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FACTORS GENERATING PREMIUM VALUE PERCEPTION

Master's Thesis

AYBİKE GÜLER TURAN

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Supervisor: Asis. Prof. Dr. Aslı KUŞÇU

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ABSTRACT

FACTORS GENERATING PREMIUM VALUE PERCEPTION

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The purpose of this study is to present a systematic review of the research has been conducted about the luxury and premium products, measurement of premium value and what factors generates premium value perception using a sample comprised of consumers using premium products.

There are studies about luxury value measurements although there is little consensus about the dimensions of perception of the premium product value. This thesis combines the concepts of existing research and literature about luxury brands and adopts it to the measurement of a premium brand strategy. This study tries to investigate a multidimensional framework of value perception, hence not only the social values contribute to the overall premium value, but also the other constituents are effective as financial, functional and individual aspects. Therefore, measurement of premium value is defined in this study through the existence of four latent main dimensions which are financial, functional, individual, and social and their sub-dimensions. Moreover, this study examines the relationship between overall premium value and overall brand equity, willingness to pay price premium and premium purchase intention of premium brands.

The reliability and validity of the scales were assessed using factor, reliability and regression analyses. It has been seen that conspicuousness value explained the overall premium value mostly.

The present study thus provides a comprehensive framework for future studies of the dimensionality of perceived value of premium products at different product categories and different cultures.

Keywords: Premium value, Premiumization, Luxury Democratization, Willingness to pay price premium, Premium Purchase Intention

ÖZET

PREMİUM DEĞER ALGISINI ETKİLEYEN FAKTÖRLER

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Bu çalışmanın amacı; lüks ve premium ürünler, bir markanın toplam premium değerinin nasıl ölçümlendiği ve premium marka değerinin hangi alt faktörlerden oluştuğuyla ilgili kapsamlı bir literatür araştırması sunmaktır. Premium marka değeri ve premium maka değerini oluşturan faktörler premium ürün tüketicileri ile test edilmiş ve sonuçları çalışmada paylaşılmıştır.

Lüks değeri ölçen çok sayıda araştırma olmasına rağmen premium marka değerinin ölçümüyle ilgili az sayıda araştırma vardır. Bu tez, lüks markalar ve lüks marka değerinin ölçümüyle ilgili araştırma ve literatür çalışmalarını premium marka bakış açısıyla birleştirmektedir. Bu çalışmada aynı zamanda markaların algılanan değeri ile ilgili kapsamlı bir araştırma sunulmaktadır. Toplam premium marka değerinin sadece sosyal değerlerden oluşmadığı, finansal, fonksiyonel ve bireysel değerlerin de toplam premium değerine olan etkisi araştırılmaktadır. Bu yüzden premium değeri ölçen dört ana faktör; finansal, fonksiyonel, bireysel, sosyal faktörler ve alt faktörleri bu çalışmanın ana modelinde kullanılmıştır. Ayrıca, toplam premium değerinin; toplam marka değeri, premium fiyat ödemeye isteklilik ve premium ürün satın alma niyeti ile olan ilişkisi de araştırılmıştır.

Yapılan faktör, güvenilirlik ve geçerlilik testleri sonucunda ürünün dikkat çekici olmasının toplam premium değerini en iyi açıklayan faktör olduğu görülmüştür.

Bu çalışma gelecek çalışmalar için premium değerin farklı ürün kategorilerinde ve farklı kültürlerin ölçümünde kullanılabilmesiyle ilgili kapsamlı bir altyapı sunmaktadır.

Anahtar Kelimeler: Premium değer, Premiumlaşma, Lüksü demokratikleştirme, Premium ödemeye isteklilik, Premium satın alma niyeti

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ABBREVIATIONS

OPV	:	Overall Premium Value
OBE	:	Overall Brand Equity
PPI	:	Premium Purchase Intention
WPP	:	Willingness to Pay Price Premium
BLI	:	Brand Luxury Index
KMO	:	Kaiser Meyer Olkin

1. INTRODUCTION

Luxury is defined by Kapferer (2009) as the admiration of fine works, good mastership, creativity and the making of legend. Luxury was evaluated a quiet sector, driven by a very limited society until the twenty-first century. However, getting luxury has been becoming more common at recent years. The luxury market continues to grow and it has an expected growth rate of more than 35 percent over the next five years (Bain and Company 2014). Since people have greater buying power at recent years, they are looking for higher quality, taste and aesthetics in their choices. Many middle-market consumers no longer attempt to meet basic needs of survival and security and they are more willing to pay premiums even for basic necessities with more money in their pockets. They are trading up for products and services they couldn't previously afford. Hence, they are making effort for enhancing their pleasure and widening their life experiences. As consumers' buying power increased, luxury market has been extending their portfolio by democratization of luxury brands with more affordable products in their portfolio and have a broader availability to consumers (Kapferer 2006, Rémaury 2002).

At the same time, mass market is also extending their portfolio by launching premium products. This phenomenon is called mass premiumization, in other words upgrading the core products and growing the brand portfolio by value added extentions to make more money for each volume. The term "masstige" (mass + prestige) is also used for mass marketed premium products (Silverstein and Fiske 2003).

These two phenomena are called new-luxury goods. Silverstein and Fiske (2003) refer to this emerging "new luxury" market and describe it as a recent socioeconomic trend in which middle-market trade up to goods which contain higher levels of quality and aesthetics than other goods in the category but they are not so expensive and reachable. There are many reasons advanced by specialists to explain this phenomenon. One of them is that luxury brands are trying to get short-term financial revenue with brand extentions. As middle-market consumers are more willing to pay price premiums, luxury brands are no longer restricted to some categories as car, watches, perfume or jewelleries which are referred by Silverstein and Fiske (2003) as "old luxury" but include any product category

and services such as home furniture, clothes, food or sports equipment and referred as "new luxury". Democratization of luxury makes the luxury to be experienced by more consumers, and could be seen as the transformation of luxury market. Unlike old-luxury goods, companies can generate high volumes with new luxury goods despite their relatively high prices. Secondly, since luxury goods are becoming more common to a wider range of consumers, the consumption habits are changed to a more experiential luxury provided by new luxury goods than old luxury. Old luxury is related with the good itself and defined by the company however, new luxury is found experiential and defined by the consumer (Florin et al. 2007). According to Danziger (2005), new luxury products are all about experience and do not belong to some specific categories like old luxury. Mainstream brands are elevating their products to become more premium by differentiating themselves from the other brands in the mass market and to get a slice from attractive growing luxury market. Companies are achieving higher levels of profitability and growth rather than their conventional competitors in the same category. Consumers are willing to trade down to mass market or even private label products and sacrificing some of the purchases in some categories in order to consume more money in others to get new luxury products that give more emotional benefits.

These new luxury goods are premium brands that have generally excellent quality, higher prices, more selective distribution through highest quality channels and restricted advertising than mass brands (Quelch 1987). Premium brands are also said to possess exclusivity, have a well-known brand identity, have high brand awareness and retain sales levels and customer loyalty (Phaou and Prendergast 2000).

It is critically important to understand why consumers buy luxury goods, what they believe luxury is and how their perceptions of luxury value affect their purchase behavior (Vigneron and Johnson 2004). Since luxury is increasing in mass market with premiumization and luxury market with democratization, it is important to understand the premium marketing strategies and to present a systematic review of the research that has been conducted on luxury and premium products, measurement of premium value perception and what factors generates premium value perception using a sample comprised of actual premium consumers. The question of what really adds premium value in the consumer’s perception is defined in this study through the existence of four latent

dimensions: financial, functional, individual, and social (Wiedmann et al. 2007). This exploratory study will cover the main elements of premium value perception and investigate which factors are most effective on premium value perception by applying the Luxury Value Perception Model (LVP) offered by Wiedmann et al. (2009) to the premium product categories. For that purpose, the thesis will be guided with the following objectives:

i. Investigate the relationship of the different attributes with the overall premium value over a multidimensional framework
ii. Identify which of these attributes has the highest potential to increase overall premium value
iii. Identify the relationship between the overall premium value with premium purchase intention, overall brand equity and willingness to pay price premium

Initially, the theoretical background will be discussed in the next chapter, followed by the theoretical model and hypotheses in Chapter 3, research design and methodology in Chapter 4. The results of the analyses are discussed in Chapter 5, followed by implications and conclusions in Chapter 6 along with the limitations and future research suggestions.

2. LITERATURE REVIEW

In this segment, the main theoretical and empirical information and arguments related with the importance of branding, brand types which are mass, luxury and premium marketing from the literature will be outlined. This section will mainly discuss different perspectives related to luxury and premium markets. Moreover, this segment will also focus on the different luxury value theories and will be briefly concluded, outlining the main points of the discussion and delivering the framework that will be used for modelling the framework of the research.

2.1 BRANDING

The American Marketing Association suggests the following definition as "Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large" (pp. 28–29). Marketing is about defining and supplying human and social needs. Keller (2012) gives the definition of marketing as meeting the needs profitably. This definition highlights the importance of getting profitability with the marketing activities. Therefore, marketing plays a key role in companies. If a company would not create sufficient demand for their products, they could not make enough profit (Keller and Kotler 2012, pp. 5-11). Companies create customer demand by their brands by offering value or benefits that satisfy those needs. Many brands try to satisfy the same need of consumers' by differentiating their strategy, products or services. These differences may be functional, rational, or more symbolic, emotional. The American Marketing Association defines a brand as "a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors". A brand name is the associations in people's minds that make up its image. All companies try to build a brand image with as many strong and unique brand associations as possible by differentiating other brands.

Branding is supplying products and services with the power of a brand. It's all about building differences between products. A brand is not only a name, the challenge in branding is to develop valuable meanings for the brand. Building a strong brand and making marketing decisions in today's world is consisting both art and science (Keller

and Kotler 2012, pp. 5-11). Not only creating the brand is important but also maintain, protect and enhance the brands is important to create strong brands (Kotler 1994, pp. 444–445). Strong brands or brands that are perceived strong by the consumers generate constant cash flows. Understanding and developing marketing strategies and plans is very important for all types of brands to create successful long-term growth of brands. Building strong brands is by delivering value to the consumers, satisfactions and customer loyalty by capturing marketing insights and connecting with consumers.

It is important to understand the underlying needs of consumers to target the right consumers. Since consumers like, want and demand different kind of products, marketers divide the market into segments by examining demographic, psychographic, and behavioral differences. After identifying market segments, the marketer decides its target markets. They identify their specific groups of buyers and sell different brands to all the different segments of the market (Keller and Kotler 2012, p.10). Focusing on different segments for different types of brands with differentiated marketing strategies is important for offering the right types of brands / products to the right consumers. There are different types of brands which are mass, premium and luxury targeting different segments delivering some central benefits. Therefore, it is important to understand mass, premium and luxury brands in detail and also the differences between their marketing strategies.

2.2 MASS BRANDS

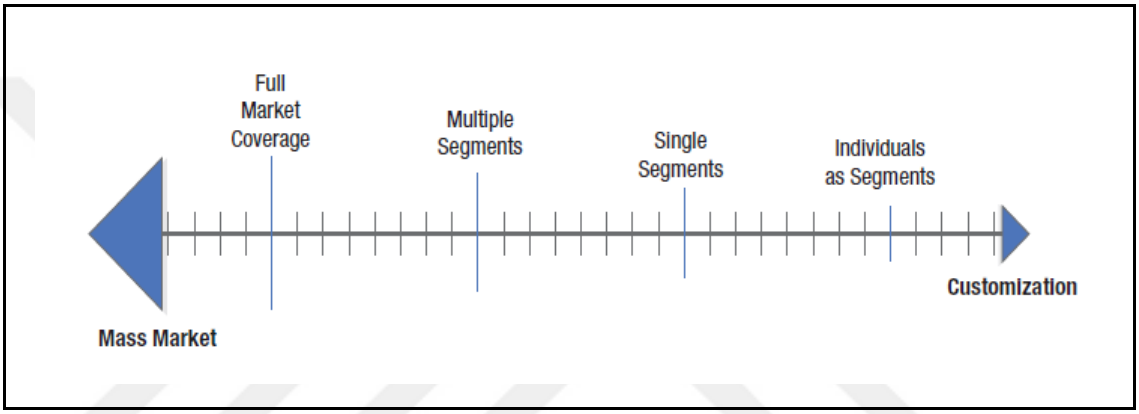
Mass brands engage in the mass production, distribution, and promotion of one product for all buyers (Kotler 2002). Mass brands offer full market coverage, try to serve all types of customers with all kinds of products at affordable prices. Mass marketing creates the largest potential market leading lower costs to companies; therefore, it leads that they can lower their prices but they have lower profitability.

For example, Coca Cola is a mass brand in nonalcoholic beverage market undertaking a full market coverage. These large companies could cover all market by differentiated or undifferentiated marketing. Undifferentiated marketing (mass marketing) does not focus on different segments. They do not design a specific marketing strategy for their products. These mass products are sold at broadest number of places (mass distribution).

Consumers have generally same expectations and same preferences for mass brands (Keller and Kotler 2012).

Kotler (2002) states that "one size fits all" marketing is no longer valuable and more marketers are focusing on different levels of segmentation from mass to customized market which are shown in Figure 2.1. According to Figure 2.1 mass market is covering full market and customized / personalized market such as luxury markets are specialized to niche segments even targeting individuals as segments.

Figure 2.1: Possible levels of segmentation



Source: Kotler, P. & Keller, K.L., 2012. *Marketing management.* 14th international ed. London: Prentice Hall.

2.3 LUXURY BRANDS

Even luxury term is usually used in everyday lives and important in marketing management, there is little agreement on the meaning of luxury. Understanding of luxury needs considering different perspectives. Given that the understanding of luxury may differ between individuals, is situational contingent and depends on the experience and individual needs of the consumer, the concept of luxury is difficult to define.

The definition of luxury is explained in different perspectives in the academic and marketing literature. In Oxford Dictionary (1992) it is stated that luxury word derives from luxus meaning "soft or extravagant living, over indulgence". In the literature, luxury studies consisting different disciplines such as history (Berry 1994), economics (Leibenstein 1950, Veblen 1899) and sociology (Tynan et al. 2010, Bourdieu 1984). Kapferer (1997) refers to luxury as it defines beauty and art implemented to functional regular items. In the literature, luxury is defined as possessing no utilitarian value (Hagtvedt and Patrick 2008, Hirschman 1983). In the same way, Hagtvedt and Patrick

(2009) discuss luxury as the inherent in the concept of art. Table 2.1 provides a chronological overview of definition approaches of the luxury term. Since, luxury studies require an integrative understanding of the luxury concept, the preceding review of the literature shown in Table 2.1. It reveals that luxury is a subjective and multidimensional and could be stated in many ways. The main point of all definitions is that they focus on the social characteristics of the luxury brands compared with other types of brands.

Table 2.1: Chronological overview of luxury concept

Author(s), year	Definition of Luxury
Hume 1752, 1965, p. 48 [21]	*"Luxury is a word of an uncertain signification, and may be taken in a good as well as in a bad sense. In general it means great refinement in the gratification of the senses; and any degree of it may be innocent or blamable, according to the age, or country, or condition of the person. The bounds between the virtue and the vice cannot here be exactly fixed, more than in other moral subjects."*
Rae 1834, 1965, p. 272 [33]	*"The degree of pleasure thus experienced is different in different individuals, and it is scarcely possible to ascertain what its exact amount is in any one; hence the difficulty in most cases, of determining what is, or is not, luxury."*
Kambli 1890, Preface, cit. in Valtin 2008, p. 248 [39]	*"No other moral or social issue is as unclarified as that of luxury, and what behaviour toward it can be considered to be well benefit."*
Davidson 1898 [11]	*"The definitions of luxury have been so various that the perplexity of the public is almost excusable."*
Sekora 1977, p. 23 [35]	*"anything unneeded"*
Grossman and Shapiro 1988, p. 82 [19]	*"Those goods for which the mere use or display of a particular branded product confers prestige on their owners, apart from any utility deriving from their function."*
Oxford Latin Dictionary 1992 [30]	*"soft or extravagant living, (over)-indulgence"* *"sumptuousness, luxuriousness, opulence"*
Dubois and Duquesne 1993, p. 43 [15]	*"Motivated by a desire to impress others, with the ability to pay particularly high prices, this form of consumption is primarily concerned with the ostentatious display of wealth."*
Dubois and Paternault 1995, p. 71 [16]	*"More than other products, luxury items are bought for what they mean, beyond what they are."*
Kapferer 1997, p. 253 [22]	*"Luxury defines beauty; it is art applied to functional items. Like light, luxury is enlightening…Luxury items provide extra pleasure and flatter all senses at once…Luxury is the appendage of the ruling classes."*
Kemp 1998, p. 593 [25]	*"The status of a good as a luxury is partially determined by its natural desirability, and not simply by whether it is an object for conspicuous consumption."*
Nueno and Quelch 1998, p. 62 [29]	*"Luxury brands are those whose ratio of functionality to price is low while the ratio of intangible and situational utility to price is high."*
Bernstein 1999, p. 48 [4]	*"one person's functionality may be another person's luxury"*
Phau and Prendergast, 2000, p. 123, 124 [31]	*"Luxury brands evoke exclusivity, have a well-known brand identity, enjoy high brand awareness and perceived quality, and retain sales levels and customer loyalty."* *"the extreme end of the prestige brand category…where brand identity, awareness, perceived quality and loyalty are important components"*

Author(s), year	Definition of Luxury
Webster's Third New International Dictionary 2002 [42]	*"non-essential items or services that contribute to luxurious living; an indulgence or convenience beyond the indispensable minimum"*
Vickers and Renand 2003, p. 459 [40]	*"symbols of personal and social identity"*
Silverstein and Fiske 2003, p. 3 [36]	*"New luxury – products and services that possess higher levels of quality, taste, and aspiration than other goods in the category but are not so expensive as to be out of reach."*
Merriam-Webster's Collegiate Dictionary 2004 [27]	*"a condition of abundance or great ease and comfort"* *"something adding to pleasure or comfort but not absolutely necessary"*
Vigneron & Johnson 2004, p. 486 [41]	*"Goods for which the simple use or display of a particular branded product brings esteem on the owner, apart from any functional utility."*
Danziger 2005, p. 56 [10]	*"Luxuries are the extras in life that make it more fulfilling, more rewarding, more comfortable, more enjoyable."*
Reich 2005, p. 38 [34]	*"Luxury brands embody an image of products or services which is deep-seated in the mind of the consumer. Based on a specifically designed offering system, it expresses itself in specific associations (i.e. excellent quality, premium price, and exclusivity), resulting in a dominance of the ideal brand function."*
Bernstein 2007 [5]	*"Luxury depends on what the person believes others believe about the product or event."*
Truong et. al. 2008, p. 190 [38]	*"While the rich and affluent may consume luxury goods to assert status and membership to the elite class, the modest may consume the same goods to gain status but with a purely conspicuous intention."*
Chevalier and Mazzalovo 2008, p. viii [7]	*"A luxury brand is one that is selective and exclusive, and which has an additional creative and emotional value for the consumer."*
Atwal and Williams 2009, p. 339 [2]	*"Luxury has traditionally been associated with exclusivity, status and quality."*
Berthon et al. 2009, p. 47 [6]	*"Luxury has an intensely individual component as well: what might be luxury to one person will be commonplace, or perhaps even irrelevant and valueless, to another."*
Kapferer and Bastien 2009a, p. 210 [23]	*"In luxury you communicate in order to create the dream and to recharge the brand's value, not in order to sell."*
Kapferer and Bastien 2009b, p. 321 [24]	*"Luxury is an appreciation of fine works, fine craftsmanship, creativity and the making of a legend."*
Wiedmann et al. 2009, p. 627 [44]	*"Luxury is a subjective and multidimensional construct, a definition of the concept should follow an integrative understanding."*
Shukla 2011, p. 243 [37]	*„Luxury goods are conducive to pleasure and comfort, are difficult to obtain, and bring the owner esteem, apart from functional utility."*

Source: Wiedmann, K.P. and Hennigs, N. 2013. Luxury marketing: a challenge for theory and practice. Wiesbaden: Springer Science and Business Media. pp. 79-81.

2.3.1 Characteristic of Luxury

The features of luxury identified by Nueno and Quelch (1998) as luxury goods have highest quality across product lines, brand heritage, a remarkable style or design, limited production and unique characteristics ensuring exclusivity and uniqueness, emotional benefits that are not comparable with other brands in the category. Kapferer (2015) also states that time, class and handmade are the essence of luxury brand value proposition.

Luxury is defined as an important driver that distinguishes a brand in a product category (Kapferer 1997, Allérès 1991). Luxury is stated as main factor for consumer choice and usage (Dubois and Duquesne 1993). Mc Kinsey (1990) defined the luxury brands as they have the highest price and quality ratios in the the category. Bain and Co (2011) define luxury brands as selling premium products at premium prices in premium environments. In order to understand the value of luxury goods, the specific characteristics need to be understood. Phau and Prendergast (2000) stated that luxury brands have four characteristics as uniqueness, recognized brand character and high brand awareness and high quality, have good sales and have customers' loyalty. Moreover, Beverland (2006) describe six attributes to other luxury products as heritage and ancestry, unique style, high quality, origin, unique production and downplaying traditional motives. Cornell (2002) also defines key components of luxury as a strong element of tailor made, scarcity or very inadequate source and the recognition of value by others. In a similar way, Dubois et al. (2005) mentions the 6 characteristics of luxury as superior quality, highest price in the category, uniqueness, aestehetics, heritage and useless. The six main facets of luxury offered by Dubois (2005) are similar with other characteristics of luxury in the literature. Superior quality, price premium, uniqueness and aesthetics are common characteristics of luxury.

According to preceding literature review related with the characteristics of luxury, it can be summarized that luxury brands evoke many functional and emotional benefits as quality, uniqueness, brand character, brand awareness and prestige in the consumers' perspective. Vigneron and Johnson (1999) describe the luxury brands as top of its category and consumption of them satisfies both functional and psychological needs. It can be said that luxury brands mainly offer a good taste rather than the other products in the category and drive emotional benefits such as pleasure, prestige and status. Luxury brands could be distinguished from others since they satisfy social recognition and self-

esteem (Vickers and Renand 2003, Vigneron and Johnson 1999, Mason 1992). Hagtveded et al. (2009) states that pleasure is the main benefit of luxury brands and it connects with consumers on an emotional level. Nia and Zaichkowsky (2000) explain as consumers get moslty emotional benefits from a luxury product rather than functional benefits that differ from non-luxury products. Giving pleasure and other emotions has appeared are linked to the consumption or possession of luxury brands (De Barnier et al. 2006, Vigneron and Johnson 1999, Dubois and Laurent 1996). Berry (1994) also defines luxuries as goods offer pleasure to consumers.

2.3.2 Luxury Marketing Strategies

Luxury is seen as a differential factor for a brand in a product category (Kapferer 1997, Allérès 1991) and a central driver for consumer preference for purchase and usage (Dubois and Duquesne 1993). Luxury brands are focusing on niche segment and their target group stand a differentiated set of needs and wants. Therefore, luxury marketing requires a different strategy and business model by specializing its production, distribution, and promotion. Consumers are willing to pay a premium price to luxury brands that satisfy them. Luxury marketing strategy targets at generating the maximum price by offering all intangible features as heritage, country of origin, expertise, limited production and prestigious clients. By mobilizing these intangible specifications, luxury brands are able to be made non-comparable to any other brands (Bastien and Kapferer 2013).

Since the luxury concept is subjective, luxury strategy is mixed up with the premium strategy (for example, BMW, Mercedes), with the fashion strategy (for example, Versace, Dolce and Gabbana, Burberry, Apple), a masstige strategy (for example, Ralph Lauren, Michael Kors) or a premium competitive strategy (Mauboussin, Swarovski) by Kapferer (2015). In order to understand the differences between luxury and premium strategy, in the following sections, premium brand strategy is defined.

2.4 PREMIUM BRANDS

Nielsen defines the new luxury (premium) products as goods that at least cost 20 percent more than the average price of the goods like mass products in the category. These new luxury goods are premium brands have generally good quality, higher prices, more

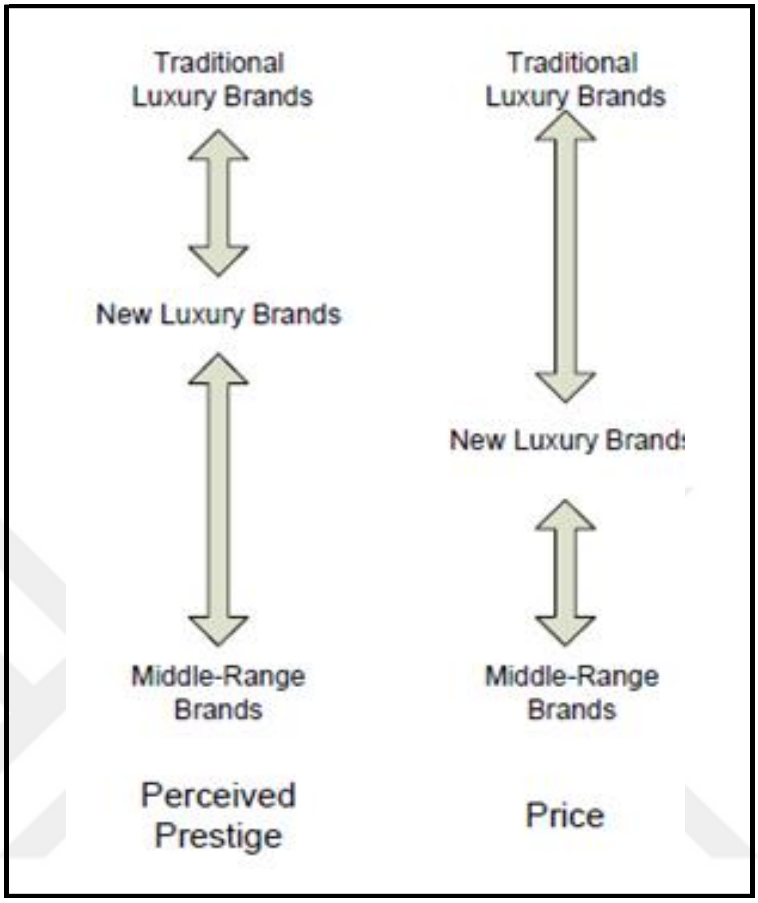
selective distribution through highest quality channels and restricted advertising than mass brands (Quelch 1987). Premium brand is defined by Quelch (1998) as having the best quality / price ratio and offering the best value within the category. Premium brands are also said to possess uniqueness, have a well-known character, have high brand awareness, retain sales levels and customer loyalty (Phaou and Prendergast 2000). This premium brand strategy can be summarized as paying more for getting more. This strategy relies on the tangible value dimensions that can be measured while luxury brand strategy depends on the intangible values.

Premium brands are called as "new luxury goods" by Silverstein and Fiske (2003) have reasonable prices which is slightly above of the comparable mass products in order to be more available to middle or lower-class members than the old luxury. Since consumers are looking for premium products that have the quality, functionality like mass market products and well crafted, well designed and aesthetic and desirable like luxury products. The price of new luxury goods are relatively low and more affordable, and thus companies are achieving higher levels of profitability and growth beyond the reach of their mass market compared to competitors.

Old luxury (luxury products) is restricted to specific products, while new luxury goods are not restricted to basic needs like traditional luxury goods. These new luxury goods focus on pleasure, experience, hedonism and emotional connection. They are like a bridge between mass and luxury products. New luxury goods are also fulfilling their emotional needs like old luxury goods. Kapherer (2013) states that the importance of emotional value offered by new luxury goods is about being enjoyable for more people. New luxury brands consist of a reasonable level of prestige which is affordable to differentiate them from middle-range products (Silverstein and Fiske 2003). Hagtveded and Patrick (2009) also state that when value (premium) brands satisfy, luxury brands delight.

As can be observed in Figure 2.2, perceived prestige of traditional (old) luxury brands is significantly closer to new luxury brands than middle-range brands. However, perceived price of new luxury brands are significantly closer to middle-range brands rather than traditional (old) luxury brands.

Figure 2.2: Comparison of perceived prestige and price of new and old luxury brands



Source: Truong, Y., McColl, R., & Kitchen, P. J. (2009). New luxury brand positioning and the emergence of masstige brands. *Journal of Brand Management*. **16**(5), pp. 375-382.

2.4.1 Premiumization

When a company introduce a new product under an established brand, this is called a brand extension (Keller and Kotler 2012). Brand extensions include using reputable brand name to enter a new product category (Aaker and Keller 1990). Line extensions, in contrast, involve the use of an established brand name for a new offering in the same product category (Reddy et al. 1994).

Luxury has become increasingly commonplace. Since its dynamic growth, luxury goods have a higher availability and wider range and consumers are enthusiastic about pay more for new luxury goods ever than before. Therefore, premiumization has been a key trend especially for mainstream and luxury brands. In Oxford Dictionary, premiumization is defined as "the action or process of attempting to make a brand or product appeal to consumers by emphasizing its superior quality and exclusivity." Premium products are

high in demand around the world and experiencing strong sales growth around the world. In order to get benefit from this phenomenon, brands are doing two kinds of brand extension strategies which are trading down and trading up. Trading up strategy is that mainstream brands add luxury to their products by enhancing their prestige to become more premium. They are differentiating themselves from traditional mass market to get a slice from attractive growing luxury market. On the other hand, trading down strategy is that luxury market has transformed to a more experiential luxury from its traditional consumption. Luxury brands use masstige (mass+prestige) strategy (Silverstein and Fiske 2003). Luxury brands have been extending their portfolio by line and category extensions to market their products to middle-class consumers. This trend is called as "democratization of luxury" (Lipovetsky and Roux 2003, Gardyn 2002). This masstige positioning strategy gathers an effective prestige positioning with a comprehensive appeal. It allows luxury brands to have short-term financial revenue with their premium products. Democratization of luxury and the growth of premiumization of mass products are driving the macroeconomic trend allow millions of people to access and experience the luxury. New-luxury segment is growing 10 to 15 percent annually in 23 consumer goods categories (Silverstein and Fiske 2003).

2.4.2 Reasons of Premiumization

Purchase behaviors and shopper attitudes are changing. Premiumization motivate consumers to become more curious to try new products and get new experiences. According to Silverstein and Fiske (2003), higher incomes is a macroeconomic trend affecting the increase of premium brands and people feel they have an ability to spend freely than ever before. According to the study of Nielsen (2017), 42 percent of consumers are keen on to pay a premium for products made with organic or all-natural ingredients or 39 percent say because they are environmentally friendly or sustainable materials and 31 percent say they’re willing to pay a premium for socially responsible products. Secondly, discount retailers are expanding all around the world, consumers are shopping for some basic needs from discount retailers and contribute to their wealth by saving money for their luxury spending. Thirdly, middle market consumers are becoming more educated and looking for experience than ever before. Fourthly, consumers have greater emotional awareness. New luxury products are premium goods that connect with consumers on an emotional level (Silverstein and Fiske 2003). Consumers’ belief about

new luxury goods that they help them to relieve their stress and achieve their needs and aspirations. Moreover, mass customization refers to the strategy whereby retailers provide individually tailored products or services to their customers, an approach that is becoming increasingly popular with online retailers (Fiore et al. 2004). The personalization of the product and the interaction with the customer make mass customization a one-to-one or relationship marketing tactic, benefiting both retailers and customers (Wind and Rangaswamy 2000). Finally, globalization plays an important role in premiumization. Globalization gives the consumers access to a broader variety of products because international trade barriers are decreasing.

2.4.3 Perception of Luxury Value

The luxury concept creates confusion in consumers' mind in terms of how luxury is defined and differentiated from other brands. Understanding the perception of luxury could be useful to understand consumer behavior and observe luxury brands in a multicultural context. Kemp (1998) states that degree of perceived luxury brand differentiates both at the personal and cultural levels. Luxury perception of products in many categories differentiate from a consumers' point of view and also varies on people questioned. Luxury and necessity goods change from a society to another society. One good could be a basic necessity good in one country, whereas it could be a luxury good in another country. For instance, a basic clothes or water may be a luxury good in a developing country, whereas it can be a basic necessity good in a developed country.

Therefore, the difference between premium and luxury, is the difference of luxury contained in it (Cornell 2002). Measurement of luxury contained in a product allow to undertand the perceived luxury of a brand. A scale to measure this degree of luxuriousness (and the degree of each of the sub-dimensions of luxury that are discussed later) would allow an estimate to be made of the amount of perceived luxury of a luxury brand. The overall perceived luxury value could be same for Cadillac and Lincoln, but their sub-dimensions of luxury may vary because their overall brand-luxury perceptions are combinations of different evaluations of the sub-dimensions of luxury (Vigneron and Johnson 2017).

Luxury value perceptions and motivations of purchasing luxury are explained by many studies in the literature. In order to measure the perceived luxury of a product, it is necessary to measure the sub-dimensions of luxury value perceptions. Overall value perception is a combination of the evaluations of the sub-dimensions of the luxury. Overall luxury value of a brand or product may be perceived similar in a society it is a combination of different evaluations of sub-dimensions. Thus, the measurement of perceived luxury value of brands studied in previous researches (Vigneron and Johnson 2017, Dubois and Duquesne 1993, Allérès 1991, Farhat and Roux 1991).

Early researches on consumer value perceptions about luxury goods mostly focus on the quality and price. Woodall (2003) conceptualizes the luxury value consisting four different features of value as, exchange value, intrinsic value, use value, and utilitarian value. Vigneron and Johnson (1999) conceptualize a framework consisting non-personal oriented and personal-oriented perceptions inspired by Dubois and Laurent (1994) for personal aspects and Leibenstein (1950) and Mason (1992) for non-personal aspects. The approach offered by Vigneron and Johnson (1999) called as Brand Luxury Index (BLI) consisting of five perceived values. Non-personal-oriented perceptions are perceived conspicuousness, perceived uniqueness, and perceived quality reflect and the other two are perceived hedonism and perceived extended self reflect personal-oriented perceptions. Vigneron and Johnson (2004)'s five-dimension framework is used to increase the deeper understanding of consumers' motivations of luxury consumption and the value perception by measuring the perceived luxury level for specific brands and allowing to compare between one brand and another, hence giving evaluations as their competitive sub-dimensions from "low" to "high". The detailed information of the prestige-seeking consumer behavior in in hypothesis part.

Vickers and Renan (2003) also propose three main motivations for purchasing luxury which are functional motivations such as quality, experiential motivations such as pleasure or hedonism and symbolic motivations as being part of a group or social status with extending the studies of Kapferer (1998), Vigneron and Johnson (1999) and Dubois and et. al. (2001).

Wiedmann et al. (2007) extend these luxury value perceptions by using four main dimensions and their sub-dimensions are social value (conspicuousness value, prestige value), functional value (usability value, uniqueness value, quality value), individual value (self-identity value, hedonic value and materialistic value) and financial value (price value). Berthon et al. (2009) also theorize the luxury value having three dimensions which are the objective (material), the subjective (individual) and the collective (social). Moreover, Smith and Colgate (2007) recommend four dimensions which are important for created value named as symbolic / expressive, experiential / hedonic, utilitarian / functional and cost / sacrifice values. In their exploratory study, Tynan et al. (2010) also segment symbolic / expressive value perceptions in two sub-dimensions namely: self-directed and other-directed values.

2.5 BRAND EQUITY

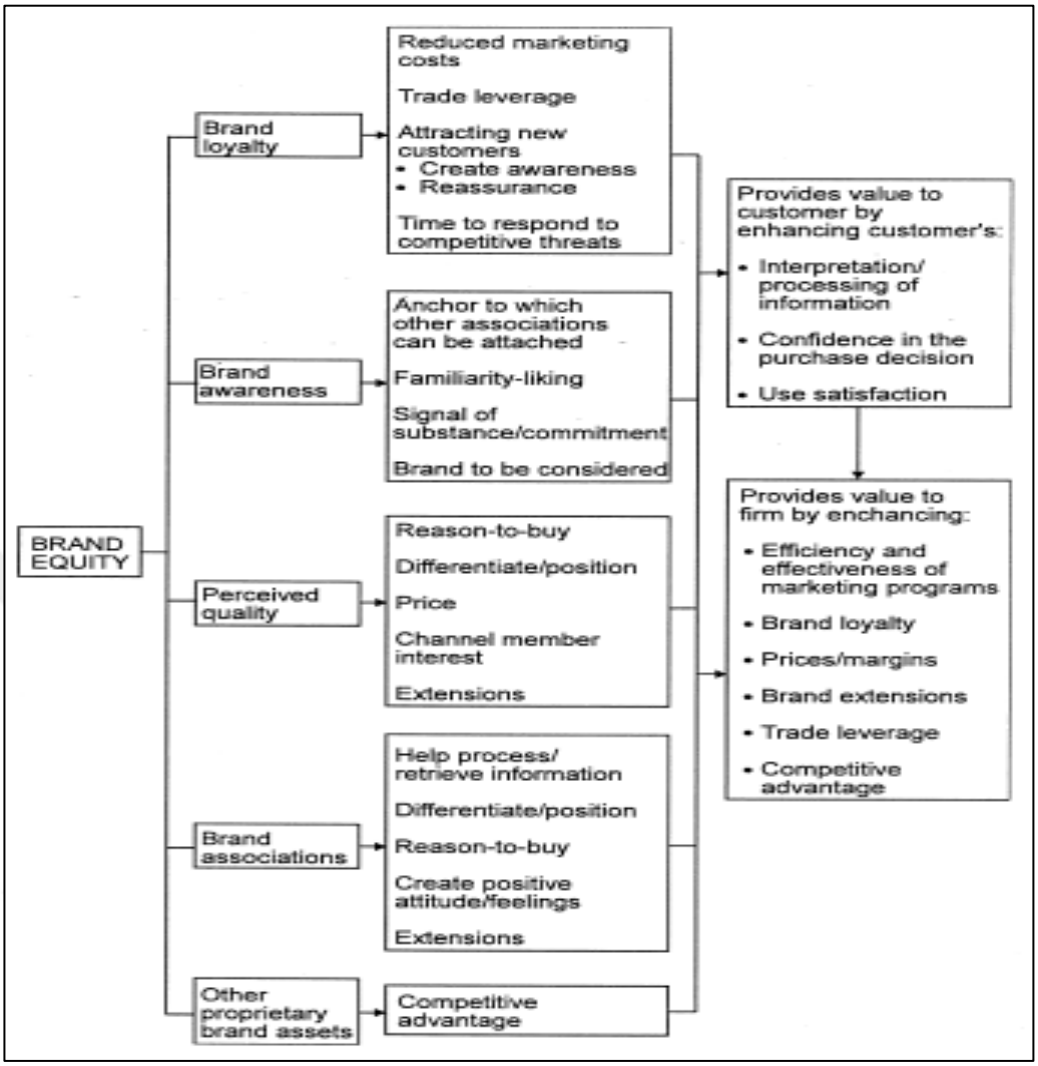
Farquhar (1989) defines brand equity as the value given by the brand to the product. Brand equity is also defined by Aeker (1991, p. 15) as "a set of brand assets and liabilities linked to a brand, its name and symbol that add to or subtract from the value provided by a product or service to a firm and/or to that firm's customer". The concept of brand equity emerged in the early 1990s and has many definitions in the literature. During the 90's, there are large articles and books on the subjects (Kapferer 1998, Keller 1998, Aaker 1996, Agarwal and Rao 1996, Aaker and Biel 1993, Keller 1993, Keller and Aaker 1992, Aaker 1991, Aaker and Keller 1990). The interest in brand equity is still worked by many scientists (Moore et al. 2002, Dillon et al. 2001, Keller 2001, Yoo and Donthu 2001, van Osselaer and Alba 2000, Yoo et al. 2000).Customer-based brand equity model provides a comprehensive and unique perspective about brand equity and the ways to be built, measure and manage a strong brand. Moreover, it gives an understanding to marketers that how marketing activities are effective on the improvement the value of their brands.

According to Aaker (1996) there are five asset dimensions of customer-based brand equity which are identified as brand loyalty, brand awareness, perceived quality, brand associations and proprietary brand assets. In Figure 2.3, the five assets model of brand equity is illustrated (Aaker 1991, pp. 269–270).

There are some key benefits of brand equity as improved product perception, greater trade cooperation, greater loyalty, increasing of effective communication, brand extension opportunities, larger margins, ımproved employment rate, more elastic consumer response to price changes (Keller and Kotler 2012, pp. 244-245). Strong brands lead to greater revenue (Ailawadi 2003). The firm's brand equity enables it to make a bigger profit on each sale.

Brand loyalty, brand awareness and perceived quality are the main constructs of brand equity model. Firstly, brand loyalty is seen as the main driver of brand's equity. When brand loyalty increases, customers are not willing to buy an another brand when that brand makes a product or price change (Aaker 1991, pp. 39–41). Secondly, brand awareness is defined by Aaker (1991) as "the ability of a potential buyer to recognize or recall that a brand is a member of a certain product category" has positive effect on brand equity (Aaker 1991, pp. 61–62). A brand has positive customer-based brand equity when the brand has a higher brand awareness than when it is not identified. Thirdly, perceived quality is related with overall quality of product or difference of product are also important for brand equity (Aaker 1996). Finally, the strength of a brand is mainly related with how strong, particular, unique and positive brand associations are (Aaker 1996).

Figure 2.3: Brand equity model (Aaker 1991)



*Source:*Aaker, David, 1991. *Managing brand equity. Capitalizing on the value of a brand name.* New York: Free Press.

2.6 PREMIUM PURCHASE INTENTION

Consumer purchase intention is considered as a subjective approach toward a product and has an important role in order to predict consumer behavior (Fishbein and Ajzen 1975). Zeithaml (1988) offered three measurement items for purchase intention as possible to buy, intended to buy and considered to buy as measurement items. In similar, Engel et al. (1995) present the consumer purchase decision-making can be divided into unplanned buying means all decisions are taken in the store, it can be regarded as an impulse buying behavior. Partially planned buying means consumers decide just before purchasing a product and fully planned buying means that consumers planned what they are going to buy before entering the store. Furthermore, Mowen and Minor (1998) maintain that

consumer decision making are a series of processing and recognition results from perceiving problems, searching for information or solutions, evaluating alternatives, purchase decision and post-purchase behavior.

In the literature, it is seen that brand awareness, higher perceived quality and brand loyalty have important role in premium purchase intention. Brand awareness plays on positive effect on purchase intention because consumers have tendency to buy a familiar and well-known product (Macdonald and Sharp 2000, Keller 1993). Brand awareness also acts as a critical factor in the consumer purchase intention since it helps consumers to identify a brand from a product category (Percy and Rossiter 1992). Brands have a high brand awareness generally has greater market share and higher perceived quality will deliver higher consumer preferences (Grewal et al. 1998, Dodds et al. 1991). Likewise, perceived quality also impacts consumer purchase intention through perceived value (Garretson and Clow 1999, Monore 1990). In addition, Chang (2006) and Wu (2006) conclude that perceived quality and purchase intention have positive relationship. Finally, brand loyalty is defined as "repurchase promise that promises consumers will purchase again their favorable brands in the future, and they will not change their loyalty under any circumstance" (Oliver 1999, pp. 35-40).

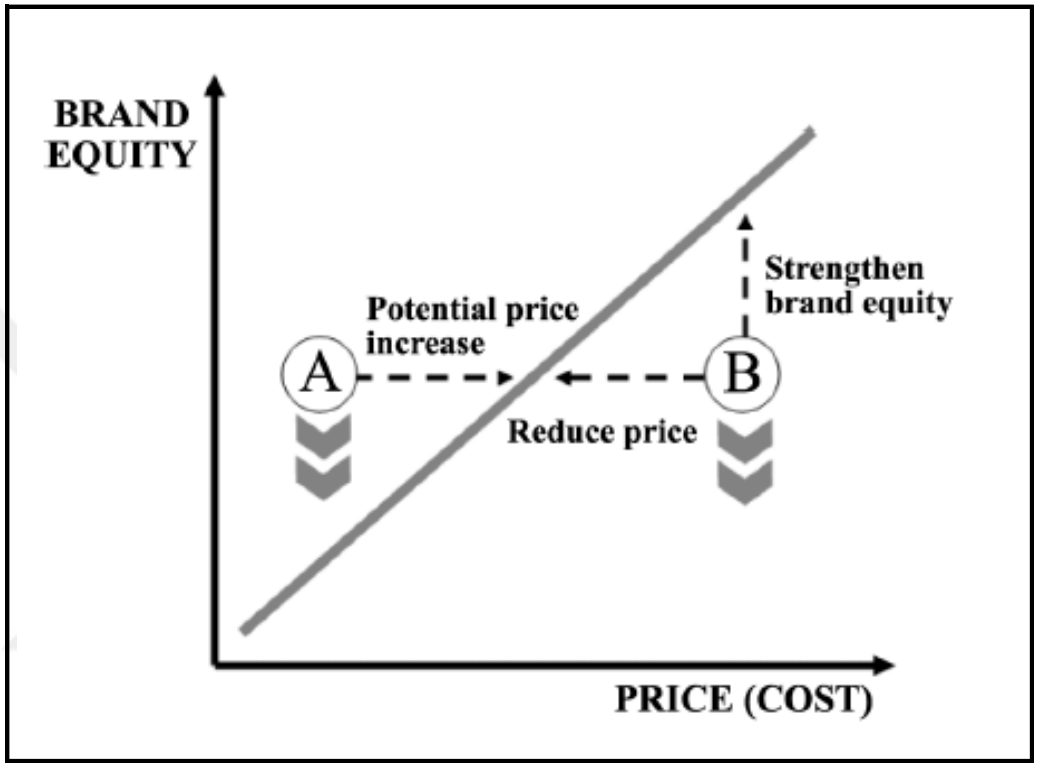
2.7 PRICE PREMIUM

Price premium definition is stated by Aaker (1996) as the amount customer is ready to pay for the brand when compared with other brands offering similar benefits. Moreover, price premium is seen as a main indicator of brand loyalty which is used in the measurement of brand loyalty as one of the most useful and meaningful measure of brand equity (Aaker 1991).

Price premium may be low or high depending what brand is involved in the comparison. If a company has positive brand equity, customers are willing to pay a high price for it rather than a competitor offering the same thing. The price premium due to brand equity reflects the brands ability to command a higher price than its competitors (de Chernatony and McDonald 2003). Price premium provides elasticity to the firm that they can able to additional price currently for the brand. Understanding the motivations that why consumers are willing to pay more is important criteria for the brand equity. The

relationship of brand equity and price is shown at the Figure 2.4. As shown in Figure 2.4 price premium may be the best single measure of brand equity because, any driver of brand equity affects the price premium. Therefore, price premium is related to brand equity parameters directly.

Figure 2.4: The price/brand balance



Source: Anselmsson, J., Johansson, U. & Persson N., 2007. Understanding price premium for grocery products: a conceptual model of customer-based brand equity. J Prod Brand Manage. 6 (6): p. 14.

3. THEORETICAL MODEL AND HYPOTHESES

Wiedmann et al. (2009) developed an integrated model of consumers' luxury value perception of luxury goods consisting financial, functional, individual and social dimensions significantly impacting the consumers' luxury value perception and consumption which can be applied on an international level. In this study, it will be focused on Luxury Value Perception (LVP) model proposed by Wiedmann et al. (2009). Consumers buy luxury products for financial, functional, individual and social reasons and these reasons contribute to an index called overall luxury value and this index is used to measure the luxury contained in a product and compare brands.

The financial dimension of luxury value is related mostly price and refers to the value of the product as expressed in currency units (Chapman 1986, Mazumdar 1986, Monroe and Krishnan 1985). Consumers evaluate the price of a product for judging if it is worth to pay for its quality when choosing between different brands. The price of a product has a positive role on the perception of its quality (Erickson and Johansson 1995; Lichtenstein et al. 1988; Tellis and Gaeth 1990). Higher priced products may seem to be more desirable and offer more value to the status-conscious consumers (Groth and McDaniel 1993, Berkowitz et al. 1992). Therefore, price may have a positive impact on the perception of prestige of a product (McCarthy and Perreault 1987). Price could be perceived as objective price is the actual price or subjective as the perceived price, which is the cost judged by the consumers (Jacoby and Alson 1977). Price is not the most important factor. Since, consumers want more value in luxury products, it could be the perceived price that make them purchase (Wiedman et al. 2009). Relying on previous research which suggests that price could be used as an indicator of quality and prestige. This factor measures the evaluation of a premium product if it worth to pay for its price. It could be linked with that premium products have accessible prices. It is hypothesized that;

H1: Price value has a positive influence on the overall perceived premium value.

The functional dimension of a luxury value is related with the product benefits and its utilities could be explained as quality, exclusivity, confidence, usability and durableness

(Sheth et al. 1991). Functional value of luxury products satisfies consumers' utilitarian expectations. It is the core benefits what does the physical attributes the products possess and what does the brand do (Berthon et al. 2009). Functional benefits are the basic benefits given to the consumer by the product. Vershofen's (1959) benefit theory discuss that products are conveying two kinds of benefits which are basic and additional benefits. Valtin (2005) also explained the differences of basic and additional benefits. Basic benefits are related with the functional / utilitarian benefit and additional benefit is not related to product itself, it is related with the social and psychological benefits earned after buying or using the product. In the literature, functional benefit was assumed as the main driver of consumer choice. Utility value is one of the most important functional value. Veblen (1899) states the importance of utility value and its relationship with the social value as products have been known to have social value in excess of their functional utility. Since functional value is important criteria in purchasing of premium products, premium products should offer superior utilities. Zeithaml (1988) defines utility value as the consumer's overall assessment of the utility of a product based on a perception of what is received and what is given.

Utilitarian value is accepted as one of the type of shopping value, the other type is hedonic value (Babin et al. 1994, Hirschman and Holbrook 1982). Utilitarian value is related with rational side of the shopping, whereas hedonic value reflects the emotional side of shopping (Babin et al. 1994). The usability of a product is the core benefit that comes from the particular function of product properties and the ease of use that satisfies consumer need. Usable products make life more attractive because they offer comfort of using, superior performance, multi-purpose, ease of operation, and sometimes security. According to Fennel (1978), consumers are looking for the goods that work accurate, has a good looking, lasting for a long time and good performance as what they expect. Perception and evaluation of usability differentiates from person to person because it is subjective and depends on the specific purpose of use. The consumer's perceived level of excellent usability in terms of superior functional value of a premium product or service is an appropriate criterion for perceived brand premium value index. Therefore, it is hypothesized that;

H2: Usability value has a positive influence on the overall perceived premium value.

Uniqueness, meaning "to what degree customers think that the brand differs from competing brands in the same category" (Netemeyer et al. 2004 p. 211). Veblen (1899) also states that the underlying reason of consuming luxury goods is the principle of rarity. Uniqueness value is related with being exclusive (limited number), differentiating from others and has an original image. Linked to this aspect that premium products have a limited reach compared to mass products.

This uniqueness concept is related with the unique selling proposition, which is what differentiates a brand from the competitor brands in the market. Generating unique selling propositions is important in luxury goods. Moreover, there is a positive relationship between perceived uniqueness and price. The more unique and the more expensive a brand, more valuable it becomes (Verhallen and Robben 1994). Especially, luxury brand users wish for differentiation and exclusivity of a brand. Limited production of a product makes consumers develop a preference towards luxury brand to be able to differentiate themselves from others. Individuals have a desire to be a part of a unique members of society (Verhallen and Robben 1994). One way of acquiring this sense of uniqueness is by getting scarce objects. Belk (1988) states that people try to be different themselves from others by having and showing of their scarce products. Fromkin et al. (1971) explained that if a product is only available at limited periods in time is getting more valuable than a product of unrestricted availability.

Relying on previous research which suggests that consumer's uniqueness value as related with the exceptional exclusivity and scarcity of a premium product is an appropriate criterion for overall perceived premium value. Thus, it is hypothesized that;

H3: Uniqueness value has positively influence on the overall perceived premium value.

Quality value is related with longevity, passes on generations, becomes better with time and has resistance to unfavorable conditions. Garvin (1984) argues that one basic definition of quality creates source of problems and he states five main approaches to define the quality as transcendent, product-based, user-based, manufacturing-based and value-based definitions. Moreover, he defined basic elements of product quality as

performance, features, reliability, conformance, durability, serviceability, aesthetics and perceived quality. Especially, performance is the main characteristics is related with both product and user-based quality approaches. Further, reliability and conformance are related with the manufacturing-based quality approach. Because, these dimensions of quality related with product characteristics matching the pre-established standards. Therefore, reliability and comformance characteristics of quality are important for meeting the consumer's superior quality expectations from luxury products (Garvin 1984). Moreover, Gentry et al. (2001) mention that expecting superior quality is one of the main factors why consumers buy luxury brands. In the literature, comparison of quality difference between luxury and non-luxury brands explained as consumers think luxury brands provide more quality and performance than non-luxury brands (Vigneron and Johnson 2004, Nia and Zaichkowsky 2000, Garfein 1989, Quelch 1987). Aaker (1991) also mentioned the positive relationship between superior quality perceived value. Moreover, product that has a superior quality is expected to have a higher price. This price-quality relation is frequently mentioned in academic models, economics, branding and positioning (Kotler and Keller 2010). High quality is accepted as a basic character of a luxury product (Roux 1995, Garfein, 1989, Quelch, 1987). Similar to luxury products, premium products are expected to have superior quality. Relying on previous research which suggests that high quality and superior performance of a premium product is important criteria for perceived overall premium value. Therefore, it is proposed as follows:

H4: Quality value has positively influence on the overall perceived premium value.

Possession provide psychological and social benefits. Mainly, possessing something can be used to satisfy psychological needs such as strengthen and expressing self-identity, providing one to be different from others and assert one's personality (Kleine and Allen 1995, Ball and Tasaki 1992, Belk 1988). Further, possessions could also to satisfy social needs such as social bond to family, society and also brands (Muniz and O'Guinn 2001). Self-identity refers to one's individual and private status in terms of self-perception. Moreover, self-identity value is about reflecting the personality of its owner, it is about self-perceived luxury value focusing on consumers' individual aspects related with luxury

consumption and also addressing materialism (Richins and Dawson 1992), hedonism and self-identity (Vigneron and Johnson 2004). Aaker (1996) stated that consumption is a way of self-expression. Brands are used by the consumers to reflect a self-identity. Self-image congruity theory explained as similarity between consumers' self-image and symbolic images possessing in which brands and products they bought (Heath and Scott 1998). Escalas & Bettman (2003) broaden some of these studies to brands. They stated that consumers are using brands as constructing their self-identity and their brand choices are related with the suitability of their self-identity and brand-user relationship. Brands could be used for self-expression needs, socially or individually. Similarly, consumers may use luxury items to add symbolic meaning into their own self-identity (Vigneron and Johnson 2004, Holt 1995) also consumers can use the brands to support and develop that self- identity (Dittmar 1994, Hirschman 1988, Douglas and Isherwood 1979). Therefore, purchasing and using products allow consumers to define, maintain and enhance their self-concept. Consumers' perceived level of perfect congruity of a premium brand with their self-image or intended self-image could be a suitable criterion for perceived brand premium value index. Therefore, it is proposed as follows:

H5: Perceived extended self-value has positively influence on the overall perceived premium value.

Materialism is defined by Oxford English Dictionary as "devotion to material needs and desires, to the neglect of spiritual matters; a way of life, opinion, or tendency based entirely upon material interests." In the literature, materialism has two theoretical approaches. Belk (1985) defines materialism as the importance a consumer attaches to worldly possessions and states the constituents of materialism which are possessiveness which is capturing material items, non-generosity is disliking sharing their possessions and envy is feeling jealous when someone get more valuable goods. Richins and Dawson (1992) explains materialism differently than Belk. They view materialism as an aspect where individuals have material obtaining and think that material possessions give happiness. Richins and Dawson scale in 1992 offer three measures of materialism which are success, centrality and happiness.

Materialism value is about possession and acquisition and desire to have possessions of status. Highly materialistic consumers tend to acquire possessions and give high priority to material value than the other consumers. Belk (1985) states that consumers those high in materialism find possessing something desirable and consumer more time and energy with product related activities. Further, materialistic consumers tend to give a higher value on items by the consumption of those possessions in the public (Richins 1994). Therefore, degree of materialism is a suitable criterion for perceived brand premium value. Thus, it is hypothesized that:

H6: Materialism value has positively influence on the overall perceived premium value.

Hedonic consumption is defined by Hirschman and Holbrook (1982, p. 92) as " those facets of consumer behavior that relate to the multisensory, fantasy and emotive aspects of one's experience with products." Moreover, perceived hedonism value is defined as sensuality, having self-pleasure, makes life more interesting, give enjoyment and sensorial satisfaction (Babin et al. 1994). Luxury products provide emotional value as a central benefit in addition to their functional benefit (Sheth et. al 1991, Westbrook and Oliver 1991, Hirschman and Holbrook 1982). Studies in the field of luxury consumption have shown that luxury products are likely to provide subjective intangible benefits and their consumption is strongly related with hedonic reasons experiencing all kind of sensory gratification such as aesthetics, pleasure, excitement and experiential values (Tynan et al. 2009, Wiedmann et al. 2009, Dubois et al. 2001). Therefore, this type of value is expected to be significant in the consumption of luxury goods. The consumer's perceived level of hedonism toward a premium product is an emotional desire could be seen appropriate criterion for perceived brand premium value index. Thus, it is hypothesized that:

H7: Hedonism value has positively influence on the overall perceived premium value.

Individuals are social beings. Hence, socialization plays a significant role in consumption. Perception of luxury has been changed over the time. During the nineteenth century, functional dimensions such as durability or quality play important and critical role in

luxury perception. However, perception of value shifted to a more symbolic and social meaning (Berthon et al. 2009). Social value is relevant to social structure or differentiation from others, and consumers purchase a luxury product to get the extend oneself of the perceived luxury brands (Kim et al. 2010, Vigneron and Johnson 2004). Moreover, psychological benefits could be the main factor that distinguishes luxury products from non-luxury products (Nia and Zaichkowsky 2000). Nueno and Quelch (1998) also state the importance of social value in luxury goods as ratio of functionality to price could be lower in luxury brands; for some luxury goods, intangible and situational utility to price is higher. Particularly, consumption of luxury goods is important have a get social benefits. Luxury products gives its owner a social recognition. It is important in social representation of consumers in their social groups. These social dimensions are conspicuousness and prestige value that are highly effective in luxury goods consumption. People's desire to possess luxury brands and products provide social benefits as prestigious values, symbolic sign of group membership, conspicuousness and the construction of one's self appear. Prestige-seeking consumer behavior, principally based on the previous research (Dubois and Laurent 1994, Mason 1992). Vigneron and Jonhnson's (2004) conceptualize the perceived value for prestige products as interpersonal (Veblen, snob and bandwagon) and personal aspects (hedonic and perfectionism). The "Veblen" effect for perceived conspicuousness value means that the demand for a good increase when its price is higher rather than lower because their primary objective is to impress others. The snob effect for perceived unique value means that the demand for a good fall when the buyer number increases because these people avoid using popular brands because they want to be different and they dissociate themselves from masses. The bandwagon effect for perceived social value means that demand for a good increase when reference group have already bought that product because these kinds of people give greater emphasis on the effect they make on others. The hedonic effect for perceived emotional value means that these consumers less rely on price as an indicator of prestige, they are more interested in their thoughts. The perfectionism effect for perceived quality value related to luxury consumption underlying the specific function of quality and evaluate price as a supporting quality issue (Vigneron and Johnson 2004).

The level of perceived prestige of a luxury good is positive effect on the perception of social value for consumers who are status oriented. Table 3.1 lists researches related with the values of prestige. As can be seen by Table 3.1, a set of prestige values of a luxury product or brand are related with meeting someone's else expectations or a representative indicator of being part of a reference group. Therefore, it is proposed as follows:

H8: Prestige value has positively influence on the overall perceived premium value.

Table 3.1: Examples of research used to define the values of prestige

AUTHORS	CONSPICUOUSNESS	UNIQUENESS	QUALITY	EXTENDED-SELF	HEDONISM	OTHER
Veblen (1899)	Conspicuous consumption Pecuniary emulation Status & Wealth	Invidious comparison Distinction	Fashion	Bourgeois Upper-class	Leisure class Pleasure	
Leibenstein (1950)	Veblen effect	Snob Effect		Bandwagon effect		
Mason (1981 & 1992)	Conspicuous consumption Status seeking	Scarcity value	Aesthetic quality	Distinction Conformity Achievement		
Bearden & Etzel (1982)	Conspicuous	Exclusivity		Publicly consumed	Privately consumed	
Horiuchi (1984)	Most expensive of their category	Limited production Infrequently purchased	Best functional or stylistic values Often hand made	Show who you are	Provide intrinsic enjoyment and satisfaction	Unecessary to life and health Old brands
Rossiter & Percy (1987)	High involvement Conspicuous brand			Social approval Search audience Personal recognition	Sensory gratification	
Richins (1994b)	Conspicuous Socially visible Expensive Status concern			Success Achievement Expression of the self Stereotypes	Happiness Hedonic potential Pleasure	
Dubois & Laurent (1994 & 1996)	Very Expensive Elitism	Few People Distinguish Snob	Better quality Not mass-produced	Imitate rich Reveal who you are Refined people	Hedonic motives Life more beautiful For one's pleasure	To be offered as a gift & usefulness
Pantzalis (1995)	Setting high prices Status symbol	Exclusivity Uniqueness Selectively Accessible Limited supply Scarce for all others		Aspirational groups Imitation		
Dubois & Paternault (1997)	Expensiveness	Exclusive clientele Scarcity	Extreme quality Craftmanship		Hedonic experience Aesthetic appeal	Rituals Usefulness
Wong & Ahuvia (1998)	Conspicuous Wealth & social class Expensive & ostentatious Materialism	Conformity versus distinction	Brand manufacturer Country of origin	Public appearances Self-concept Personal success Reputation of family	Hedonic value Pleasure experience	Gift giving

Source: Vigneron, F., & Johnson, L.W., 1999. A review and a conceptual framework of prestige seeking consumer behavior. *Academy of Marketing Science Review*. **1**, pp. 1–15.

Conspicuous consumption can be defined as "the act of buying a lot of things, especially expensive things that are not necessary, in a way that people notice" (Longman American Dictionary 2000, p. 296). The primary need is satisfaction of prestige in conspicuous consumption rather than general shopping goods (Shukla 2008, Belk 1988, Grubb and

Grathwohl 1967). Similar to the materialism concept, conspicuous consumption is a behavior whereby an individual demonstrates wealth through intensity of luxury consumption of goods and services (Trigg 2001). Moreover, Wong (1997) states the satisfaction comes from showing to the reference group and their reaction rather than the utility of the good itself. Luxury products that are consumed in public are more likely to be conspicuous products than privately consumed luxury products. Mason (1992) also states that satisfaction of consumer conspicuous consumer provided by audience reaction to the wealth displayed rather than its value in use. Conspicuous consumers concern about how other people perceived them and may judge them when using and consuming luxury brands.

Luxury brands play an important role in conspicuous consumption. Therefore, luxury brand consumption may be important to individuals looking for asserting prestige, social status and social representation. Consumers' desire to buy luxury brands serve as a symbolic sign of group membership. People tend to belong and conform to the majority opinion of their own social group. For instance, a person can use a prestige brand in his/her professional life but can use a non-prestige brand in social life to match a social standard. These items are related with meeting social status they want to have. Perceived conspicuousness value of a purchased luxury product or service as an indicator of elitism and wealth is an appropriate criterion for perceived brand premium value index. Thus, it is hypothesized;

H9: Conspicuousness value has positively influence on the overall perceived premium value.

Competition between brands has been increasing day by day. Creating and building a strong brand with strong brand equity is very crucial for many organizations. Strong brands have strong brand equity have many competitive advantages over the other brands. There are three alternative ways to leverage brand equity: first building it, second borrowing it, or third buying it (Touminen 1999). Thus, it is hypothesized;

H10: Overall perceived premium value has influence on overall brand equity of the product.

Aaker (1991), Assael (1998), and Wang and Kan (2002) state that when consumers have positive feelings to a brand, then they have purchase intention. Smith and Colgate (2007) state that value of a brand is a significantly strong predictor of purchase intention. Moreover, Wiedmann et al. (2009) and Tynan et al. (2010), state that the overall luxury value perceptions may play a significantly stronger influence on luxury purchase intentions. In sum up, brand awareness, perceived quality and brand loyalty have positive effects on overall premium value and premium purchase intention. Thus, it is hypothesized;

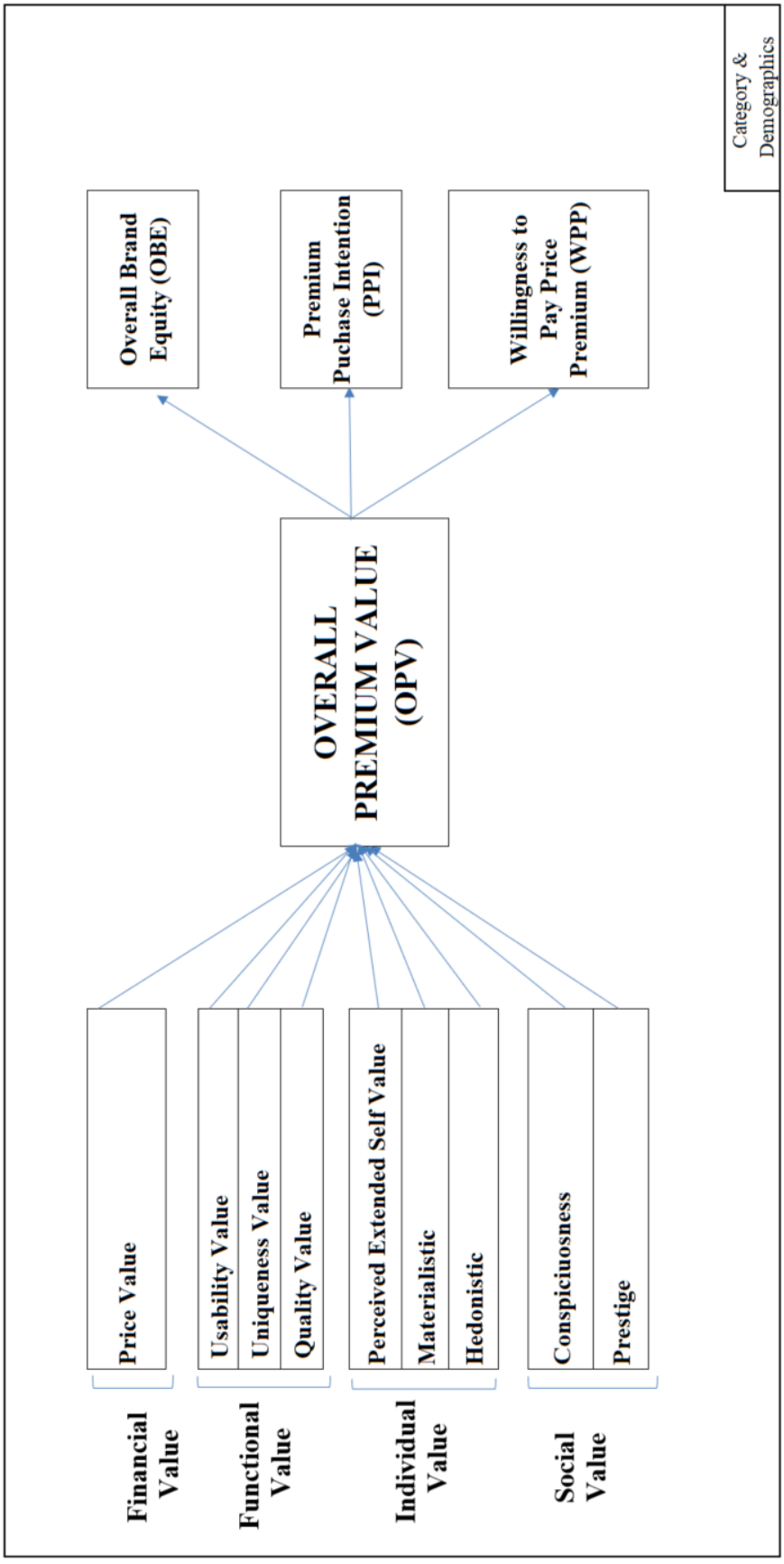
H11: Overall perceived premium value has influence on premium purchase intention value

Customers are willing to pay a price premium for the brands they know and trust. The price premium could be seen an acceptable indicator of the strength of the brand. Therefore, in order to differentiate from store brands, new luxury brands have to differentiate by focusing on increasing quality and price (Hoch 1996). One may argue that price premium has a stronger relationship between overall premium value. Thus, it is hypothesized;

H12: Overall perceived premium value has influence on willingness to pay price premium value.

Research model is shown in Figure 3.1.

Figure 3.1: Research model constructed based on the theory



4. METHOD AND DATA

The main aim of this part is to define the procedure and methods that are used for this research. It is consisting testing and validation of research model shown in Figure 3.1. This chapter will also outline preliminary and pilot studies, research strategy and employed methods to collect data to answer the main research questions.

In order to test the hypotheses, this study uses a structured questionnaire focusing on the multidimensional luxury value perception. This multidimensional concept including financial, functional, individual, and social components can be seen as a first step toward a better understanding of underlying reasons of consumers' premium value perceptions and how overall perceived premium value index to be influenced by these factors. Moreover, the relationship between overall premium value and brand equity, premium purchase intention (PPI), willingness to pay price premium (WPP) were studied.

4.1 RESEARCH DESIGN

Within the research design the survey used to measure the constructs within the study is constructed.

4.1.1 Measurement Instument and Questionnarie Design

It is assumed that luxury value measurement approach could be used in goods (premium products) since new and old luxury products have many similar attributes in many aspects. Incorporating theoretical and empirical findings to develop a framework to understand what is really meant by "premium" to the consumers' and which factors drive the value of premium brands. Measurement items are mainly adapted from previously used scales of luxury value from the literature with acceptable levels of validity and reliability. Then the adaptations are done to modify the luxury brand questions to the premium brand questions.

The survey is quantitative and different demographic groups will be tested for premium product categories. The questionnaire includes multi-item measures from literature, which are premium value sub-dimensions (Wiedmann et al 2007), price (Sweeney and Soutar 2001), conspicuousness (H. Roy Chaudhuri 2011), quality and willingness to pay

price premium (Netemeyer et al. 2004), premium purchase intention (Shukla and Purani 2011), and overall brand equity (Yoo et al. 2000). It could be seen in Table 4.1 in detail.

Table 4.1: Items used in the study and their corresponding sources

Construct	Source	Questions
Financial Value		
Price	Sweeney & Soutar, 2001	4
Functional Value		
Usability	Wiedmann et al, 2009	7
Uniqueness Value	Wiedmann et al, 2009	4
Quality	Wiedmann et al, 2009	3
Individual Value		
Self-Identity Value	Wiedmann et al, 2009	3
Materialistic Value	Wiedmann et al, 2009	4
Hedonic Value	Wiedmann et al, 2009	14
a—Self–Gift Giving	Wiedmann et al, 2009	5
b—Extravagance		3
c—Self-Directed Pleasure		2
d—Life Enrichment		4
Social Value		
Prestige Value	Wiedmann et al, 2009	13
Conspicuousness Value	Chaudhuri, 2011	10
Overall premium value perception	Shukla & Purani, 2011	3
Premium purchase intentions	Shukla & Purani, 2011	5
Overall Brand Equity	Yoo, 2000	4
Willingness to Pay Price Premium	Netemeyer,2004	4

4.2 DATA COLLECTION, SAMPLING AND ANALYSIS

On the basis of the items used in the literature and the definitions established in our research, a pool of sample measures is generated. The questionnaire was done online to sample consumers who use premium products. After cleaning the data, the final usable sample was 301 persons of different demographics who evaluated their premium value perception with premium product categories.

All items were measured on 5-point Likert-type scales ranging from 1 (strongly disagree) to 5 (strongly agree). The questionnaire has two parts. The first part is about understanding demographics information and the second part is related with premium value perceptions, purchase intention and brand equity.

Pre-test for brand and category selection were done with 60 respondents in order to understand what extent consumer perceptions of mass, premium and luxury brands differentiate. Following Fetscherin et al. (2014) unaided brand recall methodology, respondents are initially requested to name the top of mind mass, premium and luxury brands for the 16 categories after having introduced the definitions of mass, premium and luxury brands. Top of mind mass, premium and luxury brands could be seen in Table 4.2 for 16 different categories.

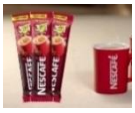
Table 4.2: Top of mind mass, premium and luxury brands for some categories

Category	Mass Brand	Premium Brand	Luxury Brand
Coffee	Nescafe	Starbucks	Godiva
Chocolate	Ülker Chocolate	Milka	Godiva
Restaurant	Mc Donalds	Midpoint	Nusret
Juice	Dimes	Tropicana	Exotic
Water	Sırma	Erikli	Evian
Clothes	LCW	Zara	Armani
Sneaker	Kinetix	Adidas	Lacoste
Watch	Casio	Armani	Rolex
Skin Care	Nivea	Clinique	Estee Lauder
Make Up	Loreal	Mac	Lancome
Perfume	Avon	Calvin Klein	Chanel
Supermarket	BİM	Migros	Macro Center
Bag	Mango	Beymen	Louis Vuitton
Car	Fiat	Mercedes	Ferrari
Furniture	İstikbal	Enza Home	Zebrano
Detergent	ABC	Ariel	Perwoll

Then most known and frequently used categories (coffee, watch, fashion, car) are selected to be used in the main study. Prices were calculated according to the average price of the

lowest and highest price of each category. Mass and premium brands of same category are shown in the questionnaire as shown in Table 4.3 in order to show the price and brand differences between them. After that, consumers answer the questions focusing on premium brands.

Table 4.3: Mass and premium brands used in the questionnaire

Product Category	Mass Brand	Premium Brand	Product Category	Mass Brand	Premium Brand
Coffee	Nescafe (0,65TL)	Starbucks (8 TL)	***Watch***	Casio (80 TL)	Armani (600TL)
					
Car	Renault Symbol	Mercedes B180 (175.000TL)	***Fashion***	LCW Sweater (30TL)	Zara Sweater (130TL)
					

The survey is designed so that it can be possible to complete about 10 minutes. The designed survey is presented in the Appendix 1.

The first version of the questionnaire was pretested and validated on a sample of 60 respondents from university students. After doing pre-test, some questions were rewritten to make them more understandable. Moreover, in order to shorten the question number, the questions which were asked to understand collectivism and individualism were cut from 16 to 4 comprising both collectivism and individualism.

After the pre-test, the questionnaire was done to a suitable sample of 309 consumers use premium products. 8 were discarded because they stated that they are not using premium products.

5. FINDINGS

This chapter will outline the main results of the analysis. It will be structured in three segments. Firstly, the descriptive statistics of the sample will be briefly explained. Secondly, the results of the factor and reliability analyses will be presented for each dimension of overall premium value, overall premium value, overall brand equity, premium purchase intention and willingness to pay price premium. After factor and reliability analysis, correlation analysis was also placed to show if there is a correlation between the parameters. Finally, the results of the regression analyses will be presented to show the relationship between the constructs in the hypothesized model.

5.1 DESCRIPTIVE ANALYSIS

The questionnaire was done to a appropriate sample of 330 respondents contacted, after deciding the preciese the data, the final usable sample was collected from 301 persons of different demographics who evaluate their premium value perception of premium product categories. The sample consisted of male and female consumers from all ages from Turkey.

The results of descriptive analysis of samples are presented in the Table 5.1. 47.8 percent of the respondents are from 25-34 years old representing the most crowded age group of the sample. This group is followed by young people of 18-24 years and 35-45 years old with 19.3 percent and 13.6 percent respectively. Female respondents are 51.5 percent and males are 48.5 percent reflecting a similar distribution to the Turkish population according to Turkish Statistical Institute's 2018 data as 50 percent women and 50 percent men. Moreover, 77.1 percent of samples are working, 29.1 percent are not working. Frequency of premium goods consumption rates showing 4.3 percent of samples are always purchasing and using premium products. 40.9 percent of samples using frequently and 36.5 percent of them are using moderately.

Table 5.1: The descriptive analysis of survey

Gender	**Frequency**	**Percent**	**Marital Status**	**Frequency**	**Percent**
Male	146	48.5	Married	156	51.8
Female	155	51.5	Single	145	48.2
Total	301	100	Total	301	100
Age	**Frequency**	**Percent**	**Household Income**	**Frequency**	**Percent**
<18 years	3	1.0	≤ 1000 TL	34	11.3
18-24 years	58	19.3	1001-2000 TL	29	9.6
25-34 years	144	47.8	2001-4000 TL	70	23.3
35-45 years	41	13.6	4001-6000 TL	76	25.2
46-54 years	36	12.0	6001-10000 TL	63	20.9
≥ 55 years	19	6.3	≥10000 TL	29	9.6
Total	301	100	Total	301	100
Working Condition	**Frequency**	**Percent**	**Education**	**Frequency**	**Percent**
Yes	232	77.1	Secondary school	3	1.0
No	69	22.9	High School	24	8.0
Total	301	100	University (2 Years)	7	2.3
Premium Consumption	**Frequency**	**Percent**	University (4 Years)	184	61.1
Rarely	30	10,0	Master's Degree	79	26.2
At times	25	8.0	Doctorate Degree	4	1.3
Sometimes	110	36.5	Total	301	100
Frequently	123	40.9			
Always	13	4.3			
Total	301	100			

5.2 DATA ANALYSIS

Data was analyzed using SPSS 25.0 and expolarotary factor and reliability analyses were followed by regression analysis.

5.2.1 Exploratory Factor and Reliability Analysis

A theoretical assumption is done for the model which is consisting 9 dimensional structure of overall premium value. The exploratory factor analysis is conducted to test the dimensionality of overall premium value revealed nine factors as in the model. Firstly, Kaiser Meyer Olkin (KMO) and Barlett's tests showing the appropriateness of the sample data for factor analysis were done and produced appropriate results (KMO = 0.904, Barlett = .000) can be seen in Table 5.2.

Table 5.2: KMO and Barlett's test for overall premium value (opv)

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.904
Bartlett's Test of Sphericity	Approx. Chi-Square	15229.883
	df	1891
	Sig.	.000

All dimensions underlying the overall premium value perception are uncovered by a factor analysis using the principal component analysis and varimax rotation in order to calculate the factor loadings. Question 8 is excluded since a score is below 0.5 in anti-image correlation matrix and factor analysis are repeated.

The questions were loaded under 0.5 and the factors has 1 question were removed from questions. 23 questions out of 62 are excluded in factor analysis. The factor analysis produced a 9 factor structure, as shown in Table 4.3, with a Kaiser-Meyer-Olkin measure of 0.904 that summarized 39 items with medium (> 0.597) to high (<0.858) factor loadings and accounts for 73.9 percent of the total variance Detailed Rotated Component Matrix table is in the Appendix 3, Table 3.2.

After constituting factors, reliability analysis is done for each factor. Then, Cronbach's alpha scores are compared and the questions lowering the Cronbach's alpha scores are excluded and then factor analysis are repeated. Reliability analysis was done for 9 factors and 4 constructs in the model and the alpha values ranged from 0.68 to 0.927 showing that the scales developed in this study were acceptable and reliable measures (Hair et al. 1998).

Table 5.3: Total variance explained

Total Variance Explained						
	Initial Eigenvalues			Rotation Sums of Squared Loadings		
Component	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	12.939	33.178	33.178	5.059	12.972	12.972
2	4.165	10.680	43.858	4.951	12.694	25.666
3	2.592	6.645	50.504	4.705	12.064	37.730
4	2.115	5.423	55.926	3.443	8.828	46.558
5	1.891	4.849	60.775	2.732	7.005	53.563
6	1.650	4.230	65.004	2.318	5.944	59.507
7	1.221	3.130	68.134	1.994	5.112	64.619
8	1.192	3.055	71.190	1.816	4.657	69.276
9	1.056	2.708	73.898	1.803	4.622	73.898

In the second part, factor analysis of overall premium value questions, premium purchase intention, overall brand equity and willingness to pay price premium are done. Finally, factor analysis of brand equity parameters and premium purchase intention parameter. these questions try to understand general approach to premium products and also for checking the later parameter results. Factor and reliability analysis indicate satisfactory results that can be shown in Table 5.4.

Table 5.4: Overall premium value (OPV) parameters factor & reliability test results

Factors	Questions	Factor Loadings	Factor %	Cronbach's alpha
Hedonism Value	Purchasing premium product can be seen as giving me gifts to celebrate an occasion that I believe significant to me. (Q26)	0.725	12.8%	0.921
	On the whole, I may regard premium brands as gifts I buy for treating myself. (Q27)	0.742		
	When in a bad mood, I may buy premium product as self-given gifts for alleviating the emotional burden. (Q28)	0.793		
	Reward for hard work or that I feel I have earned or am entitled to is an important motivator for my premium consumption. (Q29)	0.800		
	To me, buying premium product is a way to reduce stress (Q30)	0.704		
	Buying things like premium product gives me a lot of pleasure. (Q33)	0.604		
	For me as a premium consumer, cultural development is an important motivator. (Q36)	0.639		
Prestige Value	I usually keep up with style changes by watching what others buy. (Q41)	0.608	12.7%	0.905
	Before purchasing premium product, it is important to know what brands or products to buy to make good impressions on others. (Q42)	0.798		
	Before purchasing premium product, it is important to know what kinds of people buy certain brands or products. (Q43)	0.642		
	Before purchasing premium product, it is important to know what others think of people who use certain brands or products. (Q44)	0.793		
	I tend to pay attention to what others are buying. (Q45)			
	Before purchasing premium product, it is important to know what my friends think about it. (Q46)	0.730		
	If I were to buy something expensive like premium products, I would worry about what others would think of me. (Q48)	0.653		
	Social standing is an important motivator for my premium consumption. (Q49)	0.597		
	For me as a premium consumer, sharing with friends is an important motivator. (Q50)	0.650		
Conspicuousness Value	I would buy an interesting and uncommon version of a product otherwise available with a plain design, to show others that I have an original taste. (Q55)	0.717	12.1%	0.896
	Others wish they could match my eyes for beauty and taste. (Q56)	0.614		
	By choosing a product having an exotic look and design, I show my friends that I am different. (Q57)	0.835		
	I choose products or brands to create my own style that everybody admires. (Q58)	0.720		
	I often try to find a more interesting version of the run-of-the-mill products, because I want to show others that I enjoy being original. (Q60)	0.717		
	I show to others that I am sophisticated. (Q61)	0.755		
	I feel by having a piece of a rare antique I can get respect from others. (Q62)	0.649		

Factors	Questions	Factor Loadings	Factor %	Cronbach's alpha
Quality Value	Premium product is good. (Q9) Premium product is well made. (Q16) Premium product has a high standard of quality. (Q17) Premium product has a consistent quality. (Q18)	0.670 0.854 0.858 0.834	8.9%	0.924
Materialistic Value	My life would be better if I owned premium products. (Q22) I'd be happier if I could afford to buy premium products (Q23) It sometimes bothers me quite a bit that I can't afford to buy premium product that I'd like. (Q24)	0.739 0.757 0.671	7.0%	0.880
Perceived Extended Self Value	I never buy a premium product which is inconsistent with the characteristics which I describe myself. (Q19) I buy premium product because it matches what and who I really am. (Q20) I select premium product because it reflects how I see myself rather than how others see me. (Q21)	0.817 0.708 0.661	5.9%	0.773
Uniqueness Value	Premium product cannot be mass-produced. (Q13) Few people own a premium product. (Q14)	0.822 0.718	5.1%	0.704
Usability Value	Premium product is really useless. [R] (Q5) Premium product is just swanky. [R] (Q6)	0.870 0.810	4.7%	0.730
Price Value	Premium good is reasonably priced. (Q1) Premium product would be economical (Q4)	0.794 0.628	4.6%	0.687

Factor and reliability analysis are also done for constructs in the model. Firstly, KMO and Barlett's test is performed for overall premium value to understand the suitability of the sample data for factor analysis. It produced produced satisfactory results (KMO = 0.731, Barlett = .000) are shown in Table 5.5.

Table 5.5: KMO and Bartlett's test for overall premium value (OPV) construct

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.731
Bartlett's Test of Sphericity	Approx. Chi-Square	430.376
	df	3
	Sig.	.000

Overall premium value construct is containing only 1 factor and the combined variance explained accounts for 100 percent of the total variance shown in Table 5.6. Reliability analysis is done and Cronbach's alpha score is 0.859 shown in Table 5.13.

Table 5.6: Total variance explained for overall premium value (OPV) construct

Total Variance Explained			
	Initial Eigenvalues		
Component	Total	% of Variance	Cumulative %
1	2.362	78.725	78.725
2	.362	12.076	90.801
3	.276	9.199	100.000
Extraction Method: Principal Component Analysis.			

KMO and Barlett's test is performed for premium purchase intention to understand the suitability of the sample data for factor analysis. It produced satisfactory results (KMO = 0.859, Barlett = .000) are shown in Table 5.7.

Table 5.7: KMO and Bartlett's test for premium purchase intention (PPI) construct

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.859
Bartlett's Test of Sphericity	Approx. Chi-Square	1164.369
	df	10
	Sig.	.000

PPI is is containing only 1 factor and the combined variance explained accounts for 100 percent of the total variance shown in Table 5.8. Reliability analysis is done and Cronbach's alpha score is 0.921 shown in Table 5.13.

Table 5.8: Total variance explained for premium purchase intention (PPI) construct

Total Variance Explained			
	Initial Eigenvalues		
Component	Total	% of Variance	Cumulative %
1	3.831	76.616	76.616
2	.482	9.631	86.247
3	.313	6.257	92.504
4	.210	4.207	96.712
5	.164	3.288	100.000
Extraction Method: Principal Component Analysis.			

KMO and Barlett's test is performed for overall brand equity to understand the suitability of the sample data for factor analysis. It produced satisfactory results (KMO = 0.814, Barlett = .000) are shown in Table 5.9.

Table 5.9: KMO and Bartlett's test for overall brand equity (OBE) construct

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.814
Bartlett's Test of Sphericity	Approx. Chi-Square	1000.113
	df	6
	Sig.	.000

Overall brand equity construct is containing only 1 factor and the combined variance explained accounts for 100 percent of the total variance shown in Table 5.10. Reliability analysis is done and Cronbach's alpha score is 0.927 shown in Table 5.13.

Table 5.10: Total variance explained for overall brand equity (0BE) construct

Total Variance Explained			
	Initial Eigenvalues		
Component	Total	% of Variance	Cumulative %
1	3.283	82.081	82.081
2	.343	8.579	90.660
3	.250	6.252	96.912
4	.124	3.088	100.000
Extraction Method: Principal Component Analysis.			

KMO and Barlett's test is performed for willingness to pay price premium to understand the suitability of the sample data for factor analysis. It produced satisfactory results (KMO = 0.723, Barlett = .000) are shown in Table 5.11.

Table 5.11: KMO and Bartlett's test for willingness to pay price premium (WPP) construct

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.723
Bartlett's Test of Sphericity	Approx. Chi-Square	498.482
	df	3
	Sig.	.000

Willingness to pay price premium construct is containing only 1 factor and the combined variance explained accounts for 100 percent of the total variance shown in Table 5.12. Reliability analysis is done and Cronbach's alpha score is 0.880 shown in Table 5.13. After reliability analysis, Q75 is exluded because it lowers the Cronbach's alpha coefficient and factor analys is repeated.

Table 5.12 Total variance explained for willingness to pay price premium (WPP) construct

Total Variance Explained			
	Initial Eigenvalues		
Component	Total	% of Variance	Cumulative %
1	2.422	80.734	80.734
2	.366	12.201	92.935
3	.212	7.065	100.000
Extraction Method: Principal Component Analysis.			

Table 5.13: Factor & reliability test results of constructs

Constructs in the model	Questions	Cronbach's alpha
Overall Premium Value (OPV)	I purchase premium products like to gain/increase social status. (Q63) The uniqueness of premium products is important to me. (Q64) Higher priced premium brand accessories mean more to me. (Q65)	0.859
Premium Value Purchase Intentions (PPI)	I purchase premium brand accessories to show who I am. (Q66) I would buy a premium accessory just because it has status. (Q67) Owning premium accessories indicates a symbol of wealth. (Q68) I would pay more for a premium accessory if it has status. (Q69) Premium accessories are important to me because they make me feel more acceptable in my work circle. (Q70)	0.921
Overall Brand Equity (OBE)	It makes sense to buy premium product instead of any other brand, even if they are the same. (Q71) Even if another brand has same features as premium product, I would prefer to buy premium product. (Q72) If there is another brand as good as premium product, I prefer to buy premium product. (Q73) If another brand is not different from premium product in any way, it seems smarter to purchase premium product. (Q74)	0.927
Willingness to Pay Price Premium (WPP)	I am willing to pay a higher price for premium product than for other brands. (Q76) I am willing to pay 30% more for premium product over other brands. (Q77) I am willing to pay a lot more for premium product than other brands of product category. (Q78)	0.880

Extra analysis are done to comment on brand equity and premium purchase intention parameters in addition to model analysis. KMO and Barlett's test is performed to understand the suitability of the sample data for factor analysis and produced satisfactory results (KMO = 0.672, Barlett = .000). KMO and Bartlett's Test of Brand Value and Rotated Component Matrix and Total Variance Explained Tables are presented in Appendix 2, Table 2.3 and Table 2.4. Reliability and correlation analysis show no correlation between parameters. It is observed that social factors are loaded in the same factor and they have the highest effect on brand value.

KMO and Barlett's test is performed to understand the suitability of the sample data for factor analysis of premium purchase intention and produced satisfactory results (KMO = 0,733 Barlett = .000). KMO and Barlett's test for premium purchase intention and Reliability Analysis of premium purchase intention factors can be seen in Appendix 2, Table 2.6 and Table 2.9. Correlation also placed in Appendix 2, Table 2.10 to show there is no correlation between parameters. It is observed that social and individual factors are loaded in the same factor and they have the highest effect on premium purchase intention.

5.2.2 Correlation Analysis

In order to analyze and compare the direct relationship of each factor (hypothesis) and item-to-item correlations were examined. The results are shown in Table 5.14. There are several correlations above 0.50 among the independent variables, implying that there is a risk of multi-collinearity when testing the hypotheses in a multiple regression model. No items were dropped, and they checked according to other criteria of correlation. Moreover, scatter plot also drawn to understand if there is linearity between the dependent and independent factors as shown in Appendix 3, Figure 3.1.

Table 5.14: Correlation table of overall premium value parameters

Correlations

		Price Avg.	Usability Avg.	Uniqueness Avg.	Quality Avg.	Perceived Extended-Self Avg.	Materialistic Avg.	Hedonistic Avg.	Prestige Avg.	Conspicuousness Avg.
Price Avg.	Pearson Correlation	1	-.252**	-.073	.323**	,175**	.220**	.339**	.134*	.173**
Usability Avg.	Pearson Correlation	-.252**	1	.074	-.218**	-,180**	-.018	-.323**	.104	.033
Uniqueness Avg.	Pearson Correlation	-.073	.074	1	.329**	.128*	.309**	.208**	.169**	.238**
Quality Avg.	Pearson Correlation	.323**	-.218**	.329**	1	.257**	.420**	.592**	.341**	.427**
Perceived extended self Avg.	Pearson Correlation	.175**	-.180**	.128*	.257**	1	.407**	.533**	.334**	.230**
Materialistic Avg.	Pearson Correlation	.220**	-.018	.309**	.420**	.407**	1	.528**	.578**	.544**
Hedonistic Avg.	Pearson Correlation	.339**	-.323**	.208**	.592**	.533**	.528**	1	.436**	.488**
Prestige Avg.	Pearson Correlation	.134*	.104	.169**	.341**	.334**	.578**	.436**	1	.545**
Conspicuousness Avg.	Pearson Correlation	.173**	.033	.238**	.427**	.230**	.544**	.488**	.545**	1

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

5.2.3 Regression Analysis

Arithmetic mean of each factor and constructs are calculates and added to the data. They were used in regression analysis. multiple linear regression was employed in order to investigate if some of these variables/factors, have a significant effect on the overall premium value. Overall premium value is the dependent variable, factors possibly affecting overall premium value are independent factor, set based on the theoretical consideration in the previous chapter: price, usability, uniqueness, quality, perceived extended self, materialism, hedonistic, prestige and conspicuousness.

Since R^2=0.635, F=56.214 ve p=0.000, it is decided multiple regression analysis is statistically appropriate shown in Table 5.15 and Table 5.16.

Table 5.15: Regression analysis summary table of overall premium value (OPV) model

Model Summary [b]				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.797[a]	.635	.624	.61630
a. Predictors: (Constant), Conspicuousness_avg, Usability_avg Uniqueness_avg, Perceived_ extended_ avg, Price_avg, Quality_ avg, Prestige_avg, Materialistic_avg, Hedonistic _avg				
b. Dependent Variable: OPV_ avg				

F and p (sigma) scores are evaluated from ANOVA table and it is validated for multiple regression analysis.

Table 5.16: ANOVA table for overall premium value (OPV) model

ANOVA [a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	192.165	9	21.352	56.214	.000[b]
	Residual	110.530	291	.380		
	Total	302.695	300			
a. Dependent Variable: OPV_avg						
b. Predictors: (Constant), Conspicuousness_avg, Usability_avg Uniqueness_avg, Perceived_ extended_ avg, Price_avg, Quality_ avg, Prestige_avg, Materialistic_avg, Hedonistic _avg						

In order to understand that independent variables are significantly contribute to the dependent variable, t analysis is done. T analysis results are shown in Table 5.17. Price, quality, perceived extended self and hedonism values are excluded because p scores are higher than 0.05. They are insignificant independent variables and they don't contribute to the overall premium value significantly.

Table 5.17: Coefficients table of overall premium value model (OPV) 9 factor

Coefficients [a]								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-1.414	.268		-5.282	.000		
	Price	.076	.053	.057	1.451	**.148**	.803	1.245
	Usability	.180	.055	.131	3.251	.001	.768	1.302
	Uniqueness	.217	.041	.208	5.256	.000	.798	1.253
	Quality	.038	.060	.030	.635	**.526**	.551	1.815
	Perceived Extended Self	-.046	.048	-.042	-.961	**.337**	.667	1.499
	Materialistic	.188	.050	.187	3.725	.000	.498	2.009
	Hedonism	.013	.064	.011	.201	**.841**	.394	2.540
	Prestige	.324	.059	.263	5.525	.000	.552	1.812
	Conspicuousness	.420	.057	.351	7.418	.000	.559	1.788
a. Dependent Variable: OPV								

The regression analysis is repeated with the significant independent variables which are usability, uniqueness, materialism, prestige and conspicuousness. Since R^2=0.629 can be shown in Table 5.18. F=100.238 ve p=0.000 can be shown in Table 5.19. It is decided that multiple regression analysis is statistically appropriate.

Table 5.18: Regression analysis summary table of overall premium value (OPV) model

Model Summary [b]				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.793[a]	.629	.623	.61659
a. Predictors: (Constant), Conspicuousness, Usability, Uniqueness, Prestige, Materialistic				
b. Dependent Variable: OPV				

Table 5.19: ANOVA table for overall premium value model (OPV) 5 factor

ANOVA [a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	190.542	5	38.108	100.238	.000[b]
	Residual	112.153	295	.380		
	Total	302.695	300			
a. Dependent Variable: OPV						
b. Predictors: (Constant), Conspicuousness, Usability, Uniqueness, Prestige, Materialistic						

In order to understand that each independent variable is significantly contribute to the dependent variable, t analysis is repeated as can be seen in Table 5.20.

Table 5.20: Coefficients table of overall premium value model (OPV) 5 factor

Coefficients [a]								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-1.206	.184		-6.557	.000		
	Usability	.156	.049	.114	3.174	.002	.973	1.028
	Uniqueness	.216	.039	.207	5.499	.000	.889	1.125
	Materialistic	.194	.048	.193	4.066	.000	.556	1.798
	Prestige	.321	.057	.261	5.611	.000	.579	1.728
	Conspicuousness	.441	.054	.369	8.185	.000	.618	1.617
a. Dependent Variable: OPV								

In order to understand if there is multiple correlation, other parameters of multiple correlations are checked. Firstly, R^2 is lower than 0.7, therefore, there is no strong correlation between independent variables. Secondly, VIF (Variance Inflation Factor) scores are lower than 10. Thirdly, highest Eigen Value ratio to the lowest ratio (5.699/0.025) is between 10 and 100, although it is near to 100, there is no strong correlation. Finally, the highest condition index score is 13.955; is lower than 30. It is assumed that there is no strong correlation between independent variables.

Table 5.21: Collinearity diagnostics of overall premium value model (OPV)

Collinearity Diagnostics [a]									
Model	Dimension	Eigenvalue	Condition Index	Variance Proportions					
				(Constant)	Usability	Uniqueness	Materialistic	Prestige	Consciousness
1	1	5.679	1.000	.00	.00	.00	.00	.00	.00
	2	.125	6.748	.01	.48	.00	.12	.02	.03
	3	.088	8.031	.00	.08	.82	.01	.06	.02
	4	.044	11.321	.06	.15	.00	.68	.01	.43
	5	.035	12.732	.02	.08	.02	.14	.77	.42
	6	.029	13.955	.92	.21	.15	.05	.14	.11
a. Dependent Variable: OPV									

Regression equation is written according to the values of unstandardized coefficients in Table 5.20.

OPV = -1.206 + 0.441*Conspicuousness + 0.321*Prestige + 0.216*Uniqueness + 0.184*Materialistic + 0.156*Usability

It is seen from the coefficients table that conspicuousness value is the best describing factor and explaining 36.9 percent of the overall premium value. A customer's luxury value perception is not only related with social factors but also depends on the functional and individual utilizes of a brand. It can be seen that not prestige value, uniqueness value, materialistic and usability values are explaining the overall premium value. Prestige value is the second factor explaining the 26.1 percent of overall premium value. Social values, conspicuousness and prestige value are most effective on overall premium value. Additionally, uniqueness, materialistic and usability values are explaining the overall premium value as 20.7, 19.3 and 11.4 percent respectively. Therefore, hypothesis 2,3, 6, 8 and 9 are valid for OPV model.

In order to understand how overall premium value affects the premium purchase intention, simple regression analysis is done. Since R^2 is 0.716 and is higher than 0.7, there could be correlation between independent and dependent variables shown in Table 5.22. F=752,.057 ve p=0,.000 can be shown in Table 5.23. It is decided simple regression analysis is statistically appropriate.

Table 5.22: Regression analysis summary table of overall premium value (OPV) and premium purchase intention (PPI)

Model Summary [b]				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.846[a]	.716	.715	.49816
a. Predictors: (Constant), OPV				
b. Dependent Variable: PPI				

Table 5.23: ANOVA table for overall premium value (OPV) and premium purchase intention (PPI)

ANOVA [a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	186.635	1	186.635	752.057	.000[b]
	Residual	74.202	299	.248		
	Total	260.837	300			
a. Dependent Variable: PPI						
b. Predictors: (Constant), OPV						

In order to understand that each independent variable is significantly contribute to the dependent variable, t analysis is done. Coefficients can be seen in Table 5.24.

Table 5.24: Coefficients table of overall premium value (OPV) and premium purchase intention (PPI)

Coefficients [a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.283	.075		3.781	.000
	OPV	.785	.029	.846	27.424	.000
a. Dependent Variable: PPI						

It can be seen from Table 5.24; overall premium value is explaining the premium purchase intention in 78.5 percent.

PPI = 0.283 + 0.785*OPV

In order to understand how overall premium value affecting willingness to pay price premium, simple regression analysis is done. Since R^2=0.597, can be shown in Table 5.25. F=752.057 ve p=0.000 can be shown in Table 5.26. It is decided that simple regression analysis is statistically appropriate.

Table 5.25: Regression analysis summary table overall premium value (OPV) and willingness to pay price premium (WPP)

Model Summary [b]				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.597[a]	.356	.354	.80209
a. Predictors: (Constant), OPV				
b. Dependent Variable: WPP				

Table 5.26: ANOVA table for overall premium value (OPV) and willingness to pay price premium (WPP)

ANOVA [a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	106.410	1	106.410	165.399	.000[b]
	Residual	192.363	299	.643		
	Total	298.774	300			
a. Dependent Variable: WPP						
b. Predictors: (Constant), OPV						

In order to understand that each independent variable is significantly contribute to the dependent variable, t analysis is done. Coefficients can be seen in Table 5.27.

Table 5.27: Coefficients table of overall premium value (OPV) and willingness to pay price premium (WPP)

Coefficients [a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.451	.120		12.053	.000
	OPV	.593	.046	.597	12.861	.000
a. Dependent Variable: WPP						

WPP = 1.451 + 0.593*OPV

It can be seen that overall premium value is explaining the premium purchase intention in 59.7 percent. In order to understand how overall premium value affecting overall brand equity, simple regression analysis is done. Since R^2=0.285, can be shown in Table 5.28. F=119.111 ve p=0.000 can be shown in Table 5.29. It is decided that simple regression analysis is statistically appropriate.

Table 5.28: Regression analysis summary table of overall premium value (OPV) and overall brand equity (OBE)

Model Summary [b]				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.534[a]	.285	.282	.93956
a. Predictors: (Constant), OPV				
b. Dependent Variable: OBE				

Table 5.29: ANOVA table for overall premium value (OPV) and overall brand equity (OBE)

ANOVA [a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	105.147	1	105.147	119.111	.000[b]
	Residual	263.948	299	.883		
	Total	369.095	300			
a. Dependent Variable: OBE						
b. Predictors: (Constant), OPV						

In order to understand that each independent variable is significantly contribute to the dependent variable, t analysis is done. Coefficients can be seen in Table 5.30. It can be seen that overall premium value is explaining the overall brand equity in 53.4 percent.

Table 5.30: Coefficients table of overall premium value (OPV) and overall brand equity (OBE)

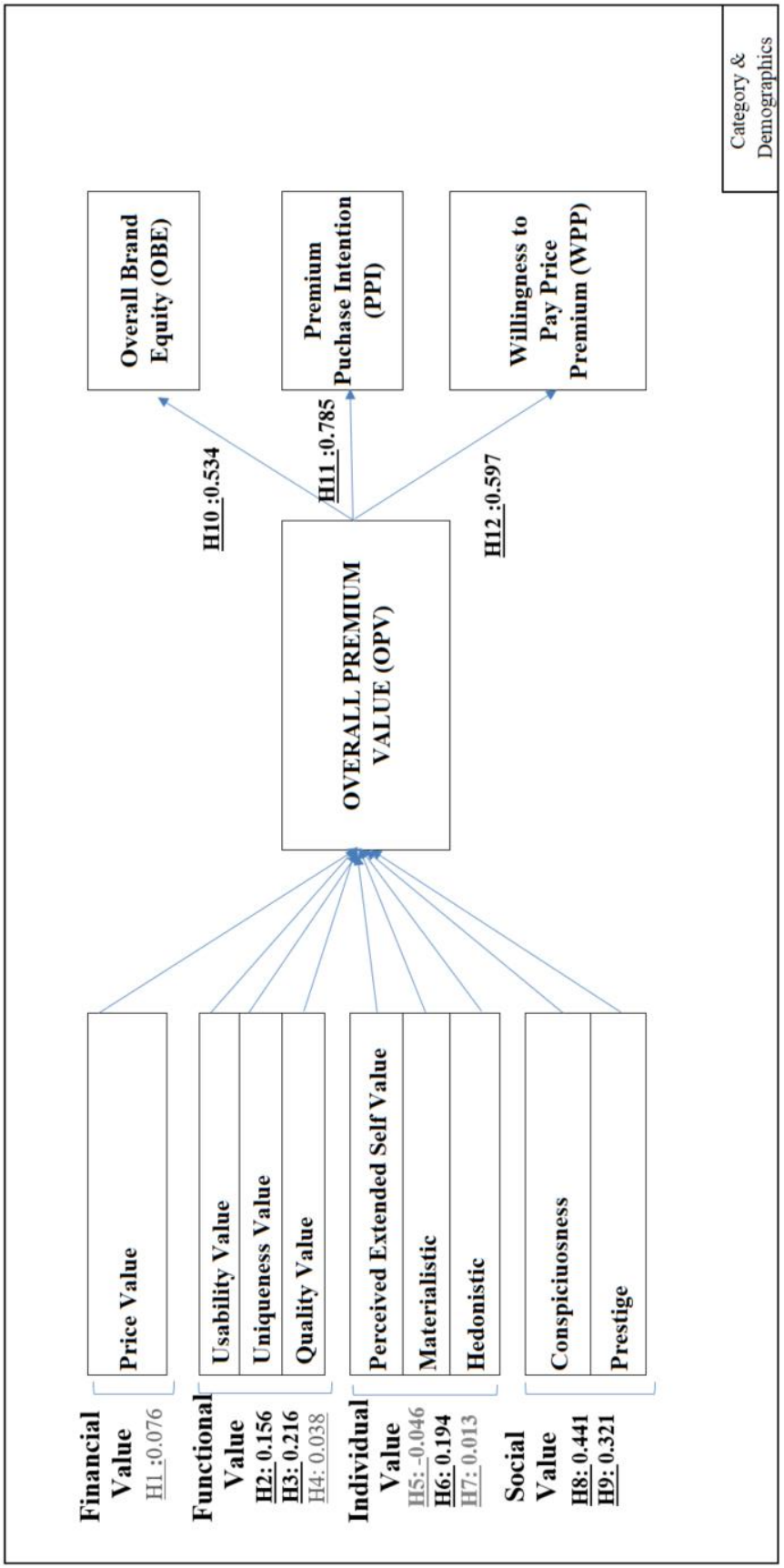
Coefficients [a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.318	.141		9.347	.000
	OPV	.589	.054	.534	10.914	.000
a. Dependent Variable: OBE						

OBE = 1.318 + 0.589*OPV

Since all regression analyses have appropriate results, hypothesis 10, 11 and 12 are valid for this model. Overall premium value has a positive effect on premium purchase intention, willingness to pay price premium and overall brand equity constructs.

The results of the overall analyses are shown in Figure 5.1. The supported hypotheses are shown in black. The rejected ones are shown in grey.

Figure 5.1: Overall analysis of model



6. DISCUSSION AND CONCLUSION

This study compromising a systematic review of the research has been conducted about the luxury and premium products, measurement of luxury value, implication of luxury value theories to premium product categories and what factors generate premium value perception using a sample comprised of actual premium consumers. The main goal of this research is to explore and establish a multi-dimensional framework for premium value perception taking basis of luxury value perception model offered by Wiedmann et al. (2009). This study also tries to understand how consumer perceptions of premium value differ in four latent dimensions which are financial, functional, individual, and social and their sub-dimensions (Wiedmann et. al 2009). This research furthermore follows footsteps of several studied by Kapferer (1998), Vigneron and Johnson (1999) and Dubois et al. (2001) related with the perception of luxury.

According to the findings, the data supports existing luxury value perception model influenced by social, individual and functional values which could be used also specifically for premium product categories. The findings suggest that overall premium value is mostly influenced by social values such as conspicuousness and premium value. It is seen that conspicuousness value is the best describing factor, prestige value is the second factor. Social values are most effective in overall premium value. Moreover, a customer's luxury value perception is not only related with social factors but also depends on the functional and individual values. It can be seen that uniqueness, materialistic and usability values are further explaining significantly the overall premium value.

Prior research findings indicate that consumers want more value in luxury products, it could be the perceived price that make them purchase (Wiedman et al. 2009). Contrary to previous research, price is not a significant predictor of overall premium value in this study. Further, high quality is also accepted as a basic character of a luxury product (Roux 1995, Garfein 1989, Quelch 1987). However, it seems that quality value does not contribute significantly to the explanation of overall premium value. Moreover, it is stated in the literature that as consumers may use luxury items to add symbolic meaning into their own self-identity (Vigneron and Johnson 2004, Holt 1995) and perceived extended self is explained as an important parameter of overall premium value. However, perceived

extended self-value is also not a significant predictor of the overall premium value. Prior research suggests that luxury products provide emotional value as a central benefit in addition to their functional benefit (Sheth et. al 1991, Westbrook and Oliver 1991, Hirschman and Holbrook 1982). These emotional values are hedonistic values like aesthetics, pleasure, excitement and experiential (Tynan et al. 2009, Wiedmann et al. 2009, Dubois et. al 2001). However, this study suggests that hedonistic value does not contribute significantly to the explanation of overall premium value.

Based on these findings, social and individual values are most effective on premium value perceptions. Besides, functional factors especially uniqueness and usability have effect on overall premium value. However, social and individual oriented consumer behavior motivations given by premium products are not enough to explain the whole picture of luxury market consumption because personal, functional, and financial aspects must be considered in the marketing management of luxury brands (Wiedmann et. al 2007, Vigneron and Johnson 2004, Coulter et. al 2003, Miquel et. al 2002, Gentry et al. 2001, Puntoni 2001, Roth 2001, Hansen 1998). A personally and social oriented type of consumption as well as functional and financial aspects should also be considered in the marketing management of premium brands. Premium brands could also focus on their functional value in order to differentiate themselves from luxury brands. Premium brands could focus on their social and individual aspects in order to differentiate from mass brands.

In this study, the relationship between overall premium value and overall brand equity, willingness to pay price premium and premium purchase intention are examined differently from the model offered by Wiedmann et al. (2009). According to regression analysis, overall premium value is explaining 59.7 percent of premium purchase intention construct, 53.4 percent of overall brand equity construct and 78.5 percent of the premium purchase intention construct. Since all regression analyses have appropriate results, it can be concluded that overall premium value is a good predictor of premium purchase intention, willingness to pay price premium and overall brand equity constructs.

6.1 IMPLICATIONS FOR THEORY AND PRACTICE

This study consists of a value-based analysis of luxury and premium brands and proposes evaluations about premium marketing strategies. The implications of this study could be helpful particularly for marketers and scholars in the field of premium and luxury brands. Mainly, this study offers a potential contribution to the measurement of premium value with extending the studies carried out by Wiedmann et al. (2009). Further, this study suggests explanations to the issue of positioning premium brands while differentiating from luxury brands or vice versa. Moreover, marketers in the field of mass brands also get main points about mass premiumization strategies.

Although luxury market is growing significantly, researchers agree that luxury value are poorly understood and under-investigated (Tynan et al. 2010, Wiedmann et al. 2009, Vigneron and Johnson 2004). Thus, this study could be important for marketers and scholars to understand the luxury and especially premium brands in detailed and to measure the level of luxury value contained in a product. The benefits from this study could help researchers to understand holistically premium marketing strategies.
In this study, the relationship between overall premium value and overall brand equity, willingness to pay price premium and premium purchase intention are examined differently from the model offered by Wiedmann et al. (2009). This study also explores a multidimensional framework for premium value in the Turkey market. This study also offers the top of mind brands in 12 categories in Turkey.

As noted, the results of this research could be used for various purposes, this method can be specifically applied to measure perceived luxury values of two premium brands in the same category and address the differences between them. These findings help explain the key differences thus marketers can focus on these different parameters and reinforcing these constructs. Further, it could provide to make comparison of same brands operating in different categories. It could help marketers in order to understand what factors differentiating between them. Also, this framework could be used in order to understand how perception of overall premium value changes after intense marketing activities and in order to maintain this overall premium value, they can check by this model periodically.

6.2 LIMITATIONS AND FURTHER RESEARCH

As in other studies in social sciences, this study also has some common method biases (Podsakoff et al. 2003). Self-reported measures may raise concerns about common method bias. It was tried to reduce method bias by communicating to respondents that their answers were anonymous and that their answers would not be criticized as right or wrong. Furthermore, questionnaire was pretested to avoid problems with ambiguous or complex items which may cause method biases (Podsakoff et al. 2003).

Since there are 82 questions including all parameters related to overall premium value and other constructs, respondents could be distracted and they could not concentrate on the all questions equally. Besides, overall premium value questions are only 3 questions, some other questions related with overall premium value measurement could be added to make a clear understanding of this parameter. Moreover, our sample size was 301 persons. Sample size could be expanded in order to get more precise and differentiated data.

Further studies could focus on specific premium product categories such as clothes or car. Besides, mass, premium and luxury brands in the same product category could be analyzed in the same questionnaire and overall luxury value of each of them could be compared. Thus, it gives a chance to compare and investigate how the luxury value parameters change when brand types changes. This would allow recommendations to marketers for to make brand extensions. Besides, this study could be done with different Luxury Value methods offered by Dubois and Laurent (1994) model, Kapherer (1998) model or Vigneron and Johnson (2004). Moreover, brand loyalty construct could be measured since it is an important parameter for a strong brand and necessary for strong brand equity. Other suggestions for future research may focus on the change of the overall perceived premium value of master brands made brand extension as mass premiumization or luxury democratization.

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APPENDICES

APPENDIX-1 (Online questionnaire)

Factors Affecting Premium Value

Dear Respondent,

The following questionnarie is prepared for conducting a research to understand which factors are affecting overall premium value. You will read the definitions of mass, premium and luxury brands and after that you will answer the following questions by considering premium products,
Your help and effort will be greatly appreciated. The participation in this survey is purely voluntarily and no monetary reward will be offered to participants. All information will be stored personal computer of the researcher and under no circumstances would be shared with third parties.

What is your gender? *

- ○ Male
- ○ Female

What is your marital status? *

- ○ Married
- ○ Single

What is your working condition? *

- ○ Yes
- ○ No

What is your highest level of education? *

- ○ Primary school
- ○ High school
- ○ University (2 Years)
- ○ University (4 Years)
- ○ Post graduate
- ○ Doctorate

What is your income? *

- ◯ 0-1000 TL
- ◯ 1000 TL– 2000 TL
- ◯ 2001 TL – 4000 TL
- ◯ 4001 TL – 6000 TL
- ◯ 6001 TL- 10000 TL
- ◯ + 10001 TL

What is your age? *

- ◯ 0-18
- ◯ 18-24
- ◯ 25-34
- ◯ 35-45
- ◯ 46-54
- ◯ +55

First of all, please read the definitions of mass, premium and luxury brands

Mass brands engage in the mass production, price, distribution, and promotion of one product for all and mostly offer functional benefits to all buyers.
Premium brands have generally excellent quality, higher prices, more selective distribution highest quality channels and restricted advertising than mass brands.
Luxury brands are defined as those whose price and quality ratios are highest of the category and mostly offer emotional benefits.

Have you ever bought a premium product? *

- ◯ Yes
- ◯ No

How often do you buy premium products? *

- ◯ Rarely
- ◯ Meantime
- ◯ Sometimes
- ◯ Frequently
- ◯ Always

Please look at the mass and premium brand categories, and answer the following questions by considering premium brand categories

Product Category	Mass Brand	Premium Brand	Product Category	Mass Brand	Premium Brand
Coffee	Nescafe (0,65TL)	Starbucks (8 TL)	*Watch*	Casio (80 TL)	Armani (600TL)
					
Car	Renault Symbol	Mercedes B180 (175.000TL)	*Fashion*	LCW Sweater (30TL)	Zara Sweater (130TL)
					

How important are the following dimensions of premium product for its perceived value ? *

	1=Not at all important	2=Slightly Important	3=Important	4=Fairly Important	5=Very Important
Price	○	○	○	○	○
Usability	○	○	○	○	○
Uniqueness	○	○	○	○	○
Quality	○	○	○	○	○
Perceived-extended self	○	○	○	○	○
Hedonistic	○	○	○	○	○
Materialism	○	○	○	○	○
Conspicuousness	○	○	○	○	○
Prestige	○	○	○	○	○

How important are the following dimensions of premium product for your purchase intention? *

	1=Not at all important	2=Slightly Important	3=Important	4=Fairly Importanti	5=Very Important
Price	○	○	○	○	○
Usability	○	○	○	○	○
Uniqueness	○	○	○	○	○
Quality	○	○	○	○	○
Perceived Extended Self	○	○	○	○	○
Hedonistic	○	○	○	○	○
Materialism	○	○	○	○	○
Conspicuousness Prestige	○	○	○	○	○
Prestige	○	○	○	○	○

Please answer the following questions by considering premium products. *

	1=Strongly Disagree	2=Disagree	3=Undecided	4=Agree	5=Strongly Agree
1.Premium product is reasonably priced.	○	○	○	○	○
2.Premium product offers value for money.	○	○	○	○	○
3. Premium product is a good product for the price.	○	○	○	○	○
4. Premium product would be economical.	○	○	○	○	○
5.Premium product is really useless.	○	○	○	○	○
6. Premium product is just swanky.	○	○	○	○	○
7. Premium product is pleasant.	○	○	○	○	○
8. Premium product is old-fashioned.	○	○	○	○	○
9. Premium product is good.	○	○	○	○	○
10. Premium product makes life more beautiful.	○	○	○	○	○
11. I am not interested in premium product.	○	○	○	○	○
12. Premium products cannot be sold in supermarkets.	○	○	○	○	○
13. Premium product cannot be mass-produced.	○	○	○	○	○
14. Few people own a premium product.	○	○	○	○	○
15. People who buy premium product try to differentiate themselves from the others.	○	○	○	○	○
16. Premium product is well made.	○	○	○	○	○
17. Premium product has a high standard of quality.	○	○	○	○	○

18. Premium product has a consistent quality.	○	○	○	○	○
19. I never buy premium product which is inconsistent with the characteristics with which I describe myself.	○	○	○	○	○
20. I buy premium product because it matches what and who I really am.	○	○	○	○	○
21. I select premium product because it reflect how I see myself rather than how others see me.	○	○	○	○	○
22. My life would be better if I owned premium product.	○	○	○	○	○
23. I'd be happier if I could afford to buy premium product.	○	○	○	○	○
24. It sometimes bothers me quite a bit that I can't afford to buy premium product that I'd like.	○	○	○	○	○
25. I have all the things in this category I really need to enjoy life.	○	○	○	○	○
26. Purchasing premium product can be seen as giving me gifts to celebrate an occasion that I believe significant to me.	○	○	○	○	○
27. On the whole, I may regard premium brands as gifts I buy for treating myself.	○	○	○	○	○
28. When in a bad mood, I may buy premium product as self-given gifts for alleviating the emotional burden.	○	○	○	○	○
29. Reward for hard work or that I feel I have earned or am entitled to is an important motivator for my premium consumption.	○	○	○	○	○
30. To me, buying premium product is a way to reduce stress	○	○	○	○	○

31. I enjoy spending money on things that aren't practical.	○	○	○	○	○
32. I usually buy only the things I need.	○	○	○	○	○
33. Buying things like premium product gives me a lot of pleasure.	○	○	○	○	○
34. Premium brands are one of the sources for my own pleasure without regard to the feelings of others.	○	○	○	○	○
35. For me as a premium consumer, cultural development is an important motivator.	○	○	○	○	○
36. Purchasing premium product provide deeper meaning in my life.	○	○	○	○	○
37. Premium ürünleri satın almak hayatıma daha derin anlamlar katmaktadır.	○	○	○	○	○
38. Self-actualization is an important motivator for buying premium products.	○	○	○	○	○
39. Premium consumption like premium product enhances the quality of my life.	○	○	○	○	○
40. I like to know what brands and products make good impressions on others	○	○	○	○	○
41. I usually keep up with style changes by watching what others buy.	○	○	○	○	○
42. Before purchasing premium product it is important to know what brands or products.	○	○	○	○	○
43. Before purchasing premium product it is important to know what kinds of people buy certain brands or products.	○	○	○	○	○

44. Before purchasing premium product it is important to know what others think of people who use certain brands or products.who use certain brands or products.	○	○	○	○	○
45.I tend to pay attention to what others are buying.	○	○	○	○	○
46. Before purchasing premium product it is important to know what my friends think about it.	○	○	○	○	○
47. I actively avoid using products that are not in style.	○	○	○	○	○
48. If I were to buy something expensive, I would worry about what others would think of me.	○	○	○	○	○
49.Social standing is an important motivator for my premium consumption.	○	○	○	○	○
50. For me as a premium consumer, sharing with friends is an important motivator.	○	○	○	○	○
51.I often consult my friends to help choose the best alternative available from a product category.	○	○	○	○	○
52. My friends and I tend to buy the same brands.	○	○	○	○	○
53. It says something to people around me when I buy a high priced brand like premium product.	○	○	○	○	○
54. I buy some products because I want to show I am wealthy.	○	○	○	○	○
55. I would buy an interesting and uncommon version of a product otherwise available with a plain design, to show others that I have an original taste	○	○	○	○	○

56.Others wish they could match my eyes for beauty and taste.	○	○	○	○	○
57. By choosing a product having an exotic look and design, I show my friends that I am different.	○	○	○	○	○
58. I choose products or brands to create my own style that everybody admires.	○	○	○	○	○
59.I always buy top-of-the-line products.	○	○	○	○	○
60. I often try to find a more interesting version of the run of the mill products, because I want to show others that I enjoy being original.	○	○	○	○	○
61. I show to others that I am sophisticated.	○	○	○	○	○
62. I feel by having a piece of a rare antique I can get respect from others.	○	○	○	○	○
63.I purchase premium products like premium product to gain social status.	○	○	○	○	○
64. The uniqueness of premium products is important to me.	○	○	○	○	○
65. Higher priced premium brand accessories mean more to me.	○	○	○	○	○
66. I purchase premium brand accessories to show who I am.	○	○	○	○	○
67. I would buy a premium accessory just because it has status.	○	○	○	○	○
68.Owning premium accessories indicates a symbol of wealth.	○	○	○	○	○
69. I would pay more for a premium accessory if it has status.	○	○	○	○	○

70. Premium accessories are important to me because they make me feel more acceptable in my work circle.	○	○	○	○	○
71. It makes sense to buy premium product instead of any other brand, even if they are the same.	○	○	○	○	○
72. Even if another brand has same features as premium product, I would prefer to buy premium product.	○	○	○	○	○
73. If there is another brand as good as premium product, I prefer to buy premium product.	○	○	○	○	○
74. If another brand is not different from premium product in any way, it seems smarter to purchase premium product.	○	○	○	○	○
75. The price of premium product would have to go up quite a bit before I would switch to another product in the category.	○	○	○	○	○
76. .I am willing to pay a higher price for premium product than for other brands.	○	○	○	○	○
77. I am willing to pay 30% more for premium product over other brands.	○	○	○	○	○
78. I am willing to pay a lot more for premium product than other brands of product category.	○	○	○	○	○
79.I tend to pay attention before purchasing premium products if it is suitable to my unique personality	○	○	○	○	○
80. I tend to pay attention before purchasing premium products if it gives social situation.	○	○	○	○	○
81.I take care of my friends' opinions before purchase of premium products.	○	○	○	○	○
82.I tend to take care of my family's recommendations before purchasing of premium products	○	○	○	○	○

APPENDIX-2

Brand Value Question Analysis

Table 2.1: KMO and Bartlett's test for brand value question

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.672
Bartlett's Test of Sphericity	Approx. Chi-Square	724.055
	df	28
	Sig.	.000

Table 2.2: Total variance explained for brand value question

Total Variance Explained						
	Initial Eigenvalues			Rotation Sums of Squared Loadings		
Component	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.009	37.617	37.617	2.072	25.900	25.900
2	1.388	17.346	54.963	1.837	22.958	48.858
3	1.227	15.336	70.300	1.715	21.441	70.300
4	.759	9.489	79.788			
5	.596	7.453	87.241			
6	.413	5.167	92.408			
7	.342	4.275	96.683			
8	.265	3.317	100.000			
Extraction Method: Principal Component Analysis.						

Table 2.3: Rotated component matrix of brand value question

Rotated Component Matrix[a]			
	Component		
	1	2	3
BrandValue_Prestige	.867		
BrandValue_Uniqueness	.762		
BrandValue_ Conspicuousness	.691		
BrandValue_Usability		.865	
BrandValue_Quality		.799	
BrandValue_Materialism			.851
BrandValue_Price			.827
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.[a]			
a. Rotation converged in 6 iterations.			

Table 2.4: Factors and reliability analysis of brand value

Brand Value	Factor	Cronbach's Alpha
Factor 1	Prestige, Conspicuousness	0.765
Factor 2	Usability, Quality	0.725
Factor 3	Materialism, Price	0.695

Table 2.5: Correlation matrix of brand value

Correlation Matrix									
		BrandValue_ Price	BrandValue_ Usability	BrandValue_ Uniqueness	BrandValue_Quality	BrandValue_Perceived_extended_self	BrandValue_ Materialism	BrandValue_ Conspicuousness	BrandValue_ Prestige
Correlation	BrandValue_Price	1.000	.195	.079	.244	.069	.533	.247	.188
	BrandValue_Usability	.195	1.000	.129	.569	.377	.171	.227	.098
	BrandValue_Uniqueness	.079	.129	1.000	.375	.293	.148	.329	.548
	BrandValue_Quality	.244	.569	.375	1.000	.321	.159	.191	.311
	BrandValue_Perceived_extended_self	.069	.377	.293	.321	1.000	.043	.292	.298
	BrandValue_Materialism	.533	.171	.148	.159	.043	1.000	.488	.330
	BrandValue_ Conspicuousness	.247	.227	.329	.191	.292	.488	1.000	.620
	BrandValue_Prestige	.188	.098	.548	.311	.298	.330	.620	1.000

Purchase Intention Question Anaysis

Table 2.6: KMO and Bartlett's test for purchasing decision question

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.733
Bartlett's Test of Sphericity	Approx. Chi-Square	934.992
	df	28
	Sig.	.000

Table 2.7: Total variance explained for purchasing decision question

Total Variance Explained						
	Initial Eigenvalues			Rotation Sums of Squared Loadings		
Component	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.009	37.617	37.617	2.072	25.900	25.900
2	1.388	17.346	54.963	1.837	22.958	48.858
3	1.227	15.336	70.300	1.715	21.441	70.300
4	.759	9.489	79.788			
5	.596	7.453	87.241			
6	.413	5.167	92.408			
7	.342	4.275	96.683			
8	.265	3.317	100.000			

Extraction Method: Principal Component Analysis.

Table 2.8: Rotated component matrix of purchasing decision question

Rotated Component Matrix [a]			
	Component		
	1	2	3
Purchasing_ Decision_Prestige	.897		
Purchasing_ Decision_Conspicuousness	.860		
Purchasing_ Decision_ Uniqueness	.824		
Purchasing_ Decision_Perceived_extended_self	.600		
Purchasing_ Decision_ Quality		.860	
Purchasing_ Decision_Usability		.849	
Purchasing_ Decision_Materialism			.844
Purchasing_ Decision_Price			.808
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.[a]			
a. Rotation converged in 5 iterations.			

Table 2.9: Factors and reliability analysis of purchasing decision question

Purchasing Decision	Factor	Cronbach's Alpha
Factor 1	Prestige, Conspicuousness, Uniqueness, Perceived Extended Self	0.839
Factor 2	Usability, Quality	0.739
Factor 3	Materialism, Price	0.65

Table 2.10: Correlation matrix of purchasing decision question

Correlation Matrix									
		Purchasing Decision Price	Purchasing Decision Usability	Purchasing Decision Uniqueness	Purchasing Decision Quality	Purchasing Decision Perceived Extended Self	Purchasing Decision Materialism	Purchasing Decision Conspicuousness	Purchasing Decision Prestige
Correlation	Purchasing Decision Price	1.000	.402	-.089	.262	.235	.482	.078	-.003
	Purchasing Decision Usability	.402	1.000	.145	.586	.295	.217	.142	.162
	Purchasing Decision Uniqueness	-.089	.145	1.000	.368	.415	.174	.557	.678
	Purchasing Decision Quality	.262	.586	.368	1.000	.319	.098	.256	.310
	Purchasing Decision Perceived Extended Self	.235	.295	.415	.319	.000	.297	.513	.458
	Purchasing Decision Materialism	.482	.217	.174	.098	.297	1.000	.345	.255
	Purchasing Decision Conspicuousness	.078	.142	.557	.256	.513	.345	1.000	.752
	Purchasing Decision Prestige	-.003	.162	.678	.310	.458	.255	.752	1.000

APPENDIX-3

Overall Premium Value (OPV) Model Analysis

Table 3.1: Total variance explained of overall premium value (OPV) model

Total Variance Explained						
Compo	Initial Eigenvalues			Rotation Sums of Squared Loadings		
nent	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	12.939	33.178	33.178	5.059	12.972	12.972
2	4.165	10.680	43.858	4.951	12.694	25.666
3	2.592	6.645	50.504	4.705	12.064	37.730
4	2.115	5.423	55.926	3.443	8.828	46.558
5	1.891	4.849	60.775	2.732	7.005	53.563
6	1.650	4.230	65.004	2.318	5.944	59.507
7	1.221	3.130	68.134	1.994	5.112	64.619
8	1.192	3.055	71.190	1.816	4.657	69.276
9	1.056	2.708	73.898	1.803	4.622	73.898
10	.858	2.199	76.096			
11	.795	2.038	78.134			
12	.720	1.845	79.979			
13	.600	1.539	81.519			
14	.555	1.424	82.942			
15	.530	1.359	84.302			
16	.492	1.260	85.562			
17	.476	1.221	86.783			
18	.416	1.066	87.849			
19	.386	.990	88.839			
20	.358	.919	89.758			
21	.340	.871	90.629			
22	.309	.792	91.420			
23	.299	.767	92.188			
24	.290	.743	92.931			
25	.272	.698	93.629			
26	.269	.689	94.318			
27	.249	.639	94.957			
28	.232	.595	95.552			
29	.220	.565	96.117			
30	.204	.522	96.639			
31	.193	.496	97.135			
32	.186	.477	97.611			
33	.173	.443	98.054			

34	.165	.423	98.476			
35	.151	.388	98.864			
36	.145	.373	99.237			
37	.138	.354	99.591			
38	.096	.246	99.836			
	.064	.164	100.000			

Table 3.2: Rotated component matrix of overall premium value model (OPV)

Rotated Component Matrix[a]									
	Component								
	Hedonic	Prestige	Conspicuousness	Quality	Materialistic	Self-identity	Uniqueness	Usability	Price
S29	.800								
S28	.793								
S27	.742								
S26	.725								
S30	.704								
S36	.639								
S33	.604								
S42		.798							
S44		.793							
S45		.730							
S46		.657							
S48		.653							
S50		.650							
S43		.642							
S41		.608							
S49		.597							
S57			.835						
S61			.755						
S58			.720						
S60			.717						
S55			.717						
S62			.649						
S56			.614						
S17				.858					
S16				.854					
S18				.834					
S9				.670					

S23					.757				
S22					.739				
S24					.671				
S19						.817			
S20						.708			
S21						.661			
S13							.822		
S14							.718		
S4								.794	
S1								.628	
S5									.870
S6									.810

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 8 iterations.

Table 3.3: KMO and Bartlett's test for final factor analysis

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.896
Bartlett's Test of Sphericity	Approx. Chi-Square	8936.022
	df	780
	Sig.	.000

Table 3.4: Reliability analysis of price value

Reliability Statistics	
Cronbach's Alpha	N of Items
.687	2

Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
S1	2.36	.791	.524	.
S4	2.36	.704	.524	.

Table 3.5: Reliability analysis of usability value

Reliability Statistics	
Cronbach's Alpha	N of Items
.730	2

Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
S5	2.30	.838	.591	.
S6	2.07	.525	.591	.

Table 3.5: Reliability analysis of uniqueness value

Reliability Statistics	
Cronbach's Alpha	N of Items
.704	2

Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
S13	2.95	1.124	.544	.
S14	2.69	1.282	.544	.

Table 3.6: Reliability analysis of quality value

Reliability Statistics	
Cronbach's Alpha	N of Items
.924	4

Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
S9	11.08	6.300	.753	.924
S16	11.16	5.919	.862	.889
S17	11.17	5.795	.850	.893
S18	11.11	5.862	.834	.898

Table 3.7: Reliability analysis of perceived extended self-value

Reliability Statistics	
Cronbach's Alpha	N of Items
.773	3

Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
S19	6.17	3.592	.526	.802
S20	6.45	3.595	.728	.568
S21	6.25	3.986	.594	.711

Table 3.8: Reliability analysis of materialism value

Reliability Statistics	
Cronbach's Alpha	N of Items
.880	3

Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
S22	5.69	4.341	.765	.832
S23	5.57	4.086	.815	.786
S24	5.59	4.275	.724	.869

Table 3.9: Reliability analysis of hedonistic value

Reliability Statistics	
Cronbach's Alpha	N of Items
.921	7

Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
S26	19.86	28.463	.809	.905
S27	19.83	27.770	.833	.902
S28	20.25	27.288	.767	.909
S29	20.07	27.109	.789	.906
S30	20.50	29.351	.648	.920
S33	20.21	28.433	.764	.909
S36	20.38	29.110	.690	.916

Table 3.10: Reliability analysis of prestige value

Reliability Statistics	
Cronbach's Alpha	N of Items
.905	9

Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
S41	21.79	43.013	.684	.894
S42	21.82	41.354	.783	.887
S43	22.05	44.137	.643	.897
S44	21.64	43.545	.648	.897
S45	21.64	43.051	.707	.893
S46	21.77	45.369	.536	.905
S48	22.21	43.075	.721	.892
S49	22.22	41.960	.704	.893
S50	22.27	43.324	.688	.894

Table 3.11: Reliability analysis of conspicuousness value

Reliability Statistics	
Cronbach's Alpha	N of Items
.896	7

Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
S55	16.97	24.826	.723	.878
S56	16.55	27.729	.615	.890
S57	16.87	25.236	.765	.873
S58	16.74	26.499	.639	.888
S60	16.79	25.139	.731	.877
S61	16.92	25.043	.745	.875
S62	17.40	26.353	.670	.884

Figure 3.1: Scatter plot of overall premium value (OPV) model

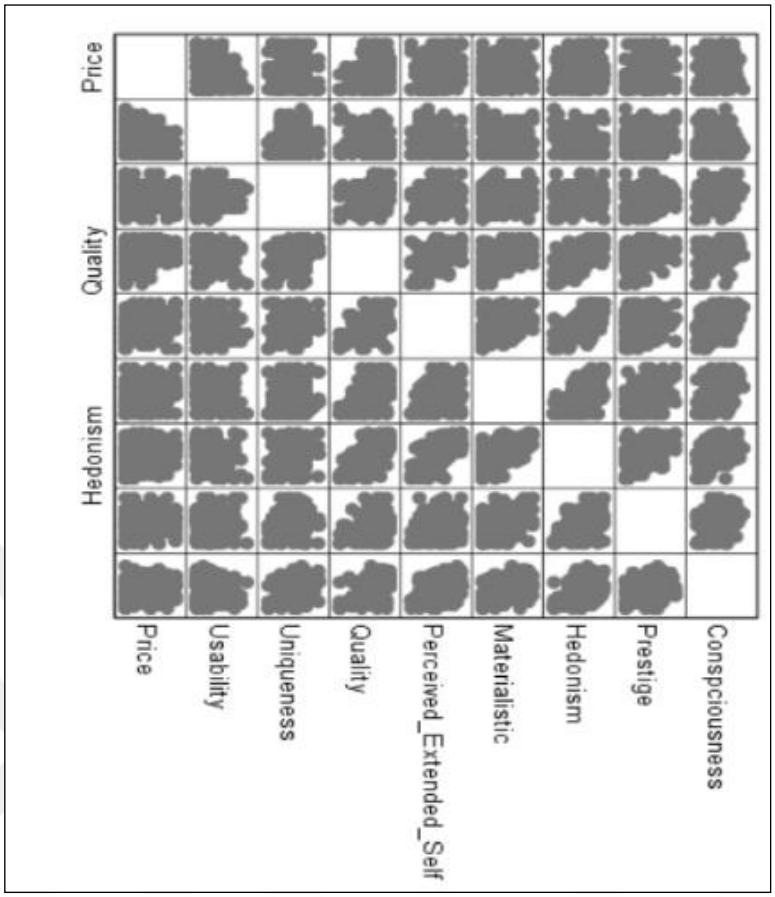

Table 3.12: Reliability analysis of overall premium value (OPV) construct

Reliability Statistics	
Cronbach's Alpha	N of Items
.859	3

Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
S63	5.15	4.839	.728	.816
S64	4.49	3.824	.723	.827
S65	4.83	4.299	.773	.766

Table 3.13: Reliability analysis of premium purchase intention (PPI)

Reliability Statistics	
Cronbach's Alpha	N of Items
.921	5

Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
S66	8.85	14.783	.791	.904
S67	8.97	15.046	.821	.901
S68	8.55	14.055	.756	.911
S69	8.65	13.247	.830	.896
S70	8.52	13.804	.803	.901

Table 3.14: Reliability analysis of overall brand equity (OBE)

Reliability Statistics	
Cronbach's Alpha	N of Items
.927	4

Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
S71	8.34	11.944	.762	.926
S72	8.04	10.715	.860	.894
S73	8.32	11.679	.829	.905
S74	8.18	11.034	.871	.891

Table 3.15: Reliability analysis of willingness to pay price premium (WPP)

Reliability Statistics	
Cronbach's Alpha	N of Items
.880	3

Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
S76	5.59	4.076	.818	.785
S77	5.62	4.183	.772	.827
S78	6.08	4.407	.716	.876

Table 3.16: Collinearity diagnostics of overall premium value (OPV) 5 factor

Collinearity Diagnostics[a]									
Model	Dimension	Eigenvalue	Condition Index	Variance Proportions					
				(Constant)	Usability	Uniqueness	Materialistic	Prestige	Conspicuousness
1	1	5.679	1.000	.00	.00	.00	.00	.00	.00
	2	.125	6.748	.01	.48	.00	.12	.02	.03
	3	.088	8.031	.00	.08	.82	.01	.06	.02
	4	.044	11.321	.06	.15	.00	.68	.01	.43
	5	.035	12.732	.02	.08	.02	.14	.77	.42
	6	.029	13.955	.92	.21	.15	.05	.14	.11
a. Dependent Variable: OPV									

Figure 3.2: Overall premium value (OPV) parameters plot

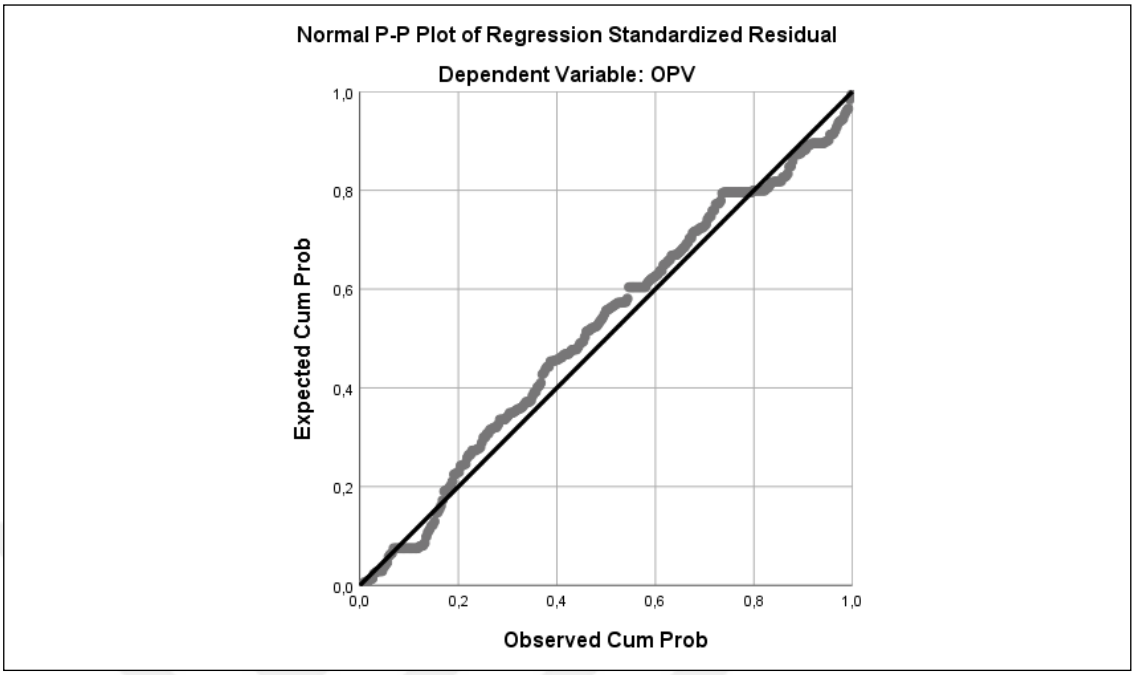

Figure 3.3: Scatter plot of overall premium value model (OPV) 5 factor

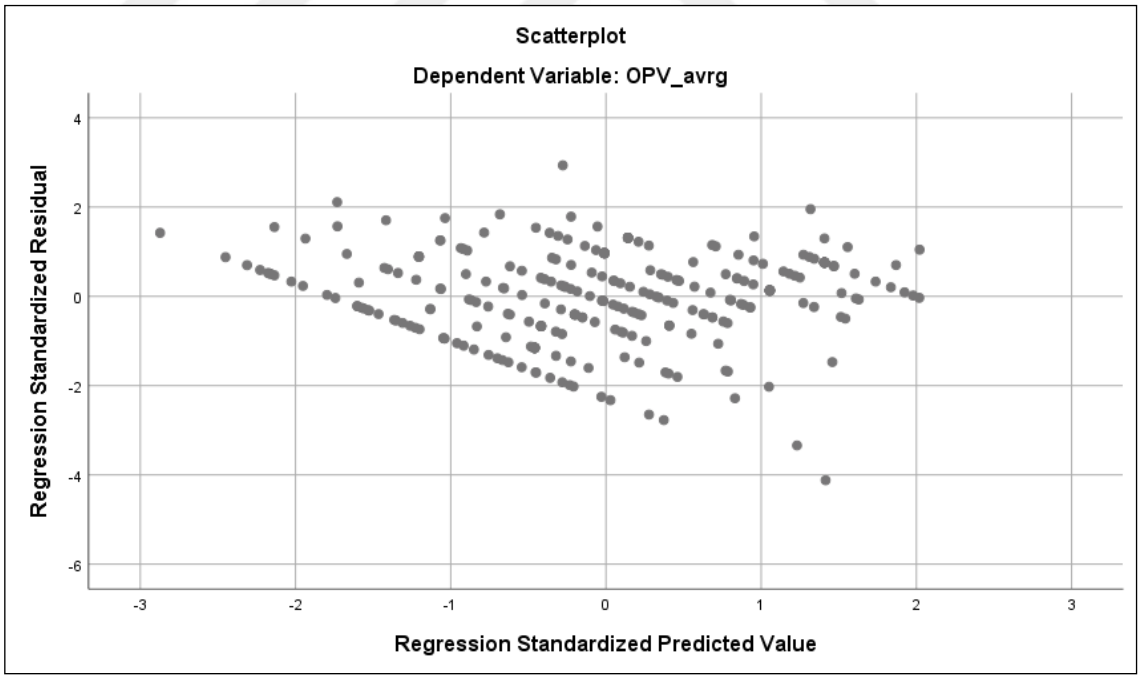

Figure 3.4: Normal P-P plot and scatter plot of overall premium value model (OPV) – premium purchase intention (PPI)

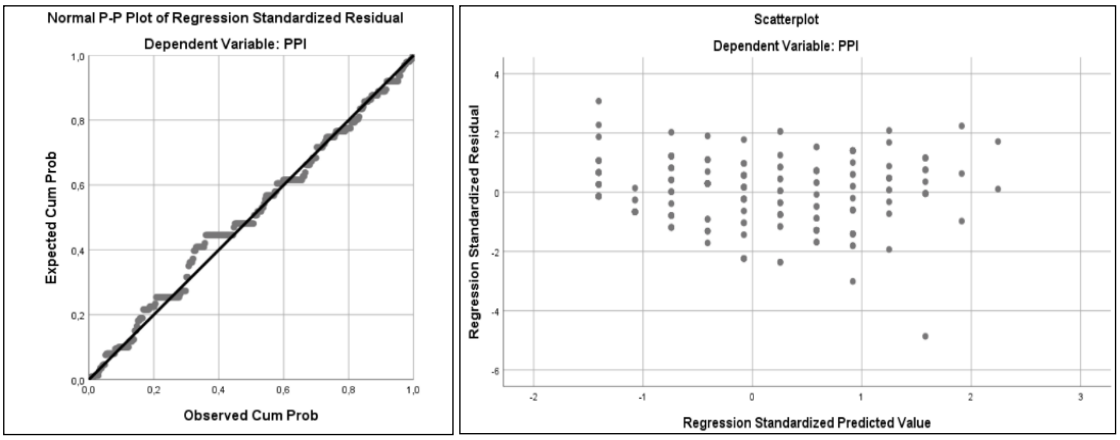

Figure 3.5: Normal P-P plot and scatter plot of overall premium value model (OPV)- willingness to pay price premium (WPP)

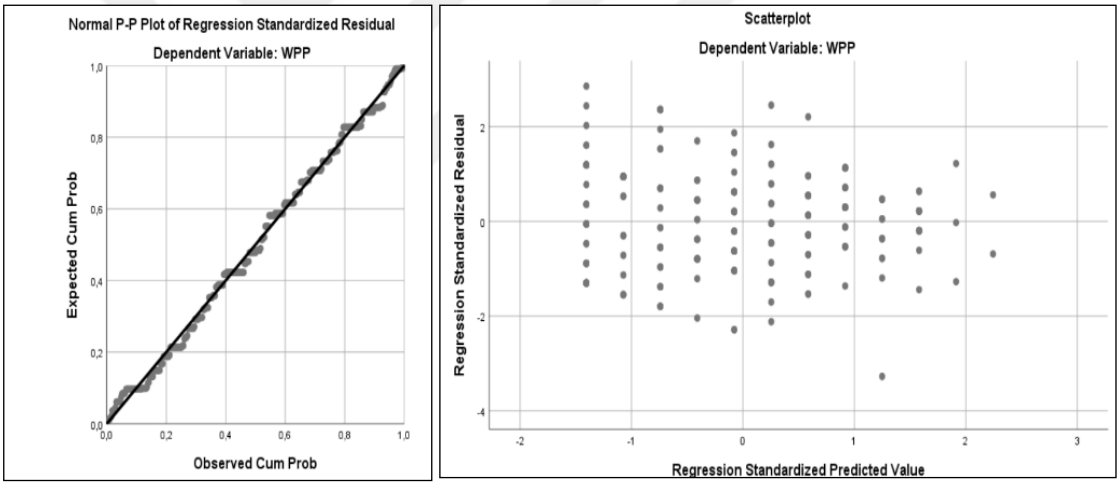

Figure 3.6: Normal P-P plot and scatter plot of OPV- OBE