Therefore, the purpose of the present study is to investigate the influence of social values (e.g., social connectedness, collective self-esteem) on price perception across regions (East,

West) and cohorts (20s) (see Figure 1 for the proposed study model). Specifically, the proposed study will:

1. Examine the relationship between social connectedness and collective self-esteem;
2. Investigate the relationship between collective self-esteem and positive price perceptions; and
3. Identify the relationship between collective self-esteem and negative price perceptions.

Results are expected to show to what degree consumer behavior has converged or diverged between the East and the West and will make several contributions to the literature. First, this analysis will provide a deeper insight into the price perceptions of German consumers. According to previous studies (Lichtenstein et al., 1993), price perception is divided into positive (e.g. price/quality schema, prestige sensitivity) and negative (e.g. value & price consciousness, sales proneness, coupon proneness, price mavenism) perceptions. Scholars discovered that price perception is contingent upon the culture under study (McGowan & Sternquist, 1998; Moore, Kennedy & Fairhurst, 2003; Sternquist, Byun, & Jin, 2004) and not all price dimensions are relevant across cultures. For example, one analysis found that Japanese consumers think in terms of price relative to quality; thus, a high price equates to high quality in Japanese consumers' minds (McGowan & Sternquist, 1998). Another study found that Korean consumers perceive price mavenism as both a positive and negative price perception, while price quality and prestige sensitivity were perceived as positive price perception, and value and price consciousnesses were perceived as negative price perception (Sternquist, Byun, and Jin, 2004). Further, Chinese consumers perceived value and price consciousness, sales proneness, and price mavenism as

negative price perception, but did not hold positive price perceptions (Sternquist, et al., 2004). Therefore, cultural differences in consumer price perceptions exist. One contribution that this study makes to the literature is whether German consumer price perception is consistent with, or diverges from, the standard Western price perception model.

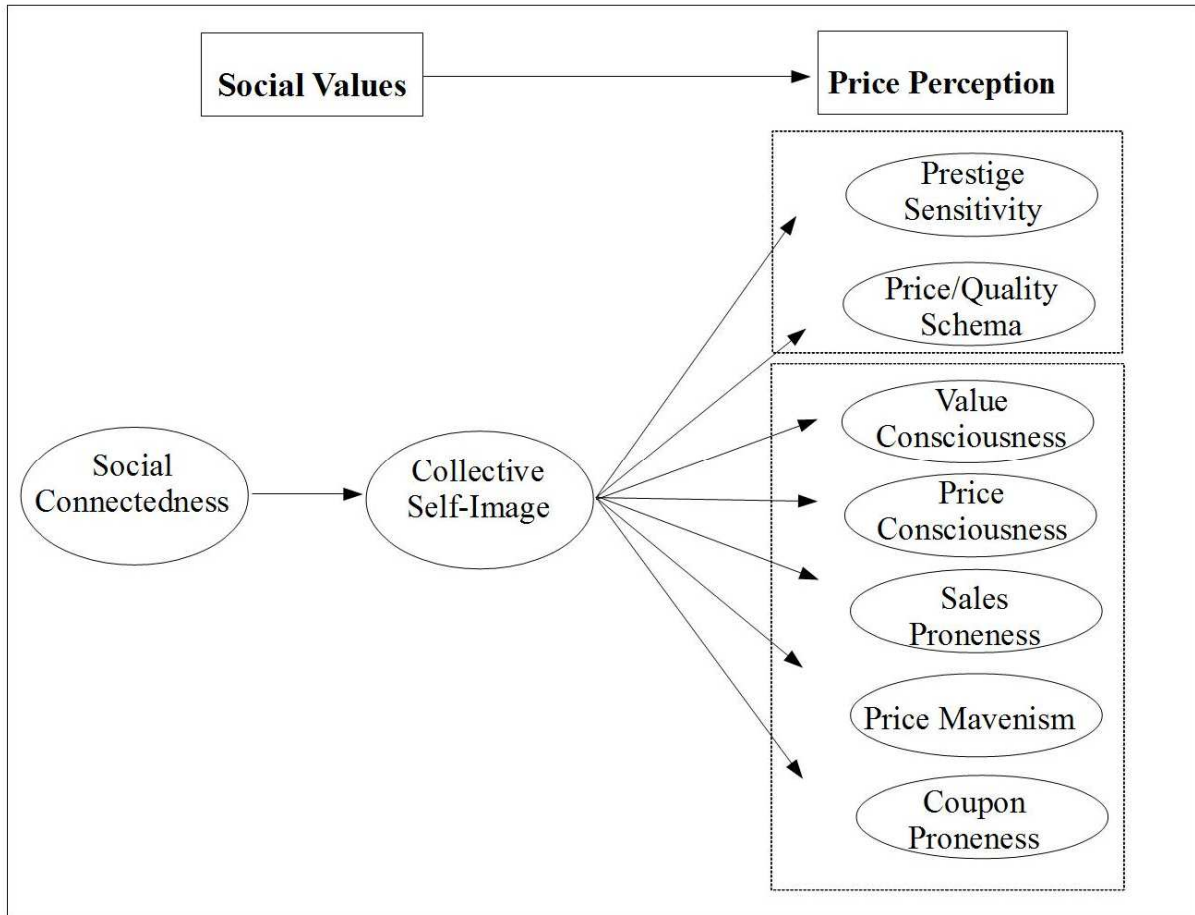
Second, in order to determine whether young German consumers in the Eastern and Western regions have different levels of social connectedness and how they perceive themselves in each region, this study will investigate these social values and whether these social values influence price perception. As previously mentioned, differences in the environments after reunification, purchasing power parity, and levels of net incomes and unemployment rates, differentially influence Germans' level of social connectedness in each region. Thus, the results will increase understanding of how the unique social values of Germans living in the Eastern and Western regions influence price perceptions. Social values correspond to particular cohorts, which are generated by a significant national event. This study investigates how and to what extent the German reunification has served as a formative agent for the development of social values of Germans living in the East and is integral to a more complete understanding of this consumer cohort. Furthermore, this understanding will be further elucidated by an investigation of the effect of the aforementioned social values of price perception of the young adult cohorts from the transitional and long-standing market economies.

Third, studying this consumer cohort will not only be useful in the context of German consumer behavior, but also in regards to economic settings of other post-socialist countries (e.g. Russia). An investigation of this new "market generation" is important, because this group was the first exposed to complex transitional environments influenced by (1) their parents "pre-unification" behavior, and (2) their contemporary Western German counterparts from the

transitional market economy. The purpose of the research, in part, is to determine whether there is a unified young German adult cohort or whether residual differences exist as a result of growing up in the Eastern and Western regions during the economic transition. The result of this comparison will be of interest to global retailers and manufacturers who are concerned with young adult consumer behavior corresponding to emerging transitional markets. Thus, the results will be helpful for marketers to utilize standardization, adaptation, or mixed price strategies that target these transitional young consumer cohorts. These findings may also be extended across the European Union by creating more efficient consumer targeting strategies in post-socialist countries. Figure 1 is an illustration of the constructs included in the study.

The rest of the chapters are organized as follows: Chapter 2 is a summary of the literature relevant to consumers' social values and consumers' positive and negative price perception for socially visible consumption behavior, and hypotheses of the proposed relationships as presented in the conceptual model above. Chapter 3 contains a summary of the methodology of the study. Chapter 4 includes the analysis and the results of the study, and Chapter 5 contains a discussion of the results and responses to the research questions.

Figure 1. Conceptual Model: Influence of Social Values on Price Perception



CHAPTER II

LITERATURE REVIEW

This chapter is intended to summarize (a) how social values (e.g., social connectedness, collective self-esteem) affect socially visible perceptions across regions and cohorts, and (2) how these aforementioned values are related to consumer behavior.

Modernization theorists argue that economic, cultural and social changes work together in a consistent pattern to alter society in predictable and consistent ways (Inglehart, 1976). While some societal changes are predictable, Inglehart asserts that the relationship between the formation of social values and a political and economic environment is more elaborate than this because of the inherent complexity of human behavior. This complexity involves a number of unaccounted for factors.

The following subsections in the literature review contain an overview of psychological and psychosocial human behavior theories related to the change of social systems that influence consumers' attitudes and perceptions of shopping. This study will focus on young adult German consumers mainly in their 20s and early 30s, who have lived the vast majority of their lives during the transitional period. If the regional division has truly evaporated into history, their consumer behavior should reflect that. The transitional process is complicated for this young Eastern German cohort due to influences stemming from their parents and their Western German contemporaries. Comparing the young Eastern German cohort to their Western German contemporaries may elucidate a further level of understanding of societal change and the repercussions of the transitional environment.

Generational Cohort Theory

A cohort is any group of people with a specific shared life experience that has taken place over a defined period of time (Smola & Sutton 2002). Generational Cohort Theory attempts to explain the change in a society, its value structure, and the emergence of new generational cohorts as an outcome of significant national events (Inglehart, 1976, 2000). Significant national events often cause the socioeconomic setting to change. This, in turn, fundamentally alters the formative environment for social values for the cohort emerging during this time. Furthermore, economic growth tends to have the most significant effect on these social values, as well as on attitudes and lifestyles across cohorts (Abramson & Inglehart, 1995).

There are two aspects of a society's culture or cultural values that are especially related to economic growth: the presence of materialists and the values imparted to children by society (Inglehart, 1976). Economic development leads to cultural changes that make people more skillful in obtaining material things and pursuing democracy, and if socioeconomic status (e.g. education, income) is increasing, this may induce predictable cultural consequences, such as the desire to acquire more material things. Thus, economic growth, along with cultural and political changes in the form of significant national events, facilitates the change of social and cultural traits (Inglehart, 1976, 2000).

Although the new environment may differ from the formative socioeconomic environment that the parents' generation experienced, the emerging cohort is also influenced by the social values of the parents' generation, thereby complicating the development of their children's social values by providing basic values that tend to remain dominant into adulthood (Inglehart, 1976). Therefore, in the German case, especially in the Eastern region during the transitional environment, young adult Germans are likely to have been influenced by their family

experiences (e.g. parents), as well as by their contemporary Western counterparts which may have complicated their social values.

Applying the Generational Cohort Theory to the case of consumers in a reunified Germany will help to explain how the transition from socialism to democracy, and from a planned to a market-based economic system, has shaped the social values of the young adult cohort living in the East. Following the reunification, this cohort grew up in a value system that differed from their parents' generation, who lived under the socialist system during their formative years. Thus, this cohort's basic values should reflect the transitional environment experienced during their youth, as well as the changes in the socioeconomic environment that have led to the shift in values over the transitioning years.

In the ongoing transitional environment, individual perceptions of change and uncertainty in society can influence other family members' perceptions of change and uncertainty in society, interpersonal relations (e.g., closeness) and psychological adaptation to the new society (Kracke, Oepke, Wild, & Noack, 1998; Noack, Hofer, Kracke, & Klein-Allermann, 1995; Noack & Kracke, 1997; Noack et al., 2001). For individuals, families are the first social groups with whom they interact and share information; family members support each other and exert social pressure upon each other (Moore, Wilkie, & Lutz, 2002). In addition, members of families influence each other's decision making, interaction style, and lifestyle choices (Sillars, 1995), as well as their beliefs and attitudes toward society in general (Sears, 1983). For example, an older generation may teach a younger generation to be skeptical or vice versa, thus representing an inter-generational influence (Brim, 1968; Ziegler & Child, 1969).

However, during the transitional period the Western German youth cohort may have influenced the Eastern German youth cohort because of the long-standing market economy that

existed in the West prior to reunification. Some argue that the younger generation is more individualistic and is more likely to prefer the free market economic system than their parents' generation (Horowitz, 2010). The younger generation in the Eastern region has been exposed to a greater variety of products and media information in the market economy than their parents in the socialistic economic system of former East Germany. In the former GDR, like Russia, there was no advertising to create "wants" or to provide product information. While the older generation in the Eastern region may believe that their financial situation was better off under socialism, the younger generation may believe that democracy is a better system to solve the problems that Eastern European countries face (Horowitz 2010). What contributes to this conflict is the fact that the parents' generation grew up under a socialist government and command economy and continued to deal with these factors directly until reunification, while their children possess only a second-hand experience with a socialist government. These differential experiences result in a generational gap between adults and the younger cohort, resulting in distinctive attitudes toward capitalism and democracy (Horowitz, 2010). Compared to the young adult generation living in the West, the young adult generation in the East may hold views and values that are more reflective of both the influences from their parents and their Western counterparts in the transitional economic environment.

Social Connectedness

Social connectedness is how close or secure one feels with oneself or with others in one's social setting (Kohut, 1984; Lee & Robbins, 1998). Strong connections with family, friends, acquaintances, and other social groups are linked to high levels of trust and emotional involvement (Granovetter, 1973; 1982). Conversely, social disconnectedness is described as mistrustful interpersonal ties and passive behavior (Lee & Robbins, 1998).

Due to the structural and systemic social changes (e.g., loss of state-generated jobs and housing) the older generation experienced in Germany (Diewald & Lüdicke, 2006), Eastern Germans' social relationships (networks) were vulnerable to change after reunification. In the former GDR, these were vital and established networks that allowed Eastern Germans to purchase merchandise and acquire material items that were not available in formal channels. In general, these social networks were a more critical component of Eastern Germans' lives because they allowed them to survive in the state-run economy, whereas Western Germans were able to obtain merchandise and material goods through an open market system. Consequently, these system changes due to the reunification in the Eastern region have led to the loss of friendships and acquaintances that were created during the communist period because these relationships were derived from institutional settings which dissolved during the transition (Diewald & Lüdicke, 2006). In the reunification environment, the new social network requires highly differentiated role expectations compared to what was expected in the previous Eastern German networks (Diewald & Lüdicke, 2006)

Interviews revealed that parents in the East had lower feelings of social connectedness compared to the feelings present before the reunification (Kopf & Wolf, 2007). In addition, another study revealed that as family members gained experience through their parents'

secondhand stories, the younger generation in the Eastern region of Germany had lower feelings of social connectedness compared to those feelings present before the reunification (Sung & Huddleston 2011c). This study also revealed that Eastern Germans in their 20s still sensed socioeconomic differences between the Eastern and Western regions, even though they have grown up in the unified environment (Sung & Huddleston 2011c). However, it is unknown how regional social connectedness differs within each regional social group for the new generational cohorts in each region. Parents' feelings of social disconnectedness derived from their social milieu may influence feelings of social connectedness for East German youth.

Sung & Huddleston (2011c) also found evidence to suggest that nonmonetary exchange increased social connectedness during the planned economy, but, as the transitional environment made various products more widely available for purchase, people relied less on their social networks. For example, one interviewee explained how social networks have changed following reunification, but these experiences were based on the interviewee's parents' stories that he was told:

Do you feel you catch yourself losing a sense of connectedness with society? If so, why do you feel that way?

[Tobias: East] *If it means that part of the society get less connected I might say yes, but only because my "older" family told me there was more connectedness before the fall of the Wall. If the question means I lost a connection to society then I can say yes. One of problems in the East Germany was the planned economy. They didn't produce enough houses or many other things. They didn't produce enough materials. You (people) needed to apply for it and waited for the long time. People started to trade each other, in an illegal way. The government did not allow it officially, but I think they knew, because of the secret party. Black market—it is a trading market. For example, if you wanted to build a house, there was not enough wood or soil. If people satisfy with it, uh, some ways, they obtain bath tubs—it was very rare at the time. Or you can have a small house. They did not produce things to build a house. For example, if you have three bath tubs, like my dad had, then you could trade two of them for wood or stone to build a house.*

[Interviewer] So you mean that before the reunification, a network is very important to get some stuff?

[Bryon: East] Yes. Having a network is very important.

[Interviewer] What is important after the reunification?

[Bryon: East] After the reunification, money is important. My mom said once, “the difference between before the reunification and after the reunification now...before (the reunification) there was not enough (stuff) to buy, even though we had money; but now there is enough to buy many things, but we don’t have enough money. Just a big difference is we had a connection (before the reunification), but the other one (after the reunification) that we don’t have a connection (now). That is why people said it is loss of connection. These days, the matter is money, not connection.

Consumer Culture Theory hypothesizes that barter activity and nonmonetary exchange increases social relationships (Kopf & Wolf, 2007) and these relationships “encourage the mutuality that builds a sense of caring and sharing” (Kozinets 2002, p. 29). In a market system, given that bartering is not essential in obtaining crucial goods, the need for social connections is decreased (Kopf & Wolf, 2007). After the reunification, especially in the Eastern region, people were encouraged to simply work harder in order to earn more money. This, in turn, nurtures a sense of individualism within the new capitalist culture. Now people saw themselves not as a part of a larger community, but rather as individuals defined by how much money they earn. Economic status and access to resources causes social change (Abramson & Inglehart 1995; Fam et al., 2008; McKenzie & Merrilees 2008), thus, the increasing importance of money caused a social change that is a natural outcome of a market economy. This change in the socioeconomic environment while transitioning to a market economy is what young East German consumers have faced as they mature.

Collective Self-esteem

Self-esteem refers to one's evaluation of one's own worth based upon specific personal characteristics (Leary & Baumeister 2000; Rosenberg, 1965, 1979; Gray-Little et al., 1997). Because a person's self-esteem develops from social interactions, self-esteem can be used to measure a person's sense of social inclusion or belonging to a group (Leary et al. 2000). Personal self-esteem is defined as the feelings of self-worth one obtains from one's personal characteristics (Rosenberg, 1965, 1979; Gray-Little et al., 1997) while collective self-esteem is defined as the feelings of self-worth one derives from one's group membership (Luhtanen & Crocker 1992). This kind of self-esteem affords an individual a prescribed social identity associated within a particular group.

Furthermore, Social Identity Theory explains that the relevance of social group memberships contributes to an individual's self-concept and social behavior (Tajfel, 1982; Tajfel & Turner, 1979, 1986; Turner, 1982). In addition, the theory posits two distinguishable characters of self-concept—personal identity and social (or collective) identity (Tajfel & Turner, 1979; Luhtanen & Crocker, 1992). Between the two aspects of the self-concept, the first, personal identity, explains individuals' attributes (e.g. competence, talent, and sociability) (Tajfel, 1982). The latter aspect of self-concept—social identity (or collective identity)—explains “an individual's self-concept, which derives from his knowledge of his membership in a social group (or groups) together with the value and emotional significance attached to that membership” (Tajfel, 1982, p.255). Many previous studies emphasize self-esteem measures that focus on an individual's evaluation of personal identity, while few studies measure social identities (or collective self-esteem) (Luhtanen & Crocker, 1992). Luhtanen and Crocker (1992)

found that collective self-esteem in relation to well-being is contingent upon race (Caucasian, African, Asian college students in the U.S.)

In the current study, social identity is investigated and the term “collective self-esteem” is used, which is the American terminology for social identity. Thus, collective self-esteem measures individual differences in the perspective of the ‘collective’, rather than individual personal perspectives of self-esteem (Luhtanen & Crocker, 1992). Collective self-esteem can be evaluated through how a person evaluates one’s group and how others evaluate that group (Tajfel & Turner, 1986). Thus, collective self-esteem can be positive or negative as a result of the assessment of one’s social groups, rather than an individual’s attributes or achievement in these groups (Tajfel & Turner, 1986). Thus, the function of collective self-esteem between Eastern and Western Germany could be different, since these regional groups have different historical backgrounds and because of the way that young Germans perceive their regional social groups. Collective self-esteem is identified by four dimensions: a) membership esteem, b) public collective self-esteem, c) private collective self-esteem, and d) importance to identity (Luhtanen and Crocker, 1992).

Social connectedness and self-esteem have a positive relationship; that is, higher social belongingness leads to higher self-esteem (Marcia, 1980). Since identification with others is related to self-esteem and encourages social interaction (Brown et al., 1986), peer affiliation or social belonging is important for engendering collective self-esteem. Thus, high-quality interaction with others is related to high levels of self-esteem (Denissen et al., 2008). Since collective self-esteem is related to the groups to which a person belongs (Lee & Robbins, 1998), individuals with high self-esteem may be more influenced by people in their social groups than are those with low self-esteem. In addition, self-esteem is treated as a barometer that can

measure the degree to which people feel they belong to a social group, or their sense of social inclusion (Leary & Baumeister, 2000). Moreover, according to Social Identity Theory, a social group is defined as a collection of individuals that perceive themselves as members in the same social category (Tajfel & Turner, 1979). According to the theory, collective self-esteem (or social identity) results from various group memberships such as race, gender, and occupation, among other factors (Luhtanen & Crocker, 1992). Although Germany has been united since the German reunification in 1990, in the current study, a social group is defined as a regional social group such as hometown or community.

A person's level of social belonging is positively related to self-esteem (Denissen et al., 2008). In previous studies, a significant effect of social connectedness on self-esteem was shown, such that individuals with high levels of connectedness exhibited high levels of self-esteem in social situations (Lee & Robbins, 1995, 1998). Lee and Robbins (1995) found that for female college students in the U.S., high social connectedness was related to high social identification. Thus, lower levels of social belongingness may result in lower levels of self-esteem (Leary & Baumeister, 2000).

Previous studies have found that after the reunification between the two regions, former East Germans, especially older citizens, had lower feelings of social connectedness (Kopf & Wolf, 2007). In interviewing elderly Eastern Germans, Kopf and Wolf (2007) found that after the reunification, for obtaining products or materials, bartering and gift-giving were no longer important in the market system, thus the need for social networks/connections was lower, compared to the pre-unification need for them. Twenty years after the reunification, young adults from the Eastern region also expressed a lower feeling of social connectedness. These feelings of social connectedness were derived from their secondhand experiences that their

parents' provided (Kopf & Wolf, 2007; Sung & Huddleston, 2011c; Veenis, 1999). However, higher connectedness has been traditionally reported in post-socialist countries because of the way that the system worked to accomplish daily living tasks such as the ability to obtain merchandise (Sung & Huddleston, 2011c).

For the new young generational cohort, the current study investigates how youth perceive regional social connectedness in the East and West, and whether this regional social connectedness leads to its regional collective self-esteem for members. Thus, compared to the Western region, social connectedness may still be higher in the Eastern region. Social connectedness may also affect collective self-esteem, as regional group members may have strong perceptions of their regional group. Although the Eastern region experienced a dramatic change from the bartering culture in the planned economy to the new capitalistic culture in the market economy, belonging to their regional social group may still result in higher collective self-esteem compared to the Western region because of the nature of social networks and the purposes that they served prior to reunification. Thus, it is expected that the feeling of regional social connectedness will lead to Eastern Germans' higher regional collective self-esteem. Based on these results, it is proposed:

Hypothesis 1a: *Social connectedness is positively related to collective self-esteem.*

Hypothesis 1b: *The influence of social connectedness on collective self-esteem will be greater for the Eastern cohort than the Western cohort.*

Positive and Negative Dimensions of Price Perceptions

Price is a key factor during the process of deciding to make a merchandise purchase (Lichtenstein et al., 1993). Price is treated as an extrinsic cue for quality (Gerstner, 1985; Huddleston & Good, 1998; Peterson & Wilson 1985). Price perception is the process a consumer undertakes to assess the value of products or services based on the price (Lichtenstein, Bloch & Black, 1998; Lichtenstein et al., 1993; Lichtenstein et al., 1990).

Price perception is divided into positive and negative price dimensions: the former includes prestige sensitivity and price/quality schema and the latter includes price consciousness, value consciousness, sales proneness, price mavenism, and coupon proneness (Lichtenstein et al., 1993).

Positive Dimensions of Price

The positive perception of price occurs when consumers perceive that a high price is an indicator of quality and prestige (Erickson & Johansson, 1985; Monroe & Krishnan, 1985; Lichtenstein et al., 1990). Thus, consumers who perceive price as a positive cue may increase their number of purchases because of higher prices. Using price as a signal for quality saves time (Peterson & Wilson, 1985), where prestigious brand preference is more likely a socially visible consumption behavior (McGowan & Sternquist, 1998).

Prestige Sensitivity

Conspicuous consumption involves the purchase of goods and services in order to display wealth and status (Veblen, 2005). It also indicates high price as a cue for prestige (Chung & Pysarchik, 1997; Yu, 1996). Consumers who equate high prices with product quality are more likely to be brand conscious and prestige sensitive (Sproles & Kendall, 1986).

In the current study, the term prestige sensitivity is defined as “a favorable perception of the price cue based on feelings of prominence and status that higher prices signal to other people about the purchaser” (Lichtenstein et al, 1993, p. 236). Previous studies have found evidence to suggest that Korean consumers were very prestige sensitive (Yu 1996; Chung & Pysarchik, 1997; Sternquist et al., 2004) while Chinese consumers were less prestige sensitive (Lowe & Corkindale, 1998; Sternquist et al., 2004). Additional analyses have also found evidence to suggest that Japanese and American consumers also perceived prestige sensitivity as positive price perception (McGowan & Sternquist, 1998) and that Polish consumers used price as a positive cue to evaluate high quality and prestige (Moore, Kennedy, & Fairhurst, 2003). In general, prestige sensitivity is explained as visible consumption behavior in the social world.

In evaluating a product’s quality and prestige, consumers perceive brand and packaging as key pieces of non-price information and these factors can affect the price-quality relationship (Chang & Wildt, 1996). However, consumers tend to use price as the main indicator of quality when they are not familiar with products (McGowan & Sternquist, 1998).

To understand Germany’s purchasing environment since reunification, it is necessary to understand the relationship between brand preference and price for young adult German consumers. Prior to 1990, limited numbers of East German consumers had access to Western brands, and then only through “Intershops” (Ardagh, 1991). While the former West Germany’s

market was open to a large host of brands, former East Germans' experiences with Western brands were more limited than their Western German counterparts. However, during the transitional period, young adult German consumers (i.e. those in their 20s) in the Eastern region had open access to Western brands as a result of the progressive overhaul of the retail system and supply chain in the Eastern region.

Following the reunification, the former East Germans faced a swift transformation of their social systems, significant changes in occupation and work environment, and the threat of increasing unemployment (Andress, 1996). Currently, it is more likely that a family in the former East Germany is under financial duress than a family in the former West Germany. Because of this discrepancy in financial stability and the apparent economic uncertainty of the ongoing transitional period, it is likely that former East German consumers would be more price sensitive than their Western counterparts.

A previous study found that brand preference accompanied by a high price was more important for young adult Germans in the Western region compared to those in the Eastern region (Sung, Huddleston & Urich, 2011a). For example, Sung and Huddleston (2011b) reported on brand preference for laptop computers and found that young adult consumers from the Western region and young adult consumers from the Eastern region owned different brands, with the former owning more expensive (prestigious) brands (e.g. Apple). It was also reported that young adult Germans in the Eastern region most commonly owned the brands Acer (20%), Samsung (19%), Toshiba (15%), and Dell (15%), while young adult Germans in the Western region most commonly owned Apple (26%), Samsung (14%), Toshiba (8%), and Dell (8%) (Sung & Huddleston, 2011b). This finding corroborates the assertion that young adult German consumers in the Eastern region are still price-sensitive in a similar way to their parents' cohort.

This may be explained by the economic disparity caused by the restructuring process and that parity in socioeconomic status has not yet been accomplished. Moreover, the following interviews with young Germans demonstrate the differences in prestigious brand preference between the Eastern and Western region based on the last durable/expensive item they bought (Sung & Huddleston, 2011d):

Interview #1:

What was it?

[Rosette: East]: *Engagement ring*

[Tobias: West]: *Samsung LCD TV screen*

Which factors (color, quality, brand, etc.) made you purchase this product?

[Rosette: East]: *look pretty (design)! Then price range*

[Tobias: West]: *Brand (Samsung) is the most important, then price and size of TV screen. Samsung built the best screen in the world at the moment. I will not buy LG. (For me), quality, not the price. For me quality is important.*

How important was the brand name of the product you bought?

[Rosette: East]: *Not important at all. I forgot*

[Tobias: West]: *Brand is important. Any brands are important.*

Interview #2:

What was it?

[Joe: East]: *Notebook (laptop)*

Which factors (color, quality, brand, etc.) made you purchase this product?

[Joe: East]: *The most importance is performance of data (lap-top). Processor..speed.. So functional factor?*

[Joe: East]: *Yes. The second one is reliability which is connected to brand name.*

Which brand that you have?

[Joe: East] *Acer*

Are you willing to spend more money on better brands?

[Joe: East]: *.... I definitely don't buy APPLE (laptop) because people have to pay double, but there is no other use of this, but there is no (great) function. I never do that (function has to be better).*

So you focus reliability or function, not only brand name itself?

[Joe: East]: *yes*

These interviews provide evidence that East Germans tend to engage in shopping with a focus on function and quality rather than prestigious brand names compared to Western Germans. Therefore, what motivates a German consumer living in the East may be how well a product fits his or her particular need, rather than whether owning a certain brand will raise his or her social status in a group.

Investigation of the relationship between self-esteem and prestige brand preference (i.e. sensitivity) has concluded that consumers are concerned with how they portray themselves to others around them, and express this concern through the products they purchase (Sirgy, 1982). Self-concept theorists have espoused the notion that consumers buy products that match their self-concept. This allows them to project an ideal self in interactions with individuals in their social group (Dolich, 1969; Sirgy, 1982).

Furthermore, due to a scarcity of financial resources in the Eastern region, prestige sensitivity of consumers may diverge from the prestige sensitivity of consumers in the Western region. Sung and Huddleston (2011b) found that twenty years after the reunification, young Germans preferred Samsung to other laptop brands. However, when analyzing the regions in greater depth, young Germans living in the West preferred a higher prestige brand such as Apple, while those living in the East preferred Acer, which was functional with affordable price (Sung & Huddleston, 2011b).

Collective self-esteem is implicated in this preference, insofar as it is likely to motivate greater preference for prestigious brands in the Western region compared to the Eastern region. Thus, high collective self-esteem might affect socially visible consumption behavior, otherwise known as prestige brand preference. Thus, the hypotheses for this section are:

Hypothesis 2a-1: *Collective self-esteem is negatively related to prestige sensitivity for the Eastern cohort.*

Hypothesis 2a-2: *Collective self-esteem is positively related to prestige sensitivity for the Western cohort.*

Hypothesis 2b: *The influence of collective self-esteem on prestige sensitivity will be greater for the Western cohort than the Eastern cohort.*

Price/quality Schema

Price/quality schema is defined as “the generalized belief across product categories that the level of the price cue is related positively to the quality level of the product” (Lichtenstein, Ridgway & Netemeyer, 1993, p. 236). However, depending on the context, price cues can be seen as surrogates of quality as well (Monroe & Krishnan, 1985). This effect can be modified by the presence of alternative consumer cues (e.g. attractive packaging and well-known brand names) (Chang & Wildt, 1996; Sternquist, Byun, & Jin, 2004).

In former command economies, price was not an indication of quality, and thus consumers had little experience in assessing the relationship between the two. Price did not indicate quality because the state determined product prices (Bryson, 1984). Nine months after the fall of the Berlin Wall, Johnson and Johnson (1993) investigated several dimensions of consumer behavior (e.g., price and quality issues) in the former East and West Germany. Their study results revealed that East Germans more readily believed that price did not reflect the quality of the product received (Johnson & Johnson, 1993).

In general, there is ample evidence suggesting a positive relationship between price and quality evaluations. Some consumers evaluate price as a standard of product quality and thus associate higher price with higher quality (Erickson & Johansson, 1985), while others associate

high price with prestige (Chung & Pysarchik, 1997; Sproles & Kendall, 1986; Yu, 1996).

Equating high price with prestige is often manifested by socially-visible consumption behavior which might be affected by high collective self-esteem.

One study found that consumers who possess a high price/quality schema are inclined to purchase products with a high price (Lichtenstein, Bloch & Black, 1988). Moreover, the results of a cross-cultural study suggested that price/quality perception was a marketing universal across countries such as Japan and the U.S. (McGowan & Sternquist, 1998). Specifically, the study reported that Japanese consumers believed that there is always a reason when a price is expensive, thus a high price product is also perceived as high quality. In addition, a European study found that Polish and Russian consumers used price as an indicator for quality (Huddleston & Good, 1998) and Polish consumers indicated that price is a positive price perception to assess high quality (Moore et al., 2003). Chinese consumers also responded in the same manner (Veek & Burns, 1995). Therefore, since there is strong evidence that price is a positive cue for high quality, it is proposed that both Eastern and Western Germans who have high regional collective self-esteem may also perceive that price is an indicator of quality.

As mentioned in the prestige sensitivity section, Apple was the favorite brand for the young adult German in a quantitative study (Sung & Huddleston, 2011b), while it was not for those in the Eastern region. As discussed in the prestige sensitivity section, a prestigious brand with a high price does not automatically indicate high quality in the Eastern region. It is expected that price/quality schema might be stronger for the young cohort in the Western region than those in the Eastern region. Therefore, it is posited that a relationship between price/quality schema exists that is similar to the relationship between collective self-esteem and prestige sensitivity because price/quality schema is a part of the positive price perception domain.

Hypothesis 3a: Collective self-esteem is positively related to price/quality schema.

Hypothesis 3b: The influence of collective self-esteem on price/quality schema will be greater for the Western cohort than the Eastern cohort.

Negative Dimensions of Price

The negative perception of price pertains to the attitude that high prices cause economic sacrifice, where higher prices would lead to a decrease in the number of purchases that consumers make (Lichtenstein et al., 1990). In this study, I will examine how these price perception categories manifest in the German consumer realm.

Value Consciousness

Value consciousness is explained as “concern for price paid relative to quality received” (Lichtenstein et al., 1993, p. 235). Monetary value is described as a tradeoff between the money that consumers spend and the benefits they acquire through these exchanges (Sirohi, McLaughlin & Wittink, 1998). As consumers attempt to maximize the value of products, and expect to obtain high quality products at lower prices (Hutton, 1995), the perceived value becomes an important element for consumer decision-making (Chang & Wildt, 1994; Lee, 1995). Consumers become value-conscious in stores and make product selections by leveraging between price and value (McGowan & Sternquist, 1998; Leibman, 1996). Thus, value-oriented consumers increase and shape the performance of retail channels (Germeroth-Hodges, 1993).

In previous studies (Dodds, Monroe & Grewal 1991; Grewal, Monroe & Krishnan, 1998), perceived value is linked to negative price perception where a higher price is perceived as being related to lower product value. Higher perceived value makes consumers more willing to adopt new products (McGowan & Sternquist, 1998). One study found Asian consumers are expected to be value-driven, even in a better economy, as they have more options between price alternatives (Germeroth-Hodges, 1993). However, Polish consumers' price perception as a negative cue (expressed through dimensions such as value consciousness) was not well developed (Moore et al., 2003). In contrast, Korean consumers indicated that value consciousness had the strongest relationship with the negative price dimension (Sternquist et al., 2004).

Based on different historical backgrounds and the transitional environment that exists between the Eastern and Western regions of Germany, the effect of collective self-esteem on value consciousness could be different for each cohort because of the differences in the ways that young Eastern and Western Germans perceive their regional social groups and values. Because value consciousness is described as the ability of consumers' to obtain their money's worth relative to product value and quality (Lichtenstein et al., 1993), value consciousness is perceived as a negative cue and the strongest negative dimension (Sternquist et al., 2004). Therefore, Eastern and Western regional collective self-esteem might be negatively related to value consciousness. Thus, based on previous studies (Moore et al., 2003; Sternquist et al., 2004), the effect of collective self-esteem on value consciousness could be stronger for the Western cohort than the Eastern cohort consumers. Given this background information, the following hypotheses related to collective self-esteem and value consciousness are proposed:

Hypothesis 4a: Collective self-esteem is negatively related to value consciousness.

Hypothesis 4b: The influence of collective self-esteem on value consciousness will be greater for the Western cohort than the Eastern cohort.

Price Consciousness

As one of the negative price dimensions, price consciousness indicates “the degree to which a consumer focuses exclusively on paying low prices” (Lichtenstein et al., 1990, p. 235). According to Grunert and Scherhorn (1990), differences in value systems across cultures can cause differences in the perspectives of consumer behavior. In the current study, the two groups of young German consumers grew up under different market systems and their behavior/attributes may be different as a result. Since collective self-esteem explains how individuals view the social groups to which they belong (Luhtanen & Crocker, 1992), consumer attributes such as negative price perception toward shopping behavior may be influenced by how young Germans perceive their regional social groups. This would determine whether young Germans are concerned about their socially visible shopping behavior demonstrated by the products/brands they purchase with high or low prices.

Concerns about paying low price for products/brands can be related to ones’ economic/financial condition. For example, previous studies explain that price consciousness has been affected by consumer behavior, especially in the U.S. recession in the early 1990s (Moore et al., 2003). Other studies explain that Korean consumers might be more price conscious in an economic downturn, leading to increased concerns about price and an unfavorable attitude towards high prices and high price consciousness (Sternquist, Byun & Jin, 2004). Polish consumers also perceived price consciousness as a negative cue (Moore et al., 2003).

Germans' concerns about paying a low price for products/brands could be related to their socio-economic status. In the former East Germany, governmental and economic changes may have drastically influenced a family's financial status. Currently, the unemployment rate in the Eastern region is nearly double the rate in the former West Germany (Spiegel, 2010a). For example, marketers already recognize economic differences between the two regions in Germany. GfK reported that prices remain lower in Eastern Germany because of the perceived price sensitivity in those areas, especially for food, compared to the Western region ("GfK Group Press," 2012). Due to the discrepancy in financial stability between regions, it is likely that German consumers living in the East would be more price sensitive than their Western counterparts.

Thus, due to the ongoing reconstruction process in the Eastern region and the financial discrepancy between the East and the West (Spiegel, 2010a), consumption behavior in the Eastern region may be more limited than in the Western region. The domestic GDP indicates this discrepancy, i.e. 2,210 (billion euro) in the Western region vs. 288 (billion euro) in the Eastern region in 2010 ("Statista," 2012). Therefore, fewer financial resources in the Eastern region may impact consumers' price-value consciousness in a way that departs from price-value consciousness in the West.

According to Tajfel and Turner (1986), in order to enhance collective self-esteem, members try to elevate their objective position in their social groups. However, the Eastern cohort, who has shared transitional life experiences within the same region, will not try to enhance their social identity (collective self-esteem) by paying a high price for brands in order to fit within their regional social group since they share similar financial backgrounds. However, by the same token, Eastern Germans may express greater concerns over paying a low price for

merchandise. Therefore, regional collective self-esteem will be positively related to price consciousness in the Eastern region. In other words, consumers in the Eastern region focus on budgeting their money instead of spending on high price brands for socially visible consumption in their region.

However, since individuals living in the Western region are more likely to prefer brands compared to those living in the Eastern region, Western regional collective self-esteem may be influenced by socially visible consumption, which translates into paying higher prices for certain brands. Thus, Western regional collective self-esteem will have a negative association with price consciousness.

Based on Sternquist et al. (2004), Korean consumers, especially during the economic down turn, expressed increased concerns about price and had an unfavorable attitude towards high prices. Since economic distress makes consumers more price-conscious, the effect of regional collective self-esteem on price consciousness will be stronger for the Eastern cohort than the Western cohort. Therefore, the hypotheses for this section are as follows:

Hypothesis 5a-1: *Collective self-esteem is positively related to price consciousness for the Eastern German cohort.*

Hypothesis 5a-2: *Collective self-esteem is negatively related to price consciousness for the Western German cohort.*

Hypothesis 5b: *The influence of collective self-esteem on price consciousness will be greater for the Eastern cohort than the Western cohort.*

Sales Proneness

Another behavior associated with negative price perception is sales proneness, which indicates an increased propensity for purchasing products on sale because of their reduced price (Lichtenstein et al., 1993). Therefore, when this behavior is present, consumers become exceptionally responsive to sales promotions (Price et al., 1988; Lichtenstein et al., 1990; Schneider & Currim, 1991), indicating an increase in the rate of purchase caused by sales incentives. Research shows that sales price advertisements with comparative prices increased consumer perceptions of value compared to advertised prices without sales promotions (Monroe and Chapman, 1987). Therefore, sales proneness is strongly correlated with price consciousness (Lichtenstein et al., 1993). Lichtenstein et al. (1993) report that discounts from the regular prices, or sales proneness, is related to increased sensitivity to price.

Different cultures have perceived sales proneness differently. For example, sales proneness of Polish consumers was not significant for negative price perceptions, while sales proneness was significant among Americans' price perceptions (Moore et al., 2003). The reasoning provided for this finding was that the sales concept for Polish consumers might not be as well developed in the transitional economy compared to the well-established U.S. market-based economy.

In the case of South Korean consumers, sales proneness was perceived as bargain seeking behavior ("Bargain Hunters", 1997) and South Korean consumers reported stronger preference for sales (Jin & Sternquist, 2003). However, sales proneness of these consumers was not significant for negative price perceptions. Prior to the Asian economic recession, pre-existing laws in South Korea allowed the government to restrict the number and duration of sales, which

allowed consumers to know the time and duration of sales (Sternquist & Jin, 1998). Thus, it was not necessary to shop for sales as this information was readily available.

Since sales proneness is defined as an increased propensity to purchase products on sale due to their reduced price (Lichtenstein et al., 1993), there might be differences between the two regions of Germany related to sensitivity to price. Therefore, based on the deal proneness concept (Lichtenstein et al., 1990), young Germans in the Eastern region might have stronger preference for sales because of their sensitivity to price compared to those in the Western region. Looking for a good deal could be perceived as a smart consumer behavior even if regional social groups have high collective self-esteem in the Eastern region. For the Western region, sales proneness could be perceived as being sensitive to price among the Western cohort. The discussion in the previous section posited a negative relationship between price sensitivity and collective self-esteem. Thus, the direction between collective self-esteem and sales proneness for the Western German cohort should also be negative.

Hypothesis 6a-1: *Collective self-esteem is positively related to sales proneness for the Eastern cohort.*

Hypothesis 6a-2: *Collective self-esteem is negatively related to sales proneness for the Western Cohort.*

Hypothesis 6b: *The influence of collective self-esteem on sales proneness will be greater for the Eastern cohort than the Western cohort.*

Price Mavenism

Consumers deemed price mavens tend to gather and share information about shopping tips and the best prices available (Lichtenstein et al., 1993). Market mavens are described as

consumers who share shopping information with others (Feick & Price, 1987). These consumers tend to be aware of new products and brands on the market, and they are frequent coupon users (Feick & Price, 1987). The price maven is traditionally concerned about shareable low price information, thus Lichtenstein et al. (1993) distinguished price mavenism into the negative price perception domain, but later studies suggest that this dimension could be a positive dimension. For example, Sternquist et al. (2004) found that Koreans perceived this dimension as both a positive and negative price perception because these consumers actively share high price information with others.

As the results of previous literature suggest, South Korean consumers are not likely to share discount price information with others even though they tend to engage in high levels of word-of-mouth information sharing (Jin & Sternquist, 2005). Rather, South Korean consumers tend to provide information about high prices instead of low price information, which are perceived as both positive and negative price perception (Jin & Sternquist, 2005). In addition, Polish consumers perceived price mavenism as non-extensive and weak compared to price mavens in the U.S. (Moore et al., 2003).

Therefore, like South Korean consumers who have lived under the long-standing market economy, Western Germans may not share price discount information with others when they have high collective self-esteem, instead preferring to engage in conspicuous consumption when interacting with others. Perhaps this behavior could be explained by Hoarding Theory and the Self-Image Congruence Concept. Hoarding Theory refers to emotional buying, resulting in these consumers seeking to acquire a gratuitous number of products, because these consumers consider not holding on to a product to be risky, insofar as other consumers might buy the product before they can (McKinnon, Smith, & Hunt, 1985). Therefore, Western Germans might consider price

mavenist behavior to be undesirable, because it could lead to others acquiring products that they might need in the future. In addition, the self-image congruence concept refers to consumption that is in line with how people see themselves (Dolich, 1969; Sirgy, 1982; Sirgy et al., 1997). Consumers with high self-image congruence try to project an ideal self-image, seeking associate products/brands and themselves in their social groups (Dolich, 1969; Sirgy, 1982; Sirgy et al., 1997). In the case of Western German consumers who have high self-image congruence, attempts are made to hide the fact that discounted prices are paid, in order to maintain this correlation between self-image and the ability to purchase expensive products, and consequently to prevent devaluation of their image.

Before the German reunification, social relationships or networks were very important for the older Germans in the Eastern region in order to obtain consumer products (Sung & Huddleston, 2011a). Thus, price mavenism might be positively related to collective self-esteem for the older generation in the East. The same idea applies for their children, as price mavenism may have a positive relationship with collective self-esteem for the young cohort in the Eastern region, but the effect of collective self-esteem on price mavenism may not be as strong as their parents' networks because social relationships are less important for the new generational cohort after the reunification. Thus, East Germans who have high collective self-esteem may not share discount price information with others within the same region because of the decreased necessity of the network. Furthermore, the effect of price mavenism might be stronger for the Western region given the findings of previous literature on Polish and U.S. consumers that found that price mavenism of Polish consumers was non-extensive and weaker than for U.S. consumers. Therefore, the relationship may operate in different directions for the two regions and the effect of collective self-esteem and price mavenism may be stronger for Western Germans.

Hypothesis 7a-1: *Collective self-esteem is positively related to price mavenism for the Eastern cohort.*

Hypothesis 7a-2: *Collective self-esteem is negatively related to price mavenism for the Western cohort.*

Hypothesis 7b: *The influence of collective self-esteem on price mavenism will be greater for the Western cohort than the Eastern cohort.*

Coupon Proneness

It has been argued that price reduction offered by a coupon may increase consumer purchases (Lichtenstein et al., 1990; Cotton & Babb, 1978; Schindler, 1990). According to these authors, coupon proneness plays a negative role in the price perception because sales increase when a discount price is offered in conjunction with a coupon compared to sales without coupons. Therefore, increased sales in this context are due to increased sensitivity to price. Coupon proneness is defined as “an increased propensity to respond to a purchase offer because the coupon form of the purchase offer positively affects purchase evaluations” (Lichtenstein et al., 1990, p.56).

Germans’ coupon usage has been called insignificant compared to other European countries (e.g. Belgium, Portugal, Greece, France, Spain), the U.S., and some Asian countries (e.g. China, Hong Kong, South-Korea) (“Nielsenwire,” 2011). However, as one of the sets of price perception, coupon proneness is investigated to compare differences between the Eastern and Western regions of Germany in this study. This is because coupon proneness is related to increased sensitivity to price (Lichtenstein et al., 1990), so there might be differences between the two regions.

Based on previous research on price perception, among the total seven total price perceptions coupon proneness was omitted for cross cultural research on Polish, U.S. (Moore et al., 2003) and Asian consumers (Sternquist et al., 2004). The justification provided for this omission in these studies was that coupon proneness was not active enough for Polish and South Korean consumers.

Although Germans' coupon usage is not highly recognized, the current study still investigates coupon proneness to demonstrate a set of price perceptions. Since coupon proneness is linked to market mavens who share shopping information with others through discussion (Feick & Price, 1987), consumers who have access to market mavens or who are coupon prone tend to control their spending by using coupons for sales advantages (Price et al., 1988). Therefore, Eastern Germans may tend to budget their expenditures in order to be able to purchase certain quality items and may actively use coupons. For the Western region, using coupons could be perceived as being sensitive to price. Therefore, the effect of collective self-esteem on coupon proneness will be stronger for the Eastern region than that of the Western region.

Hypothesis 8a-1: *Collective self-esteem is positively related to coupon proneness for the Eastern cohort.*

Hypothesis 8a-2: *Collective self-esteem is negatively related to coupon proneness for the Western cohort.*

Hypothesis 8b: *The influence of collective self-esteem on coupon proneness will be greater for the Eastern cohort than the Western cohort.*

CHAPTER III

METHODS

In Chapter 3, the study methodology is discussed. This includes the measurement, sample and data collection procedure. In addition, the methodology of the preliminary study is examined.

Construct Measures

Construct measures were adopted and modified from existing scales as follows: there were nine constructs in total, including social connectedness, collective self-esteem, positive price perception (price/quality schema, prestige sensitivity), and negative price perception (value consciousness, price consciousness, sales proneness, price mavenism). A 7-point Likert scale (1=strong disagree to 7=strongly agree) was used to measure all constructs. The survey instrument is presented in Appendix D. In order to assess measurement invariance in a cross-cultural (e.g. national) study, three main components were checked, including calibration, translation, and metric equivalence tests (Mullen 1995). Before the data collection, calibration and translation equivalence tests were verified. Calibration equivalence is used to ensure that units of measure are converted between cultures (Mullen 1995). According to Mullen (1995), translation equivalence is used for making sure that questionnaire items are translated appropriately. Thus, questionnaire items are tied to their respective latent constructs after translation. Typically, the back-translation method is used for the establishment of calibration and translation equivalence (Mullen 1995).

Therefore, for the calibration and translation equivalence, English questionnaires were translated into German. A total of four German graduate students in the U.S. and Germany who are fluent in English translated, back-translated, and confirmed the meaning of the items. The translation process was as follows: 1) the two original German translators translated the English version of the survey questions into the German version in the U.S.; 2) then, another German translator acted as a confirmer in Berlin and double-checked the original translators' work and made modifications; 3) the back-translator translated the German version into English to ensure that the meaning of questions was properly delivered; 4) then, all of the versions were discussed among the translators, in order to compare the original English version, the translated version from English to German, the modifications from the confirmer, and the back-translator's version from German into English. All versions were compared to reach the closest meaning delivery and results were double-checked. Based on the mutual agreement of the four translators, two questions from the English version of the questionnaire were adjusted slightly due to the difficulty of the exact translation between German and English as follows: Question #30: "I am able to relate to my peers in the region/city (or hometown)." For the translation of "relate to" from English to German, there were three options to convey the meaning, including "identify" (sich identifizieren), "build a relationship in a professional way" (Beziehungen aufbauen), and "get along with" (sich verstehen mit irgendetwem). Ultimately, "get along with" was chosen because the expression "relate to my peer" implies interaction with a peer essential "to getting along" with her or him. Question #45: "I feel good about my hometown or the city/region to which I belong" is translated as "I am proud of my hometown" based upon an agreement between the four translators. The scales are discussed in detail in the following sections.

Study Background and Scale Adjustment Procedures

Interview—Stage One

Face to face, e-mail, and Internet video interviews were conducted in order to understand the influence of the German reunification and gain an understanding of this phenomenon on young German consumers. Many researchers use this method for gaining background knowledge at the beginning of the research process (Churchill, 1979).

For the current study, a total of ten young Germans ranging from at least 18 years old to less than 35 years old participated in interviews in the United States and Germany. Respondents were asked about the German reunification situation and the effects on social connectedness, price perception, and brand preference a year before the main study was conducted.

First, interview participants were asked about their personal and family experiences and how they felt about the social connectedness/gap between the Eastern and Western regions. In addition, they were asked about their shopping experiences for durable/expensive products and brand preference.

The respondents identified the influence of the German reunification between the Eastern and Western regions and how it affected them, especially for young Germans in the Eastern region compared to those in the Western region. The Eastern German youth described social connectedness through stories from their parents and through their experiences with their contemporary Western German counterparts. Moreover, most subjects provided information on their electronic product shopping experiences and about durable/expensive shopping items.

Preliminary Study Test—Stage Two

Based on the interviews, a preliminary study was conducted a year before the main study to identify whether there were statistical differences between the two regions in regards to social connectedness, collective self-esteem and the price perception constructs, which include prestige sensitivity, price and value consciousnesses.

In order to empirically test the basic conceptual model, data were collected from university students in the Eastern and Western regions of Germany in 2011. A sample size of 201 German college students was collected in May through July 2011. A total of 168 responses out of 201 were usable (East: 112 out of 124 and West: 56 out of 77). Based on the results of the preliminary study, some revisions to the instrument were made for the main study in order to clarify questions and confirm that the constructs and concepts were properly presented.

Face Validity for the Main Study—Stage Three

After obtaining the results of the preliminary study and interviews, the measurements were modified, adjusted and added from the previous studies for each construct for the main study in order to account for the effects of the regional gap and the German reunification situation on the constructs (e.g. social connectedness, collective self-esteem). For example, the modifications to the social connectedness items reflect the regional differences between the Eastern and Western regions. Based on the preliminary results, items were modified by the four German translators and back-translators to improve clarity and validity of scales before the main study was undertaken. Each measure used in the study is discussed below.

Social Connectedness

Social connectedness reflects how close a person feels with others in one's social setting (Kohut, 1984; Lee & Robbins, 1995). Ten items measuring social connectedness out of a total of 20 items were adapted, adjusted, and modified from previous studies (Lee, Draper, & Lee, 2001; Kohut, 1984) for the purposes of the current study. For the preliminary study, the alpha value of the selected items was .87. However, for the main study, these selected items were modified to reflect regional influences. The modified items adapted from Lee et al. (2001) were culled from the original list of measures, in order to focus on social groups outside of the family and within the greater society in reunified Germany. Focusing on this type of social group is salient because it is easier to make the link between the general social connectedness to the regional social connectedness/gap (East vs. West). For instance, instead of a question like "Sometimes I feel myself losing a sense of connectedness with society," the question was modified to "Sometimes I feel myself losing a sense of connectedness with the community in the region/city (or hometown) in which I grew up". Furthermore, there were some translation issues between German and English. For example, instead of "I am able to relate to my peers", this question was changed to "I am able to get along with my peers in the region/city (or hometown) in which I grew up" in Germany. In general, the social connectedness measurement in the current study focuses on the level of social connectedness of the Eastern and Western regions and the effects on German youth growing up in each area. Thus, the measurement was modified and properly adapted to fit the purpose of the current study.

Overall, the items for the current study were adapted from the previous German consumer interview study which found regional differences (Sung & Huddleston, 2011c) and

were based on the original social connectedness study (Lee et al., 2001). These items are as follows:

Table 1. Social Connectedness Items

I feel connected to the people (e.g. friends, relatives, neighborhood, acquaintance, etc) in the region/city (or hometown) in which I grew up.
I feel like an outsider in the region/city (or hometown) in which I grew up. (Reverse)
I am able to “get along with” my peers in the region/city (or hometown) in which I grew up.
I think I fit in well in new situations.
Sometimes I feel myself losing a sense of connectedness with the community in the region/city (or hometown) in which I grew up. (Reverse)
Even around people I know, I don’t feel that I really belong/belonged in the region/city (or hometown) in which I grew up. (Reverse)
I see people as friendly and approachable in the region/city (or hometown) in which I grew up.
I feel distant from people in the region/city (or hometown) in which I grew up. (Reverse)
I don’t feel related to most people in the region/city (or hometown) in which I grew up. (Reverse)
I don’t feel I participate with anyone or any group in the region/city (or hometown) in which I grew up. (Reverse)

(1=strongly disagree to 7=strongly agree)

Collective Self-esteem

All 16 questions constituting the collective self-esteem measure were adapted from a previous study (Luthanen & Crocker, 1992). Luthanen and Crocker’s (1992) scales were used and modified in order to measure feelings of self-worth that a person derives from one’s group membership (Eastern and Western regional group membership) for a prescribed social identity. The original collective self-esteem scale (Luthanen & Crocker, 1992) was composed of four subscales—“membership,” “private,” “public,” and “identify” collective self-esteem, with a total of 16 items which were adjusted for the current study in order to distinguish the regional collective self-esteem between the Eastern and Western regions of Germany. The term “social group” was modified to reflect regional connections. For example, instead of “The social groups

I belong to are an important reflection of who I am,” this question was adjusted to “My hometown or the city/region to which I belong is an important reflection of who I am” in Germany. In addition, instead of “I feel good about my social groups to which I belong,” this question was modified to “I am proud of my hometown or the city/region to which I belong” in Germany. The scale of the original items was reported with most alpha coefficient items over .70. The alpha coefficient was .78 for the preliminary study for collective self-esteem in Germany. For the current study, all of these items are modified in order to reflect the regional collective self-esteem between the East and West.

Table 2. Collective Self-Esteem Items

Membership

I am a worthy member of my hometown or the city/region to which I belong.

I feel I don't have much to offer to my hometown or the city/region to which I belong. (Reverse)

I am a cooperative participant in my hometown or the city/region to which I belong.

I often feel that I'm a useless member of my hometown or the city/region to which I belong. (Reverse)

Private

I often regret that I belong/having belonged to my hometown's community.

In general, I'm glad to be/have been a member of the community in my hometown.

Overall, I often feel that my hometown or the city/region of which I am a member is not a worthwhile place to be. (Reverse)

I am proud of my hometown or the city/region to which I belong.

Public

Overall, my hometown or the city/region to which I belong is considered good by others.

On average, most people consider my hometown or the city/region to which I belong, to be of a lower status than other cities/regions. (Reverse)

In general, others respect my hometown or the city/region of which I am a member.

In general, others think that my hometown or the city/region of which I am a member isn't a worthwhile place to live. (Reverse)

Identity

Overall, my hometown or the city/region to which I belong has very little to do with how I feel about myself. (Reverse)

My hometown or the city/region to which I belong is an important reflection of who I am.

My hometown or the city/region to which I belong is unimportant to my sense of what kind of a person I am. (Reverse)

In general, belonging to my hometown or the city/region is an important part of my self-image.

(1=strongly disagree to 7=strongly agree)

Price Perception

Price perception is the process of interpreting price and assigning value to products or services based on the price (Lichtenstein et al., 1988, 1990, 1993). Price perception is measured in two ways: positive and negative dimensions.

Positive Price Perception

This dimension of price perception measures how consumers perceive high price as an indicator of quality and prestige (Erickson & Johansson, 1985; Lichtenstein et al., 1990; Monroe & Krishnan, 1985). Two constructs comprise price perception—prestige sensitivity and price/quality schema. Nine item measures in total were derived and adjusted from existing scales for prestige sensitivity (Lichtenstein et al., 1993). The original scales were used for grocery shopping, so they were adjusted for the purposes of the current study. The alpha coefficient of prestige sensitivity originally used by Lichtenstein et al. (1993) was reported as .89 by Sternquist et al. (2004). In the preliminary study of Germany, the alpha coefficient of prestige sensitivity was .86. All nine items comprising the prestige sensitivity measure whether a customer perceives price as a positive cue, which indicates feelings of prominence related to conspicuous consumption.

In addition, price/quality schema measures whether consumers perceive price as consistent with the quality of the product. For these consumers, price is a significant indicator of quality (Peterson & Wilson, 1985) and these consumers therefore tend to purchase expensive products (Lichtenstein, Bloch & Black 1988). Some schema, as well as their past experiences, are important in helping them to make sound decisions (Rao & Monroe, 1988). Four items in

total were derived and adjusted from existing scales (Lichtenstein, Ridgway & Netemeyer 1993) and the alpha coefficient of this scale ranged from .69 to .85 (Sternquist et al., 2004).

Table 3. Positive Price Perception Items

Prestige (Brand) Sensitivity

People notice when I buy the most expensive brand of a product.

Buying a high price brand makes me feel good about myself.

Buying the most expensive brand of a product makes me feel classy.

I enjoy the prestige of buying a high price brand.

It says something to people when you buy the high price version of a product.

Your friends will think you are cheap if you consistently buy the cheapest version of a product. I

I have purchased the most expensive brand of a product just because I knew other people would notice.

I think others make judgments about me based upon the kinds of products and brands I buy.

Even for a relatively inexpensive product, I think that buying the most expensive brand is impressive.

Price/Quality Schema

Generally speaking, the higher the price of a product is, the higher the quality of that product will be.

The old saying “you get what you pay for” is generally true.

The price of a product is a good indicator of its quality.

You always have to pay a bit more for the best.

(1=strongly disagree to 7=strongly agree)

Negative Price Perception

This dimension of price perception is indicative of the perspective that high prices cause economic sacrifice with the consequence that price is perceived as a negative cue (Lichtenstein et al., 1990). Thus, high prices would cause consumers with this perspective to decrease the number of purchases they make (Lichtenstein et al., 1990). There are four constructs in total derived from an existing scale—price consciousness, value consciousness, sales proneness and price mavenism (Lichtenstein et al., 1993).

Value consciousness measures a consumer's concern for the price paid for an item relative to the quality of this item (Lichtenstein et al., 1993). All seven items were adapted from a previous study (Lichtenstein et al., 1993) and the alpha coefficient of this scale ranged from .84 to .88 as reported by Sternquist et al. (2004). Only a small adjustment was made to the original scale (i.e. taking out the term "grocery shopping"). In the preliminary study of Germany, the alpha coefficient of prestige sensitivity was .57.

Price consciousness measures the degree to which a consumer is concerned with paying lower prices (Lichtenstein et al., 1993). All five items were adapted from an existing scale and the alpha coefficient of this scale was .84, as originally reported by Sternquist et al. (2004), with the aforementioned adjustment (e.g. taking out the term "grocery shopping"). In the preliminary study of Germany, the alpha coefficient of prestige sensitivity was .82.

Sales proneness measures whether a customer's purchase of products on sale increases because of reduced prices (Lichtenstein et al., 1993). This construct indicates a customer's response to sales promotions (Price et al., 1988; Lichtenstein et al., 1990; Schneider & Currim, 1991). All six items were adapted from an existing scale and the alpha coefficient of this scale was .90 as reported by Sternquist et al. (2004).

Price mavenism measures how consumers tend to gather information regarding shopping tips and how the best prices available affect the behavior of other consumers (Feick & Price, 1987). Six items in total were adapted from an existing scale to measure this dimension and the alpha coefficient of this scale was .90, as reported by Sternquist et al. (2004).

Coupon proneness measures consumers' "propensity to respond to a purchase offer" because of the availability of a coupon (Lichtenstein et al., 1990, p.56). Five items in total were adapted from an existing scale (Lichtenstein et al., 1993) to measure this dimension. Previous

studies (Moore et al., 2003; Sternquist et al., 2004) excluded this construct due to the lack of coupon usage in targeted countries.

Table 4. Negative Price Perception Items:

Value Consciousness

I am very concerned about low prices, but I am equally concerned about product quality.
I compare the prices of different brands to be sure I get the best value for the money.
When purchasing a product, I always try to maximize the quality I get for the money I spend.
When I buy products, I like to be sure that I am getting my money's worth.
I generally shop around for lower prices on products, but they still must meet certain quality requirements before I buy them.
When I shop, I usually compare the price information for brands I normally buy.
I always check prices at the store to be sure I get the best value for the money I spend.

Price Consciousness

I am willing to go to extra effort to find lower prices.
I will shop at more than one store to take advantage of low prices.
The money saved by finding low prices is usually worth the time and effort.
I would never shop at more than one store to find low prices. (Reversed Score)
The time it takes to find low prices is usually not worth the effort. (Reversed Score)

Sales Proneness

If a product is on sale, I would buy it for this reason.
When I buy a brand that is on sale, I feel that I am getting a good deal.
I have favorite brands, but most of the time I buy the brand that is on sale.
One should try to buy the brand that is on sale.
I am more likely to buy brands on sale.
Compared to most people, I am more likely to buy brands that are on special (sales).

Price Mavenism

People ask me for information about prices for different types of products.
I am considered somewhat of an expert when it comes to knowing the prices of products.
For many types of products, I would be better able than most people to tell someone where to shop to get the best price.
I like helping people by providing them with price information about many types of products.
My friends think of me as a good source of price information.
I enjoy telling people how much they might expect to pay for different kinds of products.

Coupon Proneness

Redeeming coupons makes me feel good.
I enjoy clipping coupons out of the newspapers.
When I use coupons, I feel that I am getting a good deal.
I enjoy using coupons, regardless of the amount I save by doing so.
Beyond the money I save, redeeming coupons gives me a sense of joy.

(1=strongly disagree to 7=strongly agree)

Data Collection of the Main Study

Data Collection Method

The online survey was conducted through a survey website. Data were collected via 1) German university contacts established from the preliminary study conducted in 2009 and in 2011 and 2) consumers from an online market website, called '*Crowdsourcing Internet Marketplace*'.

To obtain university participants, four German universities from the Eastern and Western regions (e.g. Rostock, Jena, Passau, and Ingolstadt) were chosen because they include populations of individuals belonging to the target age range for this study. The universities were contacted to receive their permission to distribute the survey to students. German university professors introduced the online links to the German students and explained the survey procedure in German. Two incentives were provided to all German participants who completed the survey. The first incentive was a 7 Euro Amazon gift card to all survey participants and the second incentive was a raffle opportunity through a drawing conducted on July 4th, 2012 for two 100 Euro Amazon gift cards per university.

Secondly, the group of consumers from an online market website '*Crowdsourcing Internet Marketplace*' (e.g. Amazon Mechanical Turk) was chosen. This kind of website provides access to a large group of consumers at a relatively low cost (Lohse, Bellman & Johnson, 2000). In the online market website '*Crowdsourcing Internet Marketplace*,' participants can choose to participate in any '*Human Intelligence Tasks*' and a monetary reward was offered ("Amazon," 2012). Survey participants who agreed to participate in the online market research website received a monetary reward of \$7 for the current study. To qualify to

participate in this online market research website, consumers had to be located in Germany, which was identified by the Internet IP address. Thus, only consumers who reside in Germany could see the survey and participate. Participants were asked to provide their age, which was not to exceed 35 years old before they were directed to the main survey link. The monetary reward was given to participants who met all qualifications and verified their tasks within 48 hours.

Sample Description

Subjects include young German consumers because this cohort has been raised in a milieu consisting of both a transitional economy (Eastern region) and a long-standing market economy (Western region). The current study recruited young consumers ranging from at least 18 years old to 35 years old as of 2012, who spent their formative years in the transitional economy compared to young consumers who spent their formative years in the long-standing market economy. This age range was chosen because consumers may start to actively buy products after 12 years of age. Previous research suggests that, while children's consumer behavior trajectory continues during adolescence, by age 12 children have been fully exposed to all aspects of their consumer behavior (Valenborg & Cantor, 2001). Valenborg & Cantor (2001) conclude that "they are able to (1) feel wants and preferences (as early as infancy and toddlerhood); (2) search to fulfill them (as early as the preschool period); (3) make a choice and a purchase (from the early elementary school period on); and (4) evaluate a product and its alternatives (as early as the later elementary school period)" (p. 69).

Since 22 years have passed since the German reunification in 1990, children that were 12 years old during this time period are now 34-35 years old (Fall of Berlin Wall in 1989). Thus,

the current study includes consumers who range from at least 18 years old up to 35 years old as of 2012.

Participants in the survey were asked to identify their place of birth and hometown in order to determine which cohort (transitional: East vs. market: West) to which they belonged. These questions were as follows: “Where were you born (city and state)?”, “Where did you live (most of the time: city and state)”, “How many years have you been in this region/city?”, and “Where have you lived since you were 12 years old?”. The purpose of these questions was to determine which participants were raised in the Eastern region of Germany, and which were raised in the Western region of Germany. Respondents had to meet the following criteria: (a) grew up in either the Eastern or Western region of Germany and were able to distinguish between the two regions, and 2) are a German national.

A total of 605 responses were completed. Of this, 442 responses were usable (E=196, W=246) after data cleaning (e.g. outliers, age limitation, German nationality, mean differences). Table 5 shows the demographic characteristics of the sample in the Eastern and Western regions of Germany. About 93.4% (East) and 86.9% (West) of the sample had or were currently enrolled in a university. Of the sample, 93.4% (East) and 70.3% (West) were between 20 and 29 years old. The average annual income of the East sample was reported between 19,000€ and 26,999€ and that of the West sample was reported between 27,000€ and 38,999€. Of the participants in the sample, 42.9% were male and 57.1% were female for the Eastern region while 64.2% were male and 35.8% were female for the Western region.

According to Statistisches Bundesamt in Germany, the total German population consisted of 81.8 million people (“Destatis.de,” 2011). Of these, there were 17.4 million people (21% of 81.7 million) between 18 and 35 years of age in 2009. With a per capita income of 29,750 €,

Statistisches Bundesamt indicates that Germany is classified as a middle class society (“Destatis.de,” 2009) while the net income of Eastern German households was 19,500€ in 2008 (Spiegel, 2010a). Compared to the annual income of the German population, the annual income of the sample in the Eastern and Western regions was similar to the annual income of the German population in each region.

According to Statistisches Bundesamt in Germany, 75% of people ranging from 20 to under 30 years of age possessed an education certificate, including 33% that possessed a German “intermediate school leaving certificate” (i.e. *Realschulabschluss*—similar to a two-year technical school in the U.S.) and 42% that possessed a university or college entrance certificate (“Destatis.de,” 2009). The average educational degree of this population of young Germans is at least the “intermediate school leaving certificate”. Compared to the education level of the German population, the sample of the current study has higher education level in both in the Eastern and Western regions.

Statistisches Bundesamt also showed that 41,396 (50.8%) of Germans are female and 40,112 (49.2 %) are male. Specifically, for young Germans 18 to 35 years of age, 50.76% are male and 49.24% are female (“Destatis.de,” 2009). Compared to this distribution of gender in this age range, the sample of the current study in the Eastern region was similar, but the sample of the Western region had a slightly higher percentage of male participants. This can be explained by the greater number of respondents taken from the online survey participants (m-turk web-site)—a platform that draws more male users in general (Krantz & Dalal, 2000)—in the Western region than those taken in the Eastern region.

Table 5. Demographic Characteristics of the Sample (N=442)

		East N= (196)	Percent (%)	West N= (246)	Percent (%)
Age	18- 20	19	9.6%	33	13.4%
	21-24	107	54.6%	104	42.3%
	25-29	57	29.2%	74	30.1%
	30-35	13	6.6%	35	14.2%
				100%	
Education	School-leaving certificate	13	6.6%	32	13%
	Currently at a college or university or similar	156	79.6%	135	55%
	Bachelor's degree	10	5.1%	37	15%
	Master's degree or higher	17	8.7%	42	17%
				100%	
Income	Under 7500€	48	24.5%	43	17.5%
	7,500€ – 18,999€	32	16.3%	34	13.8%
	19,000€ – 26,999€	15	7.7%	11	4.5%
	27,000€ – 38,999€	17	8.7%	23	9.3%
	39,000€ – 49,999€	20	10.2%	24	9.8%
	50,000€ – 61,999€	7	3.6%	22	8.9%
	62,000€ – 76,999€	4	2.0%	11	4.5%
	Above 77,000€	9	4.6%	21	8.5%
	Don't Know	44	22.4%	57	23.2%
				100%	
Gender	Female	84	42.9%	88	35.8%
	Male	112	57.1%	158	64.2%
			100%		100%

CHAPTER IV

RESULTS

In this chapter, I will discuss the process by which the hypotheses posited in Chapter 2 were tested. The equivalence tests of CFA (Confirmatory Factor Analysis) and SEM (Structural Equation Modeling) are reported including the reliability and validity of the measurement. Finally, the findings of the current study are discussed.

4. 1. Confirmatory Factor Analysis (CFA)

The model was estimated using the two-step process recommended by Anderson and Gerbing (1988). First, CFA was used to evaluate the reliability and validity of the measurement to find an acceptable measurement model for the two groups using the equivalence test. Then, the modified measurement model was analyzed using path analysis with latent constructs for the suggested theory model test (Hatcher, 1994). LISREL 8.8 with the maximum likelihood estimation was used.

The CFA test was conducted separately for the two groups (Germans living in the Eastern region and Germans living in the Western region) to examine the initial result before the CFA equality comparison test was conducted to impose the invariance constraints. The initial results of separate CFA tests without any purification of scales were as follows: Chi-square (χ^2)= 3615.97, df=2144, p<.001, IFI=.89, CFI=.89, RMSEA=.06 in the Eastern region and Chi-square (χ^2)= 3692.14, df=2144, p<.001, IFI=.92, CFI=.92, RMSEA=.05) in the Western region. First, through separate CFA tests for each region, several items with factor loadings below .60 and insignificant t-values were excluded to purify the measures (Anderson and Gerbing, 1998).

After the separate CFA test for each group was performed and several items with factor loadings below .60 were deleted, the equivalence test for the two groups was conducted simultaneously with the constrained measurement model (e.g. constrained factors) to test the same measurement before comparing the study model between the two groups (Anderson & Gerbing, 1988). After the CFA measurement equivalence test for both regions, the final results, including retained items and excluded items, are shown in Table 6 below. Among four sub-scales of collective self-esteem, two sub scales were retained for the CFA test, but only one sub-scale—privately perceived collective self-esteem—converged for the final SEM model. Although the final CFA equivalence test for these private collective self-esteem items showed that one of these collective self-esteem items was below .50 (.46 for the East and .42 for the West), it was retained in order to maintain at least three items for an acceptable SEM model to converge (Hair, Anderson, Tatham, and Black, 1988). With these three items of the private collective self-esteem construct, this sub-scale made a contribution to the overall structural model fit, the relationship between social connectedness and collective self-esteem was significant ($p < .05$) in the SEM model. In addition, the rest of the constructs include at least three items per construct for an acceptable SEM model (Hair, Anderson, Tatham, and Black, 1988) (See Table 6). Overall, the CFA equivalence measurement model fit is good (Chi-square (χ^2)= 2720.22, $df=1486$, $p < .001$, IFI=.93, CFI=.93, RMSEA=.06). Although the result of the χ^2 test was significant ($\chi^2 = 2720.22$, $df=1486$, $p < .001$), the rest of the fit indices indicated good fits of the CFA equivalence model to the data (IFI=.93, CFI=.93, RMSEA=.06). Moreover, one of alternative tests is the “Normed Chi-square” test (χ^2/df) (Hooper, Coughlan, & Mullen, 2008), which is less sensitive to sample size. An acceptable value resulting from χ^2/df could be less than or equal to 2 (Tabachnick &

Fidell, 2007). The result of the “Normed Chi-square test” (χ^2/df) for the CFA equivalence model is less than 2. Therefore, it can be concluded that this CFA equivalence model is acceptable for the two group (East and West) analysis.

Just as calibration and translation equivalences were verified in the method section, there is also a metric equivalence test used to assess measurement invariance in multiple group analysis (Mullen 1995). Metric equivalence has two important aspects—consistency of scoring and equality of responses (Craig & Douglas 2000; Mullen 1995). For the Eastern and Western regions, skewness and kurtosis of all variables were within the acceptable range of +2. Both German groups living in the East and in the West responded 1 through 7 on the scales (7-point Likert scale) of all variables. According to Hult et al. (2008), scoring consistency can be also checked by comparing reliabilities between multiple groups or by examining factor loadings. Scoring consistency can also be checked by excluding items that did not have significant loading values and low loading coefficients (Anderson & Gerbing, 1988). Thus, reliability for each construct was tested using Cronbach’s alpha. A Cronbach’s alpha above .70 is recommended (Nunnally, 1978). All constructs in the two groups (East vs. West) were above .70 except the construct labeled ‘privately perceived collective self-esteem, which was .65 in the Western region group, but still acceptable (See Table 6 below). The comparison of reliabilities between previous studies and the current study for price perception is shown in Table 7.

Construct validity was measured by convergent and discriminant validity tests. Since convergent validity was evaluated by showing that the significance of the lamda (λ_x) loadings (Anderson & Gerbing, 1988), λ_x values per each indicator to each respective latent construct were significant ($p < .05$). Moreover, all λ_x loadings coefficients were greater than .50 (Anderson

& Gerbing 1988) except one collective self-esteem item. Thus, most items in the current study strongly support the theoretical constructs and demonstrate convergent validity.

To verify discriminant validity, each item loading on one latent construct should be within the same latent construct as distinguished from any other latent construct (Kline 2005). All items belonging to the nine latent constructs were loaded and each item loaded on its respective underlying latent construct, Ksi (ξ), without cross loadings. In addition, in order to verify discriminant validity, χ^2 indicates that the correlation Phi (ϕ) between two constructs was significantly different from 1 (Anderson, 1987).

Table 6 shows the final items that were both selected and dropped after separate CFA tests and the equivalence test for the measurement were conducted, as well as Cronbach's alpha for each construct. These variables made a contribution to the overall structural model fit. Therefore, the equivalence CFA test is explained in detail in the following section.

Table 6. Measurement Properties after constrained factors: Equivalence Test for the two groups

Chi-square (χ^2)= 2720.22, df=1486, p<.001, IFI=.93, CFI=.93, RMSEA=.06				
Items	East Std. Loadings	East Cronbach's alpha	West Std. Loadings	West Cronbach's alpha
Social Connectedness				
SC1: I feel connected to the people (e.g. friends, relatives, neighborhood, acquaintance, etc) in the region/city (or hometown) in which I grew up.	.90		.55	
SC2_R: I feel like an outsider in the region/city (or hometown) in which I grew up. (Reversed Score)	.71		.69	
SC5_R: Sometimes I feel myself losing a sense of connectedness with the community in the region/city (or hometown) in which I grew up.	.90		.52	
SC6_R: Even around people I know, I don't feel that I really belong/belonged in the region/city (or hometown) in which I grew up. (Reversed Score)	.60	.843	.60	.864
SC7: I see people as friendly and approachable in the region/city (or hometown) in which I grew up.	.87		.53	
SC8_R: I feel distant from people in the region/city (or hometown) in which I grew up. (Reversed Score)	1.03		.91	
SC9_R: I don't feel related to most people in the region/city (or hometown) in which I grew up. (Reversed Score)	.71		.68	

Table 6. Cont'd

Chi-square (χ^2)= 2720.22, df=1486, p<.001, IFI=.93, CFI=.93, RMSEA=.06				
Items	East Std. Loadings	East Cronbach's alpha	West Std. Loadings	West Cronbach's alpha
<p><i>Excluded items:</i> SC3: I am able to “get along with” (relate to) my peers in the region/city (or hometown) in which I grew up. SC4: I think I fit in well in new situations. SC10: I don't feel I participate with anyone or any group in the region/city (or hometown) in which I grew up. (Note: These items were also deleted in the preliminary study)</p>				
<p>Collective Self-Esteem</p>				
CSEP1_R: I often regret that I belong/having belonged to my hometown's community. (Reversed Score)	.46		.42	
CSEP2: In general, I'm glad to be/have been a member of the community in my hometown.	.88	.735	.91	.653
CSEP4: I feel good about my hometown or the city/region to which I belong.	.65		.66	
<p><i>Excluded items:</i> CSEM1: I am a worthy member of my hometown or the city/region to which I belong. CSEM2_R: I feel I don't have much to offer to my hometown or the city/region to which I belong. (Reversed Score)</p>				

Table 6. (Cont'd)

Chi-square (χ^2)= 2720.22, df=1486, p<.001, IFI=.93, CFI=.93, RMSEA=.06				
Items	East Std. Loadings	East Cronbach's alpha	West Std. Loadings	West Cronbach's alpha
<p><i>CSEM3: I am a cooperative participant in my hometown or the city/region to which I belong.</i></p> <p><i>CSEM4: I often feel that I'm a useless member of my hometown or the city/region to which I belong.</i></p> <p><i>CSEP3_R: Overall, I often feel that my hometown or the city/region of which I am a member is not a worthwhile place to be. (Reversed Score)</i></p> <p><i>CSEPBI: Overall, my hometown or the city/region to which I belong is considered good by others.</i></p> <p><i>CSEPB2_R: On average, most people consider my hometown or the city/region to which I belong, to be of a lower status than other cities/regions. (Reversed Score)</i></p> <p><i>CSEPB3: In general, others respect my hometown or the city/region of which I am a member.</i></p> <p><i>CSEPB4_R: In general, others think that my hometown or the city/region of which I am a member isn't a worthwhile place to live. (Reversed Score)</i></p> <p><i>CSEID1_R: Overall, my hometown or the city/region to which I belong has very little to do with how I feel about myself. (Reversed Score)</i></p> <p><i>CSEID2: My hometown or the</i></p>				

Table 6. (Cont'd)

Chi-square (χ^2)= 2720.22, df=1486, p<.001, IFI=.93, CFI=.93, RMSEA=.06				
Items	East Std. Loadings	East Cronbach's alpha	West Std. Loadings	West Cronbach's alpha
<p><i>city/region to which I belong is an important reflection of who I am.</i></p> <p><i>CSEID3_R: My hometown or the city/region to which I belong is unimportant to my sense of what kind of a person I am. (Reversed Score)</i></p> <p><i>CSEID4: In general, belonging to my hometown or the city/region is an important part of my self-image.</i></p> <p>Prestige Sensitivity</p> <p>PSN2: Buying a high price brand makes me feel good about myself.</p> <p>PSN3: Buying the most expensive brand of a product makes me feel classy.</p> <p>PSN4: I enjoy the prestige of buying of a high priced brand.</p> <p>PSN5: It says something to people when you buy the high price version of a product.</p> <p>PSN7: Your friends will think you are cheap if you consistently buy the lowest price version of a product.</p> <p>PSN9: I have purchased the most expensive brand of a product just because I knew other people would notice.</p>				
	.79		.78	
	.88		.85	
	.84		.83	
	.61	.869	.60	.879
	.62		.64	
	.62		.62	

Table 6. (Cont'd)

Chi-square (χ^2)= 2720.22, df=1486, p<.001, IFI=.93, CFI=.93, RMSEA=.06				
Items	East Std. Loadings	East Cronbach's alpha	West Std. Loadings	West Cronbach's alpha
<i>Excluded items:</i>				
<i>PSN1: People notice when you buy the most expensive brand of a product.</i>				
Price/Quality Schema				
PQS1: Generally speaking, the higher the price of a product is, the higher the quality of that product will be.	.83		.90	
PQS2: The old saying “you get what you pay for” is generally true.	.56	.756	.62	.786
PQS3: The price of a product is a good indicator of its quality.	.73		.79	
<i>Excluded items:</i>				
<i>PQS4: You always have to pay a bit more for the best.</i>				
Value Consciousness				
V2: I compare the prices of different brands to be sure I get the best value for the money.	.81		.70	
V5: I generally shop around for lower prices on products, but they still must meet certain quality requirements before I buy them.	.69	.717	.63	.773
V7 : I always check prices at the store to be sure I get the best value for the money I spend.	.65		.57	

Table 6. (Cont'd)

Chi-square (χ^2)= 2720.22, df=1486, p<.001, IFI=.93, CFI=.93, RMSEA=.06				
Items	East Std. Loadings	East Cronbach's alpha	West Std. Loadings	West Cronbach's alpha
<p><i>Excluded items:</i> V1: I am very concerned about low prices, but I am equally concerned about product quality. V3: When purchasing a product, I always try to maximize the quality I get for the money I spend. V4: When I buy products, I like to be sure that I am getting my money's worth. V6: When I shop, I usually compare the price information for brands I normally buy. (Note: These items were also deleted in the preliminary study)</p> <p>Price Consciousness PC1: I am willing to go to extra effort (e.g. using coupons, comparing prices online) to find lower prices. PC2: I will shop at more than one store to take advantage of low prices. PC3: The money saved by finding low prices is usually worth the time and effort. PC5_R: The time it takes to find low prices is usually not worth the effort. (Reversed Score)</p> <p><i>Excluded items:</i> PC4_R: I would never shop at more</p>	.79	.836	.73	.852

Table 6. (Cont'd)

Chi-square (χ^2)= 2720.22, df=1486, p<.001, IFI=.93, CFI=.93, RMSEA=.06				
Items	East Std. Loadings	East Cronbach's alpha	West Std. Loadings	West Cronbach's alpha
<p><i>than one store to find low prices.(Reversed Score)</i> <i>(Note: This item was also deleted in the preliminary study)</i></p> <p>Sales Proneness SAP3: I have favorite brands, but most of the time I buy the brand that is on sale.</p> <p>SAP4: One should try to buy the brand that is on sale.</p> <p>SAP5: I am more likely to buy brands on sale.</p> <p>SAP6: Compared to most people, I am more likely to buy brands that are on special (sales).</p> <p><i>Excluded items:</i> SAP1: <i>If a product is on sale, I would buy it for this reason.</i> SAP2: <i>When I buy a brand that is on sale, I feel that I am getting a good deal.</i></p> <p>Price Mavenism PM1: People ask me for information about prices for different types of products.</p> <p>PM2: I am considered somewhat of an expert when it comes to knowing the</p>	.67	.820	.69	.827
	.78		.81	
	.70		.72	
	.75		.74	
	.78		.82	
	.86		.90	

Table 6. (Cont'd)

Chi-square (χ^2)= 2720.22, df=1486, p<.001, IFI=.93, CFI=.93, RMSEA=.06				
Items	East Std. Loadings	East Cronbach's alpha	West Std. Loadings	West Cronbach's alpha
prices of products.				
PM3: For many types of products, I would be better able than most people to tell someone where to shop to get the best price.	.89		.89	
PM4: I like helping people by providing them with price information about many types of products.	.75	.908	.74	.924
PM5: My friends think of me as a good source of price information.	.92		.93	
PM6: I enjoy telling people how much they might expect to pay for different kinds of products.	.73		.73	
Coupon Proneness				
COU1: Redeeming coupons makes me feel good.	.73		.63	
COU2: I enjoy clipping coupons out of the newspapers and magazines.	.72		.62	
COU3: When I use coupons, I feel that I am getting a good deal.	.71	.845	.63	.866
COU4: I enjoy using coupons, regardless of the amount I save by doing so.	.81		.83	
COU5: Beyond the money I save, redeeming coupons gives me a sense of joy.	.80		.82	

Table 7. Comparison of Reliabilities for Price Perception

Reliabilities (Cronbach's alpha)							
	Lichtenstein et al. (1993)	Moore et al. (2003)		Sternquist et al. (2004)		Current study (Germany)	
		U.S.	Poland	Korea	China	East	West
Prestige sensitivity	.78~.90 for all constructs	.88	.78	.91	.78	.87	.88
Price/quality schema		.86	.84	.85	.69	.76	.79
Value consciousness		.86	.84	.84	.88	.72	.77
Price consciousness		.55	.50	.87	.82	.84	.85
Sales proneness		.82	.75	.83	.80	.82	.83
Price mavenism		.91	.86	.93	.85	.91	.92
Coupon proneness		Omitted construct	Omitted construct	Omitted construct	Omitted construct	.85	.87

4. 2. CFA Equivalence Test for the Group Comparison

LISREL 8.8. with Maximum Likelihood Estimation was used to compare the measurement model for the equivalence test for the Eastern and Western groups. For the equivalence test of the two groups, a group comparison analysis was used simultaneously to impose invariance constraints on the parameter estimates (e.g. factor loading) across the Eastern and Western models (See Table 6). The model demonstrates a good fit (Chi-square $\chi^2 = 2720.22$, $df=1486$, $p<.001$, $IFI=.93$, $CFI=.93$, $RMSEA=.06$).

Moreover, measurement equivalence was conducted at several levels. There were no significant χ^2 differences ($\Delta\chi^2$) between the unconstrained model and the constrained models on the factor loadings and the factor correlations, which are presented in Table 8. Therefore, factor covariances were found to be equal across both groups by constraining the ϕ to be equal. In addition, the two groups have equal factor loadings. However, the most restrictive test—equal error variances—across the groups was significant ($\Delta\chi^2=128.08$, $\Delta df=41$, $p<.001$). Thus, allowing errors to be non-invariant could improve the fit of the models across the groups. Overall, the equivalence tests at several levels are acceptable.

Table 8. CFA Constrained at Several Levels: Chi-square Results and Goodness of Fit Indices for the Measurement Model for the Equality of the two-group comparison

Model	χ^2	df	$\Delta\chi^2$	CFI	RMSEA
1. Two groups-Unconstrained	2720.22	1486	.00	.93	.060
2. Two groups- ϕ Constrained	2720.22	1486	.00	.93	.060
3. Two groups- λ Constrained	2720.22	1486	.00	.93	.060
4. Two groups- ϕ, λ Constrained	2720.22	1486	.00	.93	.060
5. Two groups- $\phi, \lambda, \theta_\delta$ Constrained	2848.30	1527	128.08*** ($\Delta df=41$)	.93	.061

Model Comparisons ($\Delta\chi^2$) between an unconstrained baseline model and constrained models to be equal across the East and the West groups.

(Note: *** indicates $p < .001$)

4.3. Analysis of the Structural Equation Model (SEM)

4.3.A. SEM Equivalence Test for the Group Comparison

LISREL 8.8. with Maximum Likelihood Estimation was used to compare the structural model for the equivalence test for the Eastern and Western groups. For the SEM equivalence test of the two groups, a group comparison analysis was used simultaneously to impose invariance constraints (e.g. factors, factor loadings, paths) on the parameter estimates across the Eastern and Western models.

In interpreting the equivalence test for comparison analysis, variance constraints were imposed on the parameter estimates for factors in order to test χ^2 for significance and to evaluate an equivalent structural model fit. When the result of χ^2 test is not significant, the structural model is interpreted as a good fit for the equality constraint test, but this test is sensitive to sample size (Bentler & Bonnet, 1980; Jöreskog & Sörbom, 1993). Although the result of the structural equality test is significant for the two groups ($\chi^2=3217.01$, $df=1503$, $p<.01$), the model fit indices show a satisfactory fit to the data in the equivalence test for the two groups (CFI=.91, IFI=.91, RMSEA=.074) and “normed chi-square test” (χ^2/df) is less than 2, which is acceptable (Tabachnick & Fidell, 2007). In order to converge the current model and improve the model fit, some error correlations and starting value adjustment in LISREL were conducted in order to converge the structural model for the equality test. In order to correlate error terms, theoretical justification is required (Jöreskog & Long, 1993). For example, the constructs price consciousness and value consciousness are theoretically treated as negative price perceptions (Lichtenstein et al., 1993) and a high correlation was found between these two in the preliminary

study. Thus, error correlations between these two for the current structural model are theoretically logical. Although these two constructs are distinct from one another, they both belong to the domain “negative price perception.” The correlation of error terms within this particular domain (negative price perception) is called “domain specificity.” For this study, error terms did not cross between different domains.

Error terms were correlated as follows: 1) between the price consciousness and value consciousness constructs within the negative price perception domain; and 2) between within-factor error (Hooper et al., 2008). Therefore, the overall model fit was improved. Based on the result of imposing invariance constraints in order to establish equality for the equivalence test of the model comparison, the two groups have the same measurement and structural models. Thus, the values from the structural model can be compared. The equivalence test of the structural invariance for the two groups is shown in Figure 2 and 3, and in Table 9. Consequently, I conclude that the structural model specified for the study is a good fit, that the equality constraints are acceptable, and that there are nine factors (social connectedness, collective self-esteem, prestige sensitivity, price/quality schema, value consciousness, price consciousness, sales proneness, price mavenism, coupon proneness) for the Eastern and Western groups under evaluation.

Figure 2: Comparison of Path Coefficients (East Germany)

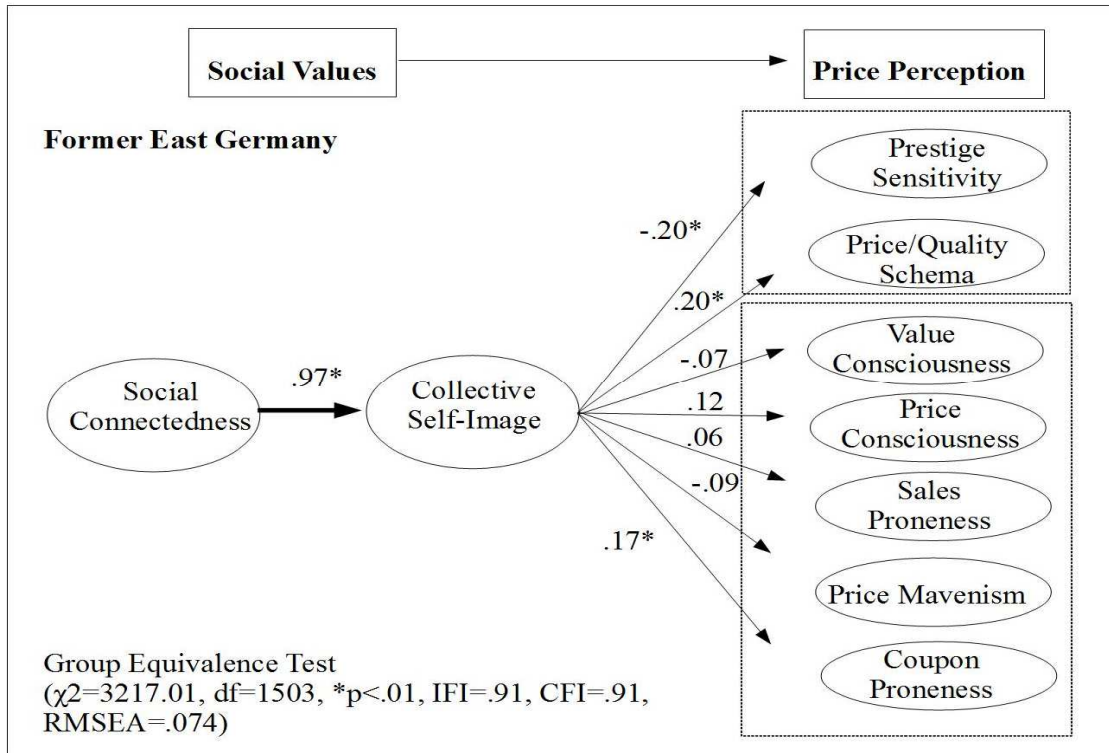


Figure 3: Comparison of Path Coefficients (West Germany)

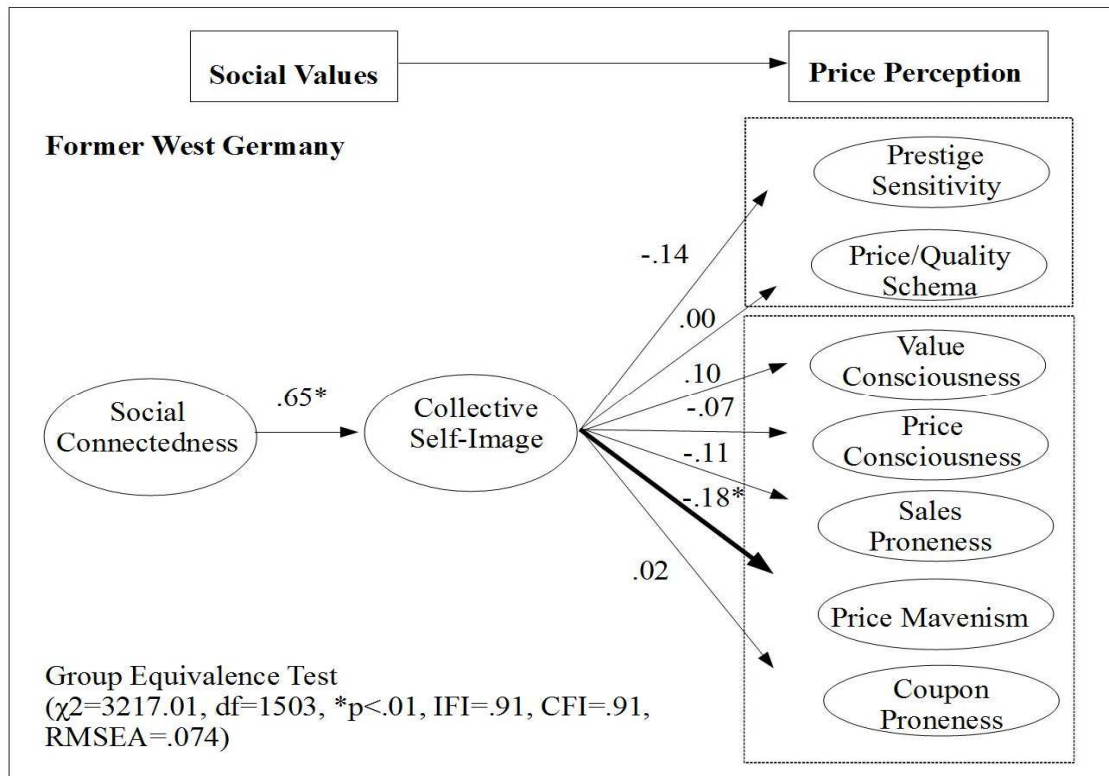


Table 9. Results of Structural Equation Model Estimation of the Eastern and Western regions of Germany

	Path	East		West	
		Standardized Estimates	Hypothesized direction	Standardized Estimates	Hypothesized direction
Parameter Estimates	Social Connectedness → Collective Self-Esteem	.97*	+	.65*	+
	Collective Self-Esteem → Prestige Sensitivity	-.20*	-	-.14	+
	Collective Self-Esteem → Price/Quality Schema	.20*	+	.00	+
	Collective Self-Esteem → Value Consciousness	-.07	-	.10	-
	Collective Self-Esteem → Price Consciousness	.12	+	-.07	-
	Collective Self-Esteem → Sales Proneness	.06	+	-.11	-
	Collective Self-Esteem → Price Mavenism	-.09	+	-.18*	-
	Collective Self-Esteem → Coupon Proneness	.17*	+	.02	-
Fit Indices	$\chi^2 = 3217.01$, $df=1503$, $p<.01$, $IFI=.91$, $CFI=.91$, $RMSEA=.074$				

Note: (1) Shaded areas indicate a significant χ^2 difference in the path coefficient comparison between the East and the West.

(2) * indicates $p<.05$.

(3) + indicates a positive relationship between two constructs while - indicates a negative relationship.

4.3.B. Comparison of Path Coefficients and Hypothesis Tests

After the measurement invariance test for the equivalence across the East and West German groups, a structural equivalence test was conducted across the two groups. Based on the equivalence test between the two groups, path coefficients were constrained to be equal for the two group comparison (Anderson & Gerbing, 1988). When the baseline and constrained path models are not significantly different, the model is invariant across the two groups (Anderson & Gerbing, 1988). Thus, in order to compare the strength of the path coefficients, a χ^2 difference test was run by constraining each structural path to be equal across the Eastern and Western regions and then freeing each path one at a time (Anderson and Gerbing, 1988). Results are presented in Table 10. All path coefficients are measured in a common metric for all groups (Jöreskog & Sörbom, 2001). As proposed in Hypothesis 1a, the path coefficient shows that there is a significant positive relationship between social connectedness and collective self-esteem (standardized estimates=.97, $p<.05$) in the Eastern region. The relationship for the Western region was also significant and positive (standardized estimates=.65, $p<.05$). Thus, hypothesis 1a was supported for both groups. In addition, there were statistically significant differences between the path coefficients ($\Delta\chi^2=146.93$, $\Delta df=1$, $p<.05$). Therefore, hypothesis 1b was supported, as the effect of social connectedness on collective self-esteem was stronger in the Eastern region than those in the Western region.

Table 10. Multiple Group Path Comparison: Results of χ^2 Difference Test

(Common metric completely standardized solution was reported)

	χ^2	df	$\Delta\chi^2$
Unconstrained baseline model	3266.73	1497	
Equality Constrained Path			
Social→Collective SE	3413.66	1498	146.93*
Collective SE→Prestige	3270.41	1498	3.68
Collective SE→Price/Quality	3266.73	1498	.00
Collective SE→Value	3268.32	1498	1.59
Collective SE→Price	3267.45	1498	.72
Collective SE→Sales	3269.09	1498	2.36
Collective SE→Mavenism	3273.15	1498	6.42**
Collective SE→Coupon	3266.76	1498	.03

Model Comparisons ($\Delta\chi^2$) between an unconstrained baseline model and constrained models to be equal across the East and the West groups.

(Note: * indicates $p < .05$; ** indicates $p < .01$)

Hypothesis 1a: *Social connectedness is positively related to collective self-esteem. (Supported)*

Hypothesis 1b: *The influence of social connectedness on collective self-esteem will be greater For the Eastern cohort than the Western cohort. (Supported)*

In testing Hypothesis 2a-1, collective self-esteem was significantly and negatively related to prestige sensitivity for the Eastern region (standardized estimates=-.20, $p < .05$). Thus, as the results indicate, the inverse relationship between collective self-esteem and prestige sensitivity for the Eastern region was supported. In testing Hypothesis 2a-2, there was a negative non-significant relationship between collective self-esteem and prestige sensitivity for the Western region (standardized estimates=-.14, $p > .05$). Therefore, H2a-2 was not supported. In addition, the effect of collective self-esteem on prestige sensitivity was stronger for the Western region than in the Eastern region, but there was no statistically significant χ^2 difference between the path coefficients between the unconstrained and constrained models across the two groups ($\Delta\chi^2=3.68$, $\Delta df=1$, $p > .05$). Thus, H2b was not supported.

Hypothesis 2a-1: Collective self-esteem is negatively related to prestige sensitivity for the Eastern cohort. (Supported)

Hypothesis 2a-2: Collective self-esteem is positively related to prestige sensitivity for the Western cohort. (Not supported)

Hypothesis 2b: The influence of collective self-esteem on prestige sensitivity will be greater for the Western cohort than the Eastern cohort. (Not supported)

As proposed in Hypothesis 3, collective self-esteem was positively related to price/quality schema in the Eastern region (standardized estimates= .20, $p < .05$), but this relationship was not significant in the Western region (standardized estimates= .00, $p > .05$). The effect of collective self-esteem on price/quality schema was not stronger for the Western region than the Eastern region based on the $\Delta\chi^2$ test ($\Delta\chi^2=0$, $\Delta df=1$, $p > .05$). H3a was statistically

supported for the Eastern region, but not for the Western region. In addition, as a result of the χ^2 difference test, H3b was not supported.

Hypothesis 3a: *Collective self-esteem is positively related to price/quality schema. (Supported for East, not Supported for West)*

Hypothesis 3b: *The influence of collective self-esteem on price/quality schema will be greater for the Western cohort than the Eastern cohort. (Not supported)*

In testing Hypothesis 4a, there was a negative non-significant relationship between collective self-esteem and value consciousness (negative price perception) in the Eastern region (standardized estimates=-.07, $p>.05$), but there was a positive non-significant relationship in the Western region (standardized estimates=.10, $p>.05$). However, Hypothesis 4a was not supported, since there were no statistically significant relationships. In addition, there is no statistically significant χ^2 difference between the unconstrained and constrained models on the equality constrained path between collective self-esteem and value consciousness across the groups ($\Delta\chi^2=1.59$, $\Delta df=1$, $p>.05$). Thus, hypothesis 4b was not supported.

Hypothesis 4a: *Collective self-esteem is negatively related to value consciousness. (Not supported)*

Hypothesis 4b: *The influence of collective self-esteem on value consciousness will be greater for the Western cohort than the Eastern cohort. (Not supported)*

In testing Hypothesis 5a-1 and 5a-2, there was a positive non-significant relationship between collective self-esteem and price consciousness in the Eastern region (standardized estimates=.12, $p>.05$), while this relationship was negative for the Western region (standardized estimates=-.07, $p>.05$). However, Hypothesis 5a-1 and 5a-2 were not supported for either group, since there were no statistically significant results. In addition, there was no statistically significant χ^2 difference between the unconstrained and constrained models on the equality constrained path between collective self-esteem and price consciousness across the groups ($\Delta\chi^2=.72$, $\Delta df=1$, $p<.01$). Thus, hypothesis 5b was not supported.

Hypothesis 5a-1: *Collective self-esteem is positively related to price consciousness for the Eastern German cohort. (Not supported)*

Hypothesis 5a-2: *Collective self-esteem is negatively related to price consciousness for the Western German cohort. (Not supported)*

Hypothesis 5b: *The influence of collective self-esteem on price consciousness will be greater for the Eastern cohort than the Western cohort. (Not supported)*

In testing Hypothesis 6a-1 and 6a-2, collective self-esteem was positively related to sales proneness in the Eastern region (standardized estimates=.08, $p>.05$), while a negative relationship existed for the Western region (standardized estimates=-.11, $p>.05$). However, Hypotheses 6a-1 and 6a-2 were not supported for either group because the relationship between collective self-esteem and sales proneness was not statistically significant. In addition, there was no statistically significant χ^2 difference between the unconstrained and constrained models on the

equality constrained path between collective self-esteem and sales proneness across the groups ($\Delta\chi^2=2.36$, $\Delta df=1$, $p>.05$). Thus, hypothesis 6b was not supported.

Hypothesis 6a-1: *Collective self-esteem is positively related to sales proneness for the Eastern cohort. (Not supported)*

Hypothesis 6a-2: *Collective self-esteem is negatively related to sales proneness for the Western Cohort. (Not supported)*

Hypothesis 6b: *The influence of collective self-esteem on sales proneness will be greater for the Eastern cohort than the Western cohort. (Not supported)*

In testing Hypothesis 7a, there was a positive non-significant relationship between collective self-esteem and price mavenism in the Eastern region (standardized estimates=-.09, $p>.05$) and there was a significant and negative relationship in the Western region (standardized estimates=-.18, $p<.05$). Hypothesis 7a-1 was not supported for the Eastern region, but Hypothesis 7a-2 was supported for the Western region. In addition, the χ^2 difference comparison indicates that freeing of the equality constraints between collective self-esteem and price mavenism significantly improved the model fit ($\Delta\chi^2=6.42$, $\Delta df=1$, $p<.01$). Thus, the Western Germans indicated a significantly stronger relationship between collective self-esteem and price mavenism than Eastern Germans, which supports Hypothesis 7b. Interestingly, this path was the only one that had a significant relationship with collective self-esteem among the price perception paths for the Western region but this path was not significant for the Eastern region. Thus, the Eastern and Western regions demonstrated a significant difference between collective self-esteem and price mavenism.

Hypothesis 7a-1: *Collective self-esteem is positively related to price mavenism for the Eastern cohort. (Not supported)*

Hypothesis 7a-2: *Collective self-esteem is negatively related to price mavenism for the Western cohort. (Supported)*

Hypothesis 7b: *The influence of collective self-esteem on price mavenism will be greater for the Western cohort than the Eastern cohort. (Supported)*

In testing Hypothesis 8a-1, collective self-esteem was significantly and positively related to coupon proneness in the Eastern region (standardized estimates=.17, $p > .05$), but this relationship was not significant for the Western region (standardized estimates=.02, $p > .05$). Thus, Hypothesis 8a-1 was supported and Hypothesis 8a-2 was not supported. In addition, there was no statistically significant difference between the path coefficients ($\Delta\chi^2 = .03$, $\Delta df = 1$, $p > .05$). Thus, hypothesis 8b was not supported.

Hypothesis 8a-1: *Collective self-esteem is positively related to coupon proneness for the Eastern cohort. (Supported)*

Hypothesis 8a-2: *Collective self-esteem is negatively related to coupon proneness for the Western cohort. (Not Supported)*

Hypothesis 8b: *The influence of collective self-esteem on coupon proneness will be greater for the Eastern cohort than the Western cohort. (Not Supported)*

In conclusion, hypotheses proposed at the beginning of the study were tested utilizing the SEM equivalence test for multiple group analysis. The key findings of these tests are listed in Table 11 below, and a summary of these tests is in Appendix A. In the next chapter, these results will be discussed in greater detail.

Table 11. Key Results of the Study

Eastern Region	Western region
Social connectedness is significantly related to collective self-esteem (.97).	Social connectedness is significantly related to collective self-esteem (.65).
The relationship between social connectedness and collective self-esteem is stronger for the Eastern region than the Western region.	
Collective self-esteem is significantly and inversely related to prestige sensitivity (-.20).	
Collective self-esteem is significantly related to price/quality schema (.20).	
	Collective self-esteem and price mavenism are significantly and inversely related (-.18)
The relationship between collective self-esteem and price mavenism is stronger for the Western region than the Eastern region.	
Collective self-esteem and coupon proneness are significantly related (.17).	

CHAPTER 5

DISSCUSION AND CONCLUSION

This study, based on Generational Cohort Theory, investigated young adult Germans' price perceptions by comparing the transitional (East) and long-standing market (West) economies, and examined the influence of social values on these price perceptions. The goal of the study was to investigate whether young adult consumer behavior during the transitional period has converged between former East and former West German consumers. Collective self-esteem and social connectedness were proposed as social values that differentially affect young German consumers' price perceptions. Findings demonstrated that higher regional social connectedness leads to higher regional collective self-esteem. Generation Cohort Theory, Social Connectedness, Collective Self-Esteem, and Price Perception along with Hoarding Theory and Self-Image Congruence Concept were used as theoretical frameworks to explain these relationships.

The findings of the study support the proposed conceptual model in explaining the two German cohorts' sets of social values and price perceptions after the reunification. The following section discusses the current study's findings in detail for each construct including social connectedness, collective self-esteem, and price perception.

Effect of Social Connectedness on Collective Self-Esteem

The current study is the first academic effort to investigate and compare the generation of young East and West German cohorts who are now becoming Germany's adult consumer cohort

twenty years after the German reunification. Young German consumers in the Eastern and Western regions were investigated because the reunification of East and West Germany represented a significant national event, which is a phenomenon, posited by Generational Cohort Theory, that influences social values and behaviors. This theory indicates that these events engender new consumer cohorts, which possess the aforementioned social values and behaviors. Thus, the German Reunification will have influenced the social values and behaviors of Germans, especially those in their formative years during this time. In the Eastern region, this young generational cohort has grown up in the market economy during the transitional period, unlike their parents' cohort who spent their formative years in the socialist system. This young cohort, influenced by their parents, has emerged to become primary consumers, along with their contemporary Western counterparts. The results of this study found that both of these cohorts have divergent social values and price perceptions.

I proposed that there is a positive relationship between social connectedness and collective self-esteem. Overall, the results showed that social connectedness significantly influenced collective self-esteem in both the East and West German social groups. Higher levels of social connectedness in hometowns, cities, or states contributed to higher levels of collective self-esteem in the city/region. Therefore, the findings of these analyses are consistent with the findings of previous studies, in which greater feelings of belonging led to higher self-esteem (Denissen et al., 2008; Marcia, 1980). Specifically, the current findings suggest that the higher the regional social connectedness is, the higher the regional collective self-esteem is for both Germans living in the East and in the West.

Furthermore, this effect of social connectedness on collective self-esteem was stronger in the Eastern region than in the Western region. A partial explanation of this could be that the

young Eastern German cohort has been influenced by their parents' pre-reunification values and behavior, i.e. Eastern Germans relied on networks to obtain merchandise and household items (Veenis, 1999; Sung & Huddleston, 2011c). Thus, due to the influence of this regional pre-unification behavior from their parents, young Germans living in the East might experience greater social connectedness regionally than their Western contemporaries.

As a contribution to the current literature, the results of the study also imply that social connectedness, especially resulting from the regional differences due to the German reunification, increased the collective self-esteem in each region. This indicates that, regardless of where these young adults grew up, it is important for them to experience feelings of belonging to a social group. In turn, region is an important consideration, as it represents part of who they are and where they belong.

Effect of Collective Self-Esteem on Price Perception

The influence of collective self-esteem on several price perception constructs differed among young consumers in the Eastern region and young consumers in the Western region of Germany. As a result of this statistical divergence, collective self-esteem had different implications for these individuals according to their respective region.

Prestige Sensitivity

First, for the Eastern cohort, high collective self-esteem had a significant, negative relationship with prestige sensitivity. For the Western cohort, high collective self-esteem had a negative relationship with prestige sensitivity, but was not significant. Since there is a

statistically significant inverse relationship in the Eastern region between prestige sensitivity and collective self-esteem, several interpretations could be made.

As hypothesized, Germans living in the Eastern region expressed that functional and affordable products are more important than prestigious brand names. This sentiment has been demonstrated through previous research (Sung, Huddleston, & Uhrich, 2011b; Sung & Huddleston, 2011d), which suggests that prestigious brands do not automatically indicate high quality in the Eastern region. This divergence in attitudes toward prestigious brands between the Eastern and Western regions can be partially explained by the scarcity of financial resources in the Eastern region compared to the Western region for German youth. Additionally, based on the Ostalgie literature (Bach 2002; Berdahl 1999, 2010; Wicke 1998), Germans living in the east may have acquired a loyalty for former East German products from the parental generation, as well as a consequent dislike for Western products, a large percentage of which are prestige brands. Furthermore, these consumers believe that some former East German products (e.g. Rotkaeppchen sparkling wine, Spreewald pickles, etc.) have a high quality, even though they might not be prestige brands like their Western analogs.

Furthermore, this finding is consistent with the findings of previous studies, which indicate that prestige sensitivity is related to economic growth. For example, according to Sternquist et al. (2004), South-Korean consumers had higher prestige sensitivity than Chinese consumers. In the economic system comparison, South-Korea has had a long-standing market economy, while China has more recently shifted to a transitional economy. Previous research also demonstrates that Korean consumers were prestige-oriented, indicating that high price was perceived as an indicator of prestige (Yu 1996; Chung & Pysarchik, 1997) and Chinese consumers were less prestige sensitive (Lowe & Corkindale, 1998; Sternquist et al., 2004).

Therefore, one could surmise that, even though young Germans in the Eastern region have high collective-self esteem, it is not necessarily true that those with a strong sense of belonging to their Eastern social groups prefer to have prestigious brands. Rather, they may value the functional aspects of products that are affordable (Sung, Huddleston, & Uhrich, 2011b; Sung & Huddleston, 2011d). Thus, belonging to their regional social group in the East decreases the need for purchasing prestigious brands.

Price-Quality Schema

The finding regarding the influence of collective-self esteem on price/quality schema shows that there is a significant relationship for those living in the East, but that this is not significant for those living in the Western region. Thus, in the Eastern region, people who have higher collective self-esteem in their social groups perceive price as an indicator of quality. Compared to prestige sensitivity, which is also linked to collective self-esteem, Germans living in the East who have higher collective self-esteem still perceive that high price indicates good quality, whereas collective self-esteem does not indicate preference for prestigious brands for this cohort. The difference between the prestige sensitivity and price-quality schema for Germans in the Eastern region is that they may perceive that prestigious brands are primarily for demonstrating conspicuous consumption behavior, or the desire to show off material items to others in order to cause people to notice them, “to feel classy,” “[to improve what] friends think of one,” or “[to produce positive] judgments.” Even though young Eastern Germans think that high price is an indicator of high quality, prestige brand products, which have high prices, are not necessarily evaluated in the same way (Sung & Huddleston, 2011d). That is, the relationship between price and quality is not determined to be proportional in regards to prestige brand

products, such as Apple's laptops, indicating a distrust of utilizing prestige as a measure for quality (Sung & Huddleston, 2011d).

Young Germans in the Eastern region would not purchase products based solely on low prices. Rather, they also consider the quality of products. For example, although in a previous study Germans in the Eastern region stated that they preferred the laptop brands Acer and Samsung, which offer lower prices than more prestigious brands, such as Apple, this does not mean that the quality of Acer or Samsung products are lower than Apple (Sung, Huddleston, & Uhrich, 2011b; Sung & Huddleston, 2011d). One of the respondents to the study from the Eastern Region explained that he would not buy Apple products because their prices are too high and that he would instead consider aspects of laptop computers related to function and quality in conjunction with competitive prices. With similar features of all laptops, the prices of Apple products are perceived as excessively high by East Germans compared to the prices of the products of other brands.

There are other findings that indicate that young East Germans focus on the quality of products, as well as their prices. A recent interview exemplifies this perspective (Sung & Huddleston, 2011d):

Aldi (German retailer store –cheap price items)..it is called Media that sells electronic products.. Many people bought computers from Aldi,..cheap parts (of computer) and cheap price, so we did not have to pay so much... that we wanted.... but Aldi made one mistake. The problem was computers from there were very very bad...so people stopped buying computer. These days, nobody almost bought computers from there anymore..Aldi sells low brands and cheap items (without concerning quality).

Moreover, these findings are in line with other findings that stem from post-socialist countries, e.g. Poland, Russia (Huddleston & Good, 1988) and China (Veeck & Burns, 1995),

which suggest that consumers perceive price as an indicator of quality. In the case of Poland, for instance, price did not indicate the quality of products, because the state determined these prices (Boyes 1990). Several years after emerging into a market economy, Polish consumers began to experience price as an indicator of quality, as under this system, the prices of products are contingent upon many market variables (Huddleston & Good, 1998).

Price Mavenism

The influence of collective self-esteem on price mavenism was different between the East and the West. As hypothesized, the findings show that there is a significant inverse relationship between the collective self-esteem and price mavenism for young Germans living in the Western region. These individuals, who have higher collective self-esteem, prefer not to offer shopping tips related to low price. In contrast to this, the result indicated that collective self-esteem had no significant influence on price mavenism for young Germans in the Eastern region. Thus, the negative influence of collective self-esteem on price mavenism was stronger for Germans in the Western region than the Eastern region.

That those living in the Western region, who had higher collective self-esteem, preferred not to offer tips or information for prices, could be interpreted in the following ways: 1) perhaps the sense of self-esteem conferred by group membership overrides the need to share price information. Furthermore, these individuals might not feel it necessary to share price/shopping information if there are no benefits that are provided by their regional social group. Thus, they might feel that they do not need to share this kind of information due to the consumer ethos of their region. 2) Another reason might be that these consumers want to project their ideal image in their social groups by purchasing supposedly expensive products, but at the same time try to hide

the fact that they pay discounted prices to confer the prestige of purchasing an expensive product to themselves. This corresponds with the self-image congruence concept. Self-concept theory explains that consumers with high self-image congruence try to project an ideal self-image via their consumer behavior into their social group interactions, in order to enhance that self-image (Dolich, 1969; Sirgy, 1982; Sirgy et al., 1997). Thus, Western Germans might think that discounted products might devalue their self-image. 3) A third reason could be explained by Hoarding Theory, which alludes to emotional or impulsive buying, in that hoarders consider not holding on to a product a risk, resulting in these consumers seeking to acquire a gratuitous number of products (McKinnon, Smith, & Hunt, 1985). Thus, Western Germans might not want to share discount price information, because they fear that, given this information, others will acquire products that they might need. This suggests that these consumers might consider price mavenist behavior to be risky.

This finding is in accordance with previous literature indicating that while South Korean consumers use word-of-mouth communication, they do not seek and share price discount information with other consumers, but rather tend to provide information about high prices (Jin & Sternquist, 2005). Like South Korean consumers, Germans in the Western region do not focus on sharing shopping tips or discount price information with others when they have high collective self-esteem.

However, there was no significant relationship between collective self-esteem and price mavenism for the Eastern cohort. This indicates that there are regional differences in regards to the sharing of price information between those living in the Eastern region and those living in the Western region of Germany. The result shows that the effect of collective self-esteem and price mavenism was stronger for Germans in the Western region than those in the Eastern region.

Influence from the parental generation complicates this picture of consumer behavior of young individuals living in the East. Due to the nature of East German commerce before the reunification, the parents' generation did not share much market information, mainly as a result of the lack of product availability. In previous studies (Veenis, 1999; Sung & Huddleston, 2011c), it was discovered that the parents' generation exchanged household items with each other frequently. It would not be necessary to share information with others since they needed to obtain these items opposed to others. Moreover, due to the limited access to advertisement, media and product availability, this parental generation during the pre-unification era might not have developed the habit of sharing market information (Sung & Huddleston, 2011a). Consequently, this pre-unification behavior of this generation might have influenced their children's generation, causing the latter to believe that sharing consumer information with others might not be that important.

Coupon Proneness

The results show that the higher the level of collective self-esteem, the higher the coupon proneness in the Eastern region. In this region, Germans who had higher levels of collective self-esteem tended to use coupons for benefits. In contrast to this, this relationship was not significant for the young consumer cohort in the Western region.

Coupon proneness is related to market mavens, who are similar to price mavens, insofar as they are described as consumers that initiate discussions about shopping with others (Feick & Price, 1987). Market mavens are more likely to budget their expenditures and use coupons in order to take advantage of sales (Price et al., 1988).

Young Germans living in the Western region indicated that they had a lower propensity for price mavenism than their contemporaries in the Eastern region, implying that they do not share discount price information with others when collective self-esteem is high. Thus, those living in the Western region might not behave like market mavens with high regional collective self-esteem. Furthermore, this implies that West Germans with high regional collective self-esteem may not be more likely to budget their expenditures and use coupons to take advantage of sales. Young individuals living in the Eastern region who have high collective self-esteem, though, are more likely to use coupons. Thus, it explains that Germans in the Eastern region are more likely to be practical shoppers who buy quality products with reasonable prices by taking advantage of coupons. This finding is in line with the relationship found between collective self-esteem and price/quality schema in this current study. The young consumer cohort in the East, who recognizes the relationship between price and quality, may use coupons to acquire high price and high quality products.

In regards to the other three constructs of price perception, value consciousness, price consciousness, and sales proneness, there were no significant differences between them and collective self-esteem. In addition, there were no significant differences between the Eastern and Western regions. Thus, the finding that the direction of the relationships differs for these two groups warrants further investigation.

In summary, the findings indicated that collective self-esteem associated with social connectedness operates differently for the young consumer cohort living in the Eastern region than for those living in the Western region, which, in turn, influences price perception differently. In the Eastern region, Germans who have high collective self-esteem are less likely to prefer prestigious brands, instead valuing the functional aspects of products. This finding does

not mean that these consumers are merely looking for low prices. Rather, they take into consideration the quality of products as well, and are thus willing to pay a slightly higher price if the quality of the product is high. At the same time, they tend to use coupons in order to take advantage of sales. These findings imply that they care about quality and price, but are trying to be practical and focus on the functional aspects of products with good quality and reasonable prices. Lastly, West Germans who have high collective self-esteem do not prefer to share price information with others.

Theoretical Implications

As Generational Cohort Theory (Inglehart, 1976, 2000) explains, a significant national event results in a new generational cohort. Significant national events often cause the socioeconomic setting to change (Inglehart, 1976, 2000). This, in turn, fundamentally alters the formative environment for emerging cohorts' social values during this time. Furthermore, economic growth tends to have the most significant effect on these social values, as well as on attitudes and lifestyles across cohorts (Abramson & Inglehart, 1995).

Applying Generational Cohort Theory to the German context, the German reunification may be regarded as a significant national event, thus leading to changes in society in the Eastern region, its value structures in the reunified environment, and the emergence of a new generational cohort. Young Eastern Germans have been influenced by their parents, who were exposed in their formative years to social values associated with the former East German socialist economic system, while at the same time being exposed to their contemporary Western counterparts. As a cohort, young Eastern Germans share consumer experiences and values in the transitional environment that have taken place over the past twenty years after the reunification.

Thus, the transition in economic systems, from the planned to market economies, has had a significant effect on social values (social connectedness and collective self-esteem), as well as attitudes (Abramson & Inglehart, 1995). As a result, young Eastern Germans have shown different social values and different consumer attributes (i.e. price perception) compared to their contemporary Western counterparts. The generation that has grown up in the approximately twenty year-long transitional period has become a significant consumer group. This newly emerged cohort in the Eastern region is now becoming a main consumer group, along with their post-reunification Western contemporaries.

By applying the Generational Cohort Theory as a theoretical model, the current study extends the understanding of social values of the newly emerged young German cohort in each region of the reunified environment. That is, as a result of the significant national event of German reunification and the subsequent transition to a market economy in the Eastern region, the social values and consumer perception of the newly emerged young German cohort were shaped accordingly.

Regional social connectedness had a positive relationship with regional collective self-esteem. Moreover, the study found that this effect is stronger for the Eastern region than for the Western region. This study also supports the premise that the greater the feeling of belonging in and with the Eastern region, the greater their regional collective self-esteem. Young consumers in the Eastern region are more sensitive to a feeling of social belonging associated with regional collective feeling of self-esteem in the transitional reunified environment than their Western contemporaries, who have subsisted in a long-standing market environment. The findings of this analysis indicate that these social values influenced collective self-esteem differently in the

Eastern and Western regions, with this relationship manifesting more strongly in the Eastern cohort.

Second, the study contributed to the Generational Cohort Theory literature by analyzing the influence of social values on price perceptions between young consumer cohorts from the Eastern and Western regions. That is, price perceptions were different in each region because the regional social values differ. Thus, the reunification appears to have fundamentally influenced the formative environment for social values for these cohorts. The literature demonstrates that economic growth is more likely to have a more significant effect on social values, attitude, and lifestyle (Abramson & Inglehart, 1995).

Third, the findings can be extended to other post-socialist contexts for newly emerged cohorts in transitional environments. Generational Cohort Theory could be used to provide insight into price perception among new cohorts in these post-socialist countries. For example, findings indicated that social values influence the price perception of newly emerged young consumers differently between the transitional (East) and long-standing market (West) economies. This indicates that the newly emerged young consumers in the post-socialist countries, such as Poland and Russia, might have been similarly influenced by their parents, who experienced the socialist system, while, on the other hand, additionally having been influenced by market media and advertising in the transitional economy. Thus, other post-socialist environments might have affected new cohorts' social values as well as price perception.

Fourth, this study contributed to extending the scope of the social values literature by investigating the effects of regional differences on social connectedness and collective self-esteem of newly emerged cohorts. The findings showed that the second-hand experiences from parents might significantly influence social values (e.g. social connectedness and collective self-

esteem) for the new cohort in the Eastern region. Thus, the effect of regional social connectedness and regional collective self-esteem was stronger for the young Eastern cohort. This is in line with findings for other post-socialist countries, in which networks of individuals were deemed valuable and necessary (Kopf & Wolf, 2007; Sung & Huddleston, 2011c; Veenis, 1999). Furthermore, while a previous study (Moore et al., 2003) focused on price perception, the current study was extended to explain price perception as influenced by social values.

Self-concept theory could be employed to extend the findings concerning Germans' consumer behavior related to price mavenism in the Western region. That those living in the Western region, who had higher collective self-esteem, preferred not to offer tips or information for prices, indicates that Western Germans might think that discounted products might devalue their image, as mentioned above. This behavior is germane to consumers who have high self-image congruence, and who thus try to reflect an ideal self-image by way of their consumer behavior in the context of their social group interactions (Dolich, 1969; Sirgy, 1982; Sirgy et al., 1997). Thus, Western Germans might think that discounted products might devalue their self-image. In addition, based on Hoarding Theory, Western Germans prefer not to share discount price information, in order to prevent the risk of other consumers buying products with this information. As such, this consumer cohort with high collective self-esteem, and thus with a tendency to express price mavenism behavior, nevertheless abstains from sharing discount price information, as that would contradict the predilections of this cohort.

Marketing Implications

In order to develop pricing strategies, marketing practitioners need to understand how consumers perceive price. The connection between social values that emerge from an historical phenomena and price perception is important for the development of pricing strategies in post-socialist contexts. The current study suggests that marketers in Germany modify pricing strategies according to the type of consumer whom they are targeting, as this study's findings demonstrate that Germans in the Eastern and Western regions perceive price differently. For example, young adult consumers living in the Eastern region, who feel a strong sense of pride in belonging to their regional group and consider price to be an indicator of quality, do not prefer to engage in conspicuous consumption. Thus, marketers may emphasize the functional aspect of products, making the price seem worth the investment to individuals living in the Eastern region.

Furthermore, the association between higher collective self-esteem and higher price/quality schema in the Eastern region implies that the young Eastern cohort, who possesses high collective self-esteem, believes that price is positively related to the quality of a product. Given that information, the Eastern cohort would be willing to seek products equating high price with high quality. Marketers could retain a quality assortment with a reasonable price.

Additionally, the findings concerning price mavenism indicate that the effect of collective self-esteem on this construct is stronger for the Western cohort than for the Eastern cohort. This result implies that the young consumer cohort in the West, who perceives higher collective self-esteem in their hometown/region, does not tend to share price information with others. This result could be helpful for marketers in developing marketing strategies. For example, marketers could use customized promotions since consumers in the Western region prefer to keep good

deals secret. Using customized promotion, marketers could cause these consumers to conclude that they received a special advantage over others, and thus will have received the best deal.

Since this cohort tends to keep secrets about discount price information or tips, word-of-mouth marketing strategies for general mass promotion might not be effective. In the case of a retailer, Safeway (Clifford, 2012) uses variable pricing strategies whereby marketers use customized loyalty programs to offer personalized discount offers based on consumers' buying habits. By using such a strategy, marketers could help young adult consumers in the Western region feel that they have received unique benefits.

Finally, the Eastern cohort, who has high collective self-esteem, is more likely to use coupons. Coupon proneness is defined as an increased propensity to respond to discount offers and is a construct that affects positive purchase evaluation (Lichtenstein et al., 1990). Marketing strategies could include offering coupons to young consumers to stimulate purchases. Since consumers in this region care about the quality relative to the price of a product, even when they must pay a higher price, providing coupons would increase purchasing behavior in this region.

Additionally, in order to appeal to consumers with high regional collective self-esteem, marketers might employ marketing that emphasizing the "local" dimension of product lines. This would be especially relevant for East German consumers, given the concept of "Ostalgie" (a portmanteau of the words "Ost", meaning "east" in German, and "Nostalgie", which means nostalgia in German (Bach 2002; Berdahl 1999, 2010; Wicke 1998), which alludes to a yearning for the past reflected in the purchase of former East German brands, such as Rotkaeppchen sparkling wine, and Spreewald pickles. Therefore, these regional brands, for example, might be able to be marketed to young consumers in the Eastern region, who may have been influenced by

their parents. These marketing strategies might be advantages for local firms to emphasize local products in this Eastern region.

In conclusion, the influence of collective self-esteem differs for each regional social group in regards to price perception. Understanding social values in these two regions will provide marketers with information needed to understand the differences in consumers' price-quality perception and purchasing behavior. Marketers can therefore develop different price and promotion strategies, which could potentially be adapted to other post-socialist contexts.

Limitations of the Study

There are a few limitations of this research. First, a small sample size was utilized, which would limit the efficacy of generalizing the data and which could cause the model fit indices for the multiple group comparison in complex SEM model to be low.

Second, in order to compare differences between the East and the West, some items measuring the variables were eliminated when a region had lower factor loadings compared to another. Fewer indicators per construct were properly developed, resulting from an attempt to maintain consistency by eliminating and retaining the same constructs for both regions. In addition, items with two lower factor loadings for value consciousness were retained to maintain a set of price perception constructs for the two groups for comparison purposes. In general, the lower factor loadings might affect the results of the model fit.

Third, eliminating some indicators due to the lower factor loadings might result in bias, and not fully measure the construct, especially for collective self-esteem. There were four subscales, but only private collective-self esteem was used. Thus, in order to have strong factor

loadings, additional items could be developed. However, it could also be argued that due to cultural and regional differences, factor loadings have resulted in non-desirable values.

Future Research

Since the current study examined the similarities and differences of new generational cohorts after the German reunification, future research could be extended to incorporate more theories to explain these differences. Scale improvement, and additional interesting constructs could be introduced in order to compare and explain divergences between the transitional and long-standing market economies. These are discussed below.

First, the current study could be extended to include more influential factors such as trust, related to people or brands, both in online and offline contexts. Adding constructs might explain to a greater extent the relationship of social values resulting from a significant national event and the effect of those values on consumer behavior. The current study focused on social connectedness and collective self-esteem as social values in order to explain price perception of the young adult German cohort, but it may be also interesting to examine the resulting consequences of these values on actual purchase behavior or price tolerance. Moreover, it would be interesting to see what other factors, such as functional influence and design of products, could influence young consumer behavior in regards to price between the transitional and long-standing market economies.

Second, based on different social backgrounds between the two economies, online consumer behavior could be also different. For data collection, the Western cohort more actively participated in the website. Possible explanations include that there were more active Internet participants from the Western cohort than from the Eastern cohort in ‘Crowdsourcing Internet

Marketplace.’ It would be illuminating to investigate this difference and ascertain if the post-socialist countries have trust issues that would deter them from using online resources.

Third, future studies could be extended to other post-socialist contexts in order to better understand the influence of social values on price perception in order to ascertain whether more universal trends exist. Findings may be able to explain whether consumer behavior among transitional economies is a result of the influence of post-socialist environment.

Finally, young Germans’ values and perceptions may be different in other regions of Germany. Specifically, since only a few cities (e.g. Jena, Dresden, Leipzig) in the Eastern region have dramatically flourished over the past twenty years compared to other cities of the Eastern region, values and perceptions may vary widely in the East. Thus, future research may also be extended to other cities in the Eastern and Western regions.

APPENDICES

APPENDIX A.

Summary of Hypotheses Tests

Table 12. Summary of Hypotheses Tests

H1a	Social connectedness is positively related to collective self-esteem.	Supported
H1b	The influence of social connectedness on collective self-esteem will be greater for the Eastern cohort than the Western cohort.	Supported
H2a-1	Collective self-esteem is negatively related to prestige sensitivity for the Eastern cohort.	Supported
H2a-2	Collective self-esteem is positively related to prestige sensitivity for the Western cohort	Not supported
H2b	The influence of collective self-esteem on prestige sensitivity will be greater for the Western cohort than the Eastern cohort.	Not supported
H3a	Collective self-esteem is positively related to price/quality schema.	Supported for East, Not Supported for West
H3b	The influence of collective self-esteem on price/quality schema will be greater for the Western cohort than the Eastern cohort.	Not supported
H4a	Collective self-esteem is negatively related to value consciousness.	Not supported
H4b	The influence of collective self-esteem on value consciousness will be greater for the Western cohort than the Eastern cohort.	Not supported
H5a-1	Collective self-esteem is positively related to price consciousness for the Eastern German cohort.	Not supported
H5a-2	Collective self-esteem is negatively related to price consciousness for the Western German cohort.	Not supported
H5b	The influence of collective self-esteem on price consciousness will be greater for the Eastern cohort than the Western cohort.	Not supported
H6a-1	Collective self-esteem is positively related to sales proneness for the Eastern cohort.	Not supported
H6a-2	Collective self-esteem is negatively related to sales proneness for the Western Cohort.	Not supported
H6b	The influence of collective self-esteem on sales proneness will be greater for the Eastern cohort than the Western cohort.	Not supported
H7a-1	Collective self-esteem is positively related to price mavenism for the Eastern cohort.	Not supported
H7a-2	Collective self-esteem is negatively related to price mavenism for the Western cohort.	Supported
H7b	The influence of collective self-esteem on price mavenism will be greater for the Western cohort than the Eastern cohort.	Supported
H8a-1	Collective self-esteem is positively related to coupon proneness for the Eastern cohort.	Supported
H8a-2	Collective self-esteem is negatively related to coupon proneness for the Western cohort.	Not Supported
H8b	The influence of collective self-esteem on coupon proneness will be greater for the Eastern cohort than the Western cohort.	Not Supported

APPENDIX B.

Survey Consent Form

Research Participant Information and Consent Form in English

1. EXPLANATION OF THE RESEARCH AND WHAT YOU WILL DO:

You are being asked to participate in a research study of your price perceptions and opinions concerning consumer behavior.

The research study will be conducted via an online survey.

You must be 18 years of age to participate in this research study.

2. YOUR RIGHT TO PARTICIPATE, SAY NO, OR WITHDRAW:

Participation in this research project is completely voluntary. You have the right to say no. You may change your mind at any time and withdraw. You may choose not to answer specific questions or to stop participating at any time. Whether you choose to participate or not will have no effect on your grade or evaluation.

3. COMPENSATION FOR BEING IN THE STUDY:

A random drawing of two €100 Amazon gift cards for participants from your university will be conducted at the end of the study and you may win. You will be notified by email (July 4th) if you are a winner and a request for shipping email address to receive the e-gift card. You must complete the survey to be entered into the gift card drawing.

4. CONTACT INFORMATION FOR QUESTIONS AND CONCERNS

If you have concerns or questions about this study such as scientific issues, how to do any part of it, please contact the researcher Eunyong (Christine) Sung, 309 Communication Arts and Sciences, **Michigan State University**, East Lansing, MI 48824, USA (sungeuny@msu.edu), 517-353-3299. You may also contact the research supervisor Patricia Huddleston by e-mail at huddles2@msu.edu.

By clicking "yes" below you acknowledge that you have read this form and voluntarily agree to participate in this research study:

Your participation in this survey is voluntary. You may withdraw your consent and discontinue participation in the project at any time. Your refusal to participate will not result in any penalty.

You have given voluntary agreement to participate in this research.

Do you wish to participate in this study?

Research Participant Information and Consent Form in German

1. ERKLÄRUNG DES FORSCHUNGSPROJEKTS UND IHRER AUFGABEN

Sie werden gebeten, an einer Studie zur Wahrnehmung von Einzelhandels und Ihren persönlichen Wertvorstellungen zum Thema Konsumverhalten teilzunehmen.

Die Studie wird mithilfe eines Online-Fragebogens durchgeführt.
Sie müssen mindestens 18 Jahre alt sein, um an der Studie teilzunehmen.

2. IHR RECHT TEILZUNEHMEN, “NEIN” ZU SAGEN, UND AUS DER LAUFENDEN STUDIE AUSZUSTEIGEN

Die Teilnahme an diesem Forschungsprojekt ist vollkommen freiwillig. Sie haben das Recht, die Teilnahme zu verweigern. Sie haben außerdem das Recht, jederzeit Ihre Meinung zu ändern und aus der Studie nachträglich auszusteigen. Zudem haben Sie ebenfalls die Möglichkeit, einzelne Fragen auszulassen oder eine bereits begonnene Teilnahme auch während der laufenden Umfrage abzubrechen. Ob Sie an der Studie teilzunehmen, oder nicht, hat keinen Einfluss auf Ihre Note oder Bewertung.

3. ENTLOHNUNG FÜR IHRE TEILNAHME

Unter allen Teilnehmern Ihrer Universität werden am Ende der Studie zwei 100-Euro Geschenkgutscheine von AMAZON verlost. Sollten Sie zu den Gewinnern zählen, werden Sie per E-Mail (4. Juli) benachrichtigt und um die Übermittlung Ihrer Kontaktdaten gebeten, damit Ihnen der elektronische Geschenkgutschein zugesandt werden kann. Um an der Verlosung teilnehmen zu können, müssen Sie die Umfrage bis zum Ende ausfüllen.

4. KONTAKTINFORMATIONEN FÜR FRAGEN UND WEITERE ANLIEGEN

Sollten Sie Fragen oder andere Anliegen im Bezug auf diese Studie haben (z.B. wissenschaftliche Themen oder Fragen zum Ausfüllen des Fragebogens), dann wenden Sie sich bitte an die Forscherin Eunyong (Christine) Sung, 309 Communication Arts and Sciences, **Michigan State University**, East Lansing, MI 48824, USA (sungeuny@msu.edu), 001-517-353-3299. Zusätzlich erreichen sie Forschungs-Betreuerin Patricia Huddleston per E-Mail unter huddles2@msu.edu.

Durch das Drücken “Ja”-Buttons am Ende dieses Formulars bestätigen Sie, dass Sie diese Erklärung gelesen haben und Sie mit der Teilnahme an dieser Studie einverstanden sind:

Ihre Teilnahme an dieser Umfrage ist freiwillig. Sie können Ihr Einverständnis jederzeit widerrufen und die Teilnahme am Projekt beenden. Ihre Nicht-Teilnahme wird keine Strafe gegen Sie nach sich ziehen.

Sie haben freiwillig Ihre Zustimmung zur Teilnahme an an diesem Forschungsprojekt gegeben.

Wünschen Sie, an dieser Studie teilzunehmen?

APPENDIX C.

Survey Instrument

In English

German Consumer Behavior Questionnaire

I. Please answer the following questions in the blank.

1. What is your gender? ___ Male ___ Female
2. What is your age? _____
3. Where were you born (city and state)? _____
4. Where did you live (most of the time) (city and state)?

5. How many years have you been in this region/city?

6. Where have you lived since you were 12 years old? _____

II. In the following sections, we are interested in your views about your consumer behavior. Please answer the following questions by clicking the number that indicates your level of agreement/disagreement with each of the following statements.

	Strongly Disagree	Strongly Agree
1) I am very concerned about low prices, but I am equally concerned about product quality.	1 2 3 4 5 6 7	
2) I compare the prices of different brands to be sure I get the best value for the money.	1 2 3 4 5 6 7	
3) When purchasing a product, I always try to maximize the quality I get for the money I spend.	1 2 3 4 5 6 7	
4) When I buy products, I like to be sure that I am getting my money's worth.	1 2 3 4 5 6 7	
5) I generally shop around for lower prices on products, but they still must meet certain	1 2 3 4 5 6 7	

quality requirements before I buy them.							
6) When I shop, I usually compare the price information for brands I normally buy.	1	2	3	4	5	6	7
7) I always check prices at the store to be sure I get the best value for the money I spend.	1	2	3	4	5	6	7
8) I am willing to go to extra effort (e.g. using coupons, comparing prices online) to find lower prices.	1	2	3	4	5	6	7
9) I will shop at more than one store to take advantage of low prices.	1	2	3	4	5	6	7
10) The money saved by finding low prices is usually worth the time and effort.	1	2	3	4	5	6	7
11) I would never shop at more than one store to find low prices.	1	2	3	4	5	6	7
12) The time it takes to find low prices is usually not worth the effort.	1	2	3	4	5	6	7
13) People notice when you buy the most expensive brand of a product.	1	2	3	4	5	6	7
14) Buying a high price brand makes me feel good about myself.	1	2	3	4	5	6	7
15) Buying the most expensive brand of a product makes me feel classy.	1	2	3	4	5	6	7
16) I enjoy the prestige of buying of a high priced brand.	1	2	3	4	5	6	7
17) It says something to people when you buy the high price version of a product.	1	2	3	4	5	6	7
18) Your friends will think you are cheap if you consistently buy the lowest price version of a product.	1	2	3	4	5	6	7
19) I have purchased the most expensive brand of a product just because I knew other people would notice.	1	2	3	4	5	6	7
20) I think others make judgments about me by	1	2	3	4	5	6	7

the kinds of products and brands I buy.							
21) Even for a relatively inexpensive product, I think that buying a costly brand is impressive.	1	2	3	4	5	6	7
22) I feel connected to the people (e.g. friends, relatives, neighborhood, acquaintance, etc) in the region/city (or hometown) in which I grew up.	1	2	3	4	5	6	7
23) I feel like an outsider in the region/city (or hometown) in which I grew up.	1	2	3	4	5	6	7
24) I am able to “get along with” (relate to) my peers in the region/city (or hometown) in which I grew up.	1	2	3	4	5	6	7
25) I think I fit in well in new situations.	1	2	3	4	5	6	7
26) Sometimes I feel myself losing a sense of connectedness with the community in the region/city (or hometown) in which I grew up.	1	2	3	4	5	6	7
27) Even around people I know, I don’t feel that I really belong/belonged in the region/city (or hometown) in which I grew up. (Reversed Score)	1	2	3	4	5	6	7
28) I see people as friendly and approachable in the region/city (or hometown) in which I grew up.	1	2	3	4	5	6	7
29) I feel distant from people in the region/city (or hometown) in which I grew up.	1	2	3	4	5	6	7
30) I don’t feel related to most people in the region/city (or hometown) in which I grew up.	1	2	3	4	5	6	7
31) I don’t feel I participate with anyone or any group in the region/city (or hometown) in which I grew up.	1	2	3	4	5	6	7
32) I am a worthy member of my hometown or the city/region to which I belong.	1	2	3	4	5	6	7

33) I feel I don't have much to offer to my hometown or the city/region to which I belong.	1	2	3	4	5	6	7
34) I am a cooperative participant in my hometown or the city/region to which I belong.	1	2	3	4	5	6	7
35) I often feel that I'm a useless member of my hometown or the city/region to which I belong.	1	2	3	4	5	6	7
36) I often regret that I belong/having belonged to my hometown's community.	1	2	3	4	5	6	7
37) In general, I'm glad to be/have been a member of the community in my hometown.	1	2	3	4	5	6	7
38) Overall, I often feel that my hometown or the city/region of which I am a member is not a worthwhile place to be	1	2	3	4	5	6	7
39) I am proud of my hometown or the city/region to which I belong.	1	2	3	4	5	6	7
40) Overall, my hometown or the city/region to which I belong is considered good by others.	1	2	3	4	5	6	7
41) On average, most people consider my hometown or the city/region to which I belong, to be of a lower status than other cities/regions.	1	2	3	4	5	6	7
42) In general, others respect my hometown or the city/region of which I am a member.	1	2	3	4	5	6	7
43) In general, others think that my hometown or the city/region of which I am a member isn't a worthwhile place to live.	1	2	3	4	5	6	7
44) Overall, my hometown or the city/region to which I belong has very little to do with how I feel about myself.	1	2	3	4	5	6	7
45) My hometown or the city/region to which I belong is an important reflection of who I am.	1	2	3	4	5	6	7

46) My hometown or the city/region to which I belong is unimportant to my sense of what kind of a person I am.	1	2	3	4	5	6	7
47) In general, belonging to my hometown or the city/region is an important part of my self-image.	1	2	3	4	5	6	7
48) Generally speaking, the higher the price of a product is, the higher the quality of that product will be.	1	2	3	4	5	6	7
49) The old saying “you get what you pay for” is generally true.	1	2	3	4	5	6	7
50) The price of a product is a good indicator of its quality.	1	2	3	4	5	6	7
51) You always have to pay a bit more for the best.	1	2	3	4	5	6	7
52) If a product is on sale, I would buy it for this reason.	1	2	3	4	5	6	7
53) When I buy a brand that is on sale, I feel that I am getting a good deal.	1	2	3	4	5	6	7
54) I have favorite brands, but most of the time I buy the brand that is on sale.	1	2	3	4	5	6	7
55) One should try to buy the brand that is on sale.	1	2	3	4	5	6	7
56) I am more likely to buy brands on sale.	1	2	3	4	5	6	7
57) Compared to most people, I am more likely to buy brands that are on special (sales).	1	2	3	4	5	6	7
58) People ask me for information about prices for different types of products.	1	2	3	4	5	6	7
59) I am considered somewhat of an expert when it comes to knowing the prices of products.	1	2	3	4	5	6	7
60) For many types of products, I would be better able than most people to tell someone where to shop to get the best price.	1	2	3	4	5	6	7

61) I like helping people by providing them with price information about many types of products.	1	2	3	4	5	6	7
62) My friends think of me as a good source of price information.	1	2	3	4	5	6	7
63) I enjoy telling people how much they might expect to pay for different kinds of products	1	2	3	4	5	6	7
64) Redeeming coupons makes me feel good.	1	2	3	4	5	6	7
65) I enjoy clipping coupons out of the newspapers and magazines.	1	2	3	4	5	6	7
66) When I use coupons, I feel that I am getting a good deal.	1	2	3	4	5	6	7
67) I enjoy using coupons, regardless of the amount I save by doing so.	1	2	3	4	5	6	7
68) Beyond the money I save, redeeming coupons gives me a sense of joy.	1	2	3	4	5	6	7
<i>III: Demographics</i>							
Please check the appropriate response for each question.							
69) What is your present marital status? <input type="radio"/> Single <input type="radio"/> Married <input type="radio"/> Divorced <input type="radio"/> Separated <input type="radio"/> Widowed <input type="radio"/> Other _____							
70) Please check the category that most accurately identifies your education: <input type="radio"/> High school degree <input type="radio"/> Studying in a college or university <input type="radio"/> Bachelor's degree <input type="radio"/> Master's degree or higher							
71) How would you describe your current employment status? <input type="radio"/> Employed full time <input type="radio"/> Employed part time <input type="radio"/> Unemployed / Looking for work <input type="radio"/> Student <input type="radio"/> Homemaker							

<input type="radio"/> Retired	
<p>72) Please check the category that most accurately identifies your family's total annual income.</p> <ul style="list-style-type: none"> <input type="radio"/> Less than 7500€ <input type="radio"/> 7.500€ – 18.999€ <input type="radio"/> 19.000€ – 26,999€ <input type="radio"/> 27.000€ – 38,999€ <input type="radio"/> 39.000€ – 49.999€ <input type="radio"/> 50.000€ – \$61.999€ <input type="radio"/> 62.000€ – \$76.999€ <input type="radio"/> Above 77.000€ <input type="radio"/> Don't know <p><Thank you for your participation></p>	

In German

Umfrage zum Verhalten deutscher Konsumenten

I. Bitte beantworten Sie die folgenden Fragen in den unten angegebenen Feldern.

1. Sind sie ____ männlich oder ____ weiblich (bitte ankreuzen)?
2. Wie alt sind Sie? _____
3. Wo sind Sie geboren (Stadt und Bundesland)? _____
4. Wo haben Sie die meiste Zeit Ihres Lebens gewohnt bzw. welchen Ort würden Sie als Ihren Heimatort bezeichnen? (Stadt & Bundesland) _____
5. Wie lange haben Sie in ihrem Heimatort (in Frage 4 angegeben) gewohnt (in Jahren)?

6. Wo (Stadt und Bundesland) haben Sie seit Ihrem zwölften Lebensjahr gewohnt?

II. Im folgenden Abschnitt sind wir an Ihrer Sichtweise bzgl. Ihres Konsumverhaltens interessiert. Bitte beantworten Sie die folgenden Fragen durch anklicken der jeweiligen Nummer, die dem Grad Ihrer Zustimmung bzw. Ablehnung mit den folgenden Aussagen entspricht.

	<i>Starke Ablehnung</i>							<i>Starke Zustimmung</i>
1) Ein niedriger Preis ist wichtig für mich, aber im gleichen Maße achte ich auch auf die Qualität.	1	2	3	4	5	6	7	
2) Ich vergleiche die Preise verschiedener Marken, um sicher zu stellen, dass ich das beste Produkt für mein Geld bekomme.	1	2	3	4	5	6	7	
3) Wenn ich ein Produkt kaufe, versuche ich immer, die bestmögliche Qualität für mein Geld zu bekommen.	1	2	3	4	5	6	7	
4) Wenn ich ein Produkt kaufe, dann möchte ich sicher gehen, dass es seinen Preis auch wert ist.	1	2	3	4	5	6	7	

5) In der Regel vergleiche ich verschiedene Angebote, um den günstigsten Preis zu finden. Dennoch müssen die Produkte bestimmten Qualitätsansprüchen entsprechen, damit ich sie kaufe.	1	2	3	4	5	6	7
6) Wenn ich einkaufe, vergleiche ich die Preise von Marken, die ich normalerweise kaufe.	1	2	3	4	5	6	7
7) Ich vergleiche im Geschäft die Preise, um sicherzustellen, dass ich das beste Preis-Leistungs-Verhältnis bekomme.	1	2	3	4	5	6	7
8) Ich bin bereit, einen Mehraufwand (z.B. Online-Preisvergleich, Coupons Ausschneiden) in Kauf zu nehmen, um niedrigere Preise zu finden.	1	2	3	4	5	6	7
9) Ich kaufe in mehr als einem Laden ein, um Preisvorteile zu nutzen.	1	2	3	4	5	6	7
10) Das Geld, das ich durch Preisvergleiche und gezieltes Einkaufen spare, ist mir den zusätzlichen Aufwand und die Zeit wert.	1	2	3	4	5	6	7
11) Ich würde niemals in mehr als einem Geschäft einkaufen, nur um niedrige Preise zu finden.	1	2	3	4	5	6	7
12) Die Zeit, die es braucht, um niedrige Preise zu finden, ist mir den Aufwand normalerweise nicht wert.	1	2	3	4	5	6	7
13) Meine Mitmenschen bemerken es, wenn ich die teuerste Marke eines Produkts kaufe.	1	2	3	4	5	6	7
14) Ich fühle mich besser, wenn ich eine teure Marke kaufe.	1	2	3	4	5	6	7
15) Ich fühle mich nobel, wenn ich die teuerste Marke kaufe.	1	2	3	4	5	6	7
16) Ich genieße das Ansehen, dass das Kaufen einer teuren Marke mit sich bringt.	1	2	3	4	5	6	7

17) Wenn ich die teure Version eines Produktes kaufe, sagt das etwas über mich aus.	1	2	3	4	5	6	7
18) Ihre Freunde würden negativ von Ihnen denken, wenn Sie ständig die günstigste Version eines Produktes kaufen würden.	1	2	3	4	5	6	7
19) Ich habe in der Vergangenheit schon einmal die teuerste Marke eines Produktes gekauft, weil ich wusste, dass andere Menschen dies bemerken würden.	1	2	3	4	5	6	7
20) Ich glaube, dass mich andere Menschen auch danach beurteilen, welche Marken und Produkte ich kaufe.	1	2	3	4	5	6	7
21) Ich glaube, dass andere Menschen beeindruckt sind, wenn ich teurere Marken kaufe – und das selbst bei preiswerten Produkten.	1	2	3	4	5	6	7
22) Ich fühle/fühlte mich mit den Menschen (z.B. Freunde, Verwandte, Nachbarn, Bekannte, etc.) in meinem Heimatort/ meiner Heimatregion verbunden.	1	2	3	4	5	6	7
23) In meinem Heimatort/ meiner Heimatregion fühle/fühlte ich mich wie ein Außenseiter.	1	2	3	4	5	6	7
24) Ich verstehe/verstand mich mit den Gleichaltrigen in meinem Heimatort/ meiner Heimatregion.	1	2	3	4	5	6	7
25) Ich glaube, dass ich mich gut in neue Situationen integrieren kann.	1	2	3	4	5	6	7
26) Manchmal habe/hatte ich das Gefühl, den Draht zu den Menschen in meinem Heimatort/meiner Heimatregion zu verlieren.	1	2	3	4	5	6	7
27) Selbst wenn ich Menschen um mich habe/hatte, die ich gut kenne/kannte, fühle/fühlte ich mich, als ob ich nicht in meinen Heimatort/meine Heimatregion gehöre/gehörte.	1	2	3	4	5	6	7
28) Die Menschen in meinem Heimatort finde	1	2	3	4	5	6	7

ich aufgeschlossen und freundlich.							
29) Von den Menschen in meinem Heimatort/meiner Heimatregion fühle ich mich eher distanziert.	1	2	3	4	5	6	7
30) Ich fühle keine Verbindung zu den meisten Menschen in meinem Heimatort/meiner Heimatregion.	1	2	3	4	5	6	7
31) Ich fühle mich am Leben keiner Person oder Gruppe aus meinem Heimatort /meiner Heimatregion beteiligt.	1	2	3	4	5	6	7
32) In meinem Heimatort/meiner Heimatregion bin/war ich ein würdiges Mitglied der Gesellschaft.	1	2	3	4	5	6	7
33) Ich habe/hatte der Gesellschaft in meinem Heimatort/meiner Heimatregion nicht viel zu bieten.	1	2	3	4	5	6	7
34) Ich nehme/nahm aktiv am gesellschaftlichen Leben meines Heimatorts/meiner Heimatregion teil.	1	2	3	4	5	6	7
35) Ich komme/kam mir in meinem Heimatort/meiner Heimatregion oft als nutzloser Teil der Gesellschaft vor.	1	2	3	4	5	6	7
36) Ich bedauere/bedauerte oft, ein Mitglied der Gesellschaft in meinem Heimatort/meiner Heimatregion zu sein.	1	2	3	4	5	6	7
37) Im Großen und Ganzen bin/war ich froh, ein Mitglied der Gesellschaft in meinem Heimatort/meiner Heimatregion zu sein.	1	2	3	4	5	6	7
38) Insgesamt betrachtet denke ich, dass mein Heimatort/meine Heimatregion kein besonders guter Ort ist, um dort zu leben.	1	2	3	4	5	6	7
39) Ich bin stolz auf meinen Heimatort/meiner Heimatregion.	1	2	3	4	5	6	7
40) Insgesamt gesehen wird mein Heimatort/meine Heimatregion von anderen Menschen geachtet.	1	2	3	4	5	6	7
41) Im Allgemeinen genießt mein Heimatort/meine Heimatregion bei den meisten Menschen geringeres Ansehen als andere Orte/Regionen.	1	2	3	4	5	6	7
42) Mein Heimatort/meine Heimatregion ist bei anderen Menschen im Allgemeinen gut angesehen.	1	2	3	4	5	6	7
43) Für gewöhnlich denken andere Menschen,	1	2	3	4	5	6	7

dass es nicht erstrebenswert ist, in meinem Heimatort/meiner Heimatregion zu wohnen.							
44) Im Großen und Ganzen hat mein Heimatort/meine Heimatregion wenig damit zu tun, wie ich mich selbst sehe.	1	2	3	4	5	6	7
45) In meinem Heimatort/meiner Heimatregion spiegelt sich ein wichtiger Teil meiner Persönlichkeit wider.	1	2	3	4	5	6	7
46) Mein Heimatort/meine Heimatregion beeinflusst meine eigene Wahrnehmung meiner Persönlichkeit nicht.	1	2	3	4	5	6	7
47) Im Großen und Ganzen ist die Zugehörigkeit zu meinem Heimatort/meiner Heimatregion ein wichtiger Teil meines Selbstbildes.	1	2	3	4	5	6	7
48) Generell gilt: Je höher der Preis eines Produktes ist, desto besser wird die Qualität sein.	1	2	3	4	5	6	7
49) Das Sprichwort "Qualität hat ihren Preis" stimmt.	1	2	3	4	5	6	7
50) Der Preis eines Produktes ist ein guter Indikator für seine Qualität.	1	2	3	4	5	6	7
51) Für das Beste muss man immer etwas mehr bezahlen.	1	2	3	4	5	6	7
52) Wenn ein Produkt im Sonderangebot ist, würde ich es alleine deshalb schon kaufen.	1	2	3	4	5	6	7
53) Wenn ich ein Produkt kaufe, das gerade im Sonderangebot ist, dann mache ich ein gutes Geschäft.	1	2	3	4	5	6	7
54) Ich habe Lieblingsmarken, aber ich kaufe dennoch häufig die Marke, die gerade im Sonderangebot ist.	1	2	3	4	5	6	7
55) Man sollte versuchen, die Marke zu kaufen, die gerade im Sonderangebot ist.	1	2	3	4	5	6	7
56) Wenn Produkte im Sonderangebot sind, ist es wahrscheinlicher, dass ich sie kaufe.	1	2	3	4	5	6	7
57) Im Vergleich zu anderen Menschen kaufe ich häufiger Marken, die gerade im Sonderangebot sind.	1	2	3	4	5	6	7
58) Andere Menschen fragen mich im Bezug auf Preise für diverse Produkte um Rat.	1	2	3	4	5	6	7
59) Ich gelte als eine Art Experte, wenn es darum geht, die Preise bestimmter Produkte zu kennen.	1	2	3	4	5	6	7
60) Ich kann meinen Mitmenschen oft bessere	1	2	3	4	5	6	7

Preis-Tipps geben (z.B. in welchem Geschäft ein Produkt günstiger ist), als die meisten anderen Menschen.	
61) Ich mag es, anderen Menschen bei der Suche nach den günstigsten Preisen zu helfen.	1 2 3 4 5 6 7
62) Meine Freunde sehen in mir einen guten Ansprechpartner im Bezug auf Preisinformationen.	1 2 3 4 5 6 7
63) Ich genieße es, anderen Menschen zu erzählen wie viel sie für bestimmte Produkte vermutlich bezahlen müssen.	1 2 3 4 5 6 7
64) Gutscheine/Coupons einzulösen fühlt sich gut an.	1 2 3 4 5 6 7
65) Ich schneide gerne Coupons aus Zeitungen, Prospekten oder Werbebeilagen aus.	1 2 3 4 5 6 7
66) Wenn ich Gutscheine/Coupons einlöse, mache ich ein gutes Geschäft.	1 2 3 4 5 6 7
67) Ich löse gerne Gutscheine/Coupons ein, egal welchen Betrag ich dabei am Ende spare.	1 2 3 4 5 6 7
68) Gutscheine/Coupons einzulösen, macht mir Freude – unabhängig vom gesparten Geld.	1 2 3 4 5 6 7
III: Demographie Bitte beantworten Sie folgende Fragen durch Ankreuzen des entsprechenden Feldes.	
69) Was ist Ihr aktueller Familienstand? o Ledig o Verheiratet o Geschieden o Getrennt o Verwitwet o Anderes _____	
70) Bitte kreuzen Sie diejenige Kategorie an, welche Ihre aktuellen Bildungssituation am besten beschreibt: o Schulabschluss o Aktuell an einer Hochschule oder ähnlichem studierend o Bachelor-Abschluss o Diplom/Master-Abschluss oder höher	
71) Wie würden Sie Ihre aktuelle Arbeitssituation beschreiben? o Vollzeitbeschäftigt	

<ul style="list-style-type: none"> <input type="radio"/> Teilzeitbeschäftigt <input type="radio"/> Arbeitslos / Arbeitssuchend <input type="radio"/> Schüler/Student <input type="radio"/> Hausfrau/-mann <input type="radio"/> Rentner 	
<p>72) Bitte wählen Sie diejenige Kategorie an, welche das Jahreseinkommen Ihrer Familie am besten beschreibt.</p> <ul style="list-style-type: none"> <input type="radio"/> weniger als 7500€ <input type="radio"/> 7.500€ – 18.999€ <input type="radio"/> 19.000€ – 26,999€ <input type="radio"/> 27.000€ – 38,999€ <input type="radio"/> 39.000€ – 49.999€ <input type="radio"/> 50.000€ – \$61.999€ <input type="radio"/> 62.000€ – \$76.999€ <input type="radio"/> 77.000€ und mehr <input type="radio"/> keine Ahnung <p><Vielen Dank für Ihre Teilnahme></p>	

Bitte tragen Sie Ihre E-Mail-Adresse ein, wenn Sie den Amazon-Geschenkgutschein im Wert von 7 Euro erhalten wollen. Und außerdem, Wenn Sie an der Verlosung teilnehmen wollen, geben Sie bitte Ihre eMail-Adresse an. An Ihrer Universität werden zwei 100-Euro-Geschenkgutscheine von Amazon verlost (4. Juli). Wenn Sie nicht an der Verlosung teilnehmen möchten und auch keinen 7-Euro-Geschenkgutschein erhalten wollen, tragen Sie bitte "Nein" in das folgende Feld ein.

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