

# THE IMPACT ON NEURO-PRICING AND THE CONSUMER BEHAVIOURAL BIAS IN THE PRICING OF APPLE IPHONE

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***Abstract***—The modern market is not only calculated by the costs, but pricing is a mental process of building consumer perception and decision-making. This paper will look at how neuro-pricing strategies and behavioural biases influenced consumer behaviour when it comes to pricing of the iPhone. Although in traditional economic theory the consideration of the rational consumer is taken, behavioural economics suggests that the emotional, brand perception, and cognitive biases play a strong role in purchasing behaviour.

Based on the primary data gathered on 102 respondents, this paper examines the influence of the pricing approach adopted by Apple on willingness to pay, time to purchase, and brand loyalty. The results indicate that brand image, perceived value and ecosystem integration have a significant impact on consumer choices, whereas price sensitivity is moderate. The research finds that psychological pricing processes are important in maintaining premium positioning in a competitive market.

## I. INTRODUCTION

Pricing has become an important strategic instrument in the world of the global market, which is highly competitive and therefore affects consumer perception and brand positioning. The traditional price theories suppose that the consumer will be making a rational decision on price by weighing the cost and utility against each other. But this assumption is not always true in real-life buying processes. Emotions, brand trust, social influence and mental shortcut are the common effects that consumers apply in price evaluation. Neuro-pricing is a combination of neuroscience and behavioural economics to

comprehend the brain response to pricing stimuli. Instead of paying attention to the cost only, neuro-pricing looks at perceived value, emotional satisfaction, and cognitive bias.

The Apple Inc. represents a good example of such phenomenon. Apple does not compromise on the premium prices with its iPhone, which has resulted in a high level of customer loyalty and demand. Although other cheaper alternatives that have the same specifications are available, the iPhone is still preferred by many consumers. This paper discusses the mental causes of this action.

## II. OBJECTIVES OF THE STUDY

- To investigate the effects of these behavioural biases and how they affect the willingness of consumers to pay a premium price of the iPhone.
- To determine how Apple pricing strategies affect consumer buying behaviour.
- To compare the perceived price value and brand loyalty among the users of Apple iPhone.

## III. RESEARCH METHODOLOGY

- **Primary Data:** Primary data is gathered directly by using a structured questionnaire on the respondents.
- **Secondary Data:** The secondary data is gathered using the extant and published materials to defend the theoretical framework and analysis.

- **Sample Size:** The respondents used will be 102 respondents which is enough to undertake meaningful statistical analysis.
- **Sampling Technique:** The convenience sampling or purposive sampling is employed because it is easy to access and it is pertinent to the study population.

IV. REVIEW OF LITERATURE

Smartphone buying: Cognitive Bias (Patel & Desai, 2024). In this work, various cognitive biases in the device choice in smartphones are established. Consumers use confirmation bias in which they process positive brand cues selectively. Such biases render the premium prices to be more acceptable to Apple products.

Digital Consumer Behaviour and Pricing Strategy (Verma and Gupta, 2025). Online review and online ratings indicate complicated decipherment of prices by digital consumers. Favourable online perceptions enhance the acceptance of price. The digital presence of Apple is strengthening its pricing strength.

V. DATA ANALYSIS AND INTERPRETATION

5.1 Apple’s iPhone pricing

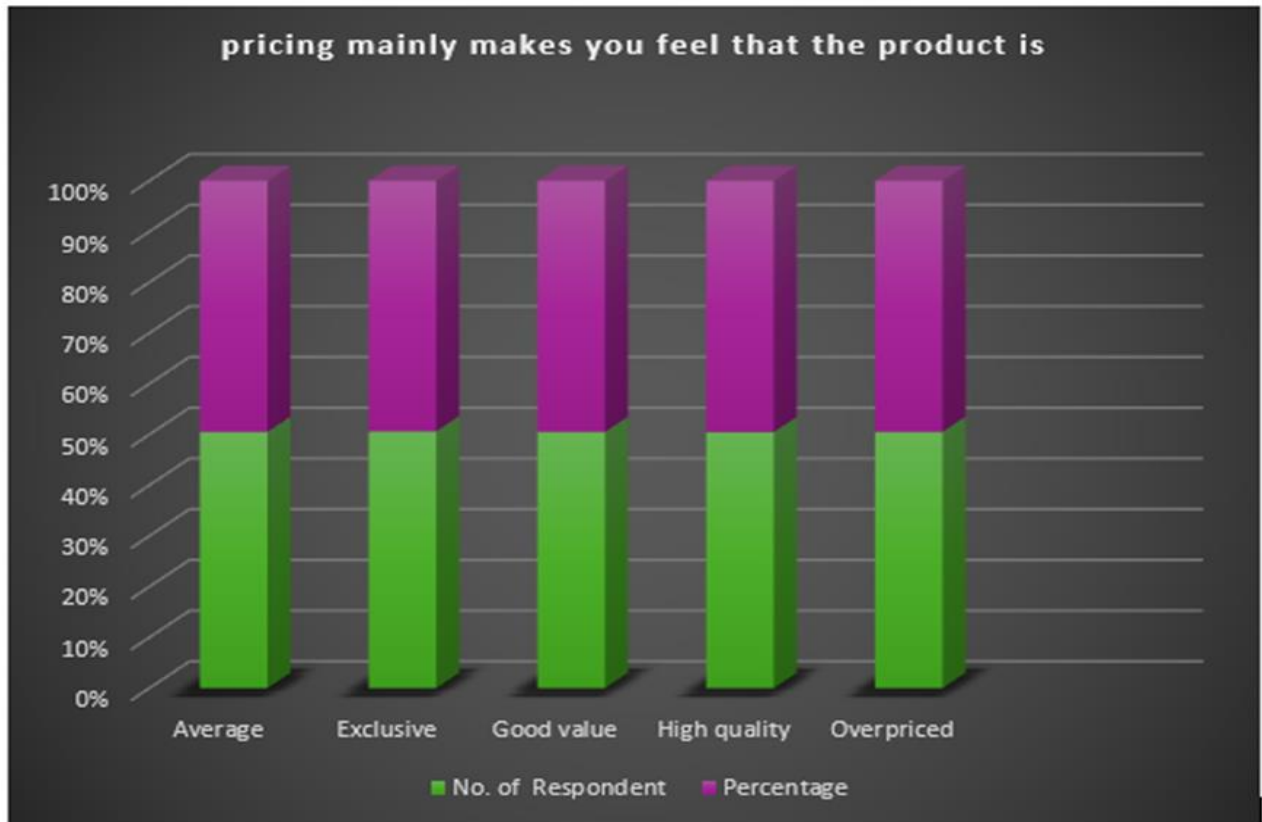
Table 5.1 Apple’s iPhone pricing

	No. of Respondent	No. of Respondent
Average	29	29
Exclusive	8	8
Good value	30	30
High quality	16	16
Overpriced	19	19
Total	102	102

Interpretation

The above table shows the respondents’ perception of the product/service value and quality. The majority of respondents (29.4%) believe that it offers good value, followed closely by 28.4% who rate it as average. About 18.6% of respondents feel that it is overpriced, while 15.7% perceive it as high quality. Only 7.8% consider it exclusive.

Chart No: 5.1



5.2 Would you recommend an iPhone despite its high price

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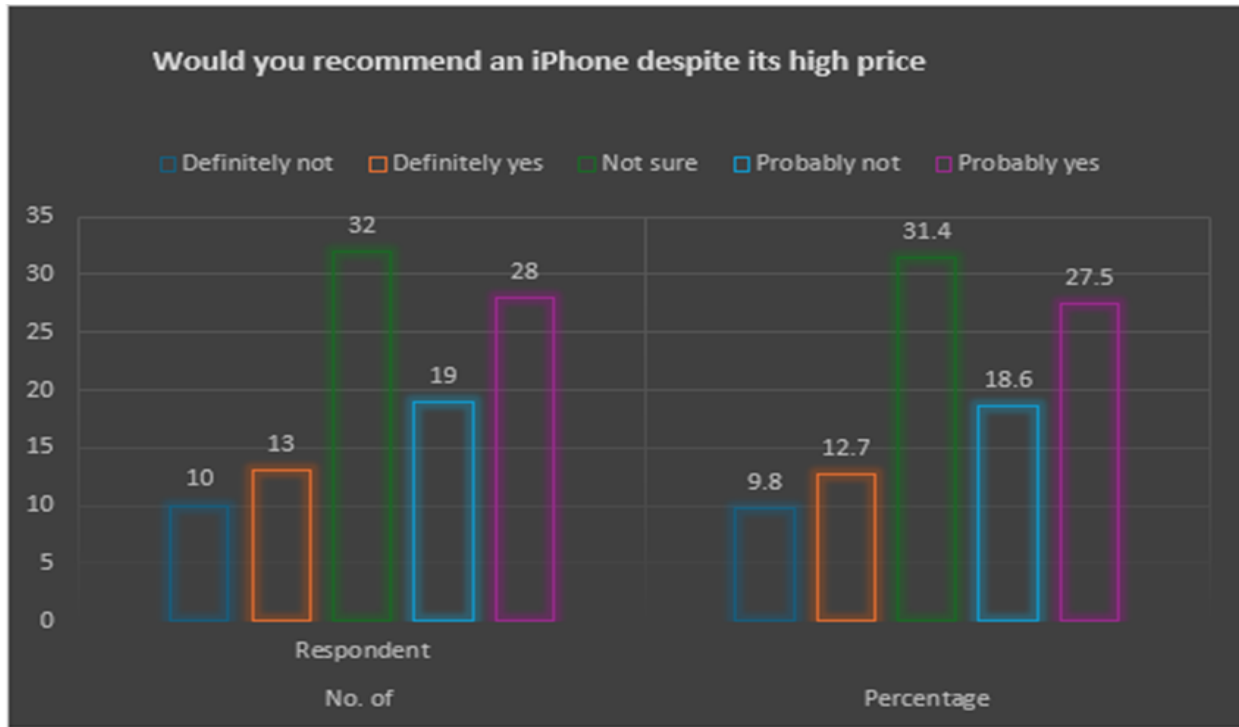
	No. of Respondent	Percentage
Definitely not	10	9.8
Definitely yes	13	12.7
Not sure	32	31.4
Probably not	19	18.6
Probably yes	28	27.5
Total	102	100.0

(Source: Primary data)

Interpretation

Most of the respondents (31.4) are not certain which means that they are uncertain about their choice. This is succeeded by 27.5 percent who answered most likely yes with an inclination to generally positive. At the same time 18.6 percent of the respondents indicated probably no, 12.7 percent responded definitely yes, and only 9.8 percent said definitely no. In general, the findings indicate a reluctance among the respondents with a lack of commitment rather than a strong one.

Chart No: 5.2



5.3. Perception of the pricing of Apple iPhones

Table No: 5.3 Perception of the pricing of Apple iPhones

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	9.563	4	2.391	4.479	.002
Within Groups	51.780	97	.534		
Total	61.343	101			

Interpretation:

There is a significant difference in perception of Apple iPhone pricing across different age groups. This means that consumers from different age categories do not perceive iPhone pricing in the same way. The calculated F value (4.479) indicates that the variation between age groups is considerably higher than the variation within groups. Therefore, age plays an

important role in influencing how consumers evaluate the pricing of Apple iPhones.

#### VI. CONCLUSION

This paper arrives at the conclusion that neuro-pricing plans and behavioural biases to a large extent affect consumer behaviour with regard to iPhone pricing. The success of the premium strategy by Apple is due to the fact that it matches pricing with brand, emotional appeal and perceptions. Despite the moderately high level of price sensitivity, brand image and integration in the ecosystem is still the driving force behind the purchase intention. Consumer psychology should thus be part of the understanding of businesses that have a sustainable competitive advantage in premium markets.

#### VII. REFERENCES:

- [1] Patel, K., & Desai, S. (2024). Cognitive bias and smartphone purchase decisions. *Journal of Behavioural Management*, 12(3), 152–168.
- [2] Verma, S., & Gupta, N. (2025). Digital consumer behaviour and pricing strategy impacts. *Journal of Digital Commerce*, 4(2), 97–115.

#### VIII. WEBSITES:

Springer – SpringerLink <https://link.springer.com>  
Taylor & Francis <https://www.tandfonline.com>