THE IMPORTANCE OF CUSTOMER VALUE AND LUXURY VALUE PERCEPTION: IMPLICATIONS FOR MASSTIGE LUXURY BRANDS

Master´s Thesis
in International Business

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1 INTRODUCTION

1.1 Background

The rise in global competition and demanding customers has increased the urge for companies to look for ways on achieving and sustaining competitive advantage. Companies continuously strive to scan new methods on optimizing their offerings. (Slater 1997, 163-164.) As a result, organizations seek improvement in their performance through structural and process alterations. Though organizations mainly work on improving their offerings through internal orientations, managers complain that product innovation and quality alone can no longer provide competitive advantage. Results vary as to whether these tools improve the bottom line performance. Studies emphasize the link between superior customer value delivery and improved organizational performance (Woodruff 1997, 140-14; Smith & Colgate 2007, 7-8.) The superior value delivery increases satisfaction of customer. Additionally, customer satisfaction increases customer loyalty leading to repeat purchase, favorable word of mouth, and referrals. Loyal customers are less likely to switch to competitors brand. Increased customer satisfaction increases customer retention, which in turn has positive effect on profit margin for every business. (Yoo and Bai, 2013, 167-168.)

As companies experience the increasing need to provide superior value to customers, advocates typically points to evidence of companies that operate this way; for example, AT&T, Federal Express, Xerox, and Eastman Chemical Company. According to Woodruff (1997), organizations needs efficient "tools of customer value" if they want to compete on superior customer value delivery. Organizations need to learn about their target markets and customers in order to adopt customer value delivery orientation. The work on customer value by Woodruff (1997) is timely and thought provoking, and it offers an insightful literature on the subject. *The author suggests that by working on customer value determination (CVD) framework, managers can seek answers to critical questions that guides learning about their customers and customers value.* (Woodruff 1997, 142-145.) The CVD is an effective managerial tool for leveraging customer value. Woodruff's (1997) concept of customer value incorporates the *desired* and *received value*. The desired value refers to the value perception in form of desires and preferences for attributes that facilitate desired consequences. *The desired value is studied through the luxury value perception framework by Shukla and Purani (2012).* On the other hand, the received

value refers to the value perception resulting from customer evaluation of a product/brand, using the same attributes and consequences in the desired value. *In the study, the received value is analyzed by studying the image value dimensions of masstige brands.* Parasuraman (1997, 155) advocates that studies should explore what implications emerge when analyzing the customers received value and desired value. The author suggests theoretical as well as empirical analysis on the subject. *This paper analyses the customer's received value dimensions of masstige brands with the desired luxury value dimensions.*

Luxury brands are one of the most lucrative and thriving market segment, yet they are poorly researched and understood. There is no precise conceptualization on luxury brands as well as an accurate understanding of their dimensionality. (Berthon, Pitt, Parent & Berthon 2009, 45.) Thus, it is vital to understand the attitudes towards luxury in a target market, which is essential for the positioning and marketing of luxury brands (Dubois, Czellar & Laurent 2005, 115). The traditional view of luxury has failed to capture the new meaning of luxury, represented by masstige brands. *Masstige brands* imply brands with 'mass prestige,' which fall in niche between mass market and higher classes goods. Since these brands are mass produced and distributed, they differ radically from traditional luxury. Masstige brands are newer concept in luxury, which has recently gathered the interest of researchers in the brand.

The aim of this study is *to provide implications for masstige luxury brands within the Indian market by analyzing the luxury value perception and CVD framework.* The research question states: *what are the implications of luxury value perceptions within the Indian market for masstige luxury brands?* This study is based on *CVD* process by Woodruff (1997) and *Luxury value Perception* by Shukla and Purani (2012). To provide the answer to the main research question, the following sub-questions were made:

- What are the image value dimensions received from masstige luxury brands?
- Which value dimensions play important role in luxury value perception?
- How well (poorly) does the masstige brand delivered/received value align with the desired luxury value dimensions?

The above sub-research questions are based and adapted from CVD framework. CVD provides brands and companies with answers to critical questions that guides learning about their target market and customers value. To assess a brand, and to provide implications on their value dimensions, it is important to understand the customer perception of the brand, and their perception of received values as well (Woodruff 1997, 141-143).

Thus, the first question examines *what are the image value dimensions received from masstige luxury brands*. The *received values* are also represented by images/attributes or evaluative opinions about the actual value experience of using a product. Likewise, the second question deals with *finding the dimensions that plays important role in luxury value perception.* This question is answered by analyzing the opinion of respondents regarding the importance of different value dimensions. Studies have analyzed numerous luxury value dimensions, however, the importance of these dimensions vary to consumers. Certain value dimensions are more desirable than others. Woodruff (1997, 144) points out that analyzing the desired value dimension is complex, and it needs more research on the subject. The *luxury value perception framework by Shukla and Purani (2012) is used to analyze the important value dimensions.* It is important to analyze the desired value dimensions because they determine overall luxury value and influence purchase decisions (Shukla & Purani 2012, 1417.) The third question in CVD relates to *analyzing how well the received values from masstige brand align with the desired/important value dimensions*. This suggests comparing the *desired value* with the *received value.* The desired can be set as a standard, which can be used for comparing the values received from masstige brand. (Woodruff 1997, 141-143.) Thus, to evaluate a product/brand, the desired and received value dimensions are compared. This comparison provides insights to companies and brands on the alignment of these value dimensions. Additionally, based on the findings obtained from comparison, implications and suggestions on generic marketing strategy are provided to masstige luxury brands.

1.2   Research focus

Luxury is huge industry, and it includes different categories of product, such as personal luxury goods, luxury cars, wines and spirits, hotelier, luxury foods, design furniture, luxury private jets, luxury yachts, and luxury cruises (D'Arpizio, Levato, Kamel & Montgolfier 2017, 1). *This study focuses on personal luxury goods.* The personal luxury includes different categories of product:1) accessories, 2) apparel, 3) hard luxury (jewelry and watches), and 4) beauty (D'Arpizio 2014, 3). This study focuses on the apparel and accessories segment as they fall in the same category; moreover, it is easier to relate and discuss in the same context. Luxury is classified in three levels: 1) Inaccessible luxury, 2) Intermediate luxury, and 3) Accessible luxury (Alleres 1990, according to Vickers & Renand 2003, 462). Figure 1 presents the level of luxury in the next page.

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                            /    \
                           /      \
                          /        \
Social elite class       / Level 1  \         Inaccessible luxury
                      ___/_____
Social class-        /                    \
Professional        /      Level 2         \      Intermediate Luxury
                ___/_____
               /                               \
Middle class  /           Level 3               \     Accessible Luxury
             /_____\
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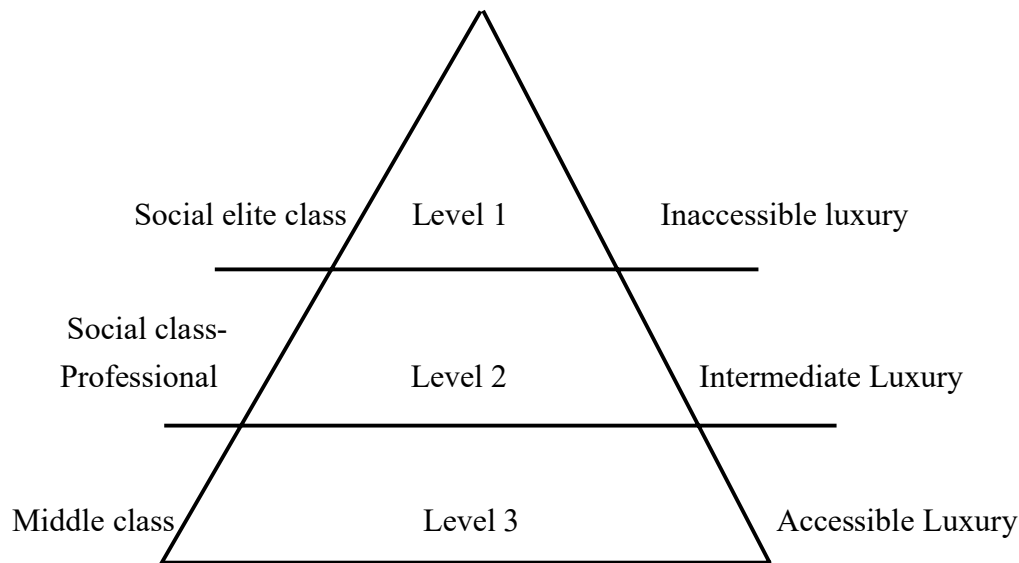
Figure 1   Hierarchy of luxury goods product (adopted from Alleres (1990) cited in
             Vickers & Renand 2003, 462)

In the above figure, the top most level of luxury is termed as *inaccessible luxury,* which is for the elite classes. Luxury is extremely high priced in this level. It represents the *traditional luxury goods*. It is inaccessible to general people and have high status value. Likewise, the lowest level of luxury is called *accessible luxury* and are mostly available for everyone. The middle level represents *intermediate luxury* called modern brands. (Vickers & Renand 2003, 463.) The focus of this study is on modern brands, or specifically "*masstige brands*" as used in the study. Masstige brand is also referred as the term "masstige product", and brand is also referred as "product" in the study. *Masstige brands* imply brands with 'mass prestige' which fall in niche between mass market and higher class goods. These brands are mass produced and distributed, and they differ radically from traditional luxury. According to Berthon et al. (2009, 51), masstige brands fall under the modern brands in the AO framework of luxury. These brands represent world of *democratized luxury* (Berthon et al. 2009, 51). *Democratization of luxury* means the exclusivity of luxury is replaced with mass availability, increasing access to new markets and new customers. There is no need of complex information for its consumption. These brands have adopted marketing, branding, and retailing for wider availability of masses. (Global power of Luxury goods 2014, 10.) Brands such as *Calvin Klein, Gucci, Jimmy Choo, and Tommy Hilfiger* are some of the examples of masstige luxury brands.

This research is carried in India, New Delhi as it is the capital city of the country. This would give the people well access to and know-how of the international luxury brands. Since masstige luxury brands are in the middle price range, it would be suitable to expand their operations in developing countries. India is going through big infrastructures and policies changes, thus it would be appropriate to examine the luxury perceptions of masstige brands in India. (Eng & Bogaert 2010, 59.) India's growing middle class and rising urban consumers with high disposable income to invest in luxury product makes it an attractive market for luxury brands. (Saxena, Lanzeni & Mayer 2010, 1.)The boundaries of luxury consumption have now blurred and expanded to constitute the people from elite to masses, i.e., the aspiring middle class young age professionals, entrepreneurs, and well-travelled corporates. Therefore, it would be appropriate to examine the perception of masstige luxury within Indian market.

1.3 Research gap

This study fulfills the research gap in three ways. *First,* considerable amount of literatures has been conducted in the area of luxury brands. Current empirical studies hold the traditional perception of luxury, even though it is no longer defined only in the traditional way (Truong, McColl & Kitchen 2009, 376). Therefore, limited research into the new perspective of luxury implies research on intermediate level of luxury represented by masstige brands.

Secondly, India is well known to international brands for its huge market, diversity of population and culture, rising urban consumers, and rising indulgence of Indians in luxury (Eng & Bogaert 2010, 56). However, very limited research in the field of marketing has been made to understand the Indian consumer perception of luxury. Hence, by analyzing the Indian consumer perception of luxury, this adds to the limited body of research.

Thirdly, there has been numerous studies on customer value and luxury value perception. However, none of them has analyzed image value dimensions and luxury value dimensions together. The CVD is an effective managerial tool for leveraging customer value. However, there are no studies exploring its practicality. Parasuraman (1997, 155) stresses studies to examines the practicality of analyzing *received value* dimensions with *desired value* dimensions. This research studies the two concepts as well as performs empirical analysis to examine the implications emerging from the findings.

1.4 Relevance of research

The global luxury market has improved significantly and is expected to improve for coming years; however, many challenges lie ahead. The political unrest in U.S and in different parts of globe has affected the overall economic conditions. These turmoil affects the economic stability and increases income inequality, driving consumers away from engaging in luxury indulgences. Today, it takes more resources to satisfy a consumer, as he/she seeks more value in their luxury purchase. The market is constantly changing; therefore, customers expect new product and services to evolve accordingly. This puts constant pressure to companies and brands to seek additional markets as well as provide optimum value to customers. (State of Luxury 2018: The insider view 2018, 32.)

The demand for luxury brands is escalating especially in the emerging economies like China, Japan, India, Brazil, and the East. India has recently attracted many luxury players due to the countries' rising urban middle class and availability of high disposable income (Global Power of Luxury Goods 2018, 10). Additionally, there are several factors that contribute to increase the market attractiveness of India. These factors include growing consumer market, population increase, multiplying mall infrastructure, soaring consumption, and increased spending trends on luxury brand (Cushman & Wakefield 2013, 2). As luxury brands are constantly seeking new untapped markets, understanding consumer attitudes, values, and preferences in these regions serve as a first step towards market research for any brands. This research aims to provide implications to masstige luxury brands on increasing the luxury value perception of Indian consumers. Since the current research on masstige luxury brands is in early stages, it would be interesting to add more contributions on the subject.

Woodruff points out that learning about target markets and customers is more efficient approach for companies/brands to compete on superior customer value delivery. There has been numerous studies on customer value and luxury value perception. However, none of them has analyzed received value and desired value dimensions together. Parasuraman (1997, 155) stresses the need of research which examines the practicality of such study. The study sets a unique example to masstige brand and other luxury brands as well. The study will be particularly helpful for masstige brands in understanding positioning, identifying source of competitive advantage, and in developing value creation strategy as well as marketing strategies.

1.5   Structure of study

The study is divided into six chapters as shown in Figure 2.

- **Introduction (1)**
- **The concept of Luxury Brands (2)**
    - **Defining Luxury (2.1)**
    - Change in luxury
    - Luxury business
    - **Luxury Brands (2.2)**
    - Brands and brand value
    - Brands and brand image
    - Masstige brands image value dimension

- **Luxury value Perception (3)**
    - **Customer Value (3.1)**
    - Customer value & competitive Advantage
    - Comparing received value & desired value
    - **Luxury value Perception (3.2)**
    - Self-directed value perception
    - Other-directed value perception
    - Hedonic value perception
    - Functional value perception
    - Cost value perception

- **Research Design** (Chapter 4)
- **Research Findings** (Chapter 5)
- **Discussion & Conclusions** (Chapter 6)

Figure 2   Structure of study

The first chapter of the thesis introduces the whole thesis by giving a background of the research, explaining the research gap, listing the relevance of the research, and the research questions.

The second chapter provides conceptualization on the luxury brands. The second chapter "Concept of Luxury brands" (Chapter 2) begins by explaining the term *luxury, which is* followed by a thorough explanation on *change in luxury, luxury business, luxury brands*, and *masstige brand image value dimensions*. This chapter is divided into two sub-chapters: 1) *Defining Luxury* (2.1) and 2) *Luxury brands* (2.2). The chapter provides good background on understanding the concept of luxury, change in luxury, luxury brands, and masstige brands. It provides the answers to first sub-research question: "*What are the images-value dimensions received from masstige luxury brands?*"

The third chapter focuses on the luxury value perception that brings us closer to main theme of the thesis. This chapter contains theories on luxury value Perception/dimensions and CVD. This chapter is divided into two sub-chapters: 1) *Customer Value* (3.1) and 2) *Luxury value perception* (3.2). The sub-chapter *luxury value perception/dimension* explains the different dimensions that determine value in luxury brand/product. The second sub-research question: "*Which value dimensions play important role in luxury value perception*" is answered based on this sub-chapter. The sub-chapter *customer value* provides conceptualization on customer value and a detail explanation on CVD process. This chapter is focused on the third sub-research question: *"How well (poorly) does the masstige brand delivered/received value align with the desired value dimensions?"*

The fourth chapter justifies the chosen research methods and data collection techniques. *Quantitative study* was chosen to be appropriate for the study, and *mall-intercept survey* was used to collect the data. The chapter also discusses the data analytical tools used in the thesis.

The fifth chapter consists the findings of thesis. The sixth chapter consists of two sections: 1) Discussion and Conclusion (6.1) and 2) Summary (6.2).

2 THE CONCEPT OF LUXURY BRANDS

2.1 Defining luxury

Historically, the word *luxury* was derived from the Latin word Luxus, meaning" lascivi-ousness, sinful self- indulgence", and "vicious indulgence" (Berthon et al. 2009, 46). Lux-ury are defined as the extras or inessential things which makes life more comfortable, conducive, pleasurable rewarding, and enjoyable (Danziger 2005, 17).
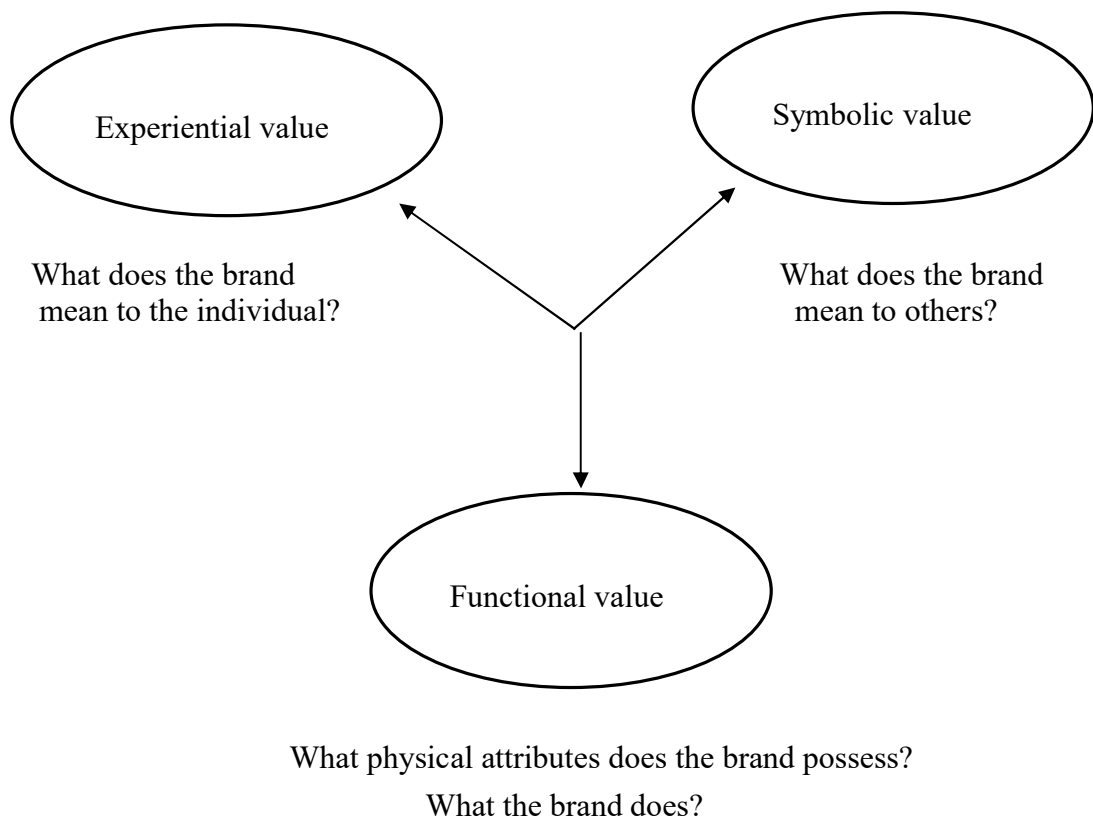
Figure 3   Dimensions of luxury brands (Berthon et al. 2009, 48)

Figure 3 shows the dimensions of value in luxury brand. These values include *experiential value, symbolic value, and functional value.* The *functional dimension* is associated with the materials and objects. These dimensions are related with the physical attributes of luxury brands, which stresses on the importance of exclusivity, performance, crafts-manship, and quality. (Berthon et al. 2009, 48).

The *experiential value* relates to feeling and sensation that luxury brand brings to the owner. It is concerned with hedonic and individual subjective value. It relates with experiences, emotions, and perceptions. (Berthon et al. 2009, 47- 48.)

The *symbolic value* is related to narratives, symbols, knowledge, images, and dream world. It gives more importance to what the luxury as a symbol represents to another and to self. (Berthon et al. 2009, 48). These dimensions are contextual, and their value changes with context or time.

2.1.1   Change in luxury

For most of the 20th century, luxury was thought only for elites (Danziger 2005, 18.) The traditional definition of luxury is associated with several features, such as exclusivity; brand signature; prestige price; product integrity (Premium quality, innovation, and craftsmanship); heritage; tightly controlled distribution; emotional appeal; and global image (developed from Fionda & Moore 2009, 355-356; Okonkwo 2007). Despite wide amount of literatures on luxury goods, evidence suggests that they focus heavily on traditional concepts. During the nineteenth century, luxury was the product of great craftsmen, and the focus was dominantly on the functional attributes. The value of luxury was primarily in the durability and functionality. Despite the trend, the locus of value shifted to symbolic- where luxury is associated with dream worlds. This implies that luxury is not only limited to physical product and services, but it is about the experience also. (Berthon et al. 2009, 50.) Due to the changes in consumer behavior in western society, there is an emergence of new meaning of luxury called" New Luxury". *A new luxury is mainly based on the concept that the price is lower than the traditional luxury products, while still maintaining the prestige higher.* (Atwal & Williams 2009, 339.) The difference between the old luxury and new luxury depends on how consumers define them. If old luxury was about the attributes and qualities, new luxury is more about experiences and feelings. (Danziger 2005, 18.)

The evolution of new luxury started when middle class consumers around the globe started showing interest in meeting their aspirational needs. This is also termed as the" luxurification of society" (Atwal & Williams 2009, 339). Atwal and Khan (2008, 36-38) explains how the Indian middle class change in aspirational needs are no longer stopping them from consuming luxury. Today's consumers embrace the" democratization" of luxury. It implies that luxury is available for the mass. (Danziger 2005, 7-8.) New luxury is also associated with the" democratization" of brands or" masstige brands" (Danziger 2005, 19). These markets include widening range of offers from firms. Examples can

include *urban BMW 1-series starting at $19000 to Ralph Lauren shirts at $9, or Swarovski crystals at $20* (Truong et al. 2009, 376). These products can range from a higher price end to even the lower end, and still bear prestige. Therefore, these products can be accessed by middle class or even the occasional low class consumers, as they are sold at reasonable price premiums. (Truong et. al 2009, 376).

Luxury is classified in three levels hierarchy according to the availability for social class (Alleres 1990, according to Vickers & Renand 2003, 462). The top most level refers for the elite classes and are extremely high priced. The intermediate level luxury goods are available to those belonging to the professional socio economic class. On the other hand, accessible luxury can be accessed by everyone. (Vickers & Renand 2003, 463.) Intermediate luxury also offers countless possibilities to the middle class to take part symbolically or partially in this world. This levels of luxury provides opportunities for the middle class through democratization of luxury. (Chevalier & Mazzalovo 2012.) Granot, Russell and Alejandro (2013, 41) states that the difference between accessible and intermediate luxury is just too blurry. Therefore, working on the hierarchy of luxury provided by Alleres (1990), Granot et al. (2013) conceptualizes the democratization of luxury further. The figure below shows the modification to Allere's (1990) model of hierarchy of luxury.
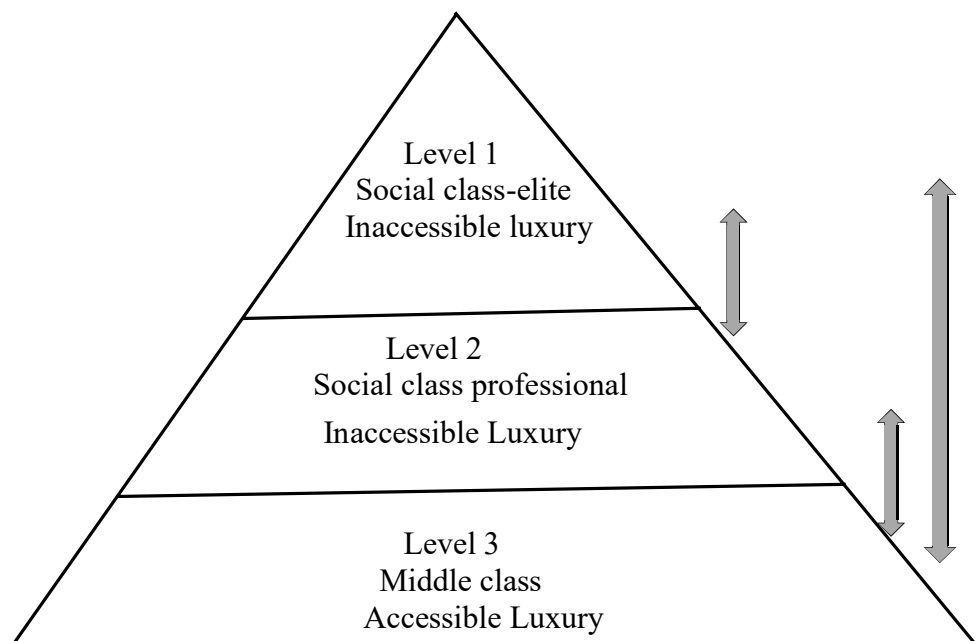
Figure 4   A new luxury extension of Alleres's hierarchy democratization (Granot et al. 2013, 42)

In Figure 4, *the grey arrows are added to blur the boundaries between social, financial, and segmentation variables*. Luxury had restricted accessibility structure in sub-

chapter 1.2 (Alleres, 1990). Granot et al. (2013, 42) modified the figure, which adds that luxury is no more available only to the affluent. (Granot et al. 2013, 42.) This phenomena represents the *democratization of luxury,* which gave rise to masstige strategy. Masstige strategy combines successful product positioning with broad appeal. (Truong et al. 2009, 376-377.) Today, a growing number of luxury firms are widening their product offers increasing their availability to mass markets.

2.1.2   Luxury business

Luxury business is characterized by companies which sell products associated with high status, exclusivity, and emotional benefit. Luxury goods are always thought as unnecessary. (Königs & Schiereck, 2006, 2-3.) In 2017, the luxury business accounted to 1.2 trillion-euro industry globally. It is estimated to grow at 4%-5% annually over the next three years. It includes different categories of product: personal luxury goods, luxury cars, wines and spirits, hotelier, luxury foods, design furniture, luxury private jets, luxury yachts, and luxury cruises. The global personal luxury goods accounted for 262 billion euro in 2017, and it is expected to reach 295 euro-305 billion euro by 2020. The personal luxury goods include different categories: 1) accessories, 2) apparel, 3) hard luxury (jewelry and watches), and 4) beauty. Apparel, beauty, and handbags accounted for the bulk of market. (D'Arpizio 2017, 1-5.)

Luxury is sold through different channels: mono brand stores, department stores, online, specialty stores, off-price stores, and airport. Wholesale was the largest channel for personal luxury goods, yet the retail channel grew continuously. Additionally, e-commerce with online sales increased by 24% in 2017. (D'Arpizio 2017, 16.)

France has always been associated with the origin of luxury goods since the early nineteenth century. Even today, these companies are widely recognized for their high status and exclusivity. Brands such as Guerlain, Louis Vuitton, and Hermes originated in France, and they have their own story to tell (Okonkwo 2007, 15). Additionally, brands such as Ferrari, Chanel, Cartier, Gucci, Prada and Louis Vuitton have set great example by turning from small companies into global luxury brands (Kapferer & Bastien 2009, 313). The most valuable luxury brands in 2018 are Louis Vuitton, Hermes, Gucci, Chanel, Rolex, Cartier, Burberry, Prada, Christian Dior, Burberry, and Yves Saint Laurent. Among these big names, the biggest luxury brand group is the LVMH (LVMH Moët Hennessy). Small family companies such as Chanel and LVMH dominated the market

for so long. Because of this, the concept of luxury was always defined in traditional way. (Dubois & Duquesne 1993, 36.)

Nevertheless, this phenomena is changing, as newer brands have changed the concept of luxury. Brands such as H&M, L'oreal, and Zara no longer target only the elites. Their consumers are from diverse groups. Also, the geographical scope of luxury has changed that includes consumers from all over the globe. Luxury companies have started to set up their operations in emerging new markets, such as China, India, Russia, and Brazil, (Bellaiche, Mei-Pochtler & Hanisch 2010). The largest spenders on personal luxury goods are now Chinese consumers. The increase in Chinese luxury consumption is fueled by emergence of new fashion savvy-middle class consumers.

In 2017, Europe accounted for 33% of share region wise in global personal luxury goods. Likewise, America and rest of Asia accounted for 32% and 14% respectively. Japan, China, and rest of the world accounted for 8%, 8%, and 5% respectively. (D'Arpizio 2017, 10.) In India, the luxury market is still in early stages of development; nevertheless, it presents growth opportunities for many luxury brands. The positive economic prospects for India comes from the countries' rising urban consumers with high disposable income to invest in luxury products. (Global Power of Luxury Goods 2018, 10.)

2.2   Luxury brands

2.2.1   *Brand and brand value*

Investopedia defines brand as "A distinguishing symbol, mark, logo, name, word, sentence, or a combination of these items that companies use to distinguish their product from others in the market" (Investopedia, Brands). Brands were associated with the trademark that served to mark the quality of a product. (Arvidsson 2005, 243.) Brands are protected by patents and trademark (Arvidsson 2005, 238). Brands also represent the memory of the firms in which a firm has invested a large amount of resources, research and developments activities, innovations, as well as firm's history.

The concept of brand has been long discussed in marketing field, where the emphasis was placed originally on the producers. In the contemporary use, brands doesn't refer only to product and producers. Customers use brand as a medium to their personality and attitudes. According to Zara, "The brand is structured upon the basis of three fundamental

components: first, the identity component (signs of recognition); second, the perceptual component (cognitive associations and perceptions); and last, the trust component (confirmation of expectations)". (Aiello, Donvito, Godey, Pederzoli, Wiedmann, Hennigs, Siebels, Chan, Tsuchiya, Rabino, Ivanovna, Weitz, Oh & Singh 2009, 326.)

Evidence on how brand value is formed is still inconclusive. Since the value of brand is thought to be intangible, it is difficult to exactly measure the value of a brand. (Arvidsson 2005, 238.). There are numerous ways how value of a brand is formed. The value of a brand is also measured in-terms of brand equity. Brand equity implies the subjective meaning attached with the brands. Brand equity is attained by cultivating number of attachment around the product, such as experiences, attitudes, emotions, lifestyles, and consumer characteristics. A common mistake when estimating the value of a brand is by focusing on the tangible aspects too much. The other dimensions, such as emotional, self-expressive, and functional values equally plays an important role. (Arvidsson 2005, 239.) The value of a brand is also realized by multiple factors, including share price, easier access to capital, brand awareness, brand associations, brand loyalty, customer base, uniqueness, brand relevance, and brand esteem (Keller 2009, 294.)

It is important that consumers perceive high value in brand, since brand can charge premium prices when they are successful. At the same time, consumers are willing to pay higher prices for the higher offerings in brand. Keller (2009, 297) notes that strong brands can be viewed as promise to customers, and luxury brands represent a big promise to the customers. A brand may influence consumer's perceptions and purchase intentions in several ways. (Aiello et al. 2009, 326).

2.2.2 *Brand and brand images*

Brand image deals with the extrinsic properties of a product and services. It also relates to the ways in which a brand fulfills customer's social, psychological, and symbolic needs (Keller 2009, 295). Brand image implies the perception of brand in abstract terms. To build a brand image, a producer engages in advertisement, marketing, and product placement. Additionally, consumers play equal role in creating brand images. Consumers produce symbolic meanings and social relations through the use of brand. An organization is not solely responsible for creating the brand image. To some extent, consumers are equally responsible for creating the brand image. Consumer's perception of brand is important in establishing its market value. It is often said that it is not the brand that itself

counts, but what we can do with it, and what we can be with it. (Arvidsson 2005, 243-248.)

Brand images are formed through *marketing and advertisement*. Advertisement and marketing plays a significant role in building brand images in numerous ways. It provides the information on value dimensions delivered by the brand, and how it serves their purpose. It communicates the message to the target and prospective customers. It displays the characteristics embedded in a brand. For example, some brands are old fashioned, while some are modern, exotic, or lively. People associate brand with different values dimensions, such as exciting, daring, spirited, up to date, upper class, charming, down to earth, cheerful, and wholesome. (Keller 2009, 295-296.).

A brand also forms image through associating brands with certain *user profiles.* Customers may have perception of idealized users related to demographic and psychographic factors. These demographic factors include gender, income, culture, age, and race. Additionally, psychographic factors consists of attitudes, careers, possessions, professions, social status, and political institutions. (Aiello et al. 2009, 326; Keller 2009, 295.) People tend to associate specific brand with certain group of users. This may impact to the brand because people consume those brands that are associated with their preferred group of users.

Different brand elements, such as *history, heritage, and past* experiences, also contributes to form the image of a brand. Even the experiences of family and friends forms important brand image. Brands has their own history, heritage, and experiences that accumulates over time to produce perceptions, values, mental interpretations, hopes, and dreams. Hence, the process by which consumers form image in these categories serve important sources of equity for luxury brands. (Keller 2009, 296.) Consumption of brand also provides experience which is a new tool for value creation. The brand acts as a container which gathers different experiences. By providing this experience to a consumer, a brand differentiates itself in terms of value creation and brand perception. (Aiello, et al. 2009, 327.)

The *feelings of consumer towards the brand* also develops the brand image. Feelings towards the brand are emotional responses towards brands built by the customers themselves or through marketing programs. These feelings include mild, intense, positive, or negative. Other feelings associated with brands include warmth (feeling sentimental, warmhearted, and affectionate about the brand); fun (lighthearted, joyous, playful, and

cheerful); excitement (energizing, cool, and sexy); security (safety, comfort, and self-assurance); social approval (social signifier, favorable impression to others); and self-respect (pride, accomplishment, and fulfillment). (Keller 2009, 296-297.)

The images of brand are also formed when the customers see their *expectations* fulfilled by the brands. Indeed, every expectation cannot be fulfilled, but when a brand has highly positioned itself, failure to fulfill those expectations can harm the brand image or at-least take long time to recover. (Keller 2009, 297-298.) Different brands have different image associations. *Marketer of these brands should closely monitor the consumer perceptions, and ensure that their luxury brand delivers and maintains the required dimensions.* (Keller 2009, 294.) Berthon et al. (2009, 52) has identified four categories of luxury brands and is presented below.
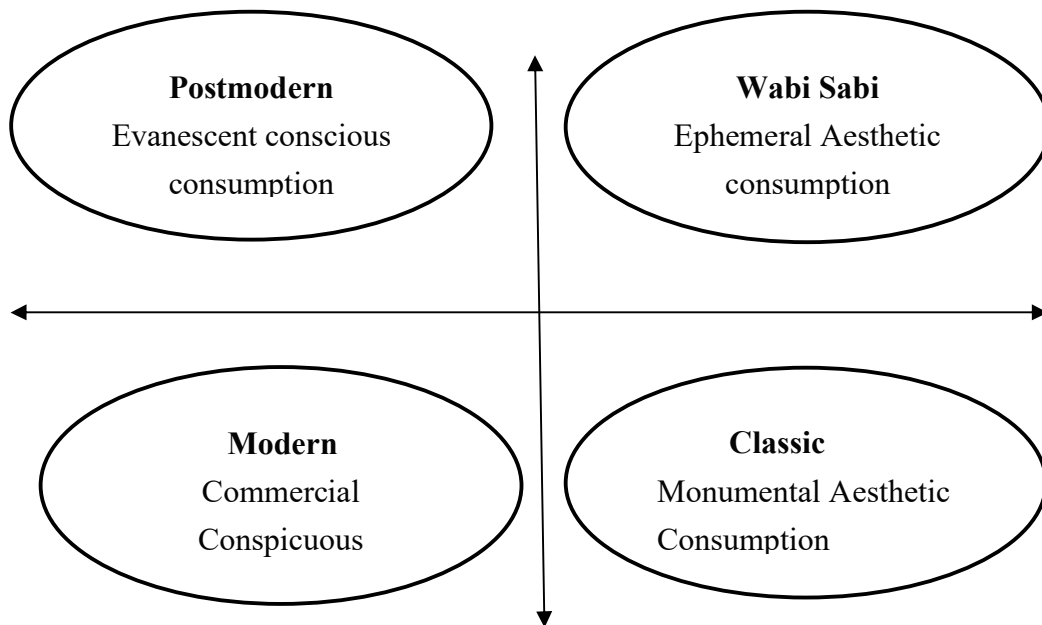
Figure 5   The AO Framework- A Typology of luxury brands Berthon et al. (2009, 52)

The modern- It is simple to understand the modern brand, and does not require expertise for its consumption. This category of luxury brand is associated with the world of democratization where the products are mass produced. Due to the mass market availability, these brands are associated with loss in quality, exclusivity, and identity. Luxury goods in this category represents conscious possession, offering high symbolic value to the consumers. Luxury is bought for status. Luxury in this quadrant must be tangible

goods rather than services. (Berthon et al. 2009, 54.) Luxury becomes conspicuous possession. *Brands in this group of luxuries are also called masstige brands. In the AO-framework of luxury, masstige brands fall under the modern brands*.

The classic- Luxury in this category is related with the art and traditions. These luxuries are built over time and education; therefore, knowledge is required to understand its rarity (Berthon et al. 2009, 55). One needs expertise to truly understand and appreciate the fine details entailed in the luxury. This category of luxury has a high symbolic value. Consumption of this luxury requires both money and knowledge. Luxury is an aesthetic possession. (Berthon et al. 2009, 52.)

The postmodern- Luxury in this category represents glitz and glamour. It offers the latest trends going in luxury. This world represents glamour elements, such as appearance, indulgence, Hollywood actress, Oscars dress, nightlife, and Las Vegas. There is no need of expertise and knowledge to fully understand it; nevertheless, knowledge can be an advantage. (Berthon et al. 2009, 53.) This luxury is for highly affluent consumers who can change fashion and luxury in moments. Consumption of this luxury highly relies on taste and judgment of others. These luxuries have fast cycles and demand large prices. (Berthon et al. 2009, 55.) Luxury is a conspicuous consumption.

The Wabi-Sabi- Luxury in this quadrant represents deep taste of moment. It is mindfulness of ephemerality (Berthon et al. 2009, 53). Wabi sabi luxury is more about experience than about possession. It requires great deal of experience as well as knowledge to recognize and fully appreciate luxury (Berthon et al. 2009, 55).

2.2.3   *Masstige brand and image value perception-dimension*

A new luxury or masstige luxury is mainly based on the concept that the price is lower than the traditional luxury products, while its prestige is still higher (Atwal & Williams 2009, 339). Masstige brands fall between accessible and high class goods. They are priced above conventional goods but lower than super premium goods. Masstige brand are represented by the *democratization of luxury*. Some of the examples of masstige brands include *Calvin Klein, Tommy Hilfiger, Armani Jeans, Victoria Secret, Ralph Lauren polo shirts, and Coach*. (Granot et al. 2013, 32; Truong et al. 2009, 376.) Growing number of luxury firms are now increasing their product availability to mass markets. Granot et al. (2013, 36) points the images value dimensions customers associate with masstige luxury brands described in next page.

Functionality/ Superiority- Masstige goods are expected to have a high quality as well as functionality. Sometimes the quality of these brands are so good that they even surpass the old traditional goods. Masstige brands were linked to attributes such as functionality, everyday usage, and superior performance. (Granot et al. 2013, 36- 38.) One of the difference between traditional and masstige luxury is, traditional luxury is associated with old conspicuousness, whereas masstige brand focuses on private consumption; i.e., people do not like to display visual brand elements. (Granot et al. 2013, 40.)

Granot et al. (2013, 39) also classified the *exploring* feature of masstige brands related to seeking variety. Unlike traditional luxury, masstige luxury provides the opportunity to experience with a wider variety of alternatives. Masstige brands lets consumers choose the best performers among wider alternatives.

Fashionable and cool- The fashionable and cool attribute of luxury relates to *hedonic values* provided by the brand. It focuses on the need to feel stylish and cool. People have the desires to feel fashionable, and they fulfill their desires through their luxury purchase. (Kastanakis and Balabanis 2012, 1400.) These brands provide freedom to consumers to express their identity and priorities. People want greater freedom in expressing their style, knowledge, taste, and values. People expect luxury brands to display messages consistent with individual styles. Consumers choose brands that matches their personal style. These brands provide nonverbal methods of self-expression relating to coolness and style. (Granot et al. 2013, 37- 38).

Moonshooting and bottombarelling- The moonshooting and bottombarelling attribute is related to cost/sacrifice dimension of masstige brand. Moonshooting implies willingness of consumers to pay higher prices for goods that are emotionally important to them. On the other hand, bottombarelling implies being value driven for products that are not of emotional significance. Therefore, the former implies being less price conscious, whereas the latter implies being more price conscious. (Granot et al. 2013, 38). Though masstige brands provide high prestige, they are still able to maintain reasonable price premiums. Masstige brand offers products from low to high cost range. This allows the brands to have wider customer segments than those of traditional luxury brands. Since these brands offers prestigious products at varied cost range, consumers are likely to find a better product fit for themselves. (Truong et al. 2009, 379.)

Signaling – The signaling attribute is associated to other-directed value dimension. Masstige brands differentiate themselves from other brands by maintaining high prestige. These brands signify social status and impress others. (Truong et al. 2009, 379.) The other

directed dimensions relates to the brand's feature that allows social recognition, social signaling and the need of belonging to preferred reference groups. As people look for ways to achieve these values, this brand serves this functions. People also use these brands to associate themselves to their idol groups, and to remain in trend and current lifestyles. (Granot et al. 2013, 38).

Self-catering - The self-catering attribute is related to self-directed value dimension. Self-catering is about rewarding and pampering yourself through luxury purchase. Individuals have a perceived self-image to own self, and they attempt to preserve and extend this image. To do so, they use products that matches their personality. They focus on their self-concept and goals and think themselves unique (Kastanakis and Balabanis 2012, 1401.) Additionally, consumers are driven emotionally to experience fantasy. They fulfill their fantasies by indulging on expensive purchase to state their own worth. Masstige luxuries provide them the required experiences and fulfills their dream of feeling special. (Granot et al. 2013, 39).

2.3   Summary

Chapter 2 dealt with the concept of luxury and masstige brands. The main aim of this chapter was to familiarize the reader with the concept on luxury and masstige brands. The discussion started with definition of luxury; there is no precise conceptualization on luxury brands and an accurate understanding of their dimensionality. (Berthon et al. 2009, 45.) Luxury varies with social context; and what represents luxury to one may be valueless to another. (Berthon et al. 2009, 47.) Luxury is associated with dimensions of *symbolic, functional and experiential value*. (Berthon et al. 2009, 49.)

The sub-chapter change in luxury talks about the changing concept of luxury. Previously, luxury was defined in traditional way, which featured the attributes of quality and craftsmanship. It was also thought to be owned only by elite groups of people. Later, the changing views on luxury introduced a new meaning on luxury called" New Luxury". A new luxury is mainly based on the concept that its price is lower than the traditional luxury products, while still maintaining the prestige high. (Atwal & Williams 2009, 339.) The chapter also describes about" democratization of luxury". (Danziger 2005, 7-8.)

Investopedia defines brand as "A distinguishing symbol, mark, logo, name, word, sentence, or a combination of these items that companies use to distinguish their product from others in the market". (Investopedia, Brands.) Customers use brand as a medium to

express their personality, attitudes, and needs. It is important for consumers to perceive high value in brand. Sometimes, brand makes mistakes when it focuses too much on tangible aspects while ignoring other dimensions, such as emotional and self-expressive dimension. Thus, brands should identify the important dimensions in a target market. Brand images are formed in numerous ways, however, no comprehensive theory appears to exist. Brand images are built in a *symbolic manner*, through communications and *marketing* by the firms. Brand images are also formed through their delivered personality and values. (Keller 2009, 295-296.) The history, heritage, and past experiences of brand plays an equally important role. A brand also forms image through associating brands with *user profiles.* Brand image is also formed through customers' *expectations and feeling* towards the brand. Marketer of these brands should closely monitor these values perceptions. Additionally, they should ensure that their luxury brand delivers the desired value dimensions. (Keller 2009, 294.)

The chapter then talks about the masstige brand and its images value perception/dimensions. *Masstige* brands fall between accessible and high class goods. They are priced above conventional goods, but lower than super premium goods. Granot et al. (2013, 36) exploratory study on masstige brands highlights the image value dimensions associated with these brands. The identified attributes include *functionality, self-catering, signaling, moonshooting and bottombarelling, and fashionable and cool.* In the next chapter the concept of customer value, CVD framework, and luxury value dimensions are detailed.

3   LUXURY VALUE PERCEPTION/DIMENSION

3.1   Customer value

The concept of value is used in diverse fields, such as economics, management, marketing, pricing, consumer behavior, finance, ethics, social equity, and fairness, aesthetics, and justice (Huber et al. 2001, 42). Management literatures regarding value is focused around three aspects of value: financial economist talk about *shareholder value*, marketers promote *customer value,* and stakeholder theorists advocate *stakeholder value*. (Khalifa 2004, 646). This study is focused on customer value. Literatures have divergent views in defining customer value. It is a dynamic concept that evolves over time (Khalifa 2004, 647). The concept as presented by two different writers are listed below:

Zeithaml (1988, 141) describes" *value is the overall assessment of the utility of a product based on perceptions of what is received and what is given."*

Butz and Goodstein (1996, 63) describes "*Customer value as the emotional bond established between a customer and a producer after the customer has used salient product or service produced by that supplier and found the product to provide an added value.*"

Woodruff (1997, 141) adds, there is no agreement on the definition on customer value. These definitions rely on terms such as utility, worth, benefits, and quality. Customer value also differs according to the circumstances in which they think about value. For example, their value consideration might differ while making purchase vs when experiencing product-in use. In purchase situation, customers are concerned about the different offers in a product. In contrast, customers are concerned with the product performance, during or after use. As a result, product attributes seem to play important role in purchase, whereas consequences dominate during or after use. (Woodruff 1997, 141.) Khalifa (2004, 647) groups customer value into three categories. These value models include *value component models, utilitarian model or benefits-cost ratio model*, and *means-end model.* In the value component model, Khalifa (2004, 647) explains that the main value elements used, according to Kaufman (1998) are, "want", "worth", and "need". The decision to acquire goods and services includes composition of one or more value elements, and the sum of these elements results in buying decision. In the *benefit/costs ratio models,*

value refers to the difference between customer's perception of benefit and sacrifices. The customer perception of benefits include tangible and non-tangible product/service. The sacrifices component includes monetary and non-monetary factors (Khalifa 2004, 647-653). (Woodruff 1997, 140). The *Means-end models* assume that customers acquire products/services to attain favorable ends. In the consumer behavior literature, value is defined in terms of personal values and cognitions. Since customer value deals with customer perspective, it can also be subjective notion of the individual's judgement on the value of product. Nevertheless, an approach is needed to identify the value drivers consumers are seeking, which are means to reach customer's goals. An appropriate approach for connecting consumer's values and possession is the means-end theory. (Huber, Hermann and Morgan 2001, 43.) The means-end theory emphasizes that *the link between product attributes, consequences, and personal values determines the decision-making process.* Means are product/services, and ends are personal values considered significant to customers. Consumers choose those means that produce desired consequences and minimize undesired consequences. (Khalifa 2004, 647-653.) This model also presents five consumption values influencing consumer purchase behavior. The five consumption values consists of functional, social, emotional, epistemic, and conditional. A brand can fulfill only one, or more than one, or all of these aspects of values. *Hence, how a brand value is perceived depends on what aspects of value the products delivers in the mind of the customer. (Khalifa 2004, 653-654.) In other words, perceived/received value is what aspects of value-dimensions the brand delivers in the mind of customers.*

Despite the differing views on customer value, there is also consensus on the concept that it is determined by customer's perception rather than determined by seller (Khalifa 2004, 647). In other words, value is "not what the producer put in, but what the customer gets out" (Doyle 1989, 78). *Customer value is a theoretical construct which highlights the customer perspective in a product. It is a form of goal, a selected group of customers intend to desire and receive.* "Value" implies desirability, importance and usefulness. Woodruff (1997, 142) proposes the following definition of customer value.

" Customer value is a customer's preference for, and evaluation of those product attributes, attribute performances, and consequences arising from use that facilitates (or blocks) achieving the customer's goals and purposes in use situations", which can be evaluated pre- or post-product use.

This definition adopts into customer perceptions and their mental interpretations, rather than the extant definitions which focus on "give-versus-get" customers evaluations of value. The study of Woodruff's (1997) work on customer value is regarded as a noteworthy contribution as it defines the complete domain of customer value. It gives in-depth understanding on the subject. It offers insightful synthesis on customer value and provides managerial implications for leveraging customer value. This definition is now presented in conceptual framework proposed by Woodruff (1997) as *customer value hierarchy model* in Figure 6.

Desired customer value   Customer satisfaction with
                                          Received value
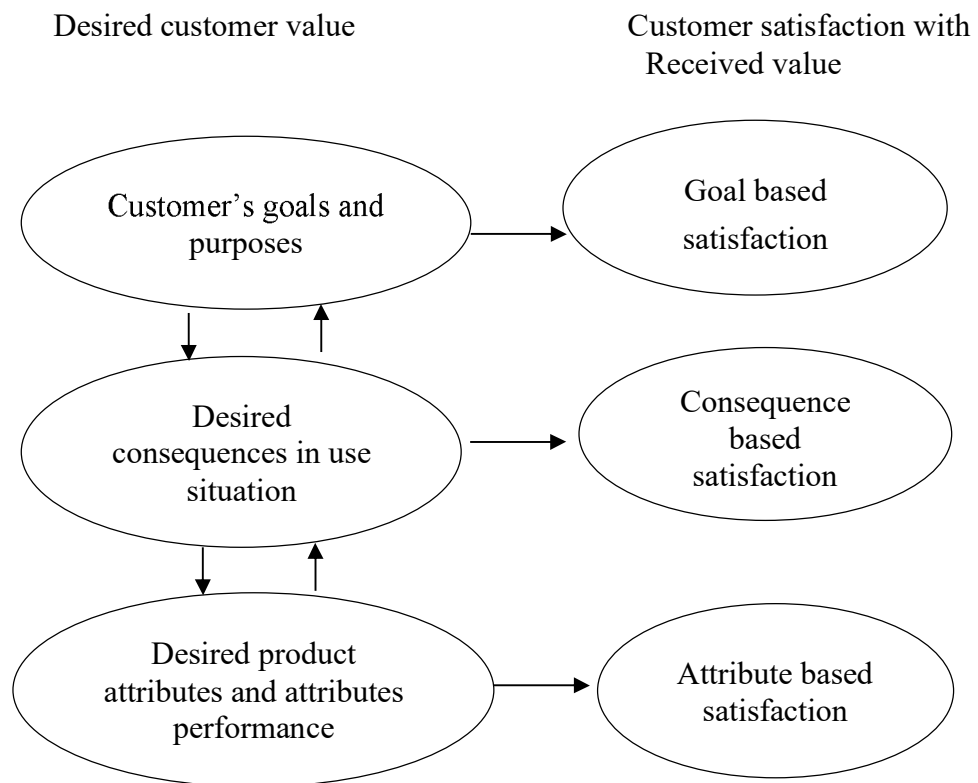
Figure 6   Customer value hierarchy model (Woodruff 1997, 141)

Woodruff (1997, 142) explains the link between customer value hierarchy model and the means-end model of customer value. Although the means-end model was intended to describe how customers process information about products through their cognition, it still captures the essence of customer value. There is similarity in the two concepts as both models emphasizes the link between product attributes, consequences, and personal values. (Woodruff 1997, 142.) In the above figure (Figure 6), the hierarchy starts from the bottom level where customers attach certain product/brand with specific attributes and attributes performances. Thus, they evaluate the received values from a brand based on

those specific attributes and attributes performances. Looking at the left-hand side of figure, relating to desired customer value, customers form desires and preferences for certain attributes and that attribute's ability to allow them for achieving desired consequences. (Woodruff 1997, 141.) Consumers obtain consequences from consumption of product/services, which are desirable/undesirable. These consequences occur from consumption or later point of time from other's reaction to their consumption behavior. Consumers are more likely to choose those actions which produce desired consequences. Given that attribute produces consequences, it is important to consider product's attributes. (Huber et al. 2001, 44.) Consumers also learn to desire certain consequences based on their ability to help them achieve their goals and purposes. Personal values/goals are beliefs of people about important aspects about themselves and their higher goals. Personal values, such as valuation of self-esteem, other-directed, and value orientations, determine consequences of behavior (Huber et al. 2001, 44.) One should realize the attribute-consequence relationship. Personal values provide overall direction; whereas, consequences determine selection of specific behavior. Likewise, attributes convey the essence of product. (Huber et. al 2001, 44.)

In Figure 6, the customer value hierarchy depicts the role of *desired value* and *received value* when analyzing customer value. The desired value refers to what the perception of value is and what customers think they want, which can be formed before purchase or during the use. (Woodruff 1997, 141.) The desired value dimensions can be set as benchmark for comparing how well product serves customers goals. There are different dimensions/values a consumer seek in brand/product. However, not all dimensions play an equal and important role. Customers gain maximum satisfaction from those brands which best delivers the important value dimensions. Customers use their personal goals to attach importance to consequences, and these consequences guide customers when prioritizing value to attributes and attributes performances. (Woodruff 1997, 142.)

The customer value hierarchy also describes the *received value* in similar way. Received value is forming an opinion or feelings about the actual value experiences of using a product/brand. (Woodruff 1997, 141.) A customer makes evaluations of a product/brand based on their desired values. The desired values are learned from his past and present experiences. Additionally, this desired value also guides customers to make an evaluation of how well/poor a brand has performed. (Woodruff 1997, 143.)

3.1.1 Customer value and competitive advantage

There is ongoing research in *customer value* with the belief that organizations focusing on superior customer value delivery will increase the likelihood of success. Creating the value for customer is always recognized central in marketing activities for positioning and retaining customers. Products/brands that best deliver the value to customers are successful than those offering limited value. (Smith & Colgate 2007, 7-8.) Successful marketing of luxury goods requires consumers to perceive sufficient value for the high prices charged (Shukla & Purani 2012, 1417). Therefore, it is necessary to understand the types of value customers seek, and how their value perceptions influence their buying behavior (Shukla & Purani 2012, 1417; Tynan et al. 2010, 1156). The superior customer value delivery leads to customer loyalty, increasing customer retention. There is positive relationship between customer retention and increase in organizational profit. Additionally, customer satisfaction increases customer loyalty leading to repeat purchase, favorable word of mouth, and referrals. (Khalifa 2004, 647.)

Today's customers have become more demanding. Due to global competition and slowing world economies, companies must look for various ways of achieving competitive advantage. Competitive advantage at once was based on economies of scale and market power. Managers focused on improving the organization's product quality through internal orientation. Downsizing, restructuring, and reengineering have been used rigorously as a way of creating better value for organizations. (Woodruff 1997, 139-140.) Managers learn that product innovation and quality alone no longer provide the source of competitive advantage. Therefore, it is important to ask where organizations are supposed to look next for sources of competitive advantage. Instead of focusing on the same internal process, organizations can shift their attention to markets and customers. Woodruff (1997) explains that organizations needs efficient "tools of customer value" if they want to be better at competing superior customer value delivery.

Learning about customer value seems to emerge from various sources, such as feedback from sellers, personal observations of managers, past decisions, and market. Even though these studies yield important insights on customer value, more significant is the process by how managers learn about it. Woodruff's CVD process caters to this need by proposing a framework of *CVD* described in detail in next sub-chapter.

3.1.2 Drawing implications: comparison of received value with desired value

In the previous topic, it has been discussed that realization and fulfillment of customer value is one of the prominent method to ensure organization's success. *Studies explain that customer's satisfaction is based on the balance between "expected/desired value" and "perceived/received value".* Customers expect that they receive the desired values, and in the most preferred situation, the "expected value "is similar to the "received value". Additionally, there are studies by (Cadotte et al. 1987; Gupta & Stewart 1996, according to Huber et al. 2001, 43) demonstrating the positive relationship between expectation and perception, which supports the concept of "cognitive dissonance". The theory of "cognitive dissonance" suggests that individual has own cognitive elements on their values, beliefs, opinions, behavior and their environment. If their cognitive elements align, they are said to be consonant. Likewise, if their cognitive elements do not align, they are said to be dissonant, which arouse psychological tension called cognitive dissonance. This motivates an individual to resolve the dissonance through available means. (Bawa & Kansal, 2008-2009-32.) Koller and Salzberger (2007, 220) argues that marketing activities designed to reduce the inconsistency between "expected/desired value" and "perceived/received value" should not be confined to post purchase stage, but even prior to the decision. Balancing customer value is shared interest to both companies and customers as well.

The CVD process by Woodruff (1997) is a noteworthy contribution, and it has much to offer executives involved in refining customer value determination as well as customer value theory (Parasuraman 1997, 155). The framework incorporates the idea of customer value hierarchy model and customer satisfaction learning process. CVD has made considerable improvements; it is much richer and has expanded customer value and satisfaction learning process. The CVD is designed to provide answers to questions that guides managers in learning about the customer value. (Woodruff 1997, 144.) The CVD process is described in next page in Figure 7.

Literature review regarding different value dimension (sub-chapter 3.2)

Desired value dimension-Luxury value perception framework (3.2.1-3.2.5)

Comparison (3.1.2)

Masstige brand received value (2.2.3)

1. What do target customer's value?

2. Of all the value dimensions that target customers want, which are most important?

3. How well (poorly) are we doing in delivering the value that target customers want?

4. Why are we doing poorly (well) on important value dimensions?

5. What are target customers likely to value in future?

Figure 7   Customer value determination process (Woodruff 1997, 144)

The CVD process is useful to the thesis, as it provides a conceptual background on how an organization/brand can evaluate own performance in delivering desired value to customers. The CVD is represented in the right hand side of the figure that consists of series of questions. At the left hand side of the diagram, the blue shaped ovals are created to depict the chapters and concepts related to the questions in the CVD. The first question in CVD asks *what do target customers' value* (Woodruff 1997, 144). This is the first question that organizations need to answer in order to find out the dimensions valued by customers. Sub chapter 3.2 describes a short literature review on different value dimensions. Several studies by Shukla (2012), Woodall (2003), Vigneron and Johnson (2004), Wiedmann, Hennigs and Siebels (2007), and Shukla and Purani (2012) have been made to identify the important value dimensions. The identified value dimensions include exchange value, intrinsic value, utilitarian value, hedonic value, perceived extended self,

perceived conspicuousness, perceived uniqueness, perceived quality, prestige value, usability value, self-identity value, materialistic value, and price value. These dimensions will be detailed more in subchapter 3.2.

The second question in the CVD process stresses the need to identify the important dimensions. It states *" Of all the value dimensions that target customers want, which are the most important?"* (Woodruff (1997, 144). There are numerous attribute and consequence value dimensions; however, it might not be relevant to focus on all of them. Practically, it becomes extremely difficult for a brand/organization to score high on all the dimensions that customer's value in a product. Thus, the need is to find out the most important dimensions. The second sub-research question "*which value dimensions play important role in luxury value perception*" relates to the second CVD question in similar manner. The work by Shukla and Purani (2012, 1418) on the luxury value dimensions is noteworthy study for identifying the important/desired value dimensions. Literatures have identified numerous value dimensions. Shukla and Purani (2012) has made an impressive work by reviewing the previous literatures on multiple luxury value dimensions. The luxury value perception framework, which also relates to second CVD questions, can be used to identify the important value dimensions. The luxury value perception framework is discussed in detail in subchapter 3.2.1-3.2.5.

In the third step, the CVD asks, *"how well (poorly) are we doing in delivering the value that target customers want?"* This question requires the need to *evaluate the seller's performance* in delivering the *desired value* to customers. For, example a seller wanting to evaluate their own performance must compare customer's perceived/received value of their own product/brand with the desired values. To illustrate, evaluating masstige brands in the study requires assessing the *customer's perception of received values from masstige brands* with *desired value dimensions.* This evaluation provides information to the seller/brand on how the brand is currently being viewed by customers in delivering the desired value dimensions. The masstige brand attributes and values dimensions are dealt in sub-chapter 2.2.3 in the study, and it is also used to answer the 1st sub-research question. *Additionally, to evaluate own performance, there should be a comparison standard against which the received values can be compared. For this, the desired value dimension serves the purpose of comparison standard. The luxury value perception framework in sub-chapter 3.2.1-3.2.5 deals with the desired value dimensions, which is used to answer second sub-question in the study.* In Figure 6, the customer value hierarchy depicts that

the desired value is composed of preference for specific-measurable dimensions of attributes, consequences and goals. Woodruff (1997, 143) explains that the comparison of *desired value* and *received value* leads to dissatisfaction/satisfaction to the customer. (Woodruff 1997, 143-145.) Huber et al. (2001,45) explains that in the situation when received value exceeds the expected/desired value, consumers sense *over-fulfillment*, and when the expected/desired value exceeds received value, then consumers sense *under-fulfillment.* Hence, in the most favorable situation, the "expected/desired value "is similar to the "received value" (Huber et al. 2001, 42). Eggert & Ulaga (2002, 108-109) explains similar concept that customer satisfaction is a result of comparison between the product performance and one or more comparison standard such as desired value. When consumers feel that the product performance has exceeded his/her expectation, he/she feels positively satisfied. On the other hand, if the product performance does not perform as expected, he/she feels dissatisfied. (Eggert & Ulaga 2002, 108-109.)Thus, the third sub-research question is answered by making comparison of received values and desired values as described above. For this, the received values from masstige brands are compared with the desired luxury value dimensions.

The fourth and fifth question in the figure deals with *"Why are we doing poorly (well) on important value dimension?"*, and *"What are target customers likely to value in the future?"* The fourth question requires the need to follow up on the satisfaction survey i.e., to seek the answers from question three in CVD and explore further. Qualitative techniques are well suited for exploring the reasons of the differences between the customer received values and customer desired value. The fifth question deals with *identifying target customer's desired value in the future.* Successful prediction of customer desired value in the future creates lead time for seller to respond with respective marketing and value delivery strategies. Organizations following this procedure can predict changes beforehand, and they can react quicker to customer's needs than those who wait for change to occur. (Woodruff 1997, 145.) The fourth and fifth questions, however, are beyond the scope of this study due to vast workload and time limitations. Thus, this paper does not analyze the fourth and fifth question in the CVD. The study is now continued further by detailing the luxury value dimensions. To understand a customer value, it is necessary to understand the different value dimensions and its importance to consumers (Smith & Colgate 2007, 8). The luxury value perception/ dimension is elaborated in the next sub-chapter.

3.2   The luxury value perception framework

Ruiz, Castro & Enrique (2007, 1087) stresses that the earlier research on luxury value dimensions was based on price and quality. The value was thought to be a tradeoff between buyers having to sacrifice a cost for received benefits. Ruiz et al. (2007, 1087) adds that there are different approaches for defining value; however, there is no single accepted definitions on the conceptualization and operationalization of the construct.

Woodall (2003, 6) identified four types of value: *exchange value, intrinsic value, use value,* and *utilitarian value*. Vigneron and Johnson (2004, 488) classified luxury value perceptions in two dimensions: personal perceptions and non-personal perceptions. The personal value consists of *hedonic value* and *perceived extended self, whereas non-personal perceptions consist of perceived conspicuousness, perceived uniqueness,* and *perceived quality* (Vigneron and Johnson 2004, 488). Furthermore, his work has contributions in developing the luxury construct that measures the amount of luxury in a brand (Vigneron and Johnson 2004, 502). Using the framework developed by Vigneron and Johnson (2004, 488), Wiedmann et al. (2007, 4-5) extends the dimension of value to enhance the understanding of why consumer buy luxury, and what is their value perceptions regarding luxury consumption. These value dimensions put forward consists of *social value (conspicuous value, prestige value); functional value (usability value, quality value, uniqueness value); individual value (self-identity value, hedonic value and materialistic value);* and *financial value (price value).* The framework is also equally important as it incorporates a new value dimension of financial value ignored by previous research. In a simpler terms Berthon et al. (2009, 49) grouped the value dimensions of luxury in three categories. These categories include *experiential value, symbolic value,* and *functional value*. Experiential value comprises what the brand means to the individual. Symbolic value is what the brand means to others, and the functional value is what physical attributes does the brand has or what the brand does. (Berthon et al. 2009, 49.) Smith and Colgate (2007, 9) addresses the need of empirical testing to address the customer value. He adds that customer value research is still in early stages. Nevertheless, the lack of uniformity in value perception constructs further led him to develop the framework by adding more value dimensions. By incorporating cost/sacrifice value, the framework totaled to four value dimensions, including symbolic, experiential, and functional value dimensions. (Smith & Colgate 2007, 7-14.) Tynan et al. (2010, 1159) uses an exploratory research to determine how values are created. Working on the framework of luxury value

by Smith and Colgate (2007, 10), Tynan et al. (2010, 1159) adds that the symbolic value perception arise from two other sources. They are self-directed and outer directed.

The discussion and conceptualization among the literatures above highlights several similarities. It highlights that people consume luxury for social value that relates to either self or others. Consumption of luxury takes in account both self-interests and others directed goals. (Shukla & Purani 2012, 1418.) Experiential value gained through luxury purchase is discussed in most literatures, since the consumption of luxury is related to hedonism. Additionally, all luxury brands have different functional attributes of quality and price. By modifying the framework by Wiedmann et al. (2007), Shukla and Purani (2012, 1418) has extended the luxury value perception to consist five dimensions. These dimensions include *self-directed symbolic/expressive value, other-directed symbolic/ expressive value, experiential/hedonic value, utilitarian/functional value, and cost/sacrifice value.* (Shukla & Purani 2012, 1418.) The luxury value perception framework is presented below in Figure 8.
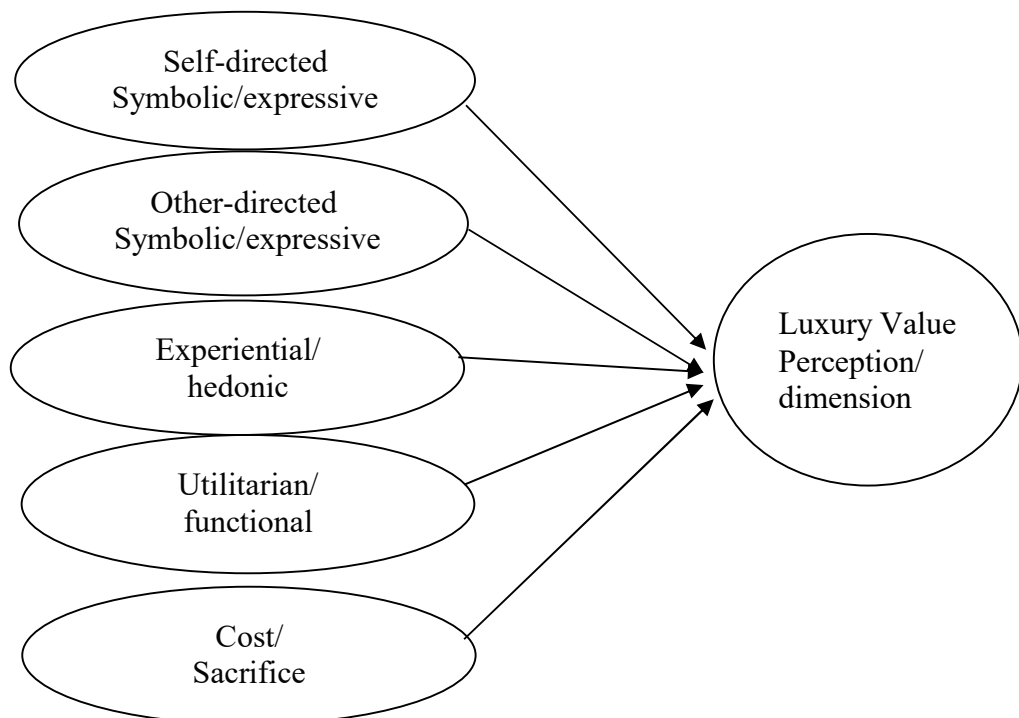
Figure 8   Luxury value perception/dimension (Shukla & Purani 2012, 1418)

The framework above is suitable for luxury brands and companies in determining the consumer priorities and wants in any target market. The framework can be used in identifying the important value dimensions in a target market. The different value dimensions in the figure are explained in next page.

3.2.1   Self-directed symbolic/expressive value perceptions

Expressive value is formed when consumers attach psychological meaning to a product. Consumer attach high value to brands that appeal to their self-worth. These brands make consumers feel good about themselves through materialistic possession. (Shukla & Purani 2012, 1419; Smith & colgate 2007, 12.) *The self-expressive dimension is concerned with spiritual and symbolic meaning in which one's self-concept, self-expression, and self-worth are primarily important than others*. For example, some brands allow consumers to express their personal taste and values. (Shukla & Purani 2012, 1419; Smith & Colgate 2007, 12.) Consumers look for their own identity and self-image in luxury consumption. Therefore, by regarding owns possessions as part of self-worth and self-identity, people attach psychological meaning to luxury brand. Additionally, they use these brands those to differentiate themselves from others. (Vigneron & Johnson 2004, 490; Wiedmann et al. 2007, 631.)

The self-directed value dimension is also related to the perceived uniqueness of a brand. Perceived uniqueness is thought to enhance one's self image by providing distinct consumption and avoiding similarity. As a product is more unique and difficult to obtain, consumers attach higher significance to it. (Vigneron & Johnson 2004, 490.) Additionally, people who give greater emphasis to materialistic things associate luxury with success and happiness. These people view luxury possessions as a criterion to see how wealthy and success one is in relative to others. (Vigneron & Johnson 2004, 490.)

3.2.2   Other directed symbolic/expressive value perceptions

Consumers have a higher tendency to impress others and display social status through consumption of luxury. Luxury brand acts as means for individuals who are in search of social representation and position. (Vigneron & Johnson 2004, 489.) According to the theory of impression management, consumers are highly motivated by the drive to create an impression on others. This involves deliberately regulating information and modifying, or editing images to convey desired social status. (Sallot 2002, 151.) Luxury brands represent significant to individuals valuing social status. For them, the societal ranking created by the brand plays an important factor in luxury value perception (Wiedmann et al. 2007, 632).

Other directed value dimension also relates to form an impression on others through luxury purchase. People tend to consume luxury to conform to their reference groups. In similar way, people consume luxury to be approved by some social groups and prove their worth. To these people, social groups have higher significance as luxury are consumed to adhere for social approval. (Wiedmann et al. 2007, 632-633.)

3.2.3 Experiential/hedonic value perceptions

Experiential and hedonic value is concerned with emotional & pleasing benefits, and sensory pleasure arising through luxury consumption (Vigneron & Johnson 2004, 491; Smith and Colgate 2007, 8). These values are concerned with sensory gratification and pleasure. People who rely on their own opinion and are inner directed place higher emphasis on hedonic value. (Vigneron & Johnson 2004, 491.) Certain products have high emotional value, and luxury products are among one of them. As luxury products have high emotional value, they are more likely to provide intangible benefits. Thus, sensory pleasure and excitement are expected in luxury consumption. (Wiedmann et al. 2007, 631.)

The importance of hedonic value can vary according to subject's utility, purchase behavior, values and beliefs, as well as consumption experience. Studies stress that higher materialistic people are likely to have positive attitudes towards luxury possessions. Materialism is defined as the degree to which people attach importance to luxury possessions. These people devote more time and energy in activities related to materialism. Additionally, they are concerned with things consumed in public. (Wiedmann et al. 2007, 632.) Thus, the importance of experiential and hedonic values to a person is also dependent on his/her materialistic values. (Vigneron and Johnson 2004, 491.)

3.2.4 Utilitarian/functional value perceptions

Functional dimensions are concerned with core product benefits, such as quality, reliability, usability, durability, and uniqueness (Wiedmann et al. 2007, 628). Functional values are the basic attributes solving consumption related problems (Smith & Colgate 2007, 8). It also relates to what extent a product preforms a desired function (Smith & Colgate

2007, 10). Such expectations result in higher value perception for luxury products. (Wiedmann et al. 2007, 630.)

For a target customer to have higher perceived functional value, it is vital that the goods have higher quality and other desired features, such as functionality, duration, and performance. Quality should also be an essential pillar for enhancing the customer perceived value. (Ruiz et al. 2007, 1090.) It is expected that luxury brand delivers superior performance and quality. It is almost difficult to imagine a luxury brand without being committed to quality. Quality alone is not sufficient feature in a brand. Consumers expect additional features in a brand, such as technology, engineering, design, sophistication, and craftsmanship associated with the product.

3.2.5 *Cost/sacrifice value perceptions*

Price is an indication to the consumer what he needs to sacrifice in order to obtain a product/brand. Price plays both positive and negative roles with regard to luxury value perceptions. Literature suggest seven constructs of price perceptions: price-quality schema, prestige sensitivity, value consciousness, price consciousness, sale proneness, coupon proneness, and price mavenism. Prestige sensitivity and price-quality schema represent the positive role, whereas the other constructs represent the negative role of price. *The positive role of price is more significant when it comes to perceiving higher value in a brand.* Price-quality schema implies associating higher priced brands with higher quality. Likewise, prestige sensitivity implies associating higher priced brands for higher prestige. To illustrate, marketers have often justified higher priced brands for added benefits. Higher price brand has been associated with higher quality product. For consumers, the extra cost of product reflects the addition of value dimensions. It is referred that when consumers lack the information on brand, price then is used as a means to evaluate the prestige and quality of the brand. Thus, for these consumers, higher financial sacrifice implies higher value of the brand. (Shukla & Purani 2012, 1420; Ahtola 1984, 623.)

On the other hand, it is important to understand that a product /brand doesn't have to be expensive to be luxury. For some luxury goods, emotional values plays an equally important role. These goods include wedding rings, paintings, and classic cars (Ahtola 1984, 623). Likewise, the notion of associating higher priced goods with higher quality-

prestige might differ according to culture and personal values. For example, an individualistic culture may not regard higher price necessarily with higher quality. Thus, it is important to understand what factors contribute to the positive and negative role of price.

3.3   Summary

Chapter 3 dealt with the concept of customer value and luxury value perception. There is only little agreement the concept of value. The differences occurred vastly due to situation, for example, while making purchase vs experiencing product in-use. The differences also seem to come from poor definitions of terms such as utility, worth, benefits, and quality. Khalifa (2004, 647) groups customer value into three categories. *These value models include value component models, utilitarian or benefits-cost ratio model, and means-end model.* Despite the differing views on customer value, there is also consensus on the concept that it is determined by customer's perception rather than only by seller (Khalifa 2004, 647). Customer value is a theoretical construct which highlights the customer perspective in a product. It is a form of goal a selected group of customers intend to desire and receive.

The study by Woodruff's (1997) work on customer value is regarded as a noteworthy contribution. The customer value is illustrated by *customer value* hierarchy model. It explains that desired value and received value play important role when evaluating customer value. Desired value refers to desired combination of attribute-consequence and personal goals dimensions. It can be set as benchmark for comparing how well product/brand serves customers goals. (Woodruff 1997, 141.) On the other hand, received value is forming an opinion or feelings about the actual value experiences of using a product/brand. (Woodruff 1997, 141.) .

The need to superior customer value delivery arises as it increases customer satisfaction and loyalty. Woodruff (1997) points that organizations needs efficient "tools of customer value" if they want to deliver high value to target market. The chapter then discusses the CVD process by Woodruff (1997), which follows series of question. *The first question starts with finding out different dimensions valued by target customers.* (Woodruff 1997, 144.) Sub-chapter 3.2 provides short literature review on different kind of value dimensions. The second question in the CVD process *stresses the need to find out the most important dimension/desired dimensions.* Evaluating this questions also provides

the answer to the second sub-research question at the same time. The luxury value perception framework by Shukla and Purani (2012) has been used to find out the most desired value dimensions dealt in sub-chapter 3.2.1-3.2.5. The framework includes self-directed symbolic/expressive value, other-directed symbolic/ expressive value, experiential/hedonic value, utilitarian/functional value, and cost/sacrifice value. (Shukla & Purani 2012, 1418.)

The third question in the CVD process asks" *how well (poorly) are we doing in delivering the value that target customers want?"* This is answered by comparing the received value with desired value dimensions. *Woodruff (1997, 144) points that "expected value "should be similar to the "received value" in order to deliver maximum customer satisfaction* (Huber et al. 2001, 42). The desired value dimensions are revealed by answering second question in CVD process. (Woodruff 1997, 142-144.). The desired value dimensions are also observed in second sub-research question. On the other hand, the received values are examined by brands by evaluating customers' perception of received image values on the listed dimensions. In the study, masstige brand's received values are analyzed by evaluating customer's perception of received value dimensions in first sub-research question. This comparison of desired and received values provides information to the seller/brand on how the brand is currently being viewed by customers in delivering specific image-values dimensions. *Thus, analyzing these three questions in CVD process helps masstige brands to realize their current value delivery. Moreover, it provides them with useful insights that can be used to design their advertising, marketing and product positioning strategies* (Dubois et al. 2005, 115). The thesis now proceeds below with the research design where it explains the research methods, data collection methods, sampling design, and the data analysis methods.

4 RESEARCH DESIGN

4.1 Quantitative method

Research design is of utmost importance in order to plan the research, find a suitable and reliable methods for data collection, and conduct data analysis. This sub-chapter lists the research objectives once again and discusses about the research design. This sub-chapter also provides justifications on the chosen data collection and data analysis methods. Additionally, it also discusses the credibility of the study. The main research question of this study is "*What are the implications of luxury value perception within the Indian market for masstige luxury brands?*" The research objectives are achieved by answering the following sub-questions:

- What are the image value dimensions received from masstige luxury brands?
- Which value dimensions play important role in luxury value perception?
- How well (poorly) does the masstige brand delivered/received value align with the desired value dimensions?

To achieve the goals of the research, researcher has to take care in choosing the philosophies and world views of the study. This study takes the view of the "Realist", which assumes that the truth is out there in the world, and the job of researcher is to uncover those existing realities. This study is descriptive in nature, so the realist view suits well. The realist view assumes that the researcher needs to be detached from the research and minimize the involvement as much as possible, while maximizing the objectivity. (Muijs 2004, 3-4.) The type of question asked by the researcher will determine the appropriate research methods for the study. Descriptive study concerns with finding the answers to "what is". Descriptive research can be either quantitative or qualitative. As human mind cannot process large amount of raw data, quantitative research plays an important role in reducing the data to manageable form.

Quantitative research methods were chosen in the study as it served the purpose of the research. Quantitative research is basically explaining some phenomena with the help of numerical data. These data can be analyzed using statistical and mathematical models (Muijs 2004, 1). Other benefits with this kind of study include consistent data, easy administration, as well as simplicity in data analysis and interpretation (Malhotra & Birks 2006, 225). For conducting quantitative research, the data should be in numerical form.

However, some data do not naturally exist in this form. Therefore, it is the job of researcher to design instruments aimed at converting such phenomena into quantitative data. It is suitable to measure concepts such as brand awareness, brand attitudes/perceptions, brand penetration, and product preferences through quantitative study. (Barnham 2015, 837.) The advantages of quantitative research is that it is easier to study respondents' behavior, motivations, and attitude.

4.2   Data collection

The data was collected using a survey questionnaire. The study incorporated mall-intercept survey as data collection technique. The mall intercept interview implies interviewing shoppers in shopping malls. The two malls where survey was conducted are DLF Promenade and Select Citywalk in New Delhi. Additionally, the selection of shopping malls was made based on the criteria that these malls should have masstige brands, and it should have other international brands as well. Masstige brands such as Calvin Klein, Tommy Hilfiger, and Armani Jeans were used as an example for the survey. The selection criteria for brands was that these brands should be available in the selected shopping malls.

The sample for this study were Indian mall shoppers living in or areas nearby New Delhi, India. The need to use factor analysis in the study prompted the researcher to make careful analysis on the sample size. Different authors recommend different sample size for performing factor analysis. Barlett, Kotrlik and Higgins (2001, 49) recommends the minimum number of samples when using factor analysis is 100. Comrey and Lee (1992) provided the scale of sample size adequacy as follows: 50 – very poor, 100 – poor, 200 – fair, 300 – good, 500 – very good, and 1,000 or more – excellent. *It was decided to include 200 usable surveys.* One of the key point to mention is that the survey results in this study are projected to the universe of the study and not to whole Indian population. The universe of this study consists of all Indian shoppers (above 18 years) residing in New Delhi. Likewise, the target population consists of all Indian shoppers visiting selected shopping malls in New Delhi. People with limited access to shopping malls, have no transportation, or are disabled will never be seen in shopping malls. Thus, they have a zero or near zero probability of shopping in malls.

The researcher conducted surveys with the help of four friends excluding herself. The researcher explained the study and its purpose to her friends beforehand. A two-and half

hour session was conducted. Before conducting survey, the researcher had an informal meeting with four interviewers to discuss about the sampling rules. The purpose of study along with the important terms and concepts was also elaborated to interviewers to increase the quality of data collection. The researcher also provided detailed instructions regarding the sampling technique. Total of four interviewers were dispersed on the selected locations with two interviewers on each shopping malls. The researcher engaged in coordinating and monitoring activities in both locations. The survey was conducted for a period of eleven days from 10.00 to 20.00. Each day one hour breaks were provided in between data collection. The goal was to approach 500 mall shoppers to get approximately 220 number of filled surveys useable for data analysis. Out of 500 shoppers approached, only 291 participated with response rate of 58.2%. Data were filtered and checked for missing & incomplete data. Finally, only 200 surveys were useable for data analysis with missing data (n=91).

This study incorporated structured and undisguised survey. Since there is no hidden agenda in this kind of survey, all respondents understand its purpose. It also limits the interviewer's role in the questioning phase and increases the reliability of survey. Similar questions are given to all respondents and their answers are also limited to specific options. This allows easy interpretation, tabulation, and analysis of results. (Kress 1988, 78.)

The survey consisted self-developed questionnaires as well as the questions from previous literatures. Prior to data collection, a pretest is generally recommended to test the length and clarity of the survey instrument. The pretest was conducted with 18 Indian shoppers. The survey was conducted in English, since it is the second most commonly use language in India. Questionnaire was hand carried and personally explained to respondents by the interviewers. The survey provides a brief explanation on the purpose of this study and on the concept of masstige brands. The survey consists of three sections with 30 questions in total. *The first section deals with the masstige brand and its images value perceptions/dimensions, the second section deals with the luxury value dimensions, and the third section is related to respondent's demographics.* In the first section, respondents answer the questions in reference to masstige brands, such as Calvin Klein, Tommy Hilfiger, and Armani Jeans. The questionnaire begins by asking the respondents if they are familiar, have used and bought the brands in question. These questions are mainly formulated for screening purpose to increase the reliability of samples. *The first section of the survey includes questions regarding masstige brands images value dimensions.* These questions were self-formulated from the study based on Granot et al.

(2013, 37). The questions required respondent's opinion on series of statements relating to different value dimension of masstige brands. The seven features of masstige brands includes overall superiority/functionality, fashionable and cool, moonshooting and bottombarelling, signaling, self-catering, and exploring. The dimension exploring and functionality/superiority has been combined into one for better representation of masstige brands in the context of this study. Each of these features were represented by 2 statements. Respondents were asked to express their level of agreement on the statements. Total of 10 questionnaires were formulated. The masstige brand images values dimension (e.g. section 1 of appendix 1) were studied with reference to five point Likert- type scales (1 = strongly disagree to 5 = strongly agree). Factor analysis was performed on these questionnaires that identified factors within the data set. As a result, these factors allow the related variables to be aggregated and use further in data analysis. The use of factor analysis is discussed in detail in chapter 5.1.1.

The second section of the survey includes questions relating to luxury value dimensions. These questions were adopted from Shukla and Purani (2012, 1417). Shukla and Purani (2012) framework of luxury value perception (discussed in chapter three) includes five value dimensions: functional/utilitarian value perception, other-directed/expressive value perception, cost/sacrifice value perception, experiential/hedonic value perception, and self-directed/ expressive value perception. Each of these dimensions are represented by 2 or 3 series of statements. These statements require the respondents to express their level of agreement. These questions were five point Likert- type scales (1 = strongly disagree to 5 = strongly agree). These statements ask respondents to express their level of agreement on their choices, preferences and opinions. Responses were gathered through five point Likert- type scales (1 = strongly disagree to 5 = strongly agree). Total of twelve questions were included in the survey (e.g. section 2 of appendix 1). Factor analysis was also performed on these questionnaires to identify factors within the data set. This allows the related variables to be aggregated to use in data analysis. Details on factor analysis is discussed in detail in chapter 5.1.2. In the third section of the survey, (e.g. section 3 of appendix 1) respondents are asked to check self-descriptive categories, such as gender, age, marital status, education, and household income.

Operationalization implies the process of defining the concepts into measurable outputs. The purpose of operationalization is to clarify the concepts and dimensions, which makes it easier for the reader to understand how the research developed from concepts to

questions. It presents the research in a structured form and shapes the research in clear framework. Figure 9 on next page presents the operationalization overview.

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Research question	Sub-question	Concept	Dimension	Chapter	Questions
What are the implications of luxury value perceptions within the Indian market for masstige luxury brands?	1. What image value dimension are received from masstige luxury brands?	Masstige Brand value dimension	Functional/superiority	2.2 & 2.2.3	1.1 & 1.2
			Self- catering		1.3 & 1.4
			Signaling		1.5 & 1.6
			Fashionable & Cool		1.7 & 1.8
			Moonshooting & bottombarelling		1.9 & 1.10
	2. Which value dimensions play important role in luxury value perception?	Luxury value perception/dimension	Functional value	3.2.4	2.9 & 2.10
			Self-directed value	3.2.1	2.1& 2.2 & 2.3
			Other-directed value	3.2.2	2.4,2.5,2.6
			Hedonic value	3.2.3	2.7 & 2.8
			Cost/sacrifice value	3.2.5	2.11, 2.12
	3. How well (poorly)does the masstige brand's delivered/received value align with the desired value dimensions?	Customer Value Determination	Comparison	3.1.2	Analysis sub quest. 1 & 2

Figure 9   Operationalization Overview

The main components in the operationalization model are main research question, sub-research questions, concepts, and dimensions. The figure presents that the first and second sub-research questions are answered by studying their related concepts, which is categorized further to their respective dimensions. The dimensions are then labeled to their respective sub-chapters from which the survey questionnaires are made. The third sub-research question is answered through analytical comparisons made between the results of first and second sub-research questions. Thus, there are no survey questionnaires for the third sub-research questions. The idea of making analytical comparison between the received value dimensions and desired value dimensions is based on *Customer value determination* framework.

4.2.1   Mall intercept survey

The study incorporated mall-intercept survey as data collection technique. The mall intercept interview implies interviewing shoppers in shopping malls. The process involves stopping shoppers, screening them for appropriateness, and collecting data. This method provides researcher access to large number of shoppers from wide geographical area. Additionally, researcher has larger control during the interview. They are also less expensive than other forms of survey, such as door to door interviewing and mail surveys. In comparison with door-to-door survey, the cost for administering the questionnaires is reduced from one half to one fourth. Additionally, researcher has the advantage of less travel time, which results in time saving. (Gates & Solomon 1982, 43-44; Sudman 1980, 423; Dupont 1987, 45.) Two major malls were selected from New Delhi, India. The selection was made with the screening criteria that the brands selected for this study must be available in the malls. This will give the shoppers prior knowledge about the brand.

Even though mall-intercept is an efficient way to gather information on brands, there are few weaknesses that needs to be taken care of. The problem arises if the interviewer become biased with selection of respondents. Additionally, at times it may be difficult to get personal information from respondents. As the shoppers are frequently in hurry, they might also give false information or act carelessly. (Gates & Solomon 1982, 45; Dupont 1987, 45.) One of the major weakness of this method is that there is no hope of obtaining a representative sample, if the surveys are done in haphazard ways (Sudman 1980, 423). It might be also that some members of population of interest to the study, might not shop at mall. Mall shoppers vary greatly in their trips to the mall depending on times of days

or week. Therefore, shoppers visiting the shops more frequently might have higher probability of being selected, resulting in biased sample. (Gates & Solomon 1982, 46.)

Mall intercept survey has advantages of lower cost, higher response rate, and less travel time. It was decided that this technique would be the most appropriate data collection method. Additionally, to overcome the weakness in the mall intercept survey and in the sampling method, *this study followed some of the recommendations of Sudman (1980). The recommendation by Sudman are helpful in overcoming the sampling bias and improving the data quality.* Another consideration to take is in the questionnaire design, which cannot be too long. Shoppers are generally in hurry and would not want to take long time. Thus, short questionnaire is designed that does not take more than 10 minutes to answer.

In mall-intercept survey, it is a question of drawing people out of a continuous stream for sampling. It is difficult, though not impossible, to develop a probability sampling procedure for this situation. However, it requires a great deal of effort and monitoring by researcher and different interviewers. Due to the difficulty in conducting probability sampling, this study followed non-probability sampling method. (Gates & Solomon 1982, 46.)

4.2.2   Sampling

The primary data was collected using the convenience sampling method, which is also a form of non-probability sampling method. This sampling implies that sample units are chosen based on convenience to the researcher. Examples are surveys made in shopping malls. In non-probability samples, the chance of any unit in the population being selected is unknown. Since the randomness is absent in the selection process, the sampling error cannot be calculated. Nevertheless, this doesn't imply that the findings obtained from such methods are questionable. If proper considerations are taken while conducting the survey, the findings are as accurate as the probability sampling methods. (Kress 1988, 168.)

It is inevitable that the shopping center sampling will not have any have biases. Nevertheless, it is possible to reduce the sampling biases considerably, and to systematize sample selection procedure so that the researcher does not act biased in selection of respondents. (Sudman 1980, 424.) To make this sampling more accurate and reliable, selection of respondents can also be done in random manner, for example, selecting persons crossing a certain point or choosing person at every fifteen minutes. This technique still

implies non-probability sampling because probability of each person being selected is unknown. (Kress 1988, 168.)

Sudman (1980) sampling plans are generally commented as ideal for conducting mall surveys. *This study followed only some of the recommendations by Sudman regarding sampling selection rule within the shopping center*. The recommendations of Sudman (1980) that were followed concerns with *sample selection rule, rule of eligibility (i.e., how to determine who becomes eligible), and action to be taken incase two persons becomes eligible simultaneously*. These rules involved counting customers as they pass a specific direction (e.g., right to left) to a certain marked point from the interviewer. Every 10th person was selected. It was estimated to take maximum ten to fifteen minutes to select each sample. In case of several persons shopping simultaneously and regarding who becomes eligible, a rule was established that the person nearest to the interviewer becomes eligible first. Sudman (1980) argues that these procedures cannot completely reduce the interviewer selection bias; nonetheless, they help reduce it (Sudman 1980, 424). Other rule to consider was to avoid the use of single location within shopping center. It is a question of determining whether mall-intercept surveys should strictly follow suggestions of Sudman (1980), or some variants despite the practical difficulties. (Dupont 1987, 46-47.) The suggestions to incorporate weighting of sample to frequency of mall visit was ignored due to complexity.

4.3 Data analysis

The Statistical Package for the Social Sciences (SPSS) version 22.00 was used for data analysis. The tools used for data analysis include *analysis of frequencies, reliability analysis, factor analysis, and descriptive statistics.* Before analyzing the data, frequencies were checked to remove unusable, missing, and incomplete data. (De Leeuw, 2001).

Factor analysis was performed for survey questionnaires on section one and section two to identify how the items relate with each other, and if there are factors within the data set. Factor analysis examines the inter-correlations between multiple items (survey responses), and reduces the items into smaller number of groups known as factors. These factors contain correlated variables and measure similar thing. It helps in reducing and grouping the large items into discrete dimensions that can be summed or aggregated to

be used for data analysis. (Hooper 2012, 1-2.) It enables the researcher to determine existing factors that are present in a set of data. Factor analysis can also be used to check scale validity and uni-dimensionality of a scale. (Chan, 2014b, 2:51.)

Factor analysis is suitable for ordinal variables like Likert scales assuming the ordinal data to be interval in nature. (Chan, 2014b, 6:07-6:42.). It is advised to check whether the factor assumptions are met before running factor analysis. Here are list of assumptions of factor analysis.

1. The items must be interval in nature. However, it can also be used for ordinal data (e.g. scores assigned to Likert scales).

2. Factor analysis requires large sample size with about 300 minimum cases; nonetheless, in reality 150 should be sufficient.

3. It is important that researcher assess for outliers as their presence can affect the factor solutions.

4. No perfect multicollinearity

5. Though multivariate normality is a requirement, deviations from this are not detrimental to the results. (Exploratory factor analysis 1-2, Hooper 2012, 1-5.)

The researcher performed necessary statistical analysis to meet the assumptions of factor analysis. All the assumptions were met except for the normal distribution requirement. Hooper (2012, 1-5) explains that deviations from this requirement are not detrimental to the results. The statistical calculations on the assumptions of factor analysis are not reported in the study, as they seem less relevant and lengthy.

4.4   Evaluation of study

Researchers aim to create reliable and valid data collection tools (instruments) when conducting research. *Validity* and *reliability are two major elements in the evaluation of a measurement instrument. Validity* is the extent to which an instrument measures what it is intended to measure. (Kress 1988, 22.) On the other hand, *reliability* is concerned with the ability of an instrument to measure consistently. In other words, it is the extent to which a research instrument consistently has the same results if it is used in same situation repeatedly. An instrument cannot be valid unless it is reliable. Nevertheless, the reliability of an instrument does not depend on its validity.

The measures used in this study were examined for internal consistency (reliability) and construct validity. The need to conduct reliability test in the study comes because of the use of composite score. After performing factor analysis on questionnaires, the results might show some structure among the variables. There might be different groups of interrelated variables. If these group of variables has to be used further for data analysis, then it becomes cumbersome to consider too many variables. Thus, the creation of single index called *composite score* eliminates the complexity. (Yong & Pearce 2013, 79-80.) Before conducting factor analysis, reliability should be checked of those items going into composite index, which should be within required measure of 0.70. *Hence, the use of index or composites in the study has led to reliability analysis* (Chan, 2014a, 17:38). The reliability was examined using *Cronbach's alpha* coefficient (Cronbach, 1951). Basically, an acceptable level of coefficient alpha to retain in a scale is at least 0.70 - 0.95 (Tavakol & Dennick 2011, 54). High alpha values imply high reliability and vice versa. The calculation of Cronbach's alpha are presented in sub-chapter 5.1.1 (e.g. Table 9).

Validity is defined as the extent to which a concept is measured accurately. It is established when an instrument measures what it is intended to measure. (Kress 1988, 22.) Validity has three different elements: 1) content validity, 2) criterion validity, and 3) construct validity. *Content validity* refers to whether the manifest variables (i.e., items of questionnaire) is right to measure the latent concept (attitudes). One example of content validity is face validity, which is carried out by asking respondents if the instrument seems fair to them. The questionnaire was tested out with 18 Indian consumers prior to data collection for establishing face validity.

Construct validity is used to determine how well a test measures what it intends to measure. The construct validity was tested out by calculating *convergent* and *discriminant validity.* Rossi, Wright and Anderson (1983, 105) stresses that both convergent and discriminant validity taken together justify a measure of construct validity. Higher magnitude of correlations between measures of a similar construct as compared with those across others provide an evidence of convergent validity. (Campbell & Fiske 1959, according to Rossi et. al 1983, 105.) In other words, *when the scores on measures of same construct are related or have higher correlation, then convergent validity is established.* In contrast, *if scores on measures of different constructs have low correlation, discriminant validity is achieved*. (Sliter, 2014, 13:04.) Factor analysis can also be used to test the constructs and discriminant validity (Reio & Shuck 2015, 13). The figures generated

through factor analysis was used to compare the average loadings of each constructs with their criterion measures. *If average loading between items of a construct are greater than 0.7, then convergent validity is achieved.* Similarly, *if the variance extracted between items of different constructs are greater than its correlation square, extracted from component correlation matrix, discriminant validity is achieved.* (Sony 2014, 02:55- 04:15.) The calculation of convergent and discriminant validity are detailed in sub-chapter 5.2.

4.5   Limitations of study

Several studies have elaborated the complexity of how a customer assess the value of a product. This complexity arises because of the poorly conceptualized definition of the construct. Even though attempts have been made, none are particularly well suited for developing measures of customer value. (Smith & Colgate 2007, 8.) Nevertheless, it is possible to understand the dimensions that captures the realm of the construct. The concept of customer value defined in the study by Woodruff (1997) does reflect richness in the definition; however, *whether it can be effectively operationalized in construction of scale for measuring customer value is unclear.* Developing a standardized scale to capture the customer value construct as defined by Woodruff (1997) is a challenge. (Parasuraman 1997, 155.) Thus, the study only provides an example on how to improve the luxury value by utilizing the CVD and luxury value perception framework. Developing standardized scale for measuring customer value is not the aim of this study.

The study covered only the shoppers visiting specified shopping malls in New Delhi. Shopper's perception and attitude in other regions may vary. It is important to note that Indian middle class is not homogenous group. Consumer patterns differs between urbanization of cities (Mukherjee, Satija, Goyal, Mantrala & Zou 2012). Therefore, the results can only be generalized to the population similar to the samples characteristics.

The study also may suffer from few biases particularly due to the weakness in the data collection method. Despite of the convenience of conducting mall-intercept survey, it is equally complex and impractical to follow a strict sampling plan recommended by different studies. It is dependent on the researcher to follow modified methods or include every suggestion from different authors, which is not feasible. By considering only the suggestion from Sudman (1980) regarding sample selection rule, few biases might add to the limitations of this study. For example, not collecting data on *frequency of mall visit* and *the time expected to stay* on mall might give rise to length bias in sample. A sample is

said to be length biased if the probability of observing an individual at a particular site is dependent on how long the person stays at the site. Basically, the probability of interviewing an individual within a shopping center increases as the individual spends more time in the mall. If the demographic characteristics differ between the samples spending more/less time, the sample will be biased. (Nowell & Stanley 1991, 476.) Additionally, ignoring the data on frequency of mall visit might introduce bias in sample. If there are differences between characteristic of frequent and non-frequent shoppers, there will be biased sample. (Gates & Solomon1982, 46.) Nevertheless, the argument for not collecting data on length of stay can be strengthened by the fact that it might introduce another error in case the respondents give inaccurate information. Generally, respondents offer only their best guess and do not correctly estimate their length of stay (Nowell & Stanley 1991, 479). Similarly, the argument that biases occur due to not considering data on frequency of mall visit seems questionable. There is no basis for such conclusion; therefore, unless there is a reason for weighting on mall frequency, no weighting is the preferred course of action. (Dupont 1987, 50.)

Sampling errors occurs because the researcher has taken the sample instead of a complete census of population. The other kind of errors are the non-sampling errors which occurs even if we take much larger sample size. Likewise, frame errors may occur because the sample may not be representative of the population from which it was drawn. The other errors are response bias errors. It occurs because the subjects may have the tendency to exaggerate their incomes, misinterpret the question, or use their own creativity to give false information. These sampling errors are unavoidable, thus it is recommended to minimize them as possible.

4.6   Summary

Chapter 4 dealt with the research design, data collection and data analysis methods. Quantitative research method was chosen in the study. The quantitative study was conducted using a survey questionnaire. The questionnaire consists of items from previous literatures, and some were self-developed. The data was collected from Indian mall shoppers using mall-intercept survey. The mall intercept interview implies interviewing shoppers in shopping malls. The data was collected using the convenience sampling method. Only 200 surveys were useable for data analysis. This study followed Sudman's (1980) sampling selection rule within the shopping center for sampling purpose. Data on frequency

of mall visit and expected time of stay at mall was not collected. The Statistical Package for the Social Sciences (SPSS) version 22.00 was used for data analysis. The tools used for data analysis include analysis of frequencies, reliability analysis, and factor analysis. Assumptions of factor analysis were met except for the normal distribution requirement (Hooper 2012, 1-5). The internal consistency was examined using Cronbach's alpha co-efficient (Cronbach, 1951). The convergent and discriminant validity was tested using factor analysis. The findings of this research are now presented and analyzed in the next chapter.

5 FINDINGS OF STUDY

This chapter presents the findings of the study, including *sample characteristics*, *descriptive statistics* of research variables, and *research results.* The chapter also presents the results of *factor analysis* and *reliability analysis*. Sample characteristics such as gender, age, level of education, marital status, and income are reported in Table 1 to Table 5. The results of exploratory factor analysis are discussed in Table 5.1.1 and 5.1.2.

Out of the 500 mall shoppers approached for survey, 291 participated with a response rate of 58.2%. The survey was conducted at selected malls in New Delhi, India. Data were filtered and checked for any missing & incomplete data. Only 200 responses were useable for data analysis with missing data (n=91). Samples were asked to self-check the demographics options regarding age, gender, marital status, level of education, and income. A demographic profile of samples is presented in Table 1 to 5.

Table 1 Frequency distribution of respondent's gender

		Frequency	Percent	Valid Percent	Cumulative Percent
			Gender		
Valid	Male	98	49.0	49.0	49.0
	Female	102	51.0	51.0	100.0
	Total	200	100.0	100.0	

Table 2 Frequency distribution of respondent's age

		Frequency	Percent	Valid Percent	Cumulative Percent
			Age		
Valid	20-29	53	26.5	26.5	26.5
	30-39	53	26.5	26.5	53.0
	40-49	54	27.0	27.0	80.0
	50-55	24	12.0	12.0	92.0
55 & above		16	8.0	8.0	100.0
Total		200	100.0	100.0	

Table 3   Frequency distribution of respondent's marital status

Marital status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Married	122	61.0	61.0	61.0
	Unmarried	71	35.5	35.5	96.5
	Other	7	3.5	3.5	100.0
	Total	200	100.0	100.0	

Table 4   Frequency distribution of respondent's level of education

Level of education

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	High School	22	11.0	11.0	11.0
	Undergraduate	55	27.5	27.5	38.5
	Post-graduate Diploma	76	38.0	38.0	76.5
	Post graduate degree	22	11.0	11.0	87.5
	P.H.D	25	12.5	12.5	100.0
	Total	200	100.0	100.0	

Table 5   Frequency distribution of respondent's level of income

Level of income

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Low Income	63	31.5	31.5	31.5
	Middle Income	78	39.0	39.0	70.5
	High Income	59	29.5	29.5	100.0
	Total	200	100.0	100.0	

In the above table, (e.g. Table 1-5) the majority of respondents were female (51%). Age groups were divided into 5 categories. The highest percentage was represented by 40-49 age group at 27%. Respondent in age group 20-29 and 30-39 were equal representing 26.5%. About one third of respondents had received postgraduate Diploma (38%). Additionally, 27.5% were undergraduates. About 12.5% respondents had received P.H.D and 11% had received post graduate degrees. The income distribution was divided into five categories in the questionnaire, which was later recoded to transform into three categories representing three income levels. More than one third (39% of) respondents reported their annual family income between 4000$- 22,000$. Additionally, 31.5% respondents reported their income between 2000$- 4000$. The lowest percentage was reported at 29.5% with income level 22,000$ and above. The classification of income in

this study were made through the classification from (Ablett et al 2007, 13). Income level 2000$- 4000$ are classified as lower level income, and income level 4000$- 22,000$ are classified as middle level. Additionally, income of 22,000$ and above are classified as higher level income.

5.1   Exploratory factor analysis

Exploratory factor analysis (EFA) is a statistical technique to determine the most appropriate and interpretable factors for explaining the correlations among the observed variables. EFA is a method for identifying the structure of the factors within multiple variables. There are no restrictions to have pre-built underlying theory in order to conduct EFA. Hence, factor analysis can be performed even when there is no prior structure on the factors. EFA is also performed at early stages of research to build up new variables and generate new hypotheses about underlying theoretical structure. (Reio & Shuck 2015, 13.) EFA can also be used to test the construct validity.

Before conducting EFA, researcher need to make number of decision, such as selecting factor extraction method, number of factors to extract, type of rotation, and interpretation and naming of factors. (Reio & Shuck 2015, 13-14.) There are several factor extraction approaches, yet the most common approaches are Principal component analysis (PCA) and Principal Axis Factoring (PFA). There is always bit of debate as to the merit of each approach, and it is upon the researcher to choose one; nevertheless, the virtual results are pretty much similar despite the approaches (Reio & Shuck 2015, 16). This study used PCA factor extraction as it is the most common used method. While conducting EFA, it is important to decide how many factors should be retained. There are a few factor retention rules to guide the researcher in this area. The most common rules include the *eigen-value-greater-than-one rule* and *scree test*. In this study, both scree test and Eigen value rule was used to determine the number of factors. The other decision to make was in choosing the factor rotation strategies between (a) orthogonal or (b) oblique. Orthogonal rotations assume the factors uncorrelated, whereas oblique rotation assumes correlated factors. Examples of orthogonal rotations include varimax, quartimax, and equamax. Oblimin, quartimin, and promax are examples of oblique rotation methods. Most researcher use orthogonal rotations (varimax) because of the default settings. However, if the factors are correlated, orthogonal rotations might result illusory solutions, thereby preferring oblique rotations for this study. (Reio & Shuck 2015, 19.) Promax rotation

using SPSS 22.00 was performed for constructs in the first and second section of questionnaire. It is best to have higher loading coefficients i.e., higher correlated coefficients as they are meaningful and interpretable easily (Reio & Shuck 2015, 20). Items loading above 0.50 on a single factor was included. Internal consistency of multiple indicators was examined using Cronbach's alpha. A Cronbach's alpha of 0.70 was set as the minimum score for determining the internal reliability of scale items (Tavakol & Dennick 2011, 54). The working on factor analysis is presented below.

5.1.1 Factor analysis of masstige brand image value dimension

Factor analysis was performed separately for survey questions on section 1 and section 2. The below results are obtained through running factor analysis on section 1 of survey questionnaire –masstige brand image value dimension. Running factor analysis produces several tables and figures. The presented tables and figures include *results of KMO (Kaiser-Meyer-Olkin) & Bartlett's test of sphericity*, *pattern matrix, descriptive statistics, total variance explained,* and *scree plot*. It was necessary to perform the KMO and Bartlett's test to examine if the sample is adequate and appropriate to run factor analysis. Table 6 presents the results of KMO and Bartlett's test.

Table 6   KMO and Bartlett's Test of Sphericity for factor analysis of masstige brand image-value perceptions/dimension

Kaiser-Meyer-Olkin Measure of sampling adequacy		0.511
Bartlett's Test of Sphericity	Approx. Chi-square	419.164
	df	45
	Sig.	0.000

The test produced a KMO value of 0.511 (>0.5). The results indicate that the sample is adequate to perform factor analysis. The Bartlett's test of sphericity (Sig. ≤0.000) confirms the results of KMO. After the results of KMO Bartlett's test confirmed it was appropriate to run factor analysis, rest of the tables are analyzed. There were 10 measurement items included in the masstige brand image value dimension in section 1 of Appendix. To determine how many factors are retained, it is important to look at Table 7. The table includes the *total variance explained*.

Table 7   Presentation of total variance explained

Com Po- nent	Initial Eigen Values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total
1	2.038	20.377	20.377	2.038	20.377	20.377	1.709
2	1.623	16.228	36.605	1.623	16.228	36.605	1.592
3	1.518	15.184	51.789	1.518	1.518	51.789	1.601
4	1.404	14.036	65.825	1.404	1.404	65.825	1.611
5	1.306	13.060	78.884	1.306	1.306	78.884	1.578
6	.528	5.279	84.163				
7	.449	4.491	88.654				
8	.424	4.237	92.891				
9	.378	3.782	96.673				
10	.333	3.327	100.00				

Extraction method: Principal components analysis
When components are correlated, sum of squared loadings cannot be added to obtain a total variance.

The table above presents the calculated variance for each factors. It revealed five factors, accounting to 78.884% of the variance. It is recommended that the variance explained by each factor should be analyzed, and the extracted factors should explain at least 40% of the total variance in the original variables. (Reio & Shuck 2015, 17.) In the table above, the Eigen value at Factor 5 is 1.306, and it decreased to 0.528 at factor 6. Since the most common rule of deciding how many factor to retain is *eigenvalue-greater-than-one rule*, it is clear that there are 5 factors in the data. Additionally, the scree plot is an additional criterion to determine the number of factors. The figure on the next page is a scree plot, which is a graphical representation for determining the number of factors.
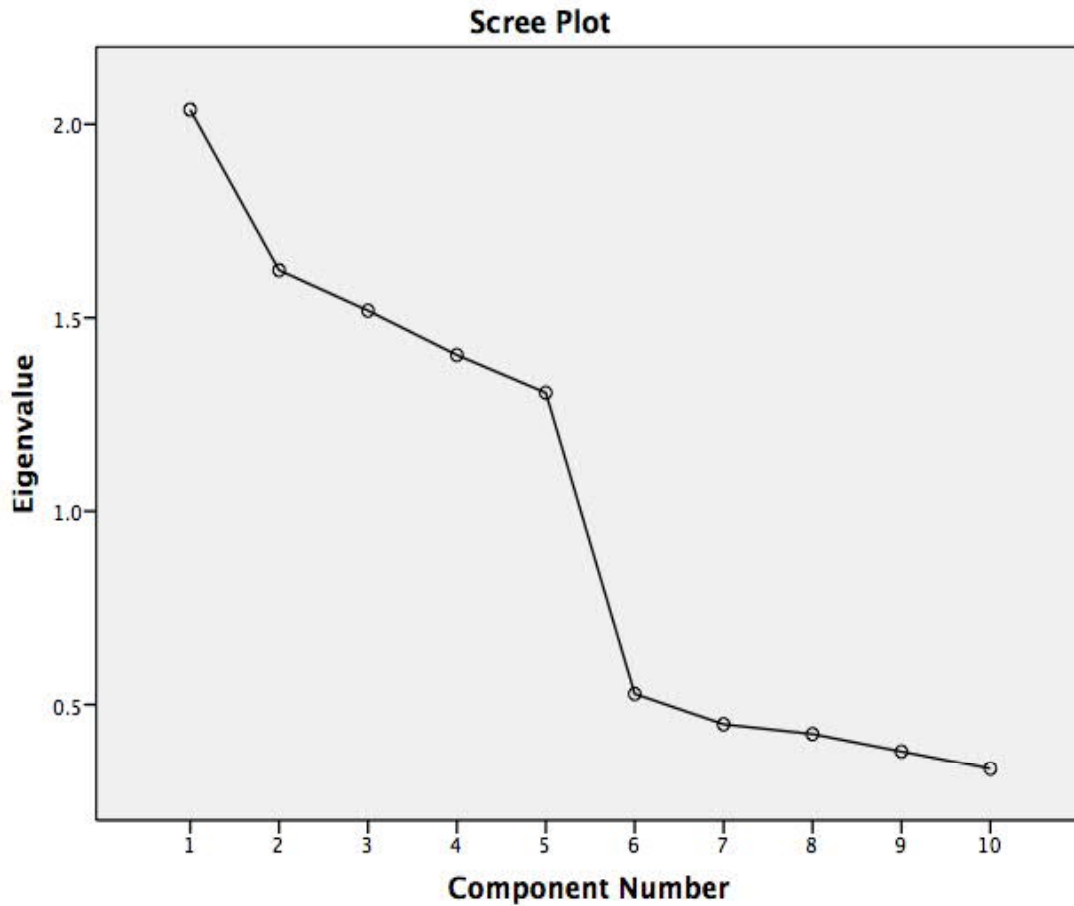
Scree Plot

Figure 10   Figure showing scree plot

In the above figure, the scree plot shows the Eigen values on y-axis and factors retained on x-axis. The point where the slope of curve represents a steep decline indicates the number of factors to retain. In this figure, we can clearly see there are five factors with Eigen value of 1.30. After identifying there are five factors in the set of variables, the next step is to know how each item load onto their respective factors. The pattern matrix presents the variables and their factor loadings. Each row of the pattern matrix is regression equation where the observed variable is expressed as function of factor. The pattern matrix is generated through factor analysis detailed in next page.

Table 8   Presentation of pattern matrix

	Component				
	1	2	3	4	5
Level of agreement: These brands have good functionality in terms of quality and performance.				.892	
Level of agreement: These brands provide me greater opportunity in experimenting in and out of the brands				.871	
Level of agreement: It helps me to feel fashionable and cool			.882		
Level of agreement: I can better express my style through these brands			.890		
Level of agreement: It helps me to impress others					.880
Level of agreement: It helps me to show my status					.863
Level of agreement: Owning this brand gives me pleasure		.876			
Level of agreement: Owning this brand makes me feel special		.888			
Level of agreement: I don't mind paying higher prices for these brands because they are worth it.	.881				
I feel reluctant in using the lower priced items of the brand (Reverse coded)	.925				

Extraction method: Principal components analysis
Rotation Method: Promax with Kaiser Normalization.
Rotation converged in 5 iterations.

The Factor loadings above shows different items and their numerical loadings on the respective factor. The loadings ranged from 0.863 to 0.925. The results from the pattern matrix shows loading of 10 items within five factors relating to masstige brand value dimensions. Each variable has 2 factor loadings, which is greater than 0.80 in all cases. The pattern matrix clearly shows what items are loaded onto what factors. For example, the first two items are loaded on factor 4, the second and third items are loaded on factor 3. In a similar way, the table clearly shows the items and their loadings onto respective factors. The results also show that there have been 5 iterations before arriving at these factors. After knowing the items and their loadings, it now becomes important to name these factors. Table 9 is custom made table by combining the obtained figures, such as descriptive statistics, pattern matrix, and reliability analysis. Table 9 also shows factors names, which are given to each set of variables that load together. In the pattern matrix

(e.g. Table 8), we can see that for each factor, two items load highly on their respective factor, signifying high correlation. In Table 9, these i*tems are put together with their respective means and standard deviations.* The factor names, means of each variables, standard deviations, and cronbha's alpha are also listed. *The composite mean/index/ is computed by calculating the average between two mean of items in same factor* (Chan, 2014a, 17:38). The need for creating composite arise because it is cumbersome to have many items representing one variables. Instead, items that load on same factor can be averaged to create *composite mean*. The creation of *composite score/mean* demands a reliability analysis. In the study, cronbha's alpha is used to check the reliability. The table outlined in next page presents a custom made table that consists of factor names, composite means, standard deviations, and the cronbha's alpha.

Table 9   Results of factor analysis and descriptive statistics of masstige brand image-
value dimension (N=200)

Factor names	Items	Mean	S. D	Composite mean (C. mean)
Functional image -value dimension (Factor 4)	Level of agreement: These brands have good functionality in terms of quality and performance	4.470	.74287	4.4600
	Level of agreement: These brands provide me greater opportunity in experimenting in and out of the brand	4.450	.73498	
	Cronbha's alpha	.717		
Self-directed image -value dimension (Factor 3)	Level of agreement: It helps me to feel fashionable and cool	4.130	.7181	
	Level of agreement: I can better express my style through these brand	4.215	.6936	4.1725
	Cronbha's alpha	.725		
Other's-di-rected image-value dimension (Factor 5)	Level of agreement: It helps me to impress others	1.575	.6757	
	Level of agreement: It helps me to show my status	1.580	.6899	1.5775
	Cronbha's alpha	.685		
Hedonic image -value dimension (Factor 2)	Level of agreement: Owning this brand gives me pleasure	2.065	.70231	
	Level of agreement: Owning this brand makes me feel special	2.075	.68683	2.0700
	Cronbha's alpha	.720		
Cost/sacri-fice image-value dimen-sion (Factor 1)	Level of agreement: I don't mind paying higher prices for these brands because they are worth it.	2.3650	91431	
	I feel reluctant in using the lower priced items of the brand (Reverse coded	2.2500	1.0924	2.3075
	Cronbha's alpha	.768		

In the table above, factor 1 consists items that measure the *images-value dimension* associated with cost perceptions of masstige brand, such as people don't mind paying higher prices for the brand and reluctance in using lower priced items. This factor was named cost/sacrifice image -value dimension, as the items included in these factors relates to Cost and prices issues. Cronbach's alpha of the items included in the factor is 0.768.

The composite mean of this dimension is 2.3075. It implies that respondents express disagreement relating to cost-image dimension received from masstige brands.

Factor 2 consists items that measure the *hedonic perceptions associated with* masstige brand. This factor was named hedonic image-value dimension, as the items included in these factors relates to hedonic issues. Cronbach's alpha of the items included in the factor is 0.720. *The composite mean of this dimension is 2.07. It implies respondents disagreed that masstige brands provided hedonic image value dimensions.*

Factor 3 consists items that measure the *self-related dimensions* of masstige brand. It included items that measured whether the brand allowed people to express their style. This factor was named self-directed image value dimension, as the items included in these factors relates to consuming luxury for self-expression. Cronbach's alpha of the items included in the factor is 0.725. *The composite mean of this dimension is 4.172. It implies respondents agreed that masstige brands provided self-directed value dimensions.*

Factor 4 consists items measuring *functional dimensions* of masstige brand. It included items that measured if the brand had good functionality and was practical. This factor was named functional image-value dimensions. Cronbach's alpha of the items included in the factor is 0.717. *The composite mean of this dimension is 4.46. It implies respondents highly agreed that masstige brands provided functional image dimensions.*

The fifth factor consisted items that measured the *social dimensions of masstige brand*. It included items that measured if the brand allowed people to impress others and show status. This factor was named other-directed image-value dimension. Cronbach's alpha of the items included in the factor is 0.685. *The composite mean of this dimension is 1.577. It implies respondents highly disagreed that masstige brands provided other's-directed image dimensions.* The value of cronbha alpha is higher than 0.7 for all dimensions except other's directed value dimension of masstige brand. This may impact on the reliability of the scale *other's directed value dimension.*

5.1.1.1 *Images value dimension received from masstige brands*

To analyze what image-value dimension customer receive from masstige brand, descriptive statistics of composite means calculated from responses to section 1 of survey questionnaire were formed. The composite means are already calculated in table 9 above. Table 10 presents the results in more detail form with the mean, median and mode. All scores

are based on 5-point scales ranging from 1-5 (1= strongly disagree, 2= Disagree, 3= neither agree, nor disagree, 4= agree and 5= strongly agree).

Table 10   Results of descriptive statistics of masstige brand image-value dimension

	C. mean. functional image-value dimension	C. mean. self-directed image - value dimension	C. mean. other's-directed image - value dimension	C. mean. hedonic image - value dimension	C. mean. cost image - value dimension
N Valid	200	200	200	200	200
Missing	0	0	0	0	0
Mean	4.4600	4.1725	1.5775	2.0700	2.3075
Median	5.0000	4.0000	1.5000	2.0000	2.2500
Mode	5.00	4.00	1.50	2.00	3.00

The respondents believed that masstige brands *provided functionality values highest* among other dimensions. It is reflected by the average mean of 4.46 and median of 5.00. Respondents strongly agreed the brands had higher functionality. Additionally, respondents agreed the brand also *provided high self-image value dimension.* It's mean and median are 4.1725 and 4.00 respectively. It implies respondent agreed that the masstige brand allowed them self-expression. *Other directed image* and *hedonic image* had *low* means of 1.5775 and 2.0700 respectively. Additionally, the value of mean and median of cost image dimension is 2.3 and 2.25 respectively. This implies respondents *disagreed that the brands provided hedonic, other directed benefits and cost image-value dimensions.* These three image dimensions scored lower than average, which signifies that respondents believed masstige brands performed below average in delivering these three values dimensions. The similar findings are also represented in bar diagram (e.g. Figure 11). The figure presents the composite means reported in table 10 in graphical form.
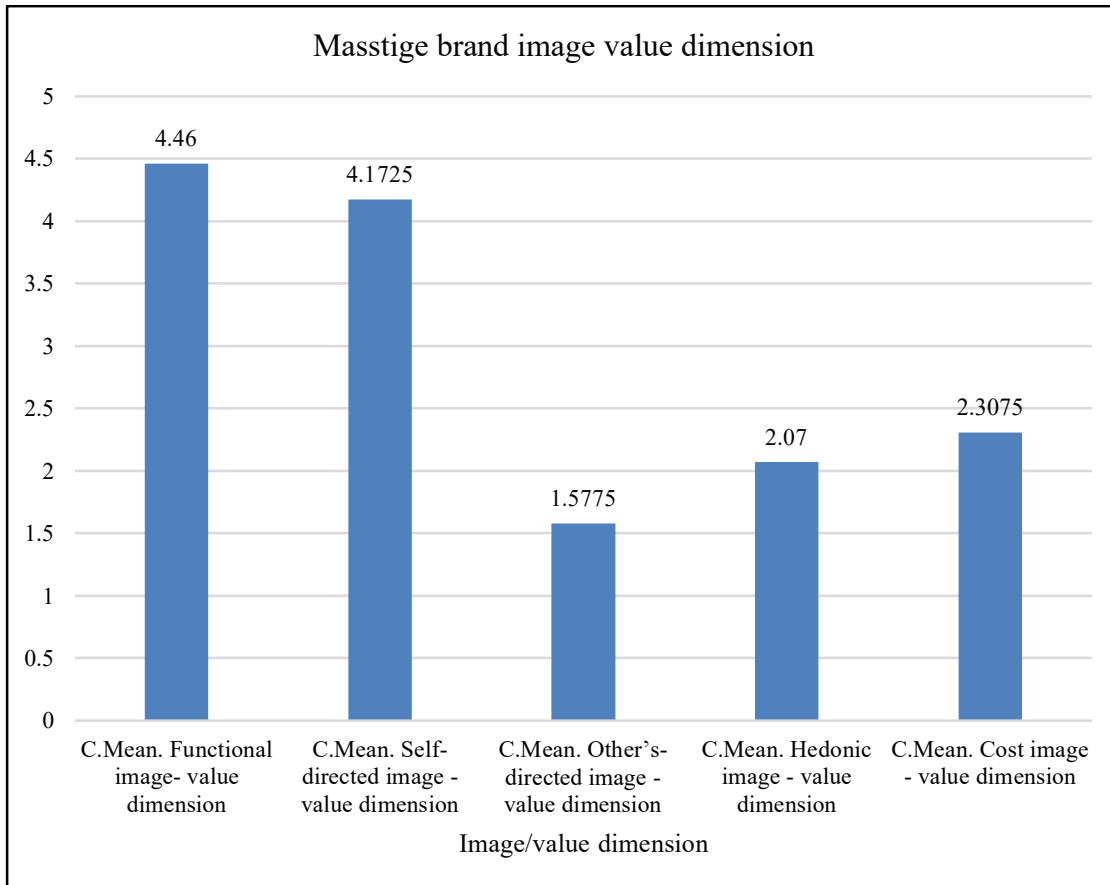
Figure 11   Bar diagram showing masstige brand image-value dimensions

In the above Figure, the value dimensions are shown in x-axis, whereas the composite mean is shown in y-axis. It can be seen in the diagram that functional and self-directed values have higher means. It implies that respondents strongly agreed masstige brand provided functional values highest followed by self-image value dimension. The mean of the functional and self-directed image value dimension were 4.46 and 4.17 respectively. On the other hand, respondents perceived the brand had lower other-directed, cost image, and hedonic image value dimensions. Thus, in response to the sub-research question one "*What are the image value dimensions received from masstige luxury brands*", *the results shows that masstige brands provide higher functionality and self-directed image value dimensions.* Additionally, respondents disagreed masstige brands provided cost-image values, other directed values, and hedonic value dimensions.

5.1.2 *Factor analysis of luxury value dimension*

The results below are obtained through running factor analysis on section 2 of survey questionnaire –luxury value dimension in Appendix 1. Running factor analysis produces several tables and figures, and it is dependent upon the researcher to present all the results or only the relevant ones. This sub-chapter presents the results of *KMO* and *Bartlett's test, pattern matrix, descriptive statistics, total variance explained,* and *scree plot*. It was necessary to perform the KMO and Bartlett's test to examine if the sample is adequate and appropriate to run factor analysis. Table 11 presents the results of KMO and Bartlett's test. KMO and Bartlett's test is used to check the sampling adequacy and to determine whether it is appropriate to run factor analysis on the data. Table 11 presents the results of KMO and Bartlett's test.

Table 11   KMO and Bartlett's Test of Sphericity for factor analysis of luxury value dimensions

Kaiser-Meyer-Olkin Measure of sampling adequacy		0.664
Bartlett's Test of Sphericty	Approx. Chi-square	860.498
	df	66
	Sig.	0.000

The test produced a KMO value of 0.664 (>0.5). It implies that the sample is adequate to perform factor analysis. The Bartlett's test of sphericity (Sig. ≤0.000) confirms the results of KMO. After the results of KMO Bartlett's test confirmed that it was appropriate to run factor analysis, other figures were analyzed.

There were 12 measurement items included in survey questionnaire relating to the Luxury value perception/dimension. To see how many factors were retained for these variables, it is important to look at the table of variance. The most common rule of deciding how many factor to retain depends on the *eigenvalue-greater-than-one rule*. Additionally, the variance explained by each factor should be analyzed, and the extracted factors should explain at least 40% of the total variance in the original variables. Variance above 75% is recommended. (Reio & Shuck 2015, 17.) The Table of Variance is presented in next page in Table 12.

Table 12   Presentation of total variance explained

Com-Ponent	Initial Eigen Values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total
1	2.889	24.078	24.078	2.889	24.078	24.078	2.486
2	2.320	19.332	43.410	2.320	19.332	43.410	2.416
3	1.720	14.330	57.740	1.720	14.330	57.740	1.913
4	1.338	11.150	68.890	1.338	11.150	68.890	1.630
5	1.207	10.057	78.948	1.207	10.057	78.948	1.732
6	.500	4.166	83.114				
7	.447	3.725	86.839				
8	.391	3.259	90.099				
9	.368	3.063	93.162				
10	.320	2.668	95.830				
11	.272	2.271	98.100				
12	.228	1.900	100.00				

The results above revealed five factors, which accounted for 78.948% of the variance. In the table above, the Eigen value at Factor 5 is 1.207, and it decreased to 0.500 at factor 6. It is clear that there are 5 factors in the data. The figure below presents a scree plot, which can also determine how many factors are present in the data.
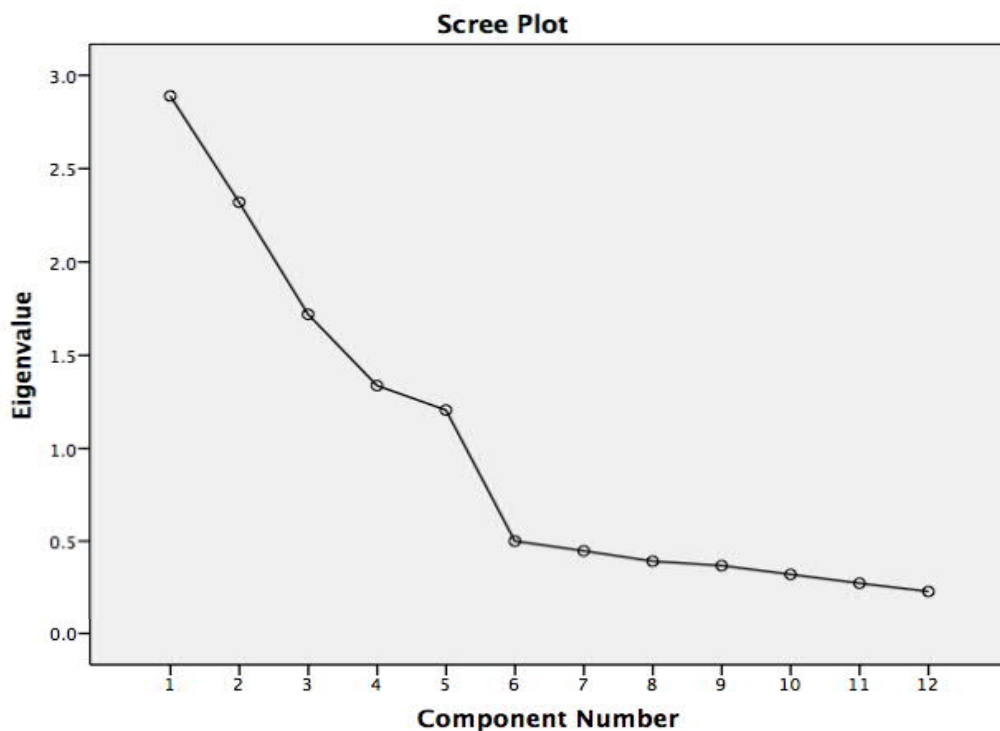

Figure 12   Presentation of scree plot

The scree plot is an additional criterion used to determine how many factors are presented in the data. The point where the slope of curve represents a steep decline indicates the number of factors to retain. In Figure 12, we can clearly see there are five factors in the data with Eigen value of 1.207. After the number of factors in a data are identified, the next step is to know how each item load onto their respective factors, which is shown by the pattern matrix below.

Table 13   Pattern matrix

	Component				
	1	2	3	4	5
Level of agreement: In my opinion buying luxuries is useful.			.864		
Level of agreement: I consider my purchase of luxury accessories to be practical.			.896		
Level of agreement: I often buy luxury brand accessories that reflect my own image.	.825				
Level of agreement: My choice of luxury brands depends on whether they reflect how I see myself but not how others see me.	.926				
Level of agreement: I am highly attracted to unique luxury accessories.	.903				
Level of agreement: I like to own new luxury accessories before others do. (Reverse coded)		.878			
Level of agreement: I dislike luxury accessories that everyone has. (Reverse coded)		.830			
Level of agreement: Luxury accessories make me a fashion leader rather than a fashion follower. (Reverse coded)		.870			
Level of agreement: It is important to me to own really nice things.					.867
Level of agreement: Buying Luxury accessories give me a lot of pleasure.					.896
Level of agreement: In my mind, higher price equals higher quality.				.891	
Level of agreement: An item being higher in price makes it more desirable to me.				.888	

Extraction method: Principal component analysis
Rotation Method: Promax with Kaiser Normalization.
Rotation converged in 5 iterations

The pattern matrix shows the factor loadings of items on their respective factors. The loadings ranged from 0.825 to 0.926. The results from the pattern matrix shows five factors and their factor loadings. Each factor has 2 or 3 items loading, and the loadings are greater than 0.80 in all cases. The pattern matrix clearly shows items/variables loaded

onto their respective factors. For example, the first two items are loaded on factor 3, the third, fourth and fifth items are loaded on factor 1. In a similar way, the table clearly shows the variable and their loadings onto respective factors. After knowing the variables and their loadings, it now becomes important to name these factors.

The table below (e.g. Table 14) is custom made combining the descriptive statistics, Pattern matrix, and reliability analysis obtained after running factor analysis. It is used to show the factor names derived for each set of variables that load on their respective factor. In the pattern matrix, we observed for each factor two or three variables load highly, signifying high correlation. In the table below, variables loading together on same factor are put together with their respective means and standard deviations. The table also includes the factor names, composite means/index, and cronbha's alpha. *The composite mean/index is computed by calculating the average between two mean of items in same factor*. The creation of composite score/mean demands a reliability analysis checked through cronbha's alpha in this study.

Table 14   Results of factor analysis and descriptive statistics of luxury value dimension (N=200)

Factor Names	Items	Mean	S. D	Composite mean (C. mean)
Cost/sacrifice value dimension (Factor 4)	Level of agreement: In my mind, higher price equals higher quality.	4.3050	.79696	4.29
	Level of agreement: An item being higher in price makes it more desirable to me.	4.2750	.76308	
	Cronbha's alpha	.741		
Functional value dimension (Factor 3)	Level of agreement: In my opinion buying luxuries is useful.	1.9950	.95894	2.1150
	Level of agreement: I consider my purchase of luxury accessories to be practical.	2.2350	1.0561	
	Cronbha's alpha	.729		

Factor names	Items	Mean	S. D	Composite mean (C. mean)
Self-directed value dimension(Factor 1)	Level of agreement: I often buy luxury brand accessories that reflect my own image.	1.9200	.71846	1.9550
	Level of agreement: My choice of luxury brands depends on whether they reflect how I see myself but not how others see me.	1.9300	.68369	
	Level of agreement: I am highly attracted to unique luxury accessories.	2.0150	.71928	
	Cronbha's alpha	.861		
Other's-directed value dimension (Factor 2)	Level of agreement: I like to own new luxury accessories before others do. (Reverse coded)	4.3850	.62347	4.376
	Level of agreement: I dislike luxury accessories that everyone has. (Reverse coded)	4.3450	.65431	
	Level of agreement: Luxury accessories make me a fashion leader rather than a fashion follower. (Reverse coded)	4.4000	.54910	
	Cronbha's alpha	.825		
Hedonic value dimension (Factor 5)	Level of agreement: It is important to me to own really nice things.	2.9500	.71418	3.0225
	Level of agreement: Buying Luxury accessories give me a lot of pleasure	3.0950	.74076	
	Cronbha's alpha	.733		

In the above table (e.g. Table 14) factor 1 consists items associated with *self-directed values*. Items included values allowing self-expression. This factor is named self-directed value dimension. Cronbach's alpha of the items in this factor is 0.861. *The composite mean of this dimension is 1.955. It implies that respondents do not attach importance to self-directed dimension in gaining value from luxury brands.*

Factor 2 consists items associated with *other's-directed and social signaling values*. Items in these factors includes recognizing the need and approval of others in consumption of luxury. It deals with the need to impress others. This factor is named other's-directed value dimensions. Cronbach's alpha of the items in this factor is 0.825. The composite mean of this dimension is 4.376. Among all other dimensions, *the composite mean*

for this dimension is highest. It implies that respondents attach highest importance to other's-directed dimensions in gaining value from luxury brand.

Factor 3 consists items associated with *functionality*. Items included are the importance of functionality and practicality in a luxury. This factor is named functional value dimensions. Cronbach's alpha reliability of the items included in this factor was 0.729. *The composite mean of this dimension is 2.115. It implies that respondents do not attach importance to functional dimension in gaining value from luxury.*

Factor 4 consists items associated with *costs and price issues.* Items in this factor included consumers' responses about attaching higher priced items with high quality and prestige. This factor is named cost/sacrifice value dimensions. Cronbach's alpha reliability of the items in this factor is 0.741. The *composite mean of this dimension is 4.29, and it ranked second highest dimension in gaining value from luxury.* Respondents do attach importance to this dimension in gaining value from luxury brand.

Factor 5 consists items associated with *hedonic values*. The items included in this factor consist of hedonic aspects of luxury, such as pleasure and emotion. This factor is named hedonic value dimension. Cronbach's alpha reliability of the items included in this factor is 0.33. *The composite mean of this dimension is 3.0225. It implies that respondents neither agreed, nor disagreed about the importance of this dimension.*

5.1.2.1   *Important dimensions in luxury value perception*

Descriptive statistics of composite means of each factor were formed in order to analyze the most important dimensions for luxury value perception. The composite means are already presented in table 14. The descriptive statistics presents the results in more detail form with the mean, median and mode in Table 15. All scores are based on 5-point scales ranging from 1-5 (1= strongly disagree, 2= Disagree, 3= neither agree, nor disagree, 4= agree and 5= strongly agree).

Table 15   Results of descriptive statistics of luxury value dimension

	C. mean functional value dimension	C. mean. self-directed value dimension	C. mean other's-directed value dimension	C. mean hedonic value dimension	C. mean cost /sacrifice value dimension
N Valid	200	200	200	200	200
Missing	0	0	0	0	0
Mean	2.1150	1.9550	4.3767	3.0225	4.2900
Median	2.0000	2.0000	4.3333	3.0000	4.5000
Mode	1.50	2.00	4.00	3.00	5.00

The respondents expressed that *other's-directed dimension* is the *most important* dimension in gaining value from luxury brands. It is reflected by the average mean of 4.37 and median of 4.33. The results shows that respondents perceived highest value in a luxury brand when it delivered social signaling values. It implies people perceive high value in luxury brand when it allows them to display wealth and status symbol. In a similar manner, respondents *agreed that cost /sacrifice dimension is also important in gaining value from luxury brands.* It is reflected by the average mean of 4.29 and median of 4.5. On the other hand, value dimensions such as self-directed, functional, and hedonic scored low with means with 1.955, 2.11, and 3.02 respectively. It implies that these dimensions are not important to the respondents.

The similar findings are also presented in bar diagram (e.g. Figure 13). The figure shows the composite mean values of luxury value perception/dimension presented in table 15. The bar diagram reveals that the other's directed and cost/sacrifice dimensions are the most important which increase the value perception of luxury brands. The bar diagram is presented at the next page.
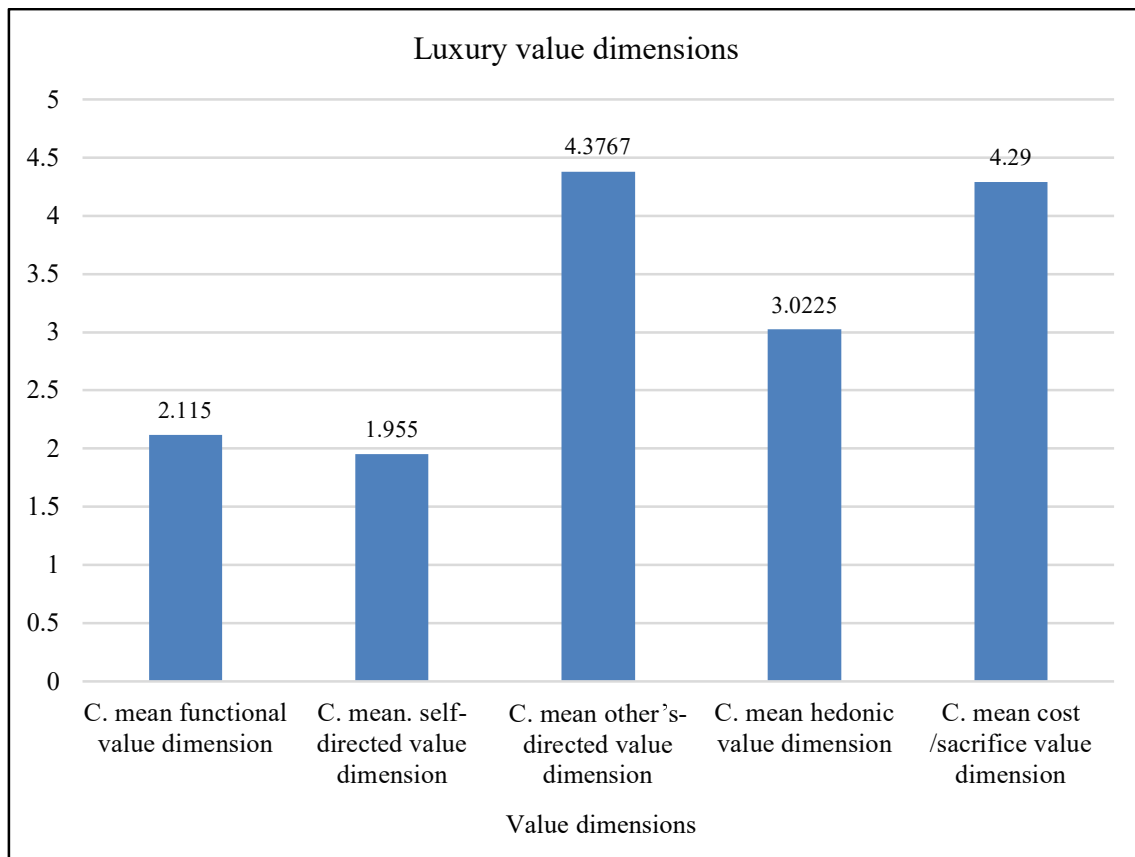
Figure 13   Bar diagram showing luxury value dimension

The above bar diagram is represents the composite means obtained in Table 15. The composite means of all the value dimensions can be seen in the figure above. *Respondents expressed that others-directed and cost/sacrifice value dimensions* are the most important dimensions, represented by mean of 4.37 and 4.29. In order of ranking, the *others-directed value played a greater role.* The results signifies that luxury brands delivering high *others-directed and cost/sacrifice dimensions are perceived* to provide more value. The other three value dimensions have low means. Respondents did not express the importance of these value dimensions. Thus, in response to the sub-research question two "*which value dimensions play important role in luxury value perception*", *the result states that others-directed and cost/sacrifice value dimensions are the most important dimensions, increasing the perceived value in a luxury brand.*" On the other hand, the other three dimensions did not play significant role.

5.1.3   Comparing the desired value dimensions with masstige brand received value dimension

The third sub-research question" *How well (poorly) does the masstige brand delivered/received value align with the desired value dimensions*?" requires comparing the masstige brand received value and desired values dimensions. The desired value dimensions are obtained by answering the second sub-research question analyzed in sub-chapter 5.1.2.1. Likewise, the received value dimensions from masstige brands are obtained by answering the first sub-research question analyzed in sub-chapter 5.1.1.1.

It has already been explained in sub-chapter 3.1.2 that customers will perceive maximum value in luxury when the expected/desired value aligns with "received value". The CVD process explained in sub-chapter 3.1.2 points out how an organization/brand can evaluate own performance in delivering the desired value to customers. The value dimensions detailed in sub-chapter 3.1 explained the different luxury dimensions. At the same time, it is important to identify the significance of these dimensions to the target customers. The findings presented on sub-chapter 5.1.2.1 provides results on desired value dimensions. The findings presented on sub-chapter 5.1.1.1 provide results on respondents perception of image-value dimensions received from masstige brands. *To make the comparison of masstige brand received value dimensions with the desired value dimensions, the composite means of both value dimensions are presented and analyzed in same bar diagram in Figure 14*. The desired value dimensions acts as a comparison standard for comparing with the composite means of received values. Eggert and Ulaga (2002, 108-109) explains that in the situation when customers perceive that the received value exceeds the expected/desired value, consumers are over-satisfied. Likewise, when the received value is less than expected/desired value, then consumers feel dissatisfied; *the most favorable situation is when the "desired value "is similar to the "received value"* (Huber et al. 2001, 42). With this note, the bar diagram at figure 14 can be used to analyze how well these value dimensions align. Figure 14 presents the composite means of both value dimension in same graph. The means of desired value dimensions are represented by blue bar, whereas the masstige brand received value dimensions are represented in green bar.

Comparison of C. Mean (Masstige brand received value dimension with desired value dimension)

■ Masstige brand received value dimensions   ■ Desired luxury value dimension

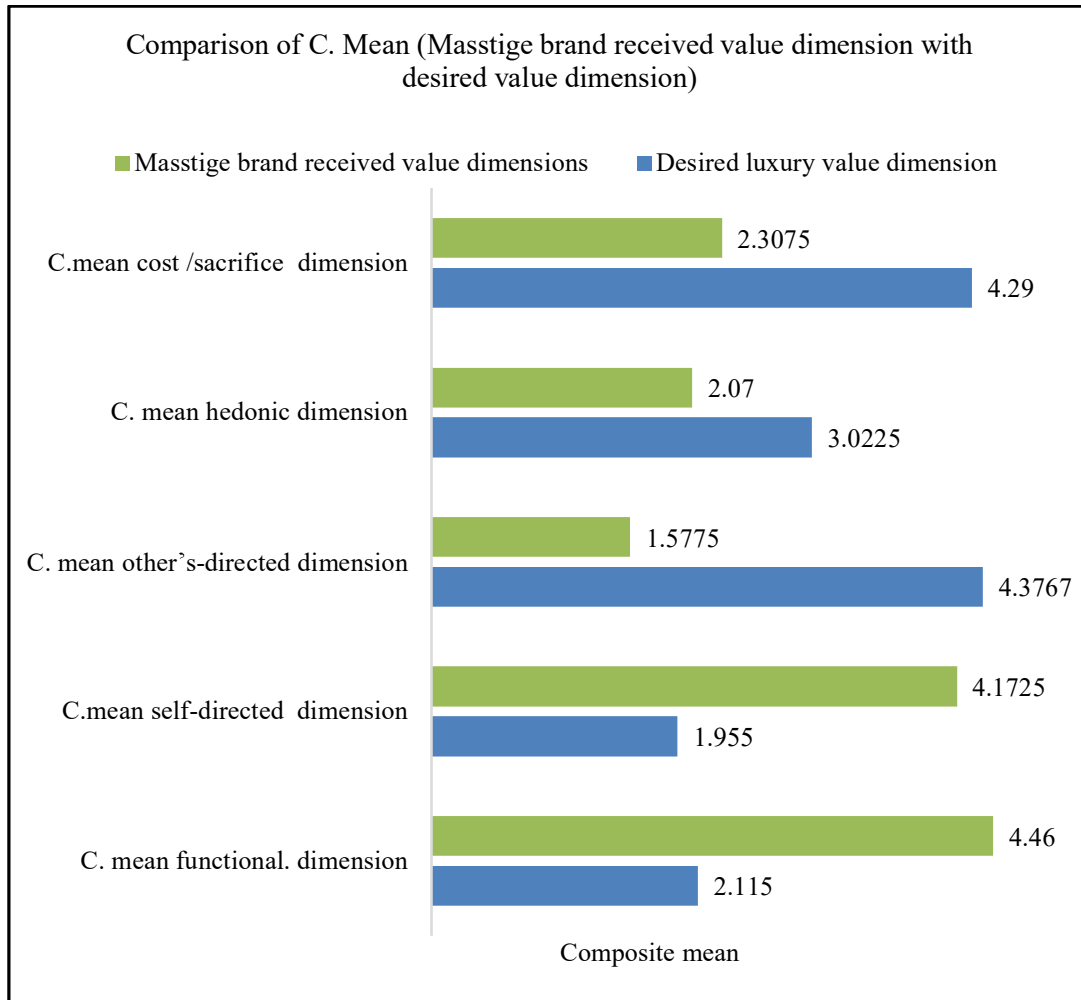| Dimension	Masstige received	Desired luxury
C.mean cost /sacrifice dimension	2.3075	4.29
C. mean hedonic dimension	2.07	3.0225
C. mean other's-directed dimension	1.5775	4.3767
C.mean self-directed dimension	4.1725	1.955
C. mean functional. dimension	4.46	2.115

Composite mean

Figure 14   Comparison of means between masstige brand image-value dimension and luxury value dimension

The above figure shows non-alignment of composite means of both value dimensions. For some dimensions, the desired value dimensions has higher means, and for some dimensions the received image value dimensions has higher means. The above bar diagram provides better comparison of means between the value dimensions.

Comparison between means of other-directed value dimensions – In the above bar diagram, the composite mean of the other-directed value dimension is 4.37, whereas the composite mean of the image value dimension received from masstige brands is 1.57. Here, the mean of received value from masstige brand is lower than the mean of desired value. Eggert & Ulaga 2002 (108-109) explains consumers feel dissatisfied or under-fulfilled when the product performance is below expectations. Since the mean of received value is lower than desired value for this dimensions, consumers sense *under-fulfillment.*

Comparison between means of cost/sacrifice value dimension - In the above bar diagram, the mean of the cost/sacrifice value dimension is 4.29, whereas the mean of the cost image-value dimension received from masstige brands is 2.30. Here, mean of the received value from masstige brand is lower than the desired value. When desired value exceeds received value, then consumers sense under-fulfillment. (Huber et al. 2001,42; Eggert & Ulaga 2002, 108-109).

Comparison between means of hedonic value dimensions- In the above bar diagram, the mean of the hedonic value dimension is 3.0225, whereas the mean of the hedonic image value dimension received from masstige brands is 2.07. The mean value of 3.0225 implies that respondents have neutral responses regarding the importance of hedonic value dimension. Though the received value from masstige brand is lower than the desired value for this dimension, the difference might not be as significant due to the neutral agreement of respondents on the importance of hedonic value dimension.

Comparison between means of self-directed value dimensions- In the above bar diagram, the mean of the self-directed value dimension is 1.955, whereas the mean of the self-directed image value dimension received from masstige brands is 4.1725. The composite mean at 1.955 implies that respondents disagree about the importance of self-directed values in luxury brand. In other words, the value dimension is not important to the respondents. On the other hand, the mean of 4.1725 of the masstige image dimension implies that respondents agreed the brand provides the self-directed image values. Here, the received value from masstige brand is higher than the desired value. When desired value is lower than received value, then consumers sense over-fulfillment. In this case, consumers sense *over-fulfillment* (Huber et al. 2001, 42; Eggert & Ulaga 2002, 108-109).

Comparison between means of functional value dimensions- In the above bar diagram, the mean of the functional value dimension is 2.11, whereas the mean of the functional image value dimension received from masstige brands is 4.46. The composite mean at 2.11 implies that respondents disagree about the importance of functional values in luxury brand. In other words, the value dimension is not important to the respondents. On the other hand, the mean of 4.46 of the masstige image value dimension implies that respondents highly agreed the brand provide functional image values. Here, the received value from masstige brand is higher than the desired value. When desired value is lower than received value, then consumers sense over-fulfillment (Huber et al. 2001, 42; Eggert & Ulaga 2002, 108-109). In this case, consumers sense *over-fulfillment*.

The above comparison provides a conclusion that the desired luxury value dimensions does not align with the received value dimensions of masstige brands. Other-directed and cost/sacrifice value dimensions were the most important dimensions to the respondents; however, customers perceived that masstige brands delivered very low values on these dimension. Likewise, the self-directed, hedonic, and functional value dimensions were not important to the respondents. However, respondents perceived that masstige brands delivered high self-directed and functional image dimensions. Thus, the *imbalance* of received values and desired values can be seen in all of the value dimensions.

5.2   Reliability and validity

The measures used in this study were examined for *reliability* and *validity*. The use of index or composites in the study has led to reliability test (Chan, 2014a, 17:38). The reliability was examined using *Cronbach's alpha* coefficient (Cronbach, 1951). Cronbha's alpha should be between the values of 0.70 to 0.95 for an item to be retained in scale. The results of Cronbha's alpha are reported in Table 9 and Table 14. The cronbha's alpha of items in masstige brand image value dimension ranged from 0.685 to 0.768. The items in the other's directed-image value dimensions was less reliable with cronbha's alpha of 0.685. Nonetheless, other items were above the minimum value of 0.7. The luxury value dimension scale reliability was also tested using cronbha's alpha. All the items reliability value ranged from 0.729 to 0.861, which is a good indicator of reliability.

The validity was examined through testing convergent and discriminant validity. These tests were performed for constructs of the masstige brand image value dimension as well as luxury value dimension. The calculation and explanation of convergent and discriminant validity is discussed in next sub-chapter.

5.2.1   *Calculation of convergent validity of masstige brand image value dimension and luxury value dimensions*

Construct validity is used to determine how well a test measures what it intends to measure. The construct validity was examined by testing *convergent* and *discriminant validity*. Convergent validity can be tested by comparing the average loadings of each constructs in the pattern matrix with their criterion measures. Convergent validity is achieved when

average loading between item in same constructs is greater than 0.7. The following formulae is used to calculate the average loadings.

Average loading = Sum of factor loading of items/No. of items in factor (from pattern matrix in Table 8)

Table 16   Average loadings of masstige brand image value dimensions

Average loading functional image value dimension	0.8815
Average loading self-directed image value dimension	0.8860
Average loading other-directed image value dimension	0.8715
Average loading hedonic image value dimension	0.8820
Average loading cost image value dimension	0.903

The same formulae is used to calculate the average loadings for Luxury value dimension.

Average loading = Sum of factor loading of items/No. of items in factor (from pattern matrix in Table 15)

Table 17   Average loadings of luxury value dimensions

Average loading functional value dimension	0.880
Average loading self-directed value dimension	0.8846
Average loading other-directed value dimension	0.8593
Average loading hedonic value dimension	0.8815
Average loading cost value dimension	0.8895

In the above calculations (e.g. Table 16 & 17), the average loadings of all the constructs are above 0.7, which proves the existence of convergent validity.

5.2.2 *Calculation of discriminant validity of masstige brand image value dimension and luxury value dimension*

Discriminant validity is tested by analyzing the *variance extracted* and the *correlation square*. To test the discriminant validity, it should be checked that for all possible combination of constructs of value dimensions, the variance extracted should be greater than the correlation square. *The correlation square is achieved through component correlation matrix generated by factor analysis* (e.g. Table 22 & 23). (Sony 2014, 02:55- 04:15.)

First, the variance extracted of single construct is calculated by squaring the average loading of constructs obtained in table 16 and 17. Then, the researcher calculates the variance extracted for all possible combination of construct, shown in Table 20 and 21. *When variance extracted between items of different constructs are greater than the correlation square extracted from component correlation matrix, discriminant validity is achieved.* Discriminant validity is tested by computing the three elements listed below:

1. Variance extracted of single constructs.
2. Variance extracted between all possible combinations of constructs.
3. Correlation square (obtained from component correlation matrix).

1. Calculating variance extracted of single constructs

The formulae used is *Variance extracted of a construct X = Square of (Average loading of construct X)*

Table 18   Presentation of variance extracted for masstige brand value dimension

Variance extracted functional image value dimension	0.7770
Variance extracted self-directed image value dimension	0.7849
Variance extracted other-directed image value dimension	0.7595
Variance extracted hedonic image value dimension	0.7779
Variance extracted cost image value dimension	0.8154

Table 19   Presentation of variance extracted of luxury value dimension

Variance extracted functional value dimension	0.7744
Variance extracted self-directed value dimension	0.7825
Variance extracted other-directed value dimension	0.7383
Variance extracted hedonic value dimension	0.7770
Variance extracted cost value dimension	0.7912

After obtaining the variances of single constructs, the second step is calculating variance extracted between all possible combinations of constructs. Table 20 and 21 presents the calculation on variances between possible combinations of constructs in next page.

2. Calculating Variance extracted between all possible combinations of constructs

The formulae used is *Variance extracted between two constructs = (Variance extracted of construct X * variance extracted of construct Y)/2*

Table 20   Variance extracted between construct of masstige brand image value dimensions

Variance extracted between cost and functional image value dimension	0.7962
Variance extracted between cost and self- image value dimension	0.8002
Variance extracted between cost and other-directed image value dimension	0.7874
Variance extracted between cost and hedonic image value dimension	0.7966
Variance extracted between hedonic and functional image value dimension	0.7774
Variance extracted between hedonic and self-directed image value dimension	0.7814
Variance extracted between hedonic and others-directed image value dimension	0.7687
Variance extracted between others-directed and functional image value dimension	0.7682
Variance extracted between others-directed and self-directed image value dimension	0.7722
Variance extracted between self-directed and functional image value dimension	0.7810

Table 21   Variance extracted between construct of luxury value dimensions

Variance extracted between cost and functional value dimension	0.7828
Variance extracted between cost and self-directed value dimension	0.7868
Variance extracted between cost and other-directed value dimension	0.7648
Variance extracted between cost and hedonic value dimension	0.7841
Variance extracted between hedonic and functional value dimension	0.7757
Variance extracted between hedonic and self-directed value dimension	0.7797
Variance extracted between hedonic and others-directed value dimension	0.7577
Variance extracted between others-directed and functional value vimension	0.7563
Variance extracted between others-directed and self-directed value dimension	0.7604
Variance extracted between self-directed and functional value dimension	0.7784

After the variance extracted are obtained, the third step is to calculate correlation square for all the possible combination of constructs. The correlation square can be obtained by squaring the *correlations in the correlation matrix generated by factor analysis*. The below tables shows the component correlation matrix.

3. Calculating correlation square

Table 22   Component correlation matrix of masstige brand image value dimension

Com-ponent	1 (Cost image value dimension)	2 (Hedonic image value dimension)	3 (Self-directed image value dimension)	4 (Functional image value dimension)	5 (Other-directed image value dimension)
1	1.000	.069	.099	.108	-.151
2	.069	1.000	.024	-.024	-.010
3	.099	.024	1.000	.074	-.034
4	.108	-.024	.074	1.000	-.085
5	-.151	-.010	-.034	-.085	1.000

Table 23   Component correlation matrix of luxury value dimension

Com-ponent	1 (Self-directed value dimension)	2 (Others-directed value dimension)	3 (Functional dimension)	4 (Cost value dimension)	5 (Hedonic value dimension)
1	1.000	-.059	-.260	-.001	.045
2	-.059	1.000	.185	-.003	.195
3	-.260	.185	1.000	-.103	.119
4	-.001	-.003	-.103	1.000	-.086
5	.045	.195	.119	-.086	1.000

The above correlation matrix provides the information on correlation between all combinations of factors. *To obtain the correlation square*, the correlation obtained from correlation matrix must be squared for all combination of factors/components. Table 24 and 25 in the next page presents the calculated correlation square for all possible combination of factors/components.

Table 24   Calculating correlation square for masstige brand image value dimension

Possible combination of dimension	Correlation	Correlation square
Cost and functional	0.108	0.011664
Cost and self-image dimension	0.099	0.009801
Cost and other-directed	-0.151	0.022801
Cost and hedonic	0.069	0.004761
Hedonic and functional	-0.024	0.000576
Hedonic and self-directed	0.024	0.000576
Hedonic and others-directed	-0.010	0.00000
Others-directed and functional	-0.085	0.007225
Others-directed and self-directed	-0.034	0.001156
Self-directed and functional	0.074	0.005476

Table 25   Calculating correlation square for luxury value dimension

Possible combination of value dimensions	Correlation	Correlation square
Cost and functional value. dimension	-0.103	0.010609
Cost and self-directed value dimension	-0.001	0.000001
Cost and other-directed value dimension	-0.003	0.000009
Cost and hedonic value. dimension	-0.086	0.007396
Hedonic and functional value dimension	0.119	0.01461
Hedonic and self-directed value. dimension	0.045	0.002025
Hedonic and others-directed value. dimension	0.195	0.038025
Others-directed and functional value. dimension	0.185	0.034225
Others-directed and self-Directed value. dimension	-0.059	0.003481
Self-directed and functional value dimension	-0.260	0.068

Checking discriminant validity: Comparing the variance extracted with correlation square for masstige brand value dimension (Refer to Table 20 & 24)

Cost and functional image value dimension

0.7962>0.011664 (Variance extracted > Correlation square)

Since the variance extracted is greater than the correlation square, *discriminant validity is established.*

Cost and self-image value dimension

0.8002>0.009801 (Variance extracted > Correlation square)

Since the variance extracted is greater than the correlation, *discriminant validity is established.*

Cost and other-directed image value dimension

0.7874>0.022801 (Variance extracted > Correlation square)

Since the variance extracted is greater than the correlation, *discriminant validity is established.*

Cost and hedonic image value dimension

0.7966>0.004761 (Variance extracted > Correlation square)

Since the variance extracted is greater than the correlation, *discriminant validity is established.*

Hedonic and functional image value dimension

0.7774>0.000576 (Variance extracted > Correlation square)

Since the variance extracted is greater than the correlation square, *discriminant validity is established.*

Hedonic and self-directed image value dimension

0.7814>0.000576 (Variance extracted > Correlation square)

Since the Variance extracted is greater than the correlation square, *discriminant validity is established.*

Hedonic and others-directed image value dimension

0.7687>0.00000 (Variance extracted > Correlation square)

Since the variance extracted is greater than the correlation square, *discriminant validity is established.*

Others-directed and functional image value dimension

0.7682>0.007225 (Variance extracted > Correlation square)

Since the variance extracted is greater than the correlation square, *discriminant validity is established.*

Others-directed and self-directed image value dimension

0.7722>0.001156 (Variance extracted > Correlation square)

Since the variance extracted is greater than the correlation square, *discriminant validity is established.*

Self-directed and functional image value dimension

0.7810>0.005476 (Variance extracted > Correlation square)

Since the variance extracted is greater than the correlation square, *discriminant validity is established.*

Checking discriminant validity: Comparing the variance extracted with correlation square for luxury value dimension between (Refer to Table 21 & 25) **–**

Cost and functional value dimension

0.7828>0.010609 (Variance extracted > Correlation square)

Since the variance extracted is greater than the correlation square, *discriminant validity is established.*

Cost and self-directed value dimension

0.7868>0.000001 (Variance extracted > Correlation square)

Since the variance extracted is greater than the correlation square, *discriminant validity is established.*

Cost and other-directed value dimension

0.7648>0.000009 (Variance extracted > Correlation square)

Since the variance extracted is greater than the correlation square, *discriminant validity is established.*

Cost and hedonic value dimension

0.7841>0.007396 (Variance extracted > Correlation square)

Since the variance extracted is greater than the correlation square, *discriminant validity is established.*

Hedonic and functional value dimension

0.7757>0.01461 (Variance extracted > Correlation square)

Since the variance extracted is greater than the correlation square, *discriminant validity is established.*

Hedonic and self-directed value dimension

0.7797>0.002025 (Variance extracted > Correlation square)

Since the variance extracted is greater than the correlation square, *discriminant validity is established.*

Hedonic and others-directed value dimension

0.7577>0.038025 (Variance extracted > Correlation square)

Since the variance extracted is greater than the correlation square, *discriminant validity is established.*

Others-directed and functional value dimension

0.7563>0.034225 (Variance extracted > Correlation square)

Since the variance extracted is greater than the correlation square, *discriminant validity is established.*

Others-directed and self-directed value dimension

0.7604>0.003481 (Variance extracted > Correlation square)

Since the variance extracted is greater than the correlation square, *discriminant validity is established.*

Self-directed and functional value dimension

0.7784>0.068 (Variance extracted > Correlation square)

Since the variance extracted is greater than the correlation square, *discriminant validity is established.*

The above comparison calculated the variance extracted and correlation square in order to examine the convergent and discriminant validity. Validity was achieved for all the value dimensions. The next chapter draws the conclusions of this study. The thesis ends with a short summary.

6 CONCLUSION AND SUMMARY

6.1 Discussion and conclusion

This research started with explaining the term "luxury". Luxury are defined as the extras or inessential things which make life more comfortable, conducive, pleasurable rewarding, and enjoyable (Danziger 2005, 17). Numerous studies state that the luxury is not only confined to the traditional concepts. The" democratization" of luxury has led to emergence of newer kind of luxury known as"masstige brands". Granot et al. (2013) carried out an exploratory research to study the masstige brands. The study identified themes that were classified into masstige brands features (Granot et al. 2013, 34). These features fall into one or the other value dimensions. The related theoretical part and empirical analysis has been used to answer the first sub-research question. Additionally, there has been numerous studies on luxury value dimensions. This study presented a brief literature review on the luxury value perception framework. Shukla and Purani (2012) identified five dimensions of value: *functional/utilitarian value perception, other-directed/expressive value perception, cost/sacrifice value perception, experiential/hedonic value perception,* and *self-directed/ expressive value perception*. The framework and empirical analysis was used to answer the second sub-research question regarding the most important value dimensions.

This research provided a new perspective on how the CVD and luxury value perception framework can be utilized to provide insights on increasing luxury value perception for masstige luxury brands. *Conducting quantitative research on masstige is an added contribution on the subject*. The findings from this research did contradict and match as well with the existing literatures. The results to the first sub-question "*What are the image-value dimensions received from masstige luxury brands*" indicated that masstige brands were perceived as delivering high functional and self-directed value dimensions. This results agreed with the previous studies on masstige brands, as they are associated with higher functionality, high self-catering, and self-indulgent. Contradictorily, respondents disagreed that these brands provided cost-image, other directed image, and hedonic image value dimensions. This result was quite surprising, as masstige brands are perceived to deliver hedonic and others directed values, which can be used for social signaling and attracting others. These findings add to the limited research on masstige brands, as well as it lays foundation to encourage more studies for exploring viewpoints of wider

audiences. Similar study on different samples or in different region will provide insight on different value dimensions delivered by masstige brands. Additionally, the results to the second question "*Which value dimensions play important role in luxury value perception*", implied that others-directed and cost value dimensions were important dimensions. These results agreed with the previous literatures. The results are no surprising as the Indian culture places importance to social status and signaling. The collectivist psyche of Indian society regard luxury consumption as a means to achieve social recognition and place high importance to others directed value dimension. (Dubois et al. 2005, 120-121.) Respondents stated self-directed and hedonic value dimension as non-significant. This response might be observed because Indian culture values modesty and humility. Additionally, democratization and increased penetration of luxury goods might lead to value contraction and decline in pleasure seeking consumption of luxury goods.

This research provide implications for practitioners and researchers as well. Woodruff's (1997) CVD framework emphasizes on comparing the received value and desired value dimensions. It lets companies/brands know their *consumers preferences, products offerings,* and *its value to customers*. The results gained through the comparison in sub-question three provide companies/brand with insights that can be used to *reorient their marketing and value creation strategies*. The analysis was made by comparing the first and second sub-research question, which is also illustrated in Figure 14. The analysis revealed that functional, hedonic, and self-directed value dimensions are not regarded significant by respondents, whereas other-directed value dimension and cost value dimension are important. In the same figure, it can be observed that respondents did not agree masstige brand delivered other's directed value dimension. Instead, respondents agreed that masstige brands offered higher functional and self-directed values. When consumers feel the product does not perform as expected, he/she feels dissatisfied (Eggert & Ulaga 2002, 108-109). Huber et al. (2001, 42- 45) also supports the idea that when desired value exceeds received value, then consumers sense *under-fulfillment*. Masstige brands can use this information to develop their marketing and value creation strategies to compete on creating superior other directed value dimensions. *Therefore, the implications to the brands/companies are to increase their marketing efforts to increase the status and other directed values. These brands should try to convey the message that they have high status and hold higher value*. Luxury brands represent significant to individuals who value social impression (Wiedmann et al. 2007, 632.) The higher importance of other directed value dimension to the respondents is of no surprise as Indians are likely to show

their status through their luxury purchases. The luxury consumption culture in Indian culture is flashy and showoff. This also explains the reasons to regard social signaling values as significant. (Stein 2014, 32: Bothra 2013b, 18.) In the same figure, it can be observed that respondents' perception of the values received from masstige brands imply that masstige brand provided high functional and self-directed values. Since the importance of these value dimensions were not expressed by respondents, masstige brands should reconsider directing their resources and marketing strategies to more important value dimensions (other-directed value dimension). *Respondents highly agreed that other-directed and cost/sacrifice dimension is the important dimensions, therefore this study recommends channeling the resources to the respective value dimensions that increases luxury value perception of masstige brands.*

Masstige brands can also map out the desired value creation portfolio of Indian market. The value creation portfolio of desired values can be used to create either new products or enhance the existing product to produce richer value proposition. Brands should evaluate whether it would be financially and practically viable to add extra values. It might be difficult to create high value offerings on all the dimensions; nevertheless, companies should be competitive in delivering the important value dimensions to their target customers. Masstige brands can also map the value creation portfolio of the values delivered by masstige brands. These portfolio can also be used to map their value creation strategy in relation to key competitors. *Additionally, these portfolio can be used to compare with the portfolio of desired values and take necessary actions*. These findings will assist research into luxury brands to uncover luxury value perceptions and preferences of customers in India.

Indian have core values that differ according to economic, social, and geographical diversity. These differences may impact their value perceptions. Similar studies in different regions in India will assist in generalizing the findings of the study. Past study identified several dimensions that influence luxury value perception. Future studies may benefit looking at additional luxury value dimensions. *The findings obtained can be further tested within different regions of India to examine if the same value dimensions play important role*. This might strengthen or contradict with the findings bringing new insights on the perception of value dimensions. Though the research is mainly applicable to masstige brands, future research can look to improve value perceptions for other luxury brands as well.

It is important to timely evaluate if the existing theory from which theoretical insights are drawn is adequate. However, Parasuraman (1997, 155) explains this might not be the case. Smith & Colgate (2007) points that previous research have poorly conceptualized definitions of the *customer value* construct, and none are particularly well suited for developing marketing strategies or developing measures of customer value. (Smith & Colgate 2007, 8.) There is still a need of richer and newer customer value theories. Woodruff's definition of customer value still raises question in the operationalization of the construct while developing scale for measuring customer value. Thus, developing standardized scale to capture the customer value construct is a challenge and not the aim of this study.

This paper provides recommendation for future studies as well. Future studies could explore the relationship between desired value, received value, and overall customer satisfaction in the customer value hierarchy. Likewise, research should also explore the nature of relationships at each level in the customer value hierarchy. Exploring these provides much richer theories in the respective area. It has been explained that evaluation of value differs in different contexts. For example, the perception of value differs for pre-use, in use, and post-use situations. Conceptual and empirical research is needed to understand the roles of attribute, consequence and goal level criteria in the customer value hierarchy. (Parasuraman 1997, 157.) Another such area in which research is needed is the process of how consumer engage in assessing values. Woodruff's model implies that consumers evaluate value by comparing the desired and received value. However, comparing desired values (assessed prior purchase) and received values (assessed after purchase) may not be comparable if the criteria are different. Thus, research should explore how would consumers engage in such complex process, and what would be the nature of process like.

A company has to continually monitor the market and determine customer wants and priorities in order to compete on delivering superior customer value. Since customers preferences does change, important value dimensions are also likely to change over time. Future longitudinal studies should understand the nature and cause of change. Future research can also delve into the 4th and 5th questions in CVD to add to the limited theory on customer value. Research should also explore the 4th and 5th questions in CVD, such as "*why are we doing poorly (well) on important value dimensions?*" and "*What are target customers likely to value in future?*"

6.2   Summary

This thesis main objective was to find out *the implications of luxury value perceptions within the Indian market for masstige luxury brands*. For answering this main research question, three sub-questions were presented and answered. These three sub-questions were: *1) what are the image value dimensions received from masstige luxury brands? 2) Which value dimensions play important role in luxury value perception? 3) How well (poorly) does the masstige brand delivered/received value align with the desired value dimensions?* These questions were answered by reviewing the previous literature on the topic, choosing a data analysis method, conducting the research, and analyzing the results.

The literature review are presented in chapter two and three. The second chapter focused on the first sub-question. It concentrated on explaining the term luxury and masstige brands image value dimensions. Berthon et al. (2009, 48) describes luxury in terms of combination of the *experiential, symbolic,* and *functional value*. This chapter consists of two sub-chapters. The first sub-chapter concentrated on explaining the *changing concept of luxury* and provided short overview on *luxury business*. Previously, luxury was defined in traditional way that was associated with high price, status and exclusivity. (Danziger 2005, 18.) Later, with the changes in consumer behavior today's consumers embrace the" democratization" of luxury, which implies that luxury is for masses (Danziger 2005, 7-8). The second sub-chapter focuses on *brand value* and *masstige brands*. Consumers form brand value by associating images, experiences, attitudes, emotions, lifestyles, and consumer characteristics with the brand. (Arvidsson 2005, 237-239.) Brands should understand the customers' perceptions, and they should ensure to deliver the required value dimensions. (Keller 2009, 294.) The chapter then talks about masstige brands. Masstige brands represent "democratization of luxury", which implies the brand is for masses (Danziger 2005, 7-8). Granot et al. (2013, 36) exploratory study identified image value dimensions linked to masstige brands. These image dimension include *functionality and superiority/functional dimension, fashionable and cool image/Hedonic dimension, social signaling/ other-directed values, self-catering/self -directed dimensions, and moonshooting & bottombarelling /Cost-sacrifice value dimension*. (Granot et al. 2013, 38.) This chapter focused on the first sub-question.

The third chapter concentrated on *luxury value perception* and *customer value*, which observed the second and third sub-research questions. The first sub-chapter discusses

about customer value and CVD, and it focuses on third sub-research question. An appropriate approach for describing customer values is the *means-end* theory, which assumes that customers acquire products/services to attain favorable ends. Woodruff (1997) work on customer value is regarded as a noteworthy contribution. The customer value is illustrated by customer value hierarchy model. It explains that the *desired value* and *received value* come into play when evaluating customer value. *Desired value* refers to desired combination of attribute-consequence and personal goals dimensions. It can be set as benchmark for comparing how well product serves customers goals. (Woodruff 1997, 141.) The work by Shukla and Purani (2012, 1418) on the luxury value dimensions has been used in the study to identify important/desired value dimensions. The luxury value perception framework is discussed in detail in subchapter 3.2.1-3.2.5, which observes the second sub-question. On the other hand, *received value* is forming an opinion or feelings about the actual value experiences of using a product/brand. (Woodruff 1997, 141.) Received value represent received images/ value dimensions in a product/brand. In the study received values of masstige brands are observed in sub-question one. The CVD consists of five questions. The first question asks, *what target customers value*. This question is reviewed on sub chapter 3.2, which describes a short literature review on the different value dimensions. The second question in the CVD process states *the need to find the important/desired value dimensions, which is* obtained in sub-question two. The third question asks "*how well (poorly) are we doing in delivering the value that target customers want?*" This question is answered by the third sub-question, which analyses the findings obtained from sub question one and two in the study. This analysis provides information to the company/brand on alignment/non-alignment between the received values and desired values. Huber et al. (2001, 45) explains in the most favorable situation, the "expected/desired value "is equal to the "received value" (Huber et al. 2001, 42). The fourth and fifth question are not in the context of this study and suggested for future.

Mall-intercept survey was used to collect the data. Data analysis techniques used in the study were analysis of frequencies, reliability analysis, and factor analysis. The survey is conducted in India, South Delhi, in two selected shopping malls. Findings presented in chapter 5 for first sub-question revealed that *respondents believed masstige brands has the highest functionality among other variables*. Additionally, respondents *agreed the brand also provided high self-image value dimensions. Other value dimensions were not fulfilled by masstige brands.* Additionally, the results to second-sub question illustrated

that *other-directed and cost/sacrifice value dimensions were the most desired value dimensions expressed by the respondents. The Other three values dimensions were not expressed as important by the respondents.* Analyzing the third sub-question it was noted that there is non-*alignment* between the value dimensions between sub-questions one and two. Though other-directed and cost/sacrifice value dimensions were the most desired value dimensions, respondents *did not agree* that masstige brand delivered these values . In the comparisons, the *received value* from masstige brand was *lower* than the *desired value,* which implies that consumer's sense *under-fulfillment.* The analysis also revealed that *functional, hedonic, and self-directed value dimensions* are *not significant to respondents.* Nevertheless, respondents expressed that masstige brand provided *high functional and self-directed values.* Since the received value from masstige brand is higher than the desired value, consumers sense *over-fulfillment.*

The answer to the main research question is illustrated in this paragraph. The implications to the *masstige brands is to design their marketing efforts to increase the status and other directed value. The brands should try to convey the message that these brands holds higher value and impresses others. Masstige brands should reconsider directing their resources and marketing strategies from less relevant value dimensions (functional, hedonic, and self-directed value dimensions to more important value dimensions (other-directed and cost/sacrifice value dimension).*The results from this study will be particularly helpful for masstige brands and other luxury brands in understanding positioning, identifying source of competitive advantage, and in developing marketing strategies.

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APPENDIX 1 SURVEY QUESTIONNAIRES

Turku School of Economics: Study of masstige brands image values dimensions and luxury value Perception.

This survey is carried out as a part of completion of research assignment in thesis. The purpose of this study is to *offer implications of luxury value perceptions within the Indian market for masstige luxury brands*. The survey consists of 3 sections. The First section consists questionnaires relating to masstige luxury brands; the second section consists questions on luxury value dimensions, and third section includes questionnaires relating to demographics. Masstige brands are newer concept in luxury having high prestige, while still being accessible to mass markets. Some of the examples include Calvin Klein, Tommy Hilfiger, Armani Jeans, Victoria Secret, Ralph Lauren polo shirts and Coach. Confidentiality is maintained and interview is conducted anonymously. The interview will take approximately 10 minutes.

Interview location **(Please select one option)**
1) DLF Promenade, New Delhi
2) Select Citywalk, New Delhi

Image value dimensions of masstige brands
(Please select one option in the box below in response to the following statements.)
1. I am familiar with one or more of the following luxury brand. (Calvin Klein, Armani Jeans and Tommy Hilfiger.)
   ☐ Yes   ☐ No

2. I have tried one or more of the following luxury brand. (Calvin Klein, Armani Jeans and Tommy Hilfiger.)
   ☐ Yes   ☐ No

3. I have bought one or more of the following luxury brand over the past year. (Calvin Klein, Armani Jeans and Tommy Hilfiger.
   ☐ Yes   ☐ No

The statement below describes images values delivered/received from masstige brands. Please indicate whether you agree or disagree with each of following statement, and how strongly, by ticking one box for each statement. You can indicate your response in general, for the above brands based on your familiarity. All scores are based on 5-point

scales ranging from 1-5 (1= strongly disagree, 2= Disagree, 3= neither agree, nor disagree, 4= agree and 5= strongly agree).

Section 1: Masstige brand image-value dimension

S.N	Statements	Strongly disagree	Disagree	Neither disagree, nor agree	Agree	Strongly agree
1	These brands have good functionality in terms of quality and performance.					
2	These brands provide me greater opportunity in experimenting the brands.					
3	It helps me to feel fashionable and cool.					
4	I can better express my style through these brands.					
5	It helps me to impress others.					
6	It helps me to show my status.					
7	Owning this brand gives me pleasure					
8	Owning this brand makes me feel special.					
9	I feel reluctant in using the lower priced items of the brand.					
10	I don't mind paying higher price for these brands because they are worth it.					

Section 2: Luxury value Perception/dimension

The following statements define different factors/dimensions that are considered when gaining value from luxury brands. Please indicate your response whether you agree or disagree with the following statement in regard to luxury brands. All scores are based on 5-point scales ranging from 1-5 (1= strongly disagree, 2= Disagree, 3= neither agree nor disagree, 4= agree and 5= strongly agree).

S.N	Statements	Strongly disagree	Disa-gree	Neither disagree nor agree	Agree	Strongly agree
1	I often buy luxury brand accessories that reflect my own image.					
2	My choice of luxury brands depends on whether they reflect how I see my-self but not how others see me					
3	I am highly attracted to unique luxury accessories.					
4	I like to own new luxury accessories before others do.					
5	I dislike luxury accessories that everyone else has.					
6	Luxury accessories make me a fashion leader rather than a fashion follower.					
7	It is important to me to own really nice things.					
8	Buying luxury accessories gives me a lot of pleasure.					
9	In my opinion buying lux-ury accessories is useful.					
10	I consider my purchase of luxury accessories to be practical.					
11	In my mind, higher price equals higher quality.					
12	An item being higher in price makes it more desira-ble to me.					

Section 3: Personal background

1. What is your gender? ☐ Male ☐ Female

2. How old are you? ☐ 20-29
☐ 30-39
☐ 40-49
☐ 50-55
☐ 55 & above.

3. What is your marital status? ☐ Married
☐ Unmarried
☐ Other

4. What is your level of education? ☐ High school
☐ Undergraduate
☐ Post-graduate Diploma
☐ Post-graduate Degree
☐ P.H.D

5. What was your household income over the past last year?
☐ Less than $2000
☐ $2001 - $4000
☐ $4001 - $11,000
☐ $11,001 - $22,000
☐ $22,001 & above.

Thank-You for Your Time and Patience.