Beyond Significance: Understanding Hidden Drivers of Consumer Satisfaction

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Abstract

This report explores the relationship between **product price and customer satisfaction** by comparing two distinct system maps. It highlights how variables that appear *statistically non-significant* can still play crucial roles in shaping consumer behavior and decision-making.

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1. Comparison of Two System Maps

Map A focuses on the statistically significant relationship between price and satisfaction, derived from regression analysis. It assumes a simplified world where price is the primary determinant of customer satisfaction and shows a direct, measurable effect of price on ratings.

Map B, in contrast, expands this view into a conceptual and theory-based model. It incorporates latent variables such as perceived value, brand trust, and income level, emphasizing that the impact of price depends on *how* consumers interpret it.
For example, higher prices may increase satisfaction only when customers perceive high value or trust the brand. While Map A offers a clear numerical link, Map B provides a more realistic and social-behaviorally grounded understanding of consumer dynamics.

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2. Why Non-Significant Variables Still Matter

Even if certain variables are not statistically significant, they often hold theoretical and practical importance in interpreting relationships:

- **Confounders (e.g., income, product quality)** affect both price and satisfaction. Omitting them can bias the estimated price effect. Even with no statistical significance shown, including them stabilizes the interpretation of other variables.

- **Moderators (e.g., brand trust)** influence the strength or direction of the relationship. Customers with high brand trust may respond positively to higher prices, while those with low trust may not. Traditional regression often overlooks such conditional effects.

- **Mediators (e.g., perceived value)** explain the mechanism linking price to satisfaction. Price may not act directly but through shifts in perceived value. When mediators are included, the direct coefficient for price usually decreases, revealing indirect influence.

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3. Policy and Managerial Implications

Basing policies or strategies solely on significant variables risks oversimplification and over-generalization. For instance, assuming that lowering prices automatically boosts satisfaction ignores the psychological and contextual components behind consumer behavior.

Organizations that overlook factors like trust or perceived value may fail to build long-term loyalty, even with optimal pricing. In some cases, such narrow strategies can even backfire to the reduction of satisfaction or perceived fairness.

Furthermore, neglecting confounding variables such as income can unintentionally reinforce inequality, as policies may favor certain consumer groups over others.

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4. Conclusion

Consumer satisfaction is shaped by far more than price alone. While statistically significant models provide valuable insights, they should not be the sole foundation for business or policy decisions.
Variables deemed **"insignificant"** in quantitative analysis can still reveal critical behavioral mechanisms. Future research and decision-making should aim to integrate statistical evidence with theoretical reasoning to produce fairer, stronger, and more actionable insights.

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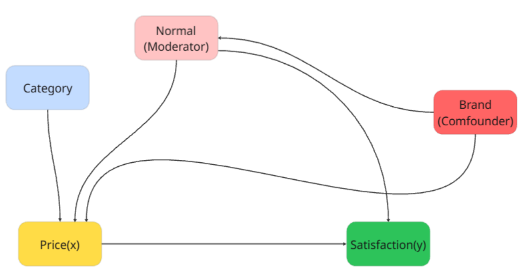

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