

A Study of Premium Price Brands with Special Reference to Willingness of Customer to Pay

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Abstract:

Use of premium price has become much gainful among brands for making unique and differentiate product among existing homogeneous product in the market. This marketing tool has gained key importance for the marketing research and global marketing. So using premium price for attracting the higher income customer has become a powerful tool in marketing. Premium price products are products which not differentiated in price but also in quality and comfort. Present study was conducted at big stores and malls in Lahore and Faisalabad. There were 220 respondent taken randomly and interweaved by asking a set of well-prepared questionnaire. The objective of the study were to find out the correlation among brand association and premium brands, the association between brand identity and premium brand, relationship between brand image and premium brand and to find the price association with premium brand. Result of the study explored that respondents income, brand equity and brand association are the significant determinants which affects consumers behavior regarding the purchase of premium brands and these factors contribute while decision making by consumers and they always take these factors into account. Results of the study also suggested that there is significant association between the both hypothesis which states the preference for the premium brand and the buying of premium brand.

Keywords: Premium Price, Differentiate, Customers, Association, Determinants, Luxury, Behavior, Income, Brand Equity, Brand Association, Factors

Introduction

Increasing internationalization along with centralization and increasing presence of the store premium brands put greater pressure on manufacturer brands. Manufacturers can use a strategy to defend themselves against retailer brands is based on increasing quality and to differentiate their products from the retailer's brands in terms of quality and price. However there is also a clear trend towards differentiation for retailer brands rather and premium brands which is the products based on low prices. Today the twenty first century Premium consumption has become so popular despite the fact that there are a relatively small number of companies selling Premium products (Kapferer, 2012).

Everyone aspire for Premium and premium price goods because most of the consumer buys such goods for their luxurious perception and status symbol. Indeed there have been numerous premium brands built up in the planet over the previous hundreds of years. The modern upheaval period and the first and second world wars or democratization creates space for the entry of new modern premium brands. Globalization offers numerous variety of the of premium products. That is influenced by the improvements connected with companies, overall economy, increased investments and increased spending. Therefore for example there are several common premium brands in Japan names throughout Countries which make their cartel with other economies and brands in Europe and American Premium brand (Ailawadi, Lehmann, & Neslin, 2003).

The worldwide trend showed that customers are aware of the term Premium price and brands which offers such premium products. Naturally societal stratification is steadily vanishing in today's days and nights. Due to the fact Premium products would be the symbol connected with good tastes as well as the factor of social upheaval and personality there isn't a hesitation the reason every person desires to have such products (Schlager & Maas, 2012).

Precisely how consumers experience models as well as precisely what drives those to pay out price quality is definitely an important topic with research in manufacturer fairness. A couple fundamental ulterior motives for mastering manufacturer fairness really exist. One financial grounds together with the aim of calculating the worth with the manufacturer for information technology purposes and another grounds produced from the actual shoot for better advertising and marketing efforts. In the second option circumstance the research leaves from client awareness my spouse and client primarily based manufacturer fairness. 1 frequently stated reasoning for focusing on consumer's understanding is actually in which customer-based manufacturer fairness precedes as well as results in financial manufacturer fairness (Harper & Makatouni, 2002).

The customer-based manufacturer fairness strategy you have to realize the actual resources as well as outcomes regarding manufacturer fairness. A few types are created using the aspirations to become wide-spread as well as useable for many a variety of solutions nevertheless basic types are usually less helpful whenever attempting to gain in-depth perception of particular industrial sectors or perhaps types. For that reason, numerous empirical manufacturer fairness research get as an alternative aimed at particular item courses. With regards to being familiar with manufacturer fairness as well as grocery solutions, nevertheless, not many researches are conducted. Thus, appropriate manufacturer fairness

sizes for grocery solutions should be discovered. Another kick off point just as the unique research stated previously could be the most typical manufacturer fairness sizes (Chadha & Husband, 2010).

The overall comprehensive agreement from reports posts as well as research stories is actually that there is a confident reinforcement cycle regarding retailer manufacturer development resulting in retailers' opportunities in store models which then leads to more development. Exclusively, in the fiscal economic downturn several buyers dropped nation's models for retailer models while they tightened their own costs. But when they went many people maintained not to ever transition rear while they were pleased with the modern choices. Really 46% regarding buyers feel it truly is stupid to invest much more if equivalent good quality can be found at a retailer manufacturer. In addition to 97% regarding buyers confidently as opposed retailer manufacturer solutions with their prior nation's manufacturer choices (Bhanot, Srinivasan, & Srivastava, 2014).

Problem Statement

Living in the age of brands and fashion people desire for more Premium and premium price products. These products make them different from rest of the society and cause of their differentiation. Demand for such products is based on several factors which affect consumer behavior toward the purchase of such Premium and premium price products. Some of these factors which affects consumer behavior regarding purchase of Premium products are consumers income, brand equity, brand association, brand image, brand identity, price of product, and residential area of respondents. To find the factors which affect positively attitude of the consumers toward the purchase of such premium brands is necessary. There the objectives of the research would explore the factors which affect demand of premium price products.

Rationale of Study

Premium brand are increasingly adopted by people of high Status and even by the people having low income sources are also preferring the Premium brand which shows their status in society and the type of brands are used in long run. The rationale of the study is to find the factors affecting the increasing purchase of Premium brands in Pakistan.

Research Objectives

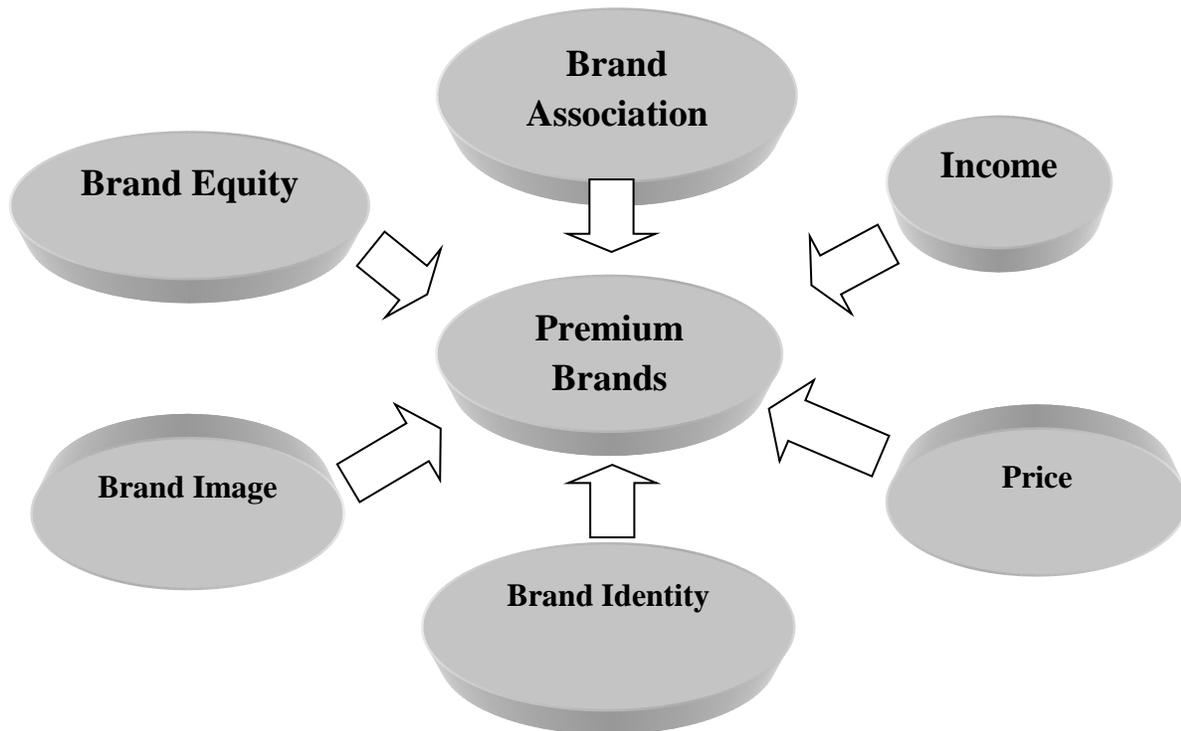
- To find out how brand association with premium brands.
- To study how brand Identity associated with premium brands.
- To find out how price of a brand attract the customers Premium Brand.

Research Hypothesis

H1: Brand image is significantly associated with Premium brands.

H2: Brand identity is significantly associated with Premium brands.

Conceptual Framework



Literature Review

Background of the Study

(Krystallis, Arvanitoyannis, & Kapirti, 2003) explained that premium price is mostly paid for luxuries and "Luxury" means the state of great comfort and extravagant living or an essential but desirable item. Actually, the word "Luxury" is not the same with everyone and some people do not exactly interpret this word like that in the dictionary. They feel that it's past that and the definition is by all accounts hard to comprehend. If at any point it would be an endless dialog.

(Nancy & AARON, 1998) explained that luxury is a brand of goods/service with exclusive distribution usually higher than the average price of goods/service in the same category. Typically have higher quality/design, while commanding a strong appeal to the desire and aspirations of its potential customer. Another group believes pricey goods are generally always excellent in addition to trust worthy. Despite the fact that, from time to time, the quality of premium goods is not that excellent however folks nonetheless purchase the idea because its aspiration.

(Krystallis et al., 2003) examined that Premium goods are not ideal, however an impacting on goods. It does not take selling price, certainly not the product or service that's marketed on the buyer. Now folks wish to unique Premium goods simply because it can be pricey. These are certainly not troubled very much in relation to quality. Often there're very much peoples found happy with the particular perform in the purchased Premium goods, one example is a premium channel footwear could potentially cause a number of legs soreness,

however females nonetheless enjoy putting on the idea. Another case in point is a metallic Street. DuPont lighter in weight is quite major in addition to too big to create along but some folks only are interested as a result of wanting to unique that brand name.

(Woolf, 2008) revealed that there have been numerous luxury brands which were offering online market seeking to give other definitions of Premium such as “massive, quality, ultra-premium, opuluxe, in addition to hyperluxe”. Now the Premium may possibly also suggest the particular mental emotion of each and every person immediately after experiencing the brand name. Obviously it is rather hard to help particularize the particular exactly which means in the concept Premium. It depends on the frame of mind in addition to encounter that each person has got faced with the particular brand name.

(Sethuraman, 2009) explained that it is the common perception of the person who has high levels of consumer ethnocentrism, would have more positive attitudes when it comes to items via similar culture places when compared with items via different culture places. This helps your assertion that will customer ethnocentrism concept is extremely important on the subject of researching regarding mindset when it comes too brought in item. For that reason, it is significant to make comprehending using ethnocentrism because this particular investigation is the investigation regarding getting global Premium vogue brand names that's you're brought in items.

Brand Equity

(Ailawadi, Pauwels, & Steenkamp, 2008) investigated that premium price is a good way to measure brand equity for consumer goods in the Swedish food retail industry. A premium price can be described as the amount or the level of utility paid by costumer is willing to pay for a brand, compared to other similar brands and can be either negative or positive. If the customer is willing to pay more for a specific brand, he or she is perceived to be loyal towards the. Consequently, good brand equity makes costumers less sensitive to increases in the price and therefore, a brand with loyal customers can charge a price premium for their products. Since this measure is well used there is relatively much information on how to perform this type of research. On an individual level the brand should be compared to a neutral brand i.e. brand with no brand equity in the mind of the consumer. However, researchers have seen the difficulty offending a brand like this and therefore, price premium is a relative measure and will therefore, be helpful when evaluating the strength of the brand in relation toward other brands.

(Bearden, Netemeyer, & Teel, 1989) explained that the requirement for the use of utilities is different for peoples in society. Some of the peoples use to buy premium price products because they want to be distinctive in the society. The styles which are desirable for some individuals will be the desired to be distinctive from other people. But it's not at all non-conformity since non conformity indicates the unawareness associated with sociable norms or the sociable agreement. Within the point of view associated with Premium client actions, consumers' requirement for styles will be the search for difference through other people that may be reached throughout the buy associated with Premium merchandise with regards to boosting someone's personal individuality. Almost all Premium fashion brand names are trying

to manage the brand names by simply giving the deficiency importance since many individuals identified that Premium fashion merchandise are certainly not owned or operated by simply many individuals.

(Anselmsson, Johansson, & Persson, 2007) described that when we are measuring brand equity, perceived quality of the product is used as a key indicator for it. The perception of quality is something that must be earned by the product i.e. high quality perception is difficult to achieve if there is no substance for it. Therefore, it is important to earn a reputation of good quality in order to attract customer to the brand. Furthermore, in addition to meeting the expectations from customers, the brand must hold a higher level of quality than other market brands and products.

(Wang, Wei, & Yu, 2008) explained that in regards to the control associated with Premium brand equity anyone who're web-sitters initial Premium fashion brand names believe that the control presents these individuals personal pleasure and also allows subsequently to be popular acknowledged and also approved by simply other people. Premium things ingested in public areas ended up very likely to always be noticeable things compared to for your own ingested Premium things whilst still being, noticeable consumption plays a significant aspect in surrounding personal preferences for many merchandise which are purchased or ingested in public areas contexts. Because of this, Premium consumption is usually probably major for you to persons in trying to find sociable status and also counsel in a contemporary society.

Income

(Grewal, Krishnan, Baker, & Borin, 1998) examined that the world market economy has been turbulent and Sweden among other countries is in a recession. This affects the consumer behavior in the way that consumers in general seek value. People often continue to shop however in a more carefully and deliberate manner. Some switch to lower priced stores in the different retailer categories, while others continue to shop for their products of preferences that must be premium products. Consumers in the food retail industry do not change their shopping behavior with the exception that they compare prices to a larger extent. As a result, RBs normally increase their market shares during recessions and when the economy later improves, consumers often continue to buy these products.

(NYARUNDA, 2016) explained that acknowledging through the fact that income is the major factor for bringing in active consumers are simpler compared to finding brand new customers it is major to study yester year activities in getting Premium fashion brands. People who have high income obtain rate of recurrence are most likely delighted by these products. Learning fresh women's obtain rate of recurrence can suggest Premium manufacturer online marketers in many advertising and marketing aspects including manufacturer commitment and also client satisfaction. There are eight elements with this conceptual model.

(Harper & Makatouni, 2002) explained that within the initial step, this indicates the people have high income demands more for premium price products it have an effect on of the about three specifics which are personal valuations, sociable status, and also demographics associated with fresh Thai client actions when it comes to foreign fashion Premium brand names. This is vital for making clear client actions standpoint because doing so brings about the idea of Thai woman's students' getting intentions. When it comes to exploratory research, this

model demonstrates the has an effect on Premium manufacturer approaches in Thailand the two while using the progress associated with industry sexual penetration and also keeping the devoted shoppers. Lots of study is usually dedicated to determining that the shoppers of the Retail Brands (RBs) tend to be.

Brand Identity

(Anselmsson et al., 2007) revealed that premium RBs are positioned on brand identity therefore, competing directly with NBs. Consequently, premium products must create an added value that defends the higher price charged. To investigate the added value that premium products provide it is essential to consider the brand and the utility it has for the consumers. Therefore, the authors have chosen to focus on theories relating to brands, in order to provide answers to the research question. Brands add dimensions to products and thereby enable differentiation from other products that are designed to satisfy the same need. By creating a unique selling proposition the consumer can become fewer prices sensitive and thus the possibility to charge a price premium for the product increases. In addition, a brand provides a guarantee for a certain level of quality.

(Wiedmann, Hennigs, & Siebels, 2007) explained that brand identity in addition to societal related values that effect acquiring goals to worldwide Premium brand names. Purchasing to help make an impression other is usually a central particular value that hard drives the objective regarding Premium fashion brand names consumptions. Buyers find damaged simply by simply this kind to generate a good picture within contemporary society. Subsequently, to clarify purchaser conduct in connection to extravagance brand names, specific worth aspects, for example purchaser ethnocentrism, realism, congruity and the prerequisite with respect to styles not withstanding pretentiousness should be analyzed for the reason that taking after.

Brand Association

(Lassar, Mittal, & Sharma, 1995) explained that brand association that represents the functional and emotional associations assigned to a brand is created through the perception of consumers. The brand attributes are either negative or positive. Moreover, they are of a varying level of relevance and significance depending on the customer segments, markets and cultures. To sum up, brand attributes are the basic elements for establishing a brand identity and is dependent on the consumer perception. Brands have two resources: brand management and brand equity. Brand equity is the brand's external resource, while brand management is viewed as the internal resource. Measuring brand equity helps explaining how to increase the profit margins through increases in the price premiums of the products. As a result, companies are becoming more interested in how to build, manage and extend brand equity.

(Kapferer, 2012) explained that brand association can be separated into two categories, brand association and differentiation (uniqueness). For the purpose of measuring association in the food retail industry have in their research tried to identify associations linked to groceries, by utilizing a large amount of questions related to associations. They collected variety of association from their questions which were grouped into different categories such as; health,

origin, environment, organizational associations and social image. Furthermore, to measure uniqueness recommends structuring the questions around different perspective of brands in relation to the organization, perceived value and brand personality.

(Ailawadi et al., 2003) examined that mind-set is well suited for the purposes of guiding marketing strategy and tactical decisions, measuring the extendibility of a brand and evaluating the success of marketing decisions. This measuring method takes a firm perspective. These measures are less researched than the customer mind-set and are based on the assumption that the benefits of brand equity should ultimately be reflected in the performance of the brand on the market. Here, price premium is the most common measure, which is the ability of a brand to charge a higher price than an unbranded equivalent charge. This perspective enables con-joint studies and is relevant when the research focuses on, for example the market share or relative price.

Brand Image

(Rajh, Vranesevic, & Tolic, 2003) explained that a set of assets including liabilities connected to a brand's image and symbols that can add or subtract from the product's value to the firm and customers. Brand image contributes to an enhanced value of a brand to the customer through positively affecting the interpretation and information handling and contributing to confidence and satisfaction in the purchase decision. Brand equity enables a higher price premium more efficient marketing lower vulnerability from competition etc. The measurement of brand equity is relatively new and therefore, quite a small amount of research exists in this topic. All researchers agree that brand equity is a relative measure. It should be used to compare between different product groups i.e. used in a comparison between product categories and grocery categories.

(Anselmsson et al., 2007) explained that brand image and awareness while instead goes deeper and divides brand equity into four different attributes. When measuring brand equity one must choose between different perspectives. a customer based perspective that looks at customers' attitudes, awareness and knowledge or a firm perspective where the research instead concerns price, market share, revenue and cash flows. However, these two perspectives are linked since the firm-level outcomes are consequences of the consumer level effects.

(Pappu, Quester, & Cooksey, 2005) examined that the customer based perspective and two firm perspective methods in brand image. Measuring brand image from a customer mind-set perspective has been the focus of the larger part of the research in this topic. The method aims to measures the customers' awareness, attitudes, associations, perceived quality and loyalties to a brand. Advantages of these measures are that they consider multiple sources of brand equity have good problem-solving capability and can be used as input to forecast the potential of a brand. Weaknesses of these brand equity measures includes that they most often are based on consumer surveys and therefore, cannot provide a single and objective measure. In addition, they do not measure brand equity in dollar value and is consequently not attractive for financial valuation purposes.

Research Methodology

Research Design

Present study is based on quantitative data because it is most fitted with the research topic and also relates with the variables of the study. Study deals with behavior and nature of customers towards Premium brands or premium price brands. It examined the buying behavior and association of customers with Premium brands.

Target Population

This study was conducted in context of different premium or Premium brands in Pakistan and association of behavioral choices of customers in their purchase. The target populations for study were the peoples who visit different big store and malls in Faisalabad and Lahore. All the female and male respondents belonged to high or upper middle income group who visit such stores and malls and have purchasing power for purchasing premium price and Premium goods.

Sample

Sample of the study was comprised of 220 respondents. The reason behind the sample size was the at random basis. Simple random sampling technique was use by drawing the cards which were mention unique number. All of the respondents were taken by using cluster and then simple random sampling technique. Three big stores were randomly selected at Faisalabad and also three big stores were selected at Lahore by the use of same sampling technique. At Faisalabad “Metro, Al-Fetah and Kohinoor City Plazas” while at Lahore “Mall of Lahore, Hyper star, and Metro” were selected randomly.

Data Collection and Analysis

In order to collect the required information from respondents by interviewing them at stores by asking them a set of questions from well-structured questionnaire. To find out the validity of the questionnaire and interview schedule, it was pretested on 15 respondents. As a result of pretesting essential amendments were incorporated to the questionnaire. Responses obtained from the respondents were scored in five categories. The data was statistically analyzed by using frequencies, mean, standard deviation and percentage. The analysis of variables was done by the use of SPSS 20.0 (Statistical Package for Social Sciences). The variables affecting purchasing behavior toward premium price products were analyzed by the use of multiple linear regression models.

Multiple Linear Regression Model

Multiple linear regressions were used to determine the relationship between a dependent variable and one or more independent variables. Regression analysis is used to analyze variables and their relation because it includes many techniques for analyzing several variables. Regression analysis gives us the understanding of change in value of dependent variable when any of the independent variable changes while the effect of other variables is held constant.

A regression model contains following variables:

- A dependent variable, Y
- Independent variables, X
- Parameters denoted as β

A regression model gives us a function relating Y to X and β

$$Y=f(X, \beta)$$

In this equation the dependent variable, y_i is a linear combination of the parameters, but for the independent variable it is not necessary to must be in linear form. A more general form of the multiple regressions with variables of the study is:

$$Y=\beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \beta_6X_6 + \mu_i$$

Where,

Y_i = Purchasing behavior toward premium Price brand

β_0 = Intercept term in the model

X_1 = Income of respondents (Thousands, 000)

X_2 = Brand Image (Weight assigned 1-5)

X_3 = Brand Identity (Weight assigned 1-5)

X_4 = Brand association (Weight assigned 1-5)

X_5 = Price of products (Weight assigned 1-5)

X_6 = Brand equity (Weight assigned 1-5)

μ_i = Error term in the model

1= Lowest, 5= Highest

Operational definitions of the Variables

Income

Income is money that an individual or business receives in exchange for providing a good or service or through investing capital. Income is consumed to fuel day-to-day expenditures.

Brand Image

Brand image is the current view of the customers about a brand. It can be defined as a unique bundle of associations within the minds of target customers. It signifies what the brand presently stands for. It is a set of beliefs held about a specific brand. In short, it is nothing but the consumers' perception about the product. It is the manner in which a specific brand is positioned in the market. Brand image conveys emotional value and not just a mental image. Brand image is nothing but an organization's character. It is an accumulation of contact and observation by people external to an organization. It should highlight an organization's mission and vision to all. The main elements of positive brand image are- unique logo reflecting organization's image, slogan describing organization's business in brief and brand identifier supporting the key values.

Brand Identity

A brand identity stem from an organization, i.e., an organization is responsible for creating a distinguished product with unique characteristics. It is how an organization seeks to identify itself. It represents how an organization wants to be perceived in the market. An organization communicates its identity to the consumers through its branding and marketing strategies. A brand is unique due to its identity. Brand identity includes following elements - Brand vision, brand culture, positioning, personality, relationships, and presentations. Brand identity is a bundle of mental and functional associations with the brand. Associations are not “reasons-to-buy” but provide familiarity and differentiation that’s not replicable getting it. These associations can include signature tune (for example - Britannia “ting-ting-ta-ding”), trademark colors (for example - Blue color with Pepsi), logo (for example - Nike), tagline (for example - Apple’s tagline is “Think different”), etc.

Brand Association

Brand Associations are not benefits, but are images and symbols associated with a brand or a brand benefit. For example- The Nike Swoosh, Nokia sound, Film Stars as with “Lux”, signature tune Ting-ting-ta-ding with Britannia, Blue color with Pepsi, etc. Associations are not “reasons-to-buy” but provide acquaintance and differentiation that’s not replicable. It is relating perceived qualities of a brand to a known entity. For instance- Hyatt Hotel is associated with luxury and comfort; BMW is associated with sophistication, fun driving, and superior engineering. Most popular brand associations are with the owners of brand, such as - Bill Gates and Microsoft, Reliance and Dhirubhai Ambani.

Brand association is anything which is deep seated in customer’s mind about the brand. Brand should be associated with something positive so that the customers relate your brand to being positive. Brand associations are the attributes of brand which come into consumers mind when the brand is talked about. It is related with the implicit and explicit meanings which a consumer relates/associates with a specific brand name. Brand association can also be defined as the degree to which a specific product/service is recognized within its product/service class/category. While choosing a brand name, it is essential that the name chosen should reinforce an important attribute or benefit association that forms its product positioning. For instance - Power book.

Price of Product

Pricing is the process whereby a business sets the price at which it will sell its products and services, and may be part of the business's marketing plan. Lempel In setting prices, the business will take into account the price at which it could acquire the goods, the manufacturing cost, the market place, competition, market condition, brand, and quality of product. Pricing is also a key variable in microeconomic price allocation theory. Pricing is a fundamental aspect of financial modeling and is one of the four Ps of the marketing mix. (The other three aspects are product, promotion, and place.) Price is the only revenue generating element amongst the four Ps, the rest being cost centers. However, the other Ps of marketing will contribute to decreasing price elasticity and so enable price increases to drive greater revenue and profits.

Brand Equity

Brand Equity is the value and strength of the Brand that decides its worth. It can also be defined as the differential impact of brand knowledge on consumer's response to the Brand Marketing. Brand Equity exists as a function of consumer choice in the market place. The concept of Brand Equity comes into existence when consumer makes a choice of a product or a service. It occurs when the consumer is familiar with the brand and holds some favorable positive strong and distinctive brand associations in the memory.

Results and Discussion

Distribution of Respondents According to their Gender

Gender	Frequency	Percent
Female	138	62.7
Male	82	37.3
Total	220	100.0

Distribution of Respondents According to their Age groups

Age groups (years)	Frequency	Percent
16-25	42	19.1
26-35	106	48.2
36-45	54	24.5
Above 45	18	8.1
Total	220	100

Distribution of Respondents According to their education

Education	Frequency	Percent
Matriculation	15	6.8
FA	43	19.5
BA	104	47.2
Masters	58	26.3

Total	220	100
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Distribution of Respondents According to their income groups

Income (Thousands)	Frequency	Percent
20,000-29,000	17	7.7
30,000-39,000	38	17.3
40,000-49,000	46	20.9
Above 50,000	119	54.1
Total	220	100

Bivariate Analysis

Result of Hypothesis No. 1

The result of cross tab has been established between dependent and Independent variables. Such a cross tab is showing association between the variables that are under study. It also reveals many present variations in the response that can further help and remember in better understandings of the variable.

Brand image is significantly associated with preference of a premium brand

Preference for a Premium Brand					
Brand Image	-	Low	Medium	High	Total
	Brand Image	Low	14	5	6
56%			20%	24%	100%
Medium		88	22	20	130
		67.69%	16.93%	15.38%	100%
High		42	11	12	65
		64.6%	17%	18.4%	100%
Total	144	38	38	220	
	65.46%	17.27%	17.27%	100%	

Above table described that out of the 25 respondent at low preference level for premium brand there were 56 percent respondents who have low preference regarding the choice for a premium brand, there were 20 percent respondents out of 25 respondent who have medium and 24 percent were those who have high preference for a premium brand. There were out of 130 respondents at medium preference for premium brands 67.69 percent of the respondents were those who have low preference, 16.93 percent were those who have medium and 15.38 percent were those who have high preference regarding the high preference for premium brands. There were out of 65 respondents in high choice for premium brands, 64.6 percent respondents were those who have low preference for premium brands, 17 percent were those who have medium and 18.4 percent of the respondents were those who have high preference for the premium brands.

Chi-Square Test

Tests	Value	Df	Asymp.Sig. (2-sided)
Pearson Chi-Square	0.499	4	0.004
Likelihood Ratio	0.494	4	0.004
Linear-by-linear Association	0.062	1	0.002
No. of Valid Cases	220	-	-

Gamma= 0.000**

Spearman Correlation = 0.018

** Highly significant.

Hypothesis is accepted and also supported by the review of literature. Results showed that variables in the hypothesis are strongly associated with each other.

Symmetric measures

Ordinal by Ordinal	-	Value	Asymp. Std. Error	Approx. T ^b	Approx. Sig.
	Gamma	0.033	0.121	0.271	0.000
	Spearman Correlation	0.018	0.067	0.277	0.007
No. of Valid Cases		220	-	-	

Result of Hypothesis No. 2

Brand identity effects on one’s willingness to buy premium brand

Willingness to buy Premium Brand					
Brand Identity	-	Low	Medium	High	Total
	Brand Identity	Low	15	7	8
50%			23.3%	26.7%	100%
Medium		97	24	23	144
		67.36%	16.7%	15.97%	100%
High		32	7	7	46
		69.6%	17.2%	17.2%	100%
Total		144	38	38	220
		65.5%	17.27%	17.27%	100%

Table 1.2 described that out of the 30 respondent at low preference level for willingness to buy premium brand there were 50 percent respondents who have low preference regarding to buy premium brand, there were 23.3 percent respondents medium and with 26.7 percent respondent who have high preference brand. There were out of 144 respondents at medium preference for buying premium brands, 67.36 percent of the respondents were those who have low preference for buying premium brand, 16.7 percent were those who have medium and 15.97 percent were those who have high preference regarding the purchase of premium brands. There were out of 46 respondents in high choice for premium brands, 69.6 percent respondents were those who have low preference for buying premium brands, 17.2 percent were those who have medium and 17.2 percent of the respondents were those who have high preference for buying the premium brands.

Chi-Square Tests

Tests	Value	Df	Asymp.Sig. (2-sided)
Pearson Chi-Square	0.608	4	0.002
Likelihood Ratio	0.594	4	0.002
Linear-by-linear Association	0.494	1	-

Gamma= 0.000**

Spearman Correlation = 0.018

** Highly significant.

Hypothesis is accepted and also supported by the review of literature. Results showed that variables in the hypothesis are strongly associated with each other.

Symmetric measures

	-	Value	Asymp. Std. Error	Approx. T ^b	Approx. Sig.
Ordinal by Ordinal	Gamma	-0.608	0.118	-0.698	0.000
	Spearman Correlation	-0.046	0.067	-0.702	-

Statistical Analysis

First part discusses results on the basis of descriptive statistics, now we test the variables affecting purchasing premium price products by the use of binary logistic regression. The relationship among variables might be written as;

$$Y_i = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \beta_6X_6 + \mu_i$$

Results based on the Regression Model

Variables	Unstandardized Coefficients		Standardized Coefficients	T	Significance
	B	St. Error	B		
Constant	0.118	0.069	-	1.697	0.092***
Brandimage	-0.146	0.163	-0.151	-0.893	0.374NS
Income	2.553	0.000	0.158	2.264	0.026**
Brandidentity	0.350	0.069	0.355	5.085	0.000*
Brandassociation	0.142	0.064	0.147	2.225	0.028**
Priceofproducts	0.446	0.164	0.456	2.718	0.008*
Brand equity	0.124	0.140	0.127	0.883	0.379NS

* Highly Significant ** significant at 5% *** significant at 10%. NS for non-significant.

(R = 0.72, R Square = 0.51, Adjusted R Square = 0.49)

ANOVA

Model	Sum of Squares	D.f	Mean Square	F	Sig.
Regression	14.360	6	2.393	20.046	0.000
Residual	13.371	112	.119		
Total	27.731	118			

Results based on the statistical model suggested that the estimated slope of income is significant at 5percent level of significance which means income has a positive effect on purchasing of premium price and Premium products. Slope of coefficient described that with each thousand increase in respondent’s income there would be 0.158 units increase demand for purchase of premium price products. This impact in each thousand increase enhances the value of the dependent variable, resultantly greater the income of an individual was found greater demand for premium price and Premium goods.

Results showed that the estimated slope of brand identity is highly significant which means brand identity has a positive effect on purchasing of premium price and Premium products. It means consumers purchasing decision highly effected by brand identity and they considered it while purchasing premium price and Premium products. Slope of the coefficient of brand identity showed that it with each unit increase in brand identity there was 0.355 units increase in purchasing behavior of the customers towards premium price and Premium brands.

Results suggested that the estimated slope of brand association is significant at 5percent level of significance which means brand association has a positive effect on purchasing decision regarding premium price and Premium products. Slope of the coefficient of brand association showed that with each unit increase in brand association there was 0.147 units increase in purchasing behavior regarding the purchase of premium price and Premium products. It means brand association is a necessary element which effect consumer behavior regarding the purchase of such Premium and premium price products.

Results revealed that the estimated slope of product price is highly significant which means products own price has a negative effect on purchasing of premium price and Premium products. Slope of coefficient described that with each thousand increase in product price there would be 0.456 units decrease in demand for purchase of premium price products. As the products price increase it goes beyond the purchasing power of the customers because customers wants to maximize their purchasing premium products within their scarce resources.

Summary and Conclusions

Results of the statistical model showed that the estimated slope of income is significant which means income has a positive effect on purchasing of premium price and premium products. Slope of coefficient of income described that demand for purchase of premium price products is highly affected by income. It is obviously true that premium brands are premium

priced and if a person wants to purchase such product which belongs to those premium price products should have enough money or income to meet the price level. Results confirm that if as the income increase the demand for premium price products should be increase simultaneously. The slope of brand identity is significant which means brand equity has a positive effect on purchasing of premium price and premium products. It means consumers purchasing decision highly effected by brand identity and they considered it while purchasing premium price and premium products.

It described that while purchasing premium price and premium products customers should take much importance to the brand identity. They see the brand had gained identity in a particular class or it is usual like the other ones. The components encompassing must be incorporated on perception of peoples regarding purchase of premium brands which is great Comfort for the users. Luxury things and best quality things from these observation buyers expect the luxury style items to accompany these conditions. In this way, advertisers ought to put consideration these capabilities. At the point when the buyers desire match with genuine execution, they will be fulfilled, tend to re-buy the same brand and soon get to be steadfastness. From the outcomes, pretty much a large portion of the respondents tend to re-buy the same brand. This likely implies that the desire does not coordinate with the genuine execution. Luxury brand advertisers ought to expect to construct brand picture join its image with prestige. These would guarantee the wearers acquisitions of extravagance brands. Consequently, brand association correspondence ought to be concentrating on spread of brand image. Customers who buy premium and premium brands need to be perceived.

On the off chance that the brand can satisfy this need, it gets an opportunity to be fruitful. Slope of the coefficient of products own price showed consumer take it as key element regarding the purchase of premium price products. Most of the peoples who purchase premium price products were considered their purchasing decision also affected by the products own price. Peoples have limited income and want to maximize their premium consumption by utilizing their limited budget in efficient way. They were conscious about products own price and considered it should be reasonable. They considered high products price is a symbol of premium products but it should be cut down to some extent. Results showed that the estimated slope of brand association is significant which means brand association has a positive effect on purchasing decision regarding premium price and premium products.

This study is useful for premium brands for becoming more acquainted with their objective buyers. The data was collected from this study is genuinely the normal and high class premium brand users from big stores and different malls in Lahore and Faisalabad. Taking everything into account, there is a major contrast of conduct between premium brands inclination persons and non-premium inclination persons particularly in product price. There was four components which affect consumer behavior are respondents income, brand association, brand identity and products own price. The study covered all of the objectives and find that above mentioned factors consumers income, Brand association, brand identity and products own price are associated with premium brands.

- It was found that using premium products is a status symbol among higher income group.
- Residential area of the respondents was found important for marketing of the premium products because in particular areas where high income group have access influence their purchasing behavior positively.
- Women were found more brand conscious than men and they were found more spending in purchase of premium products.
- Friends, family and company a person keeps also played important role in purchasing behavior regarding the choice of premium products.

Recommendation

- Brand identity plays an important role in increasing the demand for premium and premium brand products, it is recommended that for increasing demand of premium price and premium brands producers should add those features to the product which increase the brand identity in perspective of customer's choice.
- It was observed that brand association was a key factor which attracts customers toward the purchase of premium price products. So it is recommended that if brands creates brand association between their product and customers there would be more sales of their products.
- Although high price is a symbol of premium products to differentiate it from other products but it was observed that products own price affects customer's behavior towards the purchase of premium price products. Peoples have limited income they want to purchase premium and premium price products but they think these prevailing prices should be cut to some extent.
- It was observed demographic features like age, area and sex also affect purchasing behavior of people toward the use of premium price products. It is recommended that is brands identify such features and address it according to the taste and preferences of the customers then there would be an increase in demand for premium and premium brands.
- Customer wants product differentiation in all aspects, it mean they to be looked different by wearing such products. It is recommended that if brands make differentiated products it can enhance demand for their product.

Limitations

Premium price have following limitations,

- Premium price only capture or target the customers who belongs to high income group. So it is not a tool for selling a product in the large amount.
- Premium producers may face a problem in competition because competitors may offer low pricing which lead to decrease in quality perception.
- Price fluctuations may lead to decrease in customer's perception in the quality of product.

- Possible to sell only low volumes and hence will lose out the advantage which high volume producer may get. It may leads to production under economies of scale which is not beneficial for the producer and also for the society.

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