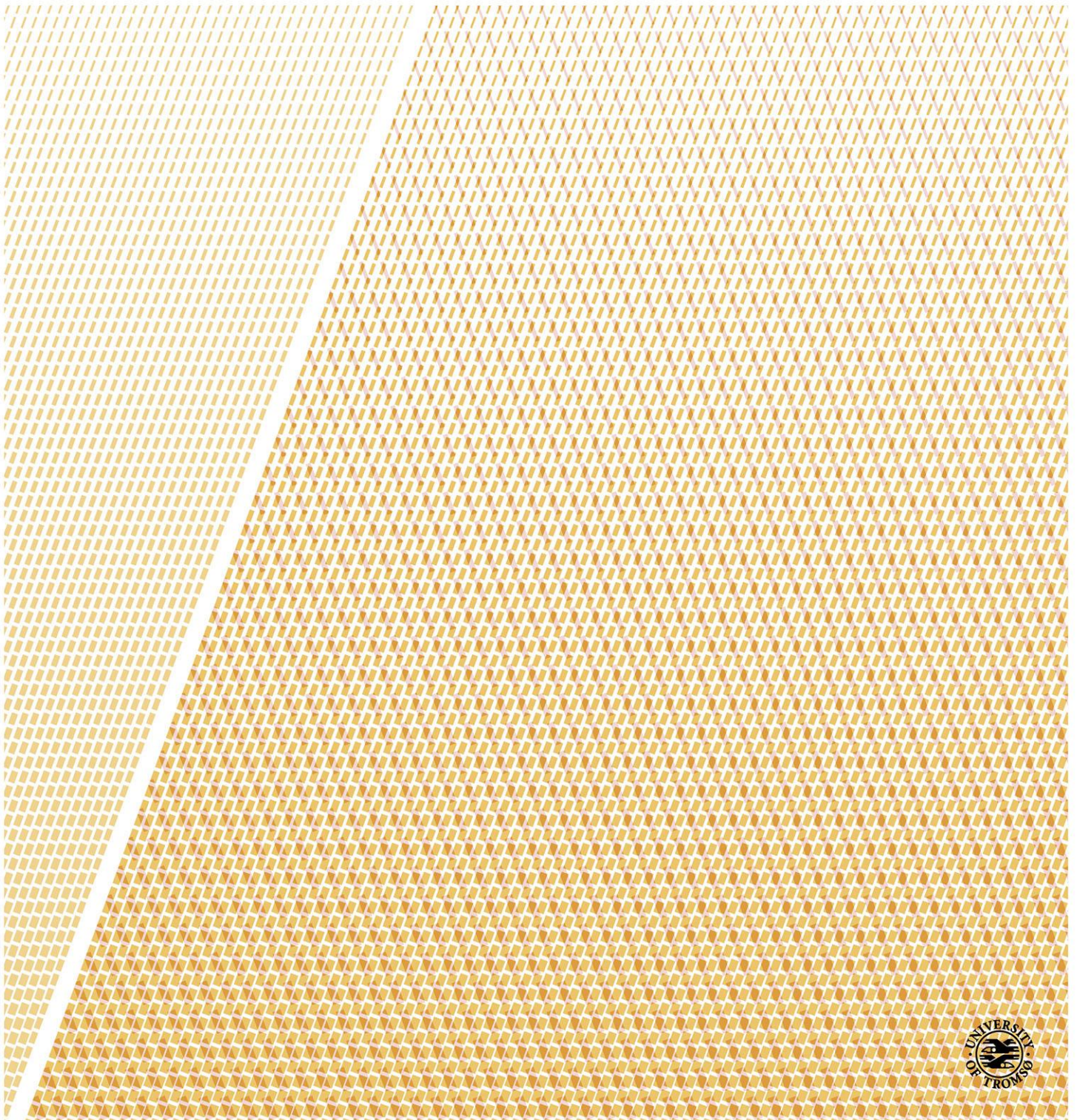


Indulging in *Premium* versus *Luxury* products: Seeking justification to avoid regrets

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Thank you,
Sarah Joy Lyons

Abstract

The demand for premium products is expanding across saturated markets, such as food and beverages. Premium products stand out on the store shelf because they signal higher quality and exclusivity with their fine product packaging, higher prices, and selective distribution. Despite the growing consumer demand for these products, and acknowledgments in the literature that the lines between luxury and other high-end goods such as premium are unclear, there is limited literature on how consumer perceptions of premium are shaped, and how these perceptions differ from luxury.

The main purpose of this thesis was to pursue an understanding of premium and luxury perceptions from a consumer's point of view. It is not obvious where consumers draw the line between what is an ordinary good, what is premium, and what is luxury. Therefore, the first paper takes a general approach to the separating of premium versus luxury from a consumer's viewpoint. The paper combines a linguistic study with an online experiment and presents evidence for different levels of justification depending on the labels (premium versus luxury) and the value that the product may offer (individual, functional, and symbolic).

Building on the results from the first paper, purchase justification, guilt and regret emerged as topics. Also, how consumers balance the desire for hedonic pleasure, while obtaining the right amount of the utilitarian component for the sake of justification, is a central topic. Accordingly, the second paper tests how the labels "premium" versus "luxury," in combination with the product type and a prior event of success and failure, may influence the levels of anticipated guilt and regret. The results suggest that consumers in a post-success situation are likely to anticipate less regret and guilt when indulging with a primarily hedonic premium or luxury product compared to a utilitarian one. However, in a situation following a failure, the anticipated levels of regret and guilt are lower for a product that is primarily utilitarian in nature, but this effect only appeared when the participants were looking to buying *luxury* and not *premium*. These findings add a novel understanding of how the mindset of the consumer in a post-success and -failure situation in combination with the product's label may influence anticipated guilt and regret.

Finally, the third paper suggests a practical approach to how premium evaluations may be enhanced through a combination of color on the packaging and the marketing message. In this paper, it is suggested that congruence plays a central role in creating premium associations through color. The results suggest that the nature of the product itself and the framing of the marketing message should be taken into consideration when choosing a color with the aim of creating the image of premiumness.

The results add to the literature on premium and luxury products by suggesting how the nature of the label may generate different levels of regret, guilt, and justification. The knowledge from this thesis may lead to the development of premium food products that consumers are likely to justify. Marketers can use the knowledge to adopt premium and luxury products to meet consumer expectations. Scholars have found that sustainability and authenticity are concepts that are increasingly important for the premium and luxury segments. Thus, consumers want to indulge, but they also want to know that what they buy holds solid quality and meets their expectations in terms of the value it offers. The knowledge generated from this thesis may be useful for marketers of premium and luxury products who want to better understand what cues trigger premium and luxury associations and evaluations to develop and manage products in accordance.

Keywords: Premiumness, luxury consumption, hedonic goods, consumer perceptions, package design, LIWC, online experiments.

List of Papers and Contributions

Paper I: Lyons, S. J., & Altintzoglou, T. (2018). Premium and luxury: To justify or to show off? *Journal of Customer Behavior* (under review).

Paper II: Lyons, S. J., Wien, A. H., & Altintzoglou, T. (2018). Guilt-free pleasures, deserve it or not: How premium versus luxury can influence anticipated guilt and regret. *Journal of Product & Brand Management* (under review).

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Contributions

	Paper I	Paper II	Paper III
Concept and idea	SJL	SJL	SJL
Study design and methods	SJL, TA	SJL, AHW, TA	SJL, AHW
Data gathering and interpretation	SJL	SJL	SJL
Manuscript preparation	SJL, TA	SJL, AHW, TA	SJL, AHW,

Sarah Joy Lyons = SJL

Anders Hauge Wien = AHW

Themistoklis Altintzoglou = TA

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1 Introducing premium and luxury

Imagine that you want to buy a superior product; e.g., the healthiest, most environmentally friendly, highest quality, most aesthetically attractive, the best-tasting product, or even the most prestigious product available. In this case, you might choose a product you regard as *premium* or *luxury*.

Choosing premium or luxury can offer a functional value in terms of “perceived optimal quality,” a special individual feeling of uniqueness, happiness, or the feeling of satisfaction with life, and/or a symbolic value with the opportunity of portraying a desired status to others (Berthon, Pitt, Parent, & Berthon, 2009). Premium and luxury products share common characteristics: they both belong to the higher end of the hedonism scale, the prices are higher than ordinary goods, and both premium and luxury products may signal a desired social image (Anselmsson, Vestman Bondesson, & Johansson, 2014; Vigneron & Johnson, 1999; Quelch, 1987). However, evidence is lacking in the literature, both in general and for food, regarding how the labels are positioned and separated from a consumer perspective. Luxury products are more accessible than ever across product categories, and premium products are expanding as well (Kastanakis & Balabanis, 2012; Truong, Simmons, McColl, & Kitchen, 2008). This is especially visible in saturated markets such as food and drinks (Nielsen Company, 2015). Despite this evidence, how consumers separate these labels is underexamined in the literature. Therefore, the thesis aims to give a deeper understanding of important mechanisms that are relevant for premium and luxury consumption, including justification, guilt, and regret. As a starting point, it is useful to begin by reflecting upon basic decision making from a social-psychological perspective.

Although it is well-established that consumers are far from rational decision makers with perfect information, it is a trait of human nature to pursue a decision that is justifiable for oneself (Shafir, Simonson, & Tversky, 1993). A consumer may be attracted to indulgence through hedonic consumption because it evokes feelings of having deserved something grand, generating happiness and a sense of uniqueness (Kapferer, 2015). Simultaneously, the consumer may hesitate to indulge because hedonic consumption often requires higher levels of justifications (Okada, 2005). People feel that they need a better reason to buy a hedonic product than a utilitarian one because, if not justified, the consumption could result in regret and guilt (Kivetz & Zheng, 2006). Luckily, for consumers, the persuasive force of the mind combines various tactics and thought processes to ensure hedonic satisfaction while limiting potential regrets.

Consumers are not only experts at attaching meaning to commodities (Belk, 1988), but also appointed judges of their own and others' behavior (Heider, 1958). These opinions are shaped from

numerous angles and inputs. Attribution theory suggests that individuals seek to explain behavior by *internal* or *external* attribution and that individuals are constantly explaining events through these attributions, even when there is, in fact, no causal relationship (Fiske & Taylor, 1991; Heider, 1958). For instance, a person could conclude that a friend only purchases luxury products because he is a snob *or* because he is lucky enough to indulge in the finer things in life.

The interplay between basic human motivation streaming from *intrinsic* desires, which are personally rewarding, and *extrinsically* motivated factors, such as prizes or awards, is the subject of a vast body of research in a wide range of domains (Benabou & Tirole, 2003). In the view of cognitive dissonance theory (Festinger, 1957), the principle of cognitive consistency encourages an inner drive to synchronize attitudes and beliefs to avoid dissonance. To challenge the weight placed on intrinsic cues, Bem (1972) developed self-perception theory, explaining that when individuals observe their own behavior they conclude which attitudes might have caused this behavior. In this view, behavior is likely to shape attitudes, a view that contradicts traditional models of attitudes leading to behavior, e.g., the theory of planned behavior (Ajzen, 1991). One reason for the resistance for attitudes determining intentions may be found in "self-regulatory processes," referring to the guiding of one's own thoughts, behaviors, and feelings to reach goals (Bagozzi, 1992). It is safe to say that consumer decision-making is complex, and therefore, many scholars, e.g. Köster (2009), argue that rational decision-making models are not appropriate to lean on for explaining the complex and underlying processes taking place when a consumer makes a choice.

With this brief backdrop from social psychology, it is safe to say that the role of intrinsic versus extrinsic motivation is essential for explaining behavior and that the views and mechanisms are multiple. For this thesis, the question is how personal and external factors may lead to a deeper understanding of consumers' choice of *premium* and *luxury*. When the functional, individual, and social value of the offering is higher than its essential utility, it is likely that consumers may feel intrinsic and external factors draw them in opposite directions as they think not only *what's in it for me* but also: *what are others saying?*

Deliberately or not, what we buy and what we wear sends out signals that others pick up and perceive (Han, Nunes, & Drèze, 2013). One reason for why these signals are difficult to grasp may be blamed on self-serving biases (Pronin, 2008). It is in our nature to struggle with calling oneself lazy, bad, and unethical, while on the other hand, believing oneself to be kinder, more loyal, and more ethical than others is granted (Allison, Messick, & Goethals, 1989). The biases often stream from unconscious actions and facts that one tells oneself, that are robust in one's own opinion (Gilbert & Cooper, 1989).

Transferred to luxury or premium consumption, one can ask if the signals we think we send out are the same as we pick up from others. Veblen (1899) introduced conspicuous consumption and claimed that luxury consumption was a way for the rich to show off their wealth or for members of other social classes to emulate the wealthy. However, newer studies on luxury and the signals they give off show that consumers do not necessarily show off their luxury brands conspicuously (Han et al., 2013). Cultural aspects, such as the “Law of Jante” in Norway, reflect a deeply rooted reluctance to show off (Sandemose, 1933). In turn, one could argue that consumers are conscious of how they signal their luxury splurging. Some consumers are attracted to prestige goods because they want to portray wealth and success, but it is far from being all consumers who have this desire when indulging in luxury buying (Kastanakis & Balabanis, 2012). Some scholars argue that the signals one sends through contemporary luxury consumption are characterized by good health, modern lifestyle, and ecological living rather than monetary flashiness (Yeoman, 2011). In sum, the messages that consumers send out through luxury consumption may range from wealth and flashiness to healthiness and authenticity.

With the tangled web of internal and external factors adding to consumer perceptions of premium and luxury products, this thesis targets a deeper understanding of some of the mechanisms that influence consumer viewpoints. Because the constructs of choice, attitude, and loyalty have received a large amount of research attention with respect to food choice and consumer behavior (e.g., Grunert, 2002; Olsen, 2002; Thompson, Haziris, & Alekos, 1994), the aim is to draw the attention to other underlying factors that may be important for explain choice, including justification, guilt, and regret. Justification, guilt, and regret may be particularly interesting for the labels *premium* and *luxury* because they are not necessarily labels one would place on a product. They are often made out of implicit cues. Therefore, it is presumable that a consumer may consider many factors when deciding for oneself whether to treat himself or herself to *premium* or *luxury* and, in addition, whether the consumer evaluates the product as premium or luxury. The “labels” *premium* and *luxury* may serve as cues for justifiers in combination with incorporating other *intrinsic* cues, for example, a pre-event of success and failure, and *extrinsic* product cues such as the product type (hedonic versus utilitarian), the framing of the message, and packaging color. The implications of the thesis are relevant to both theory and practical application.

Theoretically speaking, scholars have been claiming that the constructs at the higher end of the hedonic scale are not well-defined and lack separation in the literature (Miller & Mills, 2012). A reason for this is that in past years there has been a shift in the luxury market, where luxury goods are more accessible (Yeoman, 2011). For instance, many premium food products try to emulate

luxury products by using gold and black elements. However, there is limited evidence in the literature of how these associations are created. The findings of the first paper in this thesis add to the understanding of how premium and luxury associations may differ.

The findings relate to marketing in a practical sense. Marketers of high-end goods have a toolkit with great potential, but also a responsibility. Knowing how luxury perceptions are shaped, marketers can use these cues to create the desired image. For example, in food marketing, they can be used to encourage the buying of sustainable, high-quality products adapted to consumers' needs.

Understanding the needs and motivations that trigger premium and luxury consumption can have substantial effects on reactions, such as to food waste, and can help consumers choose sustainable and healthy options. On the other hand, marketers must also be careful with their power. In an ideal world, marketers should aim at using the cues that evoke premiumness to ensure that the products are sending the signals aligned with the core benefits, and not just use them to push up prices.

Knowing more about what shapes premium associations can help food producers to market their offerings in line with the desired and accurate aim.

In sum, this thesis pursues a comparison of premium and luxury perceptions in general, while also having a context-specific focus on food. To expose the constructs, the aim is to develop a better understanding of how psychological mechanisms (justification, guilt, regret), and extrinsic product attributes (product package information and color) play a role in how consumers regard premium and luxury goods.

1.1 Aim and objectives

The overall aim of this thesis is to shed light on psychological mechanisms that play into consumer perceptions of premium and luxury goods. The specific objectives of this thesis are:

1. To reveal how consumers differentiate between *premium* and *luxury* goods (paper I).
2. To show how the labels *premium* and *luxury* may influence the anticipated levels of guilt and regret (paper II).
3. To incorporate colors as an extrinsic product cue and expose how they affect perceived premiumness (paper III).

The theoretical starting point for this thesis is the notion that luxury goods are evaluated in terms of the individual, functional, and symbolic value they offer (Berthon et al., 2009). This value framework is in line with Keller's outlook on brands delivering functional, symbolic, or experiential value to consumers (Keller, 2003). The evaluation of prestige products in term of their individual, functional, and symbolic value is in line with other established value frameworks (e.g., Sheth, Newman, & Gross,

1991; Wiedmann, Hennigs, & Siebels, 2007) and it is also adapted to different domains, such as food (Hartmann, Nitzko, & Spiller, 2017). Thus, the three-dimensional framework serves as a theoretical starting point for assessing how consumers perceive premium and luxury goods (paper I).

As there already exists extensive research on choice, evaluation, and repurchase/loyalty, these variables are not tested explicitly as dependent variables in the thesis. Instead, the focus is on the psychological mechanisms that are important to understanding *premium* and *luxury* food choice, which are underexamined in the literature. Building on a general exploration of *premium* and *luxury* (paper I), justification emerges as a central component to the understanding of *premium* versus *luxury*. Paper I first explores the general justification difference between premium and luxury goods in a pre-study and next tests these dependent variables: justification, willingness to buy, desire to show off, and the need for a reason to explain. Next, to test justification mechanisms further, paper II turns to the understanding of how a post-situation of failure and success, combined with a hedonic versus utilitarian product, may influence the anticipated guilt and regret. Finally, paper III provides a practical approach by investigating the role of extrinsic product attributes and how these may serve as a cue to evoke premiumness.

Figure I presents the relevant topics and the mechanisms that are tested in this thesis. To illustrate how the findings are placed in a larger context, the constructs evaluation, choice, and repurchase/loyalty are included in the figure (the boxes in white); however, only the items in the boxes in blue are tested in the papers.

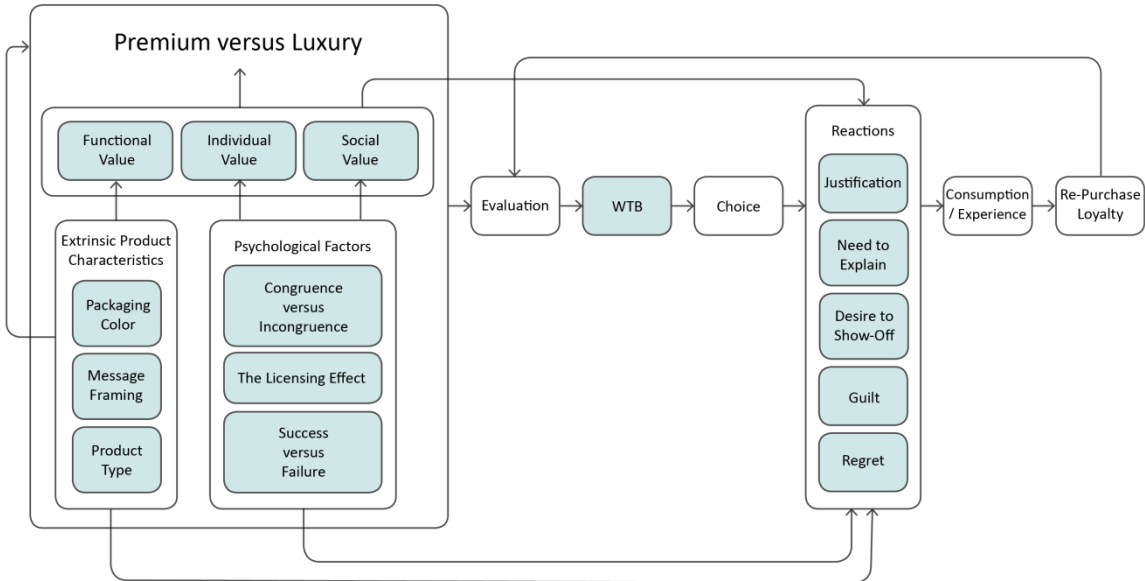


Figure I: The influence of value, extrinsic product characteristics, and psychological factors on consumer evaluation of and reactions towards premium and luxury

2 Relevant topics

2.1. Food choice decision making

Food choice is a simple yet complicated process, which must take many factors into consideration (Grunert, 2002). Factors such as biology and physiology (hunger, thirst, satisfaction, genetic factors, age, and gender), sociology (traditional, economic, and marketing factors), and consumer and psychological constructs, such as attitudes, emotion, and decision psychology, are a few of the factors to consider (Köster, 2009). Accordingly, consumers are likely to evaluate e.g., taste, healthiness, cost, and convenience when choosing food (Steptoe, Pollard, & Wardle, 1995), and many more, as described by both cited papers.

There is a significant amount of evidence for the intuitive, non-rational, and unconscious nature of food decision making (e.g. Berridge & Winkielman, 2003; Winkielman & Berridge, 2004). Köster (2009) points out that, despite this evidence, a surprisingly large body of research has depended on rational models, such as the theory of planned behavior and the theory of reasoned action (Ajzen, 1991; Ajzen & Fishbein, 1970) to assess food choice. Köster (2009) argues that hedonic appreciation alongside past behavior and habit are better predictors of actual food choice behavior than psychological constructs like attitudes and intentions, and accordingly, Köster (2009) recommends future studies assessing food choice behavior to build on more psychological mechanisms to understand the unconscious psychological mechanisms affecting food choices.

When studying food consumption, it is relevant to take into consideration changes that are transforming the food industry and how this influences choice (Schifferstein, 2010). A notable trend for food and other saturated markets is that delivering a product that is of good quality and appears appealing is essential, but not sufficient (Schifferstein, 2010). As articulated by Schifferstein (2010), the production of food is likely to shift over to the art of food design. The expansion of premium products is a way of food producers to reach the upper-scale market (Nielsen Company, 2015). The trend is known as “trading up” and refers to the shift of consumers buying products of more luxury character than what was normal some decades ago (Truong et al., 2008). The demand for premium and luxury food and beverages is increasing across markets and cultures (Grannis, Hine, & Thilmany, 2003; Sarin & Barrows, 2005). Consumers are showing an increased willingness to pay a premium price for a food brand, with the desire for social image, uniqueness, and home country origin being significant reasons for this demand (Anselmsson et al., 2014). However, relatively little research attention has been given to premium and luxury food products, and therefore this is a central topic in this thesis.

2.1.1 Evidence of luxury/premium food products

The concept of “trading up” in the food sector is illustrated with images I–IV. For example, image I shows two salmon products. The products are identical, except for three factors. The salmon to the left portrays an image of a mid-loin, price NOK 299, and with white color on the package. The one to the right is a back loin, price 349, and the color black on the package. All other information on the packages is identical. It is clear here that the color black is used to signalize the better quality of the back loin versus the mid loin in combination with a price that is 16.7 % higher.



Image I: Frøya salmon: mid loin versus back loin.

Black may be used on premium products because it triggers a feeling of sophistication (Labrecque, Patrick, & Milne, 2013), prestige, and status (Ampuero & Vila, 2006). The color black dominates logos in apparel and entertainment (Labrecque & Milne, 2013). However, images I–IV show that black is frequently used in food products to evoke a premium or luxury appeal. Black is often seen on the packaging of a hedonic product, e.g., coffee and ice-cream. In this regard, it is relevant to note that Ares and Deliza (2010) found that black as a color on a milk dessert generated the impression of a bitter and strong-flavored taste, characterized as “disgusting” or “premium and interesting.” As Image II illustrates, the ice cream and coffee products not only use black and gold elements, but the wordings Royal and L’or (gold) also add to a luxury image of the products.



Image II: Ice cream and coffee with black and gold elements

Another example is cheese (see image III). The unit price of the brie in the black packaging is 221% more expensive than the traditional-looking French brie placed right next to it. The example is similar for Danish *gräddost*: the Tine version with the black and gold elements on the package has a unit price that is 36% higher.



Image III: Cheese: Black packages versus traditional packages

Finally, in the juice example, the black product here is 12.5% more expensive than the green one standing next to it. Interestingly, this juice signals an ecological appeal combined with the black premium association.



Image IV: Juice: black versus green package

In sum, the photos presented indicate that there is a trend of food products to signal higher quality and price cues by using black color, gold writing, and an eco-look on the packaging. To better understand how these perceptions are shaped, the thesis turns to the definition and understanding of premium and luxury products in general.

2.2 Consumer perceptions of premium and luxury

The Merriam-Webster dictionary defines perception as a result of perceiving; a mental image; an awareness of the elements of the environment through physical sensation; a physical sensation interpreted in the light of experience; a quick, acute, and intuitive cognition; and a capacity for comprehension. When applying the definition of perception to a consumer context, it refers to the process of how small and quick cues can shape a consumer's perceptions in an instance. These processes are subjects for research in the field of sensory marketing (Krishna, 2011, p. 2), which is defined as "marketing that engages the consumers' senses and affects their perception, judgment and behavior." According to Krishna (2012, p. 3), perception is the awareness or understanding of sensory information. The importance of perception and sensory influence on behavior is documented in various behaviors and is specifically relevant for food consumption (Chandon & Wansink, 2012; Raz et al., 2008). For example, a study by Raghunathan, Naylor, and Hoyer (2006) found that consumers overconsume foods that they perceive as unhealthy because they assume that unhealthy food tastes better than healthy food.

In this thesis, the focus is on cues that enhance consumers' perceptions of premium and luxury products. The following section presents the definitions and the framework that this thesis builds upon to access a glimpse of how these mental images may be shaped quickly and intuitively by premium and luxury products and labels.

2.2.1 *Defining Luxury*

The word "luxury" is derived from the Latin word *luxuria*, which means "extras of life" (Danziger, 2004). The Merriam-Webster dictionary defines luxury as "a condition or situation of great comfort, ease, and wealth." From a marketing perspective, luxury has been defined as "the highest level of prestigious brands encompassing several physical and psychological values" (Q).

Luxury brands are the strongest in product categories where the brand serves the purpose of conveying a social status and image (Nueno & Quelch, 1998). Accordingly, they have traditionally been categorized in these groups: fashion, perfumes and cosmetics, wines and spirits, watches and jewelry (Jackson, 2004), home furnishing, airlines, automobiles, hotels, tourism (Chevalier & Mazzalovo, 2008), and private banking (Amatulli & Guido, 2011). However, in recent years there has been a shift in the luxury market (Wiedmann et al., 2007). In their study of luxury brands, Truong et al. (2008) widen the definition of luxury brands to go beyond the traditionally exclusive brands by including new luxury brands that are more affordable and available, such as Ralph Lauren and Calvin Klein. There has been a change in the market, shifting towards an experiential luxury sensibility that reflects a change in the way consumers define luxury (Wiedmann et al., 2007). Thus, new categories and consumer perceptions of luxury in other product categories than the fashion industry have become relevant to consider.

Food has received surprisingly limited attention in the marketing literature of luxury. van der Veen (2003) refers to the book *The Idea of Luxury* (C. J. Berry, 1994) when defining luxury foods, and suggests that luxury foods are widely desired yet not widely attained. Even though luxury foods cannot be defined by a specific item of food, some common denominators for luxury food are texture, taste, quality, and indicators of status (van der Veen, 2003). However, there is a surprising gap in the literature when it comes to luxury food. Although a few scholars have looked into the topic (Hartmann et al., 2017; Sato, Gittelsohn, Unsain, Roble, & Scagliusi, 2016), there are unanswered questions when it comes to luxury food consumption. One relevant topic is how luxury foods compare to other product types, for example premium foods. Comparing premium and luxury labels helps understand what is unique and what is different in the shaping of luxury food perceptions.

2.2.2 *Defining Premium*

The word “premium” is derived from the Latin word *praemium*, which means reward/prize/booty/profit” (Hieke, 2010). The Merriam-Webster dictionary defines premium as “a price that is higher than the regular price” and “a high or extra value.” Less is said in the literature about premium than luxury, but premium is in general characterized by high price and selective distribution (Quelch, 1987). Because marketers across different domains, including food and beverages, are aiming to offer *premium* products, it makes the construct highly relevant to understand from a theoretical viewpoint (D. Berry, 2016; Nielsen Company, 2015).

A relevant point when comparing the definition of premium to that of luxury is the degree to which justification appears. Remembering that the definition of luxury referred to a state of “comfort, ease, and wealth” and “extras of life,” the definition of premium in comparison highlights reward, prize, booty, and profit. Note that the words used to define premium have a more justifiable tone than those in the definition of luxury. The justification mechanisms and decision-making processes for the label *premium* versus *luxury* are underexamined in the literature, and one of the aims of this thesis is to test these further (papers I and II). This thesis contributes to the literature on premium and luxury products and labels by documenting the differences in the justification, the desire to show off, the need to explain, and willingness to pay based on the labels and the framing of the value (paper I). Moreover, the thesis adds to the literature by suggesting how the labels in combination with the product type can result in different levels of anticipated guilt and regret (paper II).

2.3 *Comparing premium and luxury in terms of value*

The starting point for comparing premium and luxury is the functional, individual, and symbolic value they offer (paper I).

2.3.1 *The functional value*

The functional value refers to the core benefit and basic utilities such as the quality, uniqueness, usability, reliability, and durability of the product (Sheth et al., 1991). Efforts of conceptualizing preserved quality build on the notion that quality is more than just the simple performance of an attribute; it is an evaluation of performance relative to a standard (Golder, Mitra, & Moorman, 2012; Parasuraman, Zeithaml, & Berry, 1985). Golder et al. (2012) define quality as “a set of three distinct states of an offering’s attributes’ relative performance generated while producing, experiencing, and evaluating the offering” (p. 2). The relative approach includes evaluations relative to a reference standard, and this standard could be “ideal quality” or “luxury.”

It may be argued that objective quality does not exist, because the quality is always perceived by somebody (Zeithaml, 1988). For instance, a food product may be judged depending on the person, setting, or context: a wine can be evaluated better at a restaurant than in a home setting, or better by an inexperienced wine person than a wine expert (Meiselman, 2001). In the prediction of quality of wine, Veale (2008) found that price and consumer knowledge (both objective and subjective) are stronger predictors for quality than taste, regardless of the actual knowledge (objective or subjective) or self-confidence levels. Accordingly, the subjective role of price is well-established (Monroe, 1973; Tellis & Gaeth, 1990). A high price is an acknowledged attribute that adds to the perceived “snob appeal” of goods (O’cass & McEwen, 2004), but the question is: how high must this price be for the snob appeal to appear? To investigate where luxury might begin in terms of pricing, Kapferer and Laurent (2016) conducted a study across seven countries with 21 luxury goods. Their findings suggest that the price levels of where luxury begins is subjective and varies from a low level, for example 100€ for a watch, to a small segment of the “happy few” who place luxury at 3000€ and above. The study concludes that expensiveness is a relative concept just as luxury is subjective.

2.3.2 *The individual value*

The *individual value* captures the emotional component, generating feelings of uniqueness, happiness, and satisfaction (Sheth et al., 1991). A luxury offer is one that is known by its hedonic factors, “those facets of consumer behavior that relate to the multisensory, fantasy, and emotive aspects of product usage experience” (Hirschman & Holbrook, 1982, p. 92). The hedonic value of a luxury offering is individual, meaning that luxury for one person may not necessarily be the same for another (Kemp, 1998). When consumers are instinctually motivated to purchase luxury, research shows that they do this for superior quality and self-directed pleasure, and that self-esteem is strongly related to self-directed pleasure (Truong & McColl, 2011). The importance that consumers place on their possessions is known as materialism (Belk, 1988). Some claim that materialism may be among the most important drivers of luxury consumption (Gil, Kwon, Good, & Johnson, 2012).

2.3.3 *The symbolic value*

Commodities are not attractive for solely functional and individual reasons; they also have strong social functions. Symbolic value is a principal reason for why consumers are attracted to luxury products (Han et al., 2013). Veblen (1899) discussed how luxury goods were used as means to symbolize wealth and portray success. This is also a topic in the work of Bourdieu (1979), which sheds light on how the taste of luxury is defined in accordance with social classes. In contemporary conceptualizations of luxury value, prestige value and conspicuous value remain acknowledged

antecedent constructs of symbolic value (Wiedmann, Hennigs, & Siebels, 2009). However, the signals go beyond wealth and depend on consumers (Kastanakis & Balabanis, 2014). Luxury consumption is likely to signal other cues than monetary success, such as healthiness, authenticity, and an eco-friendly lifestyle (Yeoman, 2011).

The importance attached to sustainability and authenticity is a topic not only in the luxury literature, but also in the media and the fashion industry. One current example is, with many luxury brands increasing their image as sustainable brands, many consumers are questioning the use of fur. Lubov Azria, the chief creative officer for Max Azria designs, once said, “Fur is the most luxurious thing you can use down the runway” (CNN, 2015). However, not everyone would agree. Recently, Mimi Bekhechi, the director of international programs at People for the Ethical Treatment of Animals, reacted with the following statement to a highly profiled model wearing what appeared to be fur on the catwalk: “At a time when luxury brands from Michael Kors to Gucci are dropping fur, and following the news that Norway – one of Europe's biggest fur producers – is joining the growing list of countries that are banning fur farming, people are rightly gobsmacked to see any label send a mountain of corpses down its catwalk” (Oppenheim, 2018). The two quotes represent strong and divided opinions that people hold on luxury products and its signals; in the case of fur, it can be the most luxurious or the most grotesque item you can wear. It is unavoidable that not only the consumers, but also the companies and the stakeholders in the luxury industry are watched and judged by what they choose to define as luxury and the potential signals the consumption sends. On this note, it is interesting to note that Davies, Lee, and Ahonkhai (2012) found that consumers’ tendency to consider ethics is significantly lower for luxury products than other product types.

2.3.4 Comparing the functional, individual, and symbolic value

Paper I uses the three sets of values as a starting point for separating between premium and luxury products and labels. Although the combination of all three value sets is relevant and consumers use all three to make up their minds about products, paper I separates the framing of functional, individual, and symbolic value to confirm how this might influence how consumers can justify, defend, or show off buying a premium versus a luxury product. This insight adds to the literature because it confirms how the labels “premium” and “luxury” hold different positions in the mind of the consumer based either solely on the label or in combination with the value that is highlighted.

2.4 Justifying the indulgence: Motives, reasons, and regrets

2.4.1 Motivation

Motivation, the act or process of giving someone a reason for doing something (The Merriam-Webster dictionary), may stem from intrinsic and/or extrinsic motives (Benabou & Tirole, 2003). The interplay of these is discussed in theories such as cognitive dissonance (Festinger, 1957) and self-perception (Bem, 1972). For example, in the view of the overjustification effect, too much focus on external motivation may, in fact, diminish the intrinsic motivation (Boggiano & Ruble, 1979).

Regulatory focus theory (Higgins, 1997, 1998) suggests that all goal-directed behavior is governed by two distinct motivational systems: promotion and prevention. The promotion system focuses on hopes and accomplishments (gains), and a prevention focus is concerned with safety and responsibilities (non-losses). Central in regulatory focus theory is that individuals with a promotion focus can use an approach strategy to obtain a goal or an avoidance strategy to avoid an unwanted situation (Chitturi, Raghunathan, & Mahajan, 2008). A promotion and prevention focus may be closely linked to losses, gains, success, and failure.

2.4.2 Losses, gains, success, and failure

The classic work of prospect theory (Kahnemann & Tversky, 1979) asserts that people make decisions based on the potential value of losses and gains rather than the outcome and that people evaluate these losses and gains using heuristics. Accordingly, a large body of research across a range of domains has documented how framing information in terms of loss versus gain influences attitudes and behavior (Eibach & Purdie-Vaughns, 2011; Meyerowitz & Chaiken, 1987; Roszkowski & Snelbecker, 1990). Ledgerwood and Boydstun (2014) found that that loss frames are “stickier” than gain frames in their ability to shape people’s thinking, and it is harder to go from a loss to a gain than from a gain to a loss.

A related body of work transposes these ideas to the influences of a successful or an unsuccessful event on consumer behavior (Cavanaugh, 2014; Kivetz & Zheng, 2006). In the situation of post-success, an achievement can make consumers feel worthy of rewards (Cavanaugh, 2014). Thus, an accomplishment may increase the perception of deservingness and lead consumers to indulge. Paper II explores the role of success and failure on consumer reactions to *premium* and *luxury*.

2.4.3 *Justification*

A stream of research within decision making finds that when faced with a decision, the solution is often reached by drawing a conclusion based on which option is the most justifiable one (Shafir et al., 1993). Justification plays an influential role in social reasoning theories, such as theories of human reasoning (Tversky & Kahneman, 1974) and cognitive dissonance theory (Festinger, 1957).

Justification is relevant to the evaluation of premium and luxury goods because there seems to be consent for the idea that hedonic and utilitarian products differ in terms of need for justification (Choi, Li, Rangan, Chatterjee, & Singh, 2014; Hagtvedt & Patrick, 2015; Jeong, Koo, & Veloutsou, 2015; Okada, 2005; Strahilevitz & Myers, 1998).

2.4.4 *Guilt and regret*

Guilt is identified as a key consumption emotion (Richins, 1997) and has been defined as “an individual's unpleasant emotional state associated with possible objections to his or her actions, inaction, circumstances, or intentions” (Baumeister, Stillwell, & Heatherton, 1994, p. 245). Guilt implies a violation of one’s internal standards, and thereupon a lowering of self-esteem (Burnett & Lunsford, 1994).

Guilt serves as a motivator in a consumer behavior purchase context, and has proven to be relevant for understanding reward programs (Kivetz & Simonson, 2002), direct marketing, and sales promotions (Strahilevitz & Myers, 1998). Guilt is also relevant for food because marketers often highlight enjoyment without guilt in food commercials (Burnett & Lunsford, 1994). Guilt is also relevant for hedonic products because hedonic shopping is likely to evoke more guilt than utilitarian shopping (Okada, 2005). Scholars have suggested that creative methods may be used to reduce the level of guilt, e.g. combining luxury purchases with a charitable message (Hagtvedt & Patrick, 2015).

Regret and guilt are closely linked concepts (Smith, Webster, Parrott, & Eyre, 2002). Guilt has generally received more research attention than regret. Regret is the “painful sensation of recognizing that ‘what is’ compares unfavorably with ‘what might have been’” (Sugden, 1985, p. 77). Understanding how guilt and regret influence consumer decision making might be a powerful tool, yet also one whose power marketers should be aware of and use carefully (Burnett & Lunsford, 1994).

2.4.5 *The licensing effect*

The licensing effect (self-licensing, moral licensing) refers to the idea that boosting one’s confidence and self-image and/or self-acceptance may consequently increase the likelihood of making immoral

choices or acting in an immoral way (Merritt, Effron, & Monin, 2010; Sachdeva, Iliev, & Medin, 2009). The licensing effect has been documented across different areas of behavior such as charity (Strahilevitz & Myers, 1998), nutrition (Wilcox, Vallen, Block, & Fitzsimons, 2009), and gender-discriminatory behavior (Monin & Miller, 2001). The licensing effect builds on the mechanisms of “the spillover effect,” which suggests that one’s actions should be understood sequentially and as linked to each other (Thøgersen & Ölander, 2003). A behavior may lead either to a sequential behavior that is in the same direction as the first (promotion spillover) or a behavior that pushes back against it (permitting or purging spillover) (Dolan & Galizzi, 2015).

The licensing effect is relevant to hedonic consumption. For consumers to maximize the enjoyment of a hedonic offer and thus reduce the anticipated guilt and regret, it is suggested that one must “earn the right to indulge” (Khan & Dhar, 2006). In this case, the “licensing effect” proposes that consumers who have a boosted self-concept before a purchase, for instance by partaking in charity before the purchase, will be more likely to buy a relative luxury (designer jeans) over a relative necessity (vacuum cleaner) (Khan & Dhar, 2006).

Although the literature suggests that hedonic products are more difficult to justify (Okada, 2005), this thesis advances the literature by suggesting that in some cases, when “licensed to indulge” after a success, a hedonic product may, in fact, lead to less anticipated guilt and regret compared to a utilitarian product (paper II). Thus, this thesis adds to the literature on the licensing effect (Khan & Dhar, 2006) as well as guilt and regret in consumption (Burnett & Lunsford, 1994; Hagtvædt & Patrick, 2015).

2.5 Extrinsic product characteristics – the product type, color, and congruence

Companies use cues to signal a premium and luxury image to the consumer, such as packing color, packaging shape, brand name, and logo design (Bottomley & Doyle, 2006). One extrinsic cue that is relevant yet underexamined in the field of premiumness is the color used on the packaging. Color entails psychological meaning and learned associations (Labrecque, Patrick, & Milne, 2013) that send signals and guide consumers’ reactions to food (Koenigstorfer, Groeppel-Klein, Kamm, Rohr, & Wentura, 2012). For this reason, it is necessary to study colors in a context. The approach chosen here is to study color as a package element that interacts with other aspects of the product, such as its inherent nature and its framing. The congruence between these elements is examined as an explanatory mechanism.

2.5.1 The nature of the product and framing

Products are often separated depending on the primarily hedonic or primarily utilitarian product benefit the product offers (Strahilevitz & Myers, 1998). Hedonic benefits are multisensory benefits that appeal to the fantasy and emotional aspects of the product experiences, whereas utilitarian benefits offer a practical and instrumental advantage (Dhar & Wertenbroch, 2000; Hirschman & Holbrook, 1982). Hedonism and utilitarianism are discretionary concepts because products tend to be evaluated in a relatively more hedonic or utilitarian manner, and therefore, although products are primarily utilitarian or hedonic in nature, marketers can frame products based on utilitarian and hedonic benefits (Okada, 2005). For example, fish, which is a utilitarian product of nature may be marketed as “delicious” (hedonic framing) and/or “healthy” (utilitarian framing) (paper III).

2.5.2 Colors: Red versus green hue

The color of the product package sends a message to the consumer signaling expectations about product type, and, in the case of food, it may also influence taste impressions (Becker et al., 2011). Because colors are learned associations, it is relevant for marketing to understand how colors are perceived in order to understand how to optimize the color on product packaging (Labrecque, Patrick, & Milne, 2013). Because black has already been found to trigger associations of prestige, sophistication, and status (Ampuero & Vila, 2006; Labrecque, Patrick, & Milne, 2013), the aim of this thesis was to investigate further how premiumness may be triggered with elements of other colors. Therefore, in this thesis, red and green were chosen to investigate their potential effect on premiumness. Red represents a warm color with long wavelengths, whereas green belongs to the group of cool colors with short wavelengths (Chebat & Morrin, 2007). According to Labrecque and Milne (2013), as much as 50% of fast food logos in their study (of 281 top brands in total in the US) and 35% of other food logos, had the color red in the logo. Green is associated with “calming” and “peaceful,” similar to the colors blue and white (Madden, Hewett, & Roth, 2000). Green is interesting in marketing because of the “greenwashing effect.” Some studies have found that consumers are willing to pay a premium price for an environmentally friendly product (Bougherara & Combris, 2009; Nimon & Beghin, 1999). The question raised here is whether this would lead to higher premium associations (paper III).

2.5.3 Congruence and incongruence between design elements

Congruence and incongruence in marketing build on the notion of “match” and “mismatch” between elements, e.g., the color and the product type (Heckler & Childers, 1992). Congruence refers to the idea that a match between design elements is the most appropriate, whereas a preference for

incongruence suggests that mismatching the product elements can create a favorable attitude (Fleck & Quester, 2007). Some scholars suggest that using an unusual color or flavor name (incongruence) is beneficial for the brand because the unexpected component can lead to increased likability (Miller & Kahn, 2005). On a different note, a study by Labrecque and Milne (2013) suggested that whether it is useful or harmful for a brand to differentiate itself from the color trends in the category depends on the product category. Therefore, this thesis combines color (red versus green), the nature of the product (hedonic versus utilitarian), and the framing of the marketing message (hedonic versus utilitarian) to test how congruence and incongruence between these elements may influence premium associations (paper III). This adds new insight to the literature because it suggests a way to enhance premiumness with these elements.

3 Methods

The methodological approach in this thesis combines qualitative and quantitative methods: interviews analyzed with Linguistic Inquiry and Word Count, LIWC15 (Pennebaker, Booth, Boyd, & Francis, 2015) in paper I, and an online between-subjects experimental design in papers I, II, and III.

3.1 Interviews analyzed with Linguistic Inquiry and Word Count (LIWC)

Attitudes and emotions are more likely to be revealed when the respondents can choose their adjectives (Rocklage & Fazio, 2015). Therefore, a qualitative approach was taken to get a better initial understanding of the differences between *premium* and *luxury* from a consumer perspective. Conducting interviews as a first step in the data collection process for this thesis was useful, because it facilitated exploring the topic in depth, and it provided insights that would not be likely to be discovered by relying only on quantitative data. The aim is to understand *how* respondents talk, rather than just focusing on *what they say* (Toma & D'Angelo, 2015). The *linguistic* cues were analyzed using the software program LIWC15 (Pennebaker et al., 2015).

LIWC provides a method for *analyzing the* emotional, cognitive, and structural components of text samples, and is a powerful tool because of its ability to analyze the meaning behind the words (Tausczik & Pennebaker, 2010). Individual sample t-tests in SPSS detected differences in the word usage between the premium and luxury groups. Due to the low sample size and the explorative nature of the study, the numbers provided are not generalizable, but that was not the purpose. The aim of running statistics was, in this case, to explore potential differences in linguistic cues that would be tested in a follow-up study.

3.2 Online Experiments

Papers I, II, and III applied an online between-subjects experimental design. Experiments are efficient for testing consumer reactions (Morales, Amir, & Lee, 2017). Paper II and III collected respondents through student samples, and paper I used Mturk. The employment of student samples is not uncommon in experimental studies investigating luxury consumption (e.g., Jiang, Gao, Huang, DeWall, & Zhou, 2014; Nelissen & Meijers, 2011). Mturk is also widely used to collect data in consumer research (Goodman, Cryder, & Cheema, 2013; Haesevoets, Van Hiel, Onraet, Joosten, & De Cremer, 2017). Considerations about that will be discussed in the section on limitations.

Morales et al. (2017) distinguish among three types of experimental designs: hypothetical vignettes in the lab, realistic experiments in the field, and field experiments. The online experiments in papers I, II, and III are based on hypothetical vignettes. Vignettes are studies where the respondents are presented with a scenario and asked to evaluate what their response to the scenario would be (Piqueras-Fizman & Jaeger, 2014). Despite vignettes being placed on the lower end of the scale of experimental realism and behavioral measures, they are, according to Morales et al. (2017), the most commonly applied type of experiment in consumer research. For example, the pioneering experiments in the development of prospect theory were based on scenarios framed as losses or gains and measured hypothetical choices (Kahnemann & Tversky, 1979).

ANOVA

An Analysis of Variance (ANOVA) (Kirk, 1982; Rosnow & Rosenthal, 1989, 1991) was employed to test how the independent variables interact with each other and may explain the dependent variables. The dependent variables were: willingness to buy, justification, the desire to show off, the need to explain (paper I), guilt and regret (paper II), and premiumness (paper III).

In paper I, a 2×3 experiment (label × value) was conducted with four dependent variables. For paper II, a 2×2×2 between-subjects design (prior event × labels × product type) was employed, and for paper III, two separate 2×2 between-subjects experiments (color × product type) were conducted. Given the nature of the study designs, a simple interaction effect was tested in papers I and III and a three-way interaction was tested in paper II. Interaction effects represent the combined effects of factors on the dependent variables, and a three-way interaction can be defined as the difference between two simple interaction effects. In other words, if the simple interaction effects differ significantly, then the three-way interaction will be significant (Rosnow & Rosenthal, 1989).

4 Summarizing the papers and the main findings

The following section presents a summary of the three papers. A full version of the papers is included in the appendix.

4.1 Paper I: *Premium and luxury: To justify or to show off?*

Paper I took a general approach to understanding how consumers differentiate between *premium* and *luxury*. It is not a given that high-end brands are necessarily labeled premium or luxury; however, consumers tend to make their own evaluations, based on the degree to which they can justify the goods. Demonstrating how the premium and luxury labels may affect psychological processes, such as justification, is one of the main contributions of this study. The study provided evidence for different levels in a pre-study using LIWC to analyze linguistic cues and the main study: an online experiment.

The pre-study provided preliminary evidence for the premise that premium and luxury require different levels of justification by suggesting an emotional yet ambivalent component in the manner of speech for *luxury*, and a higher level of reward and power for *premium*.

Next, the main study tested whether these findings could indicate that the label *luxury* itself urges a higher need for justification than premium. In addition, the study tested how the desire to show off, willingness to pay, and the need to explain a purchase may depend on the framing of the label (premium versus luxury) in combination with the framing of the value (individual, functional, symbolic). The main effects of the label on the willingness to buy and justification support the hypothesis that the nature of a luxury good is harder to justify and may be easier to come up with a reason for buying than a premium good, and that the symbolic value is more difficult to justify for oneself. Next, there was a significant interaction effect of label and value on the desire to show off and the need to explain. When framed to buy *premium*, the desire to show off was higher for a product framed on the individual or symbolic value, than functional, whereas for a *luxury* product, the desire to show off was higher when framed on the functional value, compared to the individual or symbolic value. Next, the need to explain a *premium* product was highest when framed on the symbolic or individual value, whereas the need to explain a *luxury* product is higher when framed on the functional value.

The study demonstrates the differences of premium and luxury goods across the functional, individual, and social value dimensions, and the higher need to justify the label itself. The studies in papers II and III build further on these findings.

4.2 Paper II: Guilt-free pleasures, deserve it or not: How premium versus luxury can influence anticipated guilt and regret

Imagine going to the shop with the aim to purchase a *premium* versus a *luxury* item. Could this mindset influence the anticipated levels of guilt and regret? Expanding on the findings from paper I, paper II tested if and how the aim of acquiring a *premium versus luxury* product may evoke different levels of anticipated guilt and regret, depending on a prior event (success and failure) and the nature of the product (hedonic versus utilitarian). A 2×2×2 between-subjects experiment tested the hypothesis.

The findings propose that after a successful event (receiving an A on an exam) the anticipated regret and level of guilt are lower for a hedonic product compared to a primarily utilitarian one. The effect was valid when the consumers were looking to buying *luxury*, as well as *premium*. In a situation following a failure (receiving an F on an exam), the anticipated levels of regret and guilt are lower for a product that is primarily utilitarian in nature. However, this effect only appeared when the participants were looking to buying *luxury* and not *premium*. The results propose how the “licensing effect” applies to a situation of post-success and -failure by suggesting that people may feel more licensed to indulge with a hedonic premium or luxury product after success and more licensed to indulge with a utilitarian luxury product after a failure. The results also add to the literature of premium and luxury labels because the effect of less guilt and regret for a utilitarian product in a post-failure situation is valid when looking to buy luxury, but not premium. This adds a novel understanding to how the mindset of buying premium and luxury may in fact influence the consumers’ anticipated levels of guilt and regret.

4.3 Paper III: Evoking premiumness: How color-product congruence influences premium evaluations

The purpose of paper III was to advance the findings from papers I and II by investigating practical implications for how premium associations are enhanced through marketing efforts. The aim of the research was to explore how the mechanism of congruence and incongruence between the marketing message and the packaging color may influence premium associations. The study incorporated the role of the nature of the product (primarily hedonic or primarily utilitarian) with the framing of the product benefit (a hedonic or utilitarian marketing message) and the packaging color (green versus red).

Two separate 2×2 (framing × color) between-subjects online experiments were conducted; first, one experiment with a primarily hedonic product (coffee), and secondly a replication of the first study,

yet with testing a primarily utilitarian product (cod). The findings from paper III suggest that, for a hedonic product (coffee), consumers prefer congruence between the marketing message and the packaging color. On the contrary, if the product is utilitarian in nature (cod), consumers are likely to evaluate the product as more premium when the product color and marketing message are incongruent.

5 Discussion, contributions, and implications

This thesis has brought up topics that add to the premium and luxury literature. In this final chapter, the findings are discussed in a broader context in terms of what has been added to the literature and suggestions for how future research can continue to advance the field.

5.1 To justify or not to justify?

The need for equilibrium between pleasure and reason is a central finding that appeared across the three papers. The desire to maintain such a balance is in line with the fundamental reasoning of cognitive dissonance theory (Festinger, 1957).

In paper I, the balance component between the hedonic and utilitarian was manifested through the label and the values. The findings underline the challenges with the self-serving biases (Pronin, Gilovich, & Ross, 2004). In one moment, when defending the product for oneself, it is easier to play up the hedonic component, whereas when explaining the product to others, the reasoning may be different. The paper touched upon how a product may be justifiable for oneself, but not necessarily for when needing to explain it to others. These results also emerged from linguistic analysis, where the findings revealed a higher emotional tone and more positive words for luxury, whereas individuals speaking about premium were more authentic in their speech and used more words related to power and reward. In paper II, the balance was focused on how a success or failure makes one feel deserving or undeserving of a premium or luxury product. Finally, in paper III, the right balance of the hedonic and utilitarian element was achieved through the combinations of the product type, the framing of the marketing message, and the color of the packaging. A central finding here was that the desire for balance, or congruence, was different for a primarily hedonic versus a primarily utilitarian product. In the case of a primarily hedonic product, congruence evoked higher levels of premiumness, whereas for a primarily utilitarian product the opposite effect was found.

Recalling the definition of perceptions as mental images that are quick, instant intuitive cues, one can say that a small spark of information may help consumers reason their purchases. For example, a prior event, the framing of the label, the self-licensing, congruence, or product characteristics may

serve as such cues that trigger a higher or lower need for justification. As found in some cases, consumers are more dependent on good reasons for celebration, and other times, when having earned the right to celebrate something, they want to celebrate it all the way. In those cases, the most luxurious options may be the most justifiable ones, at least in our minds. Diamonds are forever, aren't they?

5.2 *Don't look back with regret!*

Imagine a consumer who purchases too many groceries, does not manage to eat them all, and consequently, instead of overconsuming before they go bad, ends up throwing them away. This consumer may regret buying too much food but may not feel guilty about throwing it out, as he or she at least did not overeat. Then imagine another consumer who splurges on a luxurious vacation. This consumer may feel guilty about spending a significant amount of money on vacation, but might not regret it, because the pleasure and experience it provided were worth every penny.

Understanding how consumers may make choices that are not regretted and do not lead to guilt may be beneficial for stakeholders in all product categories, but, as highlighted in this thesis, especially relevant for premium and luxury goods and foods. Paper II devoted attention to guilt and regret, and suggested a similar direction for the construct, but the significant levels found in paper II were slightly different. Marketers and scholars may use this information in communication strategy to optimize product offerings as there lies great potential in encouraging consumption that is well thought through. Although hedonic consumption has in previous studies been suggested to evoke higher guilt and regret, paper II suggested that, in fact, in some cases a utilitarian product may lead to higher regret and guilt and, in other cases, a hedonic product may lead to higher levels of guilt and regret. Thus, it is not to be neglected that the constructs guilt and regret are critical to understand when developing products with a high need for justification. Marketing messages and product attributes play a major role here.

5.3 *Adding color to the equation*

With a growing demand for ecological, healthy goods, and Fairtrade, it may be tempting for food marketers to choose green for product packaging with hopes of consumers' perceiving the product as more environmentally friendly. On the other hand, other food companies may rely on red, as it is the color that is most commonly seen on food logos. The results from paper III are relevant for marketers of premium food products because they provide guidelines for when green versus red may be useful to evoke premium evaluations and suggest how to do so. Using green or red does not by itself enhance premium perceptions; however, with the right combination of the marketing message,

it can. For hedonic products, the traditional “green for healthy” and “red for delicious” may be effective, whereas marketers of hedonic products are advised to switch this around and offer red for healthy products and green for delicious. Therefore, when adding color, the optimal results are likely to occur when the product type and the framing of the marketing message are included in the equation.

5.4 Limitations and future research direction

Like all scientific studies, the studies included in this thesis have several limitations. First, there are limitations with the sample. A general limitation is that most of the samples are from Norway, with the Mturk sample in paper I the only exception. Further research is necessary to assess whether the mechanisms found in the three studies are applicable to other countries and cultures. Moreover, even though the LIWC analysis in paper I used a sample with adults who can afford premium and luxury goods, the experiments in papers II and III relied on student samples, and paper I on a sample from Mturk. It is not uncommon to use student samples and Mturk experimental studies in consumer research (Goodman et al., 2013; Jiang et al., 2014). Nevertheless, future studies are encouraged to widen the sample’s scope.

Paper I generated the initial findings of justification, which provided a foundation for the direction of the thesis and were further employed and tested in paper II. Using LIWC was valuable for exploring differences in the manner of speech. With that said, LIWC could have generated more findings if a short survey had been given to the respondents before or after the interviews. This way, one could have tested the effects of linguistic cues on variables, e.g., justification.

There are some general weaknesses related to the experiments that must be addressed. The experiments in the papers only include one or two products. It would be interesting for the tests to include different products, to ensure that the effect found is applicable across a wider range of products than the ones tested in the studies. Another important point regarding the experimental design is that paper III only tested two separate 2x2 interaction effects. Alternatively, a 2 (prior event) × 2 (color) × 2 (product type) could be tested for a three-way interaction effect, as in paper II. Paper III introduced the role of color on product packaging as a component for understanding premium associations. Conducting color studies may be challenging, as there may be factors to take into consideration when designing them (Elliot, Maier, Moller, Friedman, & Meinhardt, 2007). Thus, there are some weaknesses in this regard. First, regarding the design of the coffee package, the flavor label was manipulated, and on the cod package the name of the brand was manipulated. This choice was made with the aim of giving the packages a realistic appearance. However, one could

argue that it would be better to compare the product packages where the brand was manipulated on both packages. Another weakness of the study is the use of a self-reporting measurement to reveal color blindness. Although previous studies have relied on self-reporting to eliminate participants who are color-blind (Clydesdale, 1993), future color studies should test color blindness.

As a final limitation, it must be mentioned that the experimental designs were based on artificial vignettes. They were sufficient for this research aim; however, future research is encouraged to test justification mechanisms and related concepts with realistic experiments and field experiments.

5.5 A closing note

The changes in luxury and premium markets and consumer perceptions are canvas for researchers. Although touched upon in this thesis, there are many topics within this field that deserve more research attention, such as healthy products positioned as premium, and the future of sustainable and authentic luxury. This thesis has added a contribution by looking at how the premium and luxury labels are separated and how individual and external cues may evoke premium and luxury associations. It is important to note that these labels do not have to be on the products: they can be in the mindset of the consumer. Therefore, understanding how consumers think about their own consumption and how they define their own consumption may impact on consumer processes including willingness to buy, justification, guilt, and regret. As we are moving in the direction of desires for reduced waste and less consumption, understanding how consumers regard their own consumption is important. Building on the results from this thesis, which underline the importance of understanding consumer purchase justification, regret, guilt, and desires to show off and explain purchases, further research is encouraged to test further, with different experimental methods, how consumers react, think about, and enjoy premium and luxury goods. These efforts can help to create products that are sustainable and desired in the fast-growing premium and luxury markets.

6 References

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Appendix

The interview guide (paper I)

An interview guide consisting of five parts was developed, based on the theoretical framework. The interviewees in the two conditions received the same questions, with the only differences being the framing of premium or luxury goods. The interview guide consisted of the following questions:

The Functional value

- What do you associate with the word “luxury” (“premium”)?
- What characterizes a “luxury” (“premium”) product?
- What characterizes a “luxury” (“premium”) experience?
- What characterizes a “luxury” (“premium”) service?

The Experiential value

- Do you ever buy “luxury” (“premium”) products / services/ experiences? Why/why not? If yes, when?
- Can you describe a situation where you really felt that you had a “luxury” (“premium”) feeling/ experience?
- What did you feel in that moment? Can you think of more feelings that you had in that moment?

The Symbolic value

- How would you describe a person who purchases “luxury” (“premium”) products/ services/ experiences?
- What do you think that “luxury” (“premium”) symbolizes?
- Why do you think people purchase “luxury” (“premium”) products /experiences/services?

The Overall differences

- Is there a difference between “premium” and “luxury” products /experiences/ services? If yes, what is it

Papers I-III